



**NATIONAL PENSION COMMISSION  
(PenCom)**

**SECOND-QUARTER 2021  
REPORT**

## **MISSION STATEMENT**

### *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*

June 2021

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## SECTION ONE

### Pension Operating Environment

#### 1.1 Macroeconomic Development

The Nigerian Gross Domestic Product (GDP) grew by 5.01% year-on-year (Yr-o-Yr) in real terms in the second quarter of 2021, resulting in three consecutive quarters of growth following the negative growth recorded in the second and third quarters of 2020. The growth rate was greater than 0.51% recorded in Q1: 2021, indicating improvement in commercial activities to a level comparable to what was obtainable before the implementation of nationwide restrictions occasioned by the Global Corona Virus Pandemic (COVID-19). On a quarter-on-quarter basis, however, real GDP witnessed a slight decline of -0.79% in Q2: 2021 compared to Q1: 2021, which indicated a slightly slower economic activity in Q2: 2021 compared to the preceding quarter.

In the quarter under review, aggregate GDP stood at ₦39,123,713.32 million in nominal terms, higher than aggregate GDP of ₦34,023,197.60 million recorded in Q2: 2020, indicating a Yr-o-Yr nominal growth rate of 14.99%. The nominal GDP growth rate in Q2: 2021 was higher than -2.80% growth recorded in Q2 2020 when economic activities slowed sharply at the outset of the pandemic. The Q2: 2021 nominal growth rate was also higher than 12.25% growth recorded in Q1: 2021.

Figures from the National Bureau of Statistics (NBS) revealed that Headline Inflation (Yr-o-Yr) has been on a declining trajectory since the end of Q1: 2021 when inflation was 18.17%. Inflation subsequently declined to 18.12% in April 2021, 17.93% in May 2021 and 17.75% in June 2021. Similarly, the food index fell to 21.83% (Yr-o-Yr) from 22.95% in March 2021. However, Core Inflation, which excludes the price of Agricultural Goods, stood at 13.09% (Yr-o-Yr), up from 12.67% in March 2021.

*National Bureau of Statistics: Nigeria Gross Domestic Products Report Q2: 2021*

#### 1.2 Developments in the Capital Market

##### 1.2.1 The Stock Market

Activities in the Nigerian Stock Market witnessed a decline in Q2: 2021 compared to Q1: 2021 as the Nigerian Stock Exchange All Share Index (NSE-ASI) and Market Capitalization closed the quarter at 37,907.28 points and ₦19.76 trillion compared to 39,045.13 points and 20.43 trillion at the end of Q1: 2021, signifying a decrease of 2.91% and 3.28%, respectively.

In Q2: 2021, trading activities increased compared with Q2 2020 as the total volume and value of traded securities rose by 226% and 120%, respectively. The average daily value traded witnessed a 119.64% increase from ₦4.15 million recorded in Q2 2020 to ₦9.12 million during the period under review. Similarly, the average daily volume of securities traded grew from 1.41 million to 4.58 million units, representing a 226% growth in Q2: 2021.

*Nigerian Stock Exchange*

### **1.2.2 The Bond Market**

According to the S&P/FMDQ Sovereign Bond Index, which track the performance of sovereign debt publicly issued by the Federal Government of Nigeria, bond price as at 30 June 2021 (Q2: 2021) was 532.98 basis points compared to 558 basis points as at 31 March 2021 (Q1: 2021). The index price in Q2: 2021 was a 4.48% decrease from the price in Q1: 2021. Conversely, yield to maturity rose by 20.20% from 9.90% in Q1: 2021 to 11.90% in Q2: 2021.

*S&P/FMDQ Sovereign Bond index*

## 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 Pension Operators

The Commission commenced the 2021 Routine Examination of Pension Fund Operators (PFOs) in accordance with Section 92 of the Pension Reform Act (PRA) 2014. As at 30 June 2021, the Commission had examined eight (8) PFOs.

##### 2.1.2 Appointment to Board Positions

The Commission approved the appointment of Board members by seven (7) Pension Fund Operators during the quarter under review. The appointees are:

S/N	Name of Appointee	Operator	Position
1	Mohammed Y. Umar	UBA PFC Ltd	INED
2	Ugochukwu A. Nwaghodoh		NED
3	Abayomi Adesope	Leadway Pensure	ED, Operations
4	Olanrewaju Idris		MD/ CEO
5	Sanusi N. Lemu	NPF Pensions Ltd	NED
6	Zubairu Abdullahi		NED
7	Musa Nasr	Trustfund	MD/CEO
8	Eno Adetayo-Olugbemi		ED, Bus & Personnel Admin
9	Uche Modestus Ihechere		ED, Finance & Benefit Admin
10	Franklin N. Ngwu	Access PFC Ltd	INED
11	Elohor Aiboni	Shell Nig. CPFA	NED
12	Ifeoma Uba-Onubogu	Investment One	CSLA

##### 2.1.3 Other Regulatory and Supervisory Activities

During the quarter under review, the Commission granted 'No Objection' to acquire 100% shareholding of Investment One Pension Managers Limited by Guaranty Trust Holding Company Plc (GTHC Plc). Similarly, the Commission granted "No Objection" to FCMB Pensions Limited for the next phase of acquiring 60% shareholdings of AllCO Pension Managers Limited.

## **2.2 Update on Compliance by the Public and Private Sectors**

### **2.2.1 Issuance of Pension Clearance Certificates**

The Commission received 10,700 applications from private sector organizations to issue Pension Clearance Certificates (PCCs). Out of this number, PCCs were issued to 10,417 organizations, while 283 applications were in the approval process as at 30 June 2021. The records showed that 10,417 organizations had remitted a total sum of ₦38,371,405,936.56 into the Retirement Savings Accounts of their employees totaling 127,483.

### **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 were established by the Recovery Agents (RAs), the sum of ₦398,006,984.46 representing principal contribution (₦243,396,311.27) and penalty (₦154,610,673.19) were recovered from 31 defaulting employers during the quarter under review. Meanwhile, 19 defaulting employers have been recommended for appropriate legal action.

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

During the quarter under review, the Commission granted approval for the refund of ₦6,708,448.96 to 57 personnel of the Military and other Security Agencies who were exempted from the Contributory Pension Scheme (CPS).

### **2.2.4 Supervision of the Pension Transitional Arrangement Directorate (PTAD)**

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. The Commission received six (6) complaints regarding the DBS during the quarter. Four (4) of these complaints were subsequently forwarded to PTAD for resolution, while the other two (2) were directly resolved by the Commission.

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

During the quarter under review, the Commission received applications for transfer of NSITF contributions on behalf of 332 NSITF contributors. Approval was granted to transfer ₦17,026,367.10 to the Retirement Savings Accounts (RSAs) of 298 members. On a similar note, the Commission approved monthly pensions in the sum of ₦62,327,832.97 to 3,629 NSITF pensioners.



