



# NATIONAL PENSION COMMISSION (PenCom)

## THIRD-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*

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## SECTION ONE

### 1.0 Operating Environment

#### 1.1 Macroeconomic Development

The Nigerian Gross Domestic Product (GDP) grew by 4.03% year-on-year (Yr-on-Yr) in real terms in the third quarter of 2021 (Q3 2021), signifying continued positive growth over the last four quarters since the recession witnessed in 2020. The Q3 2021 growth

rate was higher than the -3.62% growth rate recorded in Q3 2020 by 7.65% points and lower than the 5.01 recorded in Q2 2021 by 0.98% points, indicative of a continuous recovery. However, quarter on quarter, real GDP grew at 11.07% in Q3 2021 compared to Q2 2021, reflecting greater economic activity than the preceding quarter.

In the quarter under review, aggregate GDP stood at N45,113,448.06 million in nominal terms. This performance is higher when compared to the third quarter of 2020, which recorded aggregate GDP of N39,089,460.61 million, indicating a year-on-year nominal growth rate of 15.41%. The nominal GDP growth rate in Q3 2021 was higher comparative to the 3.39% growth recorded in the third quarter of 2020 as well as the 14.99% growth recorded in the preceding quarter (Q2 2021).

Headline inflation (Yr-on-Yr) was 16.63%. The food index rose by 19.57% compared to 20.30% in August 2021. Core inflation, which excludes the price of Agricultural Goods, was 13.74% (Yr-on-Yr), up from 13.41% in August 2021.

## **1.2 Developments in the Capital Market**

### **1.2.1 The Stock Market**

Activities in the Nigerian Stock Market witnessed an improvement in Q3 2021 as the Nigerian Stock Exchange All Share Index (NSE-ASI) and market capitalization closed at 40,221.17 points and ₦20.96 trillion, compared to 37,907.28 points and ₦19.76 trillion in Q2 2021 indicating an increase of 6.10% (ASI) and 6.07% (Mkt Cap) respectively.

In Q3 2021, trading activities increased when compared with Q3 2020 as the total volume of securities traded increased by 5% while the total value of securities traded reduced by 8.61%. There was an 8.61% decrease in the average daily value traded from ₦2.57 billion to ₦2.35 billion in the period under review. Similarly, the average daily volume of securities traded rose by 5% to 259.91 million units in Q3 2021 when compared with 247.53 million units recorded in Q3 2020. At the end of the quarter, the Total Market Capitalization stood at ₦40.55 tn while equity turnover velocity was 2.84%.

### **1.2.2 The Bond Market**

According to the S&P/FMDQ Sovereign Bond Index, which tracks the performance of sovereign debt publicly issued by the Federal Government of Nigeria, as at 30 September 2021 (Q3 2021) stood at 564.30 basis points compared to 532.98 basis points as at 30 June 2021 (Q2 2021). This represented a 5.88% increase in Q3 2021 over Q2 2021. Yield to maturity dropped by 4.71% to 11.34% in Q3 2021, from 11.90% in Q2 2021.

### **Sources**

*S&P/FMDQ Sovereign Bond index (date?)*

*National Bureau of Statistics: Nigeria Gross Domestic Products Report Q3 2021*

*Nigerian Stock Exchange website/report for...?*



## SECTION TWO

### 2.0 Regulatory and Supervisory Activities

#### 2.1 Surveillance of the Pension Industry

##### 2.1.1 Update on the On-Site 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 September 2021, the Commission had examined sixteen (16) PFOs.

##### 2.1.2 Appointment of Board Members of PFOs

The Commission approved the appointment of Board members for six (6) Pension Fund Operators during the quarter under review. The appointees are listed in Table 2.1 below:

**Table 2.1: Names of Appointed/Re-appointed Board Members of PFOs**

S/N	Name of Nominee	Operator	Position
1	Christopher Babatunde Bajowa	FCMB Pensions Limited	MD/CEO
2	Uloaku Ekwegh	Fidelity Pension	CSLA
3	Nnenna Anyim-Okoro	Stanbic IBTC Pension	NED
4	Umar Sanda Mairami	Premium Pension Limited	MD/CEO
5	Kabir Ahmed Tijjani		ED
6	Omowunmi Majekodunmi	Leadway Pensure PFA	NED
7	Olufemi Emmanuel Adebayo		ED
8	Olufunke A. Ogunbode	NPF Pensions Limited	NED

##### 2.1.3 Resignation of Board Members of PFOs

In a similar vein, the Commission approved the exit of some Board members from the Board of three (3) Pension Fund Operators in line with the Corporate Governance Code for licensed PFOs, during the quarter under review. Those who resigned are listed in Table 2.2 below:

**Table 2.2: Names of Board Members that Exited from the Board of PFOs**

SN	Name	Operator	Position
1	Yinka Sanni	Stanbic IBTC Pension	NED/Chairman
2	Olusakin A. Labeodan	Leadway Pensure PFA	ED

3	Jordi Borrut-Bel	Progress Trust CPFA	NED/ Chairman
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## **2.2 Update on Compliance by the Private Sector**

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

The Commission received 4,250 applications from private sector organizations for the issuance of Pension Clearance Certificates (PCCs). Out of this number, PCCs were issued to 4,025 organizations, while 225 applications were in the approval process as at 30 September 2021. The records showed that the 4,025 organizations had remitted a total sum of ₦13,480,876,181.19 into the Retirement Savings Accounts (RSAs) of their employees, totaling 45,170.

### **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 ₦559,347,547.73 representing principal contribution (₦394,786,722.09) and penalty (₦164,560,825.64) was recovered from 28 defaulting employers during the quarter under review. Meanwhile, 29 defaulting employers have been recommended for appropriate legal action.

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

During the quarter under review, the Commission granted approval for the refund of ₦6,931,727.44 to 35 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 thirty-four (34) complaints regarding the DBS during the quarter.

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

The Commission received applications to transfer NSITF contributions on behalf of 321 NSITF contributors during the quarter under review. Approval was granted to transfer ₦20,181,671.98 to the RSAs of 312 members. On a similar note, the



Commission approved monthly pensions in the sum of ~~N~~62,301,093.69 to 3,623 NSITF pensioners.

## 2.3 Compliance by State Governments

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

As at Q3 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 adopted the Contributory Defined Benefits Scheme (CDBS), while one State (Yobe State) operates the Defined Benefits Scheme (DBS). The level of compliance by States with the CPS is as detailed in Table 2.3 below:

**Table 2.3: 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 Bureau/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***
7	25	15	10	7	Number of States					
					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 included:

- Meeting with the Governor of Cross River State on the implementation of CPS by the State: Following the meeting, the State forwarded its Pension Bill on CPS to the Commission for review and input.
- Meeting with the Governor of Abia State on the implementation of the CPS by the State: The meeting discussed the implementation achievements of the

State as well as the steps yet to be taken by the State Government to implement the CPS fully.

