

## Monthly Commentary & Outlook

### EQUITIES MARKET

The equity market closed on a positive note in December, as the All-Share Index (NSE ASI) closed at 40,270.72 points while the Market Capitalization closed at ₦21.06 trillion, respectively. The Year-to-Date (YtD) and the Quarter-to-Date (QtD) returns stand at 50.03% and 50.09%, while the Month-to-Date (MtD) and Week-to-Date returns stand at 14.92% and 3.79% respectively.

The Nigerian equities market continues to record huge capital inflows as investors perceive the equities as better investment opportunity as a result of low yields and rising inflation. Despite the year ending and sell offs expected, capital flows continue to move into the equities space. The NSE was the best performing Stock Exchange globally and recorded a 50.03% returns for the year. We expect this to continue in Q1 2021.

### FIXED INCOME MARKET

In the treasury bills markets, the average yield increased by 8bps as it closed the year at 0.47% average market yield. The 11-Mar-21, 10-Jun-21 and 28-Oct-21 bills closed at 0.34% (0.00%), 0.41% (0.22%), and 0.65% (0.02%) respectively. In the bond market, the average market yield increased by an average of 287bps as it closed at 5.19% for the year. 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 1.39%, 3.55%, 5.45%, 7.14%, 7.09%, 7.80% and 8.66% respectively. In the month of December, the Primary market auction witnessed some marginal increase in yields.

### INFLATION

Inflation rate rose to 14.89% in November 2020 as against 14.23% recorded in October. Nigerian Bureau of Statistics issued report on the economy and Nigeria is officially in recession after recording negative growth for two consecutive quarters. Border closure, lockdowns, Nationwide protests, and insecurity has been a major factor affecting the Nigerian economy in 2020. Fears of a second wave of the Covid-19 Pandemic continues to linger as well as a possible further devaluation of the naira. As the year ends, we expect inflation figures to inch up mainly as the festive season draws near and historical there has always been an increased spending during this period.

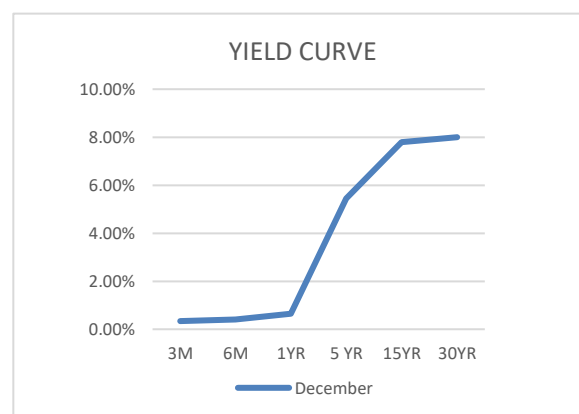
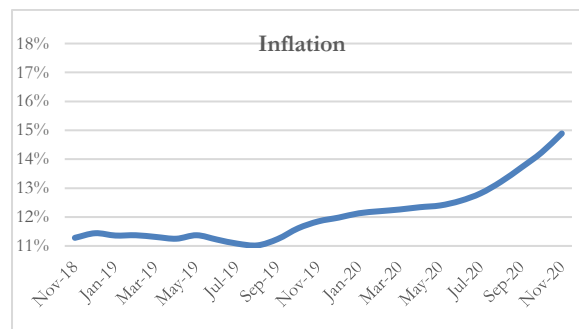
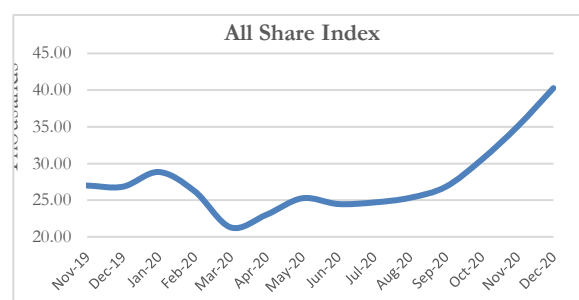
### OIL PRICE

The price of oil appreciated to \$49.99 /barrel as against \$47.59/barrel for November 2020. As economies begin to open and vaccines begin to flood the market, we envisage an increased level of productivity and an increased demand for crude oil going into 2021.

However, developed countries continue to experience a second wave of the COVID-19 pandemic as cases rise rapidly in many countries. The announcement of vaccines by Pfizer and Moderna however has brought a much-needed relief. We expect that in the coming months economies / countries will begin opening fully which could lead to increased demand for oil.

