



PAC Asset Management

■ MUTUAL FUNDS ■ FIXED INCOME ■ WEALTH MANAGEMENT ■



- Your Asset Manager of Choice.

Monthly Fund Manager's Report – December 2024

December 2024 Market & Economic Review

MACROECONOMIC OVERVIEW

GROSS DOMESTIC PRODUCT (GDP): According to the National Bureau of Statistics (NBS) Nigeria's Gross Domestic Product (GDP) grew by 3.46% y/y significantly in real terms in Q3'2024, signifying an increase by 92bps and 27bps respectively when compared with 2.54% in Q3'2023 and 3.19% in Q2'2024. From a sectoral perspective, the services sector maintained its trend as the largest contributor to the overall economic growth, with a growth rate record of 5.19% y/y and contributed 53.58% to the total GDP. On the other hand, the agriculture sector grew by 1.14% y/y, contributed 28.65% to overall GDP while industry sector grew by 2.18% y/y and contributed 17.77% to the GDP. Based on the structural perspective, the real GDP growth was jointly driven by sturdy expansion in both the oil and non-oil segments, contributing 5.57% and 94.43% to the GDP respectively. Precisely, the oil economy expanded for the third consecutive quarter since the pandemic by 5.2% y/y. The average daily crude oil output grew marginally in Q3'2024 to 1.47mbpd compared to 1.45mbpd in Q3'2023 and 1.41mbpd in Q2'2024. However, the crude oil output level remains significantly short of the 1.78mbpd baseline set in the 2024 budget, and the 13-quarter peak of 1.57mbpd achieved in Q1:2024. The non-oil sector growth was driven mainly by Financial and Insurance (Financial Institutions); Information and Communication (Telecommunications); Agriculture (Crop production) among others.

INFLATION: Headline inflation maintained its upward trend as it rose to 34.60% y/y in November 2024, representing a 0.72% increase from 33.88% y/y recorded in October 2024, making it the highest headline inflation recorded in 2024. Food and core inflation also recorded a rise to 39.93% and 28.75% respectively. The upward trajectory of inflation continues to be driven by surging food prices due to supply deficits, insecurity challenges and hike in PMS prices to over N1000 which led to increase in transportation cost. On a month-on-month basis, the top five (5) key contributors was in food and non-alcoholic beverages (1.37%), housing, water, electricity, gas & other Fuel (0.44%), Clothing & footwear (0.20%) and transport (0.17%).



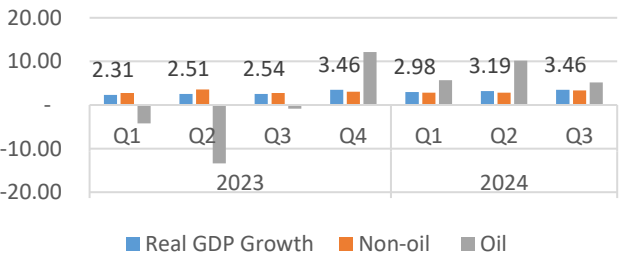
MONETARY POLICY - The MPC's last meeting for the year 2024 was held in November. So, there was no new decision made in December resulting in the MPR remaining at 27.25%. The Cash Reserve Ratio (CRR) of Commercial Banks and Merchant banks still at 50.00% and 16.00% respectively, the Liquidity Ratio at 30.00% and the asymmetric corridor at +500bps/-100bps.

CRUDE OIL: The NUPRC report for December is yet to be released. However, According to NUPRC report, daily average of liquid rose to 1.69 mbpd in November 2024. The figure represents a 9.74% increase in production level compared to 1.54 mbpd realized in October 2023. A further breakdown of the November oil production data, revealed that the country produced 1.49 mbpd of crude oil (marking the first time Nigeria has met its OPEC quota of 1.5mbpd in 4 years), 46,483 of blended condensates, and 158,345 of unblended condensates, totaling 1.69mbpd for the month. The average price of Brent crude experienced a moderate decline in December to \$73.13/barrel from \$73.40/barrel recorded in November 2024.

