



Monthly Commentary & Outlook

EQUITIES MARKET

The **Nigerian Stock Exchange** had its biggest daily rise so far in 2019 towards the end of May. The All Share Index closed at 31,069.67 basis points, up by 6.34%. Although the market was under the firm control of the bears for a few weeks. Notable among the activities that took place during the month was the listing of MTN Shares by way of introduction on the NSE Premium Board at N90 per share. This led to a gain of N2.3trillion in market capitalisation and stirred up activities. However, the remarkable performance was short-lived as the Market is still waiting on a proper direction from the political clime which would most likely influence the economy. Although the Swearing-in/Inauguration Ceremony took place on May 29, but the President did not address the Citizens. We anticipate this would take place on June 12.

FIXED INCOME MARKET

The Treasury Bills Market began Q2 on a bullish note largely buoyed by increased system liquidity from FAAC injection. However, the Central Bank of Nigeria ("CBN") stepped in to mop-up liquidity through OMO auction after a surprise one-week break. The CBN offered N640bn OMO in the month of May. Sustained systemic liquidity drove down the yields. In the same vein, funding for FX wholesale auction kept system liquidity strained which led to a dip in the bond yield.

However, a couple of organisations have issued Commercial Papers and investors are taking positions on the back of declining yields in treasury bills market.

INFLATION

The inflation rate is currently at 11.37%. The CPI core moved up by 0.9%. This implies that prices of goods and services, especially consumables are still on the rise. This is as a result of the increase in the minimum wage. Although there is a slight improvement in the Agricultural sector but the distribution channel for their produce is neither efficient nor effective.

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.

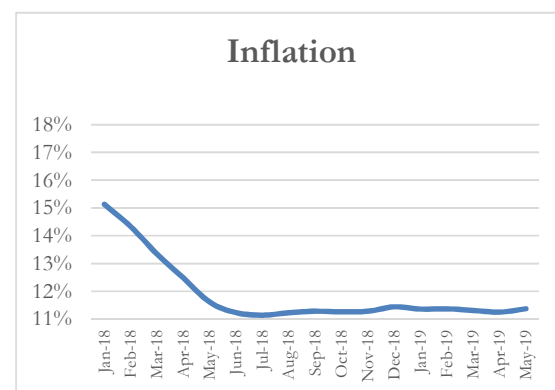
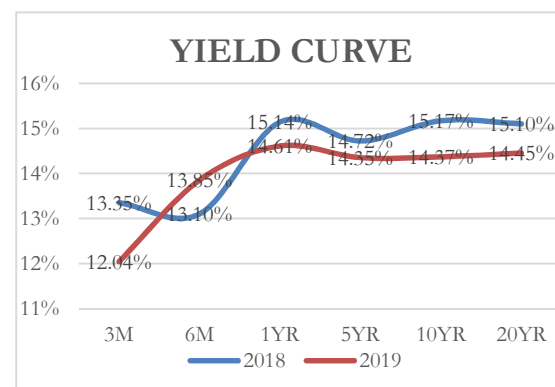
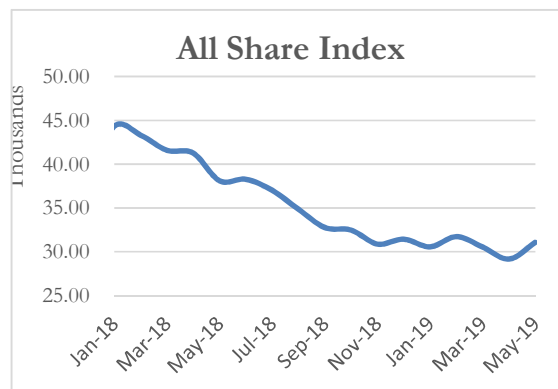
OIL PRICE:

The trade war between the US and China has succeeded in driving down the prices of Oil. However, the sanction on Venezuela and Iran has tightened supply which would eventually cause a positive impact in the market for those who have the privilege to produce and sell. Saudi Arabia, the largest producer of oil has mentioned that she would increase the price of her oil especially when selling to the Asians. We await OPEC's response to this. The Nigeria Bonny Light is currently trading at \$62/barrel. This is still good for Nigeria as it surpasses the budget benchmark of \$60/barrel

