



Dear Esteemed Client,

# Welcome

to the quarterly edition of our newsletter.

This newsletter will feature a review of the Macroeconomic & Financial Markets, and a snapshot of your fund performance for Q2 2021. We will also update you on our activities in the quarter under review.

If you have any questions, kindly make enquires via [info@sigmapensions.com](mailto:info@sigmapensions.com) or through any of our social media platforms. We would love to hear from you.

# Thank You!

Global economic activities strengthened over Q2 2021 with a pick-up in international travel and trade volumes as increased COVID-19 vaccination rates continued to support the removal of movement restrictions. Globally, over 3 billion vaccine doses have been administered across the world with high vaccine coverage across most developed countries. However, limited vaccination across emerging market economies and the emergence of a highly infectious strain of the COVID-19 virus across India continues to dampen optimism regarding global economic growth. Despite the concerns over the mutant strains and firm hints by the US Federal Reserve about a shift to a less accommodative monetary policy, global financial markets remained bullish with the MSCI World index up 7.3 percent in Q2 2021 (YTD: + 12.2 percent). In a similar vein, oil prices strengthened further in Q2 2021 with the Brent benchmark up 18 percent to USD75.1/bbl. (YTD: +46 percent) as a result of concerns over inadequate supplies in the face of a strong rebound in crude consumption and reluctance by the Organization of Petroleum Exporting Countries (OPEC) to reduce production curbs.

In Nigeria, COVID-19 infection cases remain modest at 167k since patient zero, with a 1.3 percent fatality ratio while 3.7 million doses of the Oxford AstraZeneca vaccine had been administered as at the end of June 2021. In a similar dynamic to global trends, economic data showed signs of improvement as the NBS released Q1 2021 GDP data which showed that Nigeria's economy expanded 0.51 percent up from the 0.11 percent growth posted in Q4 2020. Gains reflected positive trends in the non-oil sector (+0.79 percent) as oil output contracted 2.2 percent. After accelerating to three-year highs of 18.2 percent in Q1 2021, headline inflation turned sluggish in Q2 2021 with two consecutive decelerations in April (18.12 percent) and May (17.93 percent y/y) on account of large base effects in food inflation (22.8 percent) relative to the rising pattern in core inflation (13.76 percent). At its only meeting during the quarter in May, the Monetary Policy Committee of the Central Bank of Nigeria (CBN) retained the status quo:

Monetary Policy Rate (11.5 percent) with the asymmetric corridor around the MPR at +100/-700 bps from +200/-500 bps for its standing lending and deposit facilities. The CBN took comfort in the improving macroeconomic data and slowdown in inflation. Nigeria's external reserves declined further over the quarter (-4.3 percent) to USD33.3 billion, reflecting the outflows from maturing forward contracts amid softer inflows from oil exports. Despite the improved USD sales by the CBN, the Naira weakened 0.7 percent at the Investors and Exporters window to NGN411.05/\$ at the end of the June 2021. In a similar vein, the currency depreciated by 3 percent at the parallel market to the psychological level of NGN500/\$.

**Q2 2021 MACROECONOMIC AND FINANCIAL MARKET REVIEW**

In terms of capital market performance, Nigerian equities remained in bearish territory for the second consecutive quarter with the All-Share Index down 2.9 percent q/q (Q1 2021: -3.04 percent) as domestic investors rotated out of stocks to capture rising short-term interest rates. In the fixed income space, bond yields retraced slightly in June (down 78bps) as focus on the forthcoming July 2021 bond maturity has supported a mild pick-up in bond prices with the S&P Nigeria Bond index up 5 percent. Over Q2 2021, bond prices remained 4 percent down from the end of Q1 2021, reflecting a combination of higher borrowings and liquidity tightening by the CBN. YTD, the S&P Nigeria Bond index is down 19.5 percent (2020: +39 percent), reflecting the sell-off in Q1 2021 as investors reacted negatively to the prospect of higher government borrowings.

