



NATIONAL PENSION COMMISSION (PenCom)

FOURTH QUARTER 2020 REPORT

Corporate Vision and Mission

Vision

By 2020, to be a pension industry with 20 million contributors delivering measurable impact on the Economy

Mission

PenCom exists for the effective regulation and supervision of the Nigerian Pension Industry to ensure that retirement benefits are paid as and when due

February 2021

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SECTION ONE

Pension Operating Environment

1.1 Macroeconomic Development

Nigeria's aggregate Gross Domestic Product (GDP) stood at **N43,564,006.29 million** in nominal terms in the fourth quarter of 2020. This indicated a year-on-year nominal growth rate of 10.07% compared to **N39,577,340.04 million** aggregate GDP recorded in the fourth quarter of 2019. In real terms, the GDP grew by 0.11% (year-on-year) in the Q4 2020, representing the first positive quarterly growth since the beginning of the year. Though weak, the Q4 2020 growth rate was higher by 3.74% compared to the rate recorded in Q3 2020. This is reflective of the slow return of economic activities following the easing of restricted movements witnessed in the preceding quarters, due to the Covid-19 pandemic. On a quarter on quarter basis, real GDP growth was 9.68% indicating a second positive consecutive quarter on quarter real growth rate in 2020 after two negative quarters.

In Q4 2020, the oil sector contributed **5.87%** to total real GDP, down from the **8.73%** recorded in the preceding quarter of 2020. The average daily oil production was 1.56 million barrels per day (mbpd) representing 0.11mbpd decline when compared to the 1.67 mbpd daily average production recorded in the Q3 2020. On the other hand, the non-oil sector grew by **1.69%** in real terms in Q4 2020, which indicated an improvement when compared to the 2.51% growth rate recorded in the preceding quarter. In real terms, the Non-Oil sector contributed **94.13%** to the nation's GDP in Q4 2020, higher than the **91.27%** recorded in the Q3 2020. Growth in this sector was driven mainly by economic activities in the telecommunications, agriculture, construction, financial services and public administration.

1.2 Developments in the Capital Market

The NSE All Share Index closed at **40,270.72** and Market Capitalization appreciated 3.83% to close at **N21.06 trillion** during the quarter under review. In the equities market, trading activities were mixed as total turnover volume of **1.806 billion** shares worth **N25.966 billion** in 14,634 deals were traded by investors on the floor of the Exchange.

At the Government securities market, NTBs and long-term FGN Bonds were issued at the primary market by the Debt Management Office (DMO). NTBs of 91-, 182- and 364-day tenors, amounting to N318.42 billion, N1,049.06 billion and N318.42 billion, respectively, were offered, subscribed and allotted. The bid-cover ratio of 3.9 for 91-day, 2.5 for 182-day and 3.4 for 364-day tenor, reflected investors preference for instruments with shorter maturities.

The developments were due, mainly, to the recession witnessed in the economy in Q3 2020, amid rising uncertainties and investors sentiments towards fixed income investment. There was no repayment of matured NTBs during the review period. FGN Bonds of 15- and 25-year tranches were re-opened and offered for sale in the review period. Term to maturity of the Bonds were 14 years, 4 months to 24 years, 8 months. Total amount offered, subscribed and allotted, were N80.00 billion, N184.74 billion and N80.00 billion, respectively. The bid and marginal rates on all tenors were 6.1%t and 5.4%, respectively.

1.3 Developments in the Money Market

The Central Bank of Nigeria (CBN) in its monthly Economic Report noted that the financial system had sufficient liquidity, which made financial intermediation relatively more efficient. This led to the decline in key lending and money market rates in the review period. Repayments of matured CBN bills, Federal Government (FGN) bonds and Nigerian Treasury bills, as well as fiscal disbursements to the three tiers of Government (FAAC) were the major sources of the ample liquidity in the system during the quarter under review.

The CBN also moderated liquidity flow through OMO and discount window activities with tenors of the instruments ranging from 117 to 362 days. A total amount of N230.00 billion was offered, N1,287.64 billion was subscribed to and N210.90 billion allotted, with a bid and stop rate of 4.6%. Repayment of matured CBN bills stood at N821.75 billion, translating to a net injection of N610.85 billion through this medium.

Sources:

National Bureau of Statistics: Nigeria Gross Domestic Products Report Q4 2020

Central Bank of Nigeria: Monthly Economic Report

Nigerian Stock Exchange

SECTION TWO

Regulatory and Supervisory Activities

2.1 Surveillance of the Pension Industry

2.1.1 Update on the On-Site/Special Examinations of Licensed Operators

The Commission could not conduct On-site Examination of Pension Fund Operators in Q4 2020 due to the COVID-19 pandemic. Nonetheless, the enhanced Off-Site monitoring of the activities of Pension Operators continued during the quarter through reviews of additional monthly reports submitted by the Pension Operators. The reviews indicated that the Pension Fund Operators substantially complied with extant laws and regulations issued by the Commission.

2.1.2 Update on the On-Site Examination of States Pension Bureaux/Boards

In the fourth quarter of 2020, the Commission conducted off-site review of the implementation of the CPS in seven (7) States, namely; Ekiti, Delta, Osun, Lagos, Ondo, Edo and Kebbi. Emphasis were on the remittance of pension contributions, payment of pensions under the Defined Benefit Scheme, payment of accrued rights as well as the receipt and utilization of administration fees.

The review noted the gaps in the monthly pension remittances to the RSAs of employees of various States as well as the delay in the payment of accrued rights to retirees. There were also issues of inaccurate data on schedules accompanying pension remittances and other reconciliation issues. The affected PFAs are currently reconciling their records with the State Bureaux.

2.1.3 Update of Fund Reports of Pension Operators

The Commission reviewed the quarterly Industry Report of the Financial Condition and Performance of the Licensed Pension Fund Operators (LPOs) submitted by all pension operators, via the Risk Management Analysis System (RMAS) Application. The reports indicated that all the LPOs met the minimum capital adequacy prescribed by the Commission.

2.1.4 Review of Monthly Reports

RSAs with Incomplete Documentation - A review of the monthly reports of the pension operators revealed that **5.1 million** RSAs had incomplete documentation as at Q4 2020. Nonetheless, the engagement of Agents to conduct data recapture on behalf of all the PFAs is expected to address this issue and validate all relevant documents under the profile of individual RSA holders.

Un-Credited Pension Contributions - Another notable outcome of the monthly reports review was the un-credited pension contributions domiciled in the Contribution Reconciliation Accounts (CRAs) and the Transitional Contributory Funds (TCFs) of the Pension Operators. The Commission however, mandated the Pension Operators to ensure resolution of all outstanding un-credited contributions and file progress reports at regular intervals.

Unfunded RSAs - Similarly, the monthly reports indicated that a total of **3.5 million** RSAs had remained unfunded as at the end of Q4 2020. A majority of these unfunded accounts belong to employees of State Governments and private sector organizations.

Status of commitments from 2019 routine examinations - As at Q4 2020, a total of 625 commitments had been complied with by the Operators out of the 749 remedial actions recommended by the Commission to address identified inadequacies in their operations arising from the 2019 Routine Examinations.

2.1.5 Appointment to Board Positions

The Commission granted approval for the appointment of Board members by four (4) Pension Fund Operators during the quarter under review. The appointees are:

S/N	OPERATOR	APPOINTEE	POSITION
1	Nigeria Agip CPFA	Mr. Roberto Daniele	Chairman of the Board
2	Chevron Nigeria CPFA	Richard John Kennedy	Chairman of the Board
3	Oak Pensions Limited	Mrs. Ololade Ogunlusi	Non-Executive Director
4	Access PFC Limited	Dr. Okey Nwuke	Non-Executive Director

2.1.6 Other Regulatory and Supervisory Activities

During the quarter under review, the Commission issued some Circulars and Regulations following the implementation of some new initiatives. The Circulars and Regulations issued are:

- i. Circular on Ethics and Business Practices in the Retirement Savings Account Transfer Process. This became necessary after the deployment of the RSA Transfer System to enable RSA holders transfer their Retirement Savings Accounts (RSAs) from one PFA to another in line with Section 13 of the Pension Reform Act (PRA) 2014.
- ii. Circular on Fund Accounting: The Circular provides details of necessary accounting entries for the transfer of RSAs from one Pension Fund Administrator to another and upon purchase of Retiree Life Annuity with RSA balances.

