

## Monthly Commentary & Outlook

### EQUITIES MARKET

The Nigerian Stock Exchange All Share Index at the close of trading activities in the third month of 2021, closed on a bearish note, with the index depreciating by 1.81%, to close at 39,078.94 index points for the month. A preview of the performance of the index revealed that it shed a total of 8.44 index points in the month of March, to complete two consecutive months of decline. The Year-to-Date (YtD) and the Quarter-to-Date (QtD) returns stand at -2.62% and -2.62%, while the Month-to-Date (MtD) returns stand at -1.47%. The fixed-income space has recognised significant increase in yields. This has led to major selloffs in the equities space as investors seek to take advantage of improved yields in the fixed income space. We expect the equity market to remain bearish.

### FIXED INCOME MARKET

In the treasury bills markets, the average yield increased as it closed at 4.29% compared to the 1.43% yield at the end of February. The 10-Jun-21, 26-Aug-21 and 24-Feb-22 bills closed at 2.31% (+0.85%), 3.91% (+0.21%), and 6.64% (+4.57%) respectively. The result for the 27-Apr-2023, 14-Mar-2024, 22-Jan-2026, 23-Feb-2028, 23-Jul-2030, 24-Jul-2045 and 27-Mar-1950 bonds traded are 6.35% (+0.12%), 7.54% (+0.69%), 10.05% (+1.89%), 10.49% (+0.16%), 10.72% (-0.05%), 11.90% (+0.35%) and 11.67% (+0.24%) respectively. In the month of March, the Primary market auction closed with some significant increase in the yields which has led to more interest in bonds and prospect of better yields in the coming months. It is expected that yields will maintain an upward trajectory.

### INFLATION

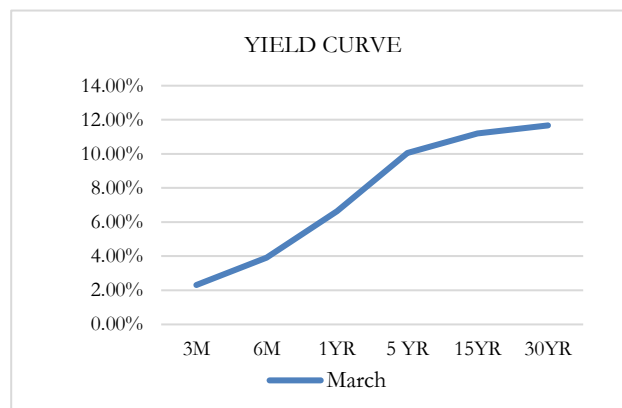
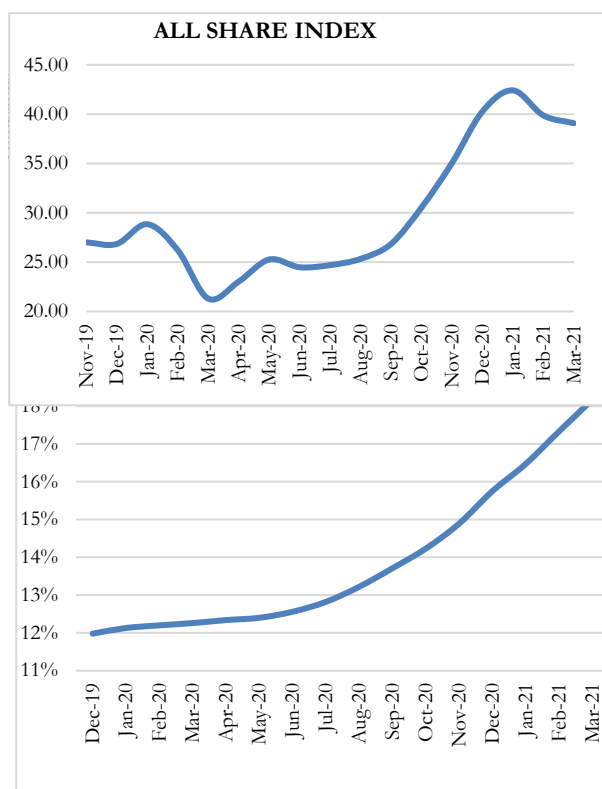
Headline Inflation rate rose to 17.33% in February 2021 as against 16.47% recorded in January 2021. On a month-on-month basis, the index increased by 0.86%. The significant increase could be attributed to the depreciation of the Naira and further increase in oil prices. The composite food index rose by 21.79% in February 2021 compared to 20.57% in January 2021. Increment on food index can also be attributed to the increasing rate of Herdsmen attacks on farmlands across regions of the country. It is expected that the regulators take contractionary measures to curb current level of inflation however we expect inflationary headwinds to remain.