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Prices/Yield: 31-May-19

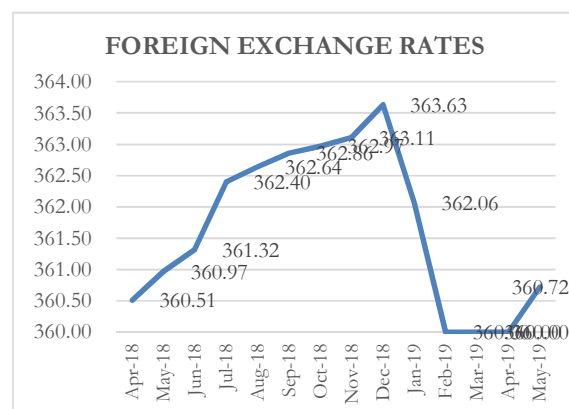
- PACAM Balanced Fund	₦1.29
- PACAM Fixed Income Fund	₦11.55
- PACAM Money Market Fund	13.05%



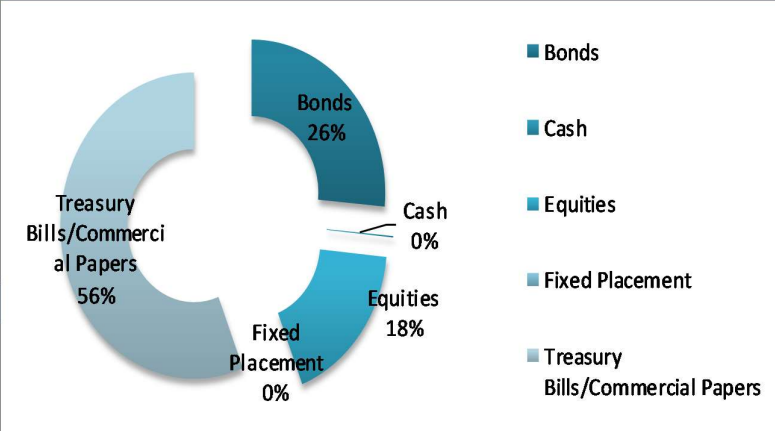
FOREIGN EXCHANGE

The dip in the prices of crude oil the major source of revenue in Nigeria has led to a marginal increase in the FX especially the USD. The current rate is N360.72/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.

The Incumbent has been sworn-in to begin another term officially. We expect that the Cabinet will be re-shuffled as soon as possible to avoid the slow move that was evident at the beginning of his first term.



Source: Data from FMDQ I&E Window

PACAM BALANCED FUND (PBF) - FUND MANAGER'S REPORT				31-May-19	
FUND INFORMATION		FUND RETURNS			
Fund type	Open-ended		Apr-19	May-19	
Category	Balanced Fund	Month-on-Month	-7.58%	0.15%	
Risk profile	Moderate	Year-to-date (Annualised)	1.49%	1.64%	
Launch date	15-May-15	Inception-to-date	39.45%	39.65%	
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				
Dealing Days	Monday - Friday				
NAV per unit (NGN)	NGN 1.35				
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		ASSET QUALITY (% TOTAL ASSETS)		Apr-19	May-19
		Bonds		29.76	30.22
		Cash		0.17	0.38
		Equities		20.41	19.16
		Fixed Placement		-	-
INVESTMENT COMMITTEE		Treasury Bills/Commercial Papers	49.65	50.24	
Mr. Chris Oshiafi	Chairman	PERFORMANCE REVIEW			
Mr. Sam Onukwue	Independent Member	The equities market in the month under review suddenly followed a bullish trend due to the listing of the MTN Shares by way of introduction. A couple of investors exited their positions from the existing shares in order to benefit from the new one . The Fund Manager is following the trend closely while he gathers information that would support the next strategic move.			
Mr. Sina Alimi	Member				
Mr. Amedu Buraimah	Trustee's Representative				
Mr. Bamidele Ige	Member				
COMMENTARY					

PACAM MONEY MARKET FUND(MMF) - FUND MANAGER'S REPORT
31-May-19
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	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.

