

Monthly Commentary & Outlook

EQUITIES MARKET

Equities market ended the month's trading session in green zone as the NSE All Share Index and Market Capitalisation rose by 3.71% to close at 30,530.69 and ₦15.96 trillion, respectively. The Year to-Date (YTD) and the Quarter-to-Date (QTD) returns were 13.74% and 13.79%, while the Month-to-Date (MTD) and Week-to-Date returns were 13.79% and 6.39% respectively. The Nigerian Equities market saw large inflows as returns on equity continued to beat low yields in the fixed income market. Increased stock demand has caused stock prices to increase in an effort to maximize returns. We assume that the equity market will be attractive in the weeks to come, as more maturities are anticipated in the fixed income market. As well as profit taking from speculators, we expect an increase of funds into the stock market.

FIXED INCOME MARKET

In the treasury bills space, the average yield as at October 31st was 0.44%. The rates on the 91 days treasury bill closed at 0.35%, the 182 days at 0.26%, and the 364 days at 0.71%. The yield on the 10 YR, 15 YR, 25 YR and 30 YR bonds closed at 4.02%, 5.04%, and 7.14% respectively. In October, there were newly issued bonds and Commercial papers by corporate bodies with low yields marginally higher than FGN treasury bills. Given the stance of the monitoring authorities, we expect low yield patterns to continue.

INFLATION

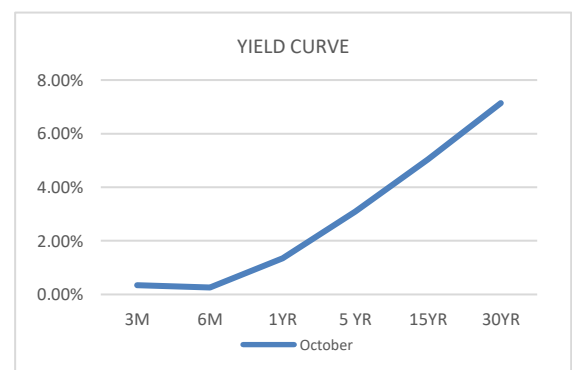
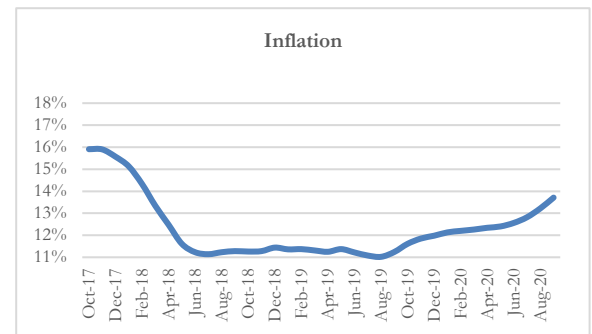
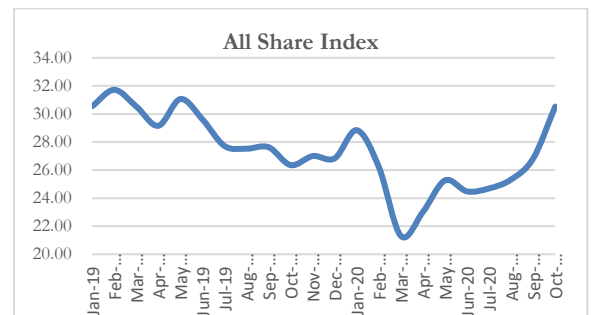
Inflation rate rose to 13.71% in September 2020, a significantly high rate in a long while with a difference of 0.47% compared to that recorded in August 2020 (13.22%). In September 2020, core inflation, which exempts prices of agricultural products, also increased to 10.60 percent. It rose by 0.08% when compared with 10.52% recorded in August 2020. The primary influence on Inflation in October was significant rise in costs of passenger air transport costs, hospital facilities, pharmaceuticals, repairs and maintenance of private transport facilities. As Nigerians try to cope with the impact of the COVID-19 pandemic and the re-opening of the economy, it appears that the prices of services such as air transport and medical services have been boosted by measures imposed to suppress the spread of COVID-19 in the country. It is clear that notwithstanding fixed income, the decline of economic activities and the reducing rate of investment returns, Nigerians are spending more.