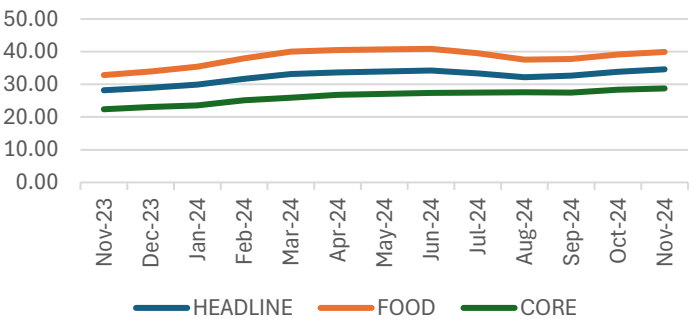
FOREIGN EXCHANGE: On the Investors and Exporters Window, the naira further appreciated by ₦118.89 in November as the exchange rate closed the month at ₦1,535.82/\$ (November 2024: ₦1,663.89/\$). The appreciation surge was expected, majorly driven by the introduction of Electronic Foreign Exchange Matching System (EFEMS) and due to the inflow of dollars as a result of those in the diaspora returning home and those sending dollars to their family in Nigeria.

OUTLOOK: Inflation is expected to maintain an upward trend in Q1 2025, given that the major challenges are yet to be addressed as well as surge in prices of food due to the festive season. As a result of the high inflation, we expect the MPC to further increase the MPR to curb high inflationary pressure. Overall, . Barring any drastic changes, the economy is expected to grow in Q4'2024 due to impact of services sector as well as increase in oil production with Nigeria oil expecting to rise due to Dangote and other domestic refineries that have commenced crude oil production.

REAL GDP, OIL AND NON-OIL GROWTH RATE



INFLATION RATE (%)



Monthly Fund Manager's Report – December 2024

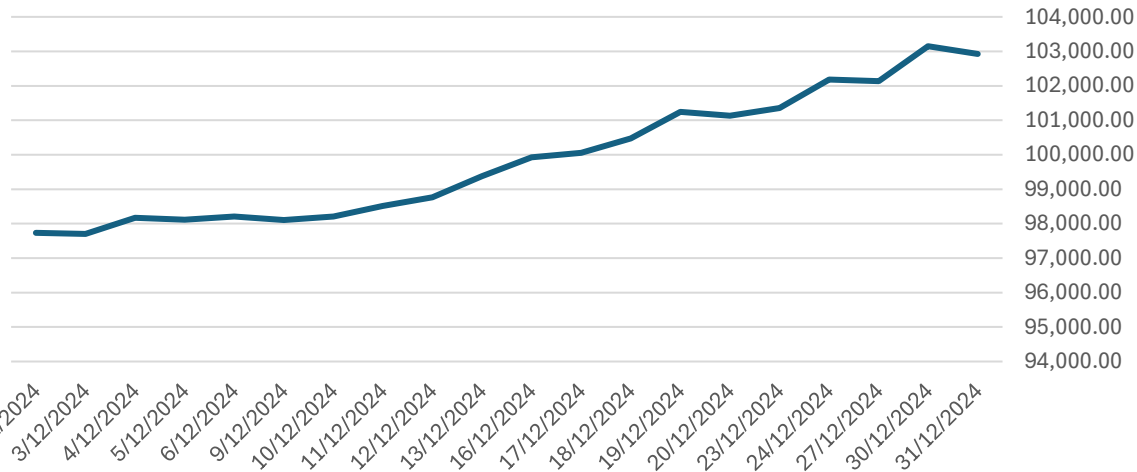
December 2024 Market & Economic Review

EQUITIES MARKET OVERVIEW

In December 2024, the equities market closed on a bullish note as the All-Share index and market capitalization surged by 5.56% and 6.19% to close at 102,926.40 points and N62.76trn by the end of the month (vs Nov 2024 - 97,506.87 points and N59.11trn) fueled by increased investors confidence in the equities market despite volatility as firms showed their resilience despite macroeconomic challenges faced in 2024. Also, investors taking position ahead of release of 2024FY earnings report. Hence the year-to-date gain of the index rose to 37.65%. The top gainers for the month were SUNUASSUR (+175.64%), GOLDBREW (+133.51%) and AFRIPRUD (+128.33%). However, top losers include HMCALL (-22.90%), CILEASING (-13.53%), and ETRANZACT (-13.33%).

OUTLOOK: We expect the Nigeria bourse to sustain the prevailing bullish momentum in January 2025 following investors' expectation of decent full year reports of companies with good fundamentals and in anticipation of dividend payments.

NGX-ASI (DECEMBER 2024)



Source: NGX, PAC Research

DEBT MARKET OVERVIEW

BONDS: In the secondary bond market, the average yield of FGN Bonds appreciated by 11bps as it closed at 19.63% in December relative to 19.52% recorded in November 2024. At the close of the month, the 2-year, 4-year, 8-year and 25-year bonds traded at 19.64% (-0.09%), 20.15% (0.02%), 21.74% (0.51%), and 16.99% (0.00%) respectively.

