

Monthly Commentary & Outlook

EQUITIES MARKET

Equities market closed the month in the green zone as NSE ASI and market capitalization closed at 24,693.73 and ₦12.88 trillion, respectively. The Nigerian equities market continue to struggle during this pandemic period. However, the month of July saw some marginal gains generally.

Despite prices of many companies being low, investors are still skeptical about fully participating in the equity market. Notwithstanding the declaration of impressive dividends by many companies, investors (especially FPI) are not ready to pick up these stocks partly due to the uncertainty about the severity of COVID-19 in the Nigerian market and post COVID-19 scenarios that may play out.

FIXED INCOME MARKET

In the treasury bills markets, yields continue to be on a free fall as 91 days bills closed at 1.2% which is a (-0.6%) compared to previous month's close. 182 days at 1.5% (-0.5%) compared to previous month and 364 days at 2.9% (-0.85%) compared to last month.

In the Bonds market, yields continue to decline as investors were moving money into the bonds markets, resulting in further yield compression.. 5 YR, 15YR and 30YR closed at 5.0%, 8% and 9.7% levels respectively.

INFLATION

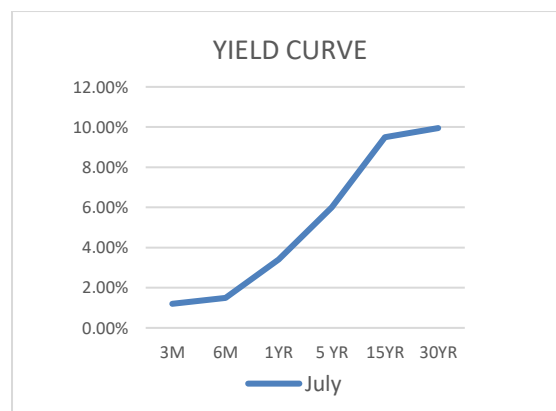
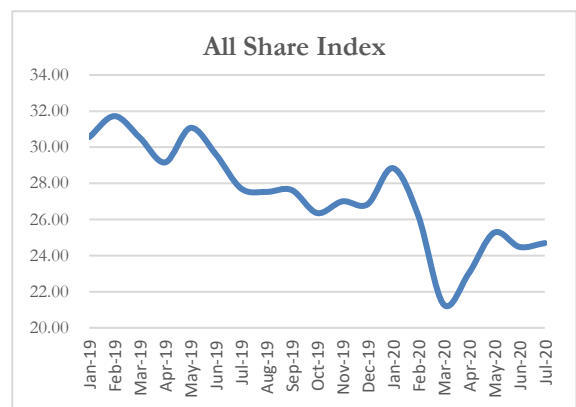
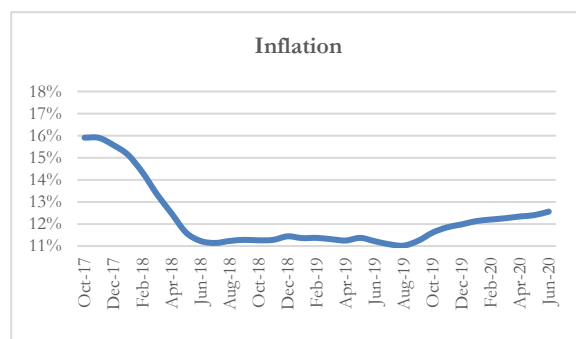
The consumer price index, (CPI) which measures inflation increased to 12.56 percent (year-on-year) in May 2020. This is 16 basis points higher than the rate recorded in June 2020 (12.40) percent. The current Covid-19 Pandemic which has seriously hampered global trade and has ushered in a global lockdown has had its toll on inflation rates. Prices of goods are on the rise as demand exceeds supply in most markets. Supply chain disruptions have occurred as a result of the lockdown. Pressure on the local currency would be a major risk to inflation in coming months. The restrictions of some economic activities due to social distancing policies as well as increase in the cost of transportation are other factors that would fuel inflationary pressure in the country.

OIL PRICE

Crude oil prices saw a marginal decline in the month of July. Although recovery continues to be on the rise amidst the current pandemic. Brent crude price closed at \$40.27 per barrel in July, from \$41 per barrel at the end of June. OPEC however, plans to increase supply. As economies around the world reopen following coronavirus lockdowns, demand for oil and prices have recovered some of the lost ground. Concerns about a possible second wave still poses significant threat to the global economy.

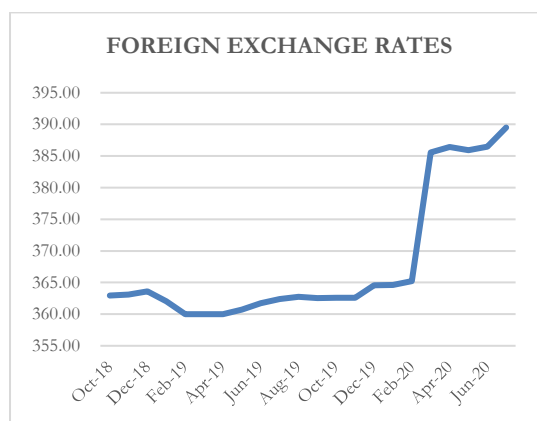
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 Victoria Island, Lagos
 T: +234 1 271 8632
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Prices/Yield : 31 July 20	
PACAM Balanced Fund	N1.38
PACAM Fixed Income Fund	N 11.90
PACAM Money Market Fund	3.98%
PACAM Equity Fund	N1.01
PACAM Eurobond Fund	\$107.67



FOREIGN EXCHANGE MARKET

The naira continues to slump against the dollar. After the revaluation by the CBN. Poor yields on traditional investment classes have led to increased hoarding of FX. Demand continues to exceed supply. Naira closed at ₦389.50 against the dollar as against ₦386.50 the previous month in the I&E window. In the parallel market however, the Naira closed at N475/\$1 as against previous months close of N462/\$1.



