

October-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 October, the domestic equities market continued to witness bearish investor sentiment as the benchmark NGX-All Share Index (NGX-ASI) lost for the fifth consecutive month. The month started off on a depressing note as an unprecedented surge in interest rates, particularly in the money market (aided by CBN's broadly hawkish monetary policy and tight system liquidity) supported asset rotation at a faster pace during the month. The selloffs intensified into the month as investors aggressively dumped their equity positions in favour holding positions in money market instruments. Also, the earnings season swung into full effect but did little to raise risk appetite as several bellwether names posted disappointing Q3-2022 reports. Overall, we witnessed increased sell pressure in blue-chip companies like AIRTELAF (-36.3% m/m), DANGCEM (-10.0% m/m), WAPCO (-9.2% m/m), MTNN (-1.5% m/m), SEPLAT (-4.0% m/m), and NB (-13.5% m/m). That said, the benchmark NGX-All Share Index (NGX-ASI) fell by 10.6% m/m to close at 43,839.1 points, the highest monthly loss since Mar-2020 (at the peak of the pandemic selloff). Consequently, YTD return moderated to 2.6%, with market capitalisation settling at N23.9tn.

The CBN conducted two primary market NTB auctions to roll over maturing bills to the tune of N431.2bn, spread across the 91-day, 182-day, and 364-day bills. The auction witnessed weak investor appetite as the impact of the CBN's discount window restriction continued to drag on investor demand (mainly for banks). Total bids from both auctions printed at N248.9bn, implying a bid-to-cover ratio of 0.6x, largely tilted toward the 364-day paper. In line with the recent trend, the CBN opted to undersell the auction with an allotment rate of 0.3x. Given the weaker demand relative to the CBN's offer for sale, stop rates trended mostly higher at the auctions. As a result, stop rates across the 91-day, 182-day, and 364-day bills climbed higher by 1bp, 55bps, and 250bps to settle at 6.5%, 8.1%, and 14.5%, respectively.

The CBN did not conduct any OMO auction in the month under review. However, the secondary market for OMO bills witnessed bearish sentiments from investors, as the average rate in the secondary market for OMO bills rose 38bps m/m to settle at 10.2% vs the previous print of 9.8%.

In November, we expect the bear market to continue as the prevailing interest rate environment creates medium to long-term uncertainty in the equities market. In the fixed income markets, we maintain our higher rates prognosis across all money market instruments, with average funding rates remaining elevated around current levels, supported by an overall tight financial system. We also maintain our expectations of continued reliance on the domestic debt market by the Federal Government (FG) which would keep bond supply elevated amid the tight system liquidity.

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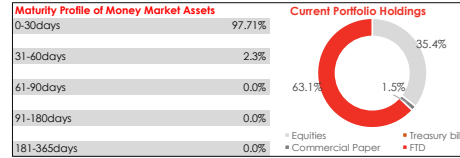
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The United Capital Wealth For Women Fund is regulated by the Securities & Exchange Commission

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Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2017
Fund Size (M)	626.1m
NAV Per Share (M)	1.13
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**

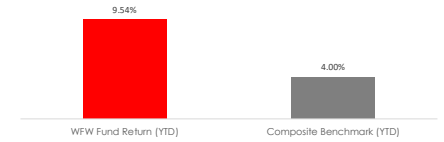
1. Log in to our online platform [www.investnow.ng](http://www.investnow.ng)
2. Click on "Wealth for Women Fund"
3. Click on "Open and account" and complete the online form
4. Fund your account online with a one-time payment or recurrent payments.

**PERFORMANCE REVIEW**

The United Capital Wealth For Women Fund returned 9.54% on a year to date ("YTD") basis, compared to the composite benchmark (91-day T-bills and the ASI) return of 4.00% 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.

**WFW Fund Return Vs Benchmark (YTD)**



**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%	9.54%
Benchmark Return	8.10%	1.12%	25.16%	5.56%	4.00%

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