



PAC Asset Management

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Monthly Fund Manager's Report – November 2022

November 2022 Market & Economic Review

MACROECONOMIC OVERVIEW

GROSS DOMESTIC PRODUCT (GDP): Nigeria's real GDP grew by 2.25% in Q3-2022, decelerating from the 4.03% recorded in the same period of 2021. The positive real growth rate recorded in the quarter was driven by the improved business activities in the non-oil sector which grew by 4.27% in Q3, 2022. Despite the challenging economic environment and external headwinds, Nigeria's economy remains resilient as government and the country's monetary authority continue to push for growth-oriented policies. On the flip side, the oil sector's output contracted by 22.67% in the quarter.

INFLATION: Nigeria's inflation increased by 31 basis points to 21.09% in October 2022 (September 2022: 20.77%) driven by accelerated core and food inflation which rose by 17.76% and 23.72% respectively. The increase in the headline index was driven by disruption in the supply of food products, Increase in cost of importation due to the persistent currency depreciation, and a general increase in the cost of production

MONETARY POLICY: The Central Bank of Nigeria (CBN) sustained hawkish monetary policy as it increased the country's key interest rate by 100 basis points in the month of November to 16.5% (September: 15.5%) citing the risk of slowing growth amid persistent inflationary pressures.

CRUDE OIL: The average price of Brent crude decreased by 2.93% to \$90.85 per barrel in November 2022 (October 2022: \$93.59) as the United States currency strengthened on the Federal Reserve's hawkish monetary programme.

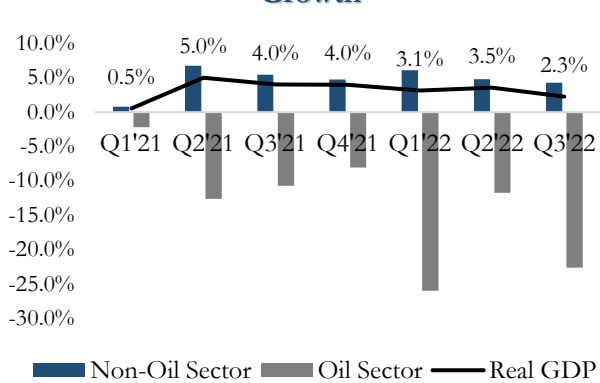
FOREIGN EXCHANGE: On the Investors and Exporters Window, the naira depreciated further by ₦1.85 in November 2022 as the exchange rate closed the month at ₦444.85/\$ (October 2022: ₦ 443.00/\$).

OUTLOOK: We opine that Nigeria will sustain positive real GDP growth through 2022. Thanks to the continuous efforts of the country's policymakers to support productivity. International Monetary Fund (IMF) projected the country's growth at 3.0% in 2022, though this is a decline from 3.4% growth previously projected.

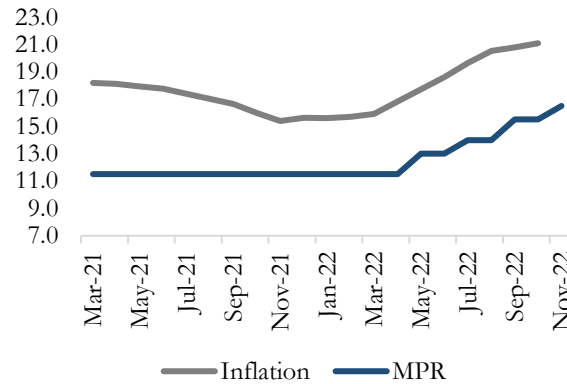
While the country's inflation rate is expected to maintain an uptrend in the short term, we opine that the increase in the monetary policy rate is expected to reduce inflationary pressure in the medium term. In the forex market, we expect the redesigning and reissuing of the higher denominations of naira as well as the cash withdrawal policy to support the naira.