- iii. Regulation for the Transfer of Retirement Savings Accounts: The Regulation provides operational guidelines for the Pension Fund Operators on how to handle requests for RSA transfers from one Pension Fund Administrator to another.

2.2 Update on Compliance by the Public and Private Sectors

2.2.1 Issuance of Pension Clearance Certificates

The Commission received a total of **1,900** applications from private sector organizations for the issuance of Pension Clearance Certificates (PCCs). Out of this number, PCCs were issued to **1,877** organizations while **23** applications were declined due to inability of the organizations to meet the requirements for issuance of certificates. The records show that a total sum of **₦9,878,025,459.10** was remitted into the Retirement Savings Accounts of **41,923** employees of the **1,877** organizations.

2.2.2 Update on the Recovery of Outstanding Pension Contributions and penalties from defaulting employers

Following the issuance of demand notices to defaulting employers whose pension liabilities had been established by the Recovery Agents (RAs), the sum of **₦553,033,652.01**, representing principal contribution of **₦382,462,161.65** and penalties of **₦170,571,490.36** were recovered from **19** defaulting employers during the quarter under review.

2.2.3 Update on Refund of Pension Contributions to Military Personnel and State Security Agencies Employees

During the quarter under review, the Commission granted approval for refund of the sum of **₦2,789,553.79** to 50 personnel of the Military and other Security Agencies who were exempted from the Contributory Pension Scheme.

2.2.4 Supervision of the Pension Transitional Arrangement Directorate (PTAD)

The Commission conducted Off-site Examination of the PTAD during the quarter under review. In the same vein, the Commission continued to monitor the payment of pensions to Public Service Retirees under the Defined Benefits Scheme (DBS) through monthly statutory returns rendered by the PTAD.

2.2.5 Update on the Nigeria Social Insurance Trust Fund (NSITF)

Transfer of NSITF Contributions to Members' Retirement Saving Account - The Commission received transfer applications on behalf of 190 NSITF contributors and granted approval for transfer of the sum of **₦188,971,243.55** to their Retirement Savings Accounts (RSAs) during the quarter under review.

Payment of Monthly Pension to Qualified NSITF Contributors - During the quarter under review, the Commission granted approval for payment of monthly pensions in the sum of **₦62,292,272.25** to **3,628** NSITF pensioners.

2.3 Compliance by State Governments

2.3.1 Enactment of State Pension Laws

During the quarter under review, the Commission reviewed and communicated its observations on the Lagos State Pension Reform Law 2015 (as amended). Similarly, Plateau State began the process of adopting the Contributory Pension Scheme by submitting its draft Pension Bill to the Commission for review and advice.

2.3.2 States that Commenced Remittance of Pension Contributions

The Benue State Government commenced remittance of 10% (employer) and 8% (employee) pension contributions for employees of 21 out of the 23 Local Government Councils in the State from November 2020.

2.3.3 Status of Implementation of the CPS and other Schemes

As at Q4 2020, twenty-five (25) States of the Federation had enacted pension laws on the CPS while seven (7) States were at the bill stage. Out of the five (5) States operating other pension schemes, four (4) States have adopted the Contributory Defined Benefits Scheme (CDBS), while one, (Yobe State) operates the Defined Benefits Scheme (DBS). The level of compliance by States with the CPS is as detailed in Table 2.1 below:

Table 2.1: Status of Implementation of the CPS by States

STATUS OF IMPLEMENTATION OF THE CPS IN STATES AND FCT AS AT DECEMBER 2020										
States At Bill Stage	States with Enacted Laws on CPS	States with Pension Bureaux/Boards in line with CPS	States Remitting ER & EE Pension Contributions	States that Conducted Actuarial Valuation	Availability of RBBRFA	Funding of Accrued Rights	Payment of Pension Under CPS	Valid Group Life /Sinking Fund	States Remitting only EE Pension Contributions	States with Other Pension Schemes***
Number of States										
(7)	(25)	(15)	(10)	(8)	(7)	(6)	(5)	(5)	(1)	(5)
KWARA	LAGOS	LAGOS	LAGOS	LAGOS	LAGOS	LAGOS	LAGOS	LAGOS	KEBBI	JIGAWA
PLATEAU	FCT	FCT	FCT*	FCT	FCT	FCT	FCT	FCT		KANO
CROSS RIVER	OSUN	OSUN	OSUN*	OSUN	OSUN	OSUN	OSUN	OSUN		YOBE
BORNO	KADUNA	KADUNA	KADUNA	KADUNA	KADUNA	KADUNA	KADUNA	ONDO		GOMBE
AKWA IBOM	DELTA	DELTA	DELTA*	DELTA	DELTA	DELTA	DELTA	EDO		ZAMFARA
BAUCHI	EKITI	EKITI	EKITI*	EKITI	ANAMBRA (LG)	ANAMBRA (LG)				
KATSINA	ONDO	ONDO	ONDO*	RIVERS	RIVERS					
	EDO	EDO	EDO	ANAMBRA						
	BENUE	BENUE	BENUE*							
	KEBBI	KEBBI	ANAMBRA*							
	NIGER	NIGER								
	RIVERS	RIVERS								
	OGUN	OGUN								
	BAYELSA	BAYELSA								
	KOGI	KOGI								
	ANAMBRA									
	ABIA									
	TARABA									
	IMO									
	SOKOTO									
	ADAMAWA									
	EBONYI									
	NASARAWA									
	ENUGU									
	OYO									
* States with backlog of Remittance: Osun, Anambra State and LG, Delta State and LG, FCT Area Council, Ekiti, Ondo, Benue										
Benue State Remitting for 3 Agencies and 21 out of 23 LGCs.										
***4 States implementing CDBS States, while Yobe is DBS.										

2.3.4 Update on Sensitization/Capacity Building Workshops and Engagements

During the period under review, the Commission carried out sensitization workshops, capacity building programmes and stakeholders' engagement meetings. The activities include:

- Capacity Building Programme for staff and management of States and Local Governments Pension Bureaux/Boards on the RSA Transfer System.

- ii. Facilitated at the Pension Management Retreats organized by the FCT Area Councils Staff Pension Board (ACSPB).
- iii. Participated in a sensitization programme organized by the Kaduna State Pension Bureau for Pension Desk Officers of the 23 Local Government Councils in Kaduna State.

2.4 Update on the Micro Pension Plan

2.4.1 Micro Pension Registration and Contribution

During the quarter under review, twenty (20) PFAs registered **3,663** contributors under the Micro Pension Plan (MPP). In the same vein, a total sum of **₦25,024,528.08** was remitted to the RSAs of the contributor within the review period.

2.4.2 Contingent Withdrawals

In terms of withdrawals from the contingent portion of the contributions, six (6) PFAs processed and approved requests amounting to **₦880,521.29** from eleven (11) MPP participants during the review period. Table 2.2 below shows details of Contingent Withdrawals during the quarter under review.

Table 2.2: Contingent Withdrawals During Q4, 2020

Period	No. of PFAs	No. of Contributors	Amount of Contingent Withdrawal (N)	Cumulative ITD (N)
Oct -Dec. 2020	6	11	880,521.29	2,287,759.88

2.5 Update on RSA Registrations

2.5.1 RSA Membership Count by PFA

The PFAs registered a total of **68,827** RSAs during the quarter under review. This brought the cumulative RSA registrations from inception to 31 December 2020 to **9,215,788**. Table 2.3 below provide further details.

