

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 last month of 2022, activities in the money market maintained a bullish run but at a faster pace as rates dipped significantly. The financial system was very liquid despite the absence of any significant inflow or coupon payment. This was supported by FAAC inflow of N348.7bn (from the previous month) and OMO maturities to the tune of N30.0bn hitting the system. In addition, the apex bank opted to reflate the financial system as it reduced its mop-up activities. Noteworthy to highlight is that the financial system closed the year with a balance of N584.7bn. Nevertheless, funding rates remained in the double-digit region as average Open Repo Rate (OPR) and Overnight Rate (O/N) fell m/m by 102bps and 81bps to print at 11.8% and 11.3%, respectively.

At the primary market, the CBN conducted three NT-bills auctions and one OMO auction. For the NT-bills auctions, the CBN offered a total of N135.4bn worth of bills across the 91-day, 182-day and 364-day bills. The auction was met with strong investor demand owing to the healthy liquidity in the financial system, with total subscriptions printing at N1.5tn, implying a bid-to-cover ratio of 11.3x.

As a result, the CBN opted to oversell the auction, allotting N185.4bn worth of bills. Notably, the stop rates across the 91-day, 182-day and 364-day bills trended lower throughout the month, declining by 375bps, 90bps and 635bps to close the year at 2.75%, 7.15% and 8.49%, respectively (previously, 6.50%, 8.05% and 14.84%). For the OMO auction, the CBN offered a total of N30.0bn worth of bills across the 89-day, 187-day and 362-day tenors. Despite the auction being oversubscribed by 5.5x with total subscription printing at N165.7bn, the CBN decided to sell just the amount on offer. Hence, the stop rates on the 89-day, 187-day and 362-day bills closed at 7.0%, 8.5% and 10.0%, respectively.

In the secondary market, we saw significant bullish sentiments throughout the month as the average NT bills yield declined by 512bps m/m to close at 5.4% (previously 10.5%). Similarly, in the OMO bills market, the average yield on the papers fell by 677bps m/m to 3.4% (previously 10.1%).

Looking ahead, we expect that the downward pressures on rates in the money market will persist in Jan-2023, hinged on the expectations of increased maturities. We anticipate total sovereign maturities to the tune of N595.7bn to hit the system in Jan-2023, 249.4% higher than December's inflow. Thus, we expect funding rates and stop rates across auctions to trend lower.

Contact Us:

Emmanuel Akehomen | +234-703-180-3064
emmanuel.akehomen@unitedcapitalcaroup.com
 Asset Management | +234-1-631-7876
mutualfunds@unitedcapitalcaroup.com

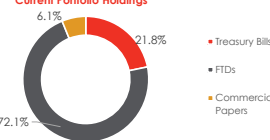
The United Capital Money Market Fund is regulated by the Securities & Exchange Commission

Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2006
Fund Size (M)	43.3bn
NAV Per Share (M)	1.0
Minimum Entry (M)	10,000
Additional Investment (M)	5,000
Structure	Open Ended
Minimum Holding Period	30 days
Benchmark	91-day T-Bills
Management Fee	1.0%
Total Expense Ratio*	1.3%
Risk Profile	Low
Income Distribution	Quarterly

Maturity Profile of Assets

0-30days	38.8%
31-60days	22.4%
61-90days	19.4%
91-180days	16.8%
180-365 days	2.6%

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

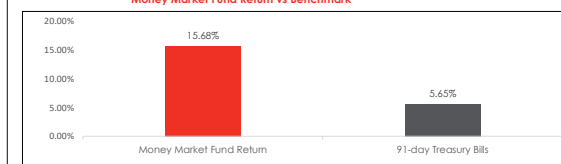
1. Log in to our online platform www.investnow.ng
2. Click on "Money Market Fund"
3. Click on "Open an account" and complete the online form
4. Fund your account online with a one-time payment or recurrent payments.

PERFORMANCE REVIEW

The United Capital Money Market Fund yielded an average return of 15.68% for the month of December 2022, higher than the benchmark rate of 5.65%. While the average yield for Full year 2022 was 9.34% compared to the benchmark rate of 3.97%. The performance of the Fund was driven by lower interest rate reflected by decline 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 subscribers. The Fund is well positioned to deliver above-average returns despite the declining yield environment.

Money Market Fund Return vs Benchmark



Investment Risks

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

Return History

	2015	2016	2017	2018	2019	2020	2021	2022
Money Market Fund Returns	11.3%	13.1%	14.2%	12.9%	12.87%	5.42%	6.91%	9.34%
Benchmark Returns	2.4%	13.7%	11.0%	12.6%	11.16%	1.52%	3.34%	3.97%

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

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.