



Monthly Commentary & Outlook

EQUITIES MARKET

NSEASI dipped by -2.78% in the month of January 2019 likewise market YTD performance is in negative territory at -3.00%. Our prognosis is that the decline will persist on the back of same factors already noted in 2018 (The upcoming elections and withdrawals by Foreign Investors). In addition, there were profit taking activities which also contributed to the poor performance. However, we expect a rebound once the election results are announced.

FIXED INCOME MARKET

The Fixed Income Yields continued to expand. The Federal Government also has been pushed to increasing the Minimum Wage. The implication is that government expenditure will increase. Therefore, we should anticipate a rise in the yields of the Fixed Income Instruments. We expect further yield expansion in Q1 as a measure for combating inflationary pressure. In addition, the bearish state of the Equities Market has contributed to the movement of Capital to the Fixed Income Market while some investors have decided to hold cash in US Dollars and invest in the FGN Bonds and/or the Eurobonds.

INFLATION

The average rate of inflation in 2018 is 12.09%, a lot better than what the country experienced in 2017. The contributory factors to inflationary pressures (minimum wage review, election spending and budget disbursements) are still prevalent in the market and are indicative of continued inflationary pressures going forward. Food inflation is the major contributor to inflation as a large percentage of the Nigerian Population spend 70% of their earnings on food. Nevertheless, we expect a positive outlook if the present administration is able to perfect the Railway initiative as this would go a long way to drive down the cost of transportation which is responsible for a hike in the Prices of Food.

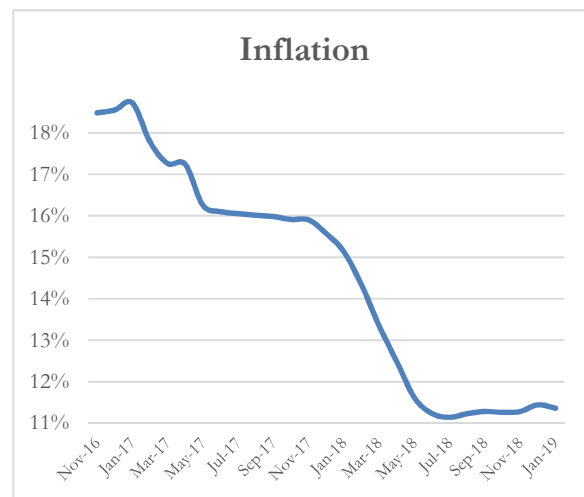
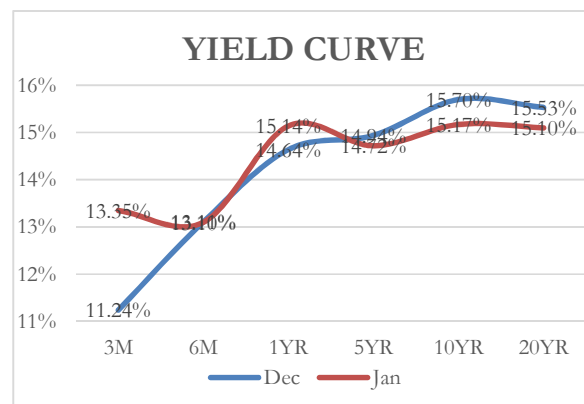
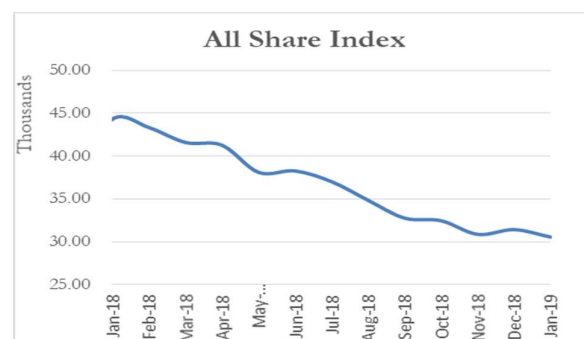
OIL PRICE

Nigeria's Bonny Light Crude hovered around \$58.00 per barrel in the month of January. This is another dark season in view for Nigeria as the budget benchmark is at \$60 per barrel. Although the recent production cut would enable the country produce within the capacity level of her refinery but it is not healthy for the country when demand is high. In addition, the US Sanction on Iran has been lifted and the implication is that supply will increase while price continues to plummet.

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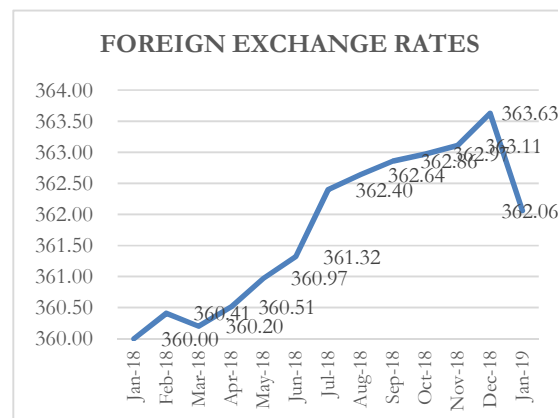
Prices/Yield: 31-Jan-19

- PACAM Balanced Fund	N1.35
- PACAM Fixed Income Fund	N12.42
- PACAM Money Market Fund	12.96%



