



# PAC Asset Management

■ MUTUAL FUNDS ■ FIXED INCOME ■ WEALTH MANAGEMENT ■



- Your Asset Manager of Choice.

## MACROECONOMIC OVERVIEW

**GDP:** Nigeria's GDP grew by 4.03% in the third quarter of 2021, mainly driven by significant improvement in the non-oil sector.

**INFLATION:** Nigeria's inflation rate grew by 23 bps to 15.63% in December 2021 (November 2021: 15.40%). The increase in the inflation rate was attributed to high food prices, driven by high demand during the festive period.

**OIL PRICE:** The average price of Brent crude oil increased by 13.81% to \$85.22 per barrel in January 2022 (December 2021: \$74.88), driven by improved productivities in many countries during the period.

**OUTLOOK:** The prevailing insecurity in the food producing States and higher costs of inputs may continue to raise inflation rate in February. Also, oil price may rise further in February as OPEC+ maintains their existing policy of moderate oil output.



## EQUITY MARKET OVERVIEW

In January, bulls dominated the Nigerian equities market as the NGX All-Share Index and Market Capitalization appreciated by 9.15% and 12.63% to 46,624.67 and ₦25.12 trillion respectively, driven by the gains recorded in ACADEMY (+88%), BUAFOODS (+61%) and COURTVILLE (+50%). Also, the Year-to-Date (YtD) and the Quarter-to-Date (QtD) returns stood at +9.15% and +9.15% respectively.

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



## BOND MARKET OVERVIEW

In the secondary bond market, the average bond yield expanded by an average of 61 bps as it closed at 9.94% in January 2022, compared to 9.33% recorded in December 2021. The result for 1-year, 2-year, 3-year, 5-year and 10-year bonds traded are 5.74% (-0.01%), 8.97% (+1.17%), 10.4% (+1.16%), 12.07% (+0.73%) and 12.51% (-0.01%) respectively.

**OUTLOOK:** We may witness a slight decline in yields across board in February due to keen interest of investors in the Bond market.

## FOREIGN EXCHANGE MARKET OVERVIEW

On Investors and Exporters Window, naira appreciated by ₦19.67 in January 2022 as exchange rate closed at ₦415.33/\$ (December 2021: ₦435.00/\$). Also, in the same window, forex turnover declined by 51% to \$2.18 billion in January (December 2021: \$4.44 billion).

**OUTLOOK:** The constant fall in the foreign reserve becomes a major threat to naira as CBN may supply less dollar to foreign exchange market in the month of February.

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	9.89%
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

