



PAC Asset Management

■ MUTUAL FUNDS ■ FIXED INCOME ■ WEALTH MANAGEMENT ■



- Your Asset Manager of Choice.

February 2022 Market & Economic Review

MACROECONOMIC OVERVIEW

Gross Domestic Product (GDP): Nigeria's GDP grew by 3.98% and 3.40% in fourth quarter and full year of 2021 respectively, driven by notable growth in non-oil sector.

INFLATION: Nigeria's inflation fell marginally by 3 bps to 15.60% in January 2022 (December 2021: 15.63%). The decline in the headline inflation rate in January 2022 could be attributed to 0.24% decline in composite food sub-index during the period.

CRUDE OIL: The average price of Brent crude oil increased by 10.42% to \$94.10 per barrel in February 2022 (January 2022: \$85.22) as buyers shunned barrels from Russia due to its invasion of Ukraine. This resulted in higher price due to limited supply.

OUTLOOK: With the continuous interventions of monetary and fiscal authority in the economy, GDP will maintain positive trend in Q1'22. Due As a result of fuel scarcity in last month, inflation rate may increase in the month of February. The Russia-Ukraine war will drive price of crude oil upward in March 2022.



EQUITIES MARKET OVERVIEW

Bulls extended the market dominance to February as the NGX All-Share Index and Market Capitalization appreciated by 1.65% and 1.67% to 47,394.53 and ₦25.54 trillion respectively. The three top gainers during the month are RTBRISCOE (+268%), SCOA (+172%) and ACADEMY (+88%). The Year-to-Date (YtD) and the Quarter-to-Date (QtD) returns stood at +10.95% and +10.95% respectively.

OUTLOOK: We may likely see profit-taking in Nigerian equities market in March 2022. Nevertheless, our short-medium term outlook remains bullish.

BOND MARKET OVERVIEW

In the **secondary bond market**, the average bond yield fell by 58 bps as it closed at 9.24% in February 2022, compared to 9.82% recorded in January 2022. The result for 1-year, 2-year, 5-year and 8-year bonds traded are 5.45% (-0.29%), 8.34% (-0.63%), 11.20% (-0.87%) and 11.95% (-0.56%) respectively.

In the **primary bond market**, the average yield declined by 78 bps in February as marginal rate for longer tenure of FGN JAN 2026 and FGN JAN 2042 closed at 10.95% (Jan: 12.50%) and 13.00% (Jan: 13.00%) respectively.

OUTLOOK: We expect yields in the bonds market to contract on the back higher liquidity in the market.

FOREIGN EXCHANGE MARKET OVERVIEW

On Investors and Exporters Window, naira depreciated by ₦2.13 in February 2022 as exchange rate closed at ₦417.92/\$ (January 2022: ₦415.79/\$).

OUTLOOK: The recent increase in the price of crude oil in the commodity market may have positive impacts on the country's foreign reserve in the month of March. Hence, we expect naira to appreciate, against dollar, in the month of March



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.

FUND INFORMATION

Fund type	Open-ended
Category	Money Market Fund
Risk profile	Low
Launch date	27-Jul-16
Fund Manager	PAC Asset Management Limited
Trustees	Greenwich Trustees Limited
Custodian	UBA Global Investor Services
Auditors	BDO Professional Services
Management Fee	1% of NAV
Benchmark	91-day Nigerian Treasury Bill
Dividend Frequency	Quarterly
6-year Annual Growth Rate	9.85%
Dealing Days	Monday - Friday
NAV per unit (NGN)	NGN 10.00

