Fund Manager's Report



NIGERIA | MUTUAL FUNDS | AUGUST 2020

EQUITY | EUROBOND | BALANCED | MONEY MARKET | FIXED INCOME FUNDS

Monthly Commentary & Outlook

EQUITIES MARKET

Equities market closed the month in the green zone as NSE ASI and market capitalization closed at 25,327.13 and №13.21 trillion, respectively. The Nigerian equities market continues to recognize some mild recovery after the reopening of the economy and business activities which were hampered by the covid-19 pandemic. Despite prices of many companies being low, investors are still skeptical about fully participating in the equity market. Notwithstanding the declaration of impressive dividends by many companies, investors (especially FPI) are not ready to pick up these stocks partly due to the uncertainty about the severity of COVID-19 in the Nigerian market and post COVID-19 scenarios that may play out.

FIXED INCOME MARKET

In the treasury bills markets, the 91 days bills closed at 1.145% which is a (-0.055%) compared to previous month's close. 182 days at 1.8%% (+0.41%) compared to previous month and 364 days at 3.34% (+0.14%) compared to last month. In the Bonds market, bearish sentiments persisted as prices declined and yields inched up. The bonds market saw bearish sentiments for the month. Bond auction results which saw yields inch up from previous auction. At the end of the month 5 YR, 15YR and 30YR closed at 6.23%, 9.05% and 10.05% levels, respectively. We expect increased demand in the bond space leading to decline in yields. Liquidity levels are expected to go up as treasury bills (NTB and OMO) maturities in the month of September are expected to be about N1.5trillion.

INFLATION

The consumer price index, (CPI) which measures inflation increased to 12.8% percent (year-on-year) in July 2020. This is 26 bps higher than the rate recorded in June 2020 (12.40) percent. The current Covid-19 Pandemic which has seriously hampered global trade and has ushered in a global lockdown has had its toll on inflation rates. Prices of goods are on the rise as demand exceeds supply in most markets. Supply chain disruptions have occurred as a result of the lockdown. Pressure on the local currency would be a major risk to inflation in coming months. The restrictions of some economic activities due to social distancing policies as well as increase in the cost of transportation are other factors that would fuel inflationary pressure in the country. Inflation is estimated to approach 14% level by end of the year.

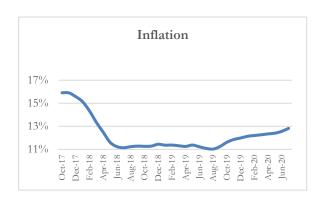
OIL PRICE

Crude oil prices saw a marginal gain in the month of August. Recovery continues to be on the rise amidst the current pandemic. Brent crude price recognized its 5th straight monthly gains as global stimulus measures has helped crude oil prices. Brent crude closed at \$46.10 per barrel as against \$40.27 per barrel in July. As economies around the world reopen following coronavirus lockdowns, demand for oil and prices have recovered some of the lost ground. Concerns about a possible second wave still poses significant threat to the global economy.

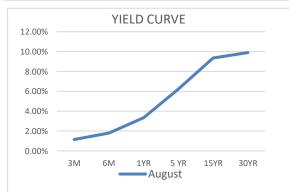
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Prices/Yield: 31 August 20					
PACAM Balanced Fund	N1.38				
PACAM Fixed Income Fund	N 11.90				
PACAM Money Market Fund	3.59%				
PACAM Equity Fund	NGN 1.10				
PACAM Eurobond Fund	\$109.19				







August 2020

FOREIGN EXCHANGE MARKET

The naira saw some gains on the dollar in the month of august. However, poor yields on traditional investment classes have led to increased hoarding of FX. Demand continues to exceed supply. Naira closed at №385.67 against the dollar as against № 389.50 the previous month in the I&E window. In the parallel market however, the Naira closed at N465/\$1 as against previous months close of N475/\$1.