OIL PRICE

The price of oil dropped to \$39/barrel towards the end of the month compared to the \$40/barrel price at the end of September. The rise in the production of oil by OPEC amid a worsening COVID-19 pandemic further aggravated the decline in oil prices. Brent crude dropped to trade at \$37.46/barrel at the end of October. Looking ahead, given their exposure to falling oil prices and decreased demand, oil exporting countries are expected to experience a decline of -4.1 percent.

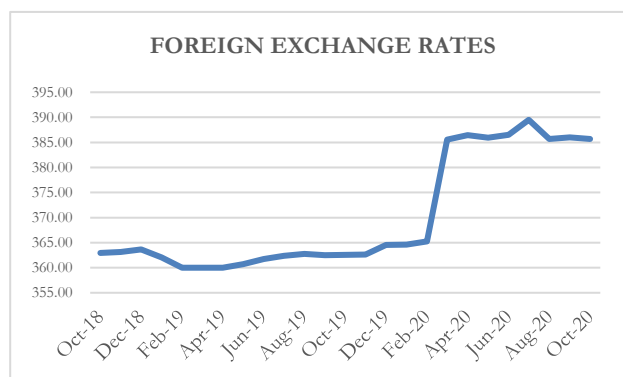
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Prices/Yield: 31 October 20	
PACAM Balanced Fund	N1.51
PACAM Fixed Income Fund	N 12.07
PACAM Money Market Fund	3.33%
PACAM Equity Fund	NGN 1.32
PACAM Eurobond Fund	\$110.13



FOREIGN EXCHANGE MARKET

Naira remained unchanged on the FX Market (CBN Official Window), closing at \$379.00 compared to \$379.00 in the previous trading month.. On Investors and Exporters Window, Naira appreciated by 8 kobo against dollar as it closed at ₦385.67/\$ in October (vs. ₦385.75/\$ it closed in September). We anticipate regulators to implement further measures to minimize dollar price rises because pressure on dollar-denominated investments is anticipated as yields on Naira-denominated fixed income investments continue to fall.



Source: Data from FMDQ I & E Window

PACAM MONEY MARKET FUND(MMF) - FUND MANAGER'S REPORT 31-Oct-20

FUND INFORMATION		FUND RETURNS	
Fund type	Open-ended		
Category	Money Market Fund	Annualised Yield	Sep-20: 3.59% Oct-20: 2.53%
Risk profile	Low	ASSET ALLOCATION (% OF TOTAL ASSETS)	
Launch date	27-Jul-16		
Fund Manager	PAC Asset Management Limited		
Trustees	GTL Trustees Limited		
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		

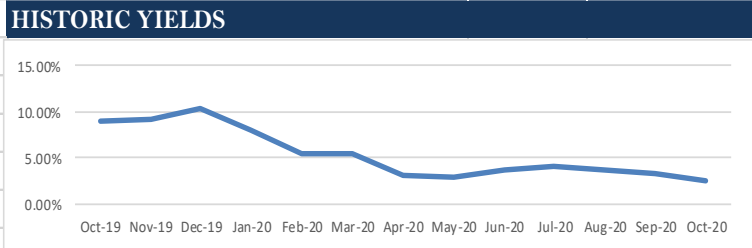
INVESTMENT OBJECTIVE
The Fund seeks to ensure steady stream of income and capital preservation for investors with modest risk appetite who value liquidity and security of assets.
The Fund will invest in low risk short term Money Market securities such as Government securities, Bank Placement, Commercial Papers, and others which include Promissory notes.