Real GDP, Oil and Non-Oil Sector Growth



Inflation/MPR (%)

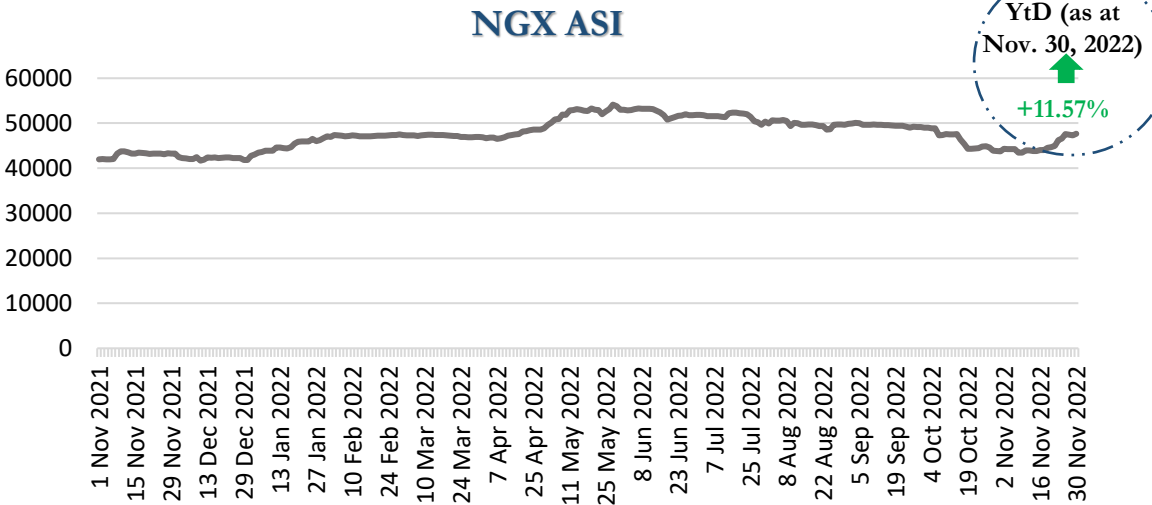


November 2022 Market & Economic Review

EQUITIES MARKET OVERVIEW

The bulls returned to the Nigerian bourse in November as the NGX All-Share Index and Market Capitalization appreciated by 8.72% and 8.72% to 47,660.04 and ₦25.96 trillion, respectively. The three top gainers during the month were UNITYBNK (+23.91%), NGXGROUP (+22.25%) and DANGCEM (+18.96%). The Year-to-Date (YtD) and the Quarter-to-Date (QtD) returns stood at 11.57% and -2.78% respectively.

OUTLOOK: Nigerian bourse closed northward in November on renewed investors' confidence in the country's equities. Despite the high yield in the fixed-income market, driven by the increase in the policy rate by the apex bank, investors took positions in undervalued stocks with strong fundamentals. In coming month, we expect an uptick as investors are poised to increase their patronage in the country's equities market given that most of the valued stocks are currently trading below their intrinsic value.

