

Monthly Commentary & Outlook

EQUITIES MARKET

The equity market closed on a positive note in November, as the All Share Index (NSE ASI) appreciated by 14.78% to close at 35,042.14 points while the Market Capitalization closed at 18.31trn. The Year to-Date (YTD) and the Quarter-to-Date (QTD) returns were 30.55% and 30.60%.

The Nigerian equities market continues to record huge capital inflows as investors perceive the equities as better investment opportunity as a result of low yields in the fixed income space. As the year comes to a close, we expect increased selloffs in the equities space and a dearth of FX which is useful for hedging. However, if the fixed income space continues to provide unattractive yields, we may also see inflows into the equities space.

FIXED INCOME MARKET

In the treasury bills market, the average yield as at November 30th was 0.11%. The rates on the 91 days treasury bill closed at 0.07%, the 182 days at 0.10%, and the 364 days at 0.15%. The yield on the 5 YR, 15 YR and 30 YR bonds closed at 1.28%, 5.15% and 6.70% respectively. In November, there were newly issued corporate bonds and Commercial papers by corporate bodies with low yields marginally higher than FGN treasury bills. We believe that low yields may continue, given the position of regulating authorities.

INFLATION

Inflation rate rose to 14.23% in October 2020, which is an increase of 0.52% from September 2020 (13.71%). The Nigerian Bureau of Statistics issued report on the economy and Nigeria is officially in recession after recording negative growth record for two consecutive months.

In October 2020, core inflation, which excludes the prices of volatile agricultural produce, also increased to 11.10 percent. It rose by 0.5% when compared with 10.60% recorded in September 2020. The significant rise was recorded in prices of passenger transport by air and road, hospital and medical services, pharmaceutical products, cars, vehicle spare parts, maintenance and repair of personal transport equipment, personal grooming establishments, paramedical services, e.t.c. This indicates that although there is significant decline in the rate of fixed income investment returns, cash is still largely in circulation.

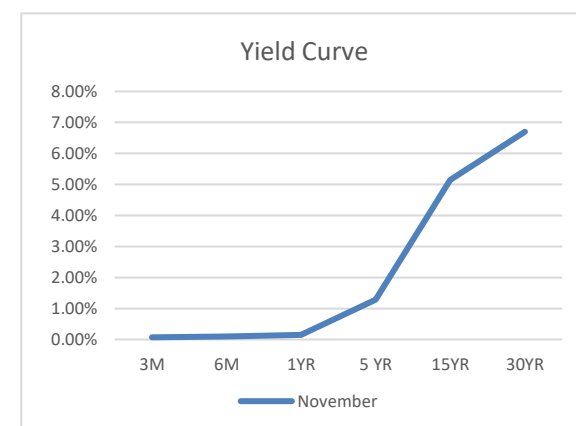
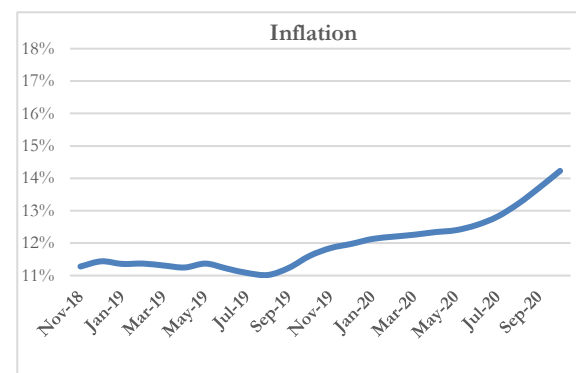
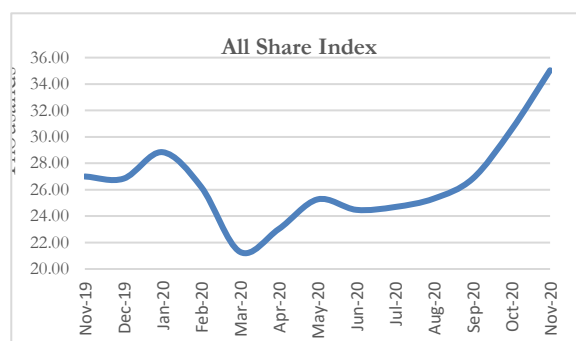
OIL PRICE

The price of oil appreciated to \$47.59/barrel towards the end of November compared to the \$37.46/barrel price at the end of October. However, Brent crude appreciated to trade at \$46.84/barrel at the end of November.

Developed countries continue to experience as second wave of the COVID-19 pandemic as cases begin increase rapidly in many countries. The announcement of vaccines by Pfizer and Moderna however has brought a much-needed relief. We expect that in the coming months economies / countries will begin opening up fully which could lead to increased demand for oil.

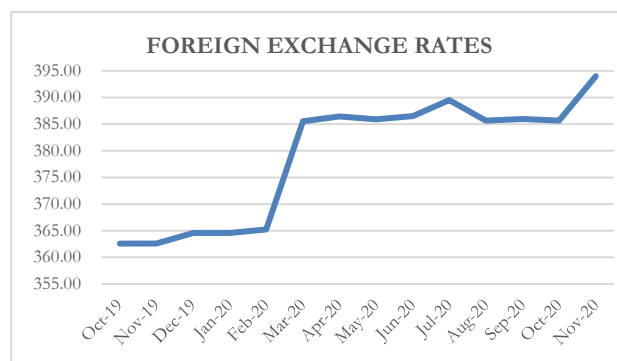
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Prices/Yield: 30 November 20	
PACAM Balanced Fund	N1.62
PACAM Fixed Income Fund	N 12.14
PACAM Money Market Fund	2.13%
PACAM Equity Fund	NGN 1.53
PACAM Eurobond Fund	\$108.53



FOREIGN EXCHANGE MARKET

The Naira traded \$379.00 on the FX Market (CBN Official Window), as in the previous trading month. On Investors and Exporters Window, Naira depreciated by 510 kobo against dollar as it closed at ₦394/\$ in November (vs. ₦385.67/\$ it closed in October). We anticipate regulators to implement further measures to improve FX liquidity in the market, failing which the local currency will continue to decline in the face of pressure on the currency.