- iii. Meeting with the Enugu State Governor on the Implementation of the CPS by the State since the enactment of its State Pension Law: The State had constituted an Implementation Committee to determine the financial cost of the Scheme as well as the choice of Actuaries for the determination of Accrued Pension Rights.
- iv. A virtual sensitization/enlightenment workshop on the RSA Transfer System (RTS) for Management and staff of six Ministries Departments and Agency (MDAs) and two Local Government Councils in Ekiti State. The workshop was on the workings and recent developments in the CPS.
- v. Sensitization sessions on the workings of the CPS for the staff of the National Information Technology Development Agency, Code of Conduct Bureau, Federal Road Safety Corps, Department of Petroleum Resources and Nigerian Correctional Service.

## 2.4 Update on the Micro Pension Plan

### 2.4.1 Micro Pension Registration and Contribution

Nineteen (19) PFAs had registered 2,179 contributors during the quarter under review. This brought the total number of Micro Pension contributors to 71,434 as at 30 September 2021. Similarly, the sum of ~~N~~24,844,757.61 was credited into the RSAs of 7,720 MPP Contributors in Q3 2021, bringing the total value of the Micro Pension Fund to ~~N~~196,644,122.96 as at 30 September 2021

### 2.4.2 Contingent Withdrawals

Six (6) PFAs processed and approved requests for contingent withdrawals amounting to ~~N~~2,681,571.35 from twenty (20) MPP contributors during the quarter, as shown in Table 2.4 below:

**Table 2.4: Contingent Withdrawals During Q3 2021**

Period	No. of PFAs	No. of Contributors	Amount Withdrawn (N)	Cumulative (N) (from Inception to 30 June 2021)
Jun - Sept 2021	6	20	2,681,571.35	11,337,651.90

### 2.4.3 Conversion from MPP to CPS

During the quarter, thirty-nine (39) Micro Pension Participants converted to the Mandatory CPS and the sum of ₦20,219.22 was transferred to their respective RSAs.

### 2.4.4 Update on Engagement with Micro Pension Stakeholders

- i. The Commission engaged the leadership of the Catholic Secretariat of Nigeria (CSN) and Nigerian Supreme Council for Islamic Affairs (NSCIA) to secure the buy-in of their members in the Micro Pension Plan. The meeting discussed possible collaboration with the two Faith-Based organizations in driving the implementation of the MPP for the Catholic and Muslim faithfuls.
- ii. A Joint Committee on the implementation of the Micro Pension Plan was constituted with members drawn from PenCom and PenOp. The Committee's mandate was to develop a pragmatic and sustainable Implementation Plan to drive the growth of the Micro Pension Plan.
- iii. The Commission received the Executive Management of Independent Petroleum Marketers Association of Nigeria on a courtesy visit. The meeting discussed the activities of the Association towards implementing the Micro Pension Plan for its employees and members of the Nigeria Union of Petroleum and Natural Gas Workers (Tanker Drivers).

## 2.5 Update on RSA Registrations

### 2.5.1 RSA Membership Count by PFA

The PFAs registered a total of 78,115 RSAs during the quarter under review. This brought the cumulative RSA registrations to 9,461,173 as at 30 September 2021. Table 2.5 below provides further details.

**Table 2.5: RSA registration count by PFA from inception to date**

SN	PFA	Total RSA Registrations	Weight (%)
1	AIICO Pension Managers Limited	254,415	2.7
2	Apt Pension Funds Managers Limited	156,616	1.7
3	ARM Pension Managers (PFA) Limited	845,303	8.9
4	Crusader Sterling Pensions Limited	356,589	3.8

5	FCMB Pensions Limited	453,717	4.8
6	Fidelity Pension Managers Limited	315,832	3.3
7	First Guarantee Pension Limited	276,141	2.9
8	IEI-Anchor Pension Managers Limited	149,806	1.6
9	Investment-One Pension Managers Limited	84,209	0.9
10	Leadway Pensure PFA Limited	655,215	6.9
11	Nigerian University Pension Management Company	24,540	3.4
12	NLPC Pension Fund Administrators Limited	336,237	3.2
13	NPF Pension Fund Managers	297,761	3.1
14	Oak Pensions Limited	217,651	2.3
15	Pensions Alliance Limited	579,913	6.1
16	Premium Pension Limited	748,374	7.9
17	Radix Pension Managers Limited	37,275	0.4
18	Sigma Pensions Limited	743,522	7.9
19	Stanbic IBTC Pension Managers Limited	1,912,891	20.2
20	Tangerine Pension Limited	92,698	1.0
21	Trustfund Pensions Limited	772,830	8.2
22	Veritas Glanvills Pensions Limited	149,638	1.6
	<b>Total</b>	<b>9,461,173</b>	

## 2.5.2 Gender and Age Distribution

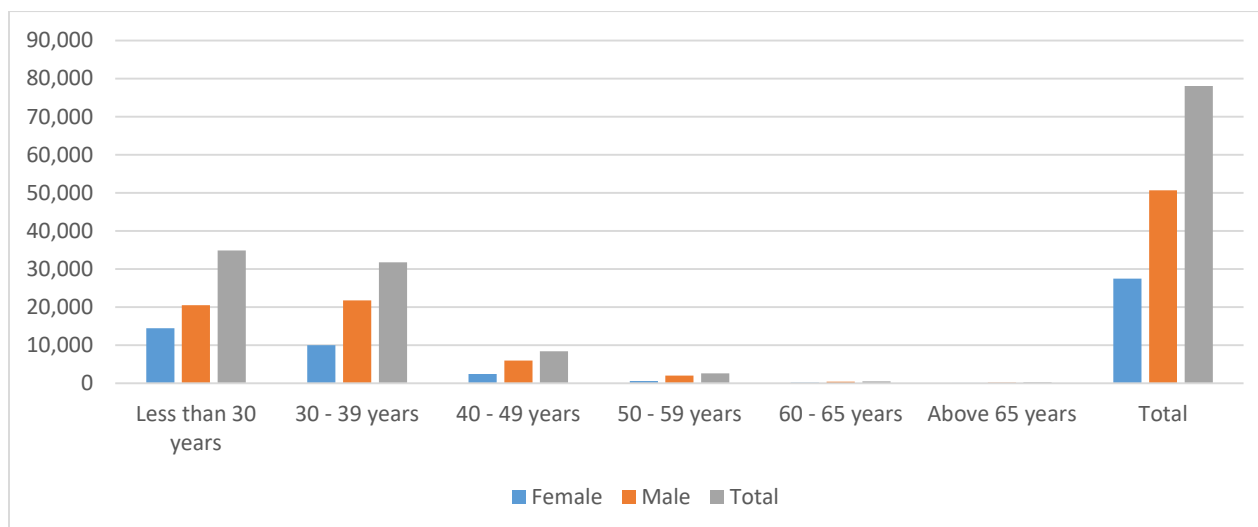
Analysis of new registrations on the CPS for the quarter ended 30 September 2021 showed that 85% were below the age of 40 years. This points to the increasing sustainability of the CPS, as the younger generation are actively being enlisted into the Scheme. Regarding gender distribution, 65% of those registered during the quarter were male, while 35% were female. The table and chart below provide additional details on the age and gender distribution of RSA registrations during the quarter ended 30 September 2021.