## 2.3 Compliance by State Governments

### 2.3.1 Status of Implementation of the CPS and other Schemes

As at Q2: 2021, 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 1 below:

**Table 1 Status of Implementation of the CPS by States**

STATUS OF IMPLEMENTATION OF THE CPS IN STATES AND FCT AS AT JUNE 2021										
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	7	9	6	5	5	2	5
KWARA	LAGOS	LAGOS	LAGOS	LAGOS	LAGOS	LAGOS	LAGOS	LAGOS	KEBBI	JIGAWA
PLATEAU	FCT	FCT	FCT*	FCT	FCT	FCT	FCT	FCT	RIVERS	KANO
RIVERS	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		NIGER					
	BENUE	BENUE	BENUE		EKITI					
	KEBBI	KEBBI	ANAMBRA*							
	NIGER	NIGER								
	RIVERS	RIVERS								
	OGUN	OGUN								
	BAYELSA	BAYELSA								
	KOGI	KOGI								
	ANAMBRA									
	ABA									
	TARABA									
	IMO									
	SOKOTO									
	ADAMAWA									
	EBONYI									
	NASARAWA									
	ENUGU									
	OYO									
KEY										
* States with backlog in remittance										
***States implementing CDBS										

### **2.3.2 Update on Sensitization/Capacity Building Workshops and Engagements**

The Commission carried out sensitization workshops, capacity-building programs, and stakeholder engagement meetings during the quarter under review. The activities include:

- i. A meeting with the Executive Governor of Plateau State to review the steps taken by the State towards implementing the CPS.
- ii. An interactive meeting with the newly constituted Bayelsa State Technical Committee on the Implementation of the CPS. The meeting was to guide the Committee on the road map to implementing the CPS in the State.
- iii. Engagement meetings with the Executive Governors of Edo, Ondo and Osun States to drive the implementation of the CPS in these States.
- iv. An enlightenment workshop on the RSA Transfer System for employees of the National Orientation Agency, Ilorin.
- v. A virtual sensitization/enlightenment workshop on the workings of the CPS for the Management and staff of the Livestock Feeds Plc.
- vi. A two-day workshop for Pension Desk Officers of the 6 Area Councils and Local Government Education Authorities of the Federal Capital Territory (FCT), Reconciliation Committee, and the FCT Area Council Pension Board staff. The workshop guided the participants on how to detect incorrect/shared PINs in pension contribution schedules.
- vii. An enlightenment programme on the workings of the RSA Transfer System (RTS) for the Management and staff of thirteen (13) Ministries, Departments and Agencies (MDAs) of Ekiti State. The programme apprised participants on the workings of the RTS as well as the importance of Data recapture.
- viii. An enlightenment programme on the CPS for the Management and staff of the Federal Character Commission, National Human Rights Commission, Lafarge Africa Limited, and the Senior Staff Association of Chemical & Non-Metallic Products Limited. The programme touched on the role/responsibilities of the employees, employers and the modes of withdrawal, amongst others.

## 2.4 Update on the Micro Pension Plan

### 2.4.1 Micro Pension Registration and Contribution

Nineteen (19) PFAs registered 3,555 contributors under the Micro Pension Plan (MPP) during the quarter under review.

### 2.4.2 Contingent Withdrawals

Six (6) PFAs processed and approved requests for contingent withdrawals amounting to ₦1,992,674.30 from nine (9) MPP contributors during the quarter, as shown in Table 2 below:

Table 2 Contingent Withdrawals During Q2: 2021

Period	No. of PFAs	No. of Contributors	Amount Withdrawn (N)	Cumulative (N) (from Inception to 30 June 2021)
Apr - Jun. 2021	6	9	1,992,674.30	8,656,080.52

### 2.4.3 Conversion from MPP to CPS

During the quarter, twenty-seven (27) Micro Pension Participants converted to the Mandatory CPS and the sum of ₦834,172.19 was transferred to their respective RSAs. In addition, seventeen (17) Micro Pension Contributors converted the contingent portions of their RSAs amounting to ₦703,922.90 to retirement benefits.

## 2.5 Update on RSA Registrations

### 2.5.1 RSA Membership Count by PFA

The PFAs registered a total of 83,173 RSAs during the quarter under review. This brought the cumulative RSA registrations from inception to 9,383,204 as at 30 June 2021. Table 3 below provides further details.

Table 3 RSA Membership Count by PFAs

SN	PFA	RSA Count as at 30 June 2021	Weight (%)
1	AllCO Pension Managers Limited	252,245	2.7
2	Apt Pension Funds Managers Limited	191,866	1.6
3	ARM Pension Managers (PFA) Limited	800,715	8.9
4	Crusader Sterling Pensions Limited	353,657	3.8
5	FCMB Pensions Limited	449,802	4.8
6	Fidelity Pension Managers Limited	313,850	3.3
7	First Guarantee Pension Limited	273,773	2.9
8	IEI-Anchor Pension Managers Limited	147,007	1.6

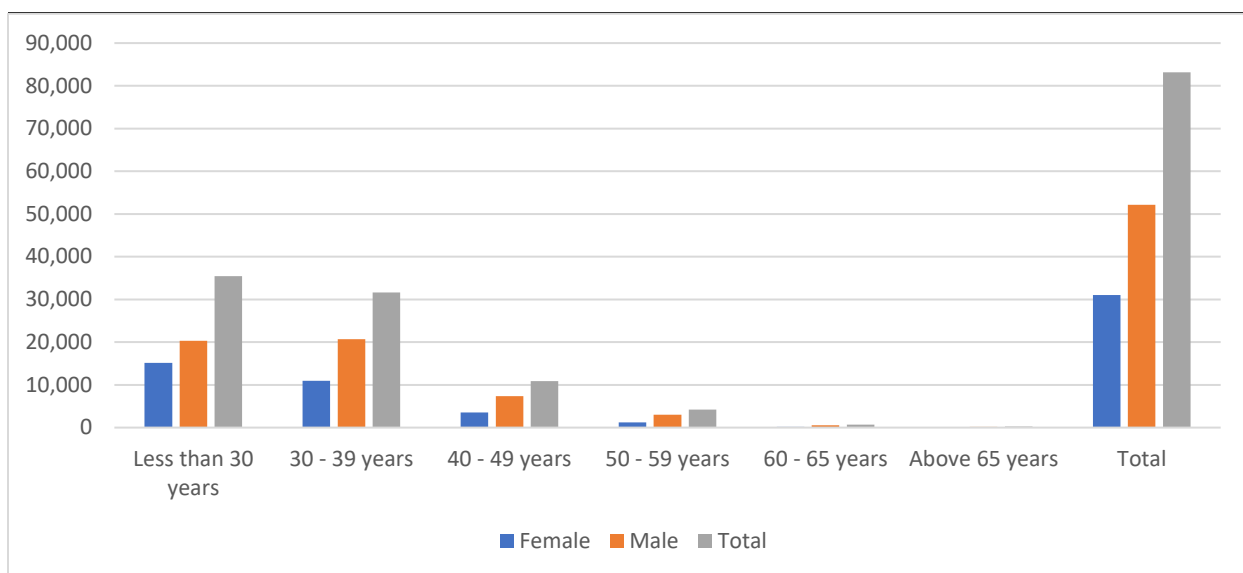
SN	PFA	RSA Count as at 30 June 2021	Weight (%)
9	Investment-One Pension Managers Limited	83,273	0.9
10	Leadway Pensure PFA Limited	649,178	6.9
11	Nigerian University Pension Management Co	333,215	0.3
12	NLPC Pension Fund Administrators Limited	296,739	3.5
13	NPF Pension Fund Managers	24,092	3.2
14	Oak Pensions Limited	214,709	2.3
15	Pensions Alliance Limited	576,407	6.2
16	Premium Pension Limited	743,084	7.9
17	Radix Pension Managers Limited	36,124	0.4
18	Sigma Pensions Limited	739,041	7.9
19	Stanbic IBTC Pension Managers Limited	1,896,654	20.2
20	Tangerine Pension Limited	91,815	1.0
21	Trustfund Pensions Limited	767,475	8.2
22	Veritas Glanvills Pensions Limited	148,483	1.6
	Total	9,383,204	100

## 2.5.2 Gender and Age Distribution

A review of RSA registrations in the quarter showed that about 82% of registered individuals were below 40 years of age, which points to the increasing sustainability of the CPS as younger individuals register under the Scheme. Further analysis of the gender distribution revealed that 63% of those registered RSA holders were male, while 37% were female. The table and chart below provide details on the age and gender distribution of the registrations during the quarter.

