



Dear Esteemed Client,



to the August edition of our monthly Newsletters

we are gradually winding down this unprecedented year. In this edition, in addition to the market review we will review the latest pension industry updates. We hope you have a nice read. If you have any further enquiries kindly send an email to info@sigmapensions.com or reach out on any of our social media platforms

Thank You!

August 2020 Macroeconomic and Financial Market Review

Global covid-19 cases continued to trend higher with infections rate rising to 25.3million cases, with a 3.3 percent fatality rate at the end of August 2020. Economic data over August showed steep contraction across developed countries consistent with expectations for a global economic recession in 2020 due to the covid-19 outbreak. Despite the gloomy data, dovish central bank policies continued to underpin positive trends in global equity markets through out August 2020 with the MSCI World Equity index up 6.5 percent during the month. Elsewhere, as lockdown restrictions end in many countries and with the resumption of international flights, the recovery in crude oil demand worked to drive Brent crude oil prices higher (up 4.6 percent to USD45.5/\$) over August 2020.

On the domestic front, The Nigerian Bureau of Statistics released its Q2 2020 report which with the pattern across most economies showed a covid-19 induced contraction of 6.1 percent driven by negative trends across oil production (-6.6 percent), due to compliance with OPEC production cuts, and non-oil GDP (-6.1 percent) on account of the covid-19 lockdowns. Nigeria's inflation tracked higher in July, with the CPI rising 12.8 percent (June: 12.56%), the highest level since March 2018 driven by pressures in the food basket, where prices climbed 15.5 percent (June: 15.18 percent) while the core index (which includes energy prices) expanded by decelerated to 10.1 percent (June: 10.3 percent). Nigeria's external reserves declined slightly (-0.6 percent) to USD35.7billion reflecting limited inflows from oil receipts over the period. In the FX market, the Naira appreciated across the official rate (+1 percent to NGN379/\$, YTD: -19 percent) and Investors and Exporters window (+1 percent to NGN385.67/\$, YTD: -5.4 percent) over August. In a similar vein, the currency appreciated at parallel market (+2 percent to NGN465/\$, YTD: -22 percent) as the prospect of a resumption in CBN sales boosted sentiment.

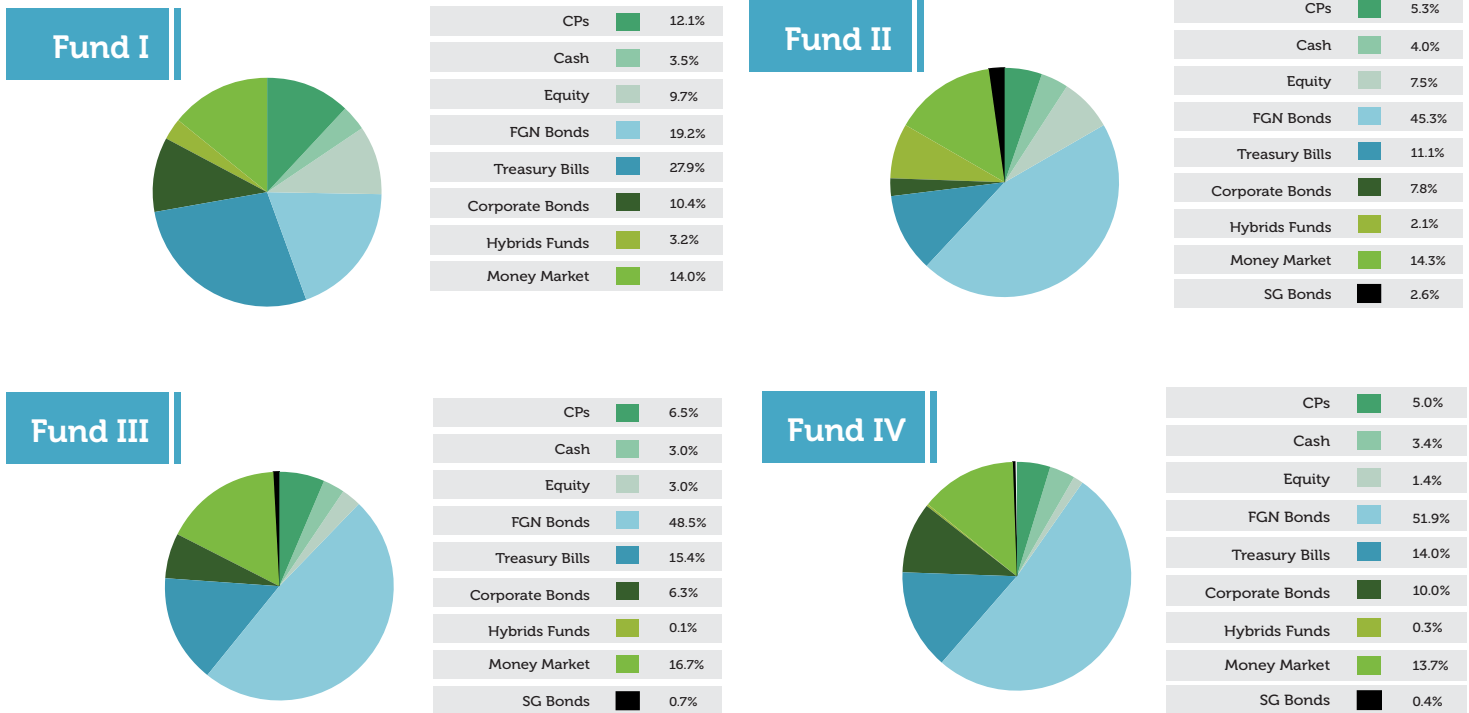
In terms of market performance, continued buying by local investors helped the NSEASI post a positive return over August (+0.35 percent, YTD: -5.6percent). In the fixed income space, a thin maturity profile over month combined with strong profit-taking drove an uptick in bond yields with the S&P Nigeria Bond Index down 4 percent over the month (YTD: +22.4 percent). However, interest rates remained subdued as the combination of limited investment outlets amid ample liquidity continued to keep rates across the Naira yield curve below inflation.

