

Monthly Commentary & Outlook

EQUITIES MARKET

The equities market closed the month of September 2019 in the positive territory as market halts negative sentiment witnessed in the last three months. The NSE ASI inched up by +0.38% as against -0.69% loss recorded in the month of August 2019. Furthermore, the NSEASI ended Q3 2019 in the negative territory with -7.80% loss as against -3.46% loss in Q2 2019 and -1.24% loss in Q1 2019. YTD, the NSEASI has shed -12.09%.

FIXED INCOME MARKET

The Treasury Bills Market closed Q3 on a bullish note largely buoyed by increased system liquidity from FAAC injection. Although there were OMO Auctions but rates still went further down. Some foreign investors have decided to play in the Fixed Income Market. A few Investors have also decided to hold funds in hard currencies while they enjoy the exchange rate benefits in the near future. Investors generally believe in the dollar as a good store of value.

INFLATION

The inflation rate increased to 11.24% for the period ended September 2019. The prices of goods and services, especially consumables are still on the rise. Although there is a slight improvement in the Agricultural sector but the distribution channel for their produce is neither efficient nor effective.

The spike in inflation arrives after the President Muhammadu Buhari-led administration ordered the closure of the country's land borders, while placing a ban on the movement of goods in and out of the country.

The shutdown of Nigeria's land borders to tackle rampant food smuggling and encourage an agricultural revival in Africa's top oil producer is having an unintended side effect: higher inflation. A spike in food prices saw the annual consumer-inflation rate rise to 11.2% in September, after falling to a 3 and a half-year low in the preceding month. Food-price growth accelerated for the first time in four months, rising 1.3% from August. Weak processing, storage and distribution infrastructure remains the bane of the agriculture sector in Nigeria.

OIL PRICE:

The price of Brent, against which Nigeria's crude oil is priced, continued its fall and close the month of September at \$56.39 per barrel.

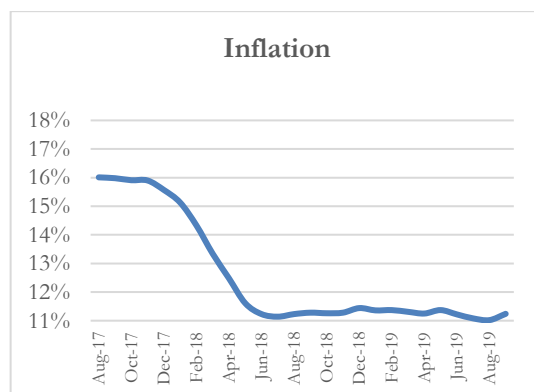
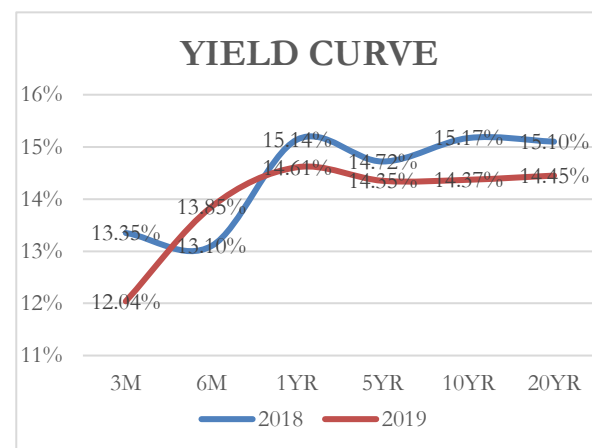
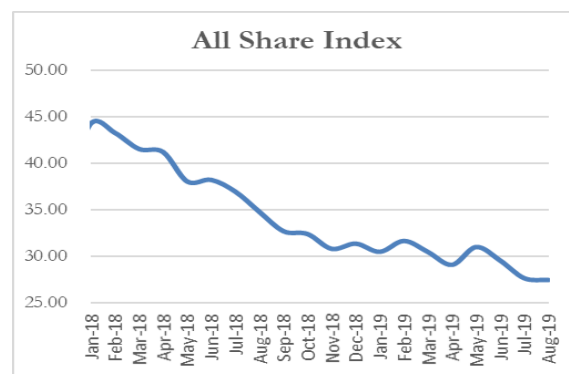
Also, crude oil in the OPEC basket dropped in price on, shedding \$1.42 to close at \$61.09. Crude oil prices had varied sharply, as Brent dropped in price, while the commodity in the OPEC basket appreciated marginally.

Brent crude oil prices showed a downward movement as the market continues to contemplate abundant oil supplies and fears about the economy's direction as well as the ongoing matter of trade negotiations between the United States and China.