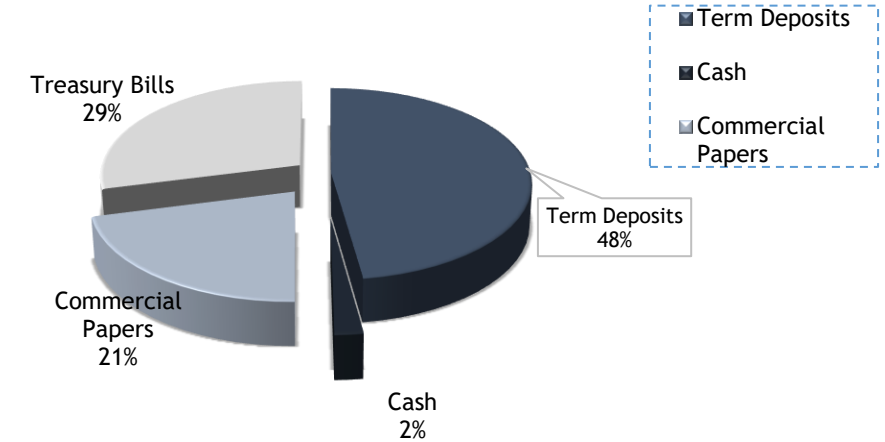
## FUND RETURNS

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

## PERFORMANCE REVIEW:

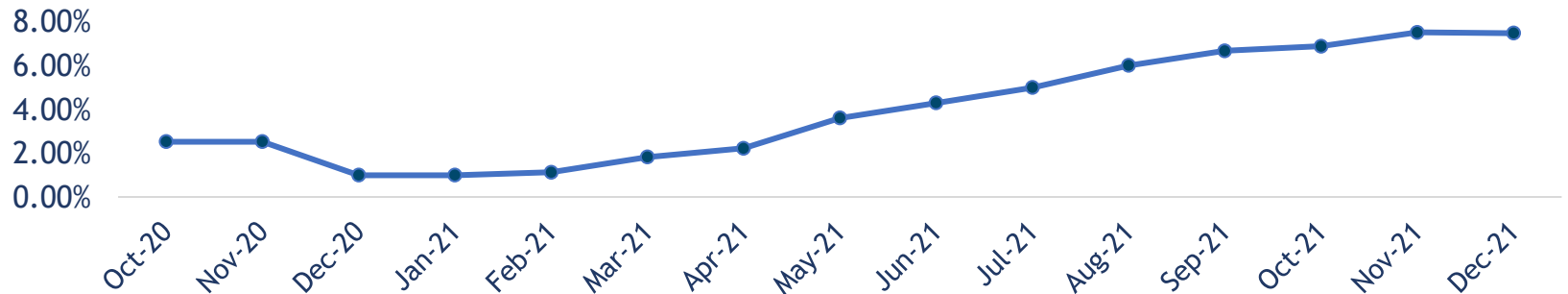
The Fixed Income space saw yield compression during the month, as the money market fund yield declined by 35 basis points (35bps).

In the secondary market, the average bond yield improved by an average of 61 bps as it closed at 9.94% in January 2022, compared to 9.33% recorded in December 2021. The Fund Manager still maintains strategic positions to maintain yields amidst dwindling trends.



ASSET QUALITY (% TOTAL ASSETS)	Dec-21	Jan-22
Term Deposits	53.82	47.77
Cash	2.81	2.02
Commercial Papers	21.25	21.19
Treasury Bills	22.12	29.01

## 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	6.85%
Dealing Days	Monday - Friday
NAV per unit (NGN)	NGN 11.53

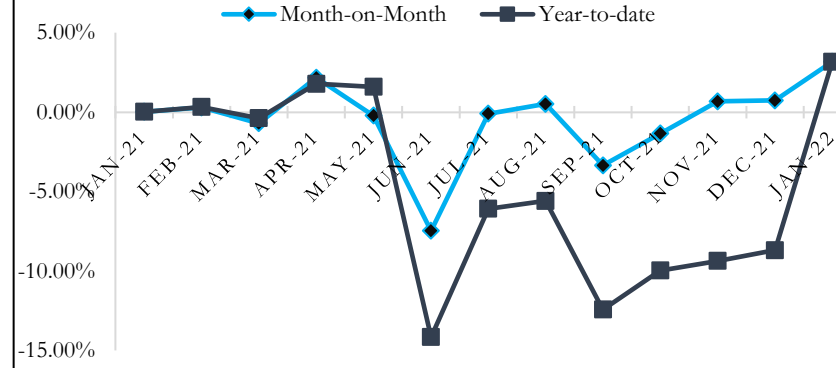
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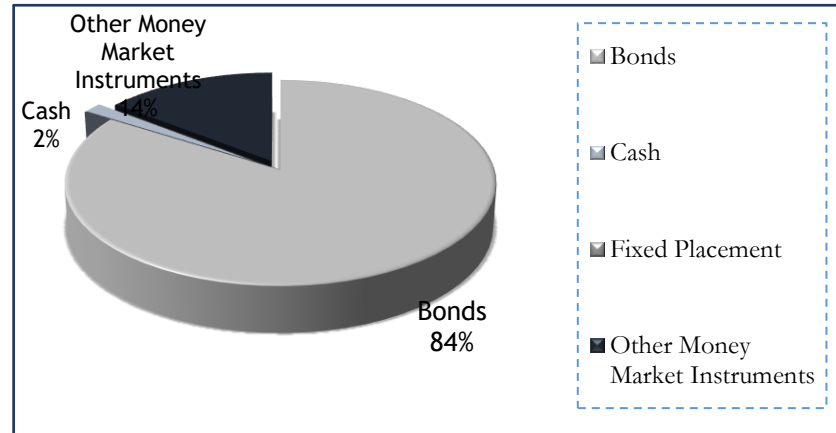
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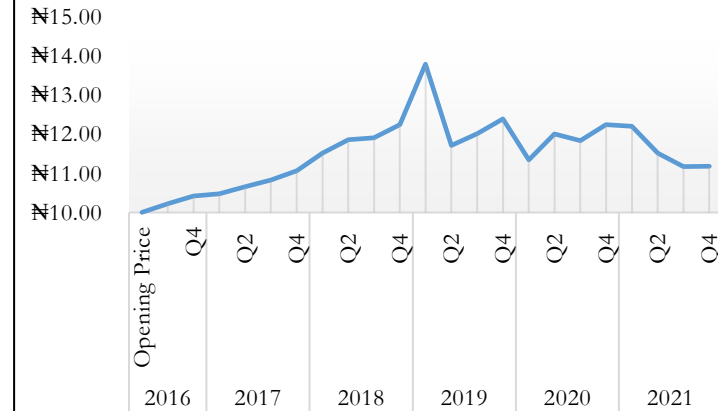
## FUND RETURNS CHART