**Q2 2021 INVESTMENT RETURNS AND ASSET ALLOCATION**

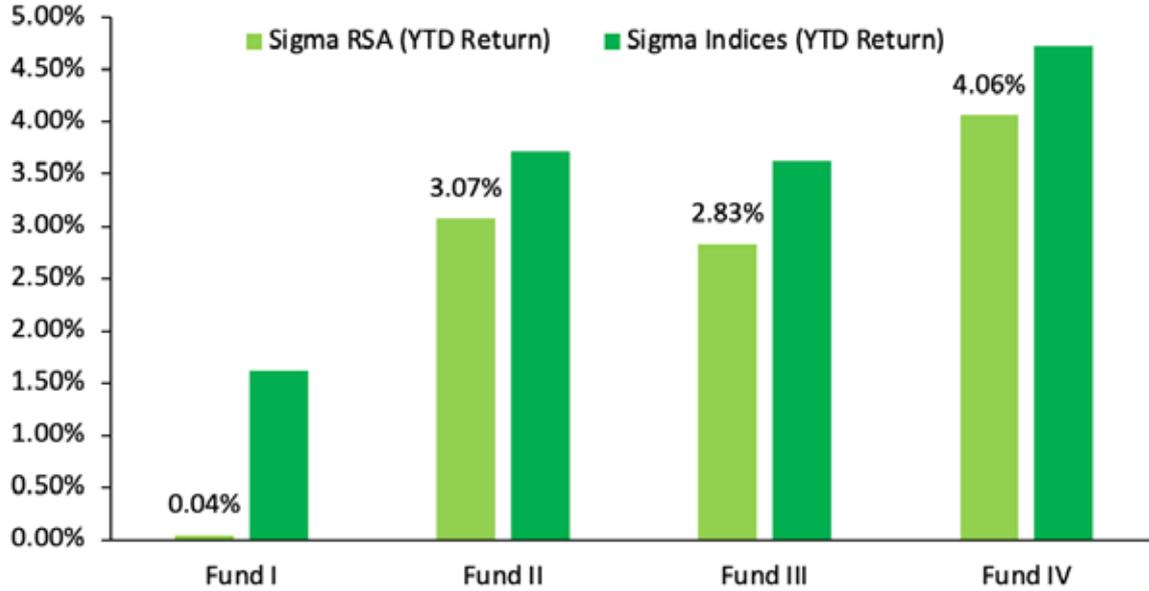
Despite the bearish trends across domestic equity markets and bond markets over Q2 2021, we are pleased to report that our flagship RSA portfolios posted positive performances over the period. We highlight that on the strength of the Q2 performance, our RSA Fund I has recovered from the declines in Q1 2021. We reiterate that the positive trends reflect the diversified nature of these portfolios which have helped withstand negative trends across the domestic capital market space.

**TABLE 1: INVESTMENT RETURNS ON SIGMA RSA PORTFOLIOS**

RSA UNIT PRICES AND RETURNS				
	31-DEC-20	30-JUN-21	Q2 2021	H1 2021
Fund I	1.4115	1.4120	2.07%	0.04%
Fund II	4.0629	4.1878	2.22%	3.07%
Fund III	1.3057	1.3426	2.12%	2.83%
Fund IV	3.8265	3.9819	2.61%	4.06%

