

United Capital Money Market Fund | Monthly Fact Sheet



May-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

In May, financial system liquidity remains pressured as OBB and OVN rate at the interbank market continue to average 15.3% and 15.9% during the month (vs. 15.7% and 16.6% in April) and closed at 18.7% and 19.1%. This was driven by sustain liquidity mop-up (via OMO) by the CBN, CRR debits, and SMIS FX sales debits, amid FX sale refunds, NTB and OMO maturities which failed to bolster liquidity.

In the primary market, the CBN conducted periodic PMA and OMO auctions during the month. At its OMO auctions, the CBN left stop rates unchanged, closing at 7.0%, 8.5% and 10.1% throughout the auctions for the short, mid and long tenor OMO bills, respectively. For the NTB auctions, stop rates for the 91-day and 182-day bills closed flat at 2.50%, 3.50% while the 364-day paper was kept at 9.75%. During the last auction for the month, Stop rates for the 91-day and 182-day bills remained unchanged at 2.5%, 3.5%, respectively. However, rates on the longer tenor paper dipped by 10bps to close at 9.65% following huge investor demand.

In the secondary market, the bearish sentiment persisted as the average yield on NTB saw sell pressures across all tenors to close higher, printing at 6.1% on the last Friday of the month (compared to 4.7% in April). We also saw similar sentiments in the secondary OMO market as the average yield closed higher at 9.60% (from 7.9%)

We expect the bearish trend in the secondary markets to persist in the money markets in the coming week, and we also expect to see some mop-up activity following a scheduled ₦55.5bn maturity in the OMO market. We also expect the CBN to roll over ₦4.0tn worth of special bills.

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

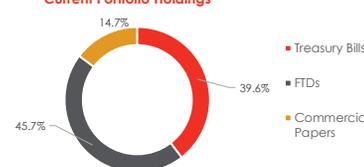
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Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2006
Fund Size (₦)	8.4bn
NAV Per Share (₦)	1.0
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Minimum Holding Period	30 days
Benchmark	91-day T-Bills
Management Fee	1.0%
Total Expense Ratio*	1.1%
Risk Profile	Low
Income Distribution	Quarterly

Maturity Profile of Assets

0-30days	51.3%
31-60days	16.6%
61-90days	6.3%
91-180days	4.0%
180-365 days	21.8%

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
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 6.61% for the month of May 2021, higher than the benchmark rate of 3.68%. The performance of the Fund was driven by higher interest rate reflected by increase 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



Investment Risks

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

Return History

	2015	2016	2017	2018	2019	2020	May-21
Money Market Fund Returns	11.3%	13.1%	14.2%	12.9%	12.87%	5.42%	6.61%
Benchmark Returns	2.4%	13.7%	11.0%	12.6%	11.16%	1.52%	3.68%

*Represents the Fund's Effective yield vs the Benchmark Return