

Monthly Commentary & Outlook

EQUITIES MARKET

The bearish trend continued in Nigeria's equities market in May 2021 as the NSE All-Share Index and Market Capitalization depreciated by 3.51% and 3.90% to 38,437.88 and ₦20.03 trillion respectively. The decline in equities market could be attributed to the reduced foreign participation and interest of local investors in the fixed income market, due to higher yields in bonds and treasury bills. The Year-to-Date (YtD) and the Quarter-to-Date (QtD) returns stood at -4.55% and -1.56% respectively. We may likely see gradual recovery in the equities market in the June, as we expect investors to take the advantage of undervalued stocks in the market.

FIXED INCOME MARKET

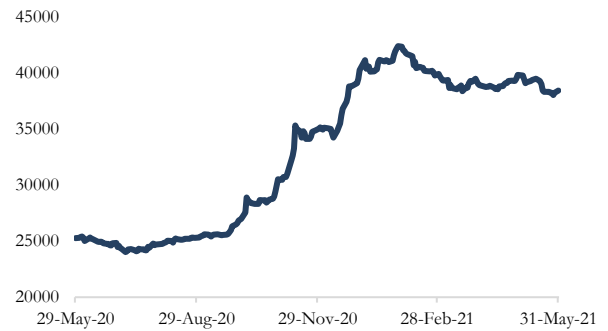
In the secondary bond market, the average market yield increased by an average of 426 bps as it closed at 11.38% in May, as against 10.52% recorded in April. The result for the 1-year, 2-year, 3-year, 5-year and 10-year bonds traded are 7.23% (1.11%), 11.80% (1.28%), 12.04% (1.08%), 12.74% (0.38%) and 13.07% (0.41%) respectively. In the primary bond market, the auction results in May showed improved yields across the board as marginal rate for FGN MAR 2027, FGN MAR 2035 and FGN JUL 2045 increased to 13.10% (March: 12.25%), 14.00% (March: 13.34%) and 14.20% (March: 13.85%) respectively. With the high inflation rate, we expect the trend to continue in June.

INFLATION

The figure released by the National Bureau of Statistics (NBS) showed that Nigeria surprisingly experienced a marginal decline in Inflation rate in April 2021 for the first time in 21 months. The headline inflation rate dropped by 5 bps to 18.12% in April 2021 (March inflation rate: 18.17%), driven mainly by the fall in food prices. The composite food index rose by 22.72% in April, and this is 23 bps lower than the 22.95% recorded in the month of March 2021. The marginal decline in headline inflation may partly be attributed to the lower food demand in some States due to the observation of Ramadan fasting in April. However, food inflation rate may increase in the month of May due high food demand occasioned by Eid Al-Fitr, insecurity in some food producing States and high cost of transportation.

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NSE All-Share Index 52-wk Movement



Source: NSE, PAC Research

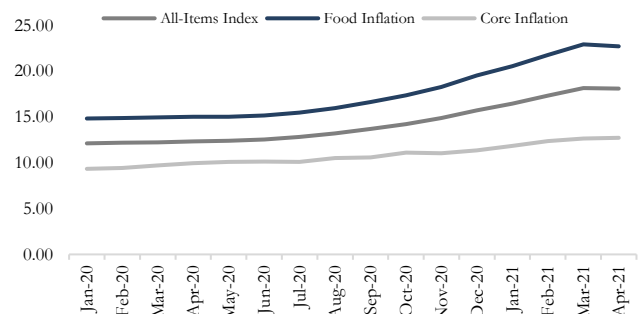
FGN Bond Yield

TENOR (SEC. MARKET)	APRIL (%)	MAY (%)	CHANGE (%)
1-YEAR	6.12	7.23	+1.11
2-YEAR	10.52	11.80	+1.28
3-YEAR	10.96	12.04	+1.08
5-YEAR	12.36	12.74	+0.38
10-YEAR	12.66	13.07	+0.41