Table 2.3: RSA Membership Count by PFAs

S/N	PFA	RSA Count Quarter ended 31 Dec- 20	RSA Count ITD	%
1	AIICO Pension	2,152	247,593	2.69
2	Apt Pension	2,550	148,138	1.61
3	ARM Pension	5,422	826,596	8.97
4	AXA Mansard	1,153	89,247	0.97
5	Crusader Sterling	3,742	346,214	3.76
6	FCMB Pensions	3,902	439,241	4.77
7	Fidelity Pension	2,504	308,911	3.35
8	First Guarantee	2,606	270,409	2.93
9	IEI-Anchor Pension	1,751	142,868	1.55
10	Investment-One	710	82,160	0.89
11	Leadway Pensure	5,017	637,344	6.92
12	NUPEMCO	591	22,900	0.25
13	NLPC	3,276	326,885	3.55
14	NPF Pension	333	291,979	3.17
15	Oak Pensions	1,720	209,524	2.27
16	Pensions Alliance	2,980	570,131	6.19
17	Premium Pension	5,631	730,146	7.92
18	Radix Pension	650	34,690	0.38
19	Sigma Pensions	3,345	730,538	7.93
20	Stanbic IBTC	11,723	1,857,904	20.16
21	Trustfund Pensions	5,625	756,217	8.21
22	Veritas Glanvills	1,366	146,153	1.59
		68,749	9,215,788	100.00

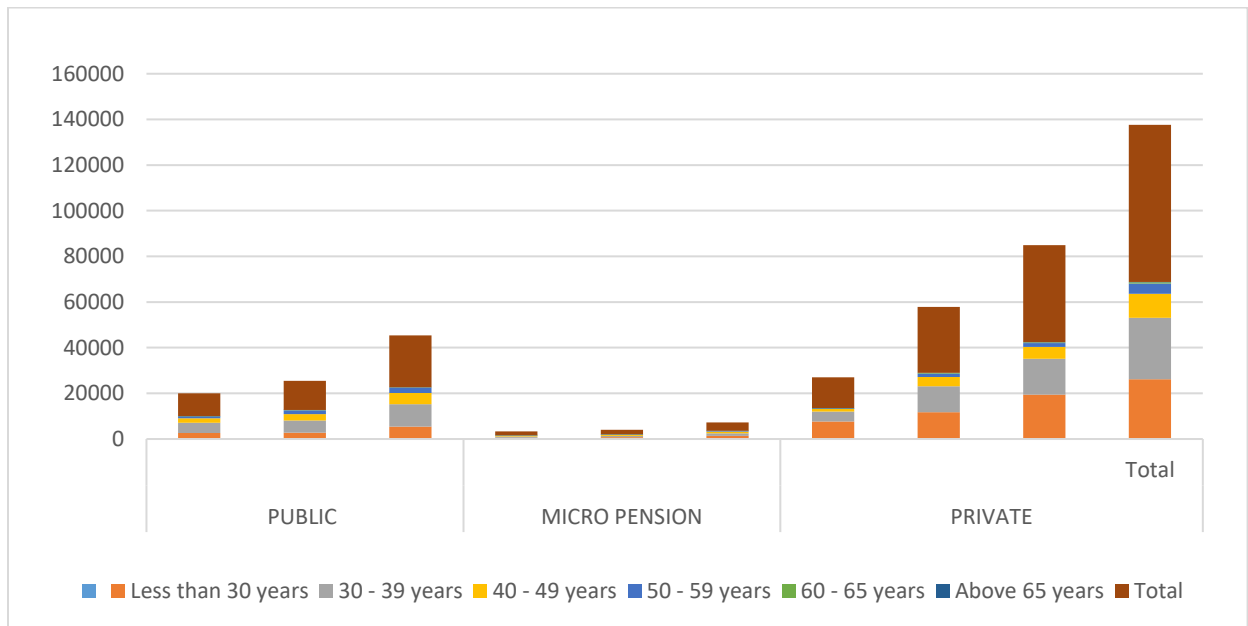
2.5.2 Sector, Gender and Age Distribution

A review of the sectorial distribution for the quarter ended 31 December 2020 showed that **42,455** (or 62%) of the registrations were from the private sector, the public sector accounted for **22,718** (or 33%) of the contributors registered while the Micro Pension Plan had **3,654** (or 5.3%) of the RSAs registered during the period under review.

A breakdown of the RSA registrations during the quarter showed that about 77% of those that joined the CPS were below 40 years of age. This points to the increasing sustainability of the CPS, as the younger generation are actively being enlisted into the scheme. Further analysis on the gender distribution revealed that 63% of those that registered were male, while 37% were female. The table and chart below, provide details on the sector, age and gender distribution of the registrations during the quarter.

Table 2.4: Sector, Age and Gender Registration Count for Q4 2020

Age	PUBLIC			MICRO PENSION			PRIVATE			Total	%
	Female	Male	Total	Female	Male	Total	Female	Male	Total		
Less than 30yrs	2,641	2,810	5,451	606	801	1,407	7,641	11,752	19,393	26,251	38
30 - 39 yrs	4,525	5,346	9,871	502	635	1,137	4,355	11,417	15,772	26,780	39
40 - 49 yrs	1,977	2,813	4,790	358	352	710	1,154	3,994	5,148	10,648	15
50 - 59 yrs	825	1,611	2,436	128	151	279	290	1,362	1,652	4,367	6
60 - 65 yrs	23	105	128	29	55	84	53	317	370	582	1
Above 65 yrs	9	33	42	18	19	37	16	104	120	199	0
Total	10,000	12,718	22,718	1,641	2,013	3,654	13,509	28,943	42,455	68,827	100

**Diagram 2.0: Chart showing Sector, Age and Gender Registration Count for 4th Quarter 2020**

2.5.3 Employer Code Generation

The Commission generated a total of **2,896** employer codes during the quarter under review. The Private Sector accounted for a total of **2,894** employer codes, representing 93.93% of the total employer codes generated during the review period while the Public Sector accounted for only **2** employer codes or 0.07%. Table 2.5 below shows the details of the employer codes generated within the period under review:

Table 2.5: Employer Codes Generation for Q4: 2020

S/N	Employer Code	Description	Count	%
1	PU	Federal Government MDAs	1	0.03
2	ST	State Government MDAs	1	0.03
3	BR	Business Names - Law Firms, Hospitals, Schools, Banks, etc.	171	5.90
4	PR	Private Registered Companies	2,694	93.02
5	UN	Unions/Associations	1	0.03
6	NG	Non-Governmental Organization	28	0.97
7	FR	Foreign Agencies	0	0
			2,896	100.00

2.5.4 Update on the RSA Transfer System (RTS)

Following the launch of the RSA Transfer System on 16 November 2020, a total of **2,799** RSA holders initiated the transfer of their RSAs from their existing Pension PFAs to other PFAs during the fourth RSA Transfer Quarter of 2020 (i.e. the maiden RSA Transfer Quarter). The total value of the RSA balances transferred stood at **₦18,898,848,438.79**. All the 22 PFAs were involved in the transfer, as transferring and/or receiving PFAs.

SECTION THREE

Pension Industry Statistics

3.1 Schemes Membership

The pension industry recorded a net marginal growth of 0.72% (66,704) in schemes membership during the quarter under review, rising from **9.20 million** contributors as at the end of the preceding quarter to **9.27 million** as at Q4 2020. The growth in the industry membership was driven by the RSA Scheme, which had an increase of 68,749 registered contributors. However, membership of the Closed Pension Fund Administrator (CPFA) Schemes declined by 2,045 to 14,926 while the Approved Existing Schemes (AESs) membership remained unchanged at 40,951 as at Q4 2020. The details of the trend in schemes memberships are shown in Table 3.1 below:

Table 3.1: Schemes Membership as at Q4 2020

SCHEME	Q1:2020	Q2:2020	Q3:2020	Q4: 2020	Change	
					Number	%
RSA	8,998,580	9,039,727	9,147,039	9,215,788	68,749	0.75
CPFA	17,198	17,125	16,971	14,926	-2,045	-12.05
AES	40,951	40,951	40,951	40,951	0	0
TOTAL	9,056,729	9,097,803	9,204,961	9,271,665	66,704	0.72

3.1.1 Membership of RSA

The cumulative RSA registrations grew from the **9,147,039** recorded in Q3 2020 to **9,215,788** as at fourth quarter, 2020, representing a 0.75% growth, which was mainly attributed to increased level of compliance by the public and private sectors.