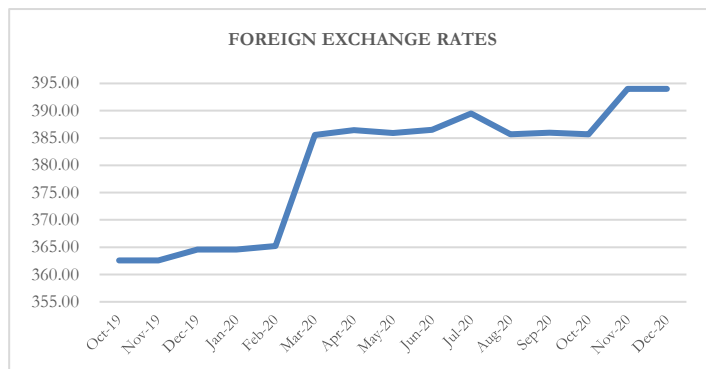
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Prices/Yield: 31 Dec, 2020	
PACAM Balanced Fund	N1.65
PACAM Fixed Income Fund	N 12.24
PACAM Money Market Fund	1%
PACAM Equity Fund	NGN 1.55
PACAM Eurobond Fund	\$110.53



## FOREIGN EXCHANGE MARKET

The Naira traded \$379.00 on the FX Market (CBN Official Window), as in the previous trading month. On Investors and Exporters Window, Naira traded at N394.00 / \$ as against last months close of ₦394/\$ in November. It remained unchanged M-o-M. We anticipate regulators to implement further measures to improve FX liquidity in the market, failing which the local currency will continue to decline in the face of pressure on the currency.



Source: Data from FMDQ I&E Window

## PACAM MONEY MARKET FUND(MMF) - FUND MANAGER'S REPORT 31-Dec-20

### FUND INFORMATION FUND RETURNS

Fund type	Open-ended	Annualised Yield	Nov-20	Dec-20
Category	Money Market Fund		2.53%	1.00%
Risk profile	Low	<b>ASSET ALLOCATION (% OF TOTAL ASSETS)</b>		
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.

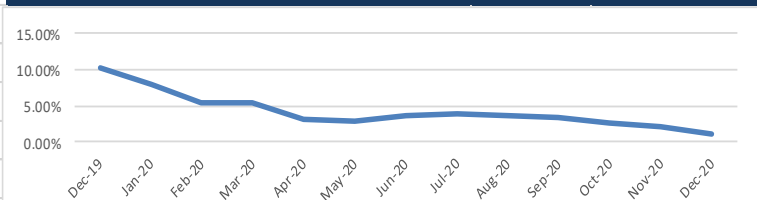
### INVESTMENT COMMITTEE

Mr. 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)

	Nov-20	Dec-20
Term Deposits	-	-
Cash	9.82	3.27
Commercial Papers	61.73	65.68
Treasury Bills	28.45	31.05

### HISTORIC YIELDS



### PERFORMANCE REVIEW

The MMF yields continue to decline as undelying assets yield : Treasury bills and commercial papers provides low yields currently. However , the MMF continues to outperform its benchamrk which is the 91-day bill which currently trades at 0.1% levels.

PACAM EUROBOND FUND		31-Dec-20	
FUND INFORMATION		FUND RETURNS	
Fund type	Open-ended		<b>Nov-20</b> <b>Dec-20</b>
Category	Euro Bond Fund	Month-on-Month	-1.45% 0.93%
Risk profile	Moderate	Year-to-date (Annualised)	8.53% 9.53%
Launch date	20-May-19	Inception-to-date	9.53% 10.53%
Fund Manager	PAC Asset Management Limited	<b>ASSET ALLOCATION (% OF TOTAL ASSETS)</b>	
Trustees	FCMB Trustees Limited	<p>A donut chart illustrating the asset allocation of the fund. The chart is divided into two segments: a large blue segment representing Bonds at 99% and a very small dark blue segment representing Cash at 1%. A legend to the right of the chart identifies the colors: blue for Bonds and dark blue for Cash.</p>	
Trustees	FCMB 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 (USD)	\$ 110.53		
<b>INVESTMENT OBJECTIVES</b>			
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.			
<b>INVESTMENT COMMITTEE</b>		<b>ASSET QUALITY (% TOTAL ASSETS)</b>	
Mr. Sam Onukwue	Chairman	Bonds	97.75 98.60
Mr. Sina Alimi	Member	Cash	2.25 1.40
Mrs Yemisi Arowolo	Trustee's Representative	<b>PERFORMANCE REVIEW</b>	
Mr. Bamidele Ige	Member	The period saw marginal increase in the value of eurobond instruments under the fund as interest and demand for eurobond instruments heightened.	
Mr Moses Ojo	Member		
Mrs Taiwo Sonola	Custodian		

