



Monthly Commentary & Outlook

EQUITIES MARKET

NSEASI recovered by 3.81% in the month of February 2019 while the market YTD return climbed to 1.97% amidst uncertainties that surrounded the General Elections. The General elections were postponed by a week which raised a lot of tension in the Market and eventually led to a sharp drop in the Market especially when the Incumbent was declared winner by the Electoral Commission. Our prognosis is that the decline will persist until the Cabinet is reshuffled as proposed by the Presidency, then Investors have a clear view of the policies that would drive the economy going forward.

FIXED INCOME MARKET

It was projected earlier in the New Year that there would be a tight monetary policy hinged on CBN's quest to defend the Naira due to the plummeting crude oil prices. In order to achieve this, the CBN issued OMO totalling N1.09trillion in February. Also the total Federal Accounts Allocation for the month was N660bn. These interventions drove the Fixed Income Market downwards as OMO yields compressed with bids on the long-end OMO as low as 13.9%. We hold the view that the concentration of fixed income maturities which relapses after Q1 19 before picking up in Q4 19 and our case for downside in headline inflation mid-2019 provides room for softer OMO rates between March and September. This is evident in CBN's decision to cut its OMO rates on its one-year bill by 70bps and take further step to withdraw the one-year OMO bill at its recent auction in March in order to enforce a loose monetary policy.

INFLATION

The inflation rate is still hovering around 11% to 11.5%. The CPI (Food) rose to 0.83% while CPI core is at 0.81%. This implies that prices of Agricultural produce, especially consumables are still on the rise. Although, the CBN'S inflation target range is 6.0% - 9.0%.

As the government continues to support Agriculture through Intervention Programs, we anticipate that prices of food will be driven downwards. Also, the massive infrastructural development will assist production and drive down production cost to a large extent.

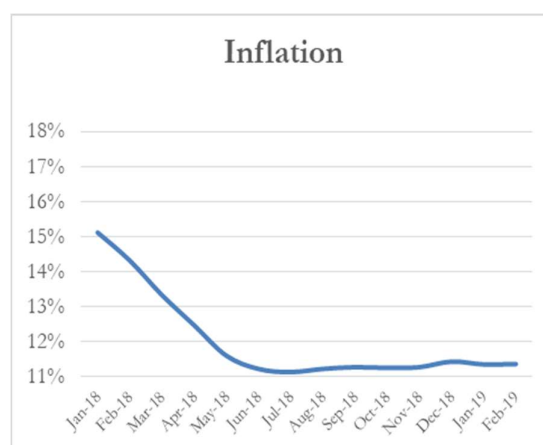
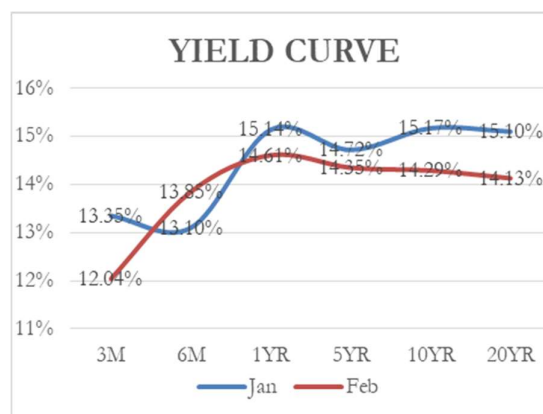
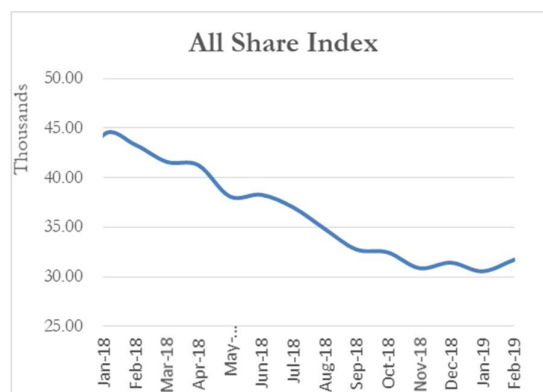
OIL PRICE

Nigeria's Bonny Light Crude performed above the Budget benchmark as it traded at an average price of \$62 per barrel in the month under review. There seems to be a glimpse of light at the end of the tunnel for Nigeria as we expect this to continue. The improved performance is attributable to the slow-down in the production and supply of U.S shale.

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Prices/Yield: 28-Feb-19

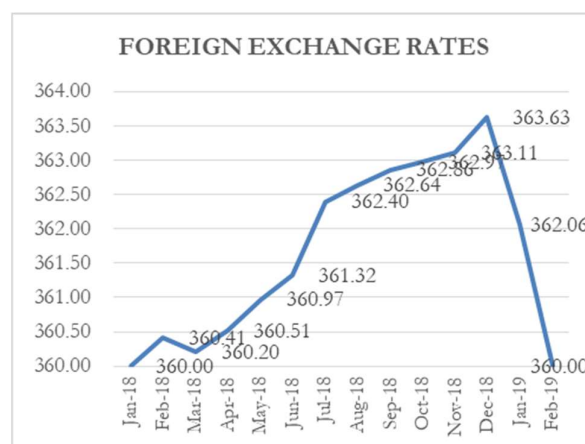
- PACAM Balanced Fund	N1.40
- PACAM Fixed Income Fund	N12.45
- PACAM Money Market Fund	12.55%



FOREIGN EXCHANGE

The Naira is enjoying an obvious appreciation. The reason is not far-fetched as there is a rise in Crude Oil Prices dovetailing into the Foreign Reserves. Although there were pressures stemming from the General Elections which led to Capital Flight, but the CBN intervened by injecting a total of \$210m into the Market which has enabled the market to maintain its current rate of N360/USD.

