

Monthly Commentary & Outlook

EQUITIES MARKET

The equity market closed on a positive note in January, as the All-Share Index (NSE ASI) closed at 42,412.66 points while the Market Capitalization closed at ₦22.19 trillion, respectively. The Year-to-Date (YtD) and the Quarter-to-Date (QtD) returns stand at 5.32% and 5.32%, while the Month-to-Date (MtD) and Week-to-Date (WtD) returns stand at 5.32% and 3.44% respectively.

The Nigerian equities market sustained rising profile as ASI appreciated further by 0.58%. It is expected that the equities market will experience a sustained bull run and maintain positive growth partly due to the expectation of dividend payment in early 2021 as well as poor yield on fixed income instruments.

FIXED INCOME MARKET

In the treasury bills markets, yields closed the month at 0.97% average market yield. The 01-Apr-21, 01-Jul-21 and 25-Nov-21 bills closed at 0.50% (0.00%), 0.86% (0.35%), and 1.53% (0.15%) respectively. In the bond market, the average market yield increased by an average of 128bps as it closed at 5.11%. The result for the 14-Nov-2021, 27-Apr-2023, 23-Mar-2025, 17-Mar-2027, 20-Nov-2029, 18-Mar-2036 and 26-Apr-2049 bonds traded are 1.53%, 3.50%, 5.42%, 6.42%, 7.12%, 7.80% and 8.65% respectively. In the month of January, 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 15.75% in December 2020 as against 14.89% recorded in November. On a month-on-month basis, the index increased by 1.61% in December 2020. This is 0.01% point higher than the rate recorded in November 2020 (1.60%).

The significant increase could, however, be attributed to the Christmas and New year festivities in the month of December. Nigerians could be faced with new worries if the second wave of the covid-19 pandemic leads to a second round of lockdown in the country. It is expected that the regulators take contractionary measures to curb current level of inflation.

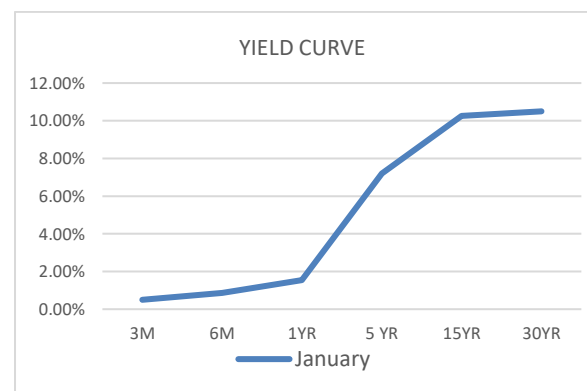
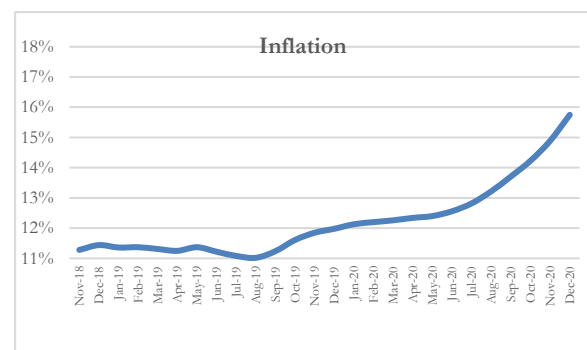
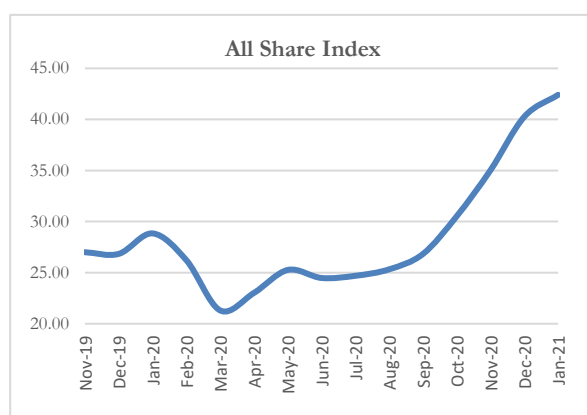
OIL PRICE

The price of oil appreciated to \$55.13/barrel as against \$51.80/barrel for December 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.

However, developed countries continue to experience a second wave of the COVID-19 pandemic as cases rise rapidly in many countries. The announcement of vaccines by Pfizer and Moderna however has brought a much-needed relief. With the commencement of AfCFTA, we expect that in the coming months economies / countries will begin opening fully which should lead to increased demand for oil.

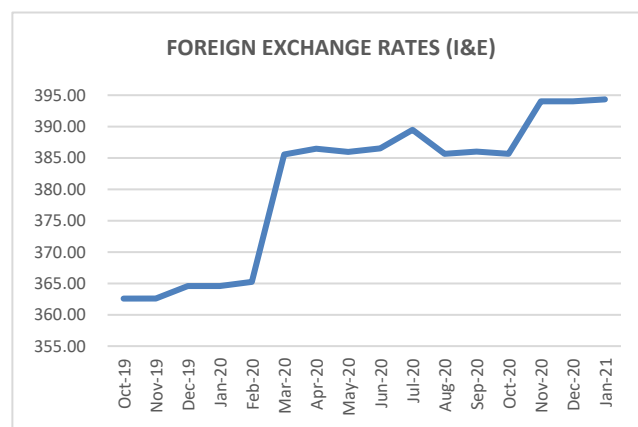
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Prices/Yield: 31 Jan, 2021	
PACAM Balanced Fund	N1.81
PACAM Fixed Income Fund	N 12.24
PACAM Money Market Fund	1%
PACAM Equity Fund	NGN 1.74
PACAM Eurobond Fund	\$111.17