AUGUST 2020 Investment Returns and Asset Allocation

The positive trends in domestic bond and equity markets continued to favourably impact the performance of our flagship RSA portfolios.

	RSA Unit Prices		Returns
	31-Dec-19	31-August-20	YTD
Fund I	1.1497	1.2871	+11.95%
Fund II	3.4769	3.7721	+8.49%
Fund III	1.1502	1.2485	+8.55%
Fund IV	3.4769	3.7008	+6.44%

See below asset allocation across our various RSA Funds as at the end of August 2020.



Industry News

Sigma Pensions Sign MOU with NANPF to provide Professional Footballers a Pension Scheme

Sigma Pensions and the National Association of Nigeria Professional Footballers (NANPF) have signed a Memorandum of Understanding (MoU) to offer local and international professional footballers a safety net in their retirement.

The customised scheme is expected to commence from the 2020/2021 Football season and was signed by the President and the General Secretary of NANPF on behalf of the Union along with the Management of Sigma Pensions in Abuja.

The partnership was borne out of the need to enhance pension coverage across the working population since football has become a major source of employment for youths that have over the years not been catered for.

Our mandate as a Pension Fund Administrator is to assist employed workers plan for their retirement so that they can have financial security in their post service years. In line with that, we felt the need to collaborate with this important sector that employs a large portion of our youth to provide them a retirement plan, so that they can also benefit from the security of the Contributory Pension Scheme just like employees in other sectors of the economy.

The MoU is inclusive of both male and female footballers and would cover all players in the Nigeria Professional Football League (NPFL), Nigeria National League (NNL), and Nigeria Women Football League (NWPFL) as well as international players.


Footballers abroad in foreign leagues will be covered based on the Cross-Border Arrangement Guideline of the National Pension Commission which made provisions for people living outside Nigeria to have retirement plans at home.

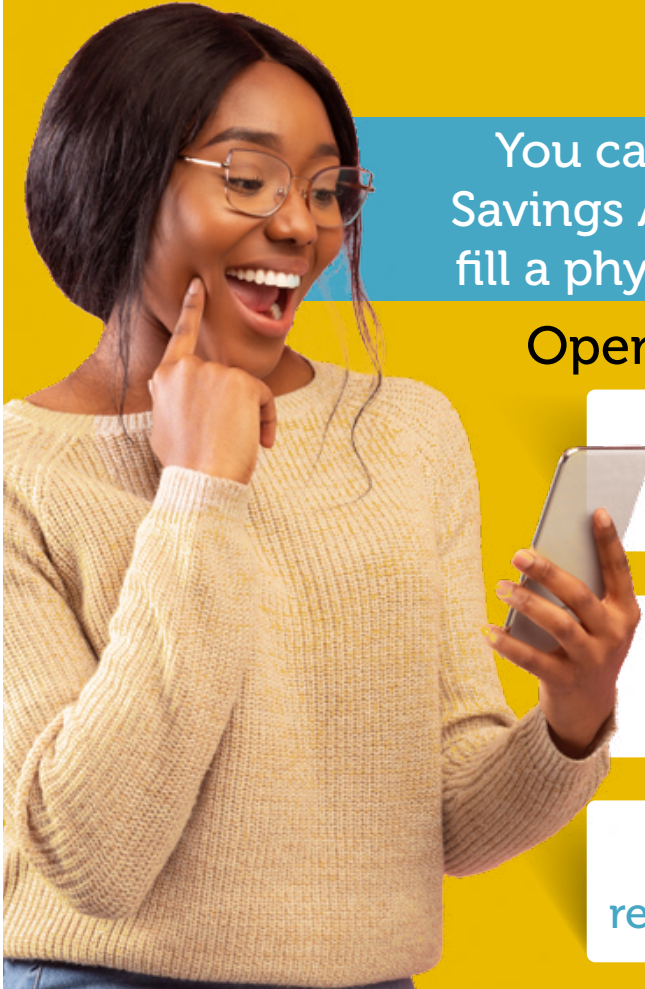
Nigerian professional footballers have never enjoyed any type of social security structure for their post service years such that after their football careers, some fall into penury and cannot afford basics of life let alone healthcare insurance at old age. This arrangement is an opportunity for them to have a retirement plan such that after their active years, they would have a steady source of income that will guarantee them financial security in their old age.

Transfer Window

The National Pension Commission (PenCom) has been working on plans to actualize the provisions of Section 13 of the Pension Reform Act 2014 which will allow contributors to move their Retirement Savings Account (RSA) through a transfer window from one Pension Fund Administrator (PFA) to another, provided that it is not more than once in a year..

The opening of the transfer window will facilitate full and equitable pension assets portability within the pension industry, enhance ethical competition amongst the PFAs and improve service delivery to RSA holders.

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