TREASURY BILLS: The average yield in the secondary market for T-bills rose by 39bps m/m to 26.42%, resulting in bearish sentiments persisting in the month of December, in line with our expectations. The 91-day bill (+0.46%), 180-day bill (+0.29%) and 360-day bill (+0.43%) saw rise in their respective rates.

OUTLOOK: For 2025, we expect to see investors continue to take advantage of the attractive yields for the primary auctions. However, for the secondary market, we expect cautious trading due to rebalancing of portfolios and in anticipation of the FGN bond calendar.



Source: Bloomberg, PAC Research

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.

FUND INFORMATION		
Fund type	Open-ended	
Category	Money Market Fund	
Risk profile	Low	
Launch date	27-Jul-16	
Fund Manager	PAC Asset Management Limited	
Trustees	Greenwich Trustees Limited	
Custodian	UBA Global Investor Services	
Auditors	Sam Oyemade & Co (SOC Compliance)	
Management Fee	1% of NAV	
Benchmark	91-day Nigerian Treasury Bill	
Dividend Frequency	Quarterly	
5-year Annual Growth Rate	10.17%	
Dealing Days	Monday - Friday	
NAV per unit (NGN)	NGN 10.00	

INVESTMENT COMMITTEE		
Mr. Sam Onukwue	Chairman	
Mr. Sina Alimi	Member	
Mr. Bunkaya Gana	Trustee's Representative	
Mr. Bamidele Ige	Fund Manager	
Mrs Taiwo Sonola	Custodian	

FUND RETURNS		
	Nov-24	Dec-24
Current Yield	18.50%	19.61%
Inception to Date	87.12%	126.25%

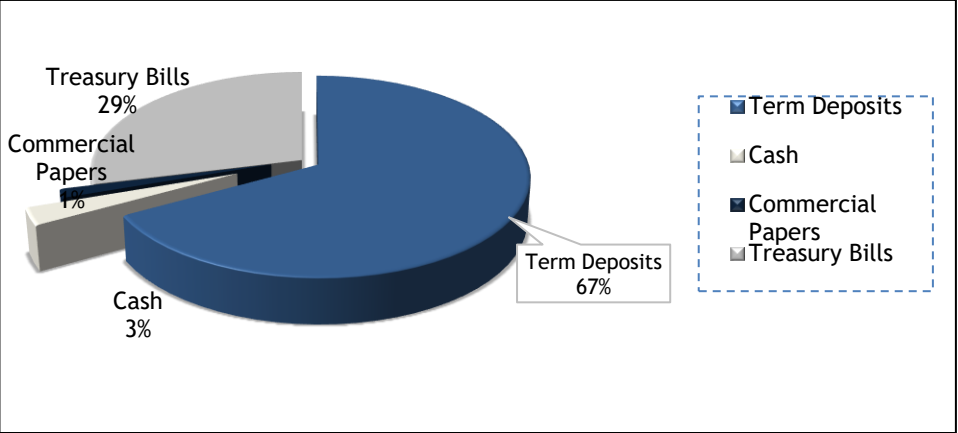
PERFORMANCE REVIEW:

The fund closed the month with a current yield of 19.61% (November: 18.5%).

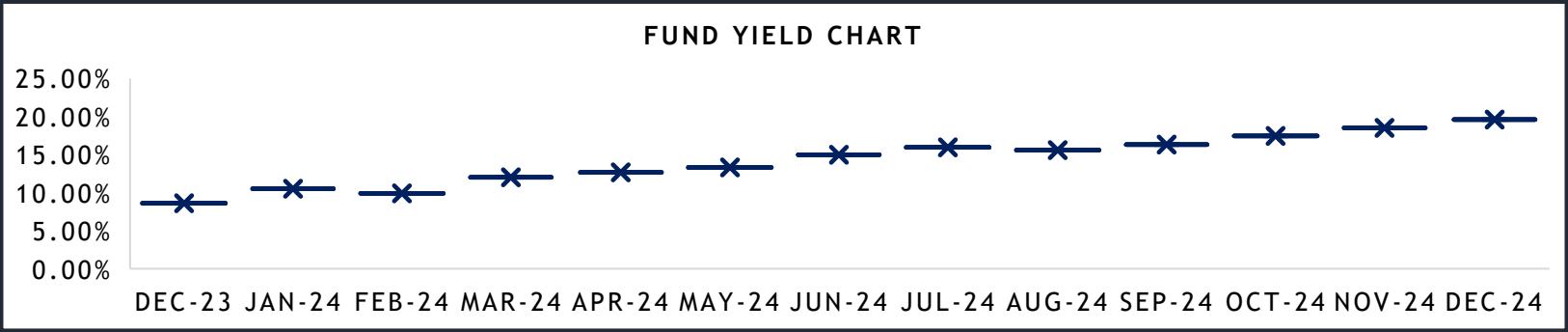
The fund saw fluctuations in the pricing of its assets resulting in a dip in the bearish sentiments. This was mainly driven by liquidity strain in the system and high inflation rate.

