



# PAC Asset Management

■ MUTUAL FUNDS ■ FIXED INCOME ■ WEALTH MANAGEMENT ■



- Your Asset Manager of Choice.

# March 2022 Market & Economic Review

## MACROECONOMIC OVERVIEW

**Gross Domestic Product (GDP):** Nigeria's GDP grew by 3.98% and 3.40% in fourth quarter and full year of 2021 respectively, driven by notable growth in non-oil sector.

**INFLATION:** Nigeria's inflation increased by 10 bps to 15.70% in February 2022 (January 2022: 15.60%). The rise in the headline index in February 2022 could be attributed to the fuel scarcity at the domestic level and general increase in prices of commodities across the globe during the period.

**CRUDE OIL:** The average price of Brent crude oil increased by 19.51% to \$112.46 per barrel in March 2022 (February 2022: \$94.10), driven by the limited supply as buyers continued to ignore barrels from Russia due to its invasion of Ukraine.

**OUTLOOK:** With the continuous interventions of monetary and fiscal authority in the economy, GDP will maintain positive trend in Q1'22. There may be a further increase in the inflation rate in March due to the higher cost of inputs and insecurities in the food producing states in the country. The price of crude oil may go higher in April as a result of the disruption to energy flows caused by the Russian-Ukrainian war.



## EQUITIES MARKET OVERVIEW

Bears sustained dominance in March as the NGX All-Share Index and Market Capitalization declined by 0.91% and 0.91% to 46,965.48 and ₦25.31 trillion respectively. The three top gainers during the month are PZ (+50.71%), PRESCO (+27.88%) and MEYER (+20%). The Year-to-Date (YtD) and the Quarter-to-Date (QtD) returns stood at +9.95% and +9.95% respectively.

**OUTLOOK:** We may likely see reversal of the bears in April as we expect cherry pickers to take advantage of the low-priced stocks in the Nigerian equities market.

## BOND MARKET OVERVIEW

In the **secondary bond market**, the average bond yield fell by 76 bps as it closed at 8.47% in March 2022, compared to 9.24% recorded in February 2022. The result for 1-year, 2-year, 5-year and 8-year bonds traded are 4.99% (-0.46%), 7.72% (-0.62%), 10.31% (-0.89%) and 10.87% (-1.08%) respectively.

In the **primary bond market**, the average yield declined by 55 bps in March as marginal rate for longer tenure of FGN JAN 2026 and FGN JAN 2042 closed at 10.15% (Feb: 10.95%) and 12.70% (Feb: 13.00%) respectively.

**OUTLOOK:** We may likely see slight increase in yields in the bond market in April as we expect government to respond to the hike in interest rates in some other African countries.

## FOREIGN EXCHANGE MARKET OVERVIEW

On Investors and Exporters Window, naira appreciated by ₦1.99 in February 2022 as exchange rate closed at ₦415.93/\$ (February 2022 : ₦417.92/\$).

**OUTLOOK:** The expectation of increase in the price of crude oil in April and the decision of Nigerian government to fight oil theft and pipeline vandalism in the country may have positive effect on foreign exchange earnings. Hence, this may have positive impact on the strength of naira in the foreign exchange market in April.



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	9.81%
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 Oluwaseun Olaoye	Member
Mrs Taiwo Sonola	Custodian