BOND AUCTION RESULTS			
	APRIL (%)	MAY (%)	CHANGE (%)
FGN MAR 2027	12.25	13.10	+0.85
FGN MAR 2035	13.34	14.00	+0.66
FGN JUL 2045	13.85	14.20	+0.35

Source: FMDQ, DMO, PAC Research

Inflation Rate – Year-on-Year (%)



Source: FMDQ, DMO, PAC Research

OIL PRICE

In May 2021, the average price of Brent crude oil \$67.97 per barrel, when compared to the average oil price of \$64.42 per barrel recorded for the month of April 2021. The improvement in Brent crude oil price was driven by improve private and public consumption and investments.

We may likely see slight improvement in the price of crude oil in the month of June as we expect the improved vaccination in many countries to have positive impacts on the private consumption and public spending.

FOREIGN EXCHANGE MARKET

In May, the Central Bank of Nigeria (CBN) devalued the Naira by 7.6% against the dollar by migrating toward a single exchange-rate system. As a result, NAFEX rate closed at ₦411.66/\$ in May 2021 (April 2021: ₦379.00/\$). The action of the CBN reflected on the parallel market as Naira depreciated against the USD, GBP and EUR, despite the improvement in the crude oil price during the period. Going forward, the gradual economic recovery in various countries is expected to spur crude oil demand and improved foreign exchange earnings. As a result, we expect stability of Naira in the foreign exchange market in the month of June.

Crude Oil Price (\$/barrel)



Source: Bloomberg, PAC Research

Foreign Exchange Market

SPOT	APRIL (₦)	MAY (₦)	CHANGE (%)
USD (I&E Rate)	410.00	411.66	+0.40%
USD (BDC)	482.00	495.00	+2.70%
GBP (BDC)	674.00	698.00	+3.56%
EUR (BDC)	583.00	599.00	+2.74%

*+Depreciation, -Appreciation

Source: Bloomberg, Aboki FX, PAC Research

Fund Prices: 31 May, 2021

PACAM Balanced Fund	N1.67
PACAM Fixed Income Fund	N 12.44
PACAM Money Market Fund	N10.00
PACAM Equity Fund	NGN 1.59
PACAM Eurobond Fund	\$111.60

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

31-May-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.

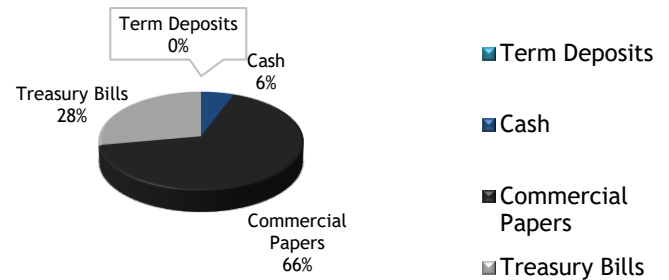
The Fund invests in low-risk short term Money Market securities such as Government securities, Bank Placement, Commercial Papers, and others which include Promissory notes.

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
Fund Annual Growth Rate	10.49%
Dealing Days	Monday - Friday
NAV per unit (NGN)	NGN 10.00

ASSET QUALITY (% TOTAL ASSETS)

	Apr-21	May-21
Term Deposits	-	-
Cash	5.03	5.70
Commercial Papers	36.69	27.85
Treasury Bills	58.27	66.46