FOREIGN EXCHANGE

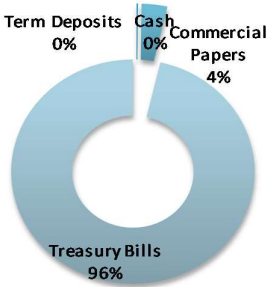
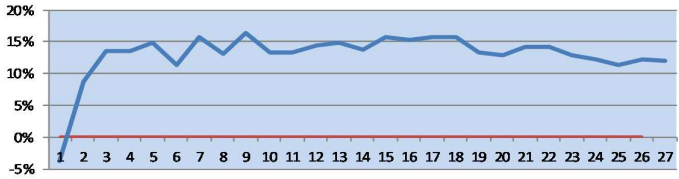
On the Investors & Exporters window, the naira appreciated by N1.57k which brought the value to N362.06. Although Crude Oil Price is not moving in favour of the country but the CBN is committed to defending the naira even as the polity heats up and capital reversals intensify. Also, the production cut issued by the OPEC is not favourable to Nigeria as the Oil Sector still remains the major source of Revenue for the country. In addition, the Country's budget was pegged at an estimated price of \$60/barrel. This would throw the country into a negative balance of payment if other sources of revenue are not enhanced. The downside is that the reserves might deplete significantly but the upside is that the Fixed Income Market rate would move up as the Federal government would seek help from the Fixed Income Market to finance the deficit.

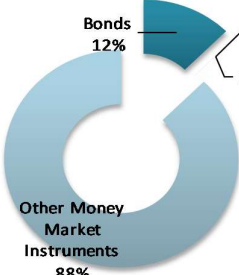


Source: Data from FMDQ I& E Window

PACAM BALANCED FUND (PBF) - FUND MANAGER'S REPORT 31-Jan-19

FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		Dec-18	Jan-19
Category	Balanced Fund	Month-on-Month	1.04%	0.15%
Risk profile	Moderate	Year-to-date (Annualised)	7.14%	6.59%
Launch date	15-May-15	Inception-to-date	46.81%	46.83%
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	ASSET QUALITY (% TOTAL ASSETS)		
NAV per unit (NGN)	NGN 1.35		Dec-18	Jan-19
INVESTMENT OBJECTIVES		Bonds	28.45	28.60
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		Cash	0.86	0.10
		Equities	20.29	19.68
		Fixed Placement	-	-
		Treasury Bills/Commercial Papers	50.41	51.62
		PERFORMANCE REVIEW		
INVESTMENT COMMITTEE		The Equities Market continued in the downward trend, However the Fixed Income Market enjoyed high yields for some weeks in the month of January which encouraged a couple of investors to come back to the Market. As we look ahead of the 2019 General Elections, 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			
Mr. Bamidele Ige	Member			
COMMENTARY				

PACAM MONEY MARKET FUND(MMF) - FUND MANAGER'S REPORT		31-Jan-19		
FUND INFORMATION		FUND RETURNS		
Fund type	Open-ended		Dec-18 Jan-19	
Category	Money Market Fund	Annualised Yield	13.09%12.96%	
Risk profile	Low	ASSET ALLOCATION (% OF TOTAL ASSETS)		
Launch date	27-Jul-16	 <div><div>Term Deposits</div><div>0%</div><div>Cash</div><div>0%</div><div>Commercial Papers</div><div>4%</div><div>Treasury Bills</div><div>96%</div><div>■ Term Deposits</div><div>■ Cash</div><div>■ Commercial Papers</div><div>■ Treasury Bills</div></div>		
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		ASSET QUALITY (% TOTAL ASSETS)		
<p>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.</p> <p>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.</p>		Term Deposits	-	-
		Cash	3.00	5.04
		Commercial Papers	9.74	10.88
		Treasury Bills	87.26	84.08
INVESTMENT COMMITTEE		HISTORIC PRICES & YIELDS		
Mr. Chris Oshiafi	Chairman			
Mr. Sam Onukwue	Independent Member			
Mr. Sina Alimi	Member			
Mr. Bunkaya Gana	Trustee's Representative			
Mr. Bamidele Ige	Member			
COMMENTARY				

PACAM FIXED INCOME FUND		31-Jan-19	
FUND INFORMATION		FUND RETURNS	
Fund type	Open-ended		Dec-18 Jan-19
Category	Fixed Income Fund	Month-on-Month	0.90%1.54%
Risk profile	Moderate	Year-to-date (Annualised)	17.38%17.69%
Launch date	27-Jul-16	Inception-to-date	22.25%24.13%
Fund Manager	PAC Asset Management Limited	ASSET ALLOCATION (% OF TOTAL ASSETS)	
Trustees	GTL Trustees Limited	 <p>Bonds 12% Cash 0% Fixed Placement 0% Other Money Market Instruments 88%</p> <p>■ Bonds ■ Cash ■ Fixed Placement ■ Other Money Market Instruments</p>	
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		ASSET QUALITY (% TOTAL ASSETS)	
<p>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.</p>		Bonds	12.6712.63
		Cash	0.620.09
		Fixed Placement	- -
		Other Money Market Instruments	86.7187.29
		INVESTMENT COMMITTEE	
Mr. Chris Oshiafi	Chairman	<p>Investors were lured into the Treasury Bills Market as interest rates for 364-days bills moved up to about 16.50%. It looks like the good days are back, however the Fund Manager is mindful of the fact that the General Elections are a few weeks away. Therefore, Funds will be invested carefully to avoid capital flight while we enjoy the benefit of the current trend.</p>	
Mr. Sam Onukwue	Independent Member		
Mr. Sina Alimi	Member		
Mr. Bunkaya Gana	Trustee's Representative		
Mr. Bamidele Ige	Member		
COMMENTARY			

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