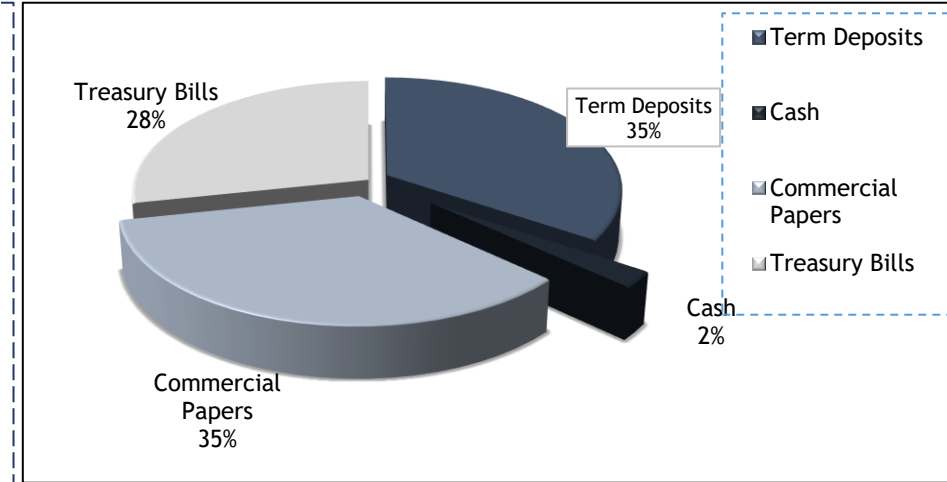
## FUND RETURNS

	Feb-22	Mar-22
Current Yield	6.94%	6.47%
Inception to Date	69.13%	70.06%

## PERFORMANCE REVIEW:

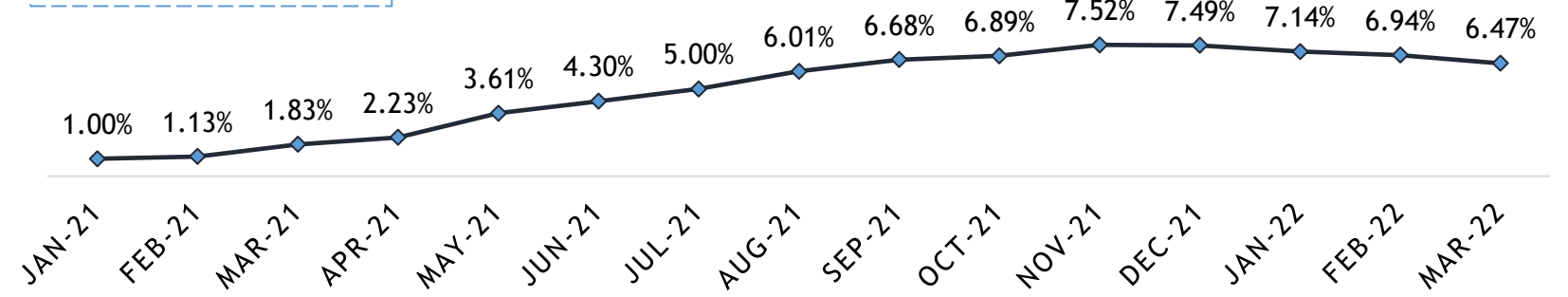
In the Treasury Bill market, the average yield declined by 55 bps in March as the bond market saw marginal decline in yields on FGN JAN 2026 and FGN JAN 2042, closing at 10.15% (Feb: 10.95%) and 12.70% (Feb: 13.00%) respectively.

The Fixed Income space saw downturn trends in yields during the month, as the money market fund yield declined by 47 basis points (47bps). The Fund Manager still maintains strategic positions to improve yields amidst declining trends.



ASSET QUALITY (% TOTAL ASSETS)	Feb-22	Mar-22
Term Deposits	48.22	34.41
Cash	2.41	2.35
Commercial Papers	20.21	34.95
Treasury Bills	29.16	28.30