INVESTMENT COMMITTEE

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

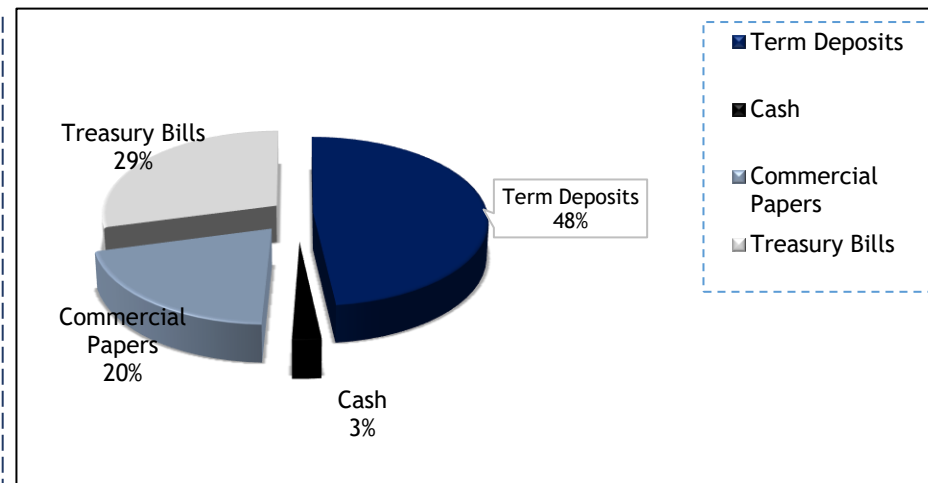
FUND RETURNS

	Jan-22	Feb-22
Current Yield	7.14%	6.94%
Inception to Date	68.22%	69.13%

PERFORMANCE REVIEW:

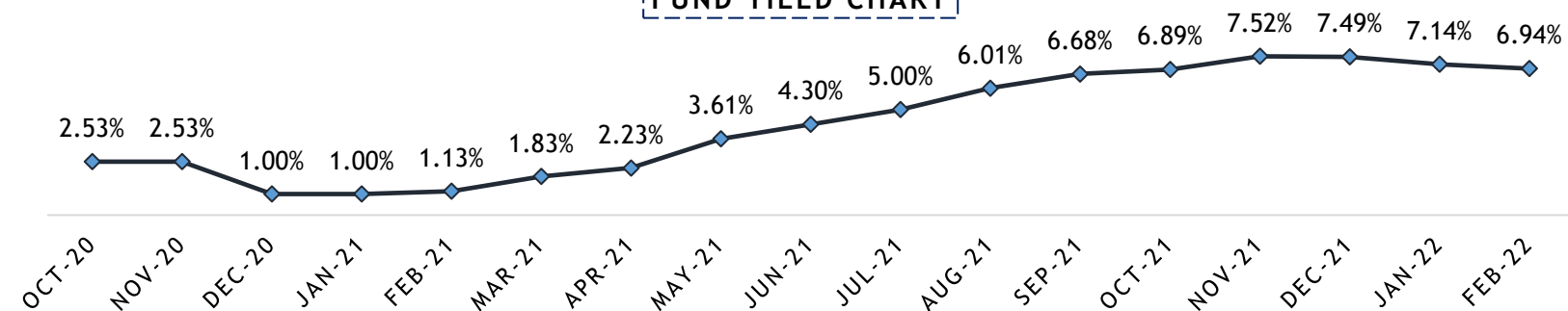
The Fixed Income space saw downturn in yields during the month, as the money market fund yield declined by 20 basis points (20bps).

In the secondary market, the average bond yield fell by 58 bps as it closed at 9.24% in February 2022, compared to 9.82% recorded in January 2022. The Fund Manager still maintains strategic positions to maintain yields amidst dwindling trends.



ASSET QUALITY (% TOTAL ASSETS)	Jan-22	Feb-22
Term Deposits	47.77	48.22
Cash	2.02	2.41
Commercial Papers	21.19	20.21
Treasury Bills	29.01	29.16

FUND YIELD CHART



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.

FUND INFORMATION

Fund type	Open-ended
Category	Fixed Income Fund
Risk profile	Moderate
Launch date	27-Jul-16
Fund Manager	PAC Asset Management Limited
Trustees	Greenwich Trustees Limited
Custodian	UBA Global Investor Services
Auditor	BDO Professional Services
Management Fee	1% of NAV
Benchmark	5-year Nigerian Sovereign Bond
Dividend Frequency	Annual
5-Year Annual Growth Rate	7.39%
Dealing Days	Monday - Friday
NAV per unit (NGN)	NGN 11.60