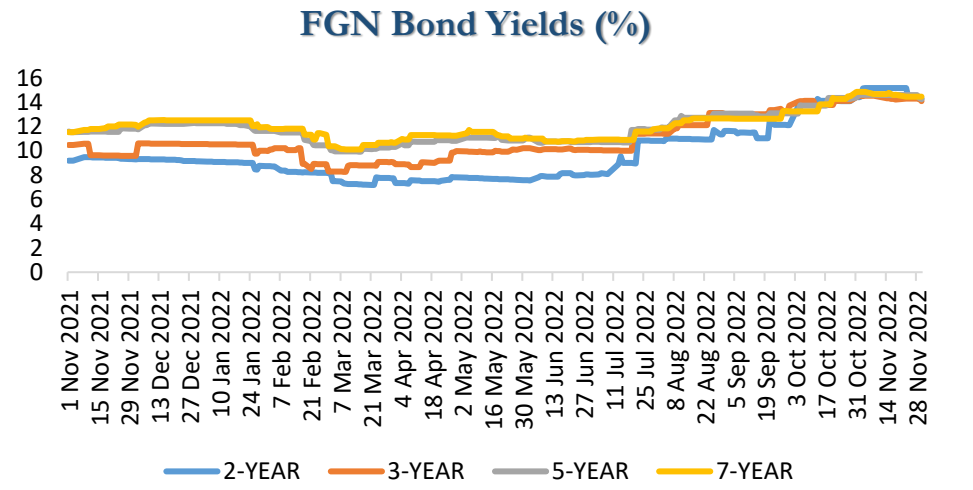


BOND MARKET OVERVIEW

In the secondary bond market, the average yield declined by 45 basis points as it closed at 13.18% in October 2022, compared to 13.63% recorded in October 2022. During the month, the 2-year, 4-year, 6-year and 8-year bonds traded at 14.30% (-0.14%), 14.25% (-0.55%), 14.3% (0.10%) and 14.52% (-0.28%) respectively.

In the primary bond market, the average yield was 15.38% in the month of November with FGN APR 2029, FGN APR 2032 and FGN APR 2037 closing at 14.75%, 15.20% and 16.20% respectively.

OUTLOOK: In the coming months, we expect the yields to remain elevated as they mirror Nigeria's key interest rate and increasing headline index.



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 (6.5%)
Dividend Frequency	Quarterly
6-year Annual Growth Rate	9.51%
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 Moses Ojo	Member
Mrs Taiwo Sonola	Custodian