**PERFORMANCE REVIEW**

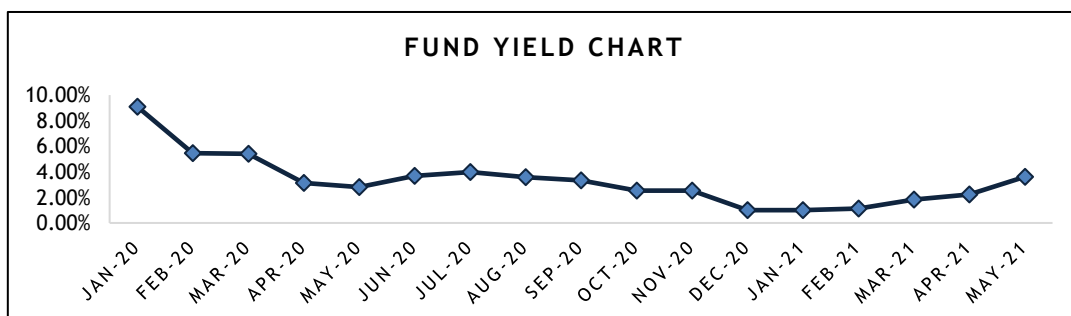
The fixed income market has seen a significant improvement in the year 2021. In the month of May, the money market fund saw yields inch up marginally as the Fund Manager took strategic positions with improved rates.

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

	Apr-21	May-21
Current Yield	2.23%	3.61%
Inception to Date	61.59%	61.98%

FUND YIELD CHART

PACAM FIXED INCOME FUND

31-May-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.

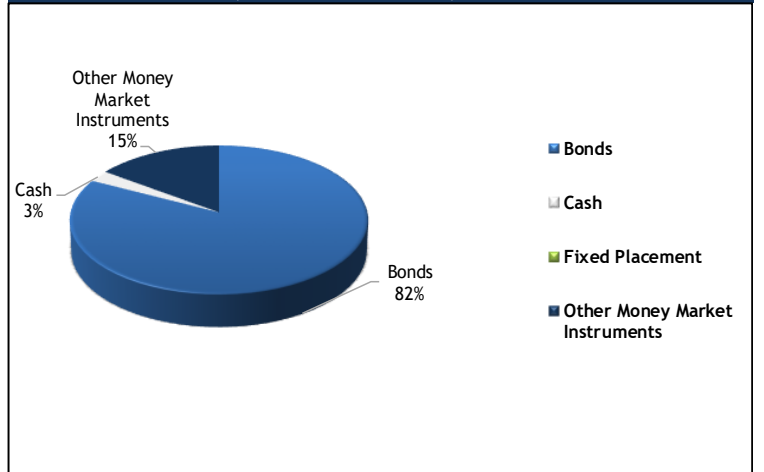
FUND INFORMATION

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
Fund Annual Growth Rate	4.40%
Dealing Days	Monday - Friday
NAV per unit (NGN)	NGN 12.44

ASSET QUALITY (% TOTAL ASSETS)

	Apr-21	May-21
Bonds	82.41	83.48
Cash	2.51	1.34
Fixed Placement	-	-
Other Money Market Instruments	15.08	15.18

ASSET ALLOCATION (% OF TOTAL ASSETS)



PERFORMANCE REVIEW

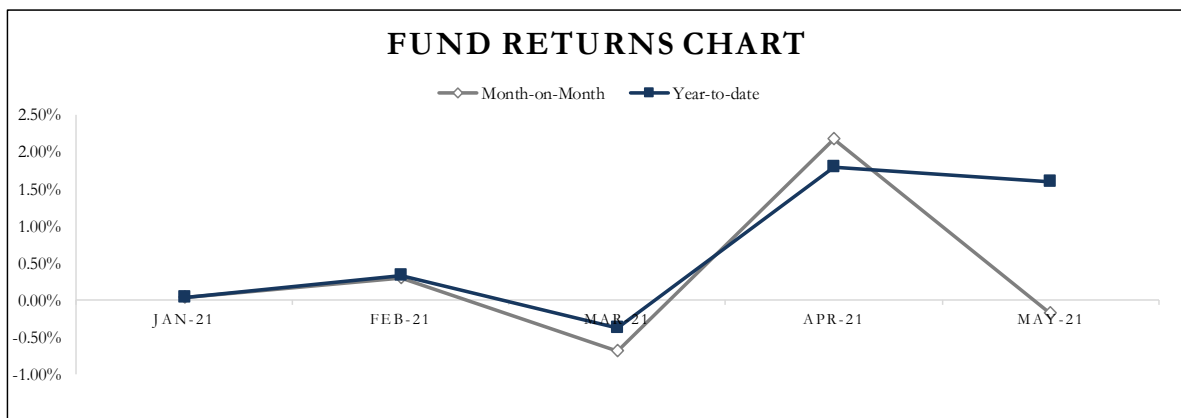
The slight reduction on NAV was due to movement in asset prices. This presents opportunity to consolidate holdings in the fund..