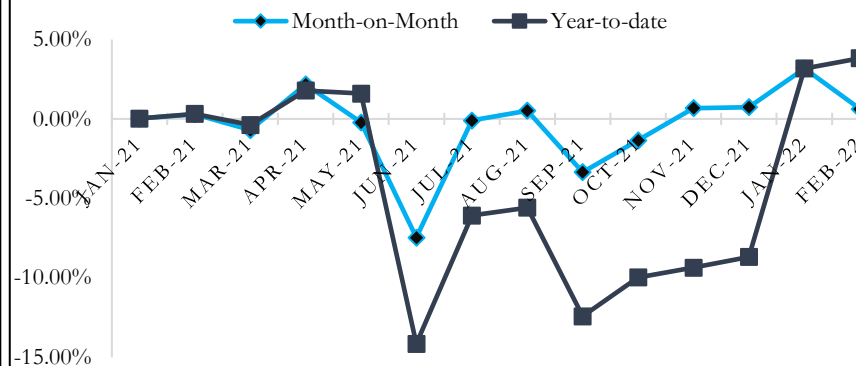
INVESTMENT COMMITTEE

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FUND RETURNS

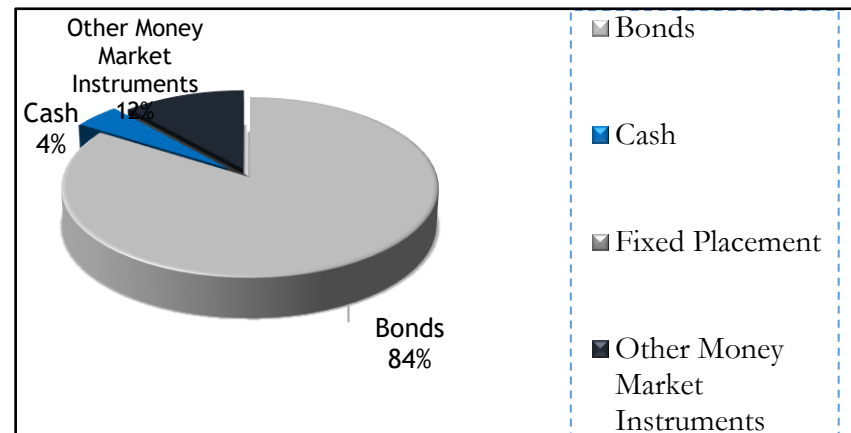
	Dec-21	Jan-22
Current Yield	7.49%	7.14%
Inception to Date	67.13%	68.22%

FUND RETURNS CHART

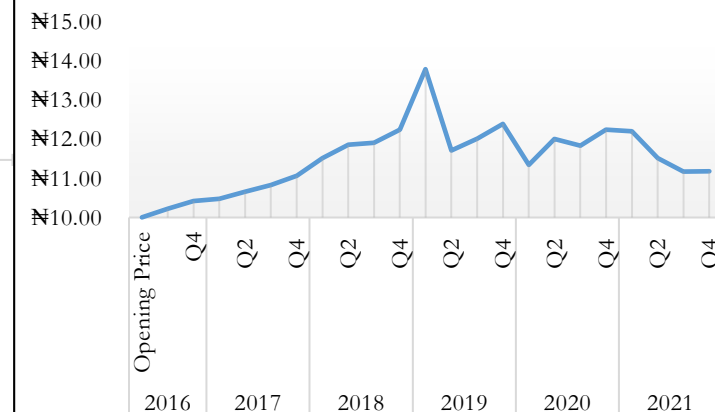


FUND RETURNS

	Jan-22	Feb-22
Month-on-Month	3.18%	0.63%
Year-to-date	3.18%	3.83%
Inception-to-date	50.79%	51.52%



Q-o-Q Fund Price since Inception



PERFORMANCE REVIEW:

As the average bond yield fell by 58 bps as it closed at 9.24% in February 2022, compared to 9.82% recorded in January 2022.

The Fund saw a significant increase in NAV price in spite of declining yield trends the month in the Fixed Income space. This still presents an opportunity to take renewed positions in the fund even as the Fund Manager maintains strategic positions to improve Fund's Yield.

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 NSE.