ASSET QUALITY (% TOTAL ASSETS)	Dec-21	Jan-22
Bonds	87.86	83.94
Cash	0.92	1.56
Fixed Placement	-	-
Other Money Market Instruments	11.22	14.49



## Q-o-Q Fund Price since Inception



## PERFORMANCE REVIEW:

As the average bond yield improved by an average of 61 bps as it closed at 9.94% in January 2022, compared to 9.33% recorded in December 2021.

The Fund saw a significant increase in NAV price due to decline in yields during the month. The Fund Manager maintains strategic positions to maintain the 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.

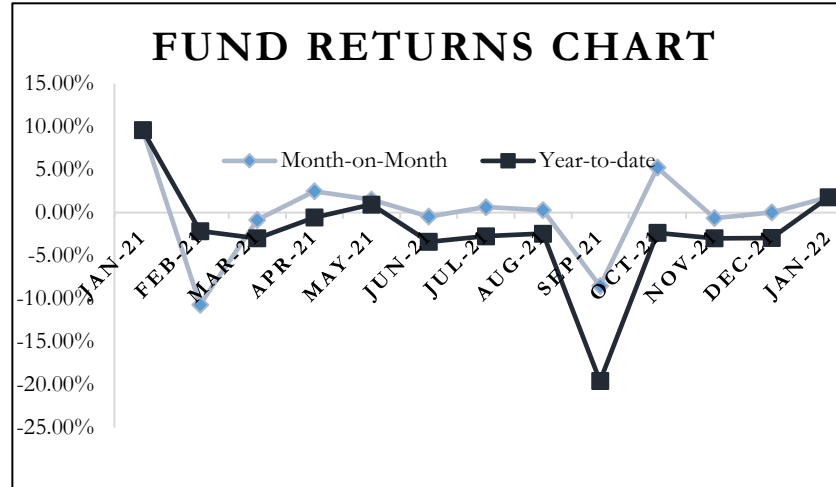
## FUND INFORMATION

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	12.97%	
Dealing Days	Monday - Friday	
NAV per unit (NGN)	NGN	1.63