**Table 4 Gender and Age Distribution of RSA Membership**

Age	Quarter ended 30 June 2021				Inception to 30 June 2021			
	Female	Male	Total	(%)	Female	Male	Total	(%)
Less than 30 years	15,158	20,308	35,466	42.4	1,090,318	2,297,532	3,387,850	36.1
30 - 39 years	10,952	20,685	31,637	39.8	1,034,945	2,406,181	3,441,126	36.7
40 - 49 years	3,519	7,380	10,899	12.6	508,615	1,252,133	1,760,748	18.7
50 - 59 years	1,232	2,993	4,225	4.3	163,366	539,252	702,618	7.5
60 - 65 years	141	574	715	0.7	7,532	56,363	63,895	0.7
Above 65 years	34	197	231	0.3	3,628	23,339	26,967	0.3
Total	31,036	52,137	83,173	100	2,808,404	6,574,800	9,383,204	100
Percentage (%)	37	63	100		30	70	100	



**Figure 1 Age and Gender Distribution of RSA Registration Count for Q2: 2021**

### 2.5.3 Employer Code Generation

The Commission generated a total of 3,026 employer codes during the quarter under review. The Private Sector accounted for 91%, while the Public Sector accounted for only 7% of the total employer codes generated during the review period. Table 5 below shows the details of the employer codes generated within the period under review.

**Table 5 Employer Codes Generation for Q2: 2021**

SN	Employer Code Type	Description	Employer Code Count Quarter ended 30 June 2021	Weight (%)	Total Employer Code Count Inception to 30 June 2021	Weight (%)
1	PR	Private Registered Companies (i.e. Ltd and Plc)	2,756	91.1	227,010	85.3
2	BR	Business Registrations (i.e. Law Firms, Hospitals,	226	7.5	17,839	6.7
3	NG	Non-Governmental Organizations	40	1.3	2,435	0.9
4	PU	Federal Government	1	0.0	965	0.4
5	ST	State Governments	0	0.0	15,059	5.7
6	UN	Unions/Association	3	0.1	2,669	1.0
7	FR	Foreign Agencies	0	0.0	27	0.0
8	EM	Embassies	0	0.0	88	0.0
9	MP	Micro Pension Plan	0	0.0	69	0.0
10	CB	Cross Border	0	0.0	0	0.0
Total			3,026	100	266,161	100

#### **2.5.4 Update on the RSA Transfer System (RTS)**

During the First Transfer Quarter of 2021, 12,681 RSA holders initiated RSA transfers in the first RSA Transfer. All the RSAs were transferred to their new PFAs along with their Pension Assets valued at ₦47,778,631,048.65. In addition, 10,167 RSA holders initiated RSA transfer requests from 1 April to 30 June 2021. The actual transfer of the RSAs will be processed in the first week of July 2021.

## SECTION THREE

### Pension Industry Statistics

#### 3.1 Schemes Membership

The pension industry recorded a marginal growth of 0.89% (83,146) in schemes membership during the quarter under review, rising from 9.36 million members at the end of Q1: 2021 to 9.44 million as at Q2: 2021. The growth in the industry membership was driven solely by the RSA Scheme, which had an increase of 83,146 registered contributors. Membership of the Closed Pension Fund Administrator (CPFA) Schemes and Approved Existing Schemes (AES) remained unchanged as at Q2: 2021. The details of the trend in schemes' memberships are shown in Table 6 below:

**Table 6 Schemes Membership as at Q2: 2021**

SCHEME	Q3:2020	Q4:2020	Q1: 2021	Q1: 2021	Change (Q1: 2021 vs Q1: 2021)	
					RSAs	Weight (%)
RSA	9,147,039	9,215,788	9,300,058	9,383,204	83,146	0.89
CPFA	16,971	14,926	14,926	14,926	0	0
AES	40,951	40,951	40,951	40,951	0	0
<b>TOTAL</b>	<b>9,204,961</b>	<b>9,271,665</b>	<b>9,355,935</b>	<b>9,439,081</b>	<b>83,146</b>	<b>0.89</b>

##### 3.1.1 Membership of RSA

The cumulative RSA registrations grew from 9,300,058 recorded in Q1: 2021 to 9,383,204 as at the end of Q2: 2021, representing a 0.89% growth, mainly attributed to an increased level of compliance by the public and private sectors.

##### 3.1.2 PFA Market Share by RSA Registration

The ranking of PFAs by the number of registered contributors as at the end of Q2: 2021 showed an increase in the market share of the bottom three PFAs from 1.60% in Q1: 2021 to 4.5% in Q2: 2021. Similarly, the bottom five PFAs recorded a slight increase in the number of registered RSAs from 4.2% in Q1: 2021 to 7.1% in Q2: 2021. In the same vein, the bottom ten PFAs recorded a marginal increase from 15.30% in Q1: 2021 to 18.2% in Q2: 2021.

The market share of the top three remained unchanged at 37.30% in Q2: 2021, while the top 5 PFAs also maintaining their market share of 53.10% as recorded in Q1: 2021. The market share of the top ten PFAs marginally declined from 78.30% in Q1: 2021 to 75.1% as at Q2: 2021. The details of the market share distribution by RSA registration are as shown in Table 7 below.

**Table 7 RSA Registration by Market Share**

<b>PFA Ranking</b>	<b>Q1: 2021 (%)</b>	<b>Q2: 2021</b>	<b>Variance</b>
Top 3	37.30	37.30	-
Top 5	53.10	53.10	-
Top 10	78.30	75.10	(3.20)
Bottom 3	1.60	4.50	2.90
Bottom 5	4.20	7.10	2.90
Bottom 10	15.30	18.20	2.90

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 Q2: 2021. Table 8 below shows the details of the range of RSA registrations.

**Table 8 Range of RSA Registration by PFAs as at 30 June 2021**

<b>Range of RSA Registrations</b>	<b>Number of PFAs</b>
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 AES**

The CPFA and AES schemes' total membership was 14,926 and 40,951, respectively as at the end of Q1: 2021. These figures remained unchanged as at the end of Q2: 2021.