FUND INFORMATION

Fund type	Open-ended
Category	Balanced Fund
Risk profile	Moderate
Launch date	15-May-15
Fund Manager	PAC Asset Management Limited
Trustees	FBN Trustees Limited
Custodian	UBA Global Investor Services
Auditors	BDO Professional Services
Management Fee	1% of NAV
Benchmark	Composite index comprising of NSE ASI, 5-Year Nigerian Sovereign Bond, 1-Year Nigerian Treasury Bill
Dividend Frequency	Annual
6-Year Annual Growth Rate	12.91%
Dealing Days	Monday - Friday
NAV per unit (NGN)	NGN 1.64

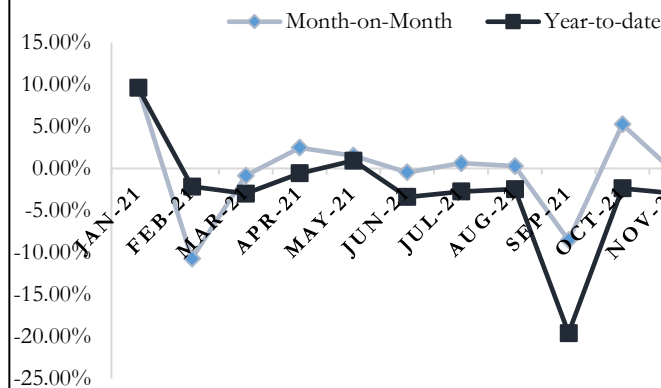
INVESTMENT COMMITTEE

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

FUND RETURNS

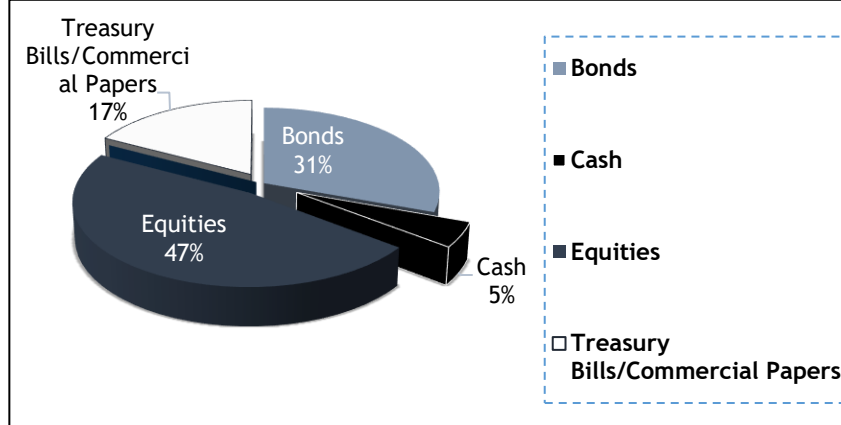
	Jan-22	Feb-22
Month-on-Month	1.80%	0.76%
Year-to-date	1.80%	2.58%
Inception-to-date	115.38%	116.66%

FUND RETURNS CHART

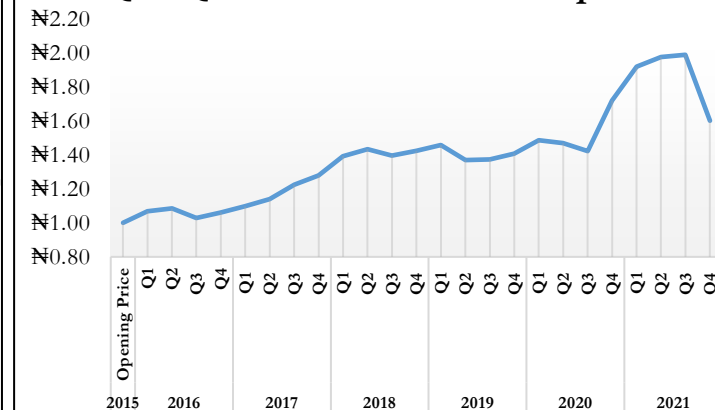


ASSET QUALITY (% TOTAL ASSETS)

	Jan-22	Feb-22
Bonds	30.76	30.49
Cash	0.62	4.86
Equities	49.52	47.39
Fixed Placement	-	-
Treasury Bills/Commercial Papers	19.10	17.26



Q-o-Q Fund Price since Inception



PERFORMANCE REVIEW:

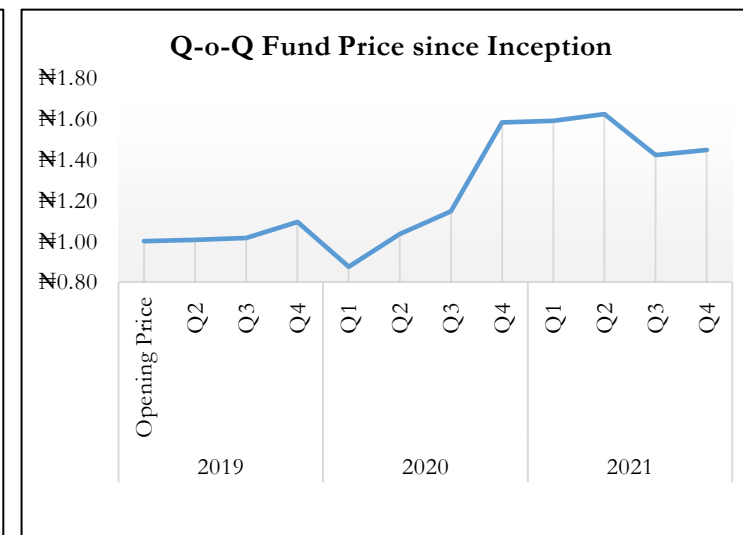
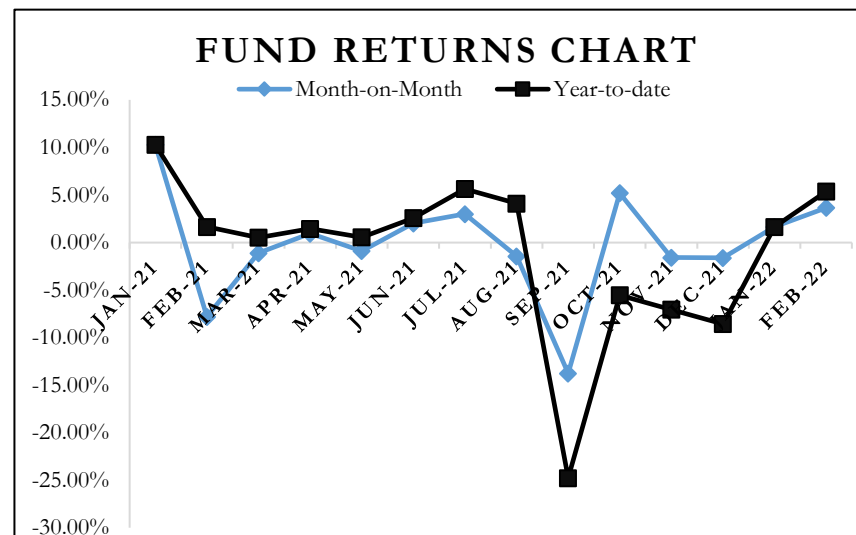
The fund NAV saw a slight M-o-M improvement as the Stock market braced for Full Year financial results and Dividend announcement. With an impressive YTD return up by 10.95% at the end of February 2022. The fund manager will continue to carry out tactical allocation measures to ensure a fully optimized portfolio.

We may likely see profit-taking in Nigerian equities market in March 2022. Nevertheless, our short-medium term outlook remains bullish.

The primary objective of PACAM Equity Fund is to achieve long-term capital appreciation by investing in high quality listed equities across sectors on the Nigerian Stock Exchange (NGX) as well as Fixed income instruments, with more concentration on equity instruments.