## 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	7.47%
Dealing Days	Monday - Friday
NAV per unit (NGN)	NGN 11.77

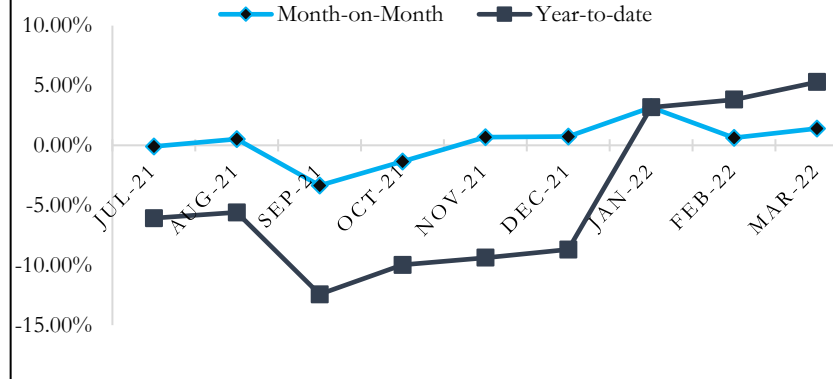
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Mrs Taiwo Sonola	Custodian

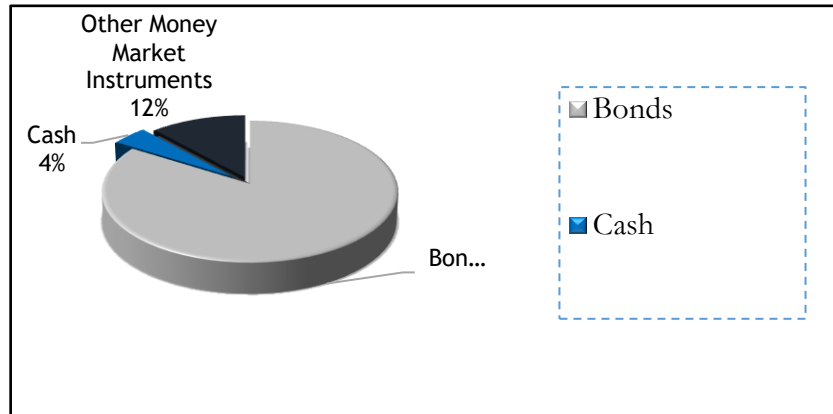
## FUND RETURNS

	Feb-22	Mar-22
Month-on-Month	0.63%	1.40%
Year-to-date	3.83%	5.28%
Inception-to-date	51.52%	53.14%

## FUND RETURNS CHART



ASSET QUALITY (% TOTAL ASSETS)	Feb-22	Mar-22
Bonds	83.92	83.92
Cash	4.42	4.42
Other Money Market Instruments	11.66	11.66



## Q-o-Q Fund Price since Inception



## PERFORMANCE REVIEW:

In the Treasury Bill market, the average yield declined by 55 bps in March as the bond market saw marginal rate for longer tenure of FGN JAN 2026 and FGN JAN 2042 closed at 10.15% (Feb: 10.95%) and 12.70% (Feb: 13.00%) respectively.

The Fund saw an increase in NAV price due to declining yield trends in the month under review. Fund Manager expects to take advantage of this cycle to consolidate positions.

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

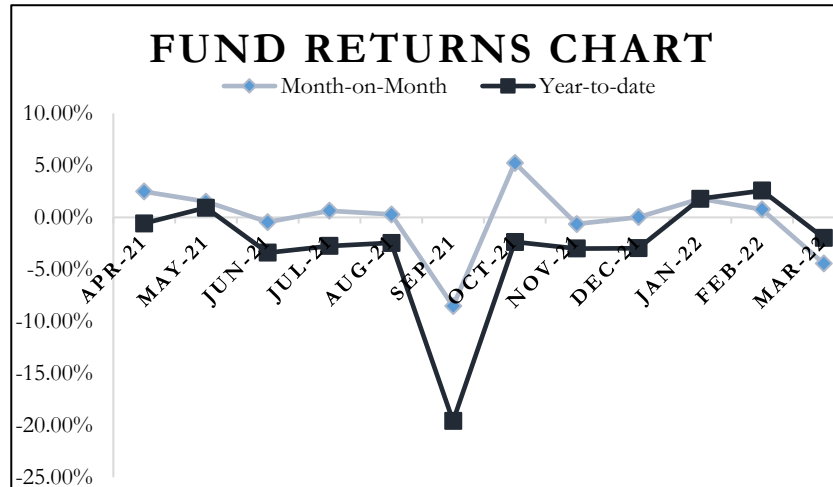
Fund type	Open-ended
Category	Balanced Fund
Risk profile	Moderate
Launch date	15-May-15
Fund Manager	PAC Asset Management Limited
Trustees	FBN Trustees Limited
Custodian	UBA Global Investor Services
Auditors	BDO Professional Services
Management Fee	1% of NAV
Benchmark	Composite index comprising of NSE ASI, 5-Year Nigerian Sovereign Bond, 1-Year Nigerian Treasury Bill
Dividend Frequency	Annual
6-Year Annual Growth Rate	12.08%
Dealing Days	Monday - Friday
NAV per unit (NGN)	NGN 1.57