### **3.2 Pension Contributions**

The total pension contributions remitted to individual RSAs in Q2: 2021 stood at N195.08 billion. Out of this total, the public sector accounted for N97.17 billion or 49.81%, while the private sector contributed N97.91 billion or 50.19%. The cumulative pension contributions from inception to the end of the second quarter of 2021 amounted to N7.10 trillion, which is an increase from N6.70 trillion as at the end of Q1: 2021. Details of the pension contributions remitted into the RSAs are shown in Table 9 below:



**Table 9 Pension Contributions as at Q2: 2021**

Total Contribution from Inception to date									
Year/Qtr	Public Sector			Private Sector			Total		
	Amount (₦ billion)	Actual Growth (Yr-on-Yr)	% Growth (Yr-on Yr)	Amount (₦ billion)	Actual Growth (Yr-on-Yr)	% Growth	Amount (₦ billion)	Actual Growth (Yr-on-Yr)	% Growth
2004	15.60	-	-	-	-	-	15.60	-	-
2005	34.68	19.08	122.31	-	-	-	34.68	19.08	122.31
2006	37.38	2.70	7.79	23.03	23.03	-	60.41	25.73	74.19
2007	80.63	43.25	115.70	68.34	45.31	196.74	148.97	88.56	146.6
2008	99.28	18.65	23.13	80.81	12.47	18.25	180.09	31.12	20.89
2009	137.10	37.82	38.09	91.21	10.40	12.87	228.31	48.22	26.78
2010	162.46	25.36	18.50	103.03	11.82	12.96	265.49	37.18	16.28
2011	228.92	66.46	40.91	119.53	16.50	16.01	348.45	82.96	31.25
2012	302.24	73.32	32.03	159.52	39.99	33.46	461.76	113.31	32.52
2013	278.50	(23.74)	(7.85)	225.42	65.90	41.31	503.92	42.16	9.13
2014	237.76	(40.74)	(14.63)	343.97	118.55	52.59	581.73	77.81	15.44
2015	200.05	(37.71)	(15.86)	358.91	14.94	4.34	558.96	(22.77)	-3.91
2016	225.86	25.81	12.90	262.33	(96.58)	-26.91	488.20	(70.76)	-12.66
2017	257.11	31.24	13.83	353.73	91.39	34.84	610.84	122.64	25.12
2018	266.84	9.73	3.78	340.72	(13.01)	-3.68	607.55	(3.28)	-0.54
2019	331.56	64.73	24.26	369.13	28.41	8.34	700.69	93.14	15.33
2020	536.97	205.41	61.95	371.12	1.99	0.54	908.09	207.40	29.60
Q1:2021	115.83			87.27			203.10		
Q2:2021	97.17			97.91			195.08		
<b>Total</b>	<b>3,645.94</b>			<b>3,455.98</b>			<b>7,101.93</b>		

The aggregate pension contributions of the public sector increased from ₦3.55 trillion to ₦3.65 trillion as at the end of Q1: 2021. Similarly, the aggregate pension contributions of the private sector also increased from ₦3.36 trillion to ₦3.46 trillion as at Q2: 2021.

### 3.2.1 Ranking of PFAs by the Amount of Contributions Received

The ranking of PFAs by cumulative pension contributions received from inception of the CPS to the end of Q2: 2021 indicated that the top 5 ranked PFAs received 65.12% of the total contributions as at the end of Q2: 2021. Similarly, the top 10 ranked PFAs accounted for 86.63% of the total contributions. In comparison, the bottom 5 and bottom 10 PFAs accounted for 3.98% and 11.98% of the total pension contributions, respectively.

**Table 10 PFA Ranking by Size of Contributions during Q2: 2021**

RANK	AMOUNT	WEIGHT (%)
TOP 5	127,045,541,349.99	65.12
TOP 10	163,155,175,690.13	83.63
BOTTOM 5	7,766,819,104.51	3.98
BOTTOM 10	23,379,834,533.00	11.98

### 3.3 Overview of the Pension Industry Fund Portfolio

#### 3.3.1 Pension Fund Portfolio

The total value of Pension Fund assets as at 30 June 2021 was ₦12.66 trillion. The amount comprised ₦8.92 trillion in RSA 'Active' Funds (i.e., RSA Funds I, II, III and V); ₦990.51 billion in RSA Retiree Fund; ₦1.46 trillion in CPFAs; and ₦1.29 trillion in Approved Existing Schemes (AES) Funds.

Pension Fund Assets were mainly invested in Federal Government Securities (FGN), accounting for 66.96% of total assets. The composition of investments in FGN Securities were as follows: FGN Bonds: 92.20%; Treasury Bills: 6.47%; and Agency Bonds, Sukuk and Green Bonds accounting for 1.33%. Table 3.6 below shows the summary of the Pension Industry Portfolio across fund types for the quarter ended 30 June 2021.

**Table 11 Pension Fund Portfolio by Fund Type as at 30 June 2021**

	RSA FUNDS		CPFAs	AES	TOTAL PENSION FUND ASSETS	WEIGHT (%)
	RSA ACTIVE FUND	RSA RETIREE FUND (IV)				
	(I,II,III,V)					
<b>% OF PENSION ASSETS</b>	<b>70%</b>	<b>8%</b>	<b>12%</b>	<b>10%</b>	<b>100%</b>	
<b>ASSET CLASS</b>	<b>₦'Million</b>	<b>₦'Million</b>	<b>₦'Million</b>	<b>₦'Million</b>	<b>₦'Million</b>	
Domestic Ordinary Shares	698,355.12	9,634.56	37,303.15	97,904.30	843,197.13	6.66
Foreign Ordinary Shares	-	-	105,191.43	-	105,191.43	0.83
FGN Securities:	6,239,461.25	722,618.79	759,678.69	753,139.39	8,474,898.12	66.96
<i>FGN Bonds</i>	5,717,322.02	660,648.88	736,398.10	699,818.06	7,814,187.05	61.74
<i>Treasury Bills</i>	423,106.87	54,665.35	21,298.36	49,061.83	548,132.41	4.33
<i>Agency Bonds (NMRC)</i>	12,057.90	521.49	614.94	405.76	13,600.09	0.11
Sukuk	75,842.57	6,245.45	595.85	3,412.26	86,096.14	0.68
Green Bond	11,131.90	537.62	771.43	441.48	12,882.43	0.10
State Govt. Securities	68,321.23	7,496.84	12,930.47	9,241.23	97,989.77	0.77
Corporate Debt Securities	524,656.31	80,407.29	265,513.24	80,407.05	950,983.88	7.51
Local Money Market Securities:	1,243,548.37	162,974.55	121,796.77	208,611.26	1,736,930.95	13.72
<i>Bank Placement</i>	1,193,447.76	156,138.03	121,796.77	193,439.62	1,664,822.18	13.15
<i>Commercial Papers</i>	50,100.61	6,836.51	-	15,171.64	72,108.77	0.57
Foreign Money Market Securities	-	-	41.15	-	41.15	0.00
Mutual Funds:	19,733.43	439.64	13,134.04	83,030.35	116,337.47	0.92
<i>Open/Close-End Funds</i>	16,421.11	439.64	13,104.56	2,001.43	31,966.75	0.25
<i>REITs</i>	3,312.32	-	29.48	81,028.92	84,370.72	0.67
Real Estate Properties	-	-	122,702.69	33,561.70	156,264.39	1.23
Private Equity Fund	20,060.41	-	14,036.55	-	34,096.96	0.27
Infrastructure Fund	54,945.77	200.48	7,275.52	4,077.96	66,499.72	0.53
Cash & Other Assets	47,783.61	6,734.44	3,670.69	16,554.53	74,743.27	0.59
<b>Net Assets Value</b>	<b>8,916,865.49</b>	<b>990,506.59</b>	<b>1,463,274.38</b>	<b>1,286,527.78</b>	<b>12,657,174.24</b>	<b>100.00</b>

