

United Capital Money Market Fund | Monthly Fact Sheet



December-21

FUND OBJECTIVE

The United Capital Money Market Fund allows investors to invest in high quality money market instruments like Treasury bills and certificates, Commercial papers and Bankers' acceptance. The Fund is an income Fund. It provides liquidity, capital preservation, as well as moderate and stable return. The Fund is appropriate for corporate and individual investors who desire less volatility in returns using their surplus funds for short periods of time. The main objective of the Fund is to achieve consistent income streams through investment in a portfolio of money market securities and investments specified in the Trust Deed. The money market fund preserves capital, offers quarterly interest payment as well as safety and liquidity.

MARKET REVIEW, OUTLOOK AND STRATEGY

Last month, activities in the money market maintained its bullish momentum in the month of December as rates trended lower. System liquidity improved on the back of inflows from maturing bills, coupon payments and FAAC credits. However, funding pressures resurfaced during the month, following mop-up activities conducted by the Central Bank of Nigeria (CBN) via OMO, NT-bills, Bonds auctions and CRR debits as it attempted to control the amount of liquidity within the system. Nevertheless, the heavy liquidity in December pushed interbank rates lower for the month as average Open Buy Back (OBB) and Overnight rates (OVN) both fell by 725bps m/m to print at 10.00% and 10.50%, respectively.

At the primary market, the CBN conducted two OMO auctions and three NT-bills auctions. For the OMO auctions, the CBN sold the sum of N130.0bn worth of OMO bills across the two auctions with stop rates remaining unchanged at 7.0%, 8.5% and 10.1% across the short, mid, and long end of the curve. At the NT-bills auctions, the CBN sold the sum of N112.4bn across the 91-day, 182-day and 364-day bills, exactly the amount on offer during the auctions. Across the auctions, stop rates on the 91-day and 182-day bills remained unchanged at 2.5% and 3.5% respectively. On the other hand, the 364-day bill dipped 55bps, 34bps and 10bps at the two auctions, closing the month at 5.9%.

In the secondary market, bullish sentiments dominated the market as average NT-bills yield fell by 37bps m/m to close at 4.4% (previously 4.8%). Similarly, in the OMO bills market, average yield closed flat at 5.5%, same as previous month. Activities in the secondary market continues to show investor's expressive interest in short-tenor bills which has continued to drive rates lower.

Looking ahead, we expect to see increased activities and bullish sentiment dominate the money market as investors remain averse to the bonds market. However, we think investors may be developing some sort of gradual discontent with the NT-bills market as yields have declined in the past months.

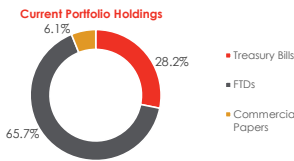
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The United Capital Money Market Fund is regulated by the Securities & Exchange Commission

Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2006
Fund Size (₦)	21.7bn
NAV Per Share (₦)	1.0
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Minimum Holding Period	30 days
Benchmark	91-day T-Bills
Management Fee	1.0%
Total Expense Ratio*	1.1%
Risk Profile	Low
Income Distribution	Quarterly

Maturity Profile of Assets	
0-30days	42.2%
31-60days	27.5%
61-90days	21.9%
91-180days	0.0%
180-365 days	8.5%



* Inclusive of management fee; Returns are net of all fees

Governance Asset Allocation Range

Money Market (100%)

Why Choose the Fund?

- Short-term capital preservation
- Seamless entry and exit
- Low entry threshold
- Professional management with robust risk framework

How to Participate

1. Log in to our online platform www.investnow.ng
2. Click on "Money Market Fund"
3. Click on "Open an account" and complete the online form
4. Fund your account online with a one-time payment or recurrent payments.

Return History

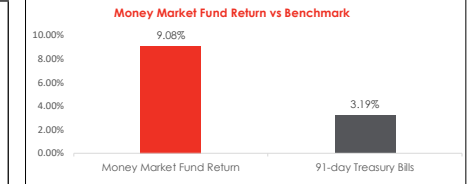
	2015	2016	2017	2018	2019	2020	2021
Money Market Fund Returns	11.3%	13.1%	14.2%	12.9%	12.87%	5.42%	6.91%
Benchmark Returns	2.4%	13.7%	11.0%	12.6%	11.16%	1.52%	3.34%

*Represents the Fund's Effective yield vs the Benchmark Return

PERFORMANCE REVIEW

The United Capital Money Market Fund yielded an average return of 9.08% for the month of December 2021, higher than the benchmark rate of 3.19%. While the average yield for Full year 2021 was 6.91% compared to the benchmark rate of 3.34%. The performance of the Fund was driven by lower interest rate reflected by decline in yields in money market instruments.

The Fund will continue to invest in high quality money market instruments that generate competitive returns for the benefit of the subscribers. The Fund is well positioned to deliver above-average returns despite the declining yield environment.



* Past performance is not a reliable indicator of future performance and individual investors' returns may differ depending on individual investment period. Performance is net of fees and charges. This information has been prepared for the purpose of providing general information, without taking into account your objectives, financial situation or needs. Before making an investment decision, you need to consider whether this information is appropriate to your objectives, financial situation or needs. Please consult your financial adviser. This information has been compiled from sources considered to be reliable, but is not guaranteed. Any potential investor should consider conducting further enquiries in deciding whether to acquire, or continue to hold units in a fund.