However, we anticipate a decline in the performance of the Money Market instruments in the coming week, as we expect the CBN to start cutting rates and measures to gear up their performance.

The Fund Manager continues to hold strategic positions in order to capitalize on current trends while positioning in instruments with yields.



ASSET QUALITY (% TOTAL ASSETS)	30-Nov-24	31-Dec-24
Term Deposits	68.90	66.99
Cash	2.49	2.75
Commercial Papers	1.31	1.40
Treasury Bills	27.29	28.86



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.

FUND INFORMATION

Fund type	Open-ended
Category	Fixed Income Fund
Risk profile	Moderate
Launch date	27-Jul-16
Fund Manager	PAC Asset Management Limited
Trustees	Greenwich Trustees Limited
Custodian	UBA Global Investor Services
Auditor	Sam Oyemade & Co (SOC Compliance)
Management Fee	1% of NAV
Benchmark	5-year Nigerian Sovereign Bond
Dividend Frequency	Annual
5-Year Annual Growth Rate	0.19%
Dealing Days	Monday – Friday
NAV per unit (NGN)	NGN 12.315

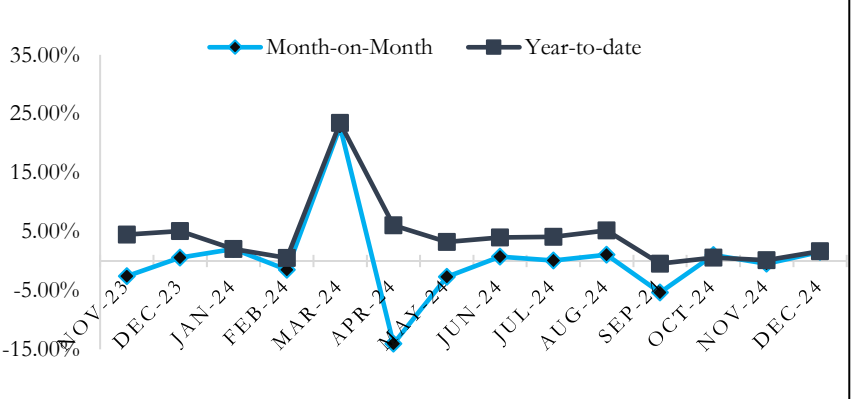
INVESTMENT COMMITTEE

Mr. Sam Onukwue	Chairman
Mr. Sina Alimi	Member
Mr. Bunkaya Gana	Trustee's Representative
Mr. Bamidele Ige	Fund Manager
Mr Fatai Asimi	Member
Mrs Taiwo Sonola	Custodian

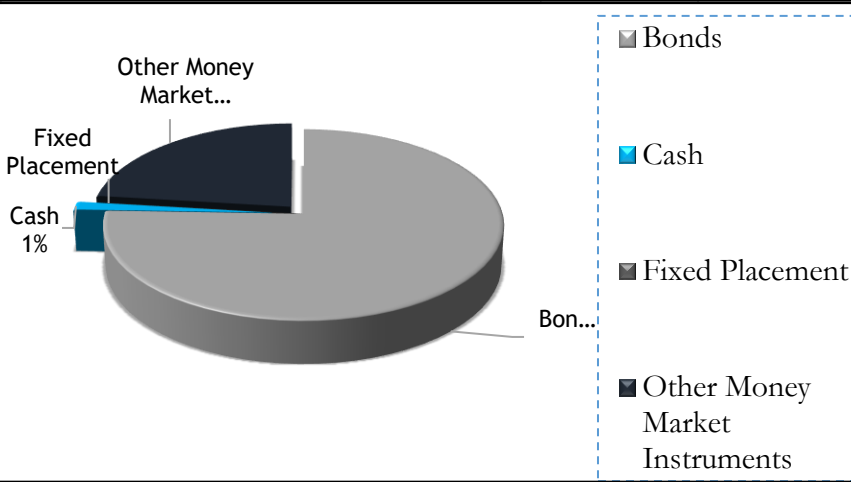
FUND RETURNS

	Nov-24	Dec-24
Month-on-Month	-0.44%	1.54%
Year-to-date	0.11%	1.65%
Inception-to-date	0.11%	1.65%