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

	Apr-21	May-21
Month-on-Month	2.17%	-0.19%
Year-to-date	1.79%	1.60%
Inception-to-date	45.57%	45.34%



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

31-May-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
Fund Annual Growth Rate	13.76%
Dealing Days	Monday - Friday
NAV per unit (NGN)	NGN 1.67

PERFORMANCE REVIEW

The fund witnessed an 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.

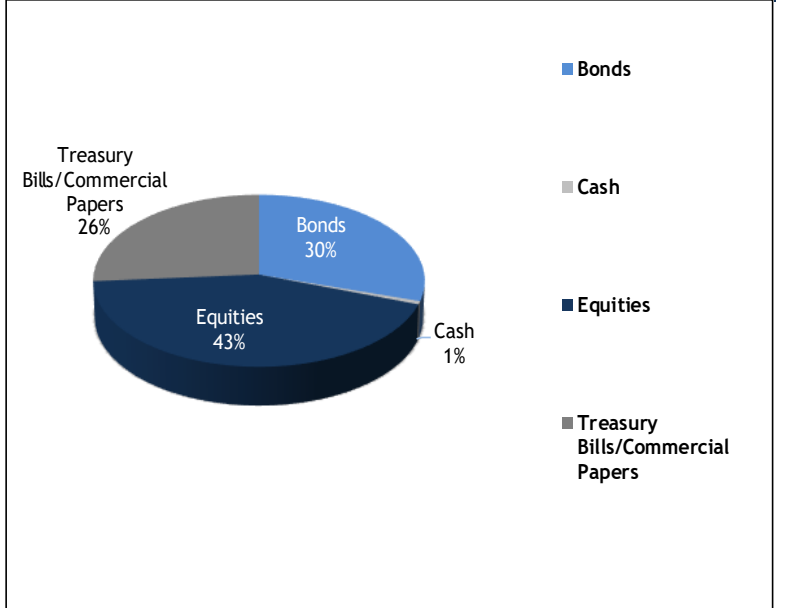
INVESTMENT COMMITTEE

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

ASSET QUALITY (% TOTAL ASSETS)

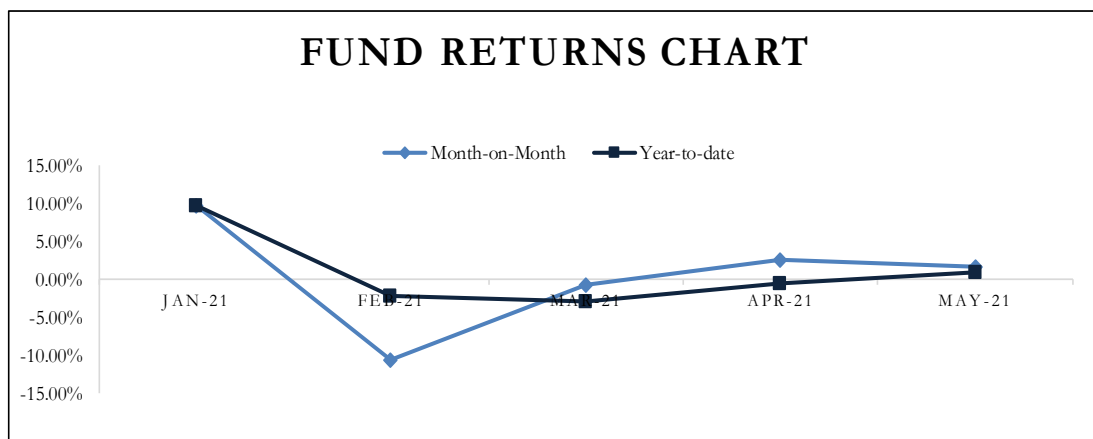
	Apr-21	May-21
Bonds	29.70	29.93
Cash	3.48	0.59
Equities	42.60	43.25
Fixed Placement	-	-
Treasury Bills/Commercial Papers	24.22	26.23