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 8 kobo against dollars closing at N394.33 / \$ as against last month's close of N394.25/\$ in December. 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		31-Jan-21	
FUND INFORMATION		FUND RETURNS	
Fund type	Open-ended		
Category	Money Market Fund	Current Yield	Dec-20: 1.00% Jan-21: 1.00%
Risk profile	Low	ASSET ALLOCATION (% OF TOTAL ASSETS)	
Launch date	27-Jul-16		
Fund Manager	PAC Asset Management Limited	ASSET QUALITY (% TOTAL ASSETS)	
Trustees	GTL Trustees Limited	Term Deposits	Dec-20: - Jan-21: -
Custodian	UBA Global Investor Services	Cash	Dec-20: 3.27 Jan-21: 4.97
Auditors	BDO Professional Services	Commercial Papers	Dec-20: 65.68 Jan-21: 64.56
Management Fee	1% of NAV	Treasury Bills	Dec-20: 31.05 Jan-21: 30.47
Dividend Frequency	Quarterly	HISTORIC YIELDS	
Dealing Days	Monday - Friday		
NAV per unit (NGN)	NGN 10.00	PERFORMANCE REVIEW	
INVESTMENT OBJECTIVE		The MMF yields continue to decline as underlying assets yield: Treasury bills and commercial papers provides low yields currently. Yields are expected to move up in the coming weeks and this should have a positive impact on the Money Market Fund.	
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		

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

31-Jan-21

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		Dec-20	Jan-21
Category	Balanced Fund	Month-on-Month	2.17%	9.59%
Risk profile	Moderate	Year-to-date	30.56%	9.59%
Launch date	15-May-15	Inception-to-date	77.44%	93.77%
Fund Manager	PAC Asset Management Limited	ASSET ALLOCATION (% OF TOTAL ASSETS)		
Trustees	FBN Trustees Limited			
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 1.81			
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		Bonds	31.56	28.35
INVESTMENT COMMITTEE		Cash	1.07	4.11
Mr. Sam Onukwue	Chairman	Equities	44.53	46.10
Mr. Sina Alimi	Member	Fixed Placement	-	-
Mr. Olufemi Okin	Trustee's Representative	Treasury Bills/Commercial Papers	22.84	21.44
Mr. Bamidele Ige	Member	PERFORMANCE REVIEW		
Mr. Moses Ojo	Member	The PACAM Balanced Fund recognized some significant gains mainly attributable to gains witnessed in the equities market.		
Mrs Taiwo Sonola	Custodian			

PACAM FIXED INCOME FUND 31-Jan-21

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		Dec-20	Jan-21
Category	Fixed Income Fund	Month-on-Month	0.82%	0.02%
Risk profile	Moderate	Year-to-date	17.39%	0.02%
Launch date	27-Jul-16	Inception-to-date	22.30%	22.33%
Fund Manager	PAC Asset Management Limited	ASSET ALLOCATION (% OF TOTAL ASSETS)		
Trustees	GTL Trustees Limited			
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 12.24			
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.		Bonds	73.75	74.49
INVESTMENT COMMITTEE		Cash	0.62	2.73
Mr. Sam Onukwue	Chairman	Fixed Placement	-	-
Mr. Sina Alimi	Member	Other Money Market Instruments	25.64	22.78
Mr. Bunkaya Gana	Trustee's Representative	PERFORMANCE REVIEW		
Mr. Bamidele Ige	Member	The fixed income fund stayed the same in terms of price per unit however, value of bonds increased marginally.		
Mr. Moses Ojo	Member			
Mrs Taiwo Sonola	Custodian			

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

31-Jan-21

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		Dec-20	Jan-21
Category	Equity Fund	Month-on-Month	3.03%	10.27%
Risk profile	High	Year-to-date	64.31%	10.27%
Launch date	20-May-19	Inception-to-date	58.01%	74.25%
Fund Manager	PAC Asset Management Limited	ASSET ALLOCATION (% OF TOTAL ASSETS)		
Trustees	FCMB Trustees Limited	<p>The donut chart displays the asset allocation for PACAM Equity Fund. The largest portion is Equities at 82%, followed by Treasury Bills/Commercial Papers at 15%, and Cash at 1%. There are also small segments for Bonds and Fixed Placement.</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 1.74			
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		Dec-20	Jan-21
Mr Osamede Fadaka	Trustee's Representative	Bonds	2.73	1.68
Mr. Bamidele Ige	Member	Cash	1.00	1.23
Mr Moses Ojo	Member	Equities	79.99	82.35
Mrs Taiwo Sonola	Custodian	Fixed Placement	-	-
		Treasury Bills/Commercial Papers	16.28	14.74
		PERFORMANCE REVIEW		
		The PACAM Equity fund realised some notable gains as the equities market continued to see capital inflows. The equities market continues to see massive capital inflow as a result of low and unattractive yields in the fixed income space.		

PACAM EUROBOND FUND

31-Jan-21

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		Dec-20	Jan-21
Category	Euro Bond Fund	Month-on-Month	0.93%	0.58%
Risk profile	Moderate	Year-to-date (Annualised)	9.53%	0.58%
Launch date	20-May-19	Inception-to-date	10.53%	11.17%
Fund Manager	PAC Asset Management Limited	ASSET ALLOCATION (% OF TOTAL ASSETS)		
Trustees	FCMB Trustees Limited	<p>The donut chart displays the asset allocation for PACAM Eurobond Fund. The vast majority is Bonds at 99%, with a small segment for Cash at 1%.</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)	\$ 111.17			
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		Dec-20	Jan-21
Mrs Yemisi Arowolo	Trustee's Representative	Bonds	98.60	98.37
Mr. Bamidele Ige	Member	Cash	1.40	1.63
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