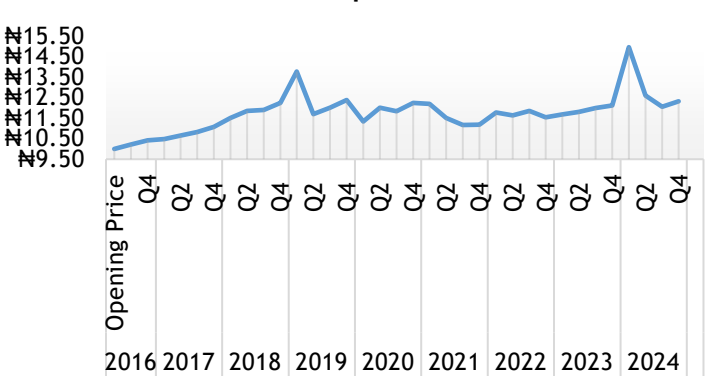
FUND RETURNS CHART



ASSET QUALITY (% TOTAL ASSETS)	Nov-24	Dec-24
Bonds	76.16	75.54
Cash	0.79	1.36
Fixed Placement	-	-
Other Money Market Instruments	23.05	23.05



Quarterly Fund Price since Inception



PERFORMANCE REVIEW:

The m-o-m fund performance Increase by 0.19%.
Tight System liquidity coupled with an upward trend in inflation boosts the bullish run in the fixed-income space. Also, the average yield of FGN Bonds expanded.

This still presents buying opportunities as we envisage better performance in that space and encourage investors to increase their investments for better returns.

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 NSE.

FUND INFORMATION

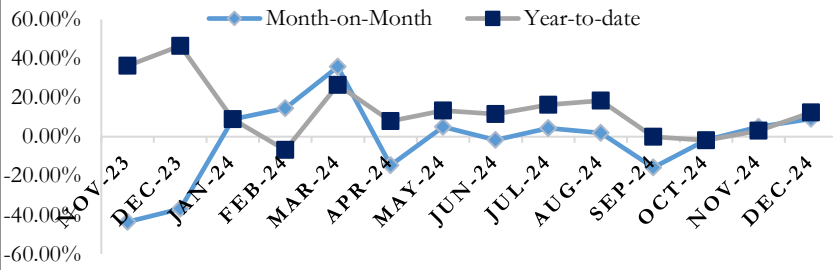
Fund type	Open-ended
Category	Balanced Fund
Risk profile	Moderate
Launch date	15-May-15
Fund Manager	PAC Asset Management Limited
Trustees	FBN Trustees Limited
Custodian	UBA Global Investor Services
Auditors	Sam Oyemade & Co (SOC Compliance)
Management Fee	1% of NAV
Benchmark	Composite index comprising of NSE ASI, 5-Year Nigerian Sovereign Bond, 1-Year Nigerian Treasury Bill
Dividend Frequency	Annual
5-Year Annual Growth Rate	3.14%
Dealing Days	Monday – Friday
NAV per unit (NGN)	NGN 2.64

INVESTMENT COMMITTEE

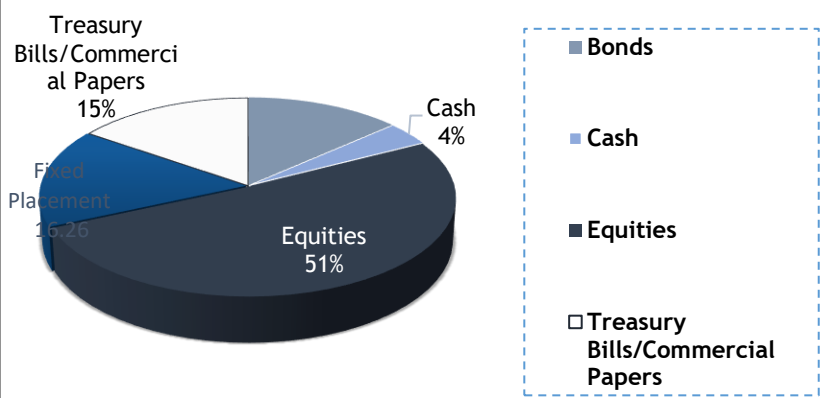
Mr. Sam Onukwue	Chairman
Mr. Sina Alimi	Member
Mr. Olufemi Okin	Trustee's Representative
Mr. Bamidele Ige	Fund Manager
Mr. Fatai Asimi	Member
Mrs Taiwo Sonola	Custodian