### ***Age and Gender Registration Count for 3<sup>rd</sup> Quarter, 2021***

Age	30-Sep				ITD			
	Female	Male	Total	(%)	Female	Male	Total	(%)
Less than 30 years	14,380	20,471	34,851	44.6	1,104,727	2,317,995	3,422,722	36.2
30 - 39 years	9,943	21,777	31,720	40.6	1,044,872	2,427,919	3,472,791	36.7
40 - 49 years	2431	5,906	8,337	10.7	511,029	1,257,988	1,769,017	18.7
50 - 59 years	587	1942	2,529	3.2	163,950	541,161	704,972	7.5
60 - 65 years	102	385	487	0.6	7,633	56,746	64,379	0.7

Above 65 years	23	168	191	0.2	3,651	23,641	27,292	0.3
Total	27,466	50,649	78,115	100.0	2,835,862	6,625,450	9,461,173	100
Percentage (%)	35.2	64.8	100		30	70	100	

*Age and Gender Registration Count for 3<sup>rd</sup> Quarter 2021*



### 2.5.3 Employer Code Generation

The Commission generated a total of 2,345 Codes during the quarter ended 30 September 2021. Over 89% of employer codes generated were for private sector companies and about 9% for business name registrations. During the quarter, only 1 (one) Code was generated for the Federal Government MDAs and 4 (four) employer Codes were generated for State Government MDAs Table 5 below shows the Employer Codes generated within the period under review.

**Table 2.6: Employer Codes Generated within the Third Quarter, 2021**

SN	Employer Code Type	Description	Employer Code Count During 3 <sup>rd</sup> Quarter 2021	(%)	Total Employer Code Count as at 30 September 2021	(%)
1	PR	Private Registered Companies (i.e. Ltd and Plc)	2,098	89.5	229,098	85.3
2	BR	Business Registrations (i.e. Law Firms, Hospitals,	213	9.1	18,052	6.7
3	NG	Non-Governmental Organizations	24	1.0	2,499	0.9
4	PU	Federal Government	1	0.0	966	0.4
5	ST	State Governments	4	0.2	15,063	5.6
6	UN	Unions/Association	3	0.1	2,672	1
7	FR	Foreign Agencies	1	0.0	28	0
8	EM	Embassies	1	0.0	89	0

9	MP	Micro Pension Plan	0	0.0	69	0
10	CB	Cross Border	0	0.0	0	0
<b>Total</b>			<b>2,345</b>	<b>100</b>	<b>268,536</b>	<b>100</b>

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

A total of 12,877 RSAs holders initiated RSA transfers in the third RSA Transfer Quarter of 2021, which was concluded in the first week of October 2021. This covered RSA transfer requests submitted by PFAs between 1 June 2021 to 31 August 2021, which were eligible for RSA transfer in the third quarter of 2021. Out of the total RSA Transfers initiated, 12,872 RSAs were transferred to their new PFAs along with their associated pension assets, while 5 RSAs were outstanding due to non-upload of the transaction history of their RSAs. The total value of the pension assets in respect of the 12,872 RSAs transferred was N45,5

## SECTION THREE

### 3.0 Pension Industry Statistics

#### 3.1 Schemes Membership

The pension industry recorded a marginal growth of 0.84% (79,451) in schemes membership during the quarter under review, rising from 9.44 million members at the end of Q2 2021 to 9.51 million as at Q3 2021. The growth in the industry membership was driven mainly by the RSA Scheme, which had an increase of 77,969 registered contributors. Membership of the Closed Pension Fund Administrator (CPFA) Schemes recorded an increase of 1,482 or 9.93%, while Approved Existing Schemes (AES) remained unchanged as at Q3 2021. The details of the trend in schemes' memberships are shown in Table 3.1 below:

**Table 3.1 Schemes Membership as at Q3 2021**

SCHEME	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Change (Q3 2021 vs Q2 2021)	
					RSAs	Weight (%)
RSA	9,215,788	9,300,058	9,383,204	9,461,173	77, 969	0.83
CPFA	14,926	16,781	16,740	16,408	1,482	9.93
AES	40,951	40,951	40,951	40,951	-	0
<b>TOTAL</b>	<b>9,271,665</b>	<b>9,355,935</b>	<b>9,439,081</b>	<b>9,518,532</b>	<b>79,451</b>	<b>0.84</b>

##### 3.1.1 Membership of RSA

The cumulative RSA registrations grew from 9,383,204 recorded in Q2 2021 to 9,461,173 as at the end of Q3 2021, representing a 0.83% growth. This was 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 Q3 2021 showed a significant increase in the market share of the bottom three PFAs from 1.60% in Q2 2021 to 4.50% as at Q3 2021. Similarly, the bottom five PFAs recorded a slight decrease in the number of registered RSAs from 4.20% in Q2 2021 to 4.10% in Q3 2021. In the same vein, the bottom ten PFAs also recorded a marginal decrease from 15.30% in Q2 2021 to 15.25% in Q3 2021.

There was a marginal increase in the market share of the top three at 37.32% in Q3 2021 which was 0.02%, while the top 5 PFAs also experienced a marginal decline in market share of 53.09% in Q3 2021, vs the 53.10% recorded in Q2 of 2021. The market share of the top ten PFAs marginally declined from 78.30% in Q2 2021 to 78.26% as at Q3 2021. The details of the market share distribution by RSA registration are as shown in Table 3.2 below.

**Table 3.2 RSA Registration by Market Share**

PFA Ranking	Q2 2021 (%)	Q3 2021	Variance
Top 3	37.30	37.32	0.02
Top 5	53.10	53.09	-0.01
Top 10	78.30	78.26	-0.04
Bottom 3	1.60	4.50	2.90
Bottom 5	4.20	4.10	-0.10
Bottom 10	15.30	15.25	-0.05

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 Q3 2021. Table 3.3 below shows the details of the range of RSA registrations.

**Table 3.3 Range of RSA Registration by PFAs as at 30 June 2021**

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 AES

The CPFA and AES schemes' total membership were 16,408 and 40,951, respectively as at the end of Q3 2021.

