



# PAC Asset Management

■ MUTUAL FUNDS ■ FIXED INCOME ■ WEALTH MANAGEMENT ■



- Your Asset Manager of Choice.

# Monthly Fund Manager's Report – January 2025

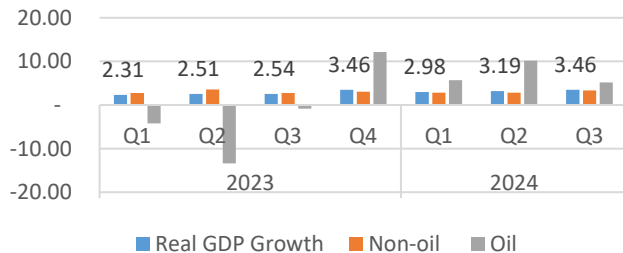
## January 2025 Market & Economic Review

### MACROECONOMIC OVERVIEW

**GROSS DOMESTIC PRODUCT (GDP):** According to the National Bureau of Statistics (NBS), Nigeria's Gross Domestic Product (GDP) grew by 3.46% year-on-year in real terms in Q3 2024. This marks an increase of 92 basis points and 27 basis points compared to 2.54% in Q3 2023 and 3.19% in Q2 2024, respectively. From a sectoral perspective, the services sector continued to be the largest contributor to overall economic growth, with a growth rate of 5.19% year-on-year, accounting for 53.58% of total GDP. Conversely, the agriculture sector grew by 1.14% year-on-year, contributing 28.65% to the overall GDP, while the industry sector grew by 2.18% year-on-year, contributing 17.77% to GDP. Structurally, real GDP growth was driven by strong expansion in both the oil and non-oil segments, contributing 5.57% and 94.43% to GDP, respectively. Notably, the oil economy expanded for the third consecutive quarter since the pandemic, growing by 5.2% year-on-year. Average daily crude oil output increased marginally in Q3 2024 to 1.47 million barrels per day (mbpd), compared to 1.45 mbpd in Q3 2023 and 1.41 mbpd in Q2 2024. However, crude oil output remains significantly below the 1.78 mbpd baseline set in the 2024 budget and the 13-quarter peak of 1.57 mbpd achieved in Q1 2024. The growth in the non-oil sector was primarily driven by Financial and Insurance (Financial Institutions), Information and Communication (Telecommunications), and Agriculture (Crop Production), among others.

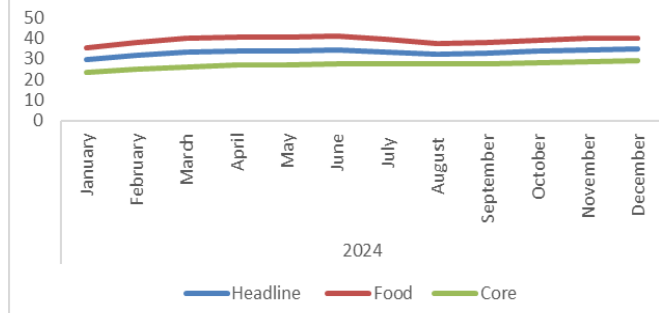
**INFLATION:** Headline inflation maintained its upward trend as it rose to 34.80% y/y in December 2024, representing a 0.20% increase from 34.60% y/y recorded in November 2024, making it the highest headline inflation recorded in 2024. Food declined to 39.84% and core inflation rose to 29.28% respectively. The upward trajectory of inflation continues to be driven by surging food prices due to supply deficits and high energy prices. On a state-level analysis, the top five (5) states with the highest inflation y/y include - Bauchi (44.1%), Sokoto (42.4%), Kebbi (41.5%), Zamfara (39.6%), Anambra (39.4%). Conversely, the five states with the lowest inflation (y/y) - Ogun (30.8%), Benue (30.7%), Imo (29.99%), Delta (29.23%) and Katsina (28.33%).

