

Fund Manager's Report

NIGERIA | MUTUAL FUNDS | JULY 2021

EQUITY | EUROBOND | BALANCED | MONEY MARKET | FIXED INCOME FUNDS

Monthly Commentary & Outlook

EQUITIES MARKET

In the month of July, the Nigerian equities market reversed the loss recorded in June, as the NGX All-Share Index and Market Capitalization appreciated by 1.69% and 1.64% to 38,547.08 and ₦20.08 trillion respectively. The improvement in the equities market in the month of July was driven by the impressive half-year earnings results released by most companies. The Year-to-Date (YtD) and the Quarter-to-Date (QtD) returns stood at -4.28% and +1.69% respectively. In August, we may likely see a bullish trend as we expect investors to react positively to H1'21 earnings results and to take advantage of the undervalued stocks in the market. However, the ability of the CBN to maintain Naira stability in the FX market will determine the interest of foreign investors in the Nigerian equities market.

FIXED INCOME MARKET

In the secondary bond market, the average market yield decreased by an average of 55 bps as it closed at 10.87% in July, compared to 11.42% recorded in June. The result for the 1-year, 2-year, 3-year, 5-year and 10-year bonds traded are 8.85% (-0.69%), 10.20% (-1.28%), 10.82% (-0.40%), 11.85% (-0.75%) and 12.65% (+0.39%) respectively. Also, in the primary bond market, the yields declined across board in July as marginal rate for longer tenure of FGN FEB 2028, FGN MAR 2036 and FGN MAR 2050 fell to 12.35% (June: 12.74% - FGN MAR 2027), 13.15% (June: 13.50% FGN MAR 2035) and 13.25% (June: 13.70% - FGN MAR 2050) respectively. With the slight increase in August FGN Savings Bond, we may likely witness an improvement in the bond market in the month of August.

INFLATION

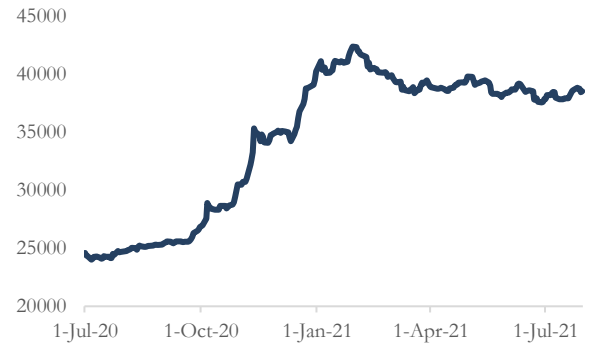
For the third time in 2021, inflation rate declined by 18 bps to 17.75% in the month of June (from 17.93% recorded in the month of May), mainly as result of the decline in food prices during the period. The composite food index fell by 21.83% in June, which is 45 bps lower than 22.28% recorded in the month of May 2021. Inflation rate may likely decline further in July as the country enters harvest season. However, insecurity in food producing states remains a major threat to our positive outlook.

PAC Asset Management Limited

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NSE All-Share Index 52-wk Movement



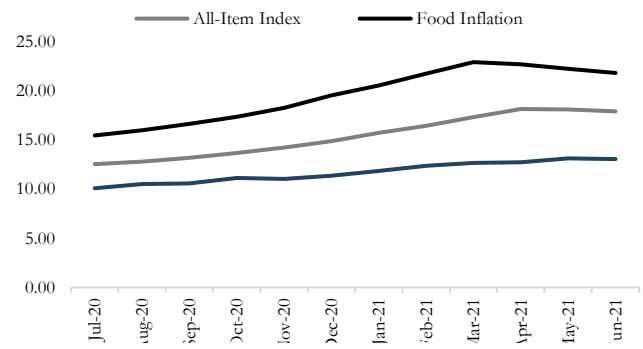
Source: NSE, PAC Research

FGN Bond Yield

TENOR (SEC. MARKET)	JUNE (%)	JULY (%)	CHANGE (%)
1-YEAR	9.54	8.85	-0.69
2-YEAR	11.48	10.20	-1.28
3-YEAR	11.22	10.82	-0.40
5-YEAR	12.6	11.85	-0.75
10-YEAR	12.26	12.65	+0.39
BOND AUCTION RESULTS			
	JUNE (%)	JULY (%)	CHANGE (%)
FGN FEB 2028	12.74	12.35	-0.39
FGN MAR 2036	13.50	13.15	-0.35
FGN MAR 2050	13.70	13.25	-0.45

