

The CEO's Address

Our Esteemed Contributor,

I would like to use this opportunity to welcome you to the year 2020 and to thank you for trusting Sigma Pensions with your retirement savings through the years. This is the maiden edition of the CEO Address to you and I will strive to make it a consistent channel to reach out to you, to provide information about your retirement savings.

In 2016, the ownership of Sigma changed to Actis - a London based Private Equity firm who is one of the leading Emerging Market Private Equity Fund Managers, with more than US\$7billion assets under management.

Following that investment, changes were made in Management and the Company commenced on a journey to reengineer our entire business, by investing significantly in people, technology and our overall backend processes. My mandate and that of the entire Management of Sigma is to deliver consistent and superior customer experience to you through closer relationship management, closer connection from our various channels, improving our operational efficiency and providing good fund performance.

To achieve these, the relationship management structure of Sigma was changed to regional business units in the North, East and West, to ensure that we are closer to you to resolve any issues that may arise. We also had a brand refresh and relaunch to reflect a newer, fresher, more youthful and colourful outlook. This helped to emphasize our commitment to creating exceptional value for our stakeholders and to continually strive to be the pension fund manager of choice. In addition, we invested in the improvement and standardization of our branches, to provide a more comfortable and welcoming ambience for those of you who choose to visit our branches for one reason or the other.

To improve our operational efficiency, we have put in measures to deliver prompt payment of benefit requests, and we have received very positive feedback. We acknowledge that some may have experienced delays in payment, due to the long period it takes to receive accrued rights (for public sector employees), incomplete documentation and in recent times, issues related to data recapture. I ask you to please work with our staff to ensure the submission of complete documentation and our promise in Sigma is to strive for prompt approvals from the National Pension Commission (PenCom) and swift payment thereafter.

Furthermore, the industry continues to face the challenge of non-receipt of payment schedules and poor narration at bank channels, when contributions are paid into our RSA bank accounts. To resolve this, the industry has adopted the EPCCOS platform which ensures prompt error free processing of your contributions. Unfortunately, adoption has been low. We kindly ask that you press on your employer's pension desk officer to adopt the EPCCOS platform to speed up the processing time.

An industry-wide data recapture exercise is currently ongoing to ensure that all pension contributors' identity tallies with PenCom and the National Identity Management Commission (NIMC) records, for seamless transaction and payment experience. May I use this opportunity to remind you to visit our nearest branch for the data recapture exercise if you have not done so. Please note that you would require your National Identity Number (NIN) to complete this simple process.



In 2019, we embarked on various initiatives to measure and improve customer satisfaction across all our channels. We became the first PFA to commence the Net Promoter Score (NPS) program. The NPS allows us to measure your level of satisfaction with our services and has provided a basis for us to improve. I would like to thank you for participating in the NPS program and enjoin you to continue to provide us with your invaluable feedback. Based on your feedback, we have upgraded our call centre to respond to your queries in a timely and efficient manner using various channels including social media and chat bot "Nafi" on our website. We also launched our magic number *7737*2# USSD code. This code provides a vista of self-service options that enable you to check your account balance, track your contributions and do much more by using your registered telephone number.

In 2020, we will be opening up other channels to improve your experience. Our website will be enabled to allow you update your data and information at the comfort of your space for the industry data recapture exercise and we will be relaunching our Mobile App, "the Sigma Buddy", to bring more value-added services.

Finally, we have rejigged our investment team to address the legacy challenges we had faced on that front. At the board level, we are continuously undergoing a thorough approach to enable us reach well informed investment decisions and have put in a lot of work in this regard. I am glad to inform you that we are beginning to see encouraging results in our fund performance.

While a lot of progress has happened across various aspects of our business, we still believe there is room for further improvement. At the centre of all of this is an unflinching desire to improve the overall experience for you, our treasured contributor. We will continue to strive for service excellence and will not relent as continuous improvement and world class service delivery becomes our focus.

I wish you a fruitful year ahead and to assure you that Sigma Pensions is working for you.



Dave Uduanu,
Managing Director/CEO
Sigma Pensions Limited

January 2020 - Macroeconomic and Financial Market Review

In January, the National Bureau of Statistics (NBS) released inflation data which showed that prices continued to rise in December (up 13bps to 11.98 percent) driven by increases across both sub-indices: food inflation (18bps to 14.67 percent) and core inflation(+34bps to 9.33 percent). The December CPI report implies that headline inflation averaged 11.4 percent in 2019 – a four year low, largely reflective of base effects and stable patterns in key prices (fuel and FX).