## 3.2 Pension Contributions

The total pension contributions remitted to individual RSAs in Q3 2021 stood at ₦272.15 billion. Out of this total, the public sector accounted for ₦170.96 billion or 62.82%, while the private sector contributed ₦101.19 billion or 37.18%. The cumulative pension contributions from inception to the end of the third quarter of 2021 amounted to ₦7.37 trillion, which is an increase from ₦7.10 trillion as at the end of Q2 2021. Details of the pension contributions remitted into the RSAs are shown in Table 3.4 below:



**Table 3.4 Pension Contributions as at Q3 2021**

Year/Quarter	Sector		Total
	Public	Private	
	Amount (N Billion)	Amount (N Billion)	Amount (N Billion)
2004	15.60	-	15.60
2005	34.68	-	34.68
2006	37.38	23.03	60.41
2007	80.63	68.34	148.97
2008	99.28	80.81	180.09
2009	137.10	91.21	228.31
2010	162.46	103.03	265.49
2011	228.92	119.53	348.45
2012	302.24	159.52	461.76
2013	278.50	225.42	503.92
2014	237.76	343.97	581.73
2015	200.05	358.91	558.96
2016	225.86	262.33	488.20
2017	257.11	353.73	610.84
2018	266.84	340.72	607.55
2019	331.56	369.13	700.69
2020	536.97	371.12	908.09
Q1:2021	116.13	87.64	203.77
Q2:2021	97.17	97.91	195.08
<b>Q3:2021</b>	<b>170.96</b>	<b>101.19</b>	<b>272.15</b>
<b>Total</b>	<b>3,817.21</b>	<b>3,557.54</b>	<b>7,374.74</b>

The aggregate pension contributions of the public sector increased from ~~N~~3.65 trillion to ~~N~~3.82 trillion as at the end of Q3 2021. Similarly, the aggregate pension contributions of the private sector also increased from ~~N~~3.46 trillion to ~~N~~3.56 trillion as at the end of Q3 2021.

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

The ranking of PFAs by cumulative pension contributions received from the inception of the CPS to the end of Q3 2021 indicated that the top five ranked PFAs received 65.12% of the total contributions as at the end of Q3 2021. Similarly, the top ten ranked PFAs accounted for 86.63% of the total contributions. In comparison, the bottom five and bottom ten PFAs accounted for 3.98% and 11.98% of the total pension contributions, respectively.

**Table 3.5: PFA Ranking by Size of Contributions During Q3 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 Fund Portfolio

#### 3.3.1 Pension Fund Portfolio

The total value of Pension Fund assets as at 30 September 2021 was ₦13 trillion. The amount comprised of ₦9.14 trillion in RSA 'Active' Funds (i.e., RSA Funds I, II, III and V); ₦1.05 trillion in RSA Retiree Fund; ₦1.48 trillion in CPFAs; ₦1.31 trillion in Approved Existing Schemes (AES) Funds and ₦7.80 billion for RSA Fund VI, Active and Retiree.

Pension Fund Assets were mainly invested in Federal Government Securities (FGN), accounting for 63.25% of total assets. The composition of investments in FGN Securities were as follows: FGN Bonds: 92.20%; Treasury Bills: 3.45%; and Agency Bonds, Sukuk and Green Bonds accounted for 1.29%. Table 3.6 below shows the summary of the Pension Industry Portfolio across fund types for the quarter ended 30 September 2021.

**Table 3.6 Pension Fund Portfolio by Fund Type as at 30 September 2021**

	RSA FUNDS		CPFAs	AES	FUND VI ACTIVE & RETIREE	TOTAL PENSION FUND ASSETS	WEIGHT (%)
	RSA ACTIVE FUND (I,II,III,V)	RSA RETIREE FUND					
<b>% OF PENSION ASSETS</b>	<b>70%</b>	<b>8%</b>	<b>11%</b>	<b>10%</b>	<b>0%</b>	<b>100%</b>	
<b>ASSET CLASS</b>	<b>₦'Billion</b>	<b>₦'Billion</b>	<b>₦'Billion</b>	<b>₦'Billion</b>	<b>₦'Billion</b>	<b>₦'Billion</b>	
Domestic Ordinary Shares	724.61	10.21	37.63	100.56	0.48	873.49	6.72
Foreign Ordinary Shares	-	-	105.20	-	-	105.20	0.81
<b>FGN Securities:</b>	<b>6,024.92</b>	<b>712.24</b>	<b>753.92</b>	<b>728.08</b>	<b>3.50</b>	<b>8,222.66</b>	<b>63.25</b>
<i>FGN Bonds</i>	5,753.92	667.62	729.55	679.45	2.70	7,833.25	60.25
<i>Treasury Bills</i>	181.26	38.27	22.27	41.29	0.80	283.88	2.18
<i>Agency Bonds (NMRC)</i>	11.87	1.27	0.62	-	-	13.75	0.11
<i>Sukuk</i>	67.57	4.91	0.64	6.66	-	79.78	0.61
<i>Green' Bond</i>	10.30	0.18	0.85	0.67	-	11.99	0.09
State Govt. Securities	60.36	6.69	13.00	8.46	-	88.51	0.68
Corporate Debt Securities	539.30	83.49	264.39	80.82	0.27	968.26	7.45
Supra-National Bonds	-	-	-	-	-	-	0.00
<b>Local Money Market Securities:</b>	<b>1,649.60</b>	<b>230.97</b>	<b>120.33</b>	<b>257.72</b>	<b>2.92</b>	<b>2,261.54</b>	<b>17.39</b>
<i>Bank Placement</i>	1,599.21	222.50	120.33	248.93	2.92	2,193.89	16.87
<i>Commercial Papers</i>	50.38	8.47	-	8.79	-	67.65	0.52
Foreign Money Market Securities	-	-	8.64	-	-	8.64	0.07
<b>Mutual Funds:</b>	<b>20.97</b>	<b>0.55</b>	<b>12.08</b>	<b>2.48</b>	<b>-</b>	<b>36.08</b>	<b>0.28</b>
<i>Open/Close-End Funds</i>	18.65	0.55	12.05	2.21	-	33.45	0.26
<i>REITs</i>	2.33	-	0.03	0.27	-	2.63	0.02
Real Estate Properties	-	-	122.57	111.63	-	234.20	1.80
Private Equity Fund	22.23	-	14.45	-	-	36.68	0.28
Infrastructure Fund	64.08	0.35	7.85	4.58	-	76.85	0.59
Cash & Other Assets	36.24	6.51	28.64	17.05	0.63	89.05	0.68
<b>Net Assets Value</b>	<b>9,142.31</b>	<b>1,051.00</b>	<b>1,488.69</b>	<b>1,311.37</b>	<b>7.80</b>	<b>13,001.17</b>	<b>100.00</b>