**REAL GDP, OIL AND NON-OIL GROWTH RATE**



Source: NGX, CBN, PAC Research

**Inflation Chart**



**MONETARY POLICY** - The MPC's last meeting for the year 2024 was held in November. Since then, no new MPC meeting has been held resulting in the MPR retained at 27.50%. 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 January is yet to be released. However, According to NUPRC report for December, daily average of liquid fell to 1.67 mbpd in December 2024. The figure represents a 1.36% decrease in production level compared to 1.69 mbpd realized in November 2024. A further breakdown of the December oil production data, revealed that the country produced 1.48 mbpd of crude oil (Nigeria has met its OPEC quota of 1.5mbpd in 4 years), 49,276 of blended condensates, and 133,699 of unblended condensates, totaling 1.67mbpd for the month. The average price of Brent crude experienced a moderate rise in January rose to \$78.15/barrel from \$73.13/barrel recorded in December 2024. The ongoing geopolitical tensions, sanctions on Russian and Iranian oil, the winter season in Europe, Canada, and America, China, Japan etc which requires higher heating, all contributed to rise in oil prices in January. However, following Trump's inauguration on January 20<sup>th</sup> oil prices started to decline due to uncertainty over his new policies.

**FOREIGN EXCHANGE:** On the Investors and Exporters Window, the naira strengthened by ₦57.60 (3.75%) in January, closing at ₦1,478.22/\$, compared to ₦1,535.82/\$ in December 2024. The appreciation surge was expected, due to the Electronic Foreign Exchange Matching System (EFEMS) and enhanced transparency in the foreign exchange market, which has led to an increase in foreign inflows and stabilization of naira.

**OUTLOOK:** Inflation is expected to remain high, however we foresee a slight moderation in Q1'2025, given that the major challenges are yet to be addressed. The CPI rebasing outcome will also give more clarity as to the position of inflation going forward. As a result of the high inflation, we expect the MPC to maintain its hawkish stance albeit at a slower pace to curb high inflationary pressure. Barring any drastic changes, economic growth is expected improve, driven by growth in both the oil and non-oil sectors. In addition, with the rebasing of GDP and an increase in the number of items in the CPI basket from 740 to 960, including key economic sectors and important indexes.

# Monthly Fund Manager's Report – January 2025

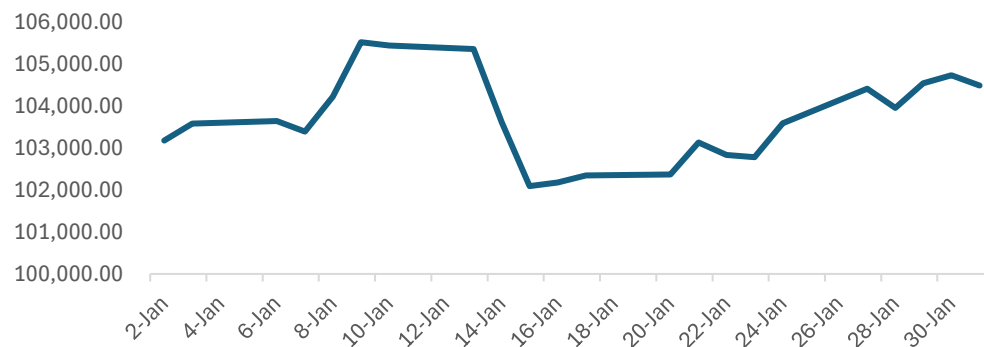
## January 2025 Market & Economic Review

### EQUITIES MARKET OVERVIEW

In January 2025, the equities market closed on a bullish note as the All-Share index and market capitalization surged by 1.53% and 3.09% to close at 104,496.10 points and N64.71trn by the end of the month (vs Dec 2024 - 102,926.40 points and N62.76trn) largely driven by investors positive sentiments towards the release of FY'2024 financial statements of companies listed on NGX. Hence the year-to-date gain of the index increased by +1.53%. The top gainers for the month were SCOA (+97.57%), CHELLARAM (+76.49%) and HONYFLOUR (+52.06%). However, top losers include SUNUASSUR (-46.51%), EUNISELL (-30.05%), and MRS (-25.21%).

**OUTLOOK:** We anticipate a prevailing bullish momentum in February, driven by investors reaction to the continuous release of financial statements. Also, fresh capital raises expected from banks is expected to foster positive sentiment and increased market activity. As a result, we foresee sustained upward trends in key sectors, reinforcing overall market optimism.