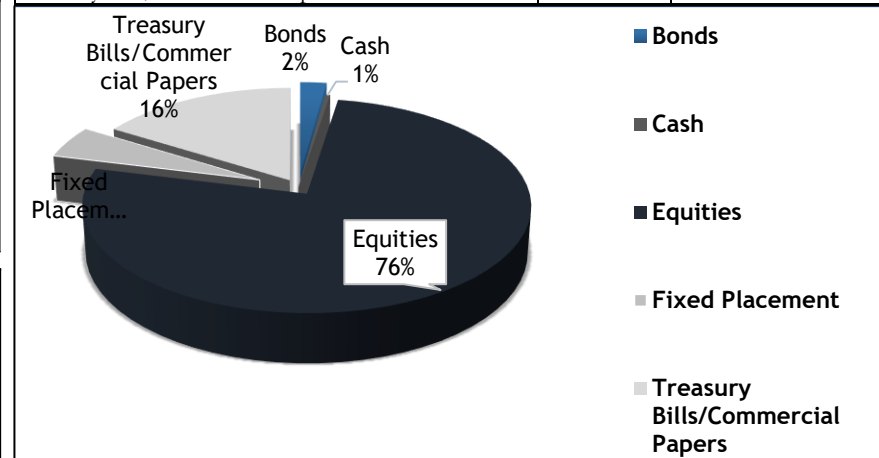
FUND INFORMATION

Fund type	Open-ended
Category	Equity Fund
Risk profile	High
Launch date	20-May-19
Fund Manager	PAC Asset Management Limited
Trustees	FCMB Trustees Limited
Custodian	UBA Global Investor Services
Auditor	BDO Professional Services
Management Fee	1% of NAV
Benchmark	NSE All Share Index
Dividend Frequency	Annual
Compounded Annual Growth Rate	19.85%
Dealing Days	Monday – Friday
NAV per unit (NGN)	NGN 1.52



ASSET QUALITY (% TOTAL ASSETS)

	Jan-22	Feb-22
Bonds	2.85	2.16
Cash	1.40	0.40
Equities	74.41	76.33
Fixed Placement	-	4.95
Treasury Bills/Commercial Papers	21.34	16.16



INVESTMENT COMMITTEE

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Mr. Bunkaya Gana	Trustee's Representative
Mr. Bamidele Ige	Fund Manager
Mr. Moses Ojo	Member
Mrs. Taiwo Sonola	Custodian

FUND RETURNS

	Jan-22	Feb-22
Month-on-Month	1.65%	3.65%
Year-to-date	1.65%	5.36%
Inception-to-date	69.87%	75.23%

PERFORMANCE REVIEW:

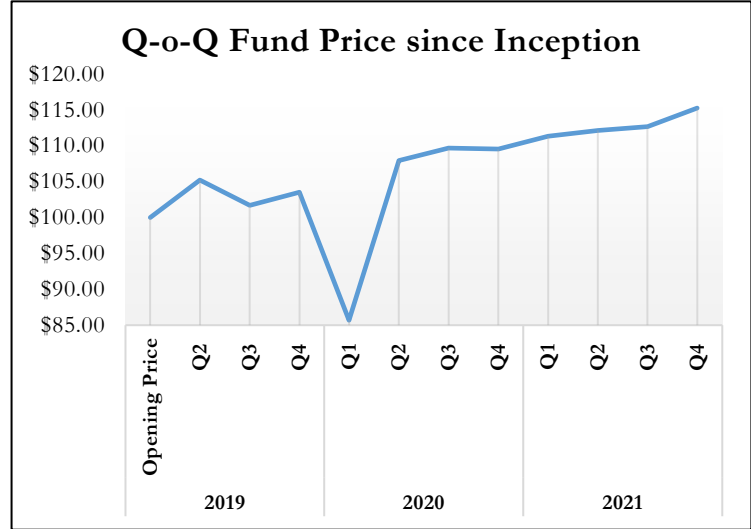
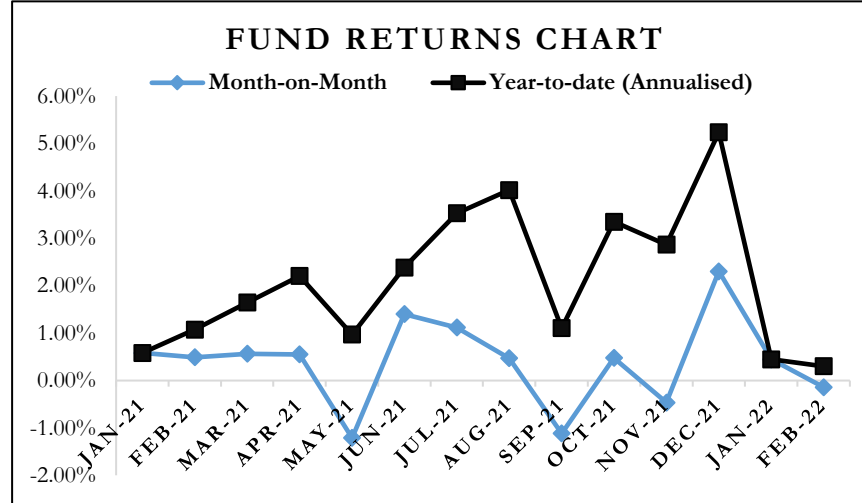
The fund NAV saw a slight M-o-M improvement as the Stock market braced for Full Year financial results and Dividend announcement. With an impressive YTD return up by 10.95% at the end of February 2022. The fund manager will continue to carry out tactical allocation measures to ensure a fully optimized portfolio.