PACAM FIXED INCOME FUND		31-Dec-20	
FUND INFORMATION		FUND RETURNS	
Fund type	Open-ended		<b>Nov-20</b> <b>Dec-20</b>
Category	Fixed Income Fund	Month-on-Month	0.62% 0.82%
Risk profile	Moderate	Year-to-date (Annualised)	17.96% 17.39%
Launch date	27-Jul-16	Inception-to-date	21.31% 22.30%
Fund Manager	PAC Asset Management Limited	<b>ASSET ALLOCATION (% OF TOTAL ASSETS)</b>	
Trustees	GTL Trustees Limited	<p>A donut chart illustrating the asset allocation of the fund. The chart is divided into three segments: a large blue segment representing Bonds at 74%, a purple segment representing Other Money Market Instruments at 26%, and a very small red segment representing Cash at 0%. A legend to the right of the chart identifies the colors: blue for Bonds, red for Cash, green for Fixed Placement, and purple for Other Money Market Instruments.</p>	
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 12.24		
<b>INVESTMENT OBJECTIVES</b>			
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.			
<b>INVESTMENT COMMITTEE</b>		<b>ASSET QUALITY (% TOTAL ASSETS)</b>	
Mr. Sam Onukwue	Chairman	Bonds	58.94 73.75
Mr. Sina Alimi	Member	Cash	4.14 0.62
Mr. Bunkaya Gana	Trustee's Representative	Fixed Placement	- -
Mr. Bamidele Ige	Member	Other Money Market Instruments	36.92 25.64
Mr Moses Ojo	Member	<b>PERFORMANCE REVIEW</b>	
Mrs Taiwo Sonola	Custodian	The fixed income fund saw some marginal gains and price per unit inched up marginally.	

**PACAM EQUITY FUND (PEF) - FUND MANAGER'S REPORT** **31-Dec-20**

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		<b>Nov-20</b>	<b>Dec-20</b>
Category	Equity Fund	Month-on-Month	15.82%	3.03%
Risk profile	High	Year-to-date (Annualised)	91.03%	64.31%
Launch date	20-May-19	Inception-to-date	53.37%	58.01%
Fund Manager	PAC Asset Management Limited	<b>ASSET ALLOCATION (% OF TOTAL ASSETS)</b>		
Trustees	FCMB 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 1.58			
<b>INVESTMENT OBJECTIVES</b>				
The primary objective of PACAM Equity Fund is to achieve long-term capital appreciation by investing in high quality listed equities on the NSE.				
<b>INVESTMENT COMMITTEE</b>				
Mr. Sam Onukwue	Chairman	Bonds	2.63	2.73
Mr. Sina Alimi	Member	Cash	28.73	-
Mr Osamede Fadaka	Trustee's Representative	Equities	51.91	79.99
Mr. Bamidele Ige	Member	Fixed Placement	-	-
Mr Moses Ojo	Member	Treasury Bills/Commercial Papers	16.73	16.28
Mrs Taiwo Sonola	Custodian	<b>PERFORMANCE REVIEW</b>		
		The PACAM Equity fund realised some notable gains as the equities market continued to see capital inflows. The equities market continues to see massive capital inflow as a result of low and unattractive yields in the fixed income space.		

**PACAM BALANCED FUND (PBF) - FUND MANAGER'S REPORT** **31-Dec-20**

FUND INFORMATION		FUND RETURNS					
Fund type	Open-ended		<b>Nov-20</b>	<b>Dec-20</b>			
Category	Balanced Fund	Month-on-Month	7.23%	2.17%			
Risk profile	Moderate	Year-to-date (Annualised)	30.37%	30.56%			
Launch date	15-May-15	Inception-to-date	73.82%	77.44%			
Fund Manager	PAC Asset Management Limited	<b>ASSET ALLOCATION (% OF TOTAL ASSETS)</b>					
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 1.65						
<b>INVESTMENT OBJECTIVES</b>					<b>ASSET QUALITY (% TOTAL ASSETS)</b>		
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					Bonds	31.80	31.56
Mr. Sam Onukwue	Chairman				Cash	6.37	1.07
Mr. Sina Alimi	Member	Equities	30.92	44.53			
Mr. Olufemi Okin	Trustee's Representative	Fixed Placement	-	-			
Mr. Bamidele Ige	Member	Treasury Bills/Commercial Papers	30.92	22.84			
Mr Moses Ojo	Member	<b>PERFORMANCE REVIEW</b>					
Mrs Taiwo Sonola	Custodian	The PACAM Balanced Fund recognized some significant gains mainly attributable to gains witnessed in the equities market.					

To invest, kindly make payment to the bank accounts detailed below:

	<b>PACAM Money Market Fund</b>	<b>PACAM Fixed Income Fund</b>	<b>PACAM Balanced Fund</b>	<b>PACAM Equity Fund</b>	<b>PACAM Eurobond Fund</b>
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