Source: FMDQ, DMO, PAC Research

Inflation Rate – Year-on-Year (%)

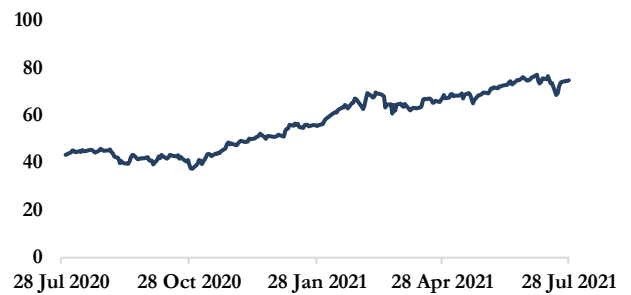


Source: NBS, PAC Research

OIL PRICE

The average price of Brent crude oil declined slightly by 0.16% to \$74.29 per barrel in the month of July, when compared to the average oil price of \$73.41 per barrel recorded for the month of June 2021. In line with our projection, the cancellation of OPEC+ meeting in the beginning of July had a negative impact on the prices of Brent crude during the period. With the recent OPEC+ agreement to increase oil production by 400,000 bpd, we may likely see slight reduction in the prices of Brent crude oil.

Crude Oil Price (\$/barrel)



Source: Bloomberg, PAC Research

FOREIGN EXCHANGE MARKET

On Investors and Exporters Window, Naira depreciated by 0.18% in the month of July as exchange rate closed at ₦411.44/\$ (June 2021: ₦410.70/\$). As a result of the recent decision of the Central Bank of Nigeria (CBN) to discontinue the sale of FX to BDC operators, Naira depreciated against USD in the parallel market as investors continue to speculate. Naira may likely appreciate in August, as we expect the CBN to react to the depreciation of Naira by increasing FX supply to the market through the Commercial Banks.

Foreign Exchange Market

SPOT	JUNE (₦)	MAY (₦)	CHANGE
USD (I&E Rate)	410.70	411.44	0.18%
USD (Parallel Market)	500.00	515	3.00%
GBP (Parallel Market)	718.00	712	-0.84%
EUR (Parallel Market)	605.00	597	-1.32%

*+Depreciation, -Appreciation

Source: FMDQ Aboki FX, PAC Research

Fund Prices:	31-July-21	30-June-21	% Change
PACAM Balanced Fund	₦1.67	₦1.66	0.60%
PACAM Fixed Income Fund	₦11.50	₦11.51	-0.09%
PACAM Money Market Fund	₦10.00	₦10.00	0.00%
PACAM Equity Fund	₦1.67	₦1.62	3.09%
PACAM Eurobond Fund	\$113.40	\$112.15	1.11%

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PAC Asset Management

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

31-Jul-21

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.

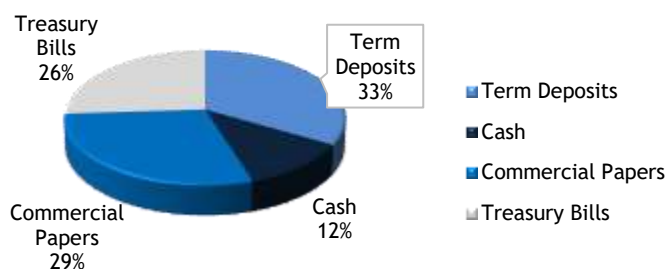
The Fund invests in low-risk short term Money Market securities such as Treasury Bills, Bank Placement, Commercial Papers, and Promissory notes with tenors of 365 days or less.