Figure 1: Trends in Inflation



Source: NBS

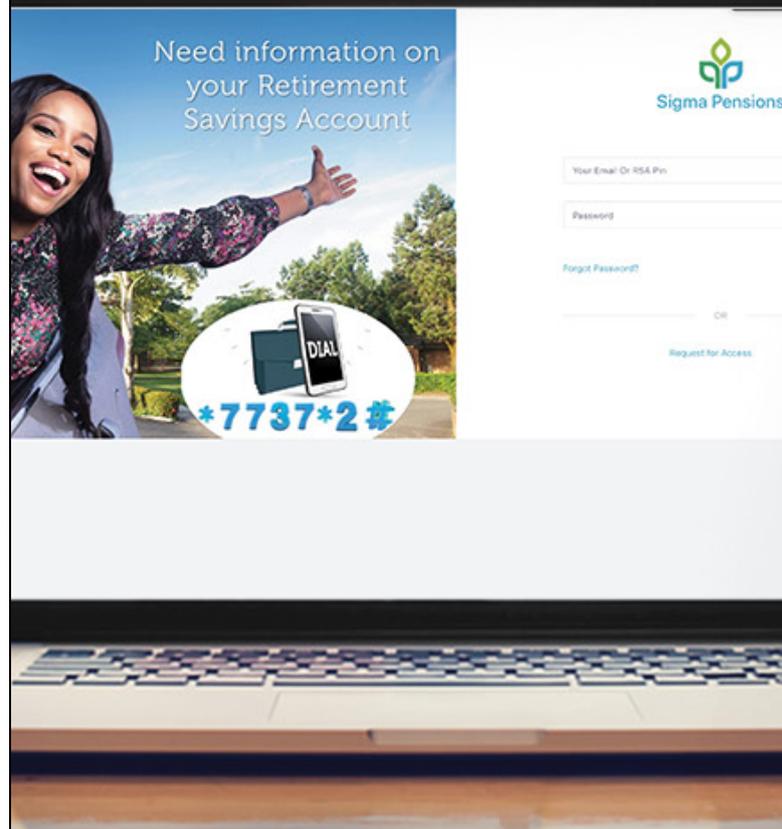
At its January monetary policy meeting, the Central Bank of Nigeria (CBN) raised the cash reserve ratio by 500basis points to 27.5 percent while leaving all other policy parameters constant. In justifying the decision, the CBN noted the uptick in inflation as well as the heavy liquidity profile from maturing OMO bills held by non-bank investors as the key drivers for its action.

After a 10 percent slide over 2019, Nigeria’s external reserves maintained the declining pattern in January, sliding 1.5 percent over the month to USD38billion which translates to 5months of import cover. The negative trends reflect the emergence of a current account deficit in 2019 and greater CBN interventions in the FX market to stabilize the exchange rate. Nevertheless, the Naira remained stable across the official (NGN307/\$), Investors & Exporters Window (NGN364/\$) and parallel market (NGN359/\$).

In terms of financial market performance, the stock market had a strong start to the year with the Nigerian Stock Exchange All Share Index (NSEASI) posting a 7.5 percent return over the month. Key gainers were in the cement (+22 percent), telecommunications (+10 percent), banks (3.3 percent), Construction (+ 7 percent) and insurance (+2 percent). On the other hand, personal care (- 26 percent), brewers (-6 percent), food (-3 percent) and energy (-15 percent) all declined over the month. The bullish sentiment was driven by local investors seeking to deploy liquidity from maturing OMO bill instruments amid a dearth of investible outlets.

Easy steps to monitor your RSA online

- Visit www.sigmapensions.com
- Click on Login button (top right)
- Click on Request for Access
- Enter your RSA PIN
- Upon validation of the RSA PIN, access credentials are sent to the registered email address
- Enter the credentials to Login.



January 2020 Investment Returns and Asset Allocation

In January 2020, we recorded positive returns across all our Sigma RSA Funds following the positive trend in the equity market.

RSA	Unit Prices		Returns	
	31-Dec-19	31-Jan-20	YTD	Annualised
Fund I	1.1497	1.1675	1.55%	18.28%
Fund II	3.4769	3.5405	1.83%	21.60%
Fund III	1.1502	1.1680	1.55%	18.27%
Fund IV	3.4831	3.5130	0.86%	10.14%

Investor Education (The Wise Investor Series) – Value Added Tax

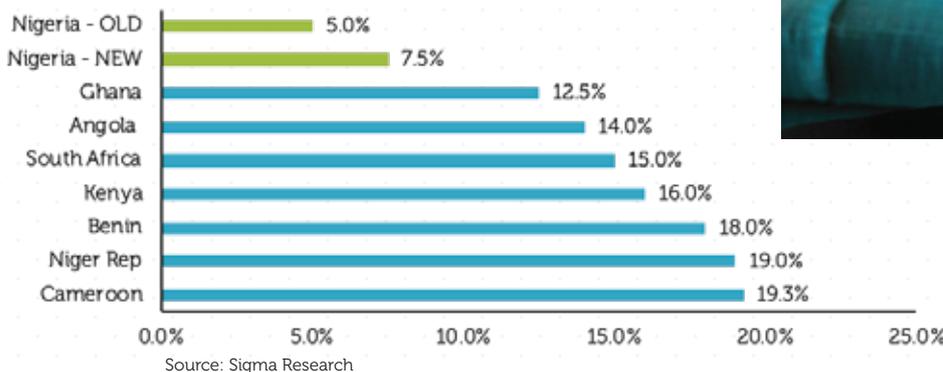
Effective February 1, 2020, valued added taxes (VAT) in Nigeria will rise from 5 percent to 7.5 percent. What does this mean for you?

Firstly, we need to understand what VAT means. A value-added tax (VAT) is a tax levied on goods and services at every point of the chain where value has been added, starting from raw materials and going all the way to the final retail purchase. Ultimately, the consumer pays the VAT; buyers at earlier stages of production receive reimbursements for the previous VAT payments.

VAT is commonly expressed as a percentage of the total cost. For example, if the price of a good is NGN100 and there is a 5 percent VAT, the consumer pays NGN105 to the seller. The seller keeps NGN100 and remits NGN5 to the government via the Federal Inland Revenue Service (FIRS). Accordingly, following the increase in VAT to 7.5 percent, the consumer in our example would now pay NGN107.5 to the seller who still retains NGN100 and remits NGN7.5 to FIRS.

Why is the Government increasing VAT? Tax increases are a means via which government raises revenues to fund its activities. A look at VAT across African countries suggests Nigeria has a very low rate.

Figure 2: VAT across selected African countries



DID YOU KNOW

you can track the status of your benefits application from your phone by simply dialing

***7737*2#**

We remain committed to #workingforyou



For further enquiries call +234- (0)9-461-3333 or email info@sigmapensions.com