PAC Asset Management Limited
 8A, Elsie Femi-Pearse Street
 Victoria Island, Lagos
 T: +234 1 271 8632
 E: info@pacassetmanagement.com

Prices/Yield: 30-Sep-19

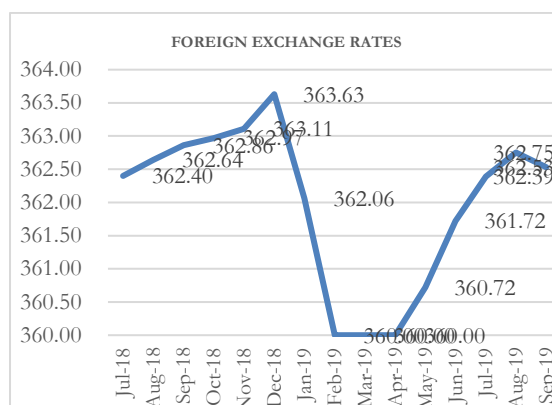
- PACAM Balanced Fund	₦1.30
- PACAM Fixed Income Fund	₦12.01
- PACAM Money Market Fund	11.61%
-PACAM Equity Fund	N 1.00
- PACAM Eurobond Fund	\$ 101.7



FOREIGN EXCHANGE

The dip in the prices of crude oil, the major source of revenue in Nigeria, has led to a marginal increase in the FX rate especially the USD. The current rate is N362.39/US\$. Although there are decisions that would be taken by OPEC in the coming week which we anticipate will favour the Nigerian economy. Nevertheless, it is expected that Nigeria continues to diversify her economy to reduce the extent of reliance on crude oil.

Now OPEC's oil firms are set to increase competition in the oil trade by expanding and opening trading offices around the world and looking to significantly boost their oil trading businesses and volumes. Essentially, this would increase volume and might force the price to nosedive.



Source: Data from FMDQ I & E Window

PACAM BALANCED FUND (PBF) - FUND MANAGER'S REPORT 30-Sep-19

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		Aug-19	Sep-19
Category	Balanced Fund	Month-on-Month	-0.50%	1.94%
Risk profile	Moderate	Year-to-date (Annualised)	1.84%	4.25%
Launch date	15-May-15	Inception-to-date	39.10%	41.65%

Fund Manager	PAC Asset Management Limited		
Trustees	FBN Trustees Limited		
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		1.30

INVESTMENT OBJECTIVES

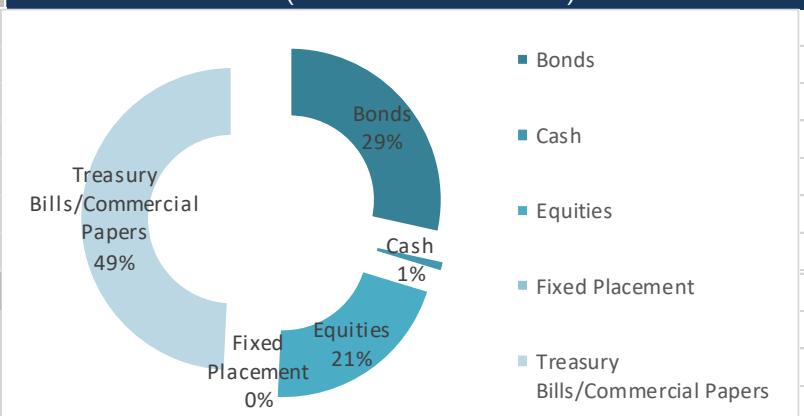
The primary objective of PACAM Balanced Fund is to achieve long-term capital appreciation, capital preservation as well as providing a stable stream of income to investors by investing the Fund's assets across a mix of investment-grade fixed income instruments, Money Market Instruments & Real Estate Assets and high quality listed equities on the

INVESTMENT COMMITTEE

Mr. Chris Oshiafi	Chairman
Mr. Sam Onukwue	Independent Member
Mr. Sina Alimi	Member
Mr. Amedu Buraimah	Trustee's Representative
Mr. Bamidele Ige	Member

COMMENTARY

ASSET ALLOCATION (% OF TOTAL ASSETS)



ASSET QUALITY (% TOTAL ASSETS)

	Aug-19	Sep-19
Bonds	29.19	28.47
Cash	1.93	1.23
Equities	21.78	21.04
Fixed Placement	-	-
Treasury Bills/Commercial Papers	47.10	49.25

PERFORMANCE REVIEW

The equities market saw some recovery with a 0.38% increase in ASI in the month under review. Foreign Investors are still not showing significant interests in this market. Nevertheless, the Fund Manager is following the trend closely while he gathers information that would support the next strategic move.

FUND INFORMATION		FUND RETURNS	
Fund type	Open-ended		
Category	Money Market Fund	Annualised Yield	Aug-19: 12.04% Sep-19: 11.61%
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.

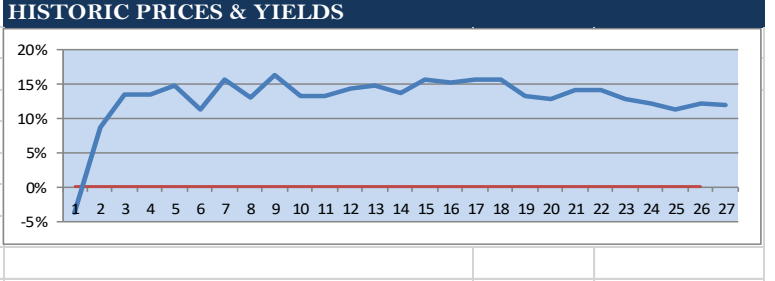
The Fund will invest in low risk short term Money Market securities such as Government securities, Bank Placement, Commercial Papers, and others which include Promissory notes.