NGX-ASI (JANUARY 2025)



Source: NGX, PAC Research

### DEBT MARKET OVERVIEW

**BONDS:** In the secondary bond market, the average yield of FG Bonds rose by 99bps as it closed at 20.63% in January relative to 19.63% recorded in December 2024. At the close of the month, the 2-year, 4-year, 8-year and 25-year bonds traded at 20.94% (+1.30%), 21.60% (+1.45%), 22.14% (+0.40%), and 17.83% (+0.84%) respectively.

**TREASURY BILLS:** The average yield in the secondary market for T-bills fell by 320bps m/m to 23.21% from 26.42%, resulting in bullish sentiments persisting in the month of January, in line with our expectations. The 91-day bill (-4.39%), 180-day bill (-3.43%) and 360-day bill (-1.79%) saw rise in their respective rates.

**OUTLOOK:** We expect to continue to see heightened demand for instruments in the debt market as market players take advantage of the attractive yields for the primary auctions. However, for the secondary market, we expect to see bullish sentiments persist.



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	16.30%
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

	Dec-24	Jan-25
Current Yield	19.61%	20.27%
Inception to Date	83.23%	83.23%

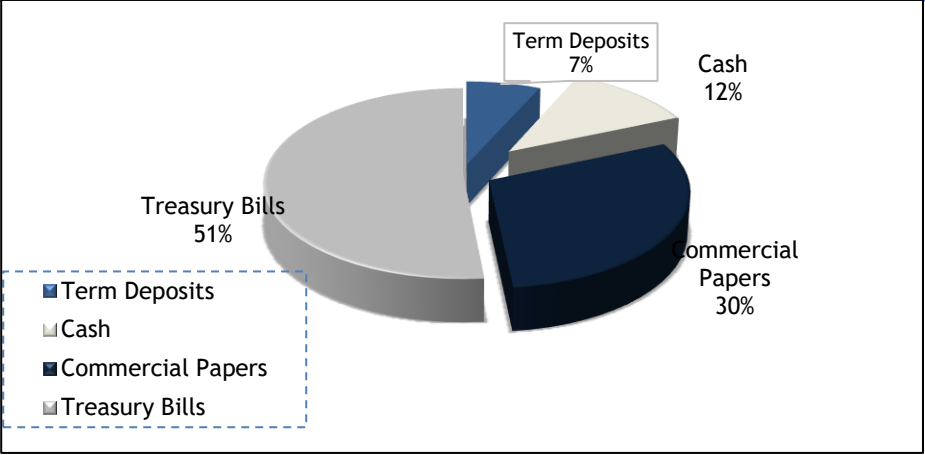
PERFORMANCE REVIEW:

The fund closed the month with a current yield of 20.27% (December: 19.61%).

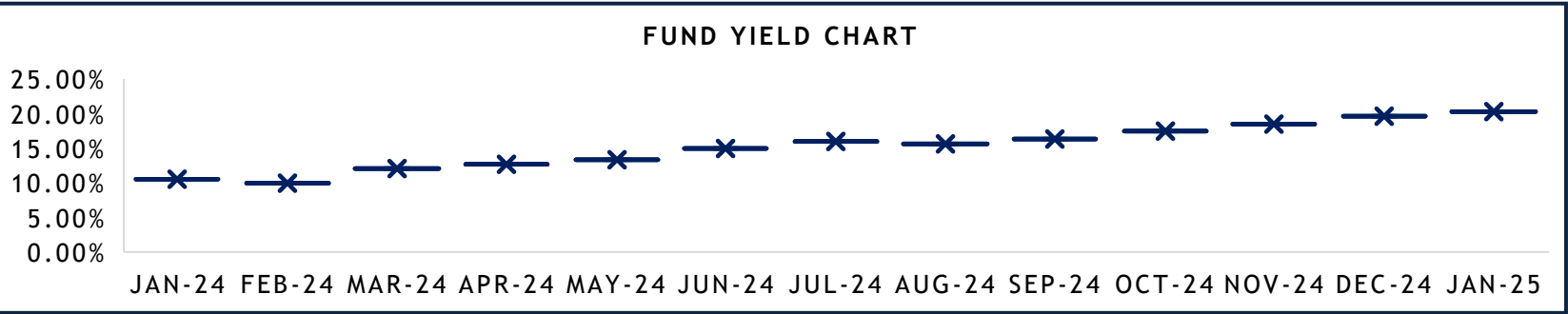
The fund saw fluctuations in the pricing of its assets resulting in a dip in the bearish sentiments. This was mainly driven by liquidity strain in the system and high inflation rate.