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)

	Sep-20	Oct-20
Term Deposits	-	-
Cash	4.16	4.85
Commercial Papers	64.86	60.99
Treasury Bills	30.98	34.16



PERFORMANCE REVIEW
The MMF yields continue to decline as underlying assets yield : Treasury bills and commercial papers provides low yields currently. However , the MMF continues to outperform its benchmark which is the 91-day bill which currently trades at 0.1% levels.

PACAM EUROBOND FUND 31-Oct-20

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		Sep-20	Oct-20
Category	Euro Bond Fund	Month-on-Month	0.47%	0.39%
Risk profile	Moderate	Year-to-date (Annualised)	9.70%	10.13%
Launch date	20-May-19	Inception-to-date	0.47%	0.39%
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 97% and a smaller dark blue segment representing Cash at 3%. A legend to the right of the chart identifies the colors: 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)	\$ 110.13			

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)

	Sep-20	Oct-20
Bonds	98.65	97.17
Cash	1.35	2.83

PERFORMANCE REVIEW

Continued interest in eurobonds instruments saw unit price inch up marginally. The eurobond continues to perform well as fund manager continues to take good and informed decisions on the fund.

PACAM FIXED INCOME FUND 31-Oct-20

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		Sep-20	Oct-20
Category	Fixed Income Fund	Month-on-Month	-0.59%	1.97%
Risk profile	Moderate	Year-to-date (Annualised)	18.02%	18.87%
Launch date	27-Jul-16	Inception-to-date	18.23%	9.61%
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 59%, a purple segment representing Other Money Market Instruments at 37%, and a small red segment representing Cash at 4%. A legend to the right of the chart identifies the colors: blue for Bonds, red for Cash, green for Fixed Placement, and purple for Other Money Market Instruments.</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 12.07			

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)

	Sep-20	Oct-20
Bonds	60.92	59.26
Cash	2.10	4.24
Fixed Placement	-	-
Other Money Market Instruments	36.98	36.50

PERFORMANCE REVIEW

The fixed income fund saw some marginal gains and price per unit inched up marginally.

PACAM EQUITY FUND (PEF) - FUND MANAGER'S REPORT 31-Oct-20

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		Sep-20	Oct-20
Category	Equity Fund	Month-on-Month	3.94%	15.65%
Risk profile	High	Year-to-date (Annualised)	34.59%	64.31%
Launch date	20-May-19	Inception-to-date	3.94%	15.65%
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 1.32			
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)		
Mr. Sina Alimi	Member	Bonds	2.96	2.84
Mr Osamede Fadaka	Trustee's Representative	Cash	0.79	2.05
Mr. Bamidele Ige	Member	Equities	77.63	75.76
Mr Moses Ojo	Member	Fixed Placement	-	-
Mrs Taiwo Sonola	Custodian	Treasury Bills/Commercial Papers	18.62	19.35
		PERFORMANCE REVIEW		
		The PACAM Equity fund realised significant gains as the equities market continues to see major gains. The equities market continues to see massive capital inflow as a result of low and unattractive yields in the fixed income space.		

PACAM BALANCED FUND (PBF) - FUND MANAGER'S REPORT 31-Oct-20

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		Sep-20	Oct-20
Category	Balanced Fund	Month-on-Month	-3.34%	11.45%
Risk profile	Moderate	Year-to-date (Annualised)	9.32%	23.04%
Launch date	15-May-15	Inception-to-date	46.62%	62.59%
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 1.51			
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)		
Mr. Sina Alimi	Member	Bonds	36.23	33.27
Mr. Olufemi Okin	Trustee's Representative	Cash	1.33	0.69
Mr. Bamidele Ige	Member	Equities	27.32	33.09
Mr Moses Ojo	Member	Fixed Placement	-	-
Mrs Taiwo Sonola	Custodian	Treasury Bills/Commercial Papers	35.12	32.95
		PERFORMANCE REVIEW		
		The PACAM Balanced Fund recognized some significant gains mainly attributable to gains witnessed in the equities market.		

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