

Monthly Commentary & Outlook

EQUITIES MARKET

Equities market closed the month in the red zone as NSE ASI and market capitalization closed at 24,479.22 and ₦12.77 trillion, respectively. The Nigerian equities market continue to struggle during this pandemic period. Even with the cheap prices of many blue-chip stocks, investors are not ready to fully participate in the equity market as witnessed in the months turnover. Despite the declaration of impressive dividends by many companies, investors (especially foreign investors) are not ready to pick up these stocks partly due to the uncertainty about the severity of COVID-19 in the Nigerian market.

FIXED INCOME MARKET

In the treasury bills markets, yields continue to be on a free fall as 91 days bills averaged at 1.8% which is a (-0.655%) compared to previous months close. 182 days at 2.04% (-0.68%) compared to previous month and 364 days at 3.75% (-0.27%) compared to last month.

In the Bonds market, yields continue to decline as investors were moving money into the bonds markets, leading to price increase and yields decline. 5 YR, 15YR and 30YR closed at 8.0%, 11% and 12.15% respectively which is a reduction of (-1.20%) , (-0.70%) and (-0.45%) on yields from previous month.

INFLATION

The consumer price index, (CPI) which measures inflation increased to 12.40 percent (year-on-year) in May 2020. This is 6 basis points higher than the rate recorded in April 2020 (12.34) percent. The current Covid-19 Pandemic which has seriously hampered global trade and has ushered in a global lockdown has had its toll on inflation rates. Prices of goods are on the rise as demand exceeds supply in most markets. Supply chain disruptions have occurred as a result of the lockdown. Pressure on the local currency would be a major risk to inflation in coming months. The restrictions of some economic activities due to social distancing policies as well as increase in the cost of transportation are other factors that would fuel inflationary pressure in the country.

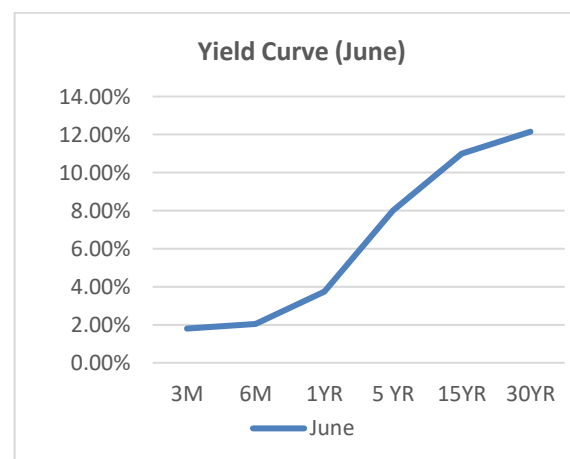
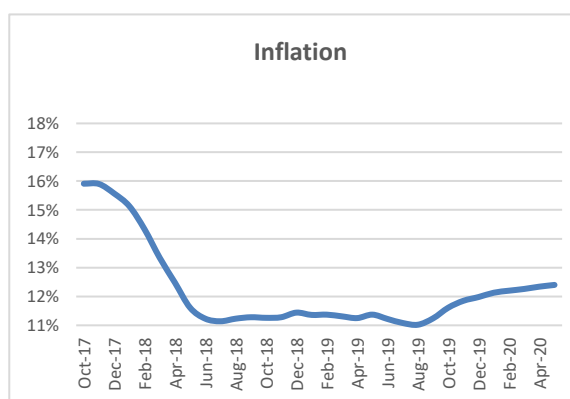
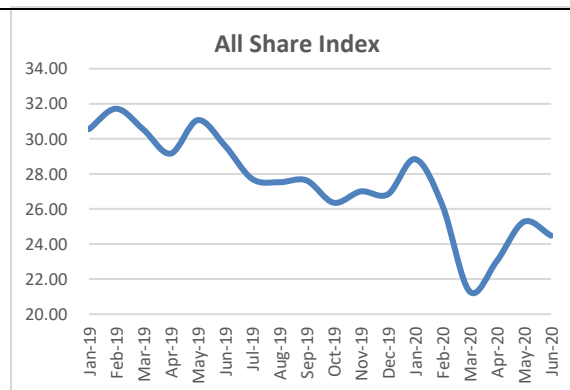
OIL PRICE

Crude oil prices saw significant gains in the month of June as recovery continues to be on the rise amidst the current pandemic. Brent crude price closed at \$41.15 per barrel in June, from \$35.33 per barrel at the end of May. As a result of this, external reserves position improved by 9.2 per cent in May. Crude oil received an unusual catalyst from OPEC and its major allies who complied with the production cut agreement, though some oil traders and experts warned that the bullish momentum might run out of steam.