3.1.2 PFA Market Share by RSA Registration

As at Q4 2020, the ranking of PFAs by number of registered contributors showed a marginal growth in the market share of the bottom three PFAs from 1.45% in Q3 2020 to 1.50% in Q4 2020. Similarly, the bottom five PFAs recorded slight increase in the number of registered RSAs from 3.96% in Q3 2020 to 4.10% in Q4, 2020. just as the bottom ten PFAs recorded a marginal increase from 15.02% in Q3 2020 to 15.20% in Q4 2020.

The market share of the top three marginally increased from 37.39% in Q3 2020 to 37.40% in Q4 2020 while the market share of the top ten PFAs marginally declined from 78.44% in Q3 2020 to 78.40% in Q4 2020. The market share of the top 5 PFAs also marginally declined from 53.27% in Q3 2020 to 53.20% in Q4 2020. The details of the market share by RSA registration is as shown in Table 3.2 below.

Table 3.2: RSA Registration by Market Share

PFA Ranking	Q3:2020 (%)	Q4: 2020(%)
Top 3	37.39	37.40
Top 5	53.27	53.20
Top 10	78.44	78.40
Bottom 3	1.45	1.50
Bottom 5	3.96	4.10
Bottom 10	15.02	15.20

A further breakdown of the cumulative PFA registrations revealed that 15 PFAs had registered less than 500,000 RSAs each while the remaining 7 PFAs had registered more than 500,000 RSAs each as at the end of the fourth quarter of 2020. Table 3.3 below shows the details of the RSA registration range.

Table 3.3: Range of RSA Registration by PFA

Range of RSA Registrations	Number of PFAs
Above 1,000,000	1
500,000 – 1,000,000	6
100,000 – 499,999	11
Less than 100,000	4

3.1.3 Memberships of CPFAs and AESs

The total membership of the CPFA and AES schemes were **14,926** and **40,951**, respectively as at Q4 2020. A further review showed a decrease of 12.05% in the membership of the CPFAs from 16,971 recorded as at end of Q3 2020 to 14,926 as at the end of Q4 2020. The membership of the AESs remained the same at 40,951 between the two periods.

3.2 Pension Contributions

The total pension contributions remitted to the RSAs in the fourth quarter of 2020 stood at **N167.74 billion**. Out of this total, the public sector accounted for **N86.93 billion** or 51.81% while the private sector contributed **N80.81 billion** or 48.18%. The cumulative pension contributions received from both the public and private sectors from inception to the end of the fourth quarter of 2020, therefore, amounted to **N6.70 trillion**, up from the **N6.54 trillion** as at the end of the third quarter 2020, representing a growth of 2.45%. The details of the pension contributions remitted into the RSAs is as shown in Table 3.4.

Table 3.4: Pension Contributions as at Q4 2020

Year/Quarter	Public Sector		Private Sector		Total	
	Amount (N billion)	% of Total	Amount (N billion)	% of Total	Amount (N billion)	% of Total
2004	15.60	0.5%	-	-	15.60	0.2%
2005	34.68	1.0%	-	-	34.68	0.5%
2006	37.38	1.1%	23.03	0.7%	60.41	0.9%
2007	80.63	2.3%	68.34	2.1%	148.97	2.2%
2008	99.28	2.9%	80.81	2.5%	180.09	2.7%
2009	137.10	4.0%	91.21	2.8%	228.31	3.4%
2010	162.46	4.7%	103.03	3.1%	265.49	4.0%
2011	228.92	6.7%	119.53	3.7%	348.45	5.2%
2012	302.24	8.8%	159.52	4.9%	461.76	6.9%
2013	278.50	8.1%	225.42	6.9%	503.92	7.5%
2014	237.76	6.9%	343.97	10.5%	581.73	8.7%
2015	200.05	5.8%	358.91	11.0%	558.96	8.3%
2016	225.86	6.6%	262.33	8.0%	488.20	7.3%
2017	257.11	7.5%	353.73	10.8%	610.84	9.1%
2018	266.84	7.8%	340.72	10.4%	607.55	9.1%
2019	331.56	9.7%	369.13	11.3%	700.69	10.5%
Q1:2020	114.44	3.3%	88.91	2.7%	203.35	3.0%
Q2:2020	117.09	3.4%	70.86	2.2%	187.95	2.8%
Q3:2020	218.51	6.4%	130.54	4.0%	349.05	5.2%
Q4:2020	86.93	2.5%	80.81	2.5%	167.74	2.5%
Total	3,432.94	100%	3,270.80	100%	6,703.74	100%

The aggregate total pension contributions of the public sector increased by **2.60%** from **N3.35 trillion** as at the end of the third quarter, 2020 to **N3.43 trillion** as at the end of the reporting period. The aggregate total pension contributions of the private sector on the other hand increased by **2.53%** from **N3.19 trillion** recorded in Q3, 2020 to **N3.27 trillion** as at the end of the reporting period.

3.2.1 Ranking of PFAs by the Amount of Contributions Received

The ranking of PFAs by cumulative pension contributions received into the pension fund from inception of the CPS, therefore, indicated that the top 5 ranked PFAs received **71.74%** of the total contributions as at the end of the fourth quarter of 2020. Similarly, the top 10 ranked PFAs accounted for 88.93% of the total contributions while the bottom 5 and bottom 10 PFAs accounted for 2.16% and 7.70% of the total pension contributions, respectively, as at the end of the fourth quarter 2020.

Table 3.5: PFA Ranking by Size of Contributions as at Q4 2020

Rank	Amount (N' Billion)	Percentage of Total (%)
Top 5	651,441,302,605.77	71.74
Top 10	807,591,612,502.78	88.93
Bottom 5	19,633,303,647.32	2.16
Bottom 10	69,883,230,298.61	7.70

3.3 Overview of the Pension Industry Fund Portfolio

3.3.1 Pension Fund Portfolio

The total value of Pension Fund assets was **N12.31 trillion** as at 31 December 2020 comprising of **N8.51 trillion** for the RSA 'Active' Funds (i.e. RSA Funds I, II III and V); **N962.66 billion** for the RSA Retiree Fund; **N1.56 trillion** for the CPFAs; and **N1.27 trillion** for the Approved Existing Schemes.

