

United Capital Wealth For Women Fund | Monthly Fact Sheet



September-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 September, the Nigerian Stock Exchange (NSE) was overrun by bearish investor sentiment as the rising interest rate environment quenched the initial optimism of the Q3-2022 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. Increased sell pressure in blue-chip companies like ARTELAF (-1.96% m/m), NESTLE (-10.0% m/m), GTCO (-9.19% m/m), BUACEM (-2.62% m/m), and SEPLAT (-3.85% m/m) significantly impacted the m/m decline of the local bourse in the period under review. That said, the benchmark NGX-All Share Index (NGX-ASI) fell by 1.63% m/m to close at 49,024.16 points. Consequently, YTD return moderated to 14.8%, with market capitalisation settling at N26.5tn.

The CBN conducted three (3) primary market NTB auctions to roll over maturing bills of N517.7bn, spread across the 91-day, 182-day, and 364-day bills. Due to the overall liquidity of the system in the month under review, the auctions witnessed significant investor appetite, with total bids from the three auctions printing at N867.2bn, implying a bid-to-cover ratio of 1.7x, largely tilted toward the tail end of the curve. The CBN opted to sell the exact amount on offer in all the auctions. However, owing to the higher interest rate environment, investors remained bull-headed in their demand for more value for their funds. As a result, stop rates across the 91-day, 182-day, and 364-day bills climbed higher by 249bps, 250bps, and 350bps to settle at 6.5%, 7.5%, and 12.0%, respectively. The secondary bonds market was met with bullish sentiments from investors, trickling down from the unmet bids at PMA amid rising yields in the NT-bills market. Overall, average yields in the secondary market declined by 65bps m/m to close the month at 7.1% vs July's close of 7.8%.

The CBN conducted an OMO auction in September to sell N50.0bn worth of OMO bills in the primary market across the 89-day, 194-day, and 362-day tenors. The auction was met with improved sentiments from investors amidst the financial system's liquidity at the time, with total subscription printing at N146.3bn, implying a bid-to-cover ratio of 2.9x. Interestingly, the CBN sold the exact amount on offer (across the 89-day and 362-day), with investors' sentiment tilted toward the 362-day paper with an oversubscription rate of 4.0x, as investors relentlessly demanded higher rates for their funds. Bolstered by improved system liquidity at the time, the secondary market for OMO bills witnessed significant buy-pressure from investors. Consequently, the average yield in the space declined 81bps m/m to settle at 10.3% vs the previous print of 11.1%.

In September, we expect the local bourse to see continued sell-offs as investors divest to less risky high yield-bearing assets in the coullise of high-interest rates and a hawkish CBN. In addition, we expect bargain hunters to drive activity in the market in the upcoming month as companies release Q3-2022 results. For the fixed income markets, we anticipate a tighter financial system in October, as the total expected sovereign maturities (N765.5bn) for October is 15.2% lower than September's (N902.6bn) sovereign inflows. As the country's overall fiscal balance widens even further, growing by a CAGR of 2.7% in the last five years, we expect the government's

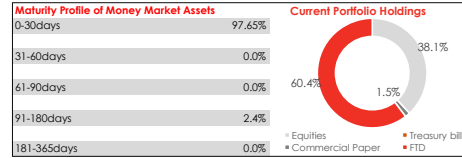
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The United Capital Wealth For Women Fund is regulated by the Securities & Exchange Commission

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Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2017
Fund Size (M)	640.1m
NAV Per Share (M)	1.16
Minimum Entry (M)	10,000
Additional Investment (M)	5,000
Structure	Open Ended
Entry/Exit Charges	Nil
Management Fee	1.5%
Total Expense Ratio*	1.8%
Benchmarks	91-Day T-bills/NGX ASI
Risk Profile	Moderate
Investment Style	Market Oriented



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

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

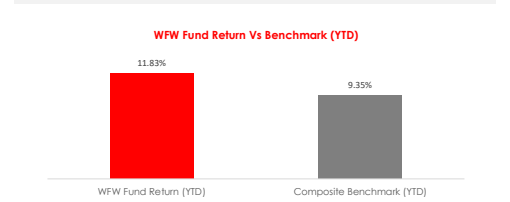
How to Participate

1. Log in to our online platform www.investnow.ng
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 11.83% on a year to date ("YTD") basis, compared to the composite benchmark (91-day T-bills and the ASI) return of 9.35% 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%	11.83%
Benchmark Return	8.10%	1.12%	25.16%	5.56%	9.35%

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