PAC Asset Management Limited
 8A, Elsie Femi-Pearse Street
 Victoria Island, Lagos
 T: +234 1 271 8632
 E: info@pacassetmanagement.com

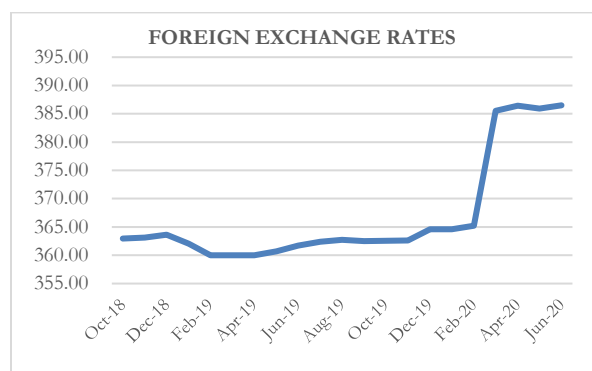
Prices/Yield: 30-June-20

- PACAM Balanced Fund	₦1.40
- PACAM Fixed Income Fund	₦12
- PACAM Money Market Fund	3.68%
- PACAM Equity Fund	₦ 1.03
- PACAM Eurobond Fund	\$ 107.93



FOREIGN EXCHANGE MARKET

The naira continues to slump against the dollar. After the revaluation by the CBN. Poor yields on traditional investment classes have led to increased hoarding of FX. Demand continues to exceed supply. Naira closed at ₦386.00 against the dollar as against ₦386.33 the previous month in the I&E window. The parallel market however, the Naira closed at N462/\$1 as against previous months close of N445/\$1.



Source: Data from FMDQ I&E Window

PACAM MONEY MARKET FUND(MMF) - FUND MANAGER'S REPORT 30-Jun-20

FUND INFORMATION		FUND RETURNS			
Fund type	Open-ended		May-20		
Category	Money Market Fund	Annualised Yield	2.80%		
Risk profile	Low		Jun-20		
Launch date	27-Jul-16		3.68%		
Fund Manager	PAC Asset Management Limited	ASSET ALLOCATION (% OF TOTAL ASSETS)			
Trustees	GTL Trustees Limited	<ul style="list-style-type: none"> ■ Term Deposits ■ Cash ■ Commercial Papers ■ Treasury Bills 			
Custodian	UBA Global Investor Services				
Auditors	BDO Professional Services				
Management Fee	1% of NAV				
Dividend Frequency	Quarterly				
Dealing Days	Monday - Friday				
NAV per unit (NGN)	NGN 10.00				
INVESTMENT OBJECTIVE				ASSET QUALITY (% TOTAL ASSETS)	
<p>The Fund seeks to ensure steady stream of income and capital preservation for investors with modest risk appetite who value liquidity and security of assets.</p> <p>The Fund will invest in low risk short term Money Market securities such as Government securities, Bank Placement, Commercial Papers, and others which include Promissory notes.</p>					May-20
				Term Deposits	-
		Cash	28.88		
		Commercial Papers	11.18		
INVESTMENT COMMITTEE		Treasury Bills	59.94		
		HISTORIC YIELDS			
PERFORMANCE REVIEW					
<p>The MMF saw some notable increase in yields as new instruments with good yields were purchased within the period in view.</p>					

PACAM EUROBOND FUND 30-Jun-20

FUND INFORMATION		FUND RETURNS	
Fund type	Open-ended		May-20 Jun-20
Category	Euro Bond Fund	Month-on-Month	-6.62% 9.93%
Risk profile	Moderate	Year-to-date (Annualised)	-1.82% 7.93%
Launch date	20-May-19	Inception-to-date	-6.62% 9.93%
Fund Manager	PAC Asset Management Limited	ASSET ALLOCATION (% OF TOTAL ASSETS)	
Trustees	FCMB Trustees Limited	<p>A donut chart illustrating the asset allocation of the PACAM Eurobond Fund. The chart is divided into two segments: a large blue segment representing Bonds at 98% and a small dark blue segment representing Cash at 2%. A legend to the right of the chart identifies the colors: light blue for Bonds and dark blue for Cash.</p>	
Custodian	UBA Global Investor Services		
Auditors	BDO Professional Services		
Management Fee	1% of NAV		
Dividend Frequency	Annual		
Dealing Days	Monday - Friday		
NAV per unit (USD)	\$ 107.93		