However, we anticipate a decline in the performance of the Money Market instruments in the quarter 1, 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)	31-Dec-24	31-Jan-25
Term Deposits	66.99	6.71
Cash	2.75	11.82
Commercial Papers	1.40	29.95
Treasury Bills	28.86	51.53



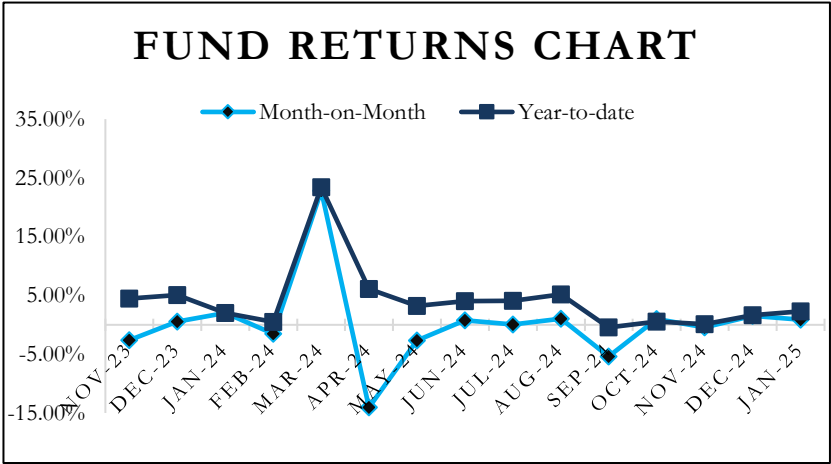


The objective of the Fund is to generate a steady return on capital and assured liquidity for all classes of investors. The Fund’s investments will mostly be in long tenured debt instruments of the FGN, States and highly rated corporate institutions. The Fund may also invest its assets in money market securities such as Treasury Bills, Commercial papers, Bankers Acceptances and Certificate of Deposits with rated banks in Nigeria.

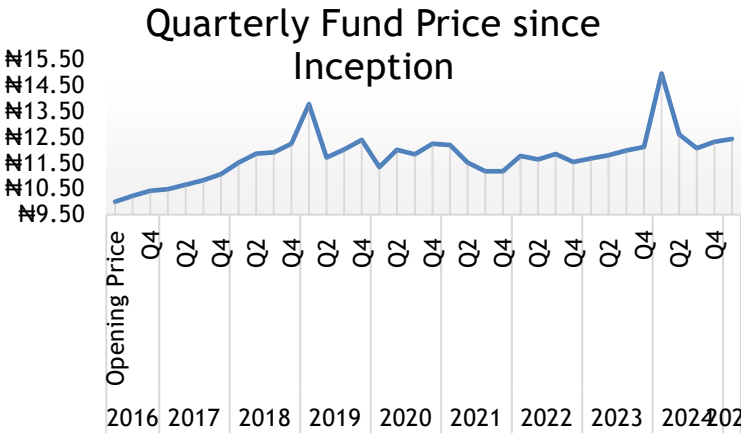
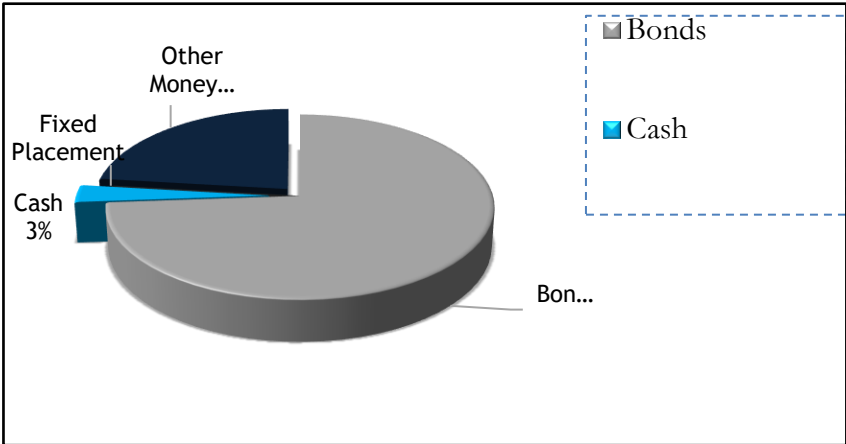
FUND INFORMATION	
Fund type	Open-ended
Category	Fixed Income Fund
Risk profile	Moderate
Launch date	27-Jul-16
Fund Manager	PAC Asset Management Limited
Trustees	Greenwich Trustees Limited
Custodian	UBA Global Investor Services
Auditor	Sam Oyemade & Co (SOC Compliance)
Management Fee	1% of NAV
Benchmark	5-year Nigerian Sovereign Bond
Dividend Frequency	Annual
5-Year Annual Growth Rate	0.29%
Dealing Days	Monday - Friday
NAV per unit (NGN)	NGN 12.426

