

# United Capital Wealth For Women Fund | Monthly Fact Sheet



May-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 May, the financial system opened with a balance of N231.4bn, after the CBN's CRR Debit (N834.8bn) drained a significant portion of the excess liquidity which came in at the end of the month of April-2023. The system remained broadly liquid throughout the month in review, supported by additional inflows from CRR refunds, OMO maturities (N80.0bn) and coupon payments (N23.5bn). Overall, the financial system remained buoyant closing the month with a balance of N114.8bn. Consequently, the monthly average of Open Repo Rate (OPR) and Overnight Rate (O/N) declined by 458bps m/m and 447bps m/m to print at 12.40% and 12.89%, respectively.

At the primary market, the CBN conducted two NT-bills auctions in May. The CBN offered a total of N324.4bn worth of bills across the 91-day, 182-day and 364-day bills. The auction was met with strong investors' demand owing to the buoyant liquidity in the system, with total subscriptions printing at N2.3tn, implying a bid-to-cover ratio of 7.2x. Notably, the Apex Bank sold just the amount offered at the auctions. As a result, the stop rates across all the tenors offered trended lower at both auctions, declining by 301bps, 301bps, and 218bps to close at 2.29%, 4.99%, and 7.99%, respectively (previously, 5.30%, 8.00%, and 10.17%). The Debt Management Office (DMO) conducted its May FGN bonds auction. The DMO offered 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 N478.9bn. This implied a bid-to-cover ratio of 1.3x. The DMO oversold the auction modestly by 2.3%, selling N368.2bn worth of papers across the tenors. Owing to the relatively liquid financial system at the time of the auction, marginal rates across the 2028s, 2032s, and 2042s trended higher by 10bps, 10bps and 29bps to print at 14.10%, 14.90%, and 15.69%, respectively. However, the marginal rate attached to the 2050s remained unchanged at 15.8%.

**Looking ahead, we expect mixed sentiments in the equities market in Jun-2023. We believe that the bulls' dominance will linger in the short term as the positive sentiments towards the market continue to drive the rally. As a result, we see room for more buy interests across fundamentally strong stocks supported by the sustained depressed rates in the fixed-income market. In June, we expect the financial system to be mostly illiquid in the absence of any OMO maturity or coupon inflow. Hence our expectation for an upward reversal of rates at the short end of the curve. Another critical factor upon which our expectation is based is the MPC's recent 50bps hike in MPR (currently at 18.5%). We expect the two (2) factors mentioned above to play a vital role in the northward drive of rates in the money market as investors, treasuries and fund managers resume their demand for higher rates amid supporting fundamentals.**

## Contact Us:

Emmanuel Akehomen | +234-703-180-3064

[emmanuel.akehomen@unitedcapitalgroup.com](mailto:emmanuel.akehomen@unitedcapitalgroup.com)

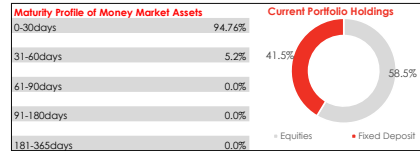
Asset Management | +234-1-631-7876

[mu.ug@unitedcapitalgroup.com](mailto:mu.ug@unitedcapitalgroup.com)

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)	717.8m
NAV Per Share (N)	1.29
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.

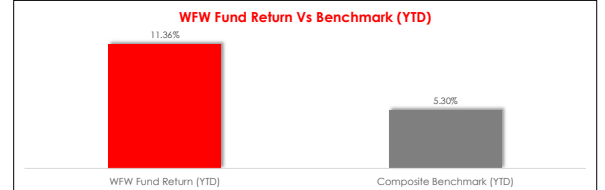
## PERFORMANCE REVIEW

The United Capital Wealth For Women Fund returned 11.36% on a year to date (YTD) basis as at the end of May, compared to the composite benchmark (91-day T-bills and the ASI) return of 5.30% for the same period.

At the primary market, the CBN conducted two NT-bills auctions in May. The CBN offered a total of N324.4bn worth of bills across the 91-day, 182-day and 364-day bills. The auction was met with strong investors' demand owing to the buoyant liquidity in the system, with total subscriptions printing at N2.3tn, implying a bid-to-cover ratio of 7.2x. As a result, the stop rates across all the tenors offered trended lower at both auctions, declining by 301bps, 301bps, and 218bps to close at 2.29%, 4.99%, and 7.99%, respectively (previously, 5.30%, 8.00%, and 10.17%).

In the equities market, the bulls resumed activities in that space as we saw renewed bargain-hunting activities in fundamentally sound stocks with strong corporate actions. In addition, the rally was spurred at the end of the month by positive sentiments following the announcement of some attractive policies by the new government in power. As a result, the benchmark NGX-All Share Index (NGX-ASI) climbed by 6.4% m/m to close at 55,769.3 points. Consequently, YTD return strengthened to 8.8%, from April's 2.3% print, with market capitalisation settling at N30.4tn.

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.



## 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%	11.36%
Benchmark Return	1.12%	25.16%	5.56%	2.10%	5.30%

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