

Monthly Commentary & Outlook

EQUITIES MARKET

Equities market closed the month in the green zone as NSE ASI and market capitalization closed at 26,831.76 and ₦14.02 trillion, respectively.

Over the month, the equities market has seen some significant gains as funds have been moved to the equity space mainly because of low and declining yields in the fixed income space. Heightened demand for stock in a bid to maximize returns have made prices of stock to be on the rise. Fears of a second wave of COVID-19 still lingers as investors (especially foreign investors) are not ready to pick up these stocks partly because of the uncertainty surrounding the severity of COVID-19 in the Nigerian market. We expect the equities market to be bullish in the coming weeks as more maturities are expected in the fixed income market. We expect an influx of funds into the equities market as well as profit taking from speculators.

FIXED INCOME MARKET

The Nigerian treasury bills witnessed a plunge in its rates at the last NTB auction on September 30, 2020. Where the rates on the 91 days treasury bill closed at 1.08%, the 182 days at 1.49%, and the 364 days at 2.80%. The yield on the 10 YR, 15 YR, 25 YR and 30 YR bonds closed at 5.92, 8.80, 9.16 and 9.36 respectively. The average market yield on bonds decreased by an average of 167 bps as it closed at 5.42% as against 5.63% of the previous session. The result for the 14-Nov-2021, 27-Apr-2023, 23-Mar-2025, 17-Mar-2027, 20-Nov-2029, 18-Mar-2036 and 26-Apr-2049 bonds traded are 1.22% (0.26%), 3.15% (-0.76%), 4.25% (0.00%), 6.75% (0.00%), 7.63% (-0.90%), 8.71% (0.00%) and 9.32% (0.32%) respectively. We expect low yield trends to continue given the posture of the monitoring authorities.

INFLATION

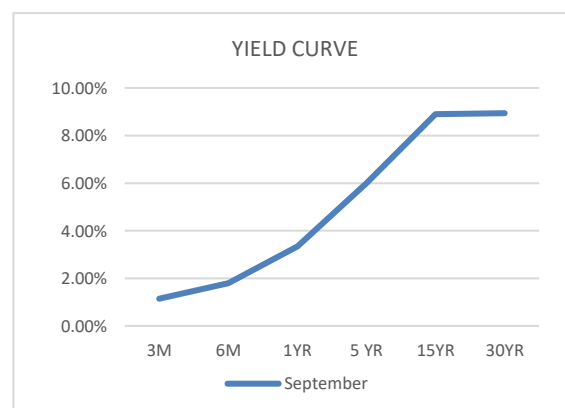
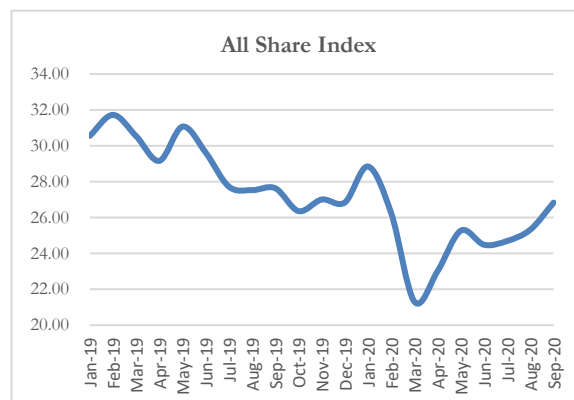
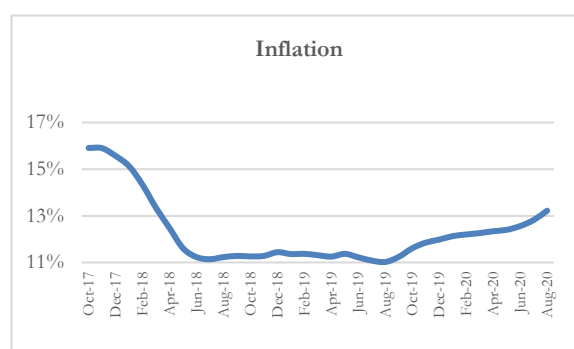
Nigeria's inflation rate hits 13.22% in August 2020, highest recorded in 29 months, since March 2018 (13.24%). The latest figure is 0.40% higher than the rate recorded in July 2020 (12.82%). Core inflation, which excludes the prices of volatile agricultural produce, also rose to 10.52% in August 2020. It is up by 0.42% when compared with 10.1% recorded in July 2020. Inflation for the month of August was driven by recorded increase in prices of passenger transport by air, Hospital services, Pharmaceutical products, Maintenance, and repair of personal transport equipment. As Nigerians continue to grapple with the effects of the COVID-19 pandemic, and the reopening of the economy, prices of commodities such as air transport, and medical services seems to have been affected due to policies implemented, with the aim of curbing the spread of COVID-19 in the country. It is therefore evident that Nigerians are spending more despite fixed income, contraction of economic activities and dwindling rates of investment returns.