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	Dec-24	Jan-25
Month-on-Month	1.54%	0.90%
Year-to-date	-4.95%	0.90%
Inception-to-date	66.11%	67.19%



ASSET QUALITY (% TOTAL ASSETS)	Dec-24	Jan-25
Bonds	75.54	73.69
Cash	1.36	2.99
Fixed Placement	-	-
Other Money Market Instruments	23.09	23.09



**PERFORMANCE REVIEW:**

The m-o-m fund performance Increase by 0.90% to start 2025.

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 fund manager will take current market realities into account, to provide a completely optimized portfolio.

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

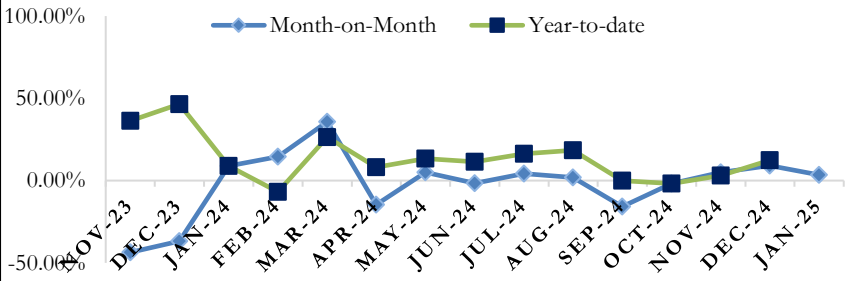
Fund type	Open-ended
Category	Balanced Fund
Risk profile	Moderate
Launch date	15-May-15
Fund Manager	PAC Asset Management Limited
Trustees	FBN Trustees Limited
Custodian	UBA Global Investor Services
Auditors	Sam Oyemade & Co (SOC Compliance)
Management Fee	1% of NAV
Benchmark	Composite index comprising of NSE ASI, 5-Year Nigerian Sovereign Bond, 1-Year Nigerian Treasury Bill
Dividend Frequency	Annual
6-Year Annual Growth Rate	5.19%
Dealing Days	Monday – Friday
NAV per unit (NGN)	NGN 2.74

INVESTMENT COMMITTEE

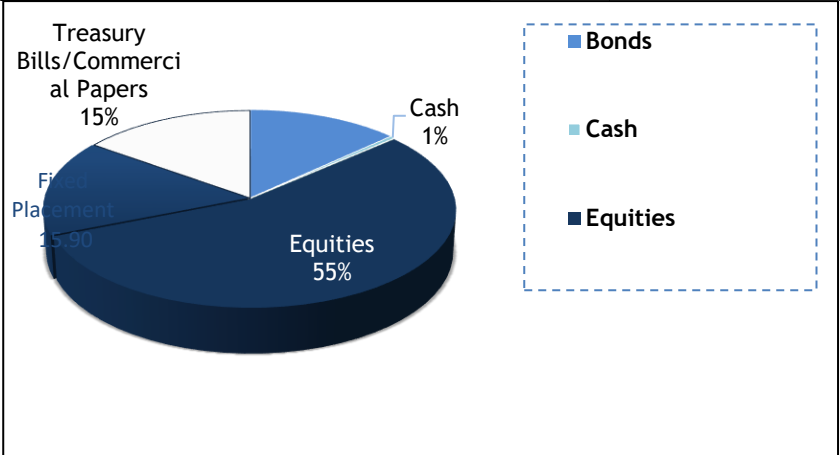
Mr. Sam Onukwue	Chairman
Mr. Sina Alimi	Member
Mr. Olufemi Okin	Trustee's Representative
Mr. Bamidele Ige	Fund Manager
Mr. Fatai Asimi	Member
Mrs Taiwo Sonola	Custodian