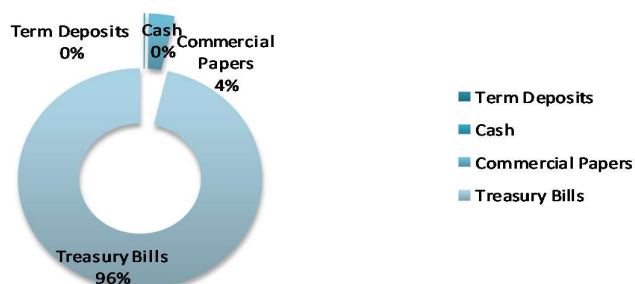
The Fund will invest in low risk short term Money Market securities such as Government securities, Bank Placement, Commercial Papers, and others which include Promissory notes.

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

COMMENTARY
FUND RETURNS

	Apr-19	May-19
Annualised Yield	12.55%	13.05%

ASSET ALLOCATION (% OF TOTAL ASSETS)

ASSET QUALITY (% TOTAL ASSETS)

	Apr-19	May-19
Term Deposits	-	-
Cash	1.01	1.09
Commercial Papers	2.80	13.18
Treasury Bills	96.19	85.73

HISTORIC PRICES & YIELDS

PACAM FIXED INCOME FUND
31-May-19
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	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 12.42

INVESTMENT OBJECTIVES

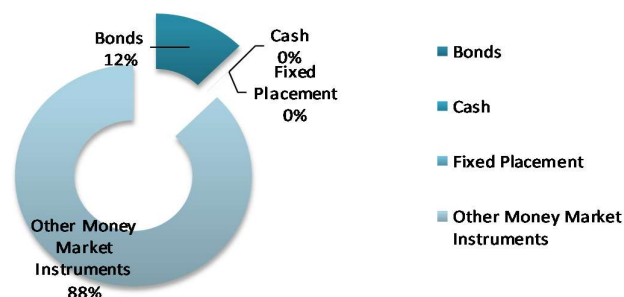
The objective of the Fund is to generate a steady return on capital and assured liquidity for all classes of investors. The Fund's investments will mostly be in long tenured debt instruments of the FGN, States and highly rated corporate institutions. The Fund may also invest its assets in money market 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

COMMENTARY
FUND RETURNS

	Apr-19	May-19
Month-on-Month	-17.36%	1.46%
Year-to-date (Annualised)	9.23%	10.83%
Inception-to-date	13.76%	15.42%

ASSET ALLOCATION (% OF TOTAL ASSETS)

ASSET QUALITY (% TOTAL ASSETS)

	Apr-19	May-19
Bonds	13.44	13.47
Cash	0.04	0.23
Fixed Placement	-	-
Other Money Market Instruments	86.52	86.29

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.

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 & 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
Account No.	1019535675	1019535682	1019045402

We are glad to inform you that PAC Asset Management Limited has added two additional products into her Mutual Funds Basket:

1. PACAM Equity Fund
2. PACAM Eurobond Fund

Please see below highlights:

	PACAM Equity Fund	PACAM Eurobond Fund
Objective	Invests purely in the Nigerian Stock Market	Invests in US Dollar Denominated Bonds (Corporate, Supranational and National Bonds)
Asset Class Allocation	Equities: 70-80% Fixed Income: 17-30% Cash: 0-3%	Sovereign, Supranational & Corporate Bond : 70-100% Money Market Instrument/Cash: 0-30% Cash 0-5%
Minimum Investment	N50,000.00	USD 1,000.00
Prices	Bid/Offer Prices are published daily based on NAV Computation	Bid/Offer Prices are published daily based on NAV Computation
Dividends	Returns are distributed annually	Returns are distributed annually
Investment Horizon	Suitable for long-term investment need	Suitable for medium-term investment needs
Risk Level	High	Moderate
Lock-in Period	90 days	180 Days

