

Monthly Commentary & Outlook

EQUITIES MARKET

The equity market closed on a negative note in February, as the All-Share Index (NSE ASI) closed at 39,799.89 points while the Market Capitalization closed at ₦20.82 trillion, respectively. The Year-to-Date (YtD) and the Quarter-to-Date (QtD) returns stand at -1.17% and -1.17%, while the Month-to-Date (MtD) and Week-to-Date (WtD) returns stand at -6.16% and -0.96% respectively.

The recent selloffs in the equities market have been attributed to the marginal rise in yields in the fixed income space and profit taking. Notwithstanding, this is very likely to create entry opportunities for investors.

FIXED INCOME MARKET

In the treasury bills markets, yields closed the month at 1.42% average market yield. The 13-May-21, 29-Jul-21 and 27-Jan-22 bills closed at 0.76% (0.00%), 1.46% (0.03%), and 2.07% (0.00%) respectively. The result for the 27-Apr-2023, 14-Mar-2024, 22-Jan-2026, 23-Feb-2028, 23-Jul-2030, 24-Jul-2045 and 27-Mar-1950 bonds traded are 6.23% (0.01%), 6.85% (0.48%), 8.16% (1.44%), 10.33% (0.00%), 10.77% (0.00%), 11.55% (0.00%) and 11.43% (0.00%) respectively. In the month of February, the Primary market auction witnessed some marginal increase in the yields which has sparked some more interest and expectation of better yields in the coming months. It is expected that yields might inch up significantly as the regulators make efforts to curb inflation.

INFLATION

Inflation rate rose to a high 16.47% in January 2021 as against 15.75% recorded in December 2021. This is the highest since April 2017. On a month-on-month basis, the index increased by 4.53%. This is 0.71 points higher than the rate recorded in December 2020.

The significant increase could be attributed to the depreciation of the Naira and further increase in oil prices.

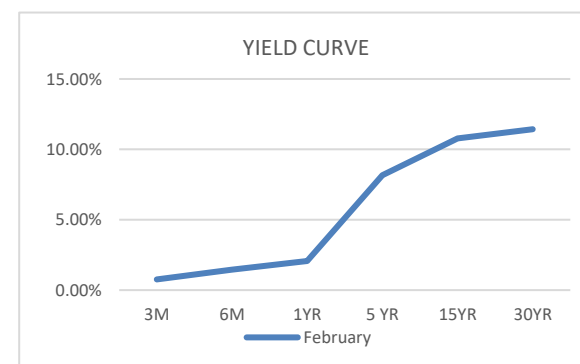
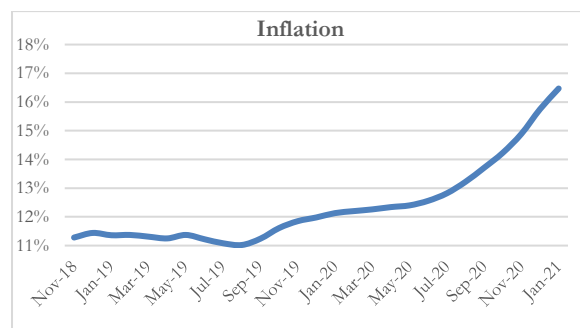
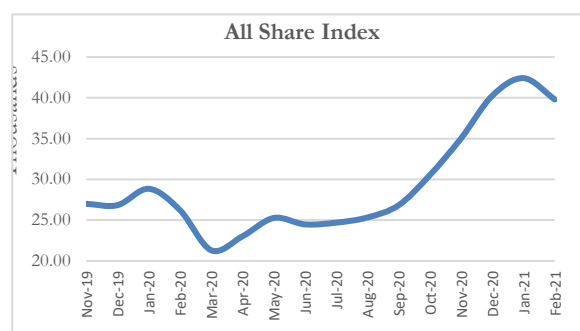
OIL PRICE

The price of oil appreciated to \$58.62/barrel as against \$55.15/barrel for January 2020. As economies begin to open and vaccines begin to flood the market, we envisage an increased level of productivity and an increased demand for crude oil going into 2021.

Despite, the rollout of COVID-19 vaccines, developed countries still record positive cases. Since the announcement of vaccines by Pfizer, AstraZeneca and Moderna, different European countries have been receiving the vaccines, which has brought a much-needed relief, as more people are set to receive the vaccine in coming months.