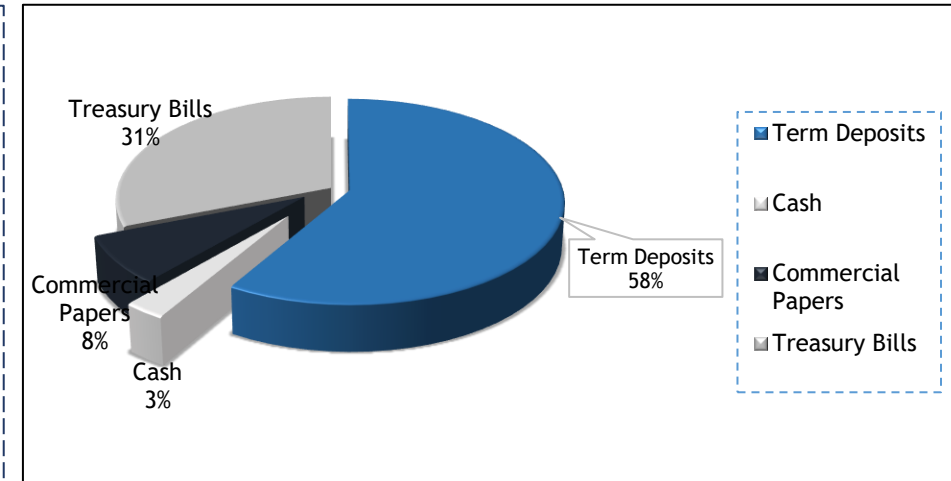
FUND RETURNS

	Oct-22	Nov-22
Current Yield	9.40%	10.51%
Inception to Date	76.74%	77.95%

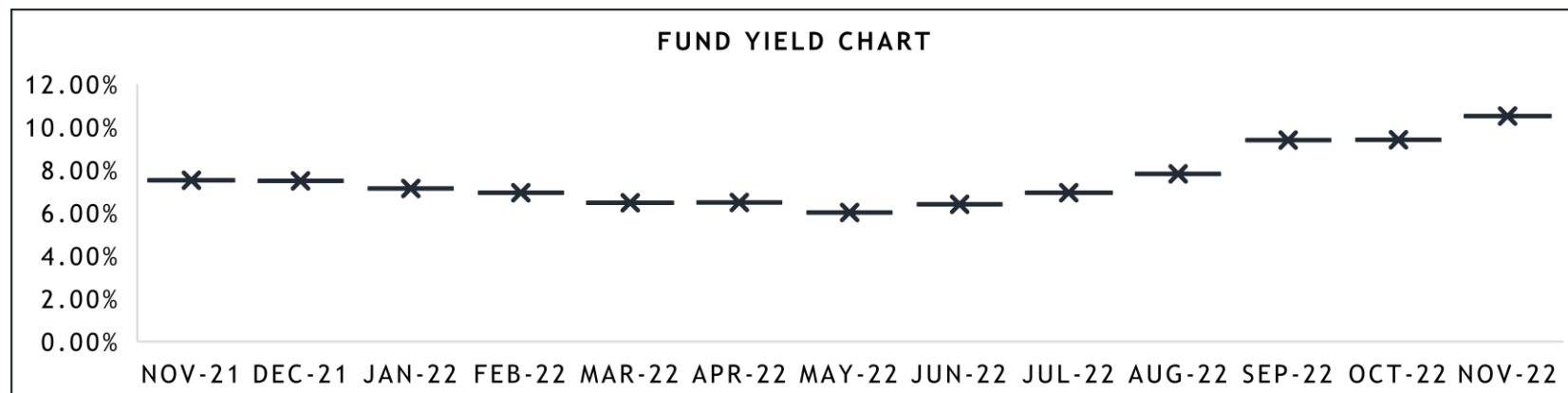
PERFORMANCE REVIEW:

Following the CBN decision to further increase the Monetary Policy Rate (MPR) by 100 basis point to 15.5%, money market rates have seen upward trend in yields as the fund saw a month-on-month 111 basis points (111 bps) improvement, as the fund yield breaks above the upper bound of its 52 High/Low.

The Fund Manager still maintains strategic positions to improve yields trends.



ASSET QUALITY (% TOTAL ASSETS)	31-Oct-22	30-Nov-22
Term Deposits	51.79	58.53
Cash	2.63	2.83
Commercial Papers	16.60	7.69
Treasury Bills	28.98	30.95



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.

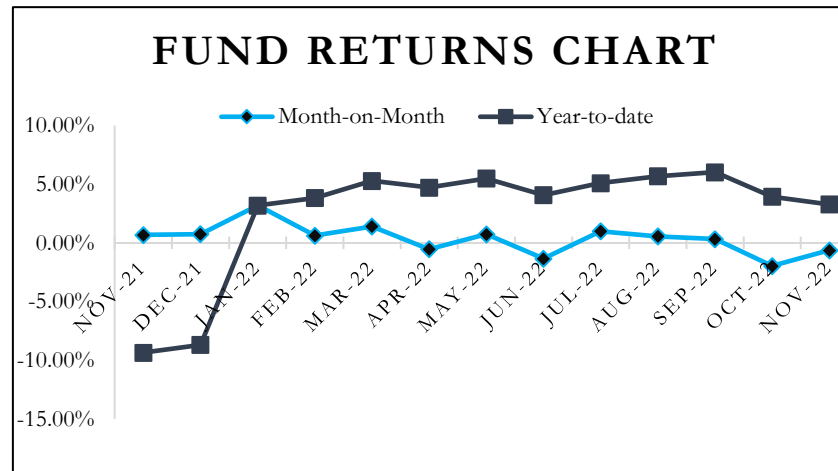
FUND INFORMATION

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	6.45%
Dealing Days	Monday - Friday
NAV per unit (NGN)	NGN 11.54