The industry Net Asset Value (NAV) at reporting date increased by 2.72% (N343.99 billion) to N13 trillion compared to a NAV of N12.66 trillion as at 30 June 2021. The growth in Q3 2021 was slightly higher than the growth of N317.21 billion (2.57%) recorded in Q2 2021, Inflows of N7.80 billion were observed in Fund VI (ethical Fund), which commenced in Q3 2021. The comparative analysis of the Pension Industry Portfolio for the period ended 30 June and 30 September 2021, respectively, is shown in Table 3.7 below:

**Table 3.7: Comparative Pension Industry Portfolio Q2 2021 vs. Q3 2021**

	TOTAL PENSION FUND ASSETS		TOTAL PENSION FUND ASSETS		VARIANCE	
	30-Jun-21		30-Sep-21		Jun- Sept 21	
ASSET CLASS	₦Billion	Weight %	₦Billion	Weight %	₦Billion	Weight %
Domestic Ordinary Shares	843.20	6.66	873.49	6.72	30.29	3.59
Foreign Ordinary Shares	105.19	0.83	105.20	0.81	0.01	0.01
FGN Securities:	8,474.90	66.96	8,222.66	63.25	(252.24)	-2.98
FGN Bonds	7,814.19	61.74	7,833.25	60.25	19.06	0.24
Treasury Bills	548.13	4.33	283.88	2.18	(264.25)	-48.21
Agency Bonds (NMRC)	13.60	0.11	13.75	0.11	0.15	1.13
Sukuk	86.10	0.68	79.78	0.61	(6.32)	-7.34
Green bonds	12.88	0.10	11.99	0.09	(0.89)	-6.90
State Govt. Securities	97.99	0.77	88.51	0.68	(9.48)	-9.67
Corporate Debt Securities	950.98	7.51	968.27	7.45	17.28	1.82
Local Money Market Securities	1,736.93	13.72	2,290.81	17.62	553.87	31.89
Securities	0.04	0.00	8.64	0.07	8.59	20883.18
Mutual Funds:	116.34	0.92	36.08	0.28	(80.26)	-68.99
Open/Close-End Funds	31.97	0.25	33.45	0.26	1.48	4.64
REITs	84.37	0.67	2.63	0.02	(81.74)	-96.88
Real Estate Properties	156.88	1.24	234.20	1.80	77.31	49.28
Private Equity Fund	34.10	0.27	36.68	0.28	2.58	7.57
Infrastructure Fund	66.50	0.53	76.85	0.59	10.35	15.57
Cash & Other Assets	74.12	0.59	59.79	0.46	(14.33)	-19.34
<b>Net Assets Value</b>	<b>12,657.17</b>	100.00	<b>13,001.17</b>	100.00	<b>343.99</b>	2.72

The value of investments in quoted domestic ordinary shares stood at **N873.49 billion** (6.72% of total assets under management), indicating an increase of **N30.29 billion** (3.59%) compared to the **N843.20 billion** invested in the asset class as at 30 September 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 reporting period, as the Nigerian Stock Exchange Pension Index (NSE-PI) further appreciated by 6.10% in Q3 2021 after an 8.90% appreciation in Q2 2021.

The value of investments in FGN Securities decreased by **N252.24 billion** (2.98%) to **N8.22 trillion** as at 30 September 2021 from **N8.47 trillion** as at 30 June 2021. The decrease 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, V and Fund VI-Active Fund, was **N9.10 trillion** as of 30 September 2021. This represented a net growth of **N337.53 billion** (3.85%) as the NAV increased from **N8.76 trillion** as at 30 June 2021 to **N9.10 trillion** as at 30 September 2021. These figures were exclusive of the balance of **N159.66 billion** and **N49.58 billion** in respect of the Contributions of FGN workers awaiting transfers to PFAs, both as at 30 June 2021 and 30 September 2021, respectively.

The breakdown of the NAV of the RSA 'Active' Funds and the comparative variances for the period ended 30 June 2021 and 30 September 2021, respectively, are presented in Table 3.8 below:

**Table 1.8 RSA 'Active' Fund Assets –Q1 2021 vs. Q2 2021**

ASSET CLASS	RSA ACTIVE FUND				Variance	
	Jun-21		Sep-21		Jun'21/Sept' 21	
	N'Billion	Weight %	N'Billion	Weight %	N'Billion	Weight %
Domestic Ordinary Shares	698.36	7.97	725.08	7.97	26.72	3.83
<b>FGN Securities:</b>	<b>6,079.80</b>	69.39	<b>5,978.70</b>	65.70	<b>(101.10)</b>	-1.66
FGN Bonds	5,717.32	65.25	5,756.57	63.26	39.24	0.69
Treasury Bills	263.45	3.01	132.39	1.45	(131.06)	-49.75
Agency Bonds (NMRC)	12.06	0.14	11.87	0.13	(0.19)	-1.55
Sukuk	75.84	0.87	67.57	0.74	(8.27)	-10.91
Green	11.13	0.13	10.30	0.11	(0.83)	-7.46
State Govt. Securities	68.32	0.78	60.36	0.66	(7.96)	-11.65
Corporate Debt Securities	524.66	5.99	539.54	5.93	14.88	2.84
Money Market Securities	1,243.55	14.19	1,651.90	18.15	408.35	32.84
<b>Mutual Funds:</b>	<b>19.73</b>	0.23	<b>20.97</b>	0.23	<b>1.24</b>	6.28
Open/Close-End Funds	16.42	0.19	18.65	0.20	2.22	13.54
REITs	3.31	0.04	2.33	0.03	(0.98)	-29.72
Private Equity Fund	20.06	0.23	22.23	0.24	2.17	10.82
Infrastructure Fund	54.95	0.63	64.08	0.70	9.13	16.62
Cash & Other Assets	52.71	0.60	36.81	0.40	(15.90)	-30.17
<b>Net Assets Value</b>	<b>8,762.13</b>	100.00	<b>9,099.66</b>	100.00	<b>337.53</b>	3.85

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 61.78% of the RSA 'Active' Funds. Table 4 provides a breakdown of the RSA Active Funds.

**Table 3.9 RSA "Active" Funds – as at Q3 2021**

<b>RSA ACTIVE FUNDS AS At 30 SEPTEMBER 2021</b>		
<b>FUND</b>	<b>₦'Billion</b>	<b>(%)</b>
RSA FUND I	45,139.46	0.50
RSA FUND II	5,621,416.88	61.78
RSA FUND III	3,425,976.22	37.65
RSA FUND V	196.93	0.00
RSA FUND VI	6,935.29	0.08
<b>TOTAL</b>	<b>9,099,664.79</b>	<b>100.00</b>

### 3.3.3 Sources of Portfolio Growth/Diminution for RSA Active Funds

#### i. Contributions Received

Monthly pension contributions totaling **₦361.73 billion** were received in Q3 2021 for RSA Fund I, II, III V and VI-Active. The amount was an increase compared to the total contributions of **₦306.63 billion** recorded in Q2 2021.