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	10.31%
Dealing Days	Monday - Friday
NAV per unit (NGN)	NGN 10.00

ASSET QUALITY (% TOTAL ASSETS)

	Jun-21	Jul-21
Term Deposits	33.40	30.43
Cash	11.69	4.76
Commercial Papers	28.88	37.86
Treasury Bills	26.02	26.95



PERFORMANCE REVIEW

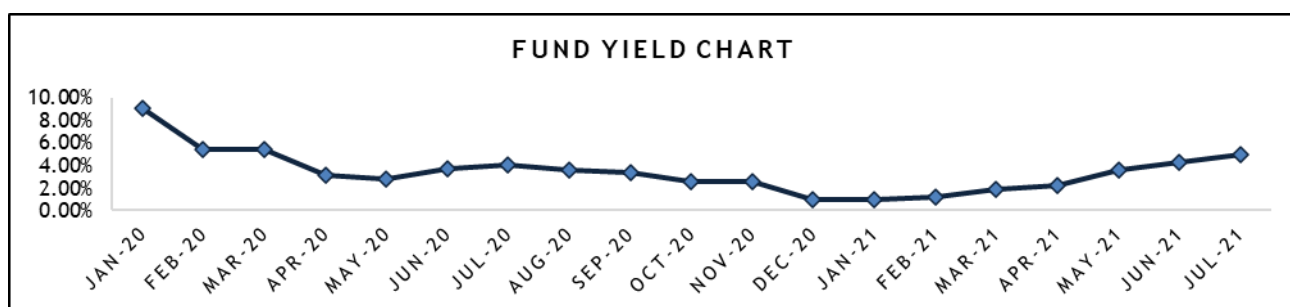
The fixed income market has seen a significant improvement in the year 2021. In the month of July, the money market fund saw yields inch up marginally as the Fund Manager took strategic positions with improved market rates.

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

FUND RETURNS

	Jun-21	Jul-21
Current Yield	4.30%	5.00%
Inception to Date	62.48%	62.91%



PACAM FIXED INCOME FUND

31-Jul-21

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.

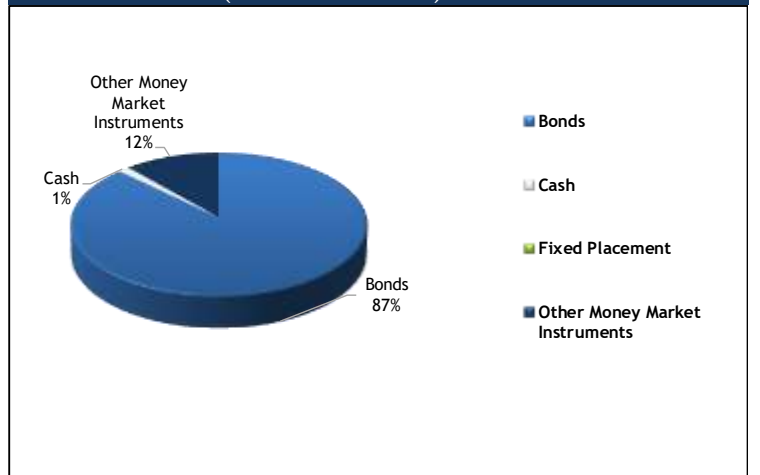
FUND INFORMATION

Fund type	Open-ended
Category	Fixed Income Fund
Risk profile	Moderate
Launch date	27-Jul-16
Fund Manager	PAC Asset Management Limited
Trustees	GTL Trustees Limited
Custodian	UBA Global Investor Services
Auditors	BDO Professional Services
Management Fee	1% of NAV
Benchmark	5-year Nigerian Sovereign Bond
Dividend Frequency	Annual
5-Year Annual Growth Rate	7.47%
Dealing Days	Monday - Friday
NAV per unit (NGN)	NGN 11.50

ASSET QUALITY (% TOTAL ASSETS)

	Jun-21	Jul-21
Bonds	88.61	87.22
Cash	0.66	1.36
Fixed Placement	-	-
Other Money Market Instruments	10.72	11.42

ASSET ALLOCATION (% OF TOTAL ASSETS)



PERFORMANCE REVIEW

The slight reduction on NAV was due to movement in asset prices. This presents opportunity to take renewed positions in the fund.