Pension Fund Assets were mainly invested in Federal Government Securities (FGN), which accounted for 66.07% of the total assets. The investments in FGN Securities were distributed as follows: FGN Bonds: 60.01%; Treasury Bills: 5.10%; Agency Bonds 0.09%, Sukuk 0.76% and Green Bonds 0.11%. The summary of the Pension Industry Portfolio across fund types for the fourth quarter is shown in Table 3.6 below:

Table 3.6: Pension Fund Portfolio by Fund Type as at Q4 2020

	RSA FUNDS		CPFAs	AES	TOTAL PENSION FUND ASSETS	
	RSA ACTIVE FUND	RSA RETIREE FUND				
	(I,II,III,V)					
% OF PENSION ASSETS	69%	8%	13%	10%		
ASSET CLASS	₹'Million	₹'Million	₹'Million	₹'Million	₹'Million	Weight %
Domestic Ordinary Shares	704,047.57	10,866.53	39,099.26	104,451.35	858,464.71	6.98%
Foreign Ordinary Shares	0.00	0.00	92,918.56	0.00	92,918.56	0.76%
FGN Securities:	5,922,082.26	655,030.38	796,253.14	757,316.69	8,130,682.47	66.07%
<i>FGN Bonds</i>	5,328,057.52	598,011.15	788,562.92	669,842.53	7,384,474.12	60.01%
<i>Treasury Bills</i>	494,836.57	47,343.30	5,238.72	80,800.37	628,218.96	5.10%
<i>Agency Bonds (NMRC)</i>	9,572.89	353.86	696.46	0.00	10,623.21	0.09%
SUKUK	77,804.19	8,753.99	772.76	6,220.85	93,551.78	0.76%
Green' Bond	11,811.09	568.09	982.28	452.95	13,814.40	0.11%
State Govt. Securities	99,931.49	10,749.52	10,837.13	15,071.15	136,589.29	1.11%
Corporate Debt Securities	425,843.46	65,642.82	275,181.19	69,671.64	836,339.11	6.80%
Supra-National Bonds	690.20	437.87	248.63	65.49	1,442.19	0.01%
Local Money Market Securities:	1,195,716.22	184,694.38	111,088.94	195,971.64	1,687,471.17	13.71%
<i>Bank Placement</i>	1,082,731.62	163,718.18	111,088.94	173,242.43	1,530,781.18	12.44%
<i>Commercial Papers</i>	112,984.60	20,976.19	0.00	22,729.20	156,689.99	1.27%
Foreign Money Market Securities	0.00	0.00	18,687.28	0.00	18,687.28	0.15%
Mutual Funds:	24,148.62	1,152.17	53,429.64	82,661.35	161,391.77	1.31%
<i>Open/Close-End Funds</i>	20,139.63	1,152.17	53,429.64	1,637.44	76,358.88	0.62%
<i>REITs</i>	4,008.99	0.00	0.00	81,023.90	85,032.89	0.69%
Real Estate Properties	1,038.91	0.00	125,234.04	33,430.25	159,703.20	1.30%
Private Equity Fund	19,353.27	0.00	13,751.01	131.51	33,235.78	0.27%
Infrastructure Fund	54,025.34	213.27	8,425.78	3,765.98	66,430.36	0.54%
Cash & Other Assets	64,691.17	33,872.79	12,218.73	12,014.18	122,796.87	1.00%
Net Assets Value	8,511,568.50	962,659.73	1,557,373.33	1,274,551.21	12,306,152.76	100.00%

The comparative analysis of the Pension Industry Portfolio for the period ended 30 September and 31 December 2020 is shown in Table 3.7 below:

Table 3.7: Comparative Pension Industry Portfolio Q3 Vs Q4 2020

	TOTAL PENSION FUND ASSETS				VARIANCE	
	30-Sep-20		31-Dec-20		Sep-20/DEC 20	
ASSET CLASS	₦'Billion	Weight %	₦'Billion	Weight %	₦'Billion	Weight %
Domestic Ordinary Shares	585.77	5.06%	858.46	6.98%	272.70	46.55%
Foreign Ordinary Shares	76.46	0.66%	92.92	0.76%	16.46	21.53%
FGN Securities:	7,552.87	65.29%	8,130.68	66.07%	577.82	7.65%
FGN Bonds	6,641.06	57.41%	7,384.47	60.01%	743.41	11.19%
Treasury Bills	780.57	6.75%	628.22	5.10%	(152.35)	-19.52%
Agency Bonds (NMRC)	10.61	0.09%	10.62	0.09%	0.01	0.11%
SUKUK	107.58	0.93%	93.55	0.76%	(14.03)	-13.04%
Green bonds	13.05	0.11%	13.81	0.11%	0.77	5.89%
State Govt. Securities	150.33	1.30%	136.59	1.11%	(13.74)	-9.14%
Corporate Debt Securities	670.45	5.80%	836.34	6.80%	165.89	24.74%
Supra-National Bonds	1.34	0.01%	1.44	0.01%	0.10	7.67%
Local Money Market Securities	2,008.99	17.37%	1,687.47	13.71%	(321.52)	-16.00%
Foreign Money Market Securities	17.64	0.15%	18.69	0.15%	1.05	5.95%
Mutual Funds:	35.12	0.30%	161.39	1.31%	126.27	359.56%
Open/Close-End Funds	22.92	0.20%	76.36	0.62%	53.44	233.13%
REITs	12.20	0.11%	85.03	0.69%	72.84	597.15%
Real Estate Properties	230.01	1.99%	159.70	1.30%	(70.31)	-30.57%
Private Equity Fund	34.46	0.30%	33.24	0.27%	(1.23)	-3.57%
Infrastructure Fund	54.57	0.47%	66.43	0.54%	11.86	21.72%
Cash & Other Assets	149.77	1.29%	122.80	1.00%	(26.97)	-18.01%
Net Assets Value	11,567.78	100.00%	12,306.15	100.00%	738.37	6.38%

The industry aggregate Net Asset Value (NAV) recorded a higher growth rate of 6.38% or **₦738.37 billion** to **₦12.31 trillion** as at 31 December 2020 due mainly to market valuation of quoted equities relative to the Net Asset Value of **₦11.57 trillion** as at 30 September, 2020. The growth in Q3:2020 was **₦481.99 billion** or 4.35%.

The value of investments in domestic quoted ordinary shares was **₦858.46 billion**, representing 7% of total Assets under Management as at 31 December 2020. This indicated an increase of **₦272.70 billion** or 46.55% compared to the **₦585.77 billion** recorded as at Q3, 2020. The increase was primarily due to the appreciation of some stock prices during the reporting period, as the Nigerian Stock Exchange All Share Index (NSE-ASI) appreciated by 50.09% from 26,831.76 bps as at 30 September 2020 to 40,270.72 bps as at 31 December 2020. Similarly, the Market Capitalization appreciated by 50.21%, from **₦14.02 trillion** as at 30 September to **₦21.06 trillion** as at 31 December 2020. The 50.09% performance of the NSE-ASI in Q4,2020 was therefore significantly higher than the 9.61% recorded in Q3 2020.

The value of investments in FGN Bonds increased by **₦743.41 billion** or 11.19%, Agency Bonds by **₦0.01 billion** or 0.11% and Green Bonds by **₦0.77 billion** or 5.89%. Conversely, investments in Treasury bills and FGN Sukuk bonds decreased by **₦152.35 billion** or 19.52% and **₦14.03 billion** or 13.04%, respectively. The decrease in the value of the Treasury Bills was due to maturities and re-allocation to other asset classes, mainly FGN Bonds.

3.3.2 Review of RSA Funds

RSA 'Active' Funds:

The Net Assets Value (NAV) of the RSA 'Active' Funds, which is comprised of the RSA 'Active' Funds I, II, III and V, was **₦8.34 trillion** as at 31 December 2020. This represented a net growth of **₦512.76 billion** or 6.55%, compared to the Net Asset Value (NAV) of **₦7.83 trillion** recorded as at 30 September, 2020.

