

United Capital Money Market Fund | Monthly Fact Sheet



March-22

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, in line with our expectations, stop rates at the money market trended lower towards the end of the month. Tightened system liquidity was the significant factor for the decline in stop rates seen towards the month's end.

The CBN conducted four (4) OMO auctions and three (3) NT-bills auctions at the primary market. At the OMO auctions, the CBN sold ₦170.0bn worth of OMO bills across the three auctions, with stop rates unchanged at 7.0%, 8.5% and 10.1% across the short, mid, and long end of the curve. The CBN also opted not to oversell the auction. At the NT-bills market, the CBN sold the sum of ₦432.4bn across three (3) auctions. Intriguingly, in the NT-bills market, yields rose by 45bps at the third and final auction of the month. A weaker buying interest amid tightening liquidity drove stop rates on the 364-day paper higher by 45bps to settle at 4.45% whilst stop rates closed the month at 1.75% (previous: 2.35%) and 3.3% (previous: 3.3%) for the 91-day and the 182-day paper. The CBN oversold by a cumulative of ₦181.3bn, despite offering to sell just ₦243.8bn, keeping in line with the Debt Management Office (DMO)'s overselling strategy of funding the fiscal imbalance.

Bullish sentiments dominated the secondary market as the average NT-bills yield closed lower at 3.2% (February: 3.6%). Similarly, at the OMO bills market, the average yield retracted by 100bps m/m to 3.6% (February: 4.6%).

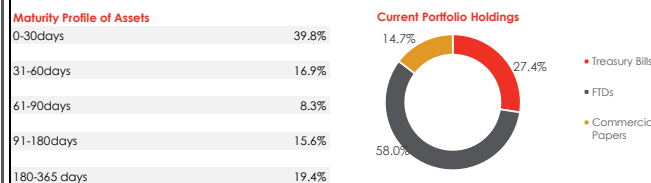
Looking ahead, we expect to begin to see a northward movement in the NT-Bills' yields on the back of limited maturities, which puts pricing power in the hands of the domestic money managers.

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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 (₦)	21.2bn
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



* 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

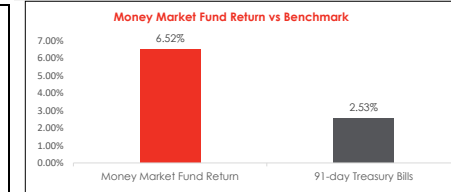
	2015	2016	2017	2018	2019	2020	2021	Mar-22
Money Market Fund Returns	11.3%	13.1%	14.2%	12.9%	12.87%	5.42%	6.91%	6.52%
Benchmark Returns	2.4%	13.7%	11.0%	12.6%	11.16%	1.52%	3.34%	2.53%

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

PERFORMANCE REVIEW

The United Capital Money Market Fund yielded an average return of 6.52% for the month of March 2022, higher than the benchmark rate of 2.53%. The performance of the Fund was driven by lower interest rate climate as reflected by a decrease in yields on 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.



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