FUND RETURNS	Nov-24	Dec-24
Month-on-Month	4.99%	9.13%
Year-to-date	3.02%	12.43%
Inception-to-date	22.51%	31.91%

FUND RETURNS CHART



ASSET QUALITY (% TOTAL ASSETS)	Nov-24	Dec-24
Bonds	13.62	13.48
Cash	4.98	3.96
Equities	49.65	50.94
Fixed Placement	16.37	16.26
Treasury Bills/Commercial Papers	15.37	15.37



Q-o-Q Fund Price since Inception



PERFORMANCE REVIEW:

The fund returns increased by +9.41% Y-T-D and +4.14% M-o-M, owing primarily to the equity market's performance as the instruments held by saw significant increase in its value.

The fund also saw significant inflow from coupons, interests and dividends from assets which resulted in an increase in investible capital for the fund.

The fund manager is committed to rebalancing the fund appropriately, taking current market realities into account, to provide a completely optimized portfolio.

The primary objective of PACAM Equity Fund is to achieve long-term capital appreciation by investing in high quality listed equities across sectors on the Nigerian Stock Exchange (NGX) as well as Fixed income instruments, with more concentration on equity instruments.

FUND INFORMATION

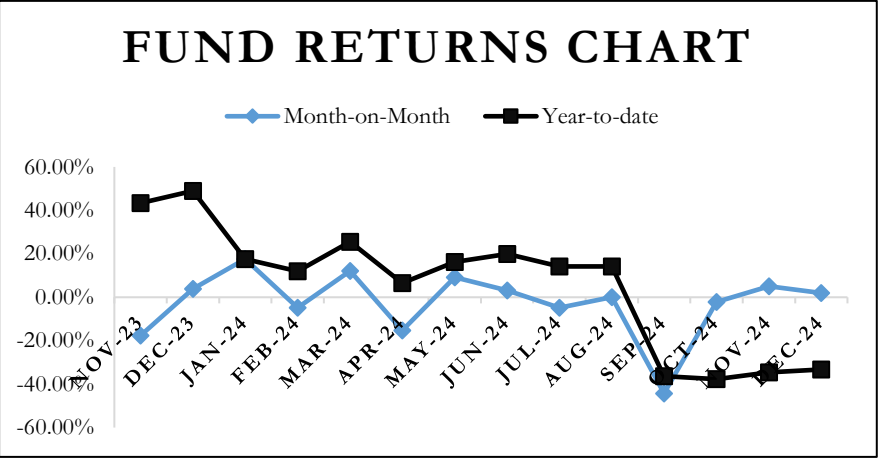
Fund type	Open-ended
Category	Equity Fund
Risk profile	High
Launch date	20-May-19
Fund Manager	PAC Asset Management Limited
Trustees	FCMB Trustees Limited
Custodian	UBA Global Investor Services
Auditor	Adekunle Alli & Co.
Management Fee	1% of NAV
Benchmark	NSE All Share Index
Dividend Frequency	Annual
Compounded Annual Growth Rate	3.62%
Dealing Days	Monday – Friday
NAV per unit (NGN)	NGN2.66

INVESTMENT COMMITTEE

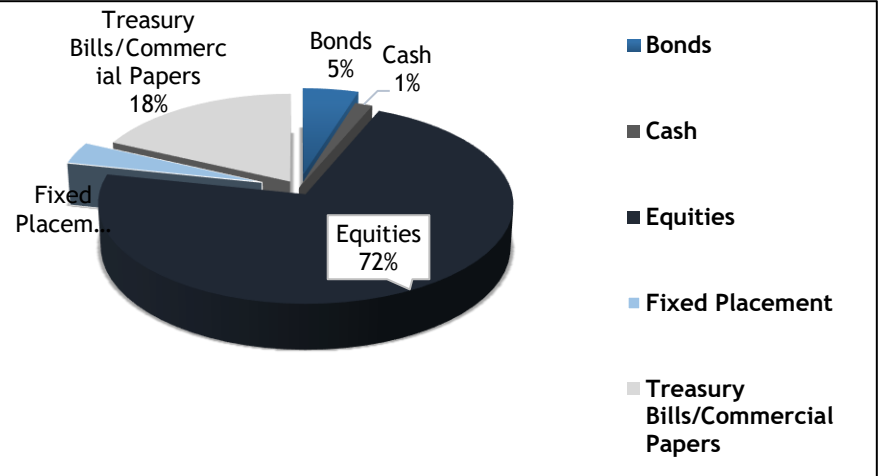
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Mr. Sina Alimi	Member
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Mr Fatai Asimi	Member
Mrs Taiwo Sonola	Custodian