The breakdown of the Net Assets Value of the RSA 'Active' Funds and the comparative variances for the period ended 30 September and 31 December 2020 are presented in Table 3.8 below:

Table 3.8: RSA 'Active' Fund Assets – Q3 and Q4 2020

ASSET CLASS	RSA ACTIVE FUND				Variance	
	Sep-20		Dec-20		Sep/Dec 2020	
	₦Billion	Weight %	₦Billion	Weight %	₦Billion	Weight %
Domestic Ordinary Shares	473.33	6.05%	704.05	8.44%	230.72	48.74%
FGN Securities:	5,194.02	66.34%	5,752.65	68.96%	558.62	10.76%
FGN Bonds	4,639.94	59.26%	5,328.06	63.87%	688.12	14.83%
Treasury Bills	440.51	5.63%	325.40	3.90%	(115.11)	-26.13%
Agency Bonds (NMRC)	9.82	0.13%	9.57	0.11%	(0.25)	-2.53%
SUKUK	91.57	1.17%	77.80	0.93%	(13.76)	-15.03%
GREEN	12.19	0.16%	11.81	0.14%	(0.37)	-3.07%
State Govt. Securities	103.75	1.33%	99.93	1.20%	(3.81)	-3.68%
Corporate Debt Securities	378.26	4.83%	425.84	5.10%	47.58	12.58%
Supra-National Bonds	0.67	0.01%	0.69	0.01%	0.02	2.79%
Local Money Market Securities	1,463.35	18.69%	1,195.72	14.33%	(267.63)	-18.29%
Foreign Money Market Securities	-	0.00%	0.00	0.00%	-	
Mutual Funds:	13.42	0.17%	25.19	0.30%	11.77	87.75%
Open/Close-End Funds	9.62	0.12%	20.14	0.24%	10.52	109.42%
REITs	3.80	0.05%	5.05	0.06%	1.25	32.88%
Private Equity Fund	20.99	0.27%	19.35	0.23%	(1.64)	-7.79%
Infrastructure Fund	43.79	0.56%	54.03	0.65%	10.23	23.37%
Cash & Other Assets	137.80	1.76%	64.69	0.78%	(73.11)	-53.05%
Net Assets Value	7,829.37	100%	8,342.13	100%	512.76	6.55%

The RSA Fund II, which is the default RSA Fund under the Multi-Fund Structure, is the largest Active RSA fund, representing 62% of all the RSA 'Active' Funds followed by the RSA Fund III comprising 37%. Table 3.9 provides a breakdown of the RSA Active Funds.

Table 3.9: RSA “Active” Funds – as at Q4 2020

RSA ACTIVE FUNDS AS AT 31 DECEMBER 2020		
Fund	N' Billion	Weight
RSA Fund I	35.13	0.42
RSA Fund II	5,186.44	62.17
RSA Fund III	3,120.49	37.41
RSA Fund V	0.07	0.00
Total	8,342.13	100.00

The major sources of the net portfolio growth/diminution of the RSA Active Funds between Q3 and Q4 2020 are highlighted in table 3.10 below:

Table 3.10: RSA “Active” Funds – Sources of Portfolio Growth between Q3 and Q4:2020

S/NO	SOURCES OF PORTFOLIO GROWTH	Q3: 2020	Q4: 2020	VARIANCE
		₦'Billion	₦'Billion	₦'Billion
1	New inflow of Funds:			
	Monthly Contributions/ Inter Fund Transfers	291.19	261.83	(29.36)
2	Investment Incomes:			
2.1	Interest/Coupons	194.61	178.21	(16.40)
2.2	Dividends/Rental Income	7.16	3.91	(3.25)
2.3	Net Realized Gains on Equity/Bonds	39.94	119.68	79.74
3	Net Unrealized Gains/(Losses) on Equities/Equity Funds	60.10	169.18	109.08
4	Net Unrealized Gains/(Losses) on Bonds	-	15.65	15.65
5	Benefits Paid/Transfers to Retiree Fund	(294.97)	(177.95)	117.02
6	Other Transfers/Remittances	(80.70)	(22.68)	58.02
7	Asset Based Fees, Audit Fees (and VAT)	(32.59)	(35.04)	(2.45)
	Net Portfolio Growth	184.74	512.78	328.04

i. Contributions Received

Monthly pension contributions totaling **₦261.83 billion** were received in Q4:2020 for the RSA Funds I, II, III and V. The amount represented a decrease compared to the total contributions of **₦291.19 billion** recorded in Q3:2020.

ii. Interest/Coupons and Dividends

The interests/coupons received on investments in fixed income securities amounted to **₦178.21 billion** in Q4:2020. The amount was lower than the sum of **₦194.61 billion** recorded in Q3:2020 due to reduction in yields on fixed income securities in the fourth quarter of 2020. Lower dividends totaling **₦3.91 billion** were received in Q4:2020 relative to **₦7.16 billion** received in Q3:2020.

iii. Net Realized Gains/(Losses) on Equity/Bonds:

The net realized gains on the sale of equities and bonds in Q4:2020 amounted to **₦119.68 billion**, compared to the realized gains of **₦39.94 billion** recorded in Q3:2020. This was mainly attributed to profit taking activities resulting from market appreciation in the prices of units held in these asset classes, during the period under review.

iv. Net Un-realized Gains/(losses) on Equities and Equity Funds:

Total unrealized gains on the RSA 'Active' Funds (Fund I, II & III) in Q4:2020 amounted to **₦169.18 billion** compared to unrealized gains of **₦60.10 billion** recorded in Q3:2020. The performance of the NSE-ASI, which recorded a growth of 50.09% in Q4:2020 compared to the growth of 9.61% recorded in Q3:2020 contributed to the increase in booking of unrealized gains. A significant proportion of the unrealized gains in Q4:2020 was attributed to increases in prices of the following stocks: Guaranty Trust Bank, Dangote Cement, Zenith Bank, Airtel Africa and Okomu Oil.

v. Transfers to RSA Retiree Funds and Benefits Payments

Total transfers from the RSA 'Active' Funds to the RSA Retiree Fund and payment of 25% unemployment benefits amounted to **₦177.95 billion**, which was lower, by **40%**, than the total outflows of **₦294.97 billion** in Q3:2020.

Portfolio Performance

The RSA Funds I, II and III earned significant returns within the quarter under review. The average rate of return for the RSA Funds I, II and III were 41%, 32% and 25%, respectively. This was significantly higher than the average rate of returns of 20.85%, 20.09% and 19.87% achieved by the respective Funds in Q3: 2020. The Average Rate of Return on the RSA 'Active' Funds in Q4:2020 net of asset based fees and taxes are shown in Table 3.11 below:

Table 3.11: RSA Funds - Average Rate of Return – Q4:2020

Fund	Q4:2020
	The Average Rate of Rtn. (Annualized)
RSA FUND I	41.49%
RSA FUND II	31.97%
RSA FUND III	25.23%
RSA FUND V	2.50%

The performances of the RSA Funds were positively impacted upon by appreciation in the market prices of quoted stocks as reflected by the return of 50.09% recorded by the NSE-ASI in Q4:2020. The performance of the equity portfolio was further reinforced by appreciation in bond prices as the FMDQ Nigeria Sovereign-Bond-Index further appreciated by 13.83% in Q4:2020 relative to an appreciation of 11.35% in Q3:2020.

RSA Retiree Funds:

The Net Assets Value of the RSA 'Retiree' Fund increased by **₦28.47 billion** from **₦934.19 billion** as at 30 September, 2020 to **₦962.66 billion** as at 31 December, 2020. The breakdown of the Net Assets Value of the RSA 'Retiree Fund' and the comparative variances for the period ended 30 September 2020 and 31 December 2020 are presented in Table 3.12 below:

Table 3.12: RSA 'Retiree' Fund Assets – Q3 and Q4:2020

ASSET CLASS	RSA RETIREE FUND				Variance Sept/Dec 2020	
	Sep-20		Dec-20		N' Billion	Weight %
	N' Billion	Weight %	N' Billion	Weight %		
Domestic Ordinary Shares	7,090.35	0.76%	10,866.53	1.13%	3,776.18	53.26%
FGN Securities:	635,566.67	68.03%	655,030.38	68.04%	19,463.71	3.06%
FGN Bonds	562,234.86	60.18%	598,011.15	62.12%	35,776.29	6.36%
Treasury Bills	62,483.68	6.69%	47,343.30	4.92%	(15,140.38)	-24.23%
Agency Bonds (NMRC & FMBN)	356.44	0.04%	353.86	0.04%	(2.58)	-0.72%
SUKUK	9,844.94	1.05%	8,753.99	0.91%	(1,090.95)	-11.08%
Green Bonds	646.75	0.07%	568.09	0.06%	(78.66)	-12.16%
State Govt. Securities	11,756.37	1.26%	10,749.52	1.12%	(1,006.85)	-8.56%
Corporate Debt Securities	63,063.85	6.75%	65,642.82	6.82%	2,578.97	4.09%
Supra-National Bonds	426.03	0.05%	437.87	0.05%	11.84	2.78%
Local Money Market Securities	202,283.58	21.65%	184,694.38	19.19%	(17,589.21)	-8.70%
Open/Close End Funds	398.12	0.04%	1,365.44	0.14%	967.31	242.97%
Cash & Other Assets	13,604.64	1.46%	33,872.79	3.52%	20,268.15	148.98%
Net Assets Value	934,189.61	100%	962,659.73	100%	28,470.12	3.05%