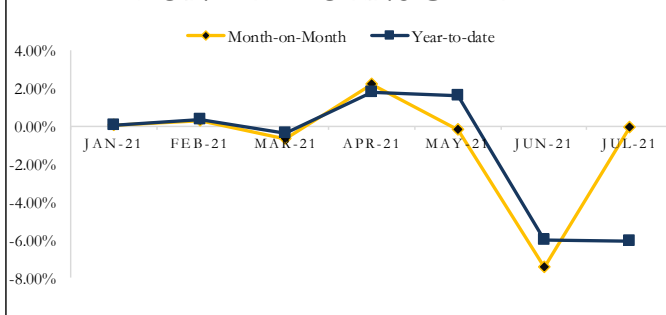
INVESTMENT COMMITTEE

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

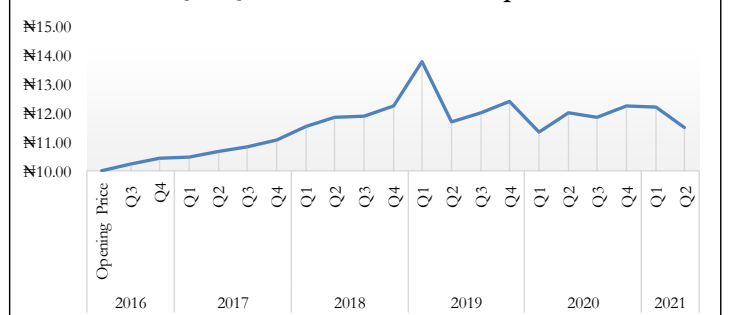
FUND RETURNS

	Jun-21	Jul-21
Month-on-Month	-7.47%	-0.09%
Year-to-date	-5.99%	-6.07%
Inception-to-date	46.05%	45.95%

FUND RETURNS CHART



Q-o-Q Fund Price since Inception



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

31-Jul-21

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 NSE.

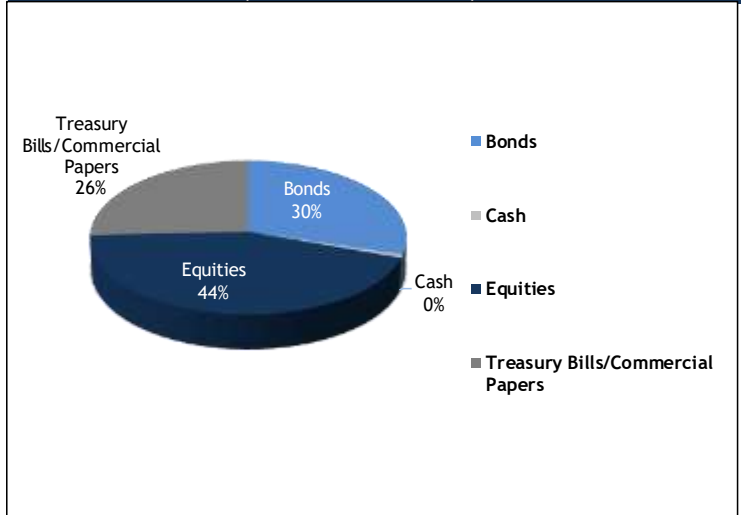
FUND INFORMATION

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	13.23%
Dealing Days	Monday - Friday
NAV per unit (NGN)	NGN 1.67

ASSET QUALITY (% TOTAL ASSETS)

	Jun-21	Jul-21
Bonds	31.17	29.74
Cash	4.92	0.68
Equities	42.22	43.86
Fixed Placement	-	-
Treasury Bills/Commercial Papers	21.69	25.71

ASSET ALLOCATION (% OF TOTAL ASSETS)



PERFORMANCE REVIEW

The fund witnessed a slight increase in NAV. As the volatility in the Equities market continues to persist, the fund manager will continue to carry out tactical allocation measures to ensure a fully optimized portfolio.