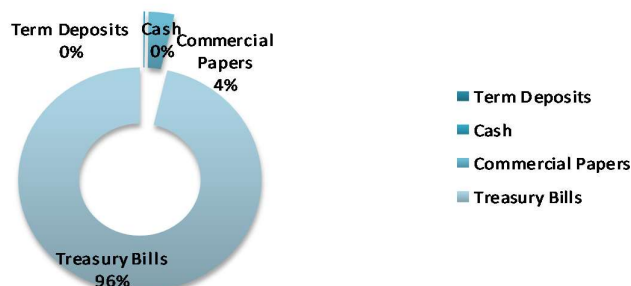
As the elections are rounding-off, we anticipate that Foreign Investors would find their way back into the economy which would further strengthen the value of Naira.



Source: Data from FMDQ I&E Window

PACAM BALANCED FUND (PBF) - FUND MANAGER'S REPORT				28-Feb-19
FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		Jan-19	Feb-19
Category	Balanced Fund	Month-on-Month	0.15%	2.74%
Risk profile	Moderate	Year-to-date (Annualised)	7.15%	10.09%
Launch date	15-May-15	Inception-to-date	46.83%	50.66%
Fund Manager	PAC Asset Management Limited	ASSET ALLOCATION (% OF TOTAL ASSETS)		
Trustees	FBN Trustees Limited			
Custodian	UBA Global Investor Services			
Auditors	BDO Professional Services			
Management Fee	1% of NAV			
Dividend Frequency	Annual	ASSET QUALITY (% TOTAL ASSETS)		
Dealing Days	Monday - Friday		Jan-19	Feb-19
NAV per unit (NGN)	NGN 1.35	Bonds	28.60	27.71
INVESTMENT OBJECTIVES		Cash	0.10	0.07
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		Equities	19.68	20.33
		Fixed Placement	-	-
		Treasury Bills/Commercial Papers	51.62	51.90
		PERFORMANCE REVIEW		
INVESTMENT COMMITTEE		The Fund enjoyed Capital Appreciation as a result of the bullish performance of the market shortly before the elections. However, shortly after the announcement of the incumbent as the winner, the Market responded negatively. Although this did not impact the Fund as much as expected due to the diversified nature of the Fund. Nevertheless, the Fund Manager will continue to seek opportunities to ensure that Investors' Funds are judiciously managed.		
Mr. Chris Oshiafi	Chairman			
Mr. Sam Onukwue	Independent Member			
Mr. Sina Alimi	Member			
Mr. Amedu Buraimah	Trustee's Representative	COMMENTARY		
Mr. Bamidele Ige	Member			

28-Feb-19

ASSET ALLOCATION (% OF TOTAL ASSETS)

ASSET QUALITY (% TOTAL ASSETS)	Jan-19	Feb-19
Term Deposits	-	-
Cash	5.04	2.00
Commercial Papers	10.88	10.73
Treasury Bills	84.08	87.27

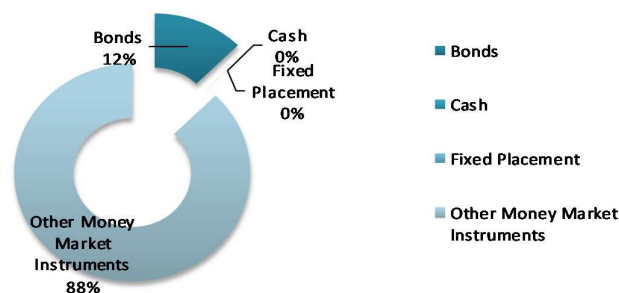
INVESTMENT COMMITTEE

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

**PACAM FIXED INCOME FUND**

28-Feb-19

FUND RETURNS			
		Jan-19	Feb-19
Month-on-Month		1.54%	0.27%
Year-to-date (Annualised)		19.19%	19.51%
Inception-to-date		24.13%	24.47%



ASSET QUALITY (% TOTAL ASSETS)	Jan-19	Feb-19
Bonds	12.63	12.19
Cash	0.09	0.57
Fixed Placement	-	-
Other Money Market Instruments	87.29	87.25

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

The Market has been very liquid due to maturities within the month under review and the release of FAAC. Despite the OMO Issuances, the One year bill lost 70bps. There would be a clearer view once all the elections are over and the new government swings into action. However, the Fund Manager will ensure that the Clients' interests are protected and they get real value for money.

February 2019

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

	PACAM Money Market Fund	PACAM Fixed Income Fund	PACAM Balanced Fund
Bank	UBA PLC	UBA PLC	UBA PLC
Account Name	UBA PLC Nominee - Main Street Bank Trustees & Asst Mgt. PACAM Money Market Fund	UBA PLC Nominee - Main Street Bank Trustees & Asst Mgt. PACAM Fixed Income Fund	UBA PLC Nominee - Main Street Bank Trustees & Asst Mgt. PACAM Balanced Fund
Account No.	1019535675	1019535682	1019045402