

United Capital Money Market Fund | Monthly Fact Sheet



August-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 rates trended further southwards. The financial system was initially tight as the Central Bank of Nigeria (CBN) sustained overselling NT-bills auctions during the month while resuming OMO mop-ups later in the month, driving interbank rates upwards. However, later in the month, system liquidity improved significantly following the N393.0bn FAAC inflows and N393.3bn worth of OMO maturities which helped relax liquidity pressures in the final two weeks of the month. Consequently, interbank rates closed lower, printing at single digit levels (the lowest monthly close in 6 months) as both Open Buy Back (OBB) and Overnight rates (OVN) fell by 670bps to print at 6.00% and 6.50%, 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 N80.0bn 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 N463.7bn across the 91-day, 182-day and 364-day bills, despite offering to sell N208.7bn worth of bills during the auctions, keeping in line with the bank's strategy of overselling auctions. Notably, demand for bills remained strong as the auctions received bids worth N792.5bn, implying a bid-to-cover ratio of 3.8x. Across the auctions, stop rates on the 91-day and 182-day bills remained unchanged at 2.5% and 3.5% respectively. On the other hand, the 364-day bill dipped 85bps and 55bps at the two auctions, closing the month at 6.8%.

In the secondary market, bullish sentiments dominated as average NT-bills yield closed lower by 132bps to close at 4.6% (previously 5.9%). Similarly, In the OMO bills market, average yield fell by 262bps to 6.1% (previously 8.7%).

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

Contact Us:

Emmanuel Akehomen | +234-703-180-3064
emmanuel.akehomen@unitedcapitalplcgroup.com
 Asset Management | +234-1-631-7876
mutualfunds@unitedcapitalplcgroup.com

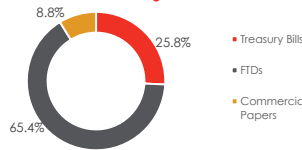
The United Capital Money Market Fund is regulated by the Securities & Exchange Commission

Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2006
Fund Size (M)	16.4bn
NAV Per Share (M)	1.0
Minimum Entry (M)	10,000
Additional Investment (M)	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	26.2%
31-60days	29.2%
61-90days	12.1%
91-180days	9.3%
180-365 days	23.2%

Current Portfolio Holdings



* Inclusive of management fee; Returns are net of all fees

Governance Asset Allocation Range

Money Market (100%)

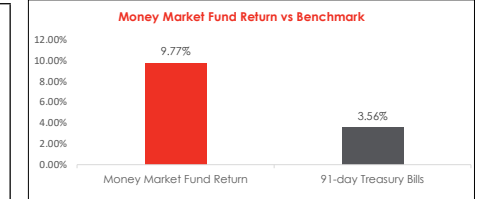
Why Choose the Fund?

- Short-term capital preservation
- Seamless entry and exit
- Low entry threshold
- Professional management with robust risk framework

PERFORMANCE REVIEW

The United Capital Money Market Fund yielded an average return of 9.77% for the month of August 2021, higher than the benchmark rate of 3.56%. The performance of the Fund was driven by lower interest rate reflected by decrease 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.



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	Aug-21
Money Market Fund Returns	11.3%	13.1%	14.2%	12.9%	12.87%	5.42%	9.77%
Benchmark Returns	2.4%	13.7%	11.0%	12.6%	11.16%	1.52%	3.56%

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

† 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.