Source: Data from FMDQ I& E Window

PACAM MONEY MARKET FUND(MMF) - FUND MANAGER'S REPORT 31-Aug-20 **FUND INFORMATION FUND RETURNS** Fund type Open-ended Jul-20 Aug-20 Annualised Yield 3.98% Category Money Market Fund 3.59% ASSET ALLOCATION (% OF TOTAL ASSETS) Risk profile Low Launch date 27-Jul-16 Cash 3% Fund Manager PAC Asset Management Limited Cash GTL Trustees Limited Trustees Custodian **UBA Global Investor Services** Commercial **Papers** Auditors **BDO Professional Services** 40% Management Fee 1% of NAV Treasury Bills Dividend Frequency Quarterly 57% 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 ASSET QUALITY (% TOTAL ASSETS) Jul-20 Aug-20 liquidity and security of assets. Term Deposits The Fund will invest in low risk short term Money Market Cash 7.80 3.11 securities such as Government securities, Bank Placement, Commercial Papers 30.97 39.99 Treasury Bills Commercial Papers, and others which include Promissory notes. 61.23 56.90 HISTORIC YIELDS INVESTMENT COMMITTEE 15.00% Mr. Sam Onukwue Chairman Mr. Sina Alimi Member 5.00% Mr. Bunkaya Gana Trustee's Representative 0.00% Mr. Bamidele Ige Member Mr Moses Ojo Member Mrs Taiwo Sonola Custodian PERFORMANCE REVIEW The MMF yields saw some decline in the month mainly aatiributable to low yields on instruments

currently in the market

PACAM EUROBOND	FUND			31-Aug-20
FUND INFORMATION	ON CONTRACTOR OF THE PROPERTY	FUND RETURNS		
Fund type	Open-ended		Jul-20	Aug-20
Category	Euro Bond Fund	Month-on-Month	-0.23%	1.40%
Risk profile	Moderate	Year-to-date (Annualised)	7.67%	9.19%
Launch date	20-May-19	Inception-to-date	-0.23%	1.40%
Fund Manager	PAC Asset Management Limited	ASSET ALLOCATION (% OF TOTAL A	SSETS)	
Trustees	FCMB Trustees Limited			
Custodian	UBA Global Investor Services			
Auditors	BDO Professional Services			
Management Fee	1% of NAV			
Dividend Frequency	Annual	Cas		- Daniela
Dealing Days	Monday - Friday	Bonds 29	6	■ Bonds
NAV per unit (USD)	\$ 109.19	98%		■ Cash
INVI	ESTMENT OBJECTIVES			
The objective of the Fu	nd is to generate a steady return on capital			
and assured liquidity for	or 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		ASSET QUALITY (% TOTAL ASSETS)	Jul-20	Aug-20
also invest its assets in money market securities such as Treasury		Bonds	99.12	98.42
Bills, Commercial papers, Bankers Acceptances and Certificate of		Cash	0.88	1.58
Deposits with rated banks in Nigeria.		PERFORMANCE REVIEW		
INVESTMENT COMMITTEE		The Eurobond fund saw asset value appreciation as demand for eurobond		
Mr. Sam Onukwue	Chairman	instruemnts goes up. Prices of instruments continue to be on the tise as a		
Mr. Sina Alimi	Member	results of heightened demand		
Mrs Yemisi Arowolo	Trustee's Representative			
Mr. Bamidele Ige	Member			
Mr Moses Ojo	Member			
Mrs Taiwo Sonola	Custodian			

PACAM FIXED INCO	OME FUND			31-Aug-2	
FUND INFORMATIO	ON	FUND RETURNS			
Fund type	Open-ended		Jul-20	Aug-	
Category	Fixed Income Fund	Month-on-Month	-0.86%	0.05	
Risk profile	Moderate	Year-to-date (Annualised)	24.25%	21.25	
Launch date	27-Jul-16	Inception-to-date	18.88%	8.13	
Fund Manager	PAC Asset Management Limited	ASSET ALLOCATION (% OF TOTAL ASSE	TS)		
Trustees	GTL Trustees Limited				
Custodian	UBA Global Investor Services				
Auditors	BDO Professional Services	Other Money	Bonds		
Management Fee	1% of NAV	Market			
Dividend Frequency	Annual	Instruments Bonds	Cash		
Dealing Days	Monday - Friday	37% 61% Fixed I			
NAV per unit (NGN)	NGN 11.90			nent	
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			Other Money Market Instruments		
		Cash			
investments will mostly	y be in long tenured debt instruments of the	2%			
FGN, States and highly rated corporate institutions. The Fund may		ASSET QUALITY (% TOTAL ASSETS)	Jul-20	Aug-	
also invest its assets in money market securities such as Treasury		Bonds	81.25	60.7	
Bills, Commercial papers, Bankers Acceptances and Certificate of		Cash	2.54	2.3	
Deposits with rated banks in Nigeria.		Fixed Placement	-	-	
INVESTMENT COM	MITTEE	Other Money Market Instruments	16.21	36.9	
Mr. Sam Onukwue	Chairman	PERFORMANCE REVIEW			
Mr. Sina Alimi	Member	The Fixed income fund saw some marginal gains this is attrinutable to prices of bonds on the rise in the market. However unit price still remain same. Some discounted instruemtns were purchased during the period.			
Mr. Bunkaya Gana	Trustee's Representative				
Mr. Bamidele Ige	Member				
Mr Moses Ojo	Member				