### OIL PRICE

Spot crude prices rose for the fifth-consecutive month in March on the back of continuing supportive oil market fundamentals. Brent crude closed at \$65.21/barrel in March as against \$62.28 recorded in the month of February. The Suez Canal traffic in March also caused a supply disruption contributing to the increase in oil prices. The OPEC Reference Basket (ORB) increased \$3.51 or 5.7% m-o-m to average \$64.56/b, the highest on monthly terms since January 2020. In the first three months of 2021, the ORB was up by \$8.82, or 17.2% to average \$60.22/b. Crude oil futures prices were higher in March extending previous monthly gains.

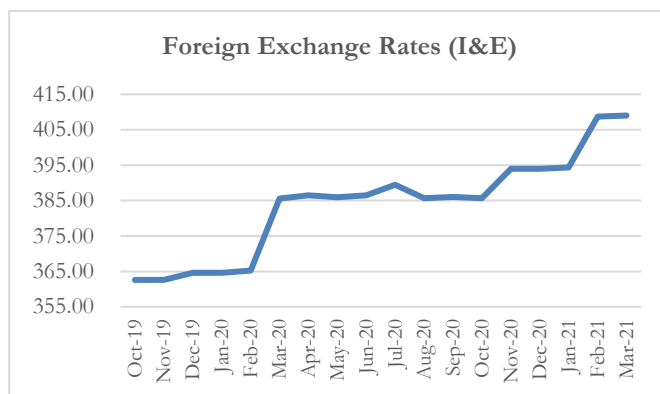
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Prices/Yield: 31 March, 2021	
PACAM Balanced Fund	N1.60
PACAM Fixed Income Fund	N 12.19
PACAM Money Market Fund	N10.00
PACAM Equity Fund	NGN 1.59
PACAM Eurobond Fund	\$112.34



## 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 33 kobo against dollar as it closed at ₦409.00/\$ at the end of March (vs. ₦408.67/\$ it closed in the February). We anticipate regulators to implement further measures to improve FX liquidity in the market, as we expect further appreciation in the Naira.



Source: Data from FMDQ I & E Window

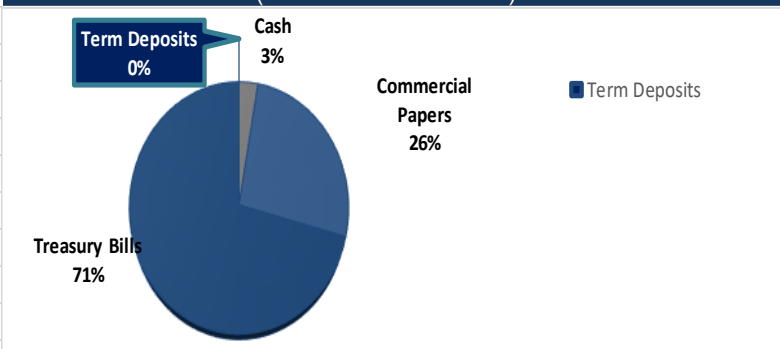
## PACAM MONEY MARKET FUND(MMF) - FUND MANAGER'S REPORT 31-Mar-21