Source: Data from FMDQ I & E Window

PACAM MONEY MARKET FUND(MMF) - FUND MANAGER'S REPORT 31-Jul-20

FUND INFORMATION FUND RETURNS

Fund type	Open-ended	Annualised Yield	Jun-20	Jul-20
Category	Money Market Fund		3.68%	3.98%
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.

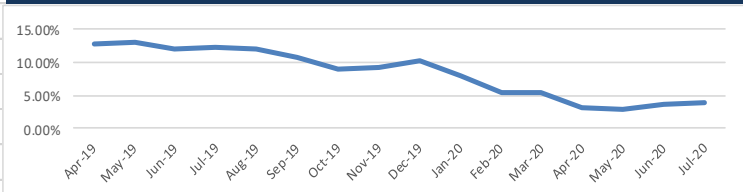
The Fund will invest in low risk short term Money Market securities such as Government securities, Bank Placement, Commercial Papers, and others which include Promissory notes.

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)	Jun-20	Jul-20
Term Deposits	-	-
Cash	4.39	7.80
Commercial Papers	35.02	30.97
Treasury Bills	60.59	61.23

HISTORIC YIELDS



PERFORMANCE REVIEW

The MMF saw some notable increase in yields as new instruments with good yields were purchased within the period in view.

PACAM EUROBOND FUND 31-Jul-20

FUND INFORMATION		FUND RETURNS	
Fund type	Open-ended		
Category	Euro Bond Fund	Month-on-Month	Jun-20: 9.93% Jul-20: -0.23%
Risk profile	Moderate	Year-to-date (Annualised)	7.93% 7.67%
Launch date	20-May-19	Inception-to-date	9.93% -0.23%
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 98% and a smaller dark blue segment representing Cash at 2%. A legend on the right side 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)	\$ 107.67		

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
Mr. Sina Alimi	Member
Mrs Yemisi Arowolo	Trustee's Representative
Mr. Bamidele Ige	Member
Mr Moses Ojo	Member
Mrs Taiwo Sonola	Custodian

ASSET QUALITY (% TOTAL ASSETS)

	Jun-20	Jul-20
Bonds	98.39	99.12
Cash	1.61	0.88

PERFORMANCE REVIEW

The Eurobond saw marginal decline after last months performance. NAV /Unit at \$107.67 as against previous month of \$107.93. There was a slight decrease in demand for eurobond instrument in the month of July leading to a marginal reduction in price

PACAM FIXED INCOME FUND 31-Jul-20

FUND INFORMATION		FUND RETURNS	
Fund type	Open-ended		
Category	Fixed Income Fund	Month-on-Month	Jun-20: 0.68% Jul-20: -0.86%
Risk profile	Moderate	Year-to-date (Annualised)	30.37% 24.25%
Launch date	27-Jul-16	Inception-to-date	19.91% 18.88%
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 81%, a purple segment representing Other Money Market Instruments at 16%, and a small red segment representing Cash at 3%. A legend on the right side of the chart identifies the colors: blue for Bonds, red for Cash, green for Fixed Placement, 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 11.90		

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
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)

	Jun-20	Jul-20
Bonds	62.01	81.25
Cash	0.68	2.54
Fixed Placement	-	-
Other Money Market Instruments	25.81	16.21

PERFORMANCE REVIEW

The Fixed Income space took a bearish turn especially for Bonds. This led to some marginal decrease in NAV/Unit now at N11.90 as against previous month of N12.

PACAM EQUITY FUND (PEF) - FUND MANAGER'S REPORT **31-Jul-20**

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		Jun-20	Jul-20
Category	Equity Fund	Month-on-Month	-3.44%	-2.20%
Risk profile	High	Year-to-date (Annualised)	20.73%	4.71%
Launch date	20-May-19	Inception-to-date	-3.44%	-2.20%
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 1.01			
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	Bonds	4.14	2.89
Mr Osamede Fadaka	Trustee's Representative	Cash	1.17	1.01
Mr. Bamidele Ige	Member	Equities	77.41	78.19
Mr Moses Ojo	Member	Fixed Placement	-	-
Mrs Taiwo Sonola	Custodian	Treasury Bills/Commercial Papers	17.27	17.91
		PERFORMANCE REVIEW		
		The Equity market recognized marginal gains for the month of July with the NSE ASI inching up by 0.87% to close at 24,693.73. Fears continue to mount as a potential second wave of the Covid 19 Pandemic lingers. The fund manager will continue to ensure that any losses are at the bearest minimum.		

PACAM BALANCED FUND (PBF) - FUND MANAGER'S REPORT **31-Jul-20**

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		Jun-20	Jul-20
Category	Balanced Fund	Month-on-Month	-0.92%	-1.02%
Risk profile	Moderate	Year-to-date (Annualised)	21.49%	16.43%
Launch date	15-May-15	Inception-to-date	51.47%	50.00%
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 1.38			
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	ASSET QUALITY (% TOTAL ASSETS)		
Mr. Sina Alimi	Member	Bonds	36.94	36.15
Mr. Olufemi Okin	Trustee's Representative	Cash	1.49	1.69
Mr. Bamidele Ige	Member	Equities	24.38	24.85
Mr Moses Ojo	Member	Fixed Placement	-	-
Mrs Taiwo Sonola	Custodian	Treasury Bills/Commercial Papers	37.18	37.31
		PERFORMANCE REVIEW		
		Continuous bear sentiments in the Equities market continues to subsist mainly as a potential second wave of the Covid-19 Pandemic is expected.		

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