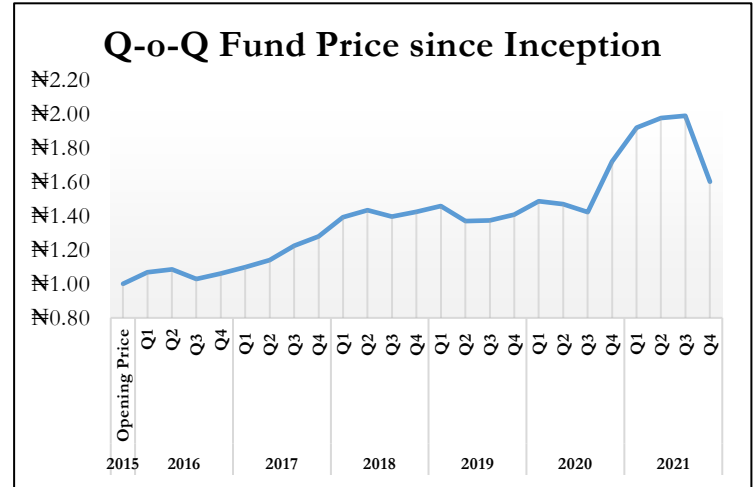
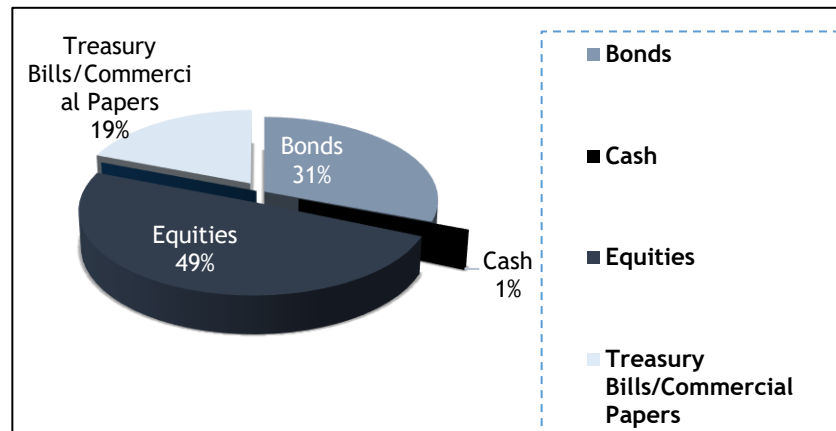
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Mr. Bamidele Ige	Fund Manager
Mr Moses Ojo	Member
Mrs Taiwo Sonola	Custodian

FUND RETURNS	Dec-21	Jan-22
Month-on-Month	0.02%	1.80%
Year-to-date	-2.96%	1.80%
Inception-to-date	112.40%	115.38%



ASSET QUALITY (% TOTAL ASSETS)	Dec-21	Jan-22
Bonds	31.51	30.76
Cash	0.61	0.62
Equities	48.52	49.52
Fixed Placement	-	-
Treasury Bills/Commercial Papers	19.36	19.10



## PERFORMANCE REVIEW:

The fund NAV saw an uptick in the month as the Stock market saw an impressive YTD return in January. 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 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	20.44%
Dealing Days	Monday - Friday
NAV per unit (NGN)	NGN 1.47

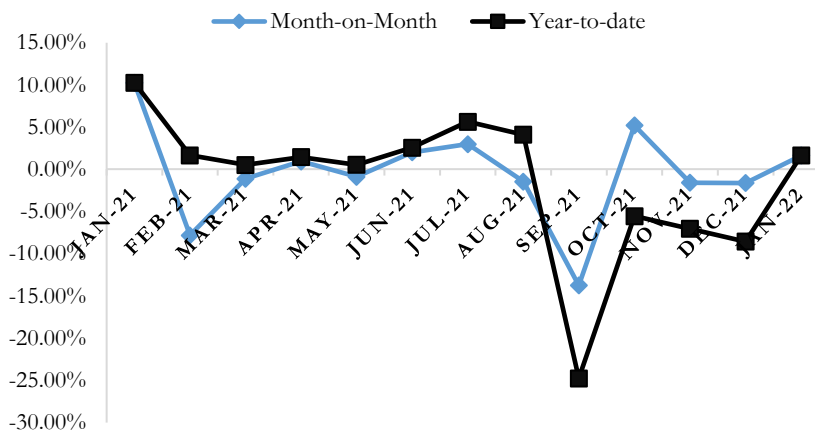
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Mr Moses Ojo	Member
Mrs Taiwo Sonola	Custodian