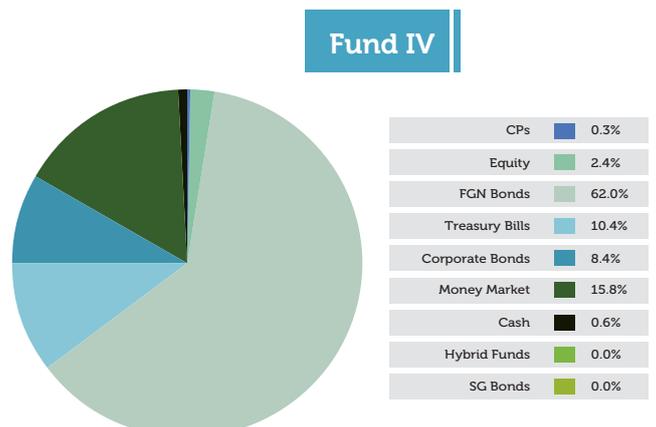
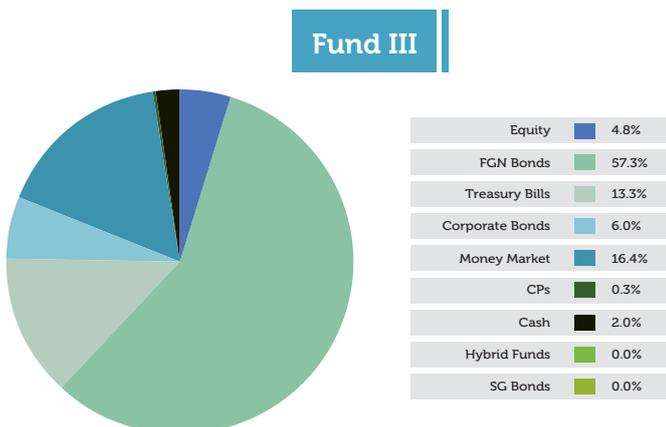
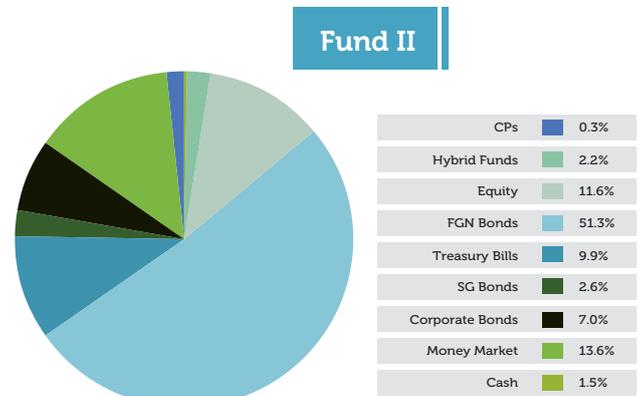
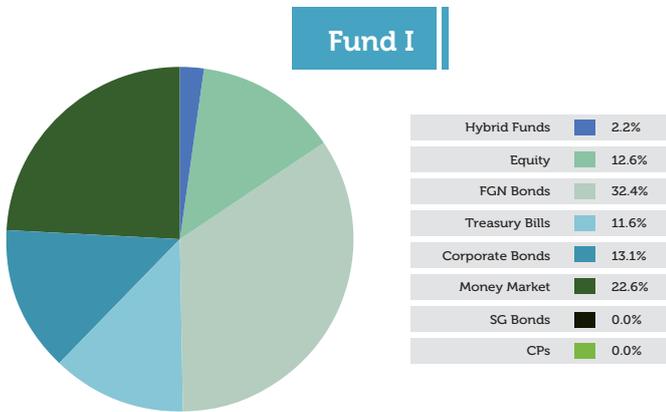
**SOURCE: SIGMA RESEARCH**