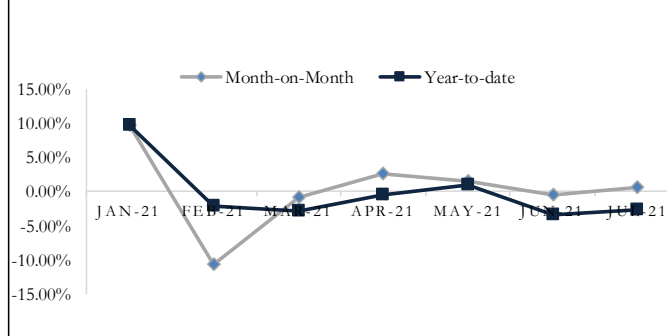
INVESTMENT COMMITTEE

Mr. Sam Onukwue	Chairman
Mr. Sina Alimi	Member
Mr. Olufemi Okin	Trustee's Representative
Mr. Bamidele Ige	Member
Mr Moses Ojo	Member
Mrs Taiwo Sonola	Custodian

FUND RETURNS

	Jun-21	Jul-21
Month-on-Month	-0.45%	0.64%
Year-to-date	-3.39%	-2.74%
Inception-to-date	103.84%	104.93%

FUND RETURNS CHART



Q-o-Q Fund Price since Inception



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

31-Jul-21

INVESTMENT OBJECTIVES

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.

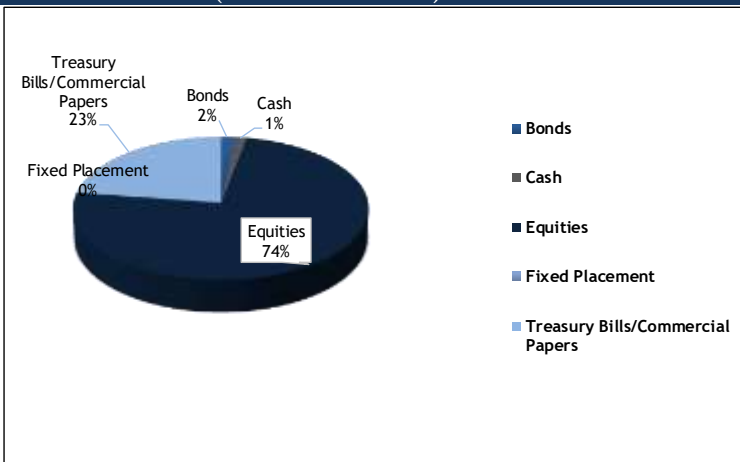
FUND INFORMATION

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
Auditors	BDO Professional Services
Management Fee	1% of NAV
Benchmark	NSE All Share Index
Dividend Frequency	Annual
Compounded Annual Growth Rate	24.42%
Dealing Days	Monday - Friday
NAV per unit (NGN)	NGN 1.67

ASSET QUALITY (% TOTAL ASSETS)

	Jun-21	Jul-21
Bonds	2.63	1.74
Cash	0.34	1.30
Equities	72.70	74.24
Fixed Placement	-	-
Treasury Bills/Commercial Papers	24.33	22.72

ASSET ALLOCATION (% OF TOTAL ASSETS)



PERFORMANCE REVIEW

The PACAM Equity fund witnessed an increase in price of the fund and NAV. The fund manager has taken strategic and tactical positions to ensure capital appreciation by investing in blue chip stocks.

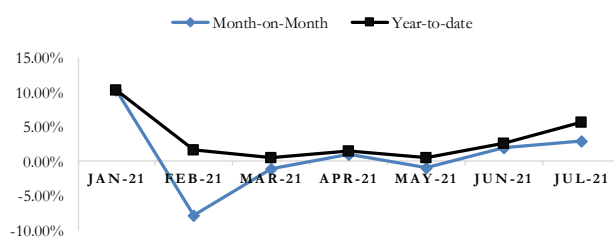
INVESTMENT COMMITTEE

Mr. Sam Onukwue	Chairman
Mr. Sina Alimi	Member
Mr Osamede Fadaka	Trustee's Representative
Mr. Bamidele Ige	Member
Mr Moses Ojo	Member
Mrs Taiwo Sonola	Custodian

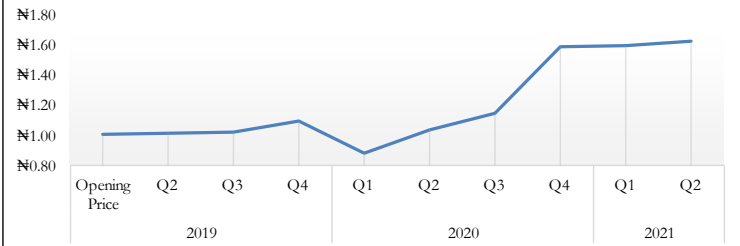
FUND RETURNS

	Jun-21	Jul-21
Month-on-Month	2.01%	2.99%
Year-to-date	2.57%	5.63%
Inception-to-date	62.07%	66.92%