### FUND INFORMATION FUND RETURNS

FUND INFORMATION		FUND RETURNS	
Fund type	Open-ended		
Category	Money Market Fund	Current Yield	Feb-21: 1.13% Mar-21: 1.83%

Risk profile	Low
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

### ASSET ALLOCATION (% OF TOTAL ASSETS)



### 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.

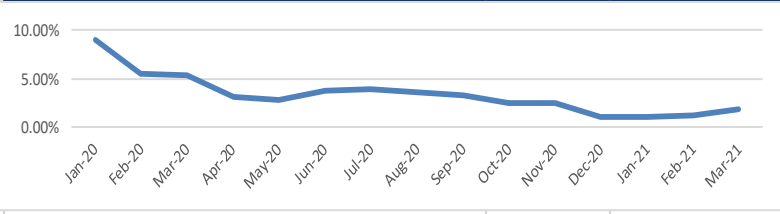
### ASSET QUALITY (% TOTAL ASSETS)

Asset Class	Feb-21	Mar-21
Term Deposits	-	-
Cash	4.97	2.85
Commercial Papers	64.56	26.19
Treasury Bills	30.47	70.97

### 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

### HISTORIC YIELDS



### PERFORMANCE REVIEW

The fixed income market has seen a significant improvement in the year 2021. The money market fund saw yields inch up marginally in the month of March. As instruments mature, new investment will be at better yields which will improve the yields of the Fund

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

31-Mar-21

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		<b>Feb-21</b>	<b>Mar-21</b>
Category	Balanced Fund	Month-on-Month	-10.71%	-0.85%
Risk profile	Moderate	Year-to-date	-2.15%	-2.98%
Launch date	15-May-15	Inception-to-date	73.78%	72.36%
Fund Manager	PAC Asset Management Limited	<b>ASSET ALLOCATION (% OF TOTAL ASSETS)</b>		
Trustees	FBN Trustees Limited	<ul style="list-style-type: none"> <li>■ Bonds</li> <li>■ Cash</li> <li>■ Equities</li> <li>■ Treasury Bills/Commercial Papers</li> </ul>		
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 1.60			
<b>INVESTMENT OBJECTIVES</b>				
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.				
<b>INVESTMENT COMMITTEE</b>		<b>ASSET QUALITY (% TOTAL ASSETS)</b>		
Mr. Sam Onukwue	Chairman	Bonds	30.45	29.88
Mr. Sina Alimi	Member	Cash	0.65	2.08
Mr. Olufemi Okin	Trustee's Representative	Equities	44.51	43.27
Mr. Bamidele Ige	Member	Fixed Placement	-	-
Mr Moses Ojo	Member	Treasury Bills/Commercial Papers	24.39	24.77
Mrs Taiwo Sonola	Custodian	<b>PERFORMANCE REVIEW</b>		
		The equity market continues to see major sell offs which has led to a reduction in the Fund's NAV and has impacted Fund's yield negatively. We believe this is in reaction to Fixed Income Yield expansion, but may present buying opportunities to the Fund.		

**PACAM FIXED INCOME FUND**

31-Mar-21

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		<b>Feb-21</b>	<b>Mar-21</b>
Category	Fixed Income Fund	Month-on-Month	0.30%	-0.53%
Risk profile	Moderate	Year-to-date	0.32%	-0.37%
Launch date	27-Jul-16	Inception-to-date	32.69%	31.84%
Fund Manager	PAC Asset Management Limited	<b>ASSET ALLOCATION (% OF TOTAL ASSETS)</b>		
Trustees	GTL Trustees Limited	<ul style="list-style-type: none"> <li>■ Bonds</li> <li>■ Cash</li> <li>■ Fixed Placement</li> <li>■ Other Money Market Instruments</li> </ul>		
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 12.19			
<b>INVESTMENT OBJECTIVES</b>				
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.				
<b>INVESTMENT COMMITTEE</b>		<b>ASSET QUALITY (% TOTAL ASSETS)</b>		
Mr. Sam Onukwue	Chairman	Bonds	73.99	75.15
Mr. Sina Alimi	Member	Cash	0.64	0.54
Mr. Bunkaya Gana	Trustee's Representative	Fixed Placement	-	-
Mr. Bamidele Ige	Member	Other Money Market Instruments	25.37	24.31
Mr Moses Ojo	Member	<b>PERFORMANCE REVIEW</b>		
Mrs Taiwo Sonola	Custodian	The fixed income space has witnessed significant movement in yields in 2021. The fund realized some NAV Gains for the month of March. The fund manager is actively working to increase the size of this fund.		