## INVESTMENT COMMITTEE

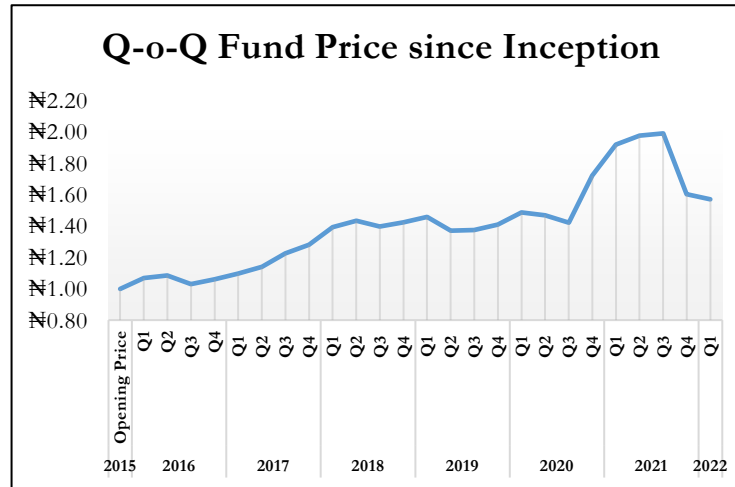
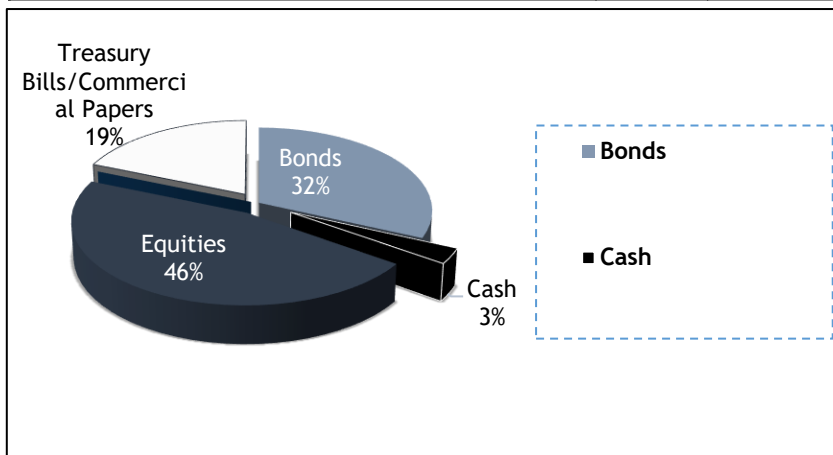
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Mrs Taiwo Sonola	Custodian

## FUND RETURNS

	Feb-22	Mar-22
Month-on-Month	1.80%	0.76%
Year-to-date	1.80%	2.58%
Inception-to-date	115.38%	116.66%



ASSET QUALITY (% TOTAL ASSETS)	Feb-22	Mar-22
Bonds	30.49	31.79
Cash	4.86	3.01
Equities	47.39	46.49
Treasury Bills/Commercial Papers	17.26	18.71



## PERFORMANCE REVIEW:

Bears sustained dominance in March as the NGX All-Share Index and Market Capitalization declined by 0.91% to 46,965.48.

