

United Capital Money Market Fund | Monthly Fact Sheet

May-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

In the month of May, rates in the money market trended following the CBN's decision to hike MPR by 150bps. In line with our expectations, stop rates in the money market trended higher towards the end of the month. System liquidity tightened significantly, dipping as low as N100 bn into deficit within the month.

The CBN conducted two primary market NTB auctions with N280.0bn on offer. There was significant investor demand in a bid to fund its fiscal imbalance, as the CBN oversold at both outings selling a total of N311.0bn across both auctions. Stop rates rose significantly during the second auction printing at 2.5%, 4.0%, and 6.5% for the short, mid and long tenor papers. For context, the stop rates increased by 76bps, 89bps, and 170bps m/m for the 91-, 182-, 364- day papers.

In the secondary markets, bearish sentiments dominated the markets, with average yields settling at 3.58%, from a 22bps uptick from the end of April. The CBN also conducted three primary OMO auctions to mop up extra liquidity in the system. The CBN oversold OMOs by N80bn, despite N100bn worth of bills on offer by the government. The stop rates remain unchanged at 7.0%, 8.5%, and 10.1% across the curve's short, mid, and long end.

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

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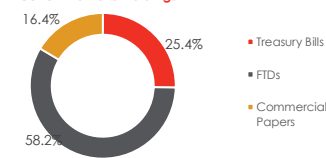
The United Capital Money Market Fund is regulated by the Securities & Exchange Commission

Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2006
Fund Size (₦)	20.3bn
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	42.0%
31-60days	17.2%
61-90days	14.5%
91-180days	19.1%
180-365 days	7.2%

Current Portfolio Holdings



*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	May-22
Money Market Fund Returns	11.3%	13.1%	14.2%	12.9%	12.87%	5.42%	6.91%	5.73%
Benchmark Returns	2.4%	13.7%	11.0%	12.6%	11.16%	1.52%	3.34%	3.13%

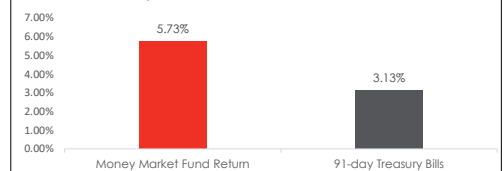
*Represents the Fund's Effective yield vs the Benchmark Return

PERFORMANCE REVIEW

The United Capital Money Market Fund yielded an average return of 5.73% for the month of May 2022, higher than the benchmark rate of 3.13%. The performance of the Fund was driven by higher interest rate reflected by increase 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 unitholders. The Fund is well positioned to deliver above-average returns despite the yield environment.

Money Market Fund Return vs Benchmark



Investment Risks

- Market risk relating to policy somersault
- Macroeconomic instability
- Interest Rate Risk

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.