

# United Capital Wealth For Women Fund | Monthly Fact Sheet



December-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 December, the domestic equities market sustained its bullish run from the previous month as we witnessed bargain hunting in stocks with sound fundamentals. The market closed green in all four weeks despite the expectation that investors would book profits from Nov-2022 gains and pessimism of a market slowdown. In addition, the sudden downturn in the yield environment sparked renewed interest in the equity market. Also, portfolio rebalancing activity contributed to the bullish sentiments as equity turnover doubled in the final week of the month. Notably, the market was primarily driven by buy interests in large-cap stocks such as BUACEMEN (+27.0% m/m), AIRTELAF (+12.8% m/m), NESTLE (+14.1% m/m), and MTNN (+2.1% m/m). As a result, the benchmark NGX-All Share Index (NGX-ASI) climbed by 7.5% m/m to close at 51,251.06 points.

Consequently, YTD return closed at 20.0%, from Nov-2022's 16.7% and Oct-2022's 2.6% print, with market capitalisation growing N1.9trn to settle at N27.9trn. 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 N1.5trn, 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.

Last month, the DMO conducted its final FGN bond auction for 2022, with a total offer size of N225.0bn across the 2029s, 2032s, and 2037s. At the auction, investors' demand came in strong, with overall bids summing up to N532.2bn implying a bid-to-cover ratio of 2.4x. The DMO opted to oversell the auction by an allotment rate of 1.2x, selling N265.5bn worth of papers across the tenors on offer. Notably, investors' interest was mainly skewed toward the 2037s, as it was oversubscribed by 5.0x. Marginal rates across all the offerings declined at the auction. This is attributable to the sustained improvement in investors' demand in synchrony with available liquidity versus the supply of bonds for December. Aside from that, investors continue to opt for fixed income alternatives amid the highest interest rate levels in more than a year. For context, marginal rates on the 2029s, 2032s, and 2037s declined c.15bps, 45bps, and 40bps, to print at 14.6%, 14.75% and 15.8% respectively.

**Looking forward, we anticipate robust market activity and bullish sentiments to continue. The usual January momentum is likely to dominate, particularly as the yield environment appears to be shifting downwards. Additionally, we expect anticipation of FY-2022 earnings to spur market performance. 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.**

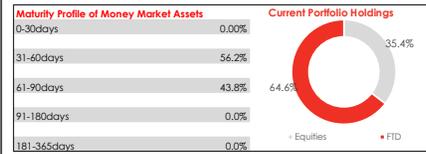
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The United Capital Wealth For Women Fund is regulated by the Securities & Exchange Commission

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Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2017
Fund Size (M)	643.5m
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



## 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 1.86% for the month of December and 12.33% for Full year 2022, compared to the full year return of 12.82% posted by the composite benchmark (91-day T-bills and the ASI).

The equity market was bullish in the month of December due to increased buying activities on the back of investors positioning for 2022FY earnings announcements and dividend declarations. As a result, the benchmark NGX-All Share Index (NGX-ASI) rose by 7.5% m/m to close at 51,251.06 points. Consequently, YTD returned 19.98% with market capitalization selling at N27.9trn.

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	2022
United Capital Wealth for Women Fund	5.09%	7.79%	3.12%	6.60%	12.33%
Benchmark Return	8.10%	1.12%	25.16%	5.56%	12.82%

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