INVESTMENT COMMITTEE

Mr. Chris Oshiafi	Chairman
Mr. Sam Onukwue	Independent Member
Mr. Sina Alimi	Member
Mr. Bunkaya Gana	Trustee's Representative
Mr. Bamidele Ige	Member

ASSET QUALITY (% TOTAL ASSETS)

	Aug-19	Sep-19
Term Deposits	-	-
Cash	0.51	0.45
Commercial Papers	11.24	15.48
Treasury Bills	88.25	84.07



COMMENTARY

FUND INFORMATION		FUND RETURNS	
Fund type	Open-ended		
Category	Fixed Income Fund	Month-on-Month	Aug-19: 0.24% Sep-19: 1.03%
Risk profile	Moderate	Year-to-date (Annualised)	21.12% 20.38%
Launch date	27-Jul-16	Inception-to-date	18.79% 20.01%
Fund Manager	PAC Asset Management Limited	ASSET ALLOCATION (% OF TOTAL ASSETS)	
Trustees	GTL Trustees Limited		
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 12.01		

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.

INVESTMENT COMMITTEE

Mr. Chris Oshiafi	Chairman
Mr. Sam Onukwue	Independent Member
Mr. Sina Alimi	Member
Mr. Bunkaya Gana	Trustee's Representative
Mr. Bamidele Ige	Member

ASSET QUALITY (% TOTAL ASSETS)

	Aug-19	Sep-19
Bonds	12.12	11.98
Cash	0.81	0.60
Fixed Placement	-	-
Other Money Market Instruments	87.06	87.42

PERFORMANCE REVIEW

The Federal Government of Nigeria released a couple of OMO in the month under review in order to mop-up liquidity. This further drove down the yields. However, there are Commercial Papers issued by a couple of organisations. The bond yields are slowing down as well. Nevertheless, the Fund Manager will ensure that the Clients' interests are protected and they get real value for money.

COMMENTARY

PACAM EQUITY FUND (PEF) - FUND MANAGER'S REPORT
30-Sep-19

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		Aug-19	Sep-19
Category	Equity Fund	Month-on-Month	-1.24%	2.90%
Risk profile	High	Year-to-date (Annualised)	-3.83%	3.76%
Launch date	20-May-19	Inception-to-date	-3.83%	3.76%
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 Equity Fund. The chart is divided into two segments: a larger light blue segment representing Treasury Bills/Commercial Papers at 66%, and a smaller dark blue segment representing Equities at 34%. A legend to the right of the chart identifies the colors: light blue for Treasury Bills/Commercial Papers and dark blue for Equities.</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 1.00			
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. Chris Oshiafi	Chairman	ASSET QUALITY (% TOTAL ASSETS)		
Mr. Sam Onukwue	Independent Member	Bonds	-	-
Mr. Sina Alimi	Member	Cash	0.10	0.02
Mr. Amedu Buraimah	Trustee's Representative	Equities	32.59	33.83
Mr. Bamidele Ige	Member	Fixed Placement	-	-
		Treasury Bills/Commercial Papers	67.31	66.15
		PERFORMANCE REVIEW		
		The equities market saw some recovery with a 0.38% increase in ASI in the month under review. Foreign Investors are still not showing significant interests in this market. Nevertheless, the Fund Manager is following the trend closely while he gathers information that would support the next strategic move.		
COMMENTARY				

PACAM EUROBOND FUND
30-Sep-19

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		Aug-19	Sep-19
Category	Euro Bond Fund	Month-on-Month	-0.49%	-2.08%
Risk profile	Moderate	Year-to-date (Annualised)	3.85%	1.70%
Launch date	20-May-19	Inception-to-date	3.85%	1.70%
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: a large dark blue segment representing Bonds at 94%, and a small light blue segment representing Cash at 6%. A legend to the right of the chart identifies the colors: dark blue for Bonds and light blue for 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)	\$ 101.7			
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.				
INVESTMENT COMMITTEE				
Mr. Chris Oshiafi	Chairman	ASSET QUALITY (% TOTAL ASSETS)		
Mr. Sam Onukwue	Independent Member	Bonds	94.01	94.35
Mr. Sina Alimi	Member	Cash	5.99	5.65
Mr. Samuel Adesanmi	Trustee's Representative	Fixed Placement	-	-
Mr. Bamidele Ige	Member	Other Money Market Instruments	-	-
		PERFORMANCE REVIEW		
		The PACAM Eurobond Fund was launched in MAY 2019. The funds raised have been invested in both Sovereign and Corporate Bonds. The performance of the Fund is quite commendable since inception. The Fund Manager will not relent in looking out for opportunities that would enhance the performance of the Fund.		
COMMENTARY				

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