

United Capital Wealth For Women Fund | Monthly Fact Sheet



February-23

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 February, the bulls continued their strong dominance in the NGX as we saw bargain hunting in stocks with fundamentals amid a depressed yield environment. In addition, the release of several positive FY-2022 earnings results improved investors' sentiment in the market, thus, spurring the m/m increase. Notably, buy interests in large-cap stocks such as MTNN (+8.8% m/m), BUAFOODS (+20.8% m/m), GEREGU (+46.7% m/m), DANGCEM (+4.2% m/m) and SEPLAT (+20.5% m/m) drove the local bourse upwards. As a result, the benchmark NGX-All Share Index (NGX-ASI) climbed by 4.8% m/m to close at 55,806.3 points. Consequently, YTD return improved to 8.9%, from January's 3.9% print, with market capitalisation settling at N30.4tn.

In the month c. N480.6bn worth of NT-bills matured. The CBN conducted two NT-bill primary market auctions. At the first auction, the CBN conducted an NT-bill auction with N217.1bn worth of bills across the 91-day, 182-day and 364-day papers. The auction was met with overwhelming demand from investors amid the liquid financial system. Total subscription printing at N1.1tn, implying a bid-to-cover ratio of 4.5x, with the 364-day bill oversubscribed by 4.8x. The CBN opted to oversell, with an entire allotment of N417.1bn. Therefore, stop rates fell 19bps, 150bps and 254bps to close at 0.1%, 0.3%, and 2.24% across the 91-day, 182-day and 364-day papers, respectively. At the second auction, N236.5bn worth of bills were offered across the 91-day, 182-day and 364-day papers. Demand from investors at the auction was strong, with total subscription printing at N296.8bn, implying a bid-to-cover ratio of 1.3x. The CBN opted to sell the exact amount on offer. The temporarily illiquid financial system pre-auction made investors more aggressive with bids. Thus, stop rates climbed significantly by 2.9ppt each for the 91-day and 182-day papers to settle at 3.0% and 3.2%, respectively, while the stop rate on the 364-day paper rose by 7.7ppt to 9.9%.

Last month, The Debt Management Office (DMO) conducted its FGN bond auction in the primary market, with an offer of N340.0bn across four (4) tenors, FEB 2028, APR 2032, APR 2037, and APR 2049. At the auction, investors' demand came in strong with overall bids summing up to N992.1bn implying a bid-to-cover ratio of 2.8x. The DMO opted to oversell the auction by an allotment rate of 1.8x, selling N662.6bn worth of papers across the tenors on offer. Interestingly, marginal rates at the longer end of the curve climbed by 10bps from 10bps, the 2037s and 2049s, to settle at 15.9% and 16.0% from 15.8% and 15.9% respectively. The observed upward climb is largely down to the DMO's decision to oversell the auction, particularly at the tail of the curve, as allotment-to-offer ratio for 2037 and 2049 printed at 2.5x and 2.7x respectively, indicating the FG's strategy of frontloading debt issuances and a sustained reliance of domestic debt market to fund the budget deficit. The marginal rate on the 2032s remained unchanged at 14.9% and attracted the least interest from investors at the auction, as it was undersubscribed by 0.9x. However, the marginal rate on the 2028s declined by 1bp to settle at 13.99% from 14.0%.

Looking ahead, we maintain our positive outlook for the domestic equities market in Q1-2023, supported by the excess system liquidity and depressed rates in the fixed-income environment. However, we believe investors may book profits off stocks that performed well in the previous month's rally. We expect the downward pressures on rates in the money market will persist in Mar-2023, hinged on the expectations of a relatively surplus system liquidity and net inflows in the quarter. Also, we expect bearish sentiments from investors toward duration-exposed instruments, as they continue to price in another potential hike from the MPC in its March (20th – 21st) meeting, in response to the higher-than-expected inflation print for Feb-2023. Lastly, coupon payments to the tune of N351.9bn (426.7% higher than the total coupon payment of N66.8bn in Feb-2023) will make room for pockets of bullish sentiments, as investors will look to reinvest their funds.

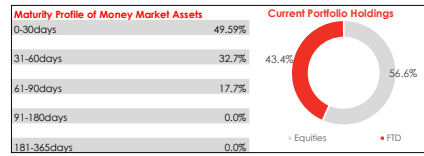
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The United Capital Wealth For Women Fund is regulated by the Securities & Exchange Commission

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.

Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2017
Fund Size (M)	697.5m
NAV Per Share (N)	1.26
Minimum Entry (N)	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
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 8.08% on a year to date (YTD) basis as at the end of February, compared to the composite benchmark (91-day T-bills and the ASI) return of 4.52% for the same period.

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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

	2019	2020	2021	2022	YTD 2023
United Capital Wealth for Women Fund	7.79%	3.12%	6.60%	12.33%	8.08%
Benchmark Return	1.12%	25.16%	5.56%	2.10%	4.03%

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