

July-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, in line with our expectations, activities in the money market turned bullish as the financial system became reflat with liquidity due to heavy maturities from bonds, coupon inflows and FAAC credits. Also, the Central Bank of Nigeria (CBN) sustained its mop-up activities via OMO auctions and CRR debits (of c.N305.0bn) as it attempted to control the amount of liquidity within the system. Nevertheless, the heavy liquidity in July pushed interbank rates lower for the month as average Open Buy Back (OBB) and Overnight rates (OVN) fell 401bps and 399bps to print at 12.70% and 13.20%, respectively.

At the primary market, the CBN conducted two OMO auctions and two NT-bills auctions. For the OMO auction, the CBN sold the sum of N37.0bn worth of OMO bills across the two auctions with stop rates remaining unchanged at 7.0%, 8.5% and 10.1% across the short, mid, and long end of the curve. At the NT-bills auctions, the CBN sold the sum of N415.2bn across the 91-day, 182-day and 364-day bills, despite receiving subscriptions of N1.0tn during the auction, keeping in line with the bank's strategy of overselling auctions. Across the auctions, stop rates on the 91-day and 182-day bills remained unchanged, while the 364-day bill dipped 48bps and 47bps at the two auctions, closing the month at 8.2%.

In the secondary market, bullish sentiments dominated as average NT-bills yield closed lower by 68bps to close at 5.9% (previously 6.6%). Similarly, in the OMO bills market, average yield fell by 118bps to 8.7% (previously 9.9%).

Looking ahead, we expect bullish sentiments to dominate activities in the money market this month as sovereign debt managers continue to aggressively push rates lower while demand for bills remain high.

Contact Us:

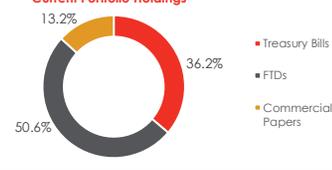
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Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2006
Fund Size (N)	12.4bn
NAV Per Share (N)	1.0
Minimum Entry (N)	10,000
Additional Investment (N)	5,000
Structure	Open Ended
Minimum Holding Period	30 days
Benchmark	91-day T-Bills
Management Fee	1.0%
Total Expense Ratio*	1.1%
Risk Profile	Low
Income Distribution	Quarterly

Maturity Profile of Assets

0-30days	37.9%
31-60days	5.1%
61-90days	23.8%
91-180days	10.8%
180-365 days	22.4%

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.

Return History

	2015	2016	2017	2018	2019	2020	Jul-21
Money Market Fund Returns	11.3%	13.1%	14.2%	12.9%	12.87%	5.42%	9.72%
Benchmark Returns	2.4%	13.7%	11.0%	12.6%	11.16%	1.52%	5.16%

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

PERFORMANCE REVIEW

The United Capital Money Market Fund yielded an average return of 9.72% for the month of July 2021, higher than the benchmark rate of 5.16%. 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 declining yield environment.

Money Market Fund Return vs Benchmark



Investment Risks

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

The United Capital Money Market 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.