INVESTMENT OBJECTIVES
 The objective of the Fund is to generate a steady return on capital and assured liquidity for all classes of investors. The Fund's investments will mostly be in long tenured debt instruments of the FGN, States and highly rated corporate institutions. The Fund may also invest its assets in money market securities such as Treasury Bills, Commercial papers, Bankers Acceptances and Certificate of Deposits with rated banks in Nigeria.

INVESTMENT COMMITTEE

Mr. Sam Onukwue	Chairman
Mr. Sina Alimi	Member
Mrs Yemisi Arowolo	Trustee's Representative
Mr. Bamidele Ige	Member
Mr Moses Ojo	Member
Mrs Taiwo Sonola	Custodian

ASSET QUALITY (% TOTAL ASSETS)

	May-20	Jun-20
Bonds	96.75	98.39
Cash	3.25	1.61

PERFORMANCE REVIEW
 The Eurobond rebounded after last months perfomance. NAV / Unit at \$107.93 as against previous month of \$98.18. This increase in maily attributable to increased demand for eurobonds which invarably increases price.

PACAM FIXED INCOME FUND 30-Jun-20

FUND INFORMATION		FUND RETURNS	
Fund type	Open-ended		May-20 Jun-20
Category	Fixed Income Fund	Month-on-Month	-0.34% 0.68%
Risk profile	Moderate	Year-to-date (Annualised)	34.48% 30.37%
Launch date	27-Jul-16	Inception-to-date	19.10% 19.91%
Fund Manager	PAC Asset Management Limited	ASSET ALLOCATION (% OF TOTAL ASSETS)	
Trustees	GTL Trustees Limited	<p>A donut chart illustrating the asset allocation of the PACAM Fixed Income Fund. The chart is divided into three segments: a large blue segment representing Bonds at 62%, a medium light blue segment representing Other Money Market Instruments at 37%, and a small dark blue segment representing Cash at 1%. A legend to the right of the chart identifies the colors: light blue for Bonds, medium light blue for Other Money Market Instruments, and dark blue for Cash.</p>	
Custodian	UBA Global Investor Services		
Auditors	BDO Professional Services		
Management Fee	1% of NAV		
Dividend Frequency	Annual		
Dealing Days	Monday - Friday		
NAV per unit (NGN)	NGN 12.00		

INVESTMENT OBJECTIVES
 The objective of the Fund is to generate a steady return on capital and assured liquidity for all classes of investors. The Fund's investments will mostly be in long tenured debt instruments of the FGN, States and highly rated corporate institutions. The Fund may also invest its assets in money market securities such as Treasury Bills, Commercial papers, Bankers Acceptances and Certificate of Deposits with rated banks in Nigeria.

INVESTMENT COMMITTEE

Mr. Sam Onukwue	Chairman
Mr. Sina Alimi	Member
Mr. Bunkaya Gana	Trustee's Representative
Mr. Bamidele Ige	Member
Mr Moses Ojo	Member
Mrs Taiwo Sonola	Custodian

ASSET QUALITY (% TOTAL ASSETS)

	May-20	Jun-20
Bonds	62.53	62.01
Cash	11.66	0.68
Fixed Placement	-	-
Other Money Market Instruments	25.81	37.30

PERFORMANCE REVIEW
 The Fixed Income space took a bullissh turn especially for Bonds. This led to some notable increase in NAV. NAV/Unit now at N12 as against previous month of N11.92.