The major sources of the net portfolio growth/diminution of the RSA Retiree Fund between Q3 and Q4 2020 are presented in Table 3.13 below:

Table 3.13: RSA Retiree Fund - Major Sources of Portfolio Growth – Q3 and Q4:2020

S/NO	SOURCES OF PORTFOLIO GROWTH	Q3: 2020	Q4: 2020	VARIANCE
		₦'Billion	₦'Billion	₦'Billion
1	New inflow of Funds:			
	Transfers of RSA 'Active' balances/Accrued Rights	123.53	90.14	(33.39)
2	Investment Incomes:			
2.1	Interest/Coupons	23.03	21.00	(2.03)
2.2	Dividends	0.11	0.03	(0.08)
2.3	Net Realized Gains/(Losses) on Equities/Bonds	4.90	9.13	4.23
3	Net Unrealized Gains/(Losses) on Equities	2.41	2.48	0.07
4	Net Unrealized Gains/(Losses) on Bonds		(0.83)	(0.83)
5	Retirement Benefits Paid/Transfers	(104.12)	(90.99)	13.13
	Income Based Fees (and VAT)	(2.25)	(2.48)	(0.23)
	Net Portfolio Growth	47.62	28.47	(19.14)

i. Transfers from RSA Active Funds:

Transfers into the RSA Retiree Funds amounted to **₦90.14 billion** in Q4 2020, lower than **₦123.53 billion** recorded in Q3:2020. The lower Q4:2020 figures were attributable to lower amounts released for accrued rights of Federal Government retirees during the quarter compared to that in the previous quarter.

ii. Income (Interests/Coupons and Dividends):

Interests and coupons received on investments in fixed income instruments in Q4:2020 amounted to **₦21.00 billion**, slightly lower than **₦23.03 billion** recorded in Q3:2020 due to reduction in yields on investments in fixed income securities. Furthermore, lower dividends of **₦0.03 billion** were received on investments in ordinary shares in Q4:2020 compared to **₦0.11 billion** received as at 30 September, 2020.

iii. Net Unrealized Gains on Equities and/Equity Funds

Unrealized gains on Equities and Equity Funds was fairly stable as it amounted to **₦2.48 billion** in Q4:2020 compared to **₦2.41 billion** recorded in Q3 2020.

iv. Net Realized Gains/(Losses) on Equities and Bonds:

The Fund recorded an increased net realized gains of **₦9.13 billion** in Q4 2020 relative to **₦4.90 billion** recorded in Q3 2020. The gains were mostly attributed to profit taking activities during the period.

v. Retirement Benefits Paid

A total of **₦90.99 billion** was paid as retirement benefits in Q4:2020. This was lower than the **₦104.12 billion** paid in Q3 2020 by **₦13.13 billion**.

Portfolio Performance

The Average Annualized Rate of Return (ARR) on the RSA Fund IV ('Retiree' Fund) in Q4: 2020, was 19.63%. Compared to the ARR of 15.91% in Q3:2020, the Q4:2020 performance represented an improved performance. The improvement was attributed to gains from profit taking activities during the period.

3.3.3 Review of CPFA/AES Funds

CPFA Funds:

The value of pension fund assets held by the CPFA Funds recorded a net increase of **₦114.77 billion** or 7.96%, from **₦1.44 trillion** as at 30 September 2020 to **₦1.56 trillion** as at 31 December, 2020. The comparative summary of the CPFA Funds for the period ended 30 September, 2020 and 31 December, 2020 are presented in Table 3.14 below:

Table 3.14: Summary of CPFA Pension Assets – Q3 and Q4:2020

ASSET CLASS	CPFA FUNDS				Variance	
	Sep-20		Dec-20		Sep/Dec. 2020	
	₦'Billion	Weight %	₦'Billion	Weight %	₦'Billion	Weight %
Domestic Ordinary Shares	29.69	2.06%	39.10	1.91%	9.41	31.69%
Foreign Ordinary Shares	76.46	5.30%	92.92	5.17%	16.46	21.53%
FGN Securities:	845.46	58.61%	796.25	0.00%	(49.21)	-5.82%
FGN Bonds	818.47	56.74%	788.56	53.20%	(29.91)	-3.65%
Treasury Bills	25.78	1.79%	5.24	2.02%	(20.54)	-79.68%
Agency Bonds (NMRC)	0.43	0.03%	0.70	0.03%	0.27	61.97%
Sukuk Bonds	0.78	0.05%	0.77	0.05%	(0.01)	-0.93%
Green Bonds	0	0.00%	0.98	0.07%	0.98	100.00%
State Govt. Securities	18.68	1.29%	10.84	1.35%	(7.84)	-41.99%
Corporate Debt Securities	166.9	11.57%	275.18	17.98%	108.28	64.88%
Supra-National Bonds	0.24	0.02%	0.25	0.04%	0.01	3.60%
Local Money Market Securities	138.1	9.57%	111.09	5.26%	(27.01)	-19.56%
Foreign Money Market Securities	17.64	1.22%	18.69	1.06%	1.05	5.94%
Mutual Funds:	19.11	1.32%	53.43	0.00%	34.32	179.59%
Open/Close-End Funds	11.12	0.77%	53.43	1.06%	42.31	380.48%
REITs	7.99	0.55%	-	0.70%	(7.99)	-100.00%
Real Estate Properties	103.39	7.17%	125.23	8.46%	21.84	21.13%
Private Equity Fund	13.34	0.92%	13.75	0.97%	0.41	3.08%
Infrastructure Fund	8.28	0.57%	8.43	0.62%	0.15	1.76%
Cash & Other Assets	5.31	0.37%	12.22	0.05%	6.91	130.11%
Net Assets Value	1,442.60	100.00%	1,557.37	100.00%	114.77	7.96%

The major sources of net portfolio growth/(diminution) for the period are presented in Table 3.15 below:

Table 3.15: CPFA Funds - Sources of Portfolio Growth (Diminution) -Q4:2020

S/N	SOURCES OF PORTFOLIO GROWTH	Q3: 2020	Q4: 2020	VARIANCE
		N'Billion	N'Billion	N'Billion
1	New inflow of Funds:			
	Fund Injections by Scheme Sponsors/Contributions	14.31	17.34	3.03
2	Investment Incomes:	-	-	-
2.1	Interest/Coupons	25.05	24.41	-0.64
2.2	Dividends/Rental Income	1.79	1.78	-0.01
2.3	Other Income	-0.04	1.05	1.09
2.4	Gains/(losses) on foreign exchange	-3.47	19.95	23.42
2.5	Net Realized Gains/(Losses) on Equity/Bonds	0.21	1.28	1.07
3	Net Unrealized Gains/(Losses) on Equities/Bonds	57.1	66.18	9.08
4	Benefit Payments	-22.12	-15.76	6.36
5	Asset Based Fees, Audit Fees (and VAT)	-1.76	-1.46	0.3
	Net Portfolio Growth	71.07	114.77	43.7

The total funds injected by the various Scheme sponsors to bridge funding deficits and members' contributions (for contributory schemes) amounted to **N17.34 billion**, representing an increase of **N3.03 billion**, compared to **N14.31 billion** in Q3:2020. Interest incomes marginally declined by **N0.64 billion** to **N24.41 billion** in Q4:2020, compared to **N25.05 billion** in Q3:2020. The decline was due to lower yields on investments in Fixed Income Securities during the period. However, the fund recorded significant foreign exchange gains in Q4:2020 amounting to **N19.95 billion** compared to the loss of **N3.47 billion** recorded in Q3:2020.