FUND RETURNS

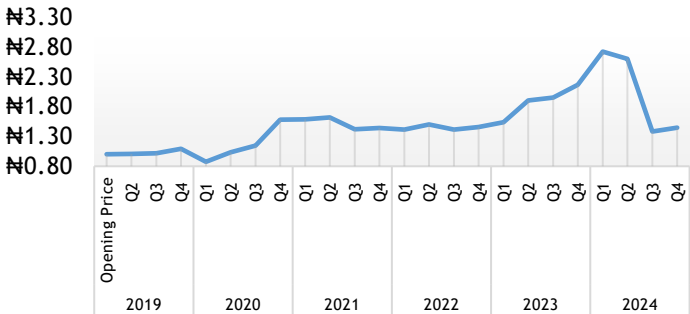
	Nov-23	Dec-24
Month-on-Month	92.51%	2.36%
Year-to-date	-30.30%	22.75%
Inception-to-date	292.30%	298.45%



ASSET QUALITY (% TOTAL ASSETS)	Nov-24	Dec-24
Bonds	5.20	4.85
Cash	3.27	1.53
Equities	73.46	71.91
Fixed Placement	-	3.66
Treasury Bills/Commercial Papers	18.07	18.06



Q-o-Q Fund Price since Inception



PERFORMANCE REVIEW:

The fund's performance mirrored the bearish trend in the NGX, note as the NGX All Share Index lost by 0.25% to close at 66,382.14 (against August: 66,548.99) and the Market Capitalization also lost by 0.25% as it closed at ₦36.33 trillion (against August: ₦36.42 trillion).

The fund also saw an slight variations in its fixed income asset owing to asset pricing of the instruments held on this fund.

We anticipate an increase in activities in the equity space as investors are looking to take advantage of interim dividends being paid by several stocks held in their position.

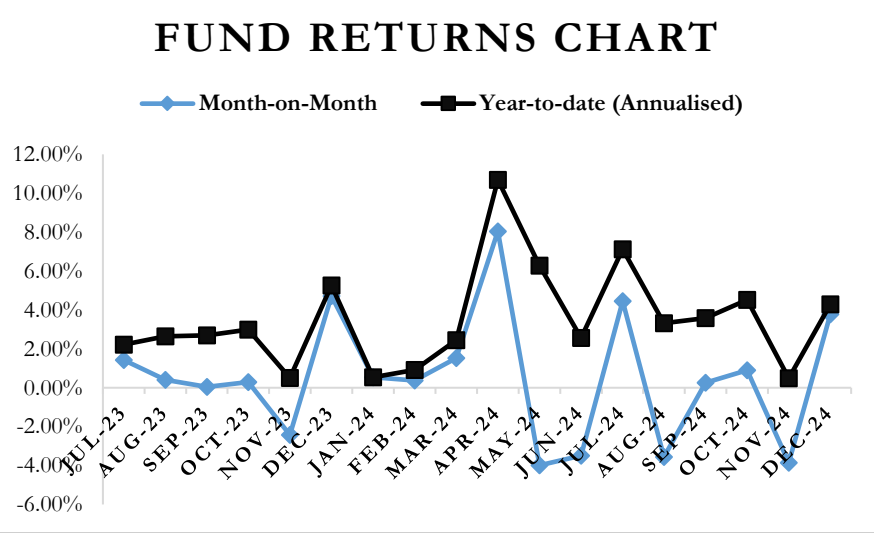
This presents buying opportunities as asset pricing is expected to move down.