August 2020 www.pacassetmanagement.com

Mrs Taiwo Sonola

Custodian

PACAM EQUITY FUND (PEF) - FUND MANAGER'S REPORT 31-Aug-20 FUND INFORMATION FUND RETURNS Open-ended Jul-20 Fund type Aug-20 Month-on-Month Category Equity Fund -2.20% 8.86% Risk profile High Year-to-date (Annualised) 4.71% 30.14% Launch date 20-May-19 Inception-to-date -2.20% 8.86% PAC Asset Management Limited ASSET ALLOCATION (% OF TOTAL ASSETS) Fund Manager Trustees **FCMB Trustees Limited** Treasury Bonds Custodian **UBA Global Investor Services** Bills/Commerci Cash Auditors **BDO Professional Services** al Papers Cash 1% of NAV Management Fee Dividend Frequency Annual Equities Dealing Days Monday - Friday NAV per unit (NGN) NGN 1.10 Fixed Placement **INVESTMENT OBJECTIVES** Treasury Bills/Commercial Papers The primary objective of PACAM Equity Fund is to achieve long-term capital appreciation by investing in ASSET QUALITY (% TOTAL ASSETS) Jul-20 Aug-20 high quality listed equities on the NSE. Bonds 2.89 2.93 Cash 1.01 Equities 78.19 73.82 INVESTMENT COMMITTEE Fixed Placement Mr. Sam Onukwue Chairman Treasury Bills/Commercial Papers 17.91 16.76 Mr. Sina Alimi Member PERFORMANCE REVIEW

Equity fund.

Mr Osamede Fadaka Trustee's Representative

Member

Member

Custodian

Mr. Bamidele Ige

Mrs Taiwo Sonola

Mr Moses Ojo

The PACAM Equity fund realized some significant gains during the month. The

part of the month. This has a postive impact on equity instruments on the PACAM

Nigerian equity space recognized some significant gains and reminaed bullish for moat

6.48

PACAM BALANCED FUND (PBF) - FUND MANAGER'S REPORT 31-Aug-20 FUND INFORMATION FUND RETURNS Fund type Open-ended Jul-20 Aug-20 Balanced Fund Category Month-on-Month -1.02% 1.00% Risk profile Moderate Year-to-date (Annualised) 16.43% 15.99% 25.32% Launch date 15-May-15 Inception-to-date 50.00% PAC Asset Management Limited ASSET ALLOCATION (% OF TOTAL ASSETS) Fund Manager Trustees **FBN Trustees Limited** Custodian **UBA Global Investor Services** Bonds Auditors **BDO Professional Services** Management Fee 1% of NAV Cash Dividend Frequency Annual Dealing Days Monday - Friday NAV per unit (NGN) NGN 1.40 Equities INVESTMENT OBJECTIVES The primary objective of PACAM Balanced Fund is to ■ Treasury Bills/Commercial achieve long-term capital appreciation, capital Papers preservation as well as providing a stable stream of income to investors by investing the Fund's assets ASSET QUALITY (% TOTAL ASSETS) Jul-20 Aug-20 Bonds across a mix of investment-grade fixed income 36.15 36.30 instruments, Money Market Instruments & Real Cash 1.69 1.30 Estate Assets and high quality listed equities on the Equities 24.85 24.59 INVESTMENT COMMITTEE Fixed Placement Mr. Sam Onukwue Chairman Treasury Bills/Commercial Papers 37.31 37.80 Mr. Sina Alimi Member PERFORMANCE REVIEW The PACAM Balanced Fund recognized some significatn gains mainly attibutable Mr. Olufemi Okin Trustee's Representative to increase in prices of bond instruments as well as bullish sentimanets in the Mr. Bamidele Ige Member Nigerian equities space. Mr Moses Ojo Member Mrs Taiwo Sonola Custodian

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