

# United Capital Wealth For Women Fund | Monthly Fact Sheet



July-22

## FUND OBJECTIVE

The objective of the United Capital Wealth for Women Fund is to promote the financial inclusion of the female gender by increasing their access to financial investment products and addressing the current imbalance of most investment products being skewed towards the male gender.

The Fund Manager seeks to maintain a balance between realized income and capital growth to ensure regular distribution payments and continuous appreciation in asset values while ensuring optimal safety of assets and adequate liquidity to meet the Fund's obligations as they fall due. The Fund invests in money markets and equities. The equity portfolio is tilted towards companies with significant female representation on their boards and management teams.

## MARKET REVIEW, OUTLOOK AND STRATEGY

In July, the Nigerian Stock Exchange (NSE) was overrun by bearish investor sentiment as profit-taking activities quenched the initial optimism and rally in anticipation of the H1-2022 earnings season. We saw selloffs dominate the market as investors shifted their focus from the equity space to the fixed income space amidst rising rates due to the hike in the monetary policy rate and tight system liquidity. In July 2022, the benchmark NGX-All Share Index (NGX-ASI) fell by 2.8% m/m to close at 50,370.3 points. Consequently, YTD return moderated to 17.9%, from June's 20.4% print, with market capitalisation settling at N28.0tn.

The CBN conducted two primary market NTB auctions with a total of N407.6bn on offer across the 91-day, 182-day, and 364-day bills. The auctions witnessed bearish sentiments as investors took a standoffish stance toward fixed income instruments, demanding more value for their funds. Investor appetite for government paper remained strong, as the paper was oversubscribed by 1.1x. Stop rates on the 91-day, 182-day, and 364-day bills closed the month at 2.8%, 4.1% and 7.0%, climbing higher by 40bps, 31bps, and 93bps, respectively. Average yields in the secondary space rose by 2.4ppts m/m to close the month at 7.7% from June's close of 5.3%.

In July, the Debt Management Office (DMO) conducted its July FGN bond Auction with N225.0bn worth of papers on offer across the following instruments: MAR 2025 (3-year bond), APR 2032 (10-year bond) and JAN 2042 (20-year bond). At the auction, investor demand was lax. The auction was undersubscribed by 0.7x. Overall, the DMO undersold, with an allotment of N123.8bn vs N225.0bn on offer. In line with overall market expectations and illiquidity pressures, marginal rates across all the bond offerings climbed significantly, up by 90bps, 50bps, and 60bps, to print at 11.00%, 13.00% and 13.75%, respectively. In the secondary market, yields increased by 76bps m/m compared to the previous month.

**We expect bearish sentiments to persist in equity and bond markets following the increased yield in the fixed income space. In the NT-bills market, we expect incoming liquidity to moderate the elevated yield environment. For bonds in August, we expect investors to cue July's auction as investors will bid at rates they are comfortable with, forcing the DMO's hand to either hike marginal rates or risk underselling at the auction. This would be particularly interesting considering the FGN's continued fiscal imbalance and reliance on the domestic debt market.**

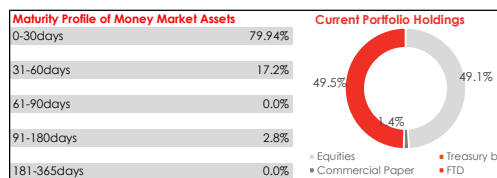
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The United Capital Wealth For Women Fund is regulated by the Securities & Exchange Commission

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Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2017
Fund Size (M)	635.8m
NAV Per Share (M)	1.15
Minimum Entry (M)	10,000
Additional Investment (M)	5,000
Structure	Open Ended
Entry/Exit Charges	Nil
Management Fee	1.5%
Total Expense Ratio*	1.6%
Benchmarks	91-Day T-bills/NGX ASI
Risk Profile	Moderate
Investment Style	Market Oriented



## Governance Asset Allocation Ranges:

Equities (10%-80%), Money Market (20%-90%)

## Why Choose the Fund?

- Low volatility of Investment returns
- Well diversified portfolio
- Seamless entry and exit
- Professional management with robust risk framework
- Automatic rebalancing in times of rising or falling markets
- Ability to enjoy long term capital growth as well as safety

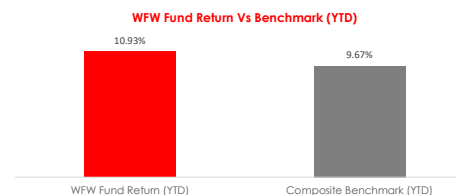
## How to Participate

1. Log in to our online platform [www.investnow.ng](http://www.investnow.ng)
2. Click on "Wealth for Women Fund"
3. Click on "Open and account" and complete the online form
4. Fund your account online with a one-time payment or recurrent payments.

## PERFORMANCE REVIEW

The United Capital Wealth For Women Fund returned 10.93% on a year to date ("YTD") basis, compared to the composite benchmark (91-day T-bills and the ASI) return of 9.67% for the same period.

The equities market witnessed sell offs during the month which impacted on the fund performance while active trading in short term fixed income instruments helped moderate losses. We remain conservative in line with the investment policy objectives, as our selection of fundamentally strong stocks and high yielding money market instruments should further enhance the returns of the Fund going forward.



## Investment Risks

- Market risk of equity exposure
- Macroeconomic instability

## Return History

	2018	2019	2020	2021	YTD
United Capital Wealth for Women Fund	5.09%	7.79%	3.12%	6.60%	10.93%
Benchmark Return	8.10%	1.12%	25.16%	5.56%	9.67%

\*Represents the Fund's Absolute Return vs the Benchmark's Absolute return