## FUND RETURNS

	Dec-21	Jan-22
Month-on-Month	-1.62%	1.65%
Year-to-date	-8.56%	1.65%
Inception-to-date	67.49%	69.87%

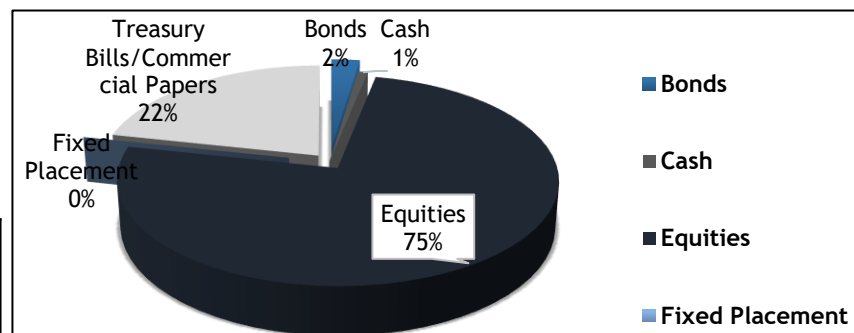
## FUND RETURNS CHART



## Q-o-Q Fund Price since Inception



ASSET QUALITY (% TOTAL ASSETS)	Dec-21	Jan-22
Bonds	2.85	2.38
Cash	1.40	0.79
Equities	74.41	75.21
Fixed Placement	-	-
Treasury Bills/Commercial Papers	21.34	21.62



## PERFORMANCE REVIEW:

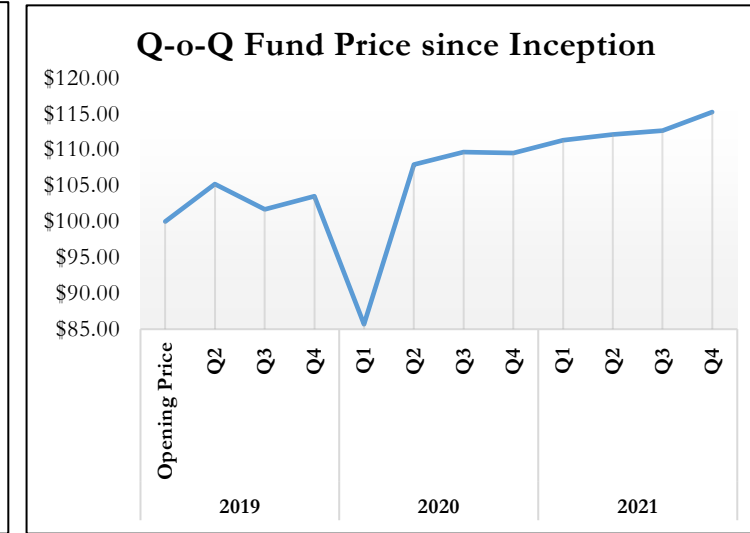
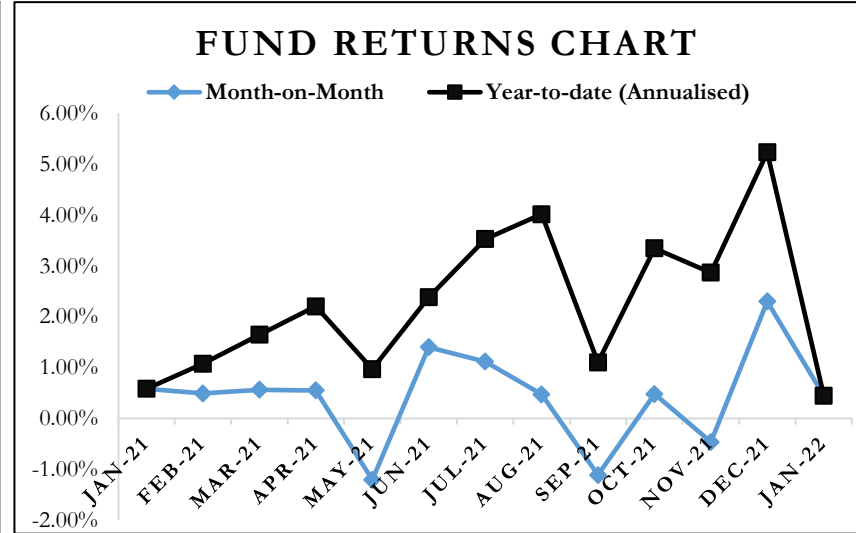
Bullish run in the ASI Y-T-D as companies begin to post their Full Year (FY) Audited statements and announce dividend. The fund saw a M-o-M uptick in NAV as investor position to benefit from FY 2021 Dividend payment. The Fund manager maintains a tactical allocation measures to ensure a fully optimized 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.