FIGURE 1: INVESTMENT RETURNS ON SIGMA RSA PORTFOLIOS AND SIGMA MARKET INDICES



SOURCE: SIGMA RESEARCH

SEE BELOW ASSET ALLOCATION ACROSS OUR VARIOUS RSA FUNDS AS AT THE END OF JUNE 2021

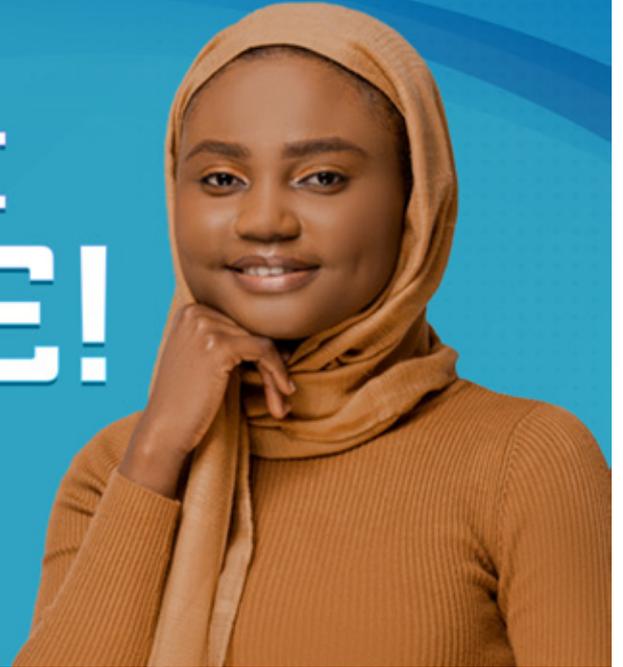


OFFICIAL LAUNCH OF THE SIGMA NON-INTEREST RSA FUND VI

# RSA FUND VI IS HERE!

You can now invest your pensions in the  
Non-Interest Fund VI

Where Pension Management and  
Personal Values Align



The Sigma Non- Interest RSA Fund VI was launched on July 1, 2021. The event was attended by Our Chairman, Mark Collier, Management, customers and members of the press. It is worthy of note that Sigma Pensions signed on her first Fund VI customer, Mr. Gani Sanda (Head, Aviation Division -National Hajj Commission of Nigeria) at the launch



## WHAT YOU NEED TO KNOW ABOUT THE SIGMA NON-INTEREST FUND VI

1

**WHAT IS FUND VI?**

Fund VI refers to the Non-Interest Fund created to cater to the needs of RSA holders who would like their pensions managed in accordance with Islamic Shari' ah Principles.

2

**WHAT IS THE DIFFERENCE BETWEEN FUND VI AND FUNDS I-V?**

PenCom requires that PFAs invest Fund VI assets in instruments that are non-interest bearing and are in accordance with Islamic Shari' ah Principles. Funds I-IV are invested in both interest and non-interest-bearing assets and are not guided by Islamic Shari' ah Principles.

Specifically, Fund VI assets shall not be invested in the production or trading of alcohol, pornography, weaponry, gambling/betting, speculation, interest earning ventures and other ventures of similar nature that are contrary to Sharia principles.

3

**HOW WILL FUND VI BE STRUCTURED?**

Fund VI would be separated into two (2) funds for Active RSA holders and Retirees.

Active Fund VI (Active Non-Interest Fund): For contributors in Funds I-III that have elected to move their balances to Fund VI.

Retiree Fund VI (Retiree Non-Interest Fund): For retired contributors in Fund IV that move their contributions to Retiree Fund VI and those that move their balances from Active Fund VI upon retirement.

RSA contributors in Fund III can move their balances directly to Retiree Fund VI at the time of retirement.

4

**WHO CAN TRANSFER TO FUND VI?**

RSA holders in Fund I, Fund II and Fund III are eligible to move their RSA balances to Fund VI (Active Fund VI).

Retirees in Fund IV are eligible to move their RSA balances to Fund VI (Retiree Fund VI).

New members to the Contributory Pension Scheme can also be admitted directly into the Active Fund VI.

The National Pension Commission (PenCom) shall determine the participation of Micro Pension Contributors (Fund V) in due course.

WHAT YOU NEED TO KNOW ABOUT THE SIGMA NON-INTEREST FUND VI

5

**WHAT IS THE PROCESS FOR TRANSFERRING TO FUND VI?**

Eligible RSA holders seeking to move to Fund VI can do so in accordance with the existing regulation dealing with active choices. Kindly contact us at Sigma Pensions indicating that you wish to move to Fund VI and we will guide you through the process.

RSA holders in Fund VI seeking to move back to any of the Active RSA Funds or Fund IV can do so. Kindly contact us at Sigma Pensions to guide you through the process.

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**HOW DO I TRANSFER TO FUND VI**

To transfer your RSA to the Non-Interest Fund, please send an email to [info@sigmapensions.com](mailto:info@sigmapensions.com) or click <https://bit.ly/SIGMAFUNDVI> to fill an online form.

You may also reach out directly to your designated relationship manager or contact any of our communication channels.

Click here for more FAQs <https://sigmapensions.com/sigma-pensions-rsa-fund-vi-faq/>

OUR CSR IN PICTURES

As part of our Corporate Social Responsibility, we reached out to some stakeholders, equipping them with various required amenities to support their business.

- This month, we supported some Medical Centres with wheelchairs in the North-West.



Sigma Pensions staff with Management of Usmanu Danfodiyo University Teaching Hospital, University of Maiduguri Teaching Hospital and Federal Neuro Psychiatric Hospital Maiduguri.

# THE SIGMA ADVANTAGE

(USSD CODE)

**\*7737\*2#**

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Service Centres

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