With the expectation of impressive dividend payment from the FY'21 financial reports, bullish trend may likely extend to the month of February.

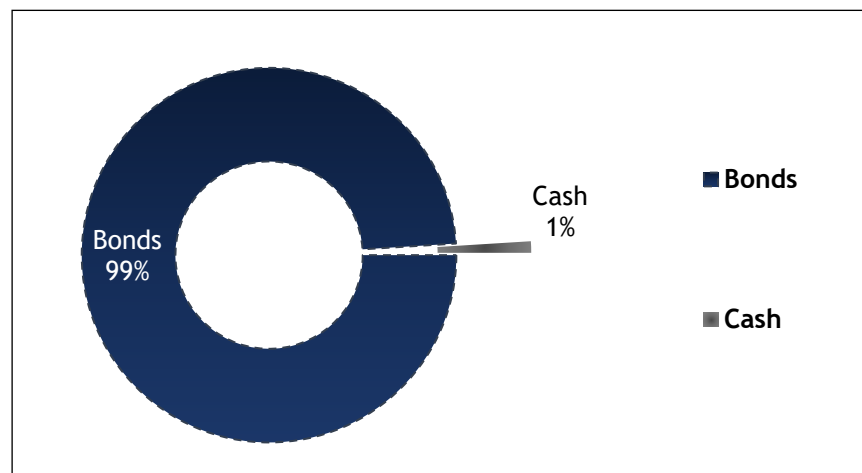
The objective of the Fund is to generate a steady return on capital and assured liquidity for all classes of investors. The Fund's investments will mostly be in dollar-denominated long tenured debt instruments of the FGN, States and highly rated corporate institutions. The Fund may also invest its assets in dollar-denominated money market securities.

FUND INFORMATION

Fund type	Open-ended
Category	Dollar Denominated Bond Fund
Risk profile	Moderate
Launch date	20-May-19
Fund Manager	PAC Asset Management Limited
Trustees	FCMB Trustees Limited
Custodian	UBA Global Investor Services
Auditor	BDO Professional Services
Management Fee	1% of NAV
Benchmark	5-Year Nigerian sovereign Eurobond
Dividend Frequency	Annual
Compounded Annual Growth Rate	5.88%
Dealing Days	Monday – Friday
NAV per unit (USD)	\$ 115.62



ASSET QUALITY (% TOTAL ASSETS)	Jan-22	Feb-22
Bonds	98.91	99.01
Cash	1.09	0.99



INVESTMENT COMMITTEE

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

FUND RETURNS

	Jan-22	Feb-22
Month-on-Month	0.45%	-0.14%
Year-to-date (Annualised)	0.45%	0.30%
Inception-to-date	18.70%	18.54%

PERFORMANCE REVIEW:

Volatility in asset values caused a slight decline in fund's NAV due to massive sell offs emanating from Russia-Ukraine unrest. This situation presents buying opportunities at deep discounts.

The Fund manager will continue to monitor the Eurobond space. The fund still presents tactical opportunities for entry, a hedge against inflation and devaluation of the local Currency.

M-O-M Fund NAV performance

Fund Prices:	31 Jan 2022	28 Feb 2022	% Change
PACAM Balanced Fund	₦1.63	₦1.64	0.61%
PACAM Fixed Income Fund	₦11.53	₦11.60	0.63%
PACAM Money Market Fund	₦10.00	₦10.00	
PACAM Equity Fund	₦1.47	₦1.52	3.40%
PACAM Eurobond Fund	\$115.78	\$115.62	-0.14%

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	3002700673	1021941866
Currency	NGN	NGN	NGN	NGN	USD
USSD Code	*402*91904308*AMOUNT#	*402*91904309*AMOUNT#	*402*91904312*AMOUNT#	*402*91904311*AMOUNT#	-

* USSD Code is currently active for UBA and Zenith Bank account users only.



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