The fund witnessed a slight decrease in NAV due to price volatility in the Stock market as investors took profit and marked down for dividend payments. The fund manager will continue to carry out tactical allocation measures to ensure a fully optimized portfolio.

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

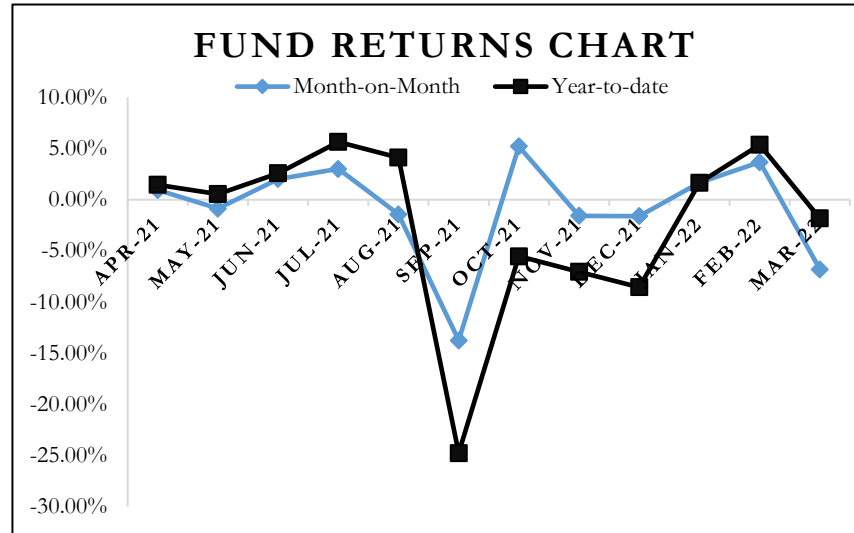
Fund type	Open-ended
Category	Equity Fund
Risk profile	High
Launch date	20-May-19
Fund Manager	PAC Asset Management Limited
Trustees	FCMB Trustees Limited
Custodian	UBA Global Investor Services
Auditor	BDO Professional Services
Management Fee	1% of NAV
Benchmark	NSE All Share Index
Dividend Frequency	Annual
Compounded Annual Growth Rate	18.06%
Dealing Days	Monday – Friday
NAV per unit (NGN)	NGN 1.42

## INVESTMENT COMMITTEE

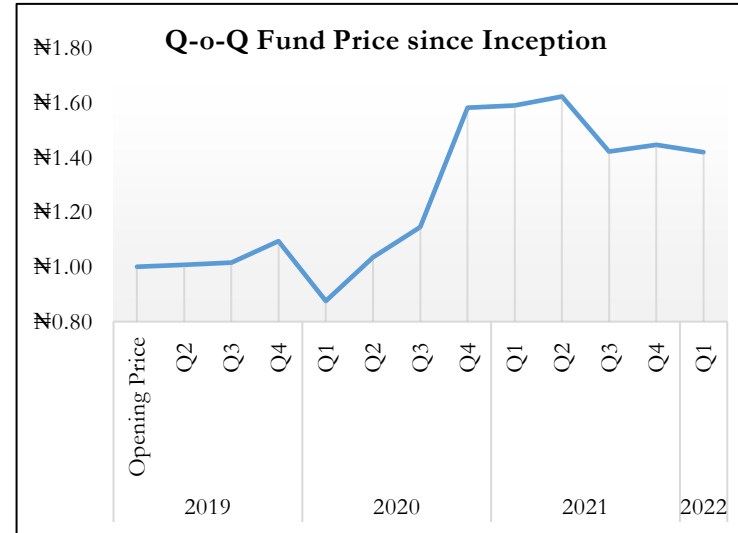
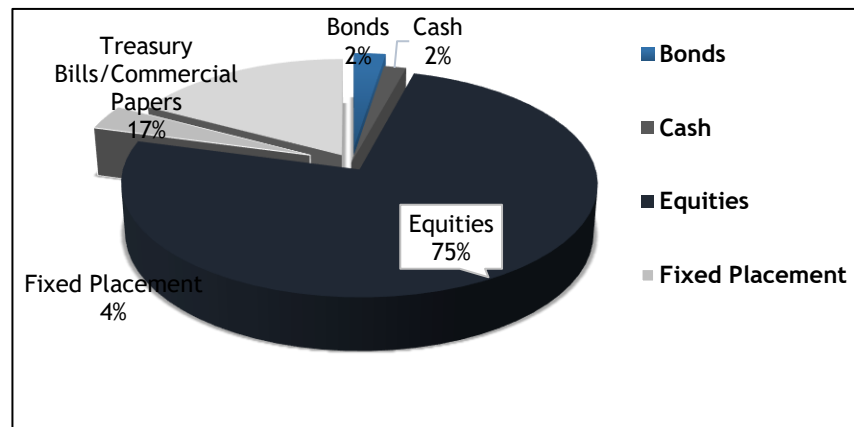
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Mr. Bamidele Ige	Fund Manager
Mr Oluwaseun Olaoye	Member
Mrs Taiwo Sonola	Custodian