#### ii. Interest/Coupons and Dividends

Interests/coupons received on investments in fixed income securities amounted to **₦229.48 billion** in Q3:2021. The amount indicated a 13.23% increase compared to the sum of **₦202.67 billion** recorded in Q2:2021. The growth was attributed to additional investments and an increase in yields on investments in Fixed Income Securities for the period. Furthermore, dividends of **₦9.65 billion** were received in RSA Active Funds in Q3:2021.

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

Total unrealized gains on the RSA 'Active' Funds in Q3 2021 further increased to **₦30 billion** compared to unrealized gains of **₦11.55 billion** recorded in Q2 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.

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

Total unrealized gains on bonds in the Funds Marked-to-Market (MTM) portfolio amounted to **₦6.08 billion** and indicated a recovery compared to unrealized losses of **₦18.33 billion** in Q2 2021. The appreciation in bond prices as measured by the S&P/FMDQ Nigeria Sovereign Bond Price Index revealed an appreciation of 5.88% in Q3 2021 relative to a decline of 4.62% in Q2 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 Q3 2021 stood at **₦213.45 billion**, which was higher than the total outflows of **₦165.53 billion** in Q2 2021. A summary of the sources of portfolio growth/diminution in RSA Active Funds are highlighted in table 3.10 below:

**Table 3.10: RSA "Active" Fund – Sources of Portfolio Growth Q2 vs Q3 2021**

		Q2: 2021	Q3: 2021	VARIANCE
		₦'Billion	₦'Billion	₦'Billion
1	New inflow of Funds:			
	Monthly Contributions/ Inter Fund Transfers	306.63	361.73	19.36
2	Investment Incomes:			
2.1	Interest/Coupons	202.67	229.48	34.15
2.2	Dividends/Rental Income	32.26	9.65	20.65
2.3	Net Realized Gains on Equity/Bonds	(8.05)	(0.48)	1.29
3	Net Unrealized Gains/(Losses) on Equities/Equity Funds	11.55	30.00	38.67
4	Net Unrealized Gains/(Losses) on Bonds	(18.33)	6.08	71.30
	Rental Income		-	-
5	Benefits Paid/Transfers to Retiree Fund	(165.53)	(213.45)	(13.28)
6	Other Transfers/Remittances	(29.72)	(47.88)	4.73
7	Asset Based Fees, Audit Fees (and VAT)	(36.00)	(37.60)	(1.29)
	<b>Net Portfolio Growth</b>	<b>295.48</b>	<b>337.53</b>	<b>175.58</b>

#### 3.3.4 Portfolio Performance of the RSA Active Fund

The average rates of return (annualized) on RSA Funds I, II, III and V were 11.87%, 11.59%, 10.41% and 11.83%, respectively, as presented in Table 3.11 below. These performances were higher than the average rates of return of 10.30%, 9.21%, 8.58% and 7.80% recorded by the respective Funds in Q2 2021.

**Table 3.11: RSA Funds - Average Rate of Return – Q3: 2021**

FUND	AVERAGE RATE OF RETURN (ANNUALIZED)	
	Q2:2021	Q3:2021
RSA FUND I	10.30%	11.87%
RSA FUND II	9.21%	11.59%
RSA FUND III	8.58%	10.41%
RSA FUND V	7.80%	11.83%

The performances of the RSA Active Funds for Q3 2021 were due to significant appreciation in the prices of equities and Marked to Market bonds as well as higher yields on investments in money market instruments.

### 3.3.5 RSA Retiree Fund IV

The NAV of RSA' Retiree' Fund increased by ₦60.35 billion from ₦990.51 billion as at 30 June, 2021 to ₦1.05 trillion as at 30 September 2021. The breakdown of the Net Assets Value of the RSA' Retiree Fund and the comparative variances for the period ended 30 June 2021 and 30 September 2021 are presented in Table 3.12 below:

ASSET CLASS	RSA RETIREE FUND				Variance Jun 2021/ Sept 2021	
	Jun-21		Sep-21			
	₦'Billion	Weight %	₦'Billion	Weight %	₦'Billion	Weight %
Domestic Ordinary Shares	9.63	0.97	10.21	0.97	0.58	5.98
<b>FGN Securities:</b>	<b>722.62</b>	72.95	<b>712.24</b>	67.77	<b>(10.38)</b>	-1.44
FGN Bonds	660.65	66.70	667.62	63.52	6.97	1.06
Treasury Bills	54.67	5.52	38.27	3.64	(16.40)	-29.99
Agency Bonds (NMRC & FMBN)	0.52	0.05	1.27	0.12	0.74	142.76
Sukuk	6.25	0.63	4.91	0.47	(1.34)	-21.42
Green Bonds	0.54	0.05	0.18	0.02	(0.36)	-67.32
State Govt. Securities	7.50	0.76	6.69	0.64	(0.81)	-10.83
Corporate Debt Securities	80.41	8.12	83.49	7.94	3.08	3.83
Supra-National Bonds		0.00		0.00	-	#DIV/0!
Money Market Securities	162.97	16.45	230.97	21.98	68.00	41.72
Open/Close End Funds	0.44	0.04	0.55	0.05	0.11	24.93
Infrastructure Fund	0.20	0.02	0.35	0.03	0.15	72.66
Cash & Other Assets	6.73	0.68	6.51	0.62	(0.23)	-3.40
<b>Net Assets Value</b>	<b>990.51</b>	100.00	<b>1,051.00</b>	100.00	<b>60.35</b>	6.09

### 3.3.6 Sources of Portfolio Growth/Diminution RSA Retiree Fund (Fund IV)

#### i. Transfers from RSA Active Funds

Transfers into the RSA Retiree Fund increased by **N67.82 billion** as it increased to **N134.21 billion** in Q3 2021 relative to **N66.39 billion** received in Q2 2021.

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

The interests/coupons received on investments in fixed income instruments in Q3 2021 increased to **N28.71 billion** compared to **N24.24 billion** recorded in Q2 2021. The increase in interest and coupon by **N4.48 billion** (18.44%) during the period was due to additional investments in this asset class.

#### iii. Net Unrealized/Realized Gains/(Losses) on Bonds and Equities

The Fund recorded net unrealized losses of **N0.31 billion** on bonds in Q3 2021 compared to unrealized losses of **N1.61 billion** in Q2 2021. Furthermore, unrealized gains on equities/mutual funds were lower as they amounted to **N0.02 billion** compared to **N0.28 billion** in Q2 2021. However, net unrealized losses on bonds and equities were moderated by profit made on the sale of bonds and equities, which amounted to **N0.99 billion** in Q3 2021 relative to a net loss of **N0.08 billion** Q2 2021.