The comparative analysis of the Pension Industry Portfolio for the period ended 31 March 2021 (Q1:201) and 30 June 2021 (Q1: 2021), respectively, are shown in Table 12 below:

**Table 12 Comparative Pension Industry Portfolio Q1: 2021 vs. Q2: 2021**

	TOTAL PENSION FUND ASSETS		TOTAL PENSION FUND ASSETS		VARIANCE	
	31-Mar-21		30-Jun-21		Mar -Jun 21	
ASSET CLASS	₦'Billion	Weight %	₦'Billion	Weight %	₦'Billion	Weight %
Domestic Ordinary Shares	841.798	6.82	843.197	6.66	1.40	0.17
Foreign Ordinary Shares	97.005	0.79	105.191	0.83	8.19	8.44
FGN Securities:	8,506.38	68.93	8,474.90	66.96	(31.48)	-0.37
FGN Bonds	7,673.77	62.19	7,814.19	61.74	140.42	1.83
Treasury Bills	721.74	5.85	548.13	4.33	(173.61)	-24.05
Agency Bonds (NMRC)	12.91	0.10	13.60	0.11	0.69	5.34
Sukuk	85.07	0.69	86.10	0.68	1.03	1.21
Green bonds	12.88	0.10	12.88	0.10	(0.00)	-0.01
State Govt. Securities	109.36	0.89	97.99	0.77	(11.37)	-10.40
Corporate Debt Securities	620.57	5.03	950.98	7.51	330.41	53.24
Local Money Market Securities	1,675.88	13.58	1,736.93	13.72	61.05	3.64
Foreign Money Market Securities	8.17	0.07	0.04	0.00	(8.12)	-99.50
Mutual Funds:	66.67	0.54	116.34	0.92	49.67	74.49
Open/Close-End Funds	62.09	0.50	31.97	0.25	(30.13)	-48.52
REITs	4.58	0.04	84.37	0.67	79.79	1742.26
Real Estate Properties	237.31	1.92	156.88	1.24	(80.42)	-33.89
Private Equity Fund	33.94	0.28	34.10	0.27	0.16	0.47
Infrastructure Fund	66.88	0.54	66.50	0.53	(0.38)	-0.56
Cash & Other Assets	76.01	0.62	74.12	0.59	(1.88)	-2.48
<b>Net Assets Value</b>	<b>12,339.96</b>	<b>100.00</b>	<b>12,657.17</b>	<b>100.00</b>	<b>317.21</b>	<b>2.57</b>

The industry Net Assets Value (NAV) increased by ₦317.21 billion or 2.57% during the period under review. This brought the NAV to ₦12.66 trillion from ₦12.34 trillion as at 31 March 2021. The growth in NAV during Q2: 2021 was higher than the growth of ₦33.80 billion (0.27%) recorded in Q1: 2021, mainly due to contributions received and the market valuation of FGN bonds and equities.

The value of investments in quoted ordinary shares stood at ₦948.39 billion, representing 7.49% of total assets under Management and indicated an increase of ₦9.59 billion or 1.02% compared to ₦938.80 billion as at 31 March, 2021. The increase in the value of investments in domestic quoted equities was primarily due to the appreciation in the prices of some stocks during the period, as the Nigerian Stock Exchange Pension Index (NSE-PI) appreciated by 8.60% in Q1: 2021.

The value of investments in FGN Securities was fairly stable as it dipped slightly by ₦31.48 billion (0.37%) to ₦8.47 trillion as at 30 June 2021 from ₦8.51 trillion as at 31 March 2021. The slight diminution in the value of investments in FGN Securities was majorly due to matured investments in Treasury Bills deployed to other asset classes during the quarter.

### 3.3.2 Review of RSA Funds

RSA 'Active' Funds:

The NAV of the RSA 'Active' Funds, which includes RSA 'Active' Funds I, II, III, and Fund V, was ₦8.76 trillion as at 30 June 2021. This represented a net growth of ₦295.48 billion (3.49%) as the NAV increased from ₦8.46 trillion as at 31 March, 2021 to ₦8.76 trillion as at 30 June, 2021. These figures were exclusive of the balance of ₦159.91 billion and ₦159.66 billion in respect of the Contributions of FGN workers awaiting transfers to PFAs, as at 31 March 2021 and 30 June 2021, respectively.

The breakdown of the NAV of the RSA 'Active' Funds and the comparative variances for the period ended 31 March, 2021 and 30 June, 2021 respectively are presented in Table 13 below:

**Table 13 RSA 'Active' Fund Assets –Q1: 2021 vs. Q2: 2021**

ASSET CLASS	RSA ACTIVE FUND				Variance	
	Mar-21		Jun-21		Mar'21/Jun' 2021	
	₦Billion	Weight %	₦Billion	Weight %	₦Billion	Weight %
Domestic Ordinary Shares	695.36	8.22	698.36	7.97	2.99	0.43
<b>FGN Securities:</b>	<b>5,927.69</b>	<b>70.05</b>	<b>6,079.80</b>	<b>69.43</b>	<b>152.11</b>	<b>2.57</b>
FGN Bonds	5,432.18	64.20	5,717.32	65.29	285.14	5.25
Treasury Bills	397.49	4.70	263.45	3.01	(134.04)	-33.72
Agency Bonds (NMRC)	10.86	0.13	12.06	0.14	1.19	10.98
Sukuk	75.99	0.90	75.84	0.87	(0.15)	-0.19
Green	11.16	0.13	11.13	0.13	(0.03)	-0.27
State Govt. Securities	79.51	0.94	68.32	0.78	(11.19)	-14.08
Corporate Debt Securities	463.16	5.47	524.66	5.99	61.50	13.28
Money Market Securities	1,166.48	13.79	1,243.55	14.20	77.07	6.61
<b>Mutual Funds:</b>	<b>24.92</b>	<b>0.29</b>	<b>19.73</b>	<b>0.23</b>	<b>(5.19)</b>	<b>-20.82</b>
Open/Close-End Funds	19.57	0.23	16.42	0.19	(3.15)	-16.11
REITs	5.35	0.06	3.31	0.04	(2.03)	-38.05
Private Equity Fund	20.16	0.24	20.06	0.23	(0.10)	-0.49
Infrastructure Fund	54.18	0.64	54.95	0.63	0.76	1.40
Cash & Other Assets	30.26	0.36	47.78	0.55	17.52	57.89
<b>Net Assets Value</b>	<b>8,461.72</b>	<b>100.00</b>	<b>8,757.21</b>	<b>100.00</b>	<b>295.48</b>	<b>3.49</b>

The RSA Fund II, the default RSA Fund under the Multi-Fund Structure, maintained the largest share of the 'Active' RSA Funds as it represented 61.61% of the RSA 'Active' Funds. Table 14 below provides a breakdown of the RSA Active Funds.