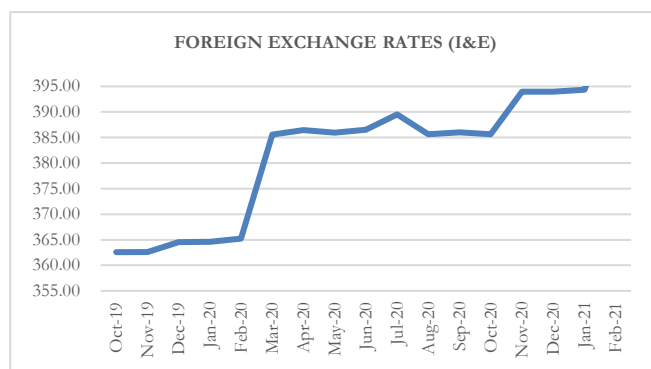
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 Victoria Island, Lagos
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 E: info@pacassetmanagement.com

Prices/Yield: 28 Feb, 2021	
PACAM Balanced Fund	N1.62
PACAM Fixed Income Fund	N 12.28
PACAM Money Market Fund	1.13%
PACAM Equity Fund	NGN 1.61
PACAM Eurobond Fund	\$111.71



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 appreciated by 13 kobo against dollar as it closed at ₦408.67/\$ (vs. ₦408.80/\$ it closed in the previous trading session). We anticipate regulators to implement further measures to improve FX liquidity in the market, as we expect further appreciation in the Naira. The CBN continues to inject forex into the system. \$4.37Bn was injected in the last 3 months of 2020 as part of efforts to ensure the stability of the naira.



Source: Data from FMDQ I&E Window

PACAM MONEY MARKET FUND(MMF) - FUND MANAGER'S REPORT 28-Feb-21

FUND INFORMATION FUND RETURNS

Fund type	Open-ended		Jan-21	Feb-21
Category	Money Market Fund	Current Yield	1.00%	1.13%
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.

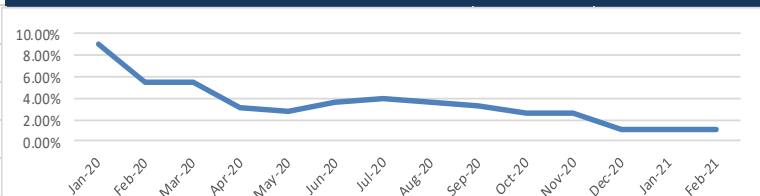
INVESTMENT COMMITTEE

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) Jan-21 **Feb-21**

Term Deposits	-	-
Cash	4.97	3.41
Commercial Papers	64.56	64.92
Treasury Bills	30.47	31.67

HISTORIC YIELDS



PERFORMANCE REVIEW

The fixed income market has seen a significant improvement in the year 2021. The money market fund saw yields inch up marginally in the month of February. As instruments mature , new investment will be at better yields which will improve the yields of the Fund

PACAM BALANCED FUND (PBF) - FUND MANAGER'S REPORT

28-Feb-21

FUND INFORMATION		FUND RETURNS										
Fund type	Open-ended		Jan-21	Feb-21								
Category	Balanced Fund	Month-on-Month	9.59%	-10.71%								
Risk profile	Moderate	Year-to-date	9.59%	-2.15%								
Launch date	15-May-15	Inception-to-date	93.77%	73.78%								
Fund Manager	PAC Asset Management Limited	ASSET ALLOCATION (% OF TOTAL ASSETS)										
Trustees	FBN Trustees Limited	<table border="1"> <caption>ASSET ALLOCATION (% OF TOTAL ASSETS)</caption> <tr><td>Equities</td><td>45%</td></tr> <tr><td>Bonds</td><td>30%</td></tr> <tr><td>Treasury Bills/Commercial Papers</td><td>24%</td></tr> <tr><td>Cash</td><td>1%</td></tr> </table>			Equities	45%	Bonds	30%	Treasury Bills/Commercial Papers	24%	Cash	1%
Equities	45%											
Bonds	30%											
Treasury Bills/Commercial Papers	24%											
Cash	1%											
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		ASSET QUALITY (% TOTAL ASSETS)										
Mr. Sam Onukwue	Chairman	Bonds	28.35	30.45								
Mr. Sina Alimi	Member	Cash	4.11	0.65								
Mr. Olufemi Okin	Trustee's Representative	Equities	46.10	44.51								
Mr. Bamidele Ige	Member	Fixed Placement	-	-								
Mr Moses Ojo	Member	Treasury Bills/Commercial Papers	21.44	24.39								
Mrs Taiwo Sonola	Custodian	PERFORMANCE REVIEW										
		The PACAM Balanced Fund witnessed a reduction in NAV. The equity market continues to see major sell offs which has had some impact in the PACAM Balanced Fund.										