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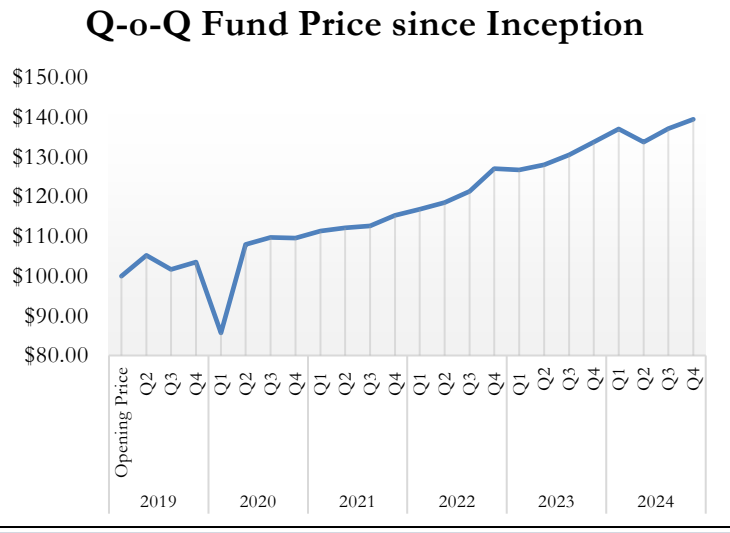
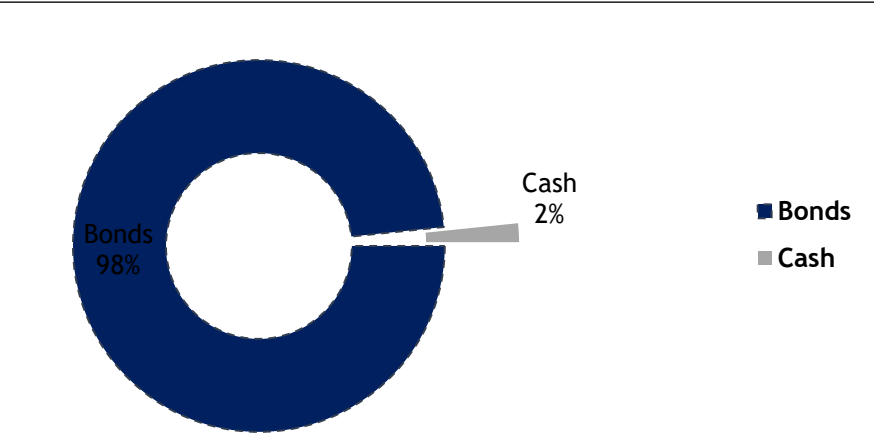
FUND INFORMATION		
Fund type	Open-ended	
Category	Balanced Fund	
Risk profile	Moderate	
Launch date	15-May-15	
Fund Manager	PAC Asset Management Limited	
Trustees	FBN Trustees Limited	
Custodian	UBA Global Investor Services	
Auditors	Sam Oyemade & Co (SOC Compliance)	
Management Fee	1% of NAV	
Benchmark	Composite index comprising of NSE ASI, 5-Year Nigerian Sovereign Bond, 1- Year Nigerian Treasury Bill	
Dividend Frequency	Annual	
6-Year Annual Growth Rate	4.94%	
Dealing Days	Monday - Friday	
NAV per unit (NGN)	NGN 2.64	

INVESTMENT COMMITTEE		
Mr. Sam Onukwue	Chairman	
Mr. Sina Alimi	Member	
Mr Samuel Adesanmi	Trustee's Representative	
Mr. Bamidele Ige	Fund Manager	
Mr. Fatai Asimi	Member	
Mrs Taiwo Sonola	Custodian	

FUND RETURNS	Nov-24	Dec-24
Month-on-Month	-3.86%	3.78%
Year-to-date (Annualised)	-3.68%	0.12%
Inception-to-date	44.77%	49.86%



ASSET QUALITY (% TOTAL ASSETS)	Nov-24	Dec-24
Bonds	99.38	98.37
Cash	0.62	1.63



PERFORMANCE REVIEW:

The fund performance increased by 7.65% as a result of activities in the Eurobond space which led to a significant increase in the fund's NAV during the month under review. This was mainly driven by speculation and sentiments especially with the new economic/global headwinds hitting several nations. We see investors cautiously watching the market to take wind of opportunities and better protect their interests.

The fund still presents tactical opportunities for entry, a hedge against inflation and devaluation of the local currency.

M-O-M Fund NAV performance

Fund Prices:	Nov-24	Dec-24	% Change
PACAM Balanced Fund	₦2.42	₦2.64	9.09%
PACAM Fixed Income Fund	₦12.280	₦12.315	0.29%
PACAM Money Market Fund	₦10.00	₦10.00	
PACAM Equity Fund	₦1.42	₦1.45	2.11%
PACAM Eurobond Fund	\$134.38	\$139.47	3.79%

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
Currency	NGN	NGN	NGN	NGN	USD
USSD Code	*402*91904308*AMOUNT#	*402*91904309*AMOUNT#	*402*91904312*AMOUNT#	*402*91904311*AMOUNT#	-

** USSD Code is currently active for UBA and Zenith Bank account users only.*



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RC695281

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