

# United Capital Wealth For Women Fund | Monthly Fact Sheet



April-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

The domestic equity market was mostly bearish in April, stimulated by the higher yields in the fixed-income market. Equily-vested fund managers opted to cherry-pick stocks with strong fundamentals (attractive dividend-paying stocks with low priceings) as the Q1-2023 earnings season gradually came to an end toward the month. Notably, sell-offs across AIRTELAFRI (-15.5% m/m) and MTNN (-4.7% m/m) significantly drove the bourse's month-on-month negative close. That said, the benchmark NGX-All Share Index (NGX-ASI) declined by 4.5% m/m to close at 52,403.5 points. Consequently, YTD return settled at 2.3%, with market capitalisation shedding N1.4trn to settle at N28.5trn.

At the primary market, the Central Bank of Nigeria (CBN) conducted two NT-bills auctions in April. The CBN offered a total of N281.1bn worth of bills across the 91-day, 182-day, and 364-day bills. The auction was met with strong investor demand owing to the buoyant liquidity in the system, with total subscriptions printing at N1.1tn, implying a bid-to-cover ratio of 3.9x. Notably, the Apex Bank sold just the amount offered at the auctions. As a result, the stop rates across the 91-day and 364-day bills trended lower throughout the month, declining by 70bps and 457bps to close the year at 5.30% and 10.17%, respectively (previously, 6.00% and 14.74%). On the other hand, the stop rate on the 182-day bill remained unchanged to settle at 8.00%.

The Debt Management Office (DMO) conducted its APR FGN bond auction. The DMO offered to the market a total of N360.0bn bonds across four (4) tenors, FEB 2028, APR 2032, JAN 2042, and MAR 2050. At the auction, investors oversubscribed with overall bids summing up to N442.0bn. This implied a bid-to-cover ratio of 1.2x. The DMO oversold the auction modestly by 2.1%, selling N367.6bn worth of papers across the tenors on offer. Interestingly, the marginal rate on the 2028s was unchanged at 14.0%, while the 2032s rose by 5bps to 14.8%. The marginal rate on the newly issued re-issued 2042s and 2050s printed at 15.4% and 15.8%, respectively.

Looking ahead, we expect mixed sentiments in the Nigerian equities market, comprising of increased bargain hunting across fundamentally sound stocks with fantastic Q1-2023 earnings performance and pockets of bearish sentiments from investors, owing to profit-taking activities. Also, we expect the downward pressures on rates in the money market to begin to slow down as we expect a yield curve reversal hinged on the expectations of a lighter financial system in May. During the month, we expect a total of N75.0bn CMO maturities and N23.5bn worth of coupon payments (90.0% lower than April's figure) to hit the system. We believe that most of the liquidity would be mopped up by the CBN through CRR debits and FX retail auctions. Thus, we expect an upward rate reversal as funding rates and stop rates across auctions would begin to trend higher in the last two weeks of May, given the depressed system liquidity.

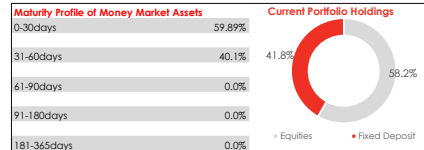
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Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2017
Fund Size (N)	696m
NAV Per Share (N)	1.26
Minimum Entry (N)	10,000
Additional Investment (N)	5,000
Structure	Open Ended
Entry/Exit Charges	Nil
Management Fee	1.5%
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 8.12% on a year to date ("YTD") basis as at the end of April, compared to the composite benchmark (91-day T-bills and the ASI) return of 2.07% for the same period.

In April, the equity market was stimulated by the higher yields in the fixed-income market. Equily-vested fund managers opted to cherry-pick stocks with strong fundamentals (attractive dividend-paying stocks with low priceings) as the Q1-2023 earnings season gradually came to an end toward the month. Notably, sell-offs across AIRTELAFRI (-15.5% m/m) and MTNN (-4.7% m/m) significantly drove the bourse's month-on-month negative close. That said, the benchmark NGX-All Share Index (NGX-ASI) declined by 4.5% m/m to close at 52,403.5 points. Consequently, YTD return settled at 2.3%, with market capitalisation shedding N1.4trn to settle at N28.5trn.

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
United Capital Wealth for Women Fund	7.79%	3.12%	6.60%	12.33%	8.12%
Benchmark Return	1.12%	25.16%	5.56%	2.10%	2.07%

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