Table 14 RSA "Active" Funds – as at Q2: 2021

<b>RSA ACTIVE FUNDS AS At 30 JUNE 2021</b>		
<b>FUND</b>	<b>₦'Billion</b>	<b>Weight (%)</b>
RSA FUND I	42.10	0.48
RSA FUND II	5,395.16	61.61
RSA FUND III	3,319.78	37.91
RSA FUND V	0.17	0.00
<b>TOTAL</b>	<b>8,757.21</b>	<b>100.00</b>

The major sources of the portfolio growth/diminution in RSA 'Active' Funds are highlighted in Table 15 below:

Table 15 RSA "Active" Funds – Sources of Portfolio Growth between Q1: 2021 and Q2: 2021

<b>S/NO</b>	<b>SOURCES OF PORTFOLIO GROWTH</b>	<b>Q1: 2021</b>	<b>Q2: 2021</b>	<b>VARIANCE</b>
		<b>₦'Billion</b>	<b>₦'Billion</b>	<b>₦'Billion</b>
1	New inflow of Funds:			
	Monthly Contributions/ Inter Fund Transfers	287.27	306.63	19.36
2	Investment Income:			
2.1	Interest/Coupons	168.52	202.67	34.15
2.2	Dividends	11.61	32.26	20.65
2.3	Net Realized Gains/Losses on Equity/Bonds	(9.33)	(8.05)	1.29
3	Net Unrealized Gains/(Losses) on Equities/Equity Funds	(27.11)	11.55	38.67
4	Net Unrealized Gains/(Losses) on Bonds	(89.63)	(18.33)	71.30
5	Benefits Paid/Transfers to Retiree Fund	(152.26)	(165.53)	(13.28)
6	Other Transfers/Remittances	(34.45)	(29.72)	4.73
7	Asset Based Fees, Audit Fees (and VAT)	(34.71)	(36.00)	(1.29)
	<b>Net Portfolio Growth</b>	<b>119.90</b>	<b>295.48</b>	<b>175.58</b>

#### **i. Contributions Received**

Monthly pension contributions totaling ₦306.63 billion were received in Q2: 2021 for RSA Funds I, II, III and V. The amount increased compared to the total contributions of ₦287.27 billion recorded in Q1: 2021.

## **ii. Interest/Coupons and Dividends**

The interests/coupons received on investments in fixed income securities amounted to ₦202.67 billion in Q2: 2021. The amount indicated a 20.27% increase compared to the sum of ₦168.52 billion recorded in Q1: 2021; the growth was attributed to additional investments in Fixed Income Securities for the period. Furthermore, dividends of ₦32.36 billion received in RSA Active funds increased by ₦20.65 billion relative to dividends of ₦11.61 received Q1: 2021.

## **iii. Net Un-realized Gains/(losses) on Equities and Equity Funds**

Total unrealized gains on the RSA 'Active' Funds amounted to ₦11.55 billion in Q2: 2021 compared to unrealized losses of ₦27.11 billion recorded in Q1: 2021. The unrealized gains were attributed to general appreciation in the prices of stocks in the equity portfolio of the RSA Funds during the period. A significant proportion of the unrealized gains in Q2: 2021 was attributed to appreciation in prices of stocks issued by Zenith Bank Plc, Access Bank Plc, Dangote Cement Plc, Nestle Nigeria Plc and MTN Nigeria Plc.

## **iv. Net Un-realized Gains/(losses) on Bonds**

Total unrealized losses on bonds in the RSA Active portfolio decreased during the period as bonds in the Funds' Marked-to-Market (MTM) portfolio depreciated by a lower sum of ₦18.33 billion in Q1: 2021 compared to a depreciation of ₦89.63 billion in Q1: 2021. The depreciation in bond prices was reflective of the decline in the S&P/FMDQ Nigeria Sovereign Bond Price Index, which declined by 4.62% in Q2: 2021 relative to a decline of 16.64% in Q1: 2021.

## **v. Transfers to RSA Retiree Funds and Benefits Payments**

Total transfers from RSA 'Active' Funds to RSA Retiree Fund and payment of 25% unemployment benefits in Q1: 2021 amounted to ₦165.53 billion, which was higher by 8.72%, than the total outflows of ₦152.237 billion in Q1: 2021.

## **Portfolio Performance**

The average rate of return for RSA Fund I, II, III and V were 10.30%, 9.21%, 8.58% and 7.80%, respectively, as presented in Table 3.11 below. The recorded performances were higher than the average rate of returns of -4.03%, -0.55%, -0.65% and 5.38% achieved by the respective Funds in Q2: 2021, as shown in Table 16 below:

Table 16 RSA Funds - Average Rate of Return – Q2 2020

FUND	AVERAGE RATE OF RETURN (ANNUALIZED)	
	Q1:2021	Q2:2021
RSA FUND I	-4.03%	10.30%
RSA FUND II	-0.55%	9.21%
RSA FUND III	-0.65%	8.58%
RSA FUND V	5.38%	7.80%

The performances of the RSA Active Funds for Q2: 2021 were due to significant appreciation in prices of equities, higher dividend incomes and the rising yield on fixed income securities.

### RSA Retiree Fund

The Net Assets Value of RSA' Retiree' Fund (Fund IV) increased by ₦13.61 billion from ₦976.90 billion as at 31 March, 2021 to ₦990.51 billion as at 30 June, 2021. The breakdown of the Net Assets Value of the RSA' Retiree Fund and the comparative variances for the period ended 31, March 2021 and 30 June, 2021 are presented in Table 17 below:

Table 17 RSA 'Retiree' Fund Assets – Q1: 2021 and Q2: 2021

ASSET CLASS	RSA RETIREE FUND				Variance March 2021/ June 2021	
	Mar-21		Jun-21			
	₦'Billion	Weight (%)	₦'Billion	Weight (%)	₦'Billion	Weight (%)
Domestic Ordinary Shares	9.84	1.01%	9.63	0.99%	(0.21)	-1.93%
<b>FGN Securities:</b>	<b>707.13</b>	<b>72.38%</b>	<b>722.62</b>	<b>73.97%</b>	<b>15.49</b>	<b>2.36%</b>
FGN Bonds	628.41	64.33%	660.65	67.63%	32.23	5.43%
Treasury Bills	71.39	7.31%	54.67	5.60%	(16.73)	-35.44%
Agency Bonds (NMRC)	0.35	0.04%	0.52	0.05%	0.17	29.18%
Sukuk	6.57	0.67%	6.25	0.64%	(0.33)	-2.59%
Green Bonds	0.39	0.04%	0.54	0.06%	0.14	11.21%
State Govt. Securities	8.55	0.87%	7.50	0.77%	(1.05)	-9.78%
Corporate Debt Securities	69.88	7.15%	80.41	8.23%	10.52	16.06%
Money Market Securities	169.39	17.34%	162.97	16.68%	(6.42)	-3.48%
Open/Close End Funds	0.88	0.09%	0.44	0.05%	(0.44)	-32.25%
Infrastructure Fund	0.20	0.02%	0.20	0.02%	0.00	
Cash & Other Assets	11.03	1.13%	6.73	0.69%	(4.29)	-12.67%
<b>Net Assets Value</b>	<b>976.90</b>	<b>100%</b>	<b>990.51</b>	<b>101%</b>	<b>13.61</b>	<b>1.41%</b>

The major sources of net portfolio growth/diminution for the period are presented in Table 18 below:

**Table 18 RSA Retiree Fund - Major Sources of Portfolio Growth**

<b>S/NO</b>	<b>SOURCES OF PORTFOLIO GROWTH</b>	<b>Q1: 2021</b>	<b>Q2: 2021</b>	<b>VARIANCE</b>
		<b>₦'Billion</b>	<b>₦'Billion</b>	<b>₦'Billion</b>
<b>1</b>	New inflow of Funds:			
	Transfers of RSA 'Active' balances/Accrued Right	72.70	66.39	(6.32)
<b>2</b>	Investment Incomes:			-
<b>2.1</b>	Interest/Coupons	20.35	24.24	3.89
<b>2.2</b>	Dividends	0.33	0.45	0.12
<b>2.3</b>	Net Realized Gains/(Losses) on Equities/Bonds	(0.82)	(0.08)	0.74
<b>3</b>	Net Unrealized Gains/(Losses) on Equities/Mutual Funds	(0.90)	0.28	1.18
<b>4</b>	Net Unrealized Gains/(Losses) on Bonds	(8.32)	(1.61)	6.71
<b>5</b>	Retirement Benefits Paid	(67.41)	(74.08)	(6.68)
<b>6</b>	Income Based Fees (and VAT)	(1.69)	(1.97)	(0.28)
	<b>Net Portfolio Growth</b>	<b>14.24</b>	<b>13.61</b>	<b>(0.63)</b>

**i. Transfers from RSA Active Funds**

Transfers into the RSA Retiree Fund declined by ~~₦6.32~~ billion as it fell to ~~₦66.39~~ billion in Q1: 2021 relative to ~~₦72.70~~ billion received in Q1: 2021.

**ii. Income (Interests/Coupons)**

The interests/coupons received on investments in fixed income instruments in Q1: 2021 increased to ~~₦24.24~~ billion compared to ~~₦20.35~~ billion recorded in Q1: 2021. Interest and Coupon increased by ~~₦3.89~~ billion (19.11%) during the period due to the additional investments in this asset class.

**iii. Net Unrealized Gains/(Losses) on Bonds:**

The Fund recorded relatively lower net unrealized losses of ~~₦1.61~~ billion on bonds due to a lower depreciation of bond prices in the MTM bond portfolio of the retiree funds.

**iv. Retirement Benefits Paid**

A total of ~~₦74.08~~ billion was paid as retirement benefits in Q2: 2021. This was higher than the retirement benefits of ~~₦67.41~~ billion paid in Q1: 2021 by a difference of ~~₦6.68~~ billion (9.89%).



## Portfolio Performance

The average rate of return of 9.15% on the RSA Fund IV ('Retiree' Fund) in Q1: 2021 indicated an increase of 8.06% relative to the 1.09% average rate of return in Q1: 2020. The improvement in the performance of the Fund was attributed to moderate unrealized losses on bonds in Q2: 2021 relative to Q1: 2021.

### 3.3.3 Review of CPFA/AES Funds

#### CPFA Funds

The value of pension fund assets held by the CPFA Funds was fairly stable at ₦1.46 trillion, although it dipped slightly by ₦0.10 billion in Q2: 2021. The comparative summary of the CPFA Funds for the period ended 30 June 2021 and 31 March 2021 are presented in Table 19 below:

**Table 19 Summary of CPFA Pension Assets – Q1: 2021 and Q2: 2021**

ASSET CLASS	CPFA FUNDS				Variance	
	Mar-21		Jun-21		Mar 2021/Jun 2021	
	₦'Billion	Weight %	₦'Billion	Weight %	₦'Billion	Weight %
Domestic Ordinary Shares	37.58	2.57	37.30	2.55	(0.28)	-0.74
Foreign Ordinary Shares	97.01	6.63	105.19	7.19	8.19	8.44
<b>FGN Securities:</b>	<b>986.24</b>	<b>67.40</b>	<b>759.68</b>	<b>51.92</b>	<b>(226.56)</b>	<b>-22.97</b>
FGN Bonds	969.11	66.22	736.40	50.33	(232.71)	-24.01
Treasury Bills	15.61	1.07	21.30	1.46	5.69	36.42
Agency Bonds (NMRC)	0.65	0.04	0.61	0.04	(0.04)	-5.80
Sukuk Bonds	-	0.00	0.60	0.04	0.60	
Green Bonds	0.87	0.06	0.77	0.05	(0.10)	-11.04
State Govt. Securities	8.77	0.60	12.93	0.88	4.16	47.41
Corporate Debt Securities	14.75	1.01	265.51	18.15	250.76	1699.53
Money Market Securities	110.66	7.56	121.80	8.32	11.14	10.06
Foreign Money Market Securities	8.17	0.56	0.04	0.00	(8.12)	-99.50
<b>Mutual Funds:</b>	<b>39.67</b>	<b>2.71</b>	<b>13.13</b>	<b>0.90</b>	<b>(26.53)</b>	<b>-66.89</b>
Open/Close-End Funds	39.64	2.71	13.10	0.90	(26.53)	-66.94
REITs	0.03	0.00	0.03	0.00	0.00	0.89
Real Estate Properties	122.37	8.36	122.70	8.39	0.33	0.27
Private Equity Fund	13.78	0.94	14.04	0.96	0.26	1.87
Infrastructure Fund	8.23	0.56	7.28	0.50	(0.96)	-11.61
Cash & Other Assets	16.14	1.10	3.67	0.25	(12.47)	-77.26
<b>Net Assets Value</b>	<b>1,463.37</b>	<b>100.00</b>	<b>1,463.27</b>	<b>100.00</b>	<b>(0.10)</b>	<b>-0.01</b>

The major sources of net portfolio growth/(diminution) for the period are presented in Table 20 below:

**Table 20 CPFA Funds - Sources of Portfolio Growth /(Diminution) –Q2: 2021**

<b>S/N</b>	<b>SOURCES OF PORTFOLIO GROWTH</b>	<b>Q1: 2021</b>	<b>Q2: 2021</b>	<b>VARIANCE</b>
		<b>₦'Billion</b>	<b>₦'Billion</b>	<b>₦'Billion</b>
1	New inflow of Funds:			
	Fund Injections by Scheme Sponsors/Contributions	7.65	15.35	7.70
2	Investment Income:			-
2.1	Interest/Coupons	22.56	28.24	5.67
2.2	Dividends/Rental Income	1.89	3.67	1.78
2.3	Gains/(losses) on foreign exchange	1.05	(0.30)	(1.35)
2.4	Net Realized Gains/(Losses)	(1.77)	(5.41)	(3.63)
3	Net Unrealized Gains/(Losses) on Equities/Mutual Funds	2.85	1.94	(0.91)
	Net Unrealized Gains/(Losses) on Bonds	(112.36)	(25.26)	87.10
4	Benefit Payments	(13.18)	(16.32)	(3.14)
5	Asset Based Fees, Audit Fees (and VAT)	(2.93)	(2.01)	0.93
	<b>Net Portfolio Growth</b>	<b>(94.24)</b>	<b>(0.10)</b>	<b>94.14</b>

The total funds injected by the various Scheme sponsors to bridge funding deficits and members' contributions (for contributory schemes) in Q2: 2021 amounted to ₦15.35 billion, representing an increase of ₦7.70 billion, compared to ₦7.65 billion in Q1:2020.

Interest incomes increased by ₦5.67 billion to ₦28.24 billion in Q2: 2021, compared to ₦22.56 billion in Q1: 2021 due to additional investments in fixed income securities. The annualized rates of return recorded on the CPFA Funds ranged between -6.60% and 11.01%. The return was reflective of the actual asset allocation and stock selection of the respective funds under Management.