OIL PRICE

The prices of oil plunged below \$40/barrel towards the end of the month. The rise in the production of oil by OPEC amid a worsening COVID-19 pandemic further aggravated the decline in oil prices as well as the announcement of Trump's new COVID-19 status. Crude oil prices broke below \$40/barrel after U.S. President Donald Trump tested positive for the COVID-19. Brent crude dropped and was down by over 3% to trade at \$38.93 a barrel while U.S. oil plunged lower by 3.56% to trade at \$37.33/barrel.

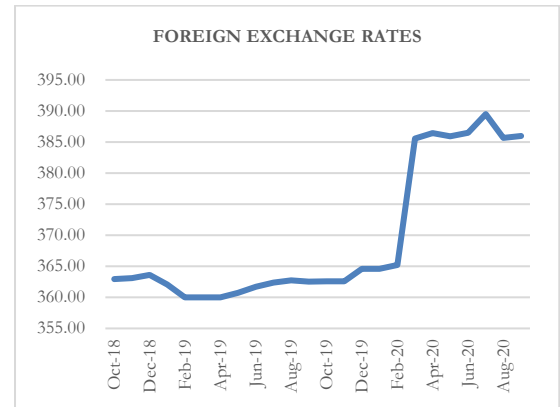
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Prices/Yield : 30 SSeptember 20	
PACAM Balanced Fund	N1.35
PACAM Fixed Income Fund	N 11.83
PACAM Money Market Fund	3.33%
PACAM Equity Fund	NGN 1.14
PACAM Eurobond Fund	\$109.70



FOREIGN EXCHANGE MARKET

The Naira saw some gain on the Dollar during the month of September even though demand continues to exceed supply. At the FX Market (CBN Official Window), Naira remains unchanged, closing at ₦379.00/\$. On the Investors and Exporters window Naira closed at ₦385.75 against the dollar as against ₦385.67 of the previous month in the I&E window. In the parallel market however, the Naira closed at N457/\$1 as against previous months close of N465/\$1.



Source: Data from FMDQ I&E Window

PACAM MONEY MARKET FUND(MMF) - FUND MANAGER'S REPORT		30-Sep-20	
FUND INFORMATION		FUND RETURNS	
Fund type	Open-ended		
Category	Money Market Fund	Annualised Yield	Aug-20: 3.59% Sep-20: 3.33%
Risk profile	Low	ASSET ALLOCATION (% OF TOTAL ASSETS)	
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		
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.		Term Deposits	Aug-20: - Sep-20: -
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.		Cash	Aug-20: 7.80 Sep-20: 4.16
		Commercial Papers	Aug-20: 30.97 Sep-20: 64.86
		Treasury Bills	Aug-20: 61.23 Sep-20: 30.98
INVESTMENT COMMITTEE		HISTORIC YIELDS	
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		
		PERFORMANCE REVIEW	
		The MMF yields saw some decline in the month mainly attributable to low yields on instruments currently in the market.	

PACAM EUROBOND FUND		30-Sep-20	
FUND INFORMATION		FUND RETURNS	
Fund type	Open-ended		Aug-20 Sep-20
Category	Euro Bond Fund	Month-on-Month	1.40% 0.47%
Risk profile	Moderate	Year-to-date (Annualised)	9.19% 9.70%
Launch date	20-May-19	Inception-to-date	1.40% 0.47%
Fund Manager	PAC Asset Management Limited	ASSET ALLOCATION (% OF TOTAL ASSETS)	
Trustees	FCMB Trustees Limited	<p>A donut chart illustrating the asset allocation of the PACAM Eurobond Fund. The chart is divided into two segments: Bonds, which constitute 99% of the total assets, and Cash, which constitute 1%. A legend on the right side of the chart identifies the blue segment as Bonds and the dark blue segment as Cash.</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)	\$ 109.70		
INVESTMENT OBJECTIVES			
<p>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.</p>			
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)		Aug-20	Sep-20
Bonds		98.42	98.65
Cash		1.58	1.35
PERFORMANCE REVIEW		<p>The Eurobond fund saw asset value appreciation as demand for eurobond instruments goes up. Prices of instruments continue to be on the rise as a result of heightened demand</p>	