FUND RETURNS CHART



Q-o-Q Fund Price since Inception



PACAM EUROBOND FUND

31-Jul-21

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 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	
Auditors	BDO Professional Services	
Management Fee	1% of NAV	
Benchmark	5-Year Nigerian sovereign Eurobond	
Dividend Frequency	Annual	
Compounded Annual Growth Rate	5.90%	
Dealing Days	Monday - Friday	
NAV per unit (USD)	\$	113.40

PERFORMANCE REVIEW

The Fund saw an increase the NAV, as the Fund manager has taken strategic positions to ensure capital preservation and growth. The fund still presents tactical opportunities.

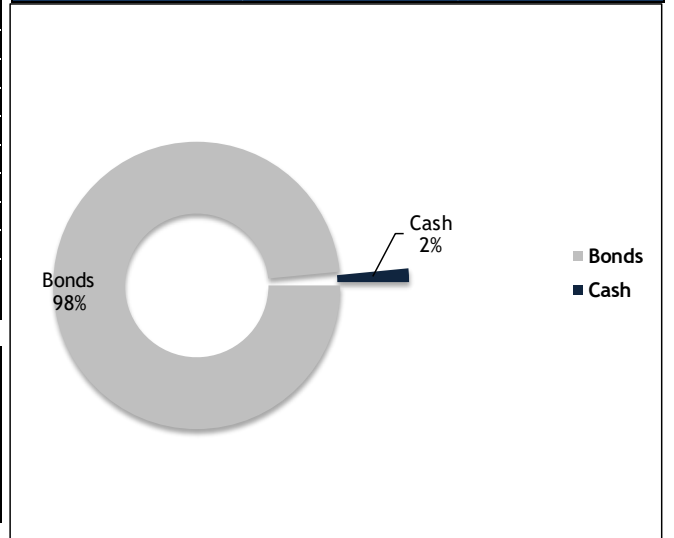
INVESTMENT COMMITTEE

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-21	Jul-21
Bonds	98.47	99.11
Cash	1.53	0.89

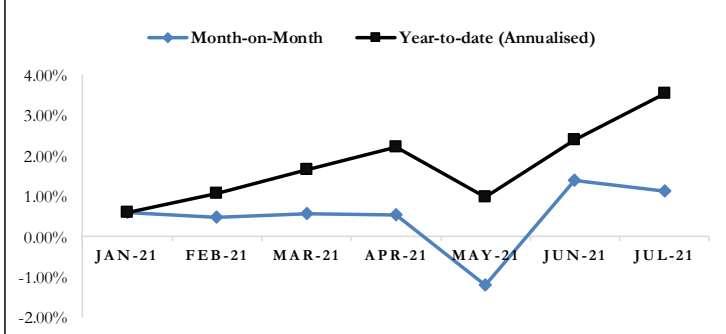
ASSET ALLOCATION (% OF TOTAL ASSETS)



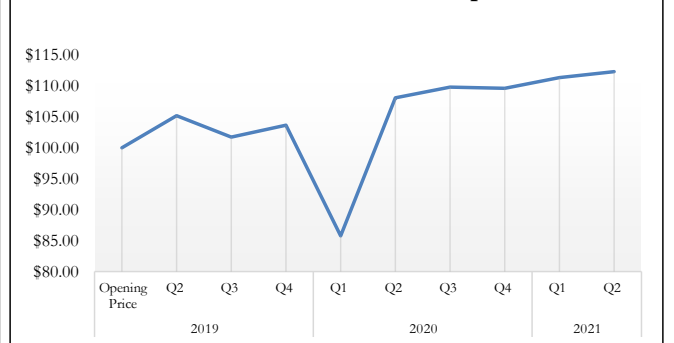
FUND RETURNS

	Jun-21	Jul-21
Month-on-Month	1.40%	1.12%
Year-to-date (Annualised)	2.38%	3.53%
Inception-to-date	13.15%	14.40%

FUND RETURNS CHART



Q-o-Q Fund Price since Inception



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.*