#### iv. Retirement Benefits Paid

A total of **N101.05 billion** was paid as retirement benefits in Q3 2021. This was **N26.97 billion** (36.41%) higher than the retirement benefits of **N74.08 billion** paid in Q2 2021. The major sources of net portfolio growth/diminution for the period are presented in Table 3.13 below:

**Table 3.13: RSA Retiree Funds - Major sources of Portfolio Growth**

S/NO	SOURCES OF PORTFOLIO GROWTH/DIMINUTION	Q2: 2021 N'Billion	Q3: 2021 N'Billion	VARIANCE N'Billion
1	New inflow of Funds:			
	Transfers of RSA 'Active' balances/Accrued Rights	66.39	134.21	67.82
2	Investment Incomes:			-
2.1	Interest/Coupons	24.24	28.71	4.48
2.2	Dividends	0.45	0.12	(0.33)
2.3	Net Realized Gains/(Losses) on Equities/Bonds	(0.08)	0.99	1.07
3	Net Unrealized Gains/(Losses) on Equities/Mutual Funds/Private Equity	0.28	0.02	(0.26)
4	Net Unrealized Gains/(Losses) on Bonds	(1.61)	(0.31)	1.30
5	Retirement Benefits Paid	(74.08)	(101.05)	(26.97)
6	Income Based Fees (and VAT)	(1.97)	(2.33)	(0.36)
	<b>Net Portfolio Growth</b>	<b>13.61</b>	<b>60.35</b>	<b>46.74</b>



Furthermore, the retiree portion of Fund VI, which commenced during Q3 2021, amounted to ~~N~~863.94 million as at 30 September 2021.

### 3.3.7 Portfolio Performance – RSA Retiree Fund IV

The average rate of return (annualized) of 11% on the RSA Fund IV ('Retiree' Fund) in Q3 2021 indicated an increase of 1.85% relative to the 9.15% rate of return in Q2 2021. The improvement in the performance of the Fund was attributed to the rise in yields on short-term money market securities during the period.

### 3.3.8 Review of Closed Pension Fund Administrator (CPFA) Funds

The value of pension fund assets held by the CPFA Funds in Q3:2021 was reasonably stable at **N1.49 trillion** compared to **N1.46 trillion**. It increased by **1.74%** in Q2:2021.

The comparative summary of the CPFA Funds for the period ended 30 June and 30 September 2021 are presented in Table 3.14 below:

**Table 3.14: Summary of CPFA Pension Assets – Q2 2021 vs. Q3 2021**

ASSET CLASS	CPFA FUNDS				Variance	
	Jun-21		Sep-21		Jun 2021/Sept 2021	
	N'Billion	Weight %	N'Billion	Weight %	N'Billion	Weight %
Domestic Ordinary Shares	37.30	2.55	37.63	2.53	0.32	0.87
Foreign Ordinary Shares	105.19	7.19	105.20	7.07	0.01	0.01
<b>FGN Securities:</b>	<b>759.68</b>	<b>51.92</b>	<b>753.92</b>	<b>50.64</b>	<b>(5.76)</b>	<b>-0.76</b>
FGN Bonds	736.40	50.33	729.55	49.01	(6.85)	-0.93
Treasury Bills	21.30	1.46	22.27	1.50	0.97	4.55
Agency Bonds (NMRC)	0.61	0.04	0.62	0.04	0.00	0.33
Sukuk Bonds	0.60	0.04	0.64	0.04	0.04	6.84
Green Bonds	0.77	0.05	0.85	0.06	0.08	10.15
State Govt. Securities	12.93	0.88	13.00	0.87	0.07	0.54
Corporate Debt Securities	265.51	18.15	264.39	17.76	(1.13)	-0.42
Money Market Securities	121.80	8.32	120.33	8.08	(1.46)	-1.20
Foreign Money Market Securities	0.04	0.00	8.64	0.58	8.59	20885.54
<b>Mutual Funds:</b>	<b>13.13</b>	<b>0.90</b>	<b>12.08</b>	<b>0.81</b>	<b>(1.05)</b>	<b>-8.02</b>
Open/Close-End Funds	13.10	0.90	12.05	0.81	(1.05)	-8.04
REITs	0.03	0.00	0.03	0.00	(0.00)	-0.89
Real Estate Properties	122.70	8.39	122.57	8.23	(0.13)	-0.11
Private Equity Fund	14.04	0.96	14.45	0.97	0.41	2.93
Infrastructure Fund	7.28	0.50	7.85	0.53	0.57	7.89
Cash & Other Assets	3.67	0.25	28.64	1.92	24.97	680.12
<b>Net Assets Value</b>	<b>1,463.27</b>	<b>100.00</b>	<b>1,488.69</b>	<b>100.00</b>	<b>25.41</b>	<b>1.74</b>

The total funds injected by the various Scheme sponsors to bridge funding deficits and members' contributions (for contributory schemes) in Q3 2021 amounted to **₦27.73 billion**, representing an increase of **₦12.37 billion** compared to **₦15.35 billion** in Q2 2021.

Interest income increased by **₦1.12 billion** to **₦29.36 billion** in Q3 2021 due to additional investments in fixed income securities and higher interest rates on short-term money market securities.

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

**Table 3.15: CPFA Funds - Major Sources of Portfolio Growth/Diminution**

S/N	SOURCES OF PORTFOLIO GROWTH	Q2: 2021	Q3: 2021	VARIANCE
		₦'Billion	₦'Billion	₦'Billion
1	New inflow of Funds:			
	Fund Injections by Scheme Sponsors/Contributions	15.35	27.73	12.37
2	Investment Incomes:			
2.1	Interest/Coupons	28.24	29.36	1.12
2.2	Dividends/Rental Income	3.67	1.57	(2.10)
2.3	Gains/(losses) on foreign exchange	(0.30)	1.36	1.67
2.4	Net Realized Gains/(Losses)	(5.41)	(1.48)	3.92
3	Net Unrealized Gains/(Losses) on Equities/Mutual Funds	1.94	20.89	18.96
	Net Unrealized Gains/(Losses) on Bonds	(25.26)	(8.23)	17.03
4	Benefit Payments	(16.32)	(43.59)	(27.27)
5	Asset Based Fees, Audit Fees (and VAT)	(2.01)	(2.19)	(0.18)
	<b>Net Portfolio Growth</b>	<b>(0.10)</b>	<b>25.42</b>	<b>25.52</b>

The annualized rates of return recorded on the consolidated CPFA Funds for Q3 2021 ranged between 11.15% and 19.59%. The return was reflective of the actual asset allocation and stock selection of the respective funds under management.