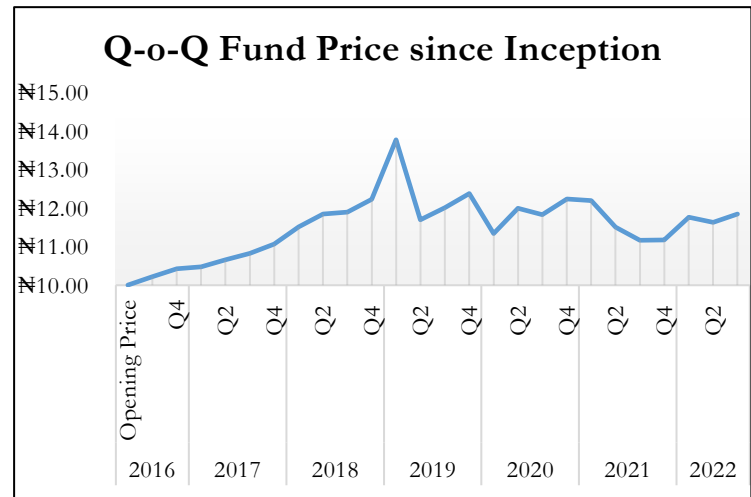
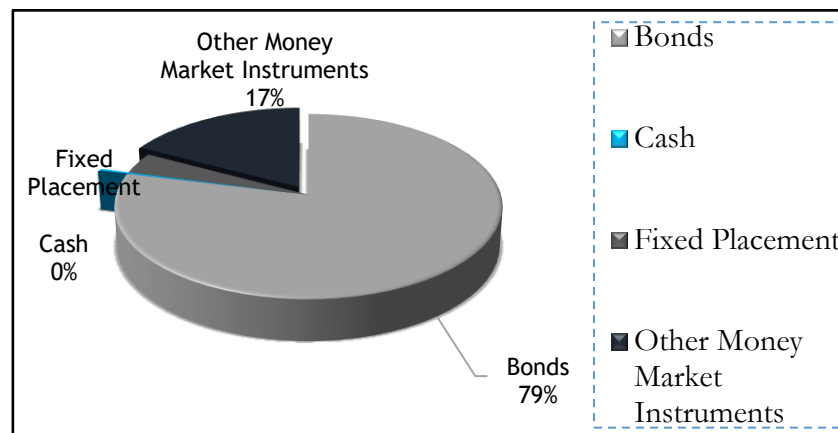
INVESTMENT COMMITTEE

Mr. Sam Onukwue	Chairman
Mr. Sina Alimi	Member
Mr. Bunkaya Gana	Trustee's Representative
Mr. Bamidele Ige	Fund Manager
Mr Moses Ojo	Member
Mrs Taiwo Sonola	Custodian

FUND RETURNS	Oct-22	Nov-22
Month-on-Month	-1.97%	-0.63%
Year-to-date	3.93%	3.27%
Inception-to-date	51.63%	50.90%



ASSET QUALITY (% TOTAL ASSETS)	Oct-22	Nov-22
Bonds	79.39	78.84
Cash	3.63	0.31
Fixed Placement	-	3.64
Other Money Market Instruments	16.98	17.21



PERFORMANCE REVIEW:

The fund saw a further decrease of 0.63% in its performance due to Mark-to-Market effects resulting from rapidly expanding Fixed Income yields.

In the bond market, the average market yield also decreased by an average of 45bps which contributed to the decline in the Fund's value.

This presents buying opportunities for new investors as they can benefit from the low pricing of the fund.

We encourage investors to increase their investments for better returns.

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	10.75%
Dealing Days	Monday – Friday
NAV per unit (NGN)	NGN 1.56

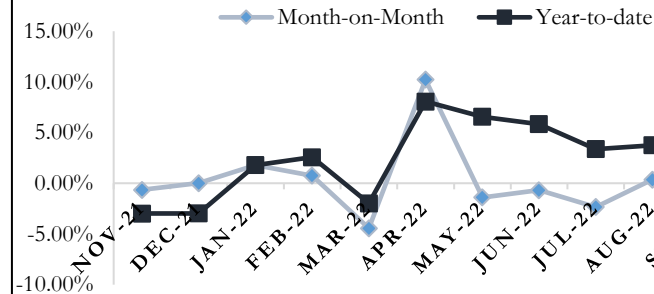
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Mr. Bamidele Ige	Fund Manager
Mr Moses Ojo	Member
Mrs Taiwo Sonola	Custodian