**PACAM EQUITY FUND (PEF) - FUND MANAGER'S REPORT**
**31-Mar-21**

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		<b>Feb-21</b>	<b>Mar-21</b>
Category	Equity Fund	Month-on-Month	-7.82%	-1.12%
Risk profile	High	Year-to-date	1.65%	0.51%
Launch date	20-May-19	Inception-to-date	60.62%	58.82%
Fund Manager	PAC Asset Management Limited	<b>ASSET ALLOCATION (% OF TOTAL ASSETS)</b>		
Trustees	FCMB Trustees Limited	<p>A donut chart illustrating the asset allocation of the PACAM Equity Fund. The largest portion is Equities at 74%, followed by Treasury Bills/Commercial Papers at 22%, and Cash at 2%. Fixed Placement is not represented in the chart.</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 1.59			
<b>INVESTMENT OBJECTIVES</b>				
The primary objective of PACAM Equity Fund is to achieve long-term capital appreciation by investing in high quality listed equities on the NSE.				
<b>INVESTMENT COMMITTEE</b>				
Mr. Sam Onukwue	Chairman	<b>ASSET QUALITY (% TOTAL ASSETS)</b>		
Mr. Sina Alimi	Member		<b>Feb-21</b>	<b>Mar-21</b>
Mr Osamede Fadaka	Trustee's Representative	Bonds	1.96	2.16
Mr. Bamidele Ige	Member	Cash	0.91	1.57
Mr Moses Ojo	Member	Equities	76.48	74.38
Mrs Taiwo Sonola	Custodian	Fixed Placement	-	-
		Treasury Bills/Commercial Papers	20.64	21.89
		<b>PERFORMANCE REVIEW</b>		
		The PACAM Equity fund witnessed a decrease in NAV as the equities market continues to be bearish. The improving yields on the Fixed income space has also had some impact on the equities space.		

**PACAM EUROBOND FUND**
**31-Mar-21**

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		<b>Feb-21</b>	<b>Mar-21</b>
Category	Euro Bond Fund	Month-on-Month	0.49%	0.56%
Risk profile	Moderate	Year-to-date (Annualised)	1.08%	1.65%
Launch date	20-May-19	Inception-to-date	11.71%	12.34%
Fund Manager	PAC Asset Management Limited	<b>ASSET ALLOCATION (% OF TOTAL ASSETS)</b>		
Trustees	FCMB Trustees Limited	<p>A donut chart illustrating the asset allocation of the PACAM Eurobond Fund. The vast majority is Bonds at 99%, with a small portion of 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)	\$ 112.34			
<b>INVESTMENT OBJECTIVES</b>				
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.				
<b>INVESTMENT COMMITTEE</b>				
Mr. Sam Onukwue	Chairman	<b>ASSET QUALITY (% TOTAL ASSETS)</b>		
Mr. Sina Alimi	Member		<b>Feb-21</b>	<b>Mar-21</b>
Mrs Yemisi Arowolo	Trustee's Representative	Bonds	97.89	98.92
Mr. Bamidele Ige	Member	Cash	2.11	1.08
Mr Moses Ojo	Member	<b>PERFORMANCE REVIEW</b>		
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:

	<b>PACAM Money Market Fund</b>	<b>PACAM Fixed Income Fund</b>	<b>PACAM Balanced Fund</b>	<b>PACAM Equity Fund</b>	<b>PACAM Eurobond Fund</b>
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