

# United Capital Money Market Fund | Monthly Fact Sheet



January-21

## 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

Last month, the money market recorded a significant upturn in yields across all the different segments of the market. In line with our outlook, investors' desire for higher yields at the primary market amidst increased deficit financing program drove repricing of money market yields.

At the interbank market, sustained CRR debits, aggressive OMO mop-ups and SMIS FX sales tightened system liquidity towards the end of the month. As a result, OBB and OVN rates closed the month at 10.50% and 11.00% respectively from 0.50% and 0.83% at the end of December 2020. The NT-Bills market enjoyed sporadic periods of bullish sentiments during the month as sellers in the bonds market looked to position at the short end of the yield curve. Similarly, proceedings in the secondary OMO bills market were broadly bearish with average yield closing at 1.65% for January from 0.58% at the end of December 2020.

During the month, the CBN conducted two PMAs and four OMO auctions. At the OMO auctions, stop rates closed largely in line with prior auctions. However, noteworthy to mention was the decision by the CBN to raise its offerings on the long tenor OMO bill, indicating initial moves at monetary policy tightening. Meanwhile, at the PMAs, stop rates closed higher at all ends of the curve as the 91-day, 182-day and 364-day bills closed at 0.55%, 1.30% and 2.00% respectively at the final auction for January 2021 from 0.035%, 0.50% & 1.21% at the last auction for December 2020. This in turn stoked bearish sentiments in the money market.

**Looking ahead, we still expect bearish sentiments to trail activities in the money market. The tighter system liquidity, sustained reliance by fiscal authorities on local debt market and upward inching yields at the primary**

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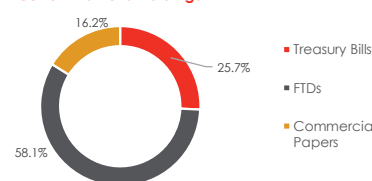
The United Capital Money Market Fund is regulated by the Securities & Exchange Commission

Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2006
Fund Size (₦)	13.4bn
NAV Per Share (₦)	1.0
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Minimum Holding Period	30 days
Benchmark	91-day T-Bills
Management Fee	1.0%
Total Expense Ratio*	1.1%
Risk Profile	Low
Income Distribution	Quarterly

### Maturity Profile of Assets

0-30days	59.5%
31-60days	11.9%
61-90days	3.3%
91-180days	20.5%
180-365 days	4.8%

### 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

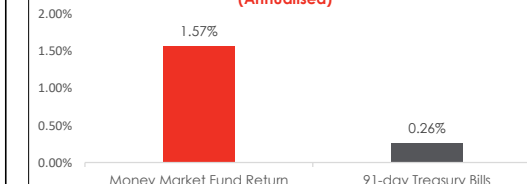
1. Log in to our online platform [www.investnow.ng](http://www.investnow.ng)
2. Click on "Money Market Fund"
3. Click on "Open an account" and complete the online form
4. Fund your account online with a one-time payment or recurrent payments.

## PERFORMANCE REVIEW

The United Capital Money Market Fund yielded an average return of 1.57% for the month of January 2021 higher than the benchmark rate of 0.26%. 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 current low yield environment.

### Money Market Fund Return vs Benchmark (Annualised)



### Investment Risks

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

### Return History

	2015	2016	2017	2018	2019	2020	Jan-21
Money Market Fund Returns	11.3%	13.1%	14.2%	12.9%	12.87%	5.42%	1.57%
Benchmark Returns	2.4%	13.7%	11.0%	12.6%	11.16%	1.52%	0.26%

Past performance is not a reliable indicator of future performance. 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.