The annualized rates of return recorded on the CPFA Funds ranged between 13.00% to 45.36%. The returns were reflective of the actual assets allocation of the individual Funds. The Funds with relatively higher exposure to Equity/Equity Funds and Foreign Currency denominated Assets recorded higher performances, compared to Funds with more investments in fixed income assets.

Approved Existing Schemes:

The Net Assets Value of the Approved Existing Schemes increased by **N80.63 billion** or 6.75% from **N1.19 trillion** as at 30 September 2020 to **N1.27 trillion** as at 30 December, 2020. The breakdown of the Net Asset Values of the Approved Existing Schemes as at 30 September 2020 and 31 December 2020 and their resultant variances are presented in Table 3.16 below:

Table 3.16: Summary of AES Pension Assets – Sept vs Dec.2020

ASSET CLASS	AES FUNDS				Variance Sept/Dec 2020	
	Sept.2020		31-Dec-20			
	N' Billion	Weight %	N' Billion	Weight %	N' Billion	Weight %
Domestic Ordinary Shares	75.66	6.34%	104.45	6.11%	28.79	38.05%
FGN Securities:	710.13	59.48%	757.38	59.65%	47.25	6.65%
FGN Bonds	620.43	51.97%	669.91	48.69%	49.48	7.97%
Treasury Bills	84.10	7.04%	80.80	10.52%	(3.30)	-3.92%
SUKUK	5.39	0.45%	6.22	0.43%	0.83	15.41%
Green Bond	0.21	0.02%	0.45	0.03%	0.24	115.69%
State Govt. Securities	16.15	1.35%	15.07	1.43%	(1.08)	-6.68%
Corporate Debt Securities	62.22	5.21%	69.67	5.36%	7.45	11.98%
Local Money Market Securities	205.26	17.19%	195.97	15.87%	(9.29)	-4.53%
Mutual Funds:	2.20	0.18%	1.77	0.00%	(0.42)	-19.21%
Open/Close-End Funds	2.06	0.17%	1.64	0.13%	(0.42)	-20.51%
REITs	0.13	0.01%	0.13	0.02%	-	0.00%
Real Estate Properties	114.19	9.56%	114.32	9.86%	0.13	0.11%
Private Equity Fund	0.13	0.01%	0.13	0.01%	0.00	1.16%
Infrastructure Fund	2.50	0.21%	3.77	0.25%	1.27	50.64%
Cash & Other Assets	5.49	0.46%	12.01	1.32%	6.52	118.84%
Net Assets Value	1,193.93	100.00%	1,274.55	100.00%	80.63	6.75%

The major sources of the net portfolio growth/diminution for the period are presented in Table 3.17 below.

Table 3.17: AES Funds - Sources of Portfolio Growth/Dimunition – Q4:2020

SOURCES OF PORTFOLIO GROWTH	Q3: 2020	Q4: 2020	VARIANCE
	N'Billion	N'Billion	N'Billion
New inflow of Funds:			
Fund Injections by Scheme Sponsors/Contr	14.52	51.23	36.71
Investment Incomes:		-	
Interest/Coupons	20.07	40.27	20.20
Dividends/Rental Income	0.97	2.08	1.11
Other Income	7.72	(0.16)	(7.88)
Net Realized Gains/(Losses) on Equity/Bon	8.13	(14.69)	(22.82)
Net Unrealized Gains/(Losses) on Equities/Bonds	5.01	8.17	3.16
Benefit Payments	(16.24)	(2.92)	13.32
Other Transfers/Remittances	(4.56)	(0.31)	4.25
Asset Based Fees, Audit Fees (and VAT)	(1.20)	(3.01)	(1.81)
Net Portfolio Growth	34.42	80.63	46.21

The net increase in the total portfolio value of the AES Funds was mainly due to fund injections totaling **N51.23** billion by the fund sponsors as well as a higher amount of income earned on fixed income investments during the quarter under review. The annualized rates of return recorded on the AES Funds ranged between 10.40% and 19.31% in Q4:2020, which were reflective of the actual assets allocation of the individual Funds.

3.4 Retirement/Terminal Benefits

3.4.1 Retirees on Programmed Withdrawal (PW)

The Commission granted approval for **11,374** requests, comprising **5,681** public (FGN & States) and **5,693** private sector retirees to draw pension through the Programmed Withdrawal mode during the quarter under review. These retirees received a total lump sum of **N32,631,748,404.55** while their total monthly pension amounted to **N455,487,074.25** as shown in Table 3.18 below:

Table 3.18: Retirement by Programmed Withdrawal During the Q4 2020

Period	Sectorial Approvals			Total	Lump sum (N)	Monthly PW (N)
	FGN	State	Private			
Oct - Dec, 2020	3,949	1,732	5,693	11,374	32,631,748,404.55	455,487,074.25

3.4.2 Retirement by Annuity

The Commission granted approval to **1,596** retirees under the Retiree Life Annuity during the quarter under review. A total lump sum of **N6,284,179,444.33** was approved for payment to the retirees, while the sum of **N10,115,855,000.10** was approved for payment to **14** Retiree Life Providers as premium in return for total monthly/quarterly annuities of **N111,677,547.01** as reflected in Table 3.19 below:

Table 3.19 Retirement by Annuity During the Q4 2020

Period	Sectorial Approvals			Total	Lumpsum (N)	Premium (N)	Annuity (N)
	FGN	State	Private				
Oct-Dec, 2020	669	140	787	1,596	6,284,179,444.33	10,115,855,000.10	111,677,547.01

3.4.3 Approval of Death Benefits

During the quarter under review, approvals were granted for payment of death benefits amounting to **₦10,786,191,914.01** to the legal named beneficiaries/Administrators of **2,278** deceased employees and retirees, (comprising **1,582** public (FGN & State) and **696** private sector) as summarized in Table 3.20 below.

Table 3.20: Approval of Death Benefit During the Q4 2020

Period	Sectorial Approvals			Total	Total Amount Paid (₦)
	FGN	State	Private		
Oct-Dec, 2020	1,150	432	696	2,278	10,786,191,914.01

Note that the Total Amount paid is exclusive of Group Life Insurance

3.4.4 Enbloc Payment of Retirement Benefits

During the quarter under review, the Commission granted approval for Enbloc payment of retirement benefits to **3,499** retirees whose RSA balances were **₦550,000.00** or below and considered insufficient to procure Programmed Withdrawal or Retiree Life Annuity of a reasonable amount for an expected life span. In this regard, a total sum of **₦848,920,264.47** was paid to the **3,499** retirees comprising **200** public (FGN & State) and **3,299** private sector retirees.

Table 3.21: Enbloc Payment of Retirement Benefits During Q4: 2020

Period	Sectorial Approvals			Total	Amounts (₦)
	FGN	State	Private		
Oct-Dec, 2020	41	159	3,299	3,499	848,920,264.47

3.4.5 Withdrawal of 25 percent from RSA Balances

The Commission granted approval for the payment of **₦5,329,821,662.44** to **11,796** RSA holders under the age of 50 years, who were disengaged from work and unable to secure jobs within four months as shown in Table 3.22 below:

Table 3.22: Withdrawal of 25% from RSA Balance During Q4 2020

Period	Sectorial Approvals			Total	Amount (N)
	FGN	State	Private		
Oct - Dec, 2020	181	624	10,991	11,796	5,329,821,662.44

3.4.6 Voluntary Contributions

During the quarter under review, the Commission granted approval to **924** contributors for the withdrawal of voluntary contributions amounting to **₦1,011,283,273.66** as shown in Table 3.23 below.

Table 3.23 Accessing Voluntary Contributions During Q4:2020

Period	Sectorial Approvals			Total	Total RSA balance (N)
	FGN	State	Private		
Oct-Dec, 2020	1	0	923	924	1,011,283,273.66