FUND RETURNS

	Oct-22	Nov-22
Month-on-Month	-0.39%	-4.31%
Year-to-date	1.64%	-2.74%
Inception-to-date	115.11%	107.87%

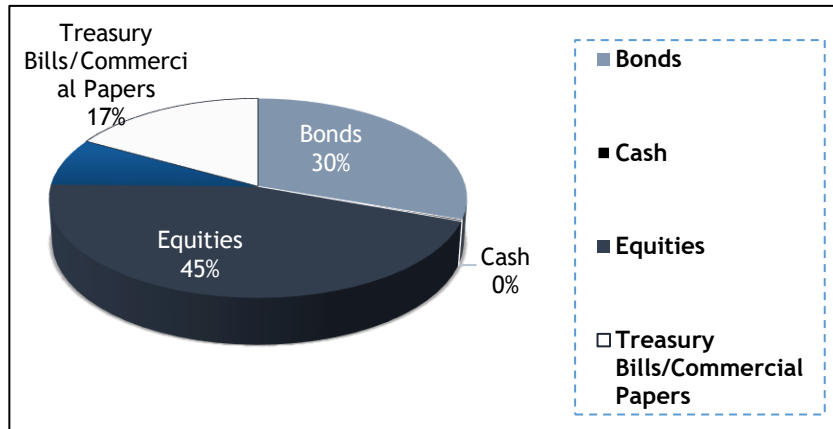
FUND RETURNS CHART



Q-o-Q Fund Price since Inception



ASSET QUALITY (% TOTAL ASSETS)	Oct-22	Nov-22
Bonds	29.13	30.29
Cash	2.02	0.23
Equities	39.54	44.81
Treasury Bills/Commercial Papers	29.31	24.67



PERFORMANCE REVIEW:

The fund NAV witnessed M-o-M decrease mainly due to the markdown for the fund any payment of dividend outstanding.

Investors are advised to take advantage of the current cheap valuation of assets to consolidate their holdings in the fund.

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	Adekunle Alli & Co.
Management Fee	1% of NAV
Benchmark	NSE All Share Index
Dividend Frequency	Annual
Compounded Annual Growth Rate	14.07%
Dealing Days	Monday – Friday
NAV per unit (NGN)	NGN 1.39

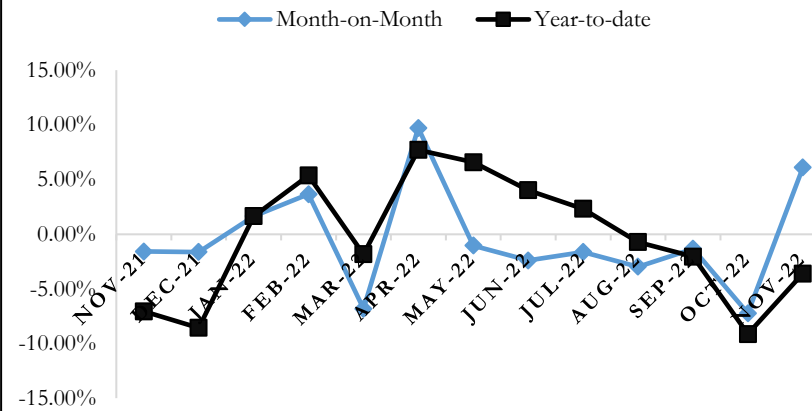
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FUND RETURNS