FUND RETURNS	Dec-24	Jan-25
Month-on-Month	9.13%	3.54%
Year-to-date	12.43%	1.86%
Inception-to-date	273.22%	282.87%

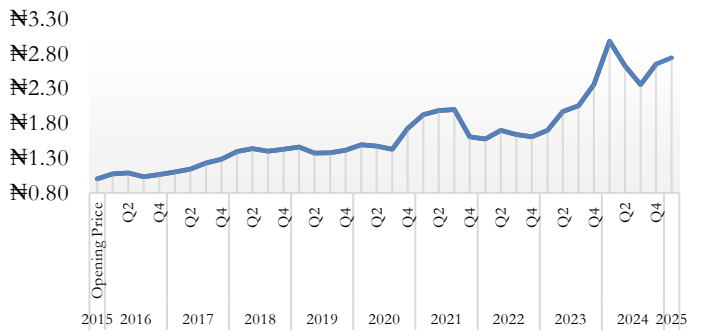
FUND RETURNS CHART



ASSET QUALITY (% TOTAL ASSETS)	Dec-24	Jan-25
Bonds	13.48	13.15
Cash	3.96	0.44
Equities	50.94	55.39
Fixed Placement	16.26	15.90
Treasury Bills/Commercial Papers	15.37	15.12



Q-o-Q Fund Price since Inception



PERFORMANCE REVIEW:

The fund returns increased by 1.86% Y-T-D and 3.54% M-o-M, owing primarily to the equity market's performance as the instruments held by saw significant increase in its value at the beginning of the year.

The fund also saw inflows 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.

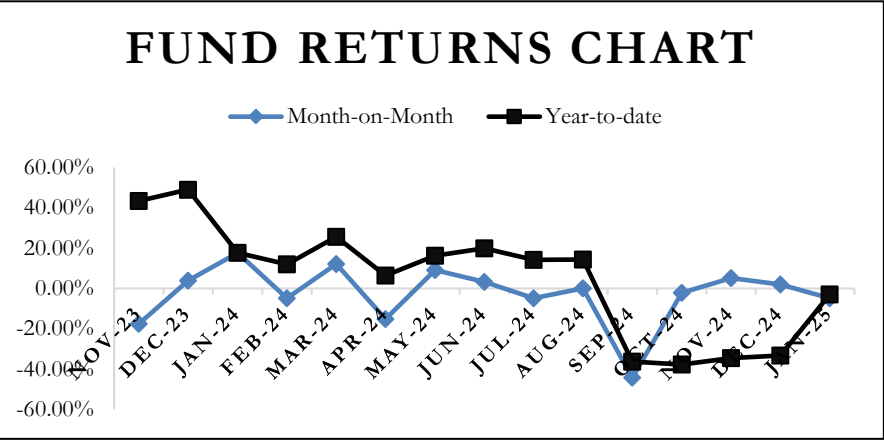
FUND INFORMATION

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	4.04%
Dealing Days	Monday - Friday
	NGN
NAV per unit (NGN)	2.74