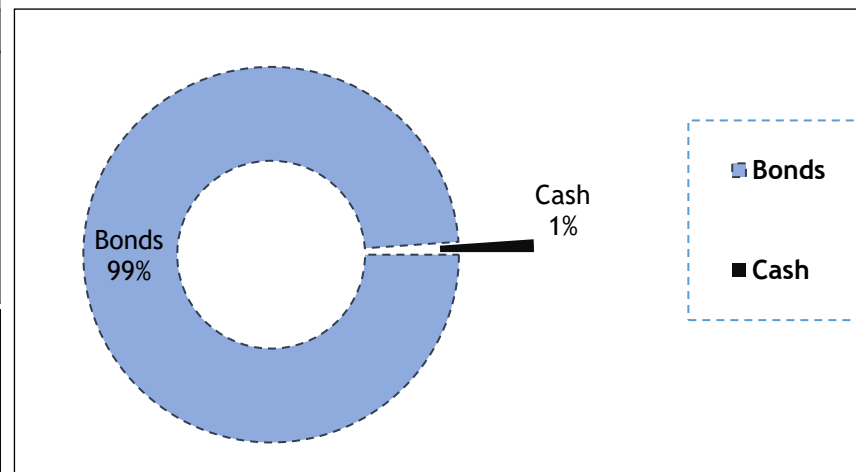
## FUND INFORMATION

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	6.04%
Dealing Days	Monday - Friday
NAV per unit (USD)	\$ 115.78



### ASSET QUALITY (% TOTAL ASSETS)

	Dec-21	Jan-22
Bonds	98.89	98.91
Cash	1.11	1.09



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Mrs Taiwo Sonola	Custodian

## FUND RETURNS

	Dec-21	Jan-22
Month-on-Month	2.30%	0.45%
Year-to-date (Annualised)	5.24%	0.45%
Inception-to-date	18.19%	18.70%

## PERFORMANCE REVIEW:

The Fund saw a M-o-M increase the NAV due to fresh inflows and subscriptions. The Fund manager has taken strategic positions to ensure capital preservation and growth.

Indications by the U.S. Fed has resulted in Yield expansion for SSA Eurobonds. This presents buying opportunities.

## M-O-M Fund NAV performance

Fund Prices:	31 Dec 2021	31 Jan 2022	% Change
PACAM Balanced Fund	₦1.60	₦1.63	1.87%
PACAM Fixed Income Fund	₦11.18	₦11.53	3.15%
PACAM Money Market Fund	₦10.00	₦10.00	
PACAM Equity Fund	₦1.43	₦1.47	2.80%
PACAM Eurobond Fund	\$115.27	\$115.78	0.44%

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
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.





[www.pacassetmanagement.com](http://www.pacassetmanagement.com)

## PAC Asset Management Limited

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