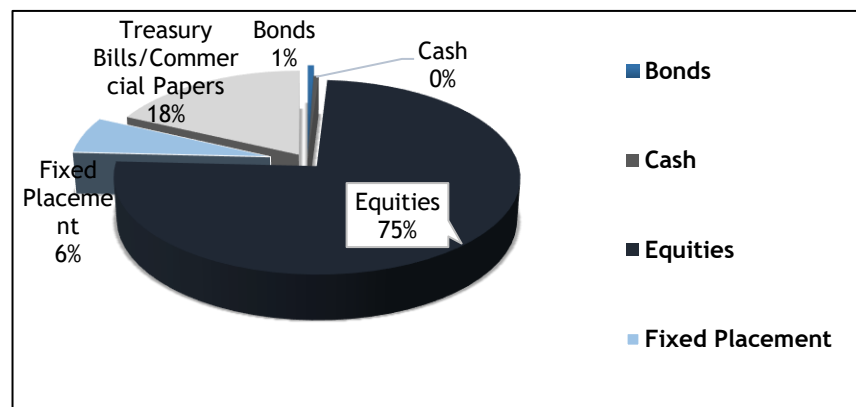
	Oct-22	Nov-22
Month-on-Month	-7.23%	6.09%
Year-to-date	-9.13%	-3.60%
Inception-to-date	54.30%	62.29%

FUND RETURNS CHART

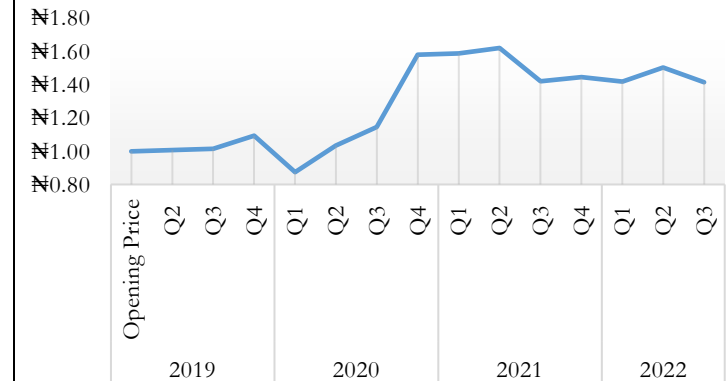


ASSET QUALITY (% TOTAL ASSETS)

	Oct-22	Nov-22
Bonds	2.59	0.55
Cash	4.35	0.45
Equities	73.99	74.77
Fixed Placement	-	6.16
Treasury Bills/Commercial Papers	19.07	18.06



Q-o-Q Fund Price since Inception



PERFORMANCE REVIEW:

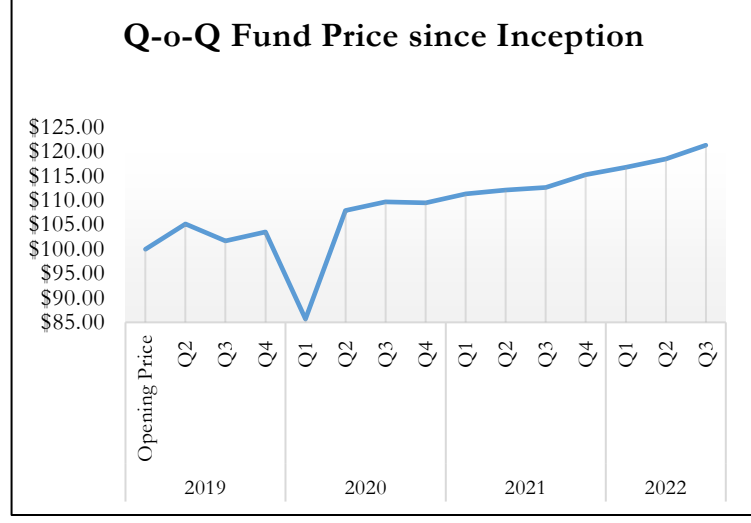
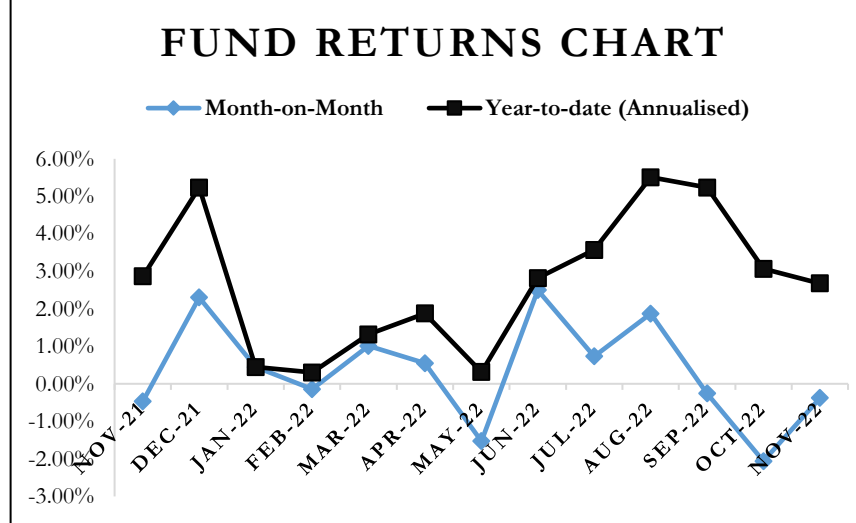
Nigerian equities market went up in November as the NGX All-Share Index and Market Capitalization appreciated by 8.72% and 8.72% to 47,660.04 and ₦25.96 trillion, respectively despite expanding yields in the Fixed Income space as investors had renewed confidence in the country's equities.