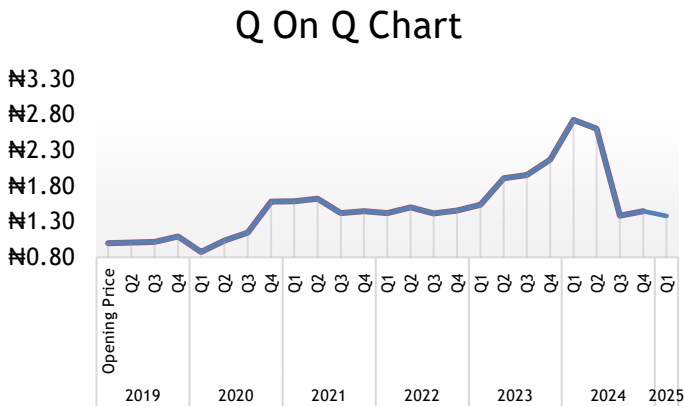
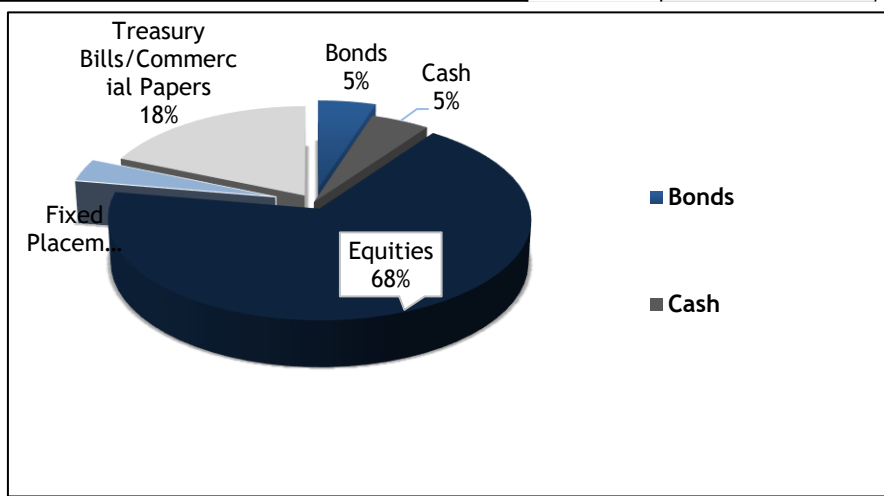
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Mr Samuel Adesanmi	Trustee's Representative
Mr. Bamidele Ige	Fund Manager
Mr Fatai Asimi	Member
Mrs Taiwo Sonola	Custodian

FUND RETURNS	Dec-24	Jan-25
Month-on-Month	2.36%	2.68%
Year-to-date	22.75%	2.68%
Inception-to-date	298.45%	305.59%



ASSET QUALITY (% TOTAL ASSETS)	Dec-24	Jan-25
Bonds	4.85	4.95
Cash	1.53	4.97
Equities	71.91	67.76
Fixed Placement	3.66	3.70
Treasury Bills/Commercial Papers	18.06	18.61



PERFORMANCE REVIEW:

The fund's performance mirrored the bearish trend in the NGX, note as the NGX All Share Index lost by 0.24% to close at 104,496.12 (against December: 102,926.40),it closed at ₦1.17Billion volume traded.

The fund also saw a 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.

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 dollar-denominated long tenured debt instruments of the FGN, States and highly rated corporate institutions. The Fund may also invest its assets in dollar-denominated money market securities.

FUND INFORMATION

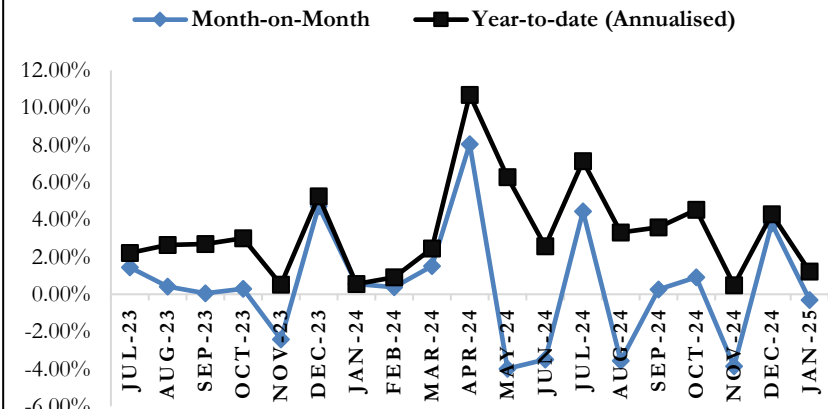
Fund type	Open-ended
Category	Dollar Denominated Bond Fund
Risk profile	Moderate
Launch date	20-May-19
Fund Manager	PAC Asset Management Limited
Trustees	FCMB Trustees Limited
Custodian	UBA Global Investor Services
Auditor	Adekunle Alli & Co
Management Fee	1% of NAV
Benchmark	5-Year Nigerian sovereign Eurobond
Dividend Frequency	Annual
Compounded Annual Growth Rate	0.79%
Dealing Days	Monday - Friday
NAV per unit (USD)	\$139.03