### 3.3.9 Approved Existing Schemes (AES) Funds

The NAV of the AES Funds increased by **₦24.85 billion** (1.93%) from **₦1.29 trillion** as at 30 June 2021 to **₦1.31 trillion** as at 30 September 2021.

The breakdown of the NAV of the AES Funds and the comparative variances for the period ended 30 June 2021 and 30 September 2021, respectively, are presented in Table 3.16 below:

**Table 3.16: Summary of AES Fund Assets**

ASSET CLASS	AES FUNDS				Variance Jun/Sep. 2021	
	30-Jun-21		30-Sep-21			
	₦'Billion	Weight %	₦'Billion	Weight %	₦'Billion	Weight %
Domestic Ordinary Shares	97.90	7.61	100.56	7.67	2.65	2.71
<b>FGN Securities:</b>	<b>753.14</b>	<b>58.54</b>	<b>728.08</b>	<b>55.52</b>	<b>(25.06)</b>	<b>-3.33</b>
FGN Bonds	700.22	54.43	679.45	51.81	(20.77)	-2.97
Treasury Bills	49.06	3.81	41.29	3.15	(7.77)	-15.83
Sukuk	3.41	0.27	6.66	0.51	3.25	95.27
Green Bond	0.44	0.03	0.67	0.05	0.23	51.28
State Govt. Securities	9.24	0.72	8.46	0.65	(0.78)	-8.40
Corporate Debt Securities	80.41	6.25	80.82	6.16	0.41	0.51
Local Money Market Securities	208.61	16.22	257.72	19.65	49.11	23.54
<b>Mutual Funds:</b>	<b>2.28</b>	<b>0.18</b>	<b>2.48</b>	<b>0.19</b>	<b>0.20</b>	<b>8.87</b>
Open/Close-End Funds	2.00	0.16	2.21	0.17	0.20	10.17
REITs	0.28	0.02	0.27	0.02	(0.00)	-0.62
Real Estate Properties	114.32	8.89	111.63	8.51	(2.69)	-2.35
Infrastructure Fund	4.08	0.32	4.58	0.35	0.50	12.29
Cash & Other Assets	16.55	1.29	17.05	1.30	0.49	2.96
<b>Net Assets Value</b>	<b>1,286.53</b>	<b>100.00</b>	<b>1,311.37</b>	<b>100.00</b>	<b>24.85</b>	<b>1.93</b>

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

**Table 3.17: AES Funds - Major Sources of Portfolio Growth/Diminution**

SOURCES OF PORTFOLIO GROWTH	Q2: 2021	Q3: 2021	VARIANCE
	₦'Billion	₦'Billion	₦'Billion
New inflow of Funds:			
Fund Injections by Scheme Sponsors/Contributions	9.75	13.96	4.20
Investment Incomes:		-	-
Interest/Coupons	25.93	28.39	2.46
Dividends/Rental Income	4.46	1.06	(3.40)
Other Income	0.80	0.24	(0.56)
Net Realized Gains/(Losses) on Equity/Bonds	(2.32)	(2.22)	0.10
Net Unrealized Gains/(Losses) on Equities/Bonds	(11.69)	6.39	18.07
Benefit Payments	(15.75)	(20.42)	(4.67)
Other Transfers/Remittances	(0.35)	(0.85)	(0.50)
Asset Based Fees, Audit Fees (and VAT)	(1.87)	(1.70)	0.17
<b>Net Portfolio Growth</b>	<b>8.97</b>	<b>24.85</b>	<b>15.88</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 Q3 2021. Furthermore, the average annualized rate of return on the AES Funds in Q3 2021 ranged between 6.22% and 17.04%. The differences in performance across the AES funds reflected the actual assets allocation of the individual Funds.

### 3.4 Retirement/Terminal Benefits

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

The Commission approved 8,528 retirees' requests to draw pension through the Programmed Withdrawal mode during the quarter under review. These retirees received a total lump sum of ~~N~~36,249.60 million while their total monthly pension amounted to ~~N~~470.13 million, as shown in Table 3.18 below:

**Table 3.18: Retirement by Programmed Withdrawal during the Q3 2021**

Period	Sectorial Approvals		Total	Lump-Sum (N Million)	Monthly PW (N Million)
	Public	Private			
Jul - Sept. 2021	3,270	5,258	8,528	36,249.60	470.13

#### 3.4.2 Retirement through Retiree Life Annuity

The Commission granted approval to 3,264 retirees under the Retiree Life Annuity during the quarter under review. A total lump sum of ~~N~~13,213.96 million was approved for payment to the retirees, while the sum of ~~N~~22,692.06 million was approved for payment to 14 Retiree Life Annuity Providers as premium in return for total annuities of ~~N~~231.93 million as reflected in Table 3.19 below:

**Table 3.19: Retirement by Annuity During Q3 2021**

Period	Sectorial Approvals		Total	Lump-Sum (N Million)	Premium (N Million)	Monthly Annuity (N Million)
	Public	Private				
Jul - Sept 2021	1,587	1,677	3,264	13,213.96	22,692.06	231.93

### 3.4.3 Approval of Death Benefits

During the quarter under review, approvals were granted for payment of death benefits amounting to ₦13,394.33 million to the legal beneficiaries/administrators of 2,574 deceased employees and retirees. This comprised 1,923 Public (FGN & State) and 651 private sector employees/retirees, as summarized in Table 3.20 below.

**Table 3.20 Approval of Death Benefit During Q3 2021**

Period	Sectorial Approvals		Total	Total Amount Paid (₦ Million)
	Public	Private		
Jul-Sept. 2021	1,923	651	2,574	13,394.33

*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 2,084 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 ₦519.51 million was paid to the 2,084 retirees from both the public and private sectors.

**Table 3.21 Enbloc Payment of Retirement Benefits During Q3 2021**

Period	Sectorial Approvals		Total	Total Amount Paid (₦ Million)
	Public	Private		
Jul-Sept. 2021	43	2,041	2,084	519.51

### 3.4.5 Withdrawal Due to Temporary Loss of Employment

The Commission approved the payment of ₦5,661.68 million to 9,517 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 Due to Temporary Loss of Employment**

Period	Sectorial Approvals		Total	Total Amount Paid (₦ Million)
	Public	Private		
Jul-Sept. 2021	481	9,036	9,517	5,661.68

### 3.4.6 Voluntary Contributions

During the quarter under review, the Commission granted approval of withdrawal from voluntary contributions amounting to ₦1,415.98 million to 787 contributors, as shown in Table 3.23 below.

**Table 3.23: Accessing Voluntary Contributions During Q3 2021**

Period	Sectorial Approvals		Total	Total Amount Paid (₦ Million)
	Public	Private		
Jul-Sept. 2021	21	766	787	1,415.98