ASSET ALLOCATION (% OF TOTAL ASSETS)



FUND RETURNS

	Apr-21	May-21
Month-on-Month	2.48%	1.52%
Year-to-date	-0.57%	0.94%
Inception-to-date	89.66%	92.23%



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

31-May-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).

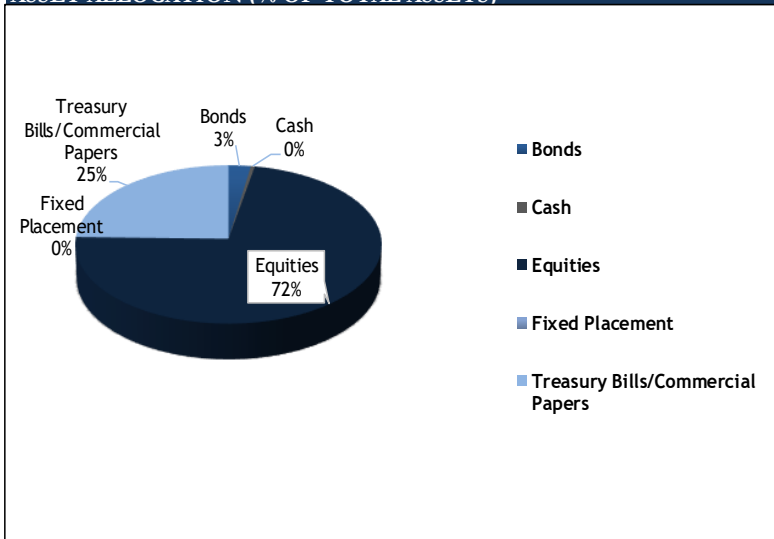
FUND INFORMATION

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
Fund Annual Growth Rate	23.89%
Dealing Days	Monday - Friday
NAV per unit (NGN)	NGN 1.59

ASSET QUALITY (% TOTAL ASSETS)

	Apr-21	May-21
Bonds	2.31	2.51
Cash	1.67	0.45
Equities	73.29	72.38
Fixed Placement	-	-
Treasury Bills/Commercial Papers	22.73	24.66

ASSET ALLOCATION (% OF TOTAL ASSETS)



PERFORMANCE REVIEW

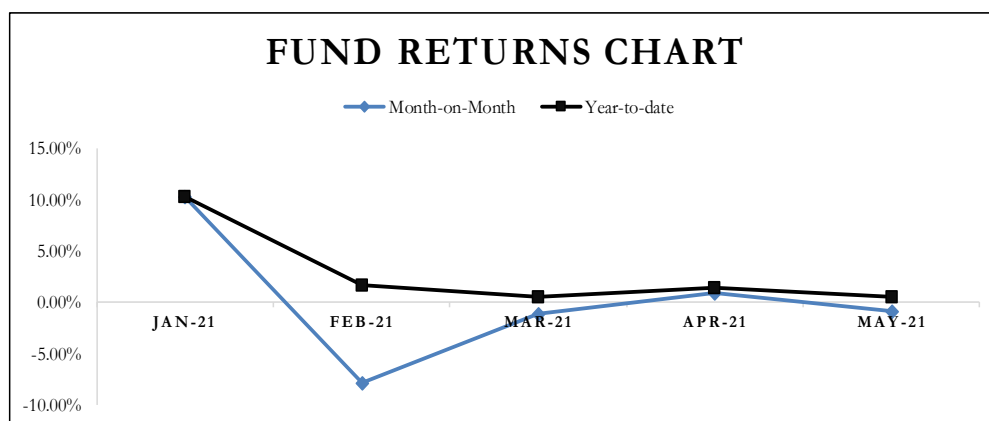
The PACAM Equity fund witnessed a slight decline in price of the fund and NAV. However, the fund manager has taken strategic and tactical positions to ensure capital appreciation.