PACAM EQUITY FUND (PEF) - FUND MANAGER'S REPORT
30-Jun-20

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		May-20	Jun-20
Category	Equity Fund	Month-on-Month	7.87%	-3.44%
Risk profile	High	Year-to-date (Annualised)	84.19%	20.73%
Launch date	20-May-19	Inception-to-date	7.87%	-3.44%
Fund Manager	PAC Asset Management Limited	ASSET ALLOCATION (% OF TOTAL ASSETS)		
Trustees	FCMB Trustees Limited	<ul style="list-style-type: none"> ■ Bonds ■ Cash ■ Equities ■ Fixed Placement ■ Treasury Bills/Commercial Papers 		
Custodian	UBA Global Investor Services			
Auditors	BDO Professional Services			
Management Fee	1% of NAV			
Dividend Frequency	Annual			
Dealing Days	Monday - Friday			
NAV per unit (NGN)	NGN 1.03			
INVESTMENT OBJECTIVES				
The primary objective of PACAM Equity Fund is to achieve long-term capital appreciation by investing in high quality listed equities on the NSE.				
INVESTMENT COMMITTEE				
Mr. Sam Onukwue	Chairman	ASSET QUALITY (% TOTAL ASSETS)	May-20	Jun-20
Mr. Sina Alimi	Member	Bonds	3.41	4.14
Mr. Osamede Fadaka	Trustee's Representative	Cash	1.86	1.17
Mr. Bamidele Ige	Member	Equities	71.76	77.41
Mr. Moses Ojo	Member	Fixed Placement	-	-
Mrs Taiwo Sonola	Custodian	Treasury Bills/Commercial Papers	22.98	17.27
		PERFORMANCE REVIEW		
		Bearish Sentiments persisted in the month of June with the NSE ASI down by 3.17%. Fears continue to mount as a potential second wave of the Covid 19 Pandemic lingers. The Fund which has Equities as its major underlying asset saw some losses however, the fund manager will continue to ensure that any losses are at the barest minimum.		

PACAM BALANCED FUND (PBF) - FUND MANAGER'S REPORT
30-Jun-20

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		May-20	Jun-20
Category	Balanced Fund	Month-on-Month	-0.71%	-0.92%
Risk profile	Moderate	Year-to-date (Annualised)	28.19%	21.49%
Launch date	15-May-15	Inception-to-date	52.81%	51.47%
Fund Manager	PAC Asset Management Limited	ASSET ALLOCATION (% OF TOTAL ASSETS)		
Trustees	FBN Trustees Limited	<ul style="list-style-type: none"> ■ Bonds ■ Cash ■ Equities ■ Treasury Bills/Commercial Papers 		
Custodian	UBA Global Investor Services			
Auditors	BDO Professional Services			
Management Fee	1% of NAV			
Dividend Frequency	Annual			
Dealing Days	Monday - Friday			
NAV per unit (NGN)	NGN 1.40			
INVESTMENT OBJECTIVES				
The primary objective of PACAM Balanced Fund is to achieve long-term capital appreciation, capital preservation as well as providing a stable stream of income to investors by investing the Fund's assets across a mix of investment-grade fixed income instruments, Money Market Instruments & Real Estate Assets and high quality listed equities on the				
INVESTMENT COMMITTEE				
Mr. Sam Onukwue	Chairman	ASSET QUALITY (% TOTAL ASSETS)	May-20	Jun-20
Mr. Sina Alimi	Member	Bonds	36.15	36.94
Mr. Olufemi Okin	Trustee's Representative	Cash	4.80	1.49
Mr. Bamidele Ige	Member	Equities	26.96	24.38
Mr. Moses Ojo	Member	Fixed Placement	-	-
Mrs Taiwo Sonola	Custodian	Treasury Bills/Commercial Papers	32.10	37.18
		PERFORMANCE REVIEW		
		Continuous bear sentiments in the Equities market continues to subsist mainly as a potential second wave of the Covid-19 Pandemic is expected.		

To invest, kindly make payment to the bank accounts detailed below:

	PACAM Money Market Fund	PACAM Fixed Income Fund	PACAM Balanced Fund	PACAM Equity Fund	PACAM Eurobond Fund
Bank	UBA PLC	UBA PLC	UBA PLC	UBA PLC	UBA PLC
Account Name	UBA PLC Nominee - Main Street Bank Trustees & Asset Mgt. PACAM Money Market Fund	UBA PLC Nominee - Main Street Bank Trustees & Asset Mgt. PACAM Fixed Income Fund	UBA PLC Nominee - Main Street Bank Trustees & Asset Mgt. PACAM Balanced Fund	UBA NOM-FCMB Trustees/PACAM Equity Fund	UBA NOM-FCMB Trustees/PACAM Eurobond Fund
Account No.	1019535675	1019535682	1019045402	1021941770	1021941866