

## Dear Esteemed Client,

Welcome to another edition of our monthly newsletter.

We hope that as you resume your daily activities, you continue to take preventive measures to keep you and your loved ones safe.

As most of our offices remain temporarily closed, please note that measures are in place to ensure that we are still able to connect and deliver real-time service while working from home.

In this edition, we will review the continuous impact of COVID-19 on the Macroeconomic and Financial Market, highlighting our Asset Allocation and Investment Returns for May 2020.

If you have any questions about any of these topics, kindly send an email to [info@sigmapensions.com](mailto:info@sigmapensions.com) or reach us through any of our social media platforms. We would love to hear from you, Thank You!

## MAY 2020 Macroeconomic and Financial Market Review

Global economic activities started to recover in May as COVID-19 curves flattened across many countries leading to a relaxation of lockdown restrictions. Furthermore, with the advent of summer across the Northern hemisphere and tangible progress towards developing a workable vaccine, economic activities resumed across more countries in May. Crude oil prices strengthened over the month (up 40% to USD37.8/bbl) as the Organization of Petroleum Exporting Countries (OPEC) and its allies achieved a significant compliance (75-80%) on pledged cuts in oil production. The cuts helped reduce the over-supply problem which plagued oil markets in April 2020.

On the domestic front, in a bid to strike a balance between economic concerns and curbing the spread of COVID-19, the Federal Government moved to ease the lockdown restrictions across key states in Nigeria with protocols for maintaining social distancing and use of face masks among others. The National Bureau of Statistics (NBS) reported that economic growth decelerated to 1.87% in Q1 2020 (Q4 2019: 2.55%) as activities in the non-oil sector slowed considerably (Q1 2020: 1.55% vs Q4 2019: 2.26%). Activities in the oil sector were positive with growth at 5.1% as oil production improved to 2.1mbpd (Q4 2019: 1.98mbpd). Following the receipt of the USD3.4billion loan by the International Monetary Fund, Nigeria's external reserves recovered in May (+9% to USD36.6billion, YTD: -5%). In the foreign exchange market, a pick-up in CBN dollar sales has helped drive stable trends across the Investors and Exporters' window (-0.1% to NGN387.50/\$) and the parallel market (+0.1% to NGN449/\$) with the official window at NGN361/\$. Headline inflation maintained its uphill climb in April (up to 12.34% from 12.26% in March) with increases across food and core sub-indices. At its May 2020 meeting, the monetary policy committee of the CBN reduced its key policy rate by 100basis points to 12.5% citing a desire to boost economic growth to offset the impact of COVID-19.

In terms of market performance, Nigerian stocks rallied for the second consecutive month with a 9.9% return driven by increased local investor activity which reduced YTD losses to 5.9% (vs April: -14.8%). In a similar vein, the S&P Nigeria Government Bond Index climbed 2.2% in May 2020 (YTD: +7.6%) as excess liquidity across debt markets amid limited outlets fueled a rally in bond prices. However, Treasury bill yields remained depressed at 1-3% as the money market funds continued to struggle for outlets to deploy maturities from maturing OMO bills.

## May 2020 Investment Returns and Asset Allocation

The rally across domestic equity markets and bond markets continued to favorably impact returns across our flagship RSA portfolios after declines in Q1 2020.

	RSA Unit Prices		Returns
	31-Dec-19	31-May-20	YTD
Fund I	1.1497	1.1739	2.10%
Fund II	3.4769	3.6032	3.63%
Fund III	1.1502	1.1983	4.18%
Fund IV	3.4769	3.6152	3.98%



Read how  
**Sigma Pensions**  
has responded to  
**Covid-19**

**We encourage you all to make use of our alternative channels from the comfort of your homes and call dedicated numbers provided for any assistance. Visit [www.sigmapensions.com/articles](http://www.sigmapensions.com/articles) to read our full response to COVID-19**



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Steps to Keeping Your Business Afloat During This Pandemic

**Do you ever feel like hitting the pause button on 2020?**

Normal life, as we know it, is being altered with the outbreak of the COVID-19 virus. Across the world, businesses are forced to adapt to newer methods of operation due to government-directed lockdowns.

From Lagos to London, New York to Hong Kong, entrepreneurs and corporate organizations are finding new means of transacting, executing contracts, holding those important meetings and in the most innovative ways, delivering services. Unfortunately, many entrepreneurs and businesses may not have fully embraced digitization and will most likely struggle with operations.

Visit [www.sigmapensions.com/articles](http://www.sigmapensions.com/articles) for tips to help keep your business afloat at this time.



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- Obtain the last 3 remittances into your RSA
- Make enquiries on the requirements and status of:
  - 25% withdrawal
  - Retirement benefit/Enbloc payment
  - Annuity transfer or death benefit payment
  - Death benefit and exempted funds

Remember to take advantage of our other numerous offsite self-service platforms:

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*We miss you*

We hope you are protecting yourself by taking preventive measures.

We cannot wait to open our doors to serve you even better.

We look forward to a Covid-19 free environment as soon as possible.

Stay Safe... #SigmaCares