



Dear Esteemed Client,

# Welcome

to the October edition of our newsletter.

In this edition, we will review the the macroeconomic environment for October. We are also excited to announce the opening of the Transfer Window and our Digital Channels campaign.

If you have any questions about any of these topics, kindly make enquires via [info@sigmapensions.com](mailto:info@sigmapensions.com) or through any of our social media platforms.

*Thank You!*

In October, the global economy continued its recovery from the Covid-19 pandemic with many countries reporting upbeat real