We expect further uptick as investors are poised to increase their stake in the country's equities market given that most of the valued stocks are currently trading below their intrinsic value.

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.

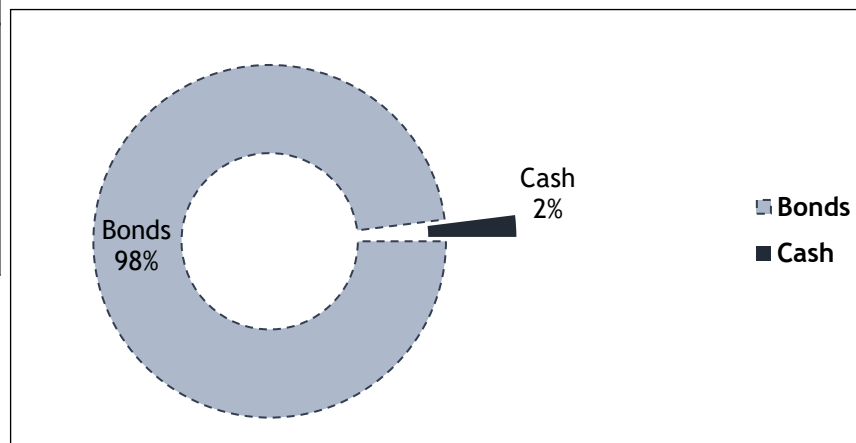
FUND INFORMATION

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	Adekunle Alli & Co.
Management Fee	1% of NAV
Benchmark	5-Year Nigerian sovereign Eurobond
Dividend Frequency	Annual
Compounded Annual Growth Rate	5.38%
Dealing Days	Monday – Friday
NAV per unit (USD)	118.35



ASSET QUALITY (% TOTAL ASSETS)

	Oct-22	Nov-22
Bonds	98.84	98.02
Cash	1.16	1.98



INVESTMENT COMMITTEE

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Mr Moses Ojo	Member
Mrs Taiwo Sonola	Custodian

FUND RETURNS

	Oct-22	Nov-22
Month-on-Month	-2.06%	-0.38%
Year-to-date (Annualised)	3.07%	2.68%
Inception-to-date	21.72%	21.27%

PERFORMANCE REVIEW:

The month saw asset prices move down in the Eurobond space which led to a decrease in fund's NAV during the month under review.

We recommend that investors take advantage of current cheap valuation to invest in the fund.

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:	Oct-22	Nov-22	% Change
PACAM Balanced Fund	₦1.63	₦1.56	-4.29%
PACAM Fixed Income Fund	₦11.85	₦11.54	-2.59%
PACAM Money Market Fund	₦10.00	₦10.00	
PACAM Equity Fund	₦1.31	₦1.39	6.11%
PACAM Eurobond Fund	\$118.80	\$118.35	-0.38%

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.



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