PACAM FIXED INCOME FUND 28-Feb-21

FUND INFORMATION		FUND RETURNS								
Fund type	Open-ended		Jan-21	Feb-21						
Category	Fixed Income Fund	Month-on-Month	0.02%	0.30%						
Risk profile	Moderate	Year-to-date	0.02%	0.32%						
Launch date	27-Jul-16	Inception-to-date	32.32%	32.69%						
Fund Manager	PAC Asset Management Limited	ASSET ALLOCATION (% OF TOTAL ASSETS)								
Trustees	GTL Trustees Limited	<table border="1"> <caption>ASSET ALLOCATION (% OF TOTAL ASSETS)</caption> <tr><td>Bonds</td><td>74%</td></tr> <tr><td>Other Money Market Instruments</td><td>25%</td></tr> <tr><td>Cash</td><td>1%</td></tr> </table>			Bonds	74%	Other Money Market Instruments	25%	Cash	1%
Bonds	74%									
Other Money Market Instruments	25%									
Cash	1%									
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 12.28									
INVESTMENT OBJECTIVES		ASSET QUALITY (% TOTAL ASSETS)								
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.		Bonds	74.49	73.99						
INVESTMENT COMMITTEE		Cash	2.73	0.64						
Mr. Sam Onukwue	Chairman	Fixed Placement	-	-						
Mr. Sina Alimi	Member	Other Money Market Instruments	22.78	25.37						
Mr. Bunkaya Gana	Trustee's Representative	PERFORMANCE REVIEW								
Mr. Bamidele Ige	Member	The fixed income space has witnessed significant movement in yields in 2021. The fund realized some NAV Gains for the month of February. The fund manager is actively working to increase the size of this fund.								
Mr Moses Ojo	Member									
Mrs Taiwo Sonola	Custodian									

PACAM EQUITY FUND (PEF) - FUND MANAGER'S REPORT

28-Feb-21

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		Jan-21	Feb-21
Category	Equity Fund	Month-on-Month	10.27%	-7.82%
Risk profile	High	Year-to-date	10.27%	1.65%
Launch date	20-May-19	Inception-to-date	74.25%	60.62%
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 Equity Fund. The chart is divided into three segments: Equities (76%), Treasury Bills/Commercial Papers (21%), and Cash (1%). A legend on the right identifies the colors: dark blue for Equities, light blue for Treasury Bills/Commercial Papers, and teal 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 1.61			
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		Jan-21	Feb-21
Mr. Osamede Fadaka	Trustee's Representative	Bonds	1.68	1.96
Mr. Bamidele Ige	Member	Cash	1.23	0.91
Mr. Moses Ojo	Member	Equities	82.35	76.48
Mrs Taiwo Sonola	Custodian	Fixed Placement	-	-
		Treasury Bills/Commercial Papers	14.74	20.64
		PERFORMANCE REVIEW		
		The PACAM Equity fund witnessed a decrease in NAV as the equities market continues to be bearish and major sell offs continue. The improving yields on the Fixed income space has also had some impact on the equities space.		

PACAM EUROBOND FUND

28-Feb-21

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		Jan-21	Feb-21
Category	Euro Bond Fund	Month-on-Month	0.58%	0.49%
Risk profile	Moderate	Year-to-date (Annualised)	0.58%	1.08%
Launch date	20-May-19	Inception-to-date	11.17%	11.71%
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: Bonds (98%) and Cash (2%). A legend on the right identifies the colors: dark blue for Bonds and teal 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)	\$ 111.71			
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	ASSET QUALITY (% TOTAL ASSETS)		
Mr. Sina Alimi	Member		Jan-21	Feb-21
Mrs Yemisi Arowolo	Trustee's Representative	Bonds	98.37	97.89
Mr. Bamidele Ige	Member	Cash	1.63	2.11
Mr. Moses Ojo	Member	PERFORMANCE REVIEW		
Mrs Taiwo Sonola	Custodian	The period saw marginal increase in the value of eurobond instruments under the fund as interest and demand for eurobond instruments heightened.		

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