## FUND RETURNS

	Feb-22	Mar-22
Month-on-Month	3.65%	-6.82%
Year-to-date	5.36%	-1.83%
Inception-to-date	75.23%	64.84%



ASSET QUALITY (% TOTAL ASSETS)	Feb-22	Mar-22
Bonds	2.16	2.51
Cash	0.40	1.72
Equities	76.33	74.97
Fixed Placement	4.95	3.59
Treasury Bills/Commercial Papers	16.16	17.21



## PERFORMANCE REVIEW:

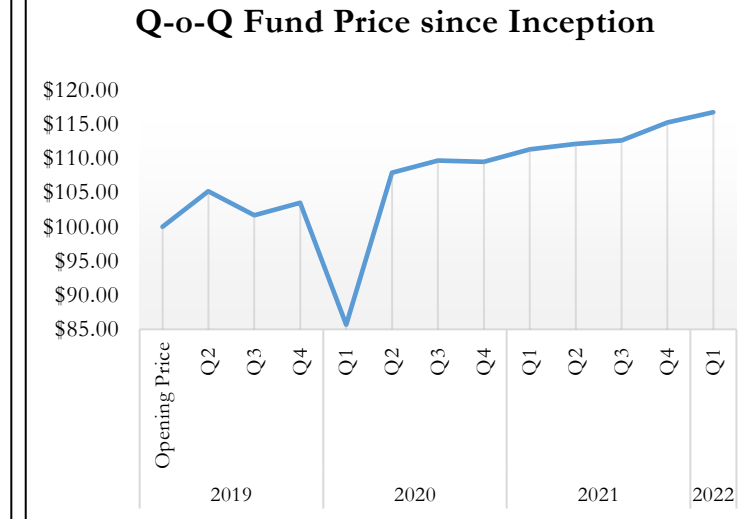
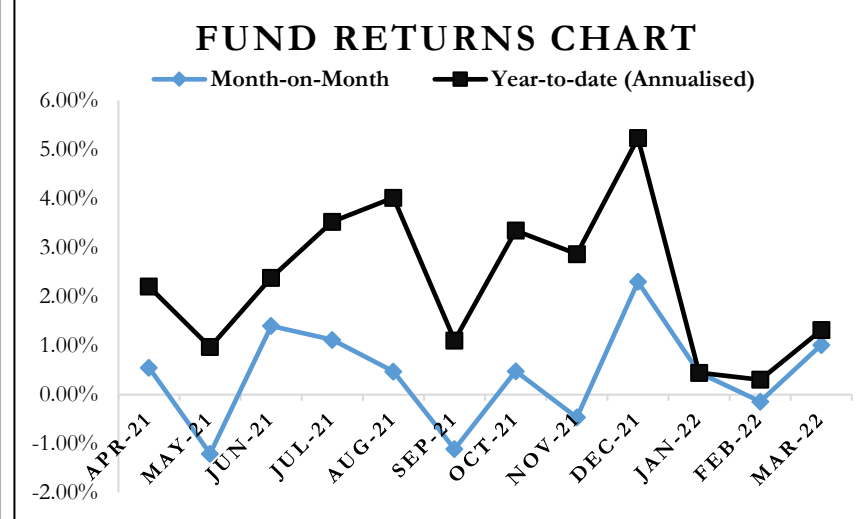
Bears sustained dominance in March as the NGX All-Share Index and Market Capitalization declined by 0.91% to 46,965.48.

The fund witnessed some decrease in NAV due to price volatility in the Stock market as investors took profit as stocks were marked-down for dividend payments. The fund manager will continue to carry out tactical allocation measures to ensure a fully optimized portfolio.

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.

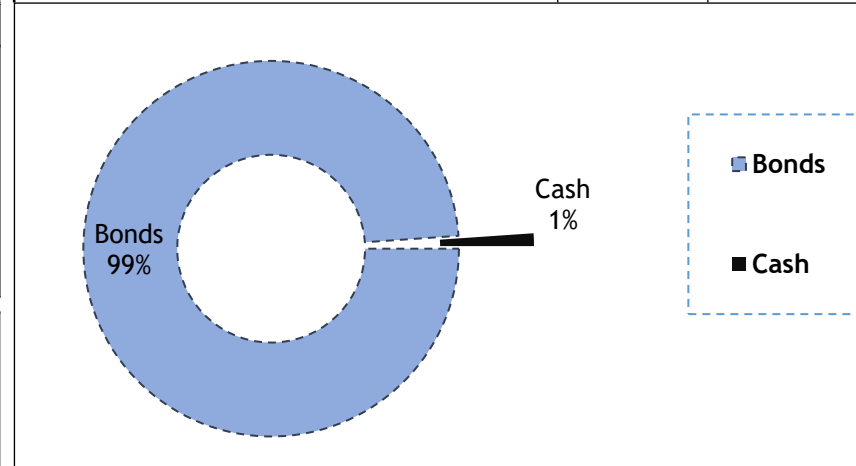
## FUND INFORMATION

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	5.71%
Dealing Days	Monday – Friday
NAV per unit (USD)	\$ 116.79



### ASSET QUALITY (% TOTAL ASSETS)

	Feb-22	Mar-22
Bonds	99.01	99.16
Cash	0.99	0.84



## INVESTMENT COMMITTEE

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Mr. Bamidele Ige	Fund Manager
Mr Oluwaseun Olaoye	Member
Mrs Taiwo Sonola	Custodian

## FUND RETURNS

	Feb-22	Mar-22
Month-on-Month	-0.14%	1.01%
Year-to-date (Annualised)	0.30%	1.32%
Inception-to-date	18.54%	19.71%

## PERFORMANCE REVIEW:

We began seeing some rebound of asset prices in the Eurobond space as which led to an improvement in fund's NAV during the month under review. In this space, we expect Policy response to Inflation in major economies to impact asset prices, presenting buying opportunities.

The Fund manager will continue to monitor the Eurobond space. The fund still presents tactical opportunities for entry, a hedge against inflation and devaluation of the local currency.

## M-O-M Fund NAV performance

Fund Prices:	28 Feb 2022	31 Mar 2022	% Change
PACAM Balanced Fund	₦1.64	₦1.57	-4.27%
PACAM Fixed Income Fund	₦11.60	₦11.77	1.40%
PACAM Money Market Fund	₦10.00	₦10.00	
PACAM Equity Fund	₦1.52	₦1.42	-6.58%
PACAM Eurobond Fund	\$115.62	\$116.79	1.01%

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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