Source: Data from FMDQ I&E Window

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

FUND INFORMATION FUND RETURNS

Fund type	Open-ended	Annualised Yield	Oct-20	Nov-20
Category	Money Market Fund		2.53%	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.

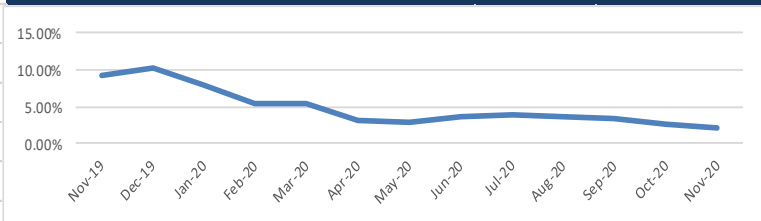
ASSET QUALITY (% TOTAL ASSETS)

	Oct-20	Nov-20
Term Deposits	-	-
Cash	4.85	9.82
Commercial Papers	60.99	61.73
Treasury Bills	34.16	28.45

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

HISTORIC YIELDS



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
30-Nov-20

FUND INFORMATION		FUND RETURNS	
Fund type	Open-ended		Oct-20 Nov-20
Category	Euro Bond Fund	Month-on-Month	0.39% -1.45%
Risk profile	Moderate	Year-to-date (Annualised)	10.13% 8.53%
Launch date	20-May-19	Inception-to-date	0.39% -1.45%
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 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: 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)	\$ 108.53		
INVESTMENT OBJECTIVES			
<p>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.</p>			
INVESTMENT COMMITTEE			
Mr. Sam Onukwue	Chairman	ASSET QUALITY (% TOTAL ASSETS)	
Mr. Sina Alimi	Member	Bonds	97.17 98.65
Mrs Yemisi Arowolo	Trustee's Representative	Cash	2.83 1.35
Mr. Bamidele Ige	Member	PERFORMANCE REVIEW	
Mr Moses Ojo	Member	<p>The period saw marginal increase in the value of eurobond instruments under the fund. Interim dividends was paid to investors during the period which saw a marginal markdown of NAV in the period under review</p>	
Mrs Taiwo Sonola	Custodian		

PACAM FIXED INCOME FUND
30-Nov-20

FUND INFORMATION		FUND RETURNS	
Fund type	Open-ended		Oct-20 Nov-20
Category	Fixed Income Fund	Month-on-Month	1.97% 0.62%
Risk profile	Moderate	Year-to-date (Annualised)	18.87% 17.96%
Launch date	27-Jul-16	Inception-to-date	9.61% 10.29%
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 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, 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 12.14		
INVESTMENT OBJECTIVES			
<p>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.</p>			
INVESTMENT COMMITTEE			
Mr. Sam Onukwue	Chairman	ASSET QUALITY (% TOTAL ASSETS)	
Mr. Sina Alimi	Member	Bonds	59.26 58.94
Mr. Bunkaya Gana	Trustee's Representative	Cash	4.24 4.14
Mr. Bamidele Ige	Member	Fixed Placement	- -
Mr Moses Ojo	Member	Other Money Market Instruments	36.50 36.92
Mrs Taiwo Sonola	Custodian	PERFORMANCE REVIEW	
		<p>The fixed income fund saw some marginal gains and price per unit inched up marginally.</p>	

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

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		Oct-20	Nov-20
Category	Equity Fund	Month-on-Month	15.65%	15.82%
Risk profile	High	Year-to-date (Annualised)	64.31%	91.03%
Launch date	20-May-19	Inception-to-date	15.65%	15.82%
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 1.53			
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	Bonds	2.84	2.84
Mr. Sina Alimi	Member	Cash	2.05	2.05
Mr Osamede Fadaka	Trustee's Representative	Equities	75.76	75.76
Mr. Bamidele Ige	Member	Fixed Placement	-	-
Mr Moses Ojo	Member	Treasury Bills/Commercial Papers	19.35	19.35
Mrs Taiwo Sonola	Custodian	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
30-Nov-20

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		Oct-20	Nov-20
Category	Balanced Fund	Month-on-Month	11.45%	7.23%
Risk profile	Moderate	Year-to-date (Annualised)	23.04%	30.37%
Launch date	15-May-15	Inception-to-date	62.59%	36.35%
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 1.62			
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	Bonds	33.27	31.80
Mr. Sina Alimi	Member	Cash	0.69	6.37
Mr. Olufemi Okin	Trustee's Representative	Equities	33.09	30.92
Mr. Bamidele Ige	Member	Fixed Placement	-	-
Mr Moses Ojo	Member	Treasury Bills/Commercial Papers	32.95	30.92
Mrs Taiwo Sonola	Custodian	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