PACAM FIXED INCOME FUND		30-Sep-20	
FUND INFORMATION		FUND RETURNS	
Fund type	Open-ended		Aug-20 Sep-20
Category	Fixed Income Fund	Month-on-Month	0.05% -0.59%
Risk profile	Moderate	Year-to-date (Annualised)	21.25% 18.02%
Launch date	27-Jul-16	Inception-to-date	18.94% 18.23%
Fund Manager	PAC Asset Management Limited	ASSET ALLOCATION (% OF TOTAL ASSETS)	
Trustees	GTL Trustees Limited	<p>A donut chart illustrating the asset allocation of the PACAM Fixed Income Fund. The chart is divided into three segments: Bonds (61%), Other Money Market Instruments (37%), and Cash (2%). A legend on the right side of the chart identifies the blue segment as Bonds, the purple segment as Other Money Market Instruments, and the red segment as Cash.</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 11.83		
INVESTMENT OBJECTIVES			
<p>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.</p>			
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		
ASSET QUALITY (% TOTAL ASSETS)		Aug-20	Sep-20
Bonds		60.71	60.92
Cash		2.32	2.10
Fixed Placement		-	-
Other Money Market Instruments		36.98	36.98
PERFORMANCE REVIEW		<p>The Fixed income fund saw a marginal which is attributable to low yields on short term instruments as new instruments were purchased during the period. The Fund manager will ensure the right mix is maintained on this fund to ensure optimal returns.</p>	

PACAM EQUITY FUND (PEF) - FUND MANAGER'S REPORT
30-Sep-20

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		Aug-20	Sep-20
Category	Equity Fund	Month-on-Month	8.86%	3.94%
Risk profile	High	Year-to-date (Annualised)	30.14%	34.59%
Launch date	20-May-19	Inception-to-date	8.86%	3.94%
Fund Manager	PAC Asset Management Limited	ASSET ALLOCATION (% OF TOTAL ASSETS)		
Trustees	FCMB Trustees Limited	<ul style="list-style-type: none"> ■ Bonds ■ Cash ■ Equities ■ Fixed Placement ■ Treasury Bills/Commercial Papers 		
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 1.14			
INVESTMENT OBJECTIVES				
The primary objective of PACAM Equity Fund is to achieve long-term capital appreciation by investing in high quality listed equities on the NSE.				
INVESTMENT COMMITTEE				
Mr. Sam Onukwue	Chairman	ASSET QUALITY (% TOTAL ASSETS)		
Mr. Sina Alimi	Member	Bonds	2.93	2.96
Mr. Osamede Fadaka	Trustee's Representative	Cash	6.48	0.79
Mr. Bamidele Ige	Member	Equities	73.82	77.63
Mr. Moses Ojo	Member	Fixed Placement	-	-
Mrs Taiwo Sonola	Custodian	Treasury Bills/Commercial Papers	16.76	18.62
		PERFORMANCE REVIEW		
		The PACAM Equity fund realized some marginal gains during the month. The Nigerian equity space recognized some significant gains and remained bullish for most part of the month. This has a positive impact on equity instruments on the PACAM Equity fund.		

PACAM BALANCED FUND (PBF) - FUND MANAGER'S REPORT
30-Sep-20

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		Aug-20	Sep-20
Category	Balanced Fund	Month-on-Month	1.00%	-3.34%
Risk profile	Moderate	Year-to-date (Annualised)	15.99%	9.32%
Launch date	15-May-15	Inception-to-date	51.43%	46.62%
Fund Manager	PAC Asset Management Limited	ASSET ALLOCATION (% OF TOTAL ASSETS)		
Trustees	FBN Trustees Limited	<ul style="list-style-type: none"> ■ Bonds ■ Cash ■ Equities ■ Treasury Bills/Commercial Papers 		
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 1.35			
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				
INVESTMENT COMMITTEE				
Mr. Sam Onukwue	Chairman	ASSET QUALITY (% TOTAL ASSETS)		
Mr. Sina Alimi	Member	Bonds	36.30	36.23
Mr. Olufemi Okin	Trustee's Representative	Cash	1.30	1.33
Mr. Bamidele Ige	Member	Equities	24.59	27.32
Mr. Moses Ojo	Member	Fixed Placement	-	-
Mrs Taiwo Sonola	Custodian	Treasury Bills/Commercial Papers	37.80	35.12
		PERFORMANCE REVIEW		
		The PACAM Balanced Fund recognized some decline mainly attributable to volatility in the equities market and prices of bond instruments.		

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