### **Approved Existing Schemes**

The NAV of the Approved Existing Schemes was relatively stable during the period. The NAV decreased by ₦71.79 billion (5.62%) from ₦1.29 trillion as at 31 March 2021 to ₦1.28 trillion as at 30 June, 2021.

The breakdown of the NAV of the Approved Existing Schemes Fund and the comparative variances for the period ended 31 March 2020 and 30 June, 2021 respectively are presented in Table 21 below:

**Table 21 Summary of AES Pension Assets –Mar. 2021 vs Jun. 2021**

ASSET CLASS	AES FUNDS				Variance Mar/Jun. 2021	
	31-Mar-21		30-Jun-21		₹'Billion	Weight %
	₹'Billion	Weight %	₹'Billion	Weight %		
Domestic Ordinary Shares	98.98	7.75	97.90	7.60996	(1.08)	-1.09
<b>FGN Securities:</b>	<b>725.04</b>	<b>56.75</b>	<b>753.14</b>	<b>58.5405</b>	<b>28.10</b>	<b>3.88</b>
FGN Bonds	645.10	50.49	700.22	54.4274	55.12	8.54
Treasury Bills	76.97	6.02	49.06	3.81351	(27.90)	-36.26
Sukuk	2.51	0.20	3.41	0.26523	0.90	36.07
Green Bond	0.46	0.04	0.44	0.03432	(0.02)	-4.27
State Govt. Securities	12.53	0.98	9.24	0.71831	(3.28)	-26.22
Corporate Debt Securities	72.80	5.70	80.41	6.24993	7.61	10.45
Local Money Market Securities	229.36	17.95	208.61	16.2151	(20.74)	-9.04
<b>Mutual Funds:</b>	<b>1.72</b>	<b>0.13</b>	<b>2.28</b>	<b>0.17696</b>	<b>0.56</b>	<b>32.46</b>
Open/Close-End Funds	1.45	0.11	2.00	0.15557	0.55	38.29
REITs	0.27	0.02	0.28	0.0214	0.00	1.38
Real Estate Properties	114.32	8.95	114.32	8.88557	(0.00)	0.00
Infrastructure Fund	4.26	0.33	4.08	0.31697	(0.18)	-4.25
Cash & Other Assets	18.57	1.45	16.55	1.28676	(2.02)	-10.87
<b>Net Assets Value</b>	<b>1,277.56</b>	<b>100.00</b>	<b>1,286.53</b>	<b>100.00</b>	<b>8.97</b>	<b>0.70</b>

The major sources of net portfolio growth/diminution for the period are presented in Table 22 below.

**Table 22 AES Funds - Sources of Portfolio Growth/Diminution – Q1: 2021**

S/N	SOURCES OF PORTFOLIO GROWTH	Q1: 2021	Q2: 2021
		₹'Billion	₹'Billion
1	New inflow of Funds:		
2	Fund Injections by Scheme Sponsors/Contributions	5.50	9.75
3	Investment Income:	-	
4	Interest/Coupons	6.73	25.93
5	Dividends/Rental Income	0.48	4.46
6	Other Income	0.00	0.80
7	Net Realized Gains/(Losses) on Equity/Bonds	(0.31)	(2.32)
8	Net Unrealized Gains/(Losses) on Equities/Bonds	(8.16)	(11.69)
9	Benefit Payments	(0.07)	(15.75)
10	Other Transfers/Remittances	(0.09)	(0.35)
11	Asset Based Fees, Audit Fees (and VAT)	(1.07)	(1.87)
	<b>Net Portfolio Growth</b>	<b>3.02</b>	<b>8.97</b>

The net increase in the total portfolio value was mainly attributed to income earned on fixed income investments and additional fund injection by Scheme Sponsors in Q1: 2021. Furthermore, the average annualized rate of return on the AES Funds Q1: 2021 was 5.96% and ranged between -4.29% and 11.48%. The differences in performance across the AES funds reflected the actual asset allocation of the individual Funds.

### 3.4 Retirement/Terminal Benefits

#### 3.4.1 Retirees through Programmed Withdrawal (PW)

The Commission approved 4,438 requests, comprising 1,406 public (FGN & States) and 3,032 private sector retirees to draw pension through the Programmed Withdrawal mode during the quarter under review. These retirees received a total lump sum of ₦13,059.79 million while their total monthly pension amounted to ₦209.05 million, as shown in Table 23 below:

**Table 23 Retirement by Programmed Withdrawal during the Q2: 2021**

Period	Sectorial Approvals		Total	Lump-Sum (₦ Million)	Monthly PW (₦ Million)
	Public	Private			
Apr - Jun. 2021	1,406	3,032	4,438	13,059.79	209.05

#### 3.4.2 Retirement through Retiree Life Annuity

The Commission granted approval to 1,708 retirees under the Retiree Life Annuity during the quarter under review. A total lump sum of ₦4,586.16 million was approved for payment to the retirees, while the sum of ₦12,346.89 million was approved for payment to 14 Retiree Life Annuity Providers as premium in return for total monthly/quarterly annuities of ₦122.46 million as reflected in Table 24 below:

**Table 24 Retirement by Annuity During Q2: 2021**

Period	Sectorial Approvals		Total	Lump-Sum (₦ Million)	Premium (₦ Million)	Monthly PW (₦ Million)
	Public	Private				
Apr - Jun. 2021	795.00	913.00	1,708	4,586.16	12,346.89	122.46

### 3.4.3 Approval of Death Benefits

During the quarter under review, approvals were granted for payment of death benefits amounting to ₦6,175.13 million to the legal beneficiaries/administrator of 1,209 deceased employees and retirees. This comprised 835 public (FGN & State) and 374 private-sector employees/retirees, as summarized in Table 25 below.

Table 25 Approval of Death Benefit During Q2: 2021

Period	Sectorial Approvals		Total	Total Amount Paid (₦ Million)
	Public	Private		
Apr - Jun. 2021	835	374	1,209	6,175.13

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 approved Enbloc payment of retirement benefits to 2,024 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 ₦527.23 million was paid to the 2,024 retirees from both the public and private sectors.

Table 26 Enbloc Payment of Retirement Benefits During Q2: 2021

Period	Sectorial Approvals		Total	Total Amount Paid (₦ Million)
	Public	Private		
Apr - Jun. 2021	46	1,978	2,024	527.23

### 3.4.5 Withdrawal Due to Temporary Loss of Employment

The Commission approved the payment of ₦4,430.37 million to 7,906 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 27 below:

Table 27 Withdrawal Due to Temporary Loss of Employment During Q2: 2021

Period	Sectorial Approvals		Total	Total Amount Paid (₦ Million)
	Public	Private		
Apr - Jun. 2021	244	7,662	7,906	4,430.37

### 3.4.6 Voluntary Contributions

During the quarter under review, the Department granted approval of withdrawal from voluntary contribution accounts amounting to ₦1,080.47 million to 628 contributors, as shown in Table 28 below.

**Table 28 Accessing Voluntary Contributions During Q2: 2021**

<b>Period</b>	<b>Sectorial Approvals</b>		<b>Total</b>	<b>Total Amount Paid (₦ Million)</b>
	<b>Public</b>	<b>Private</b>		
Apr - Jun. 2021	16	612	628	1,080.47