INVESTMENT COMMITTEE

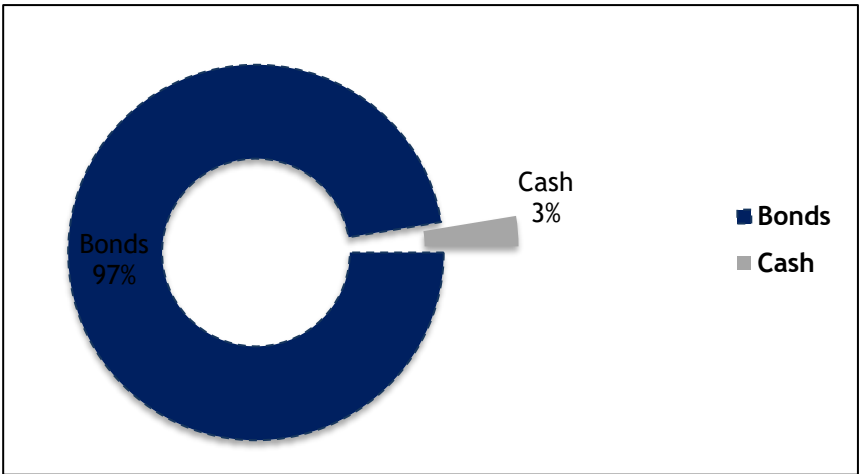
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Mr. Sina Alimi	Member
Mr Samuel Adesanmi	Trustee's Representative
Mr. Bamidele Ige	Fund Manager
Mr. Fatai Asimi	Member
Mrs Taiwo Sonola	Custodian

FUND RETURNS	Dec-24	Jan-25
Month-on-Month	3.78%	-0.30%
Year-to-date (Annualised)	0.12%	1.23%
Inception-to-date	49.86%	49.44%

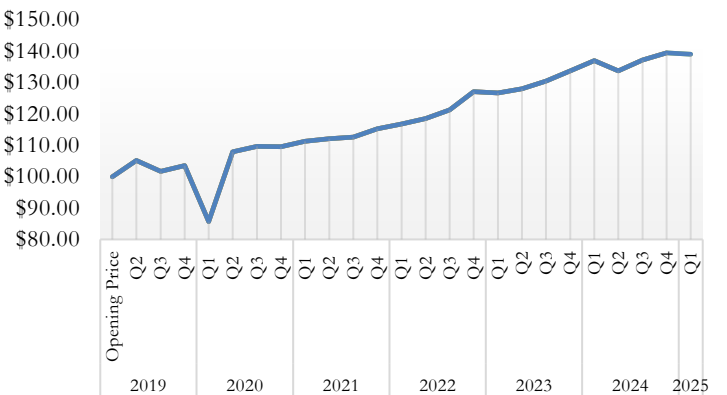
FUND RETURNS CHART



ASSET QUALITY (% TOTAL ASSETS)	Dec-24	Jan-25
Bonds	98.37	97.40
Cash	1.63	2.60



Q-on-Q Performance



PERFORMANCE REVIEW:

The fund performance was 1.23% YTD and ITD was 3.97% 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:	Dec-24	Jan-25	% Change
	NGN	NGN	
PACAM Balanced Fund	2.64	2.7	38.74%
PACAM Fixed Income Fund	12.315	12.26	8.08%
PACAM Money Market Fund	10	10	10.00%
PACAM Equity Fund	1.45	1.35	64.21%
PACAM Eurobond Fund	\$139.47	\$137.04	0.70%

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.*



## PAC Asset Management Limited

RC695281

A PanAfrican Capital Holdings Company

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