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

	Apr-21	May-21
Month-on-Month	0.93%	-0.89%
Year-to-date	1.45%	0.55%
Inception-to-date	60.30%	58.88%



PACAM EUROBOND FUND

31-May-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
Fund Annual Growth Rate	5.51%
Dealing Days	Monday - Friday
NAV per unit (USD)	\$ 111.60

PERFORMANCE REVIEW

Volatility in asset values caused a slight decline in fund NAV. The volatility will not significantly affect the performance of the fund in the long run. Rather it presents tactical opportunities.

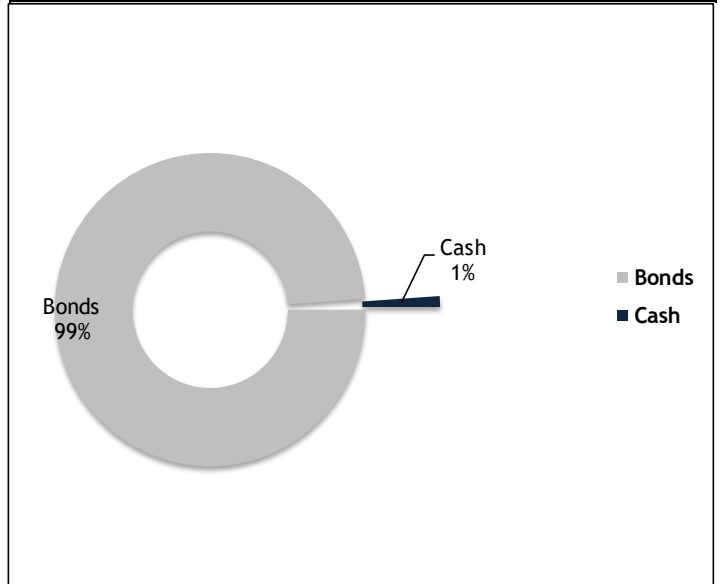
INVESTMENT COMMITTEE

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)

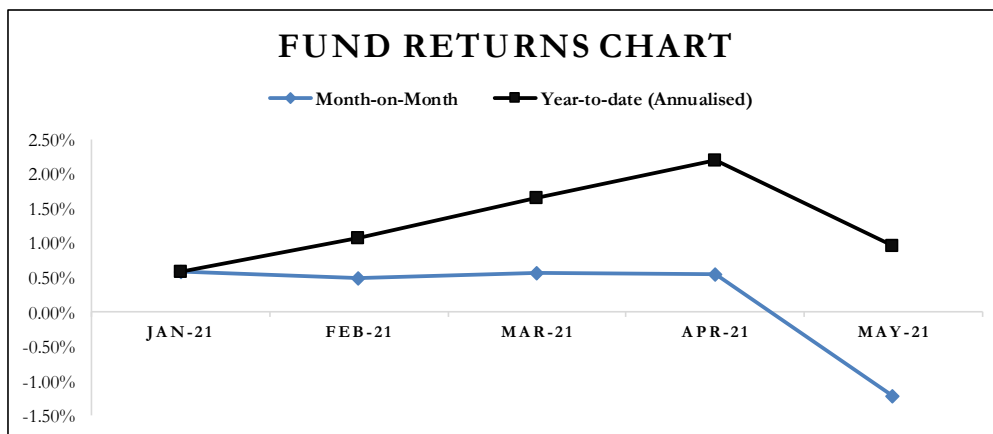
	Apr-21	May-21
Bonds	97.67	98.88
Cash	2.33	1.12

ASSET ALLOCATION (% OF TOTAL ASSETS)



FUND RETURNS

	Apr-21	May-21
Month-on-Month	0.55%	-1.21%
Year-to-date (Annualised)	2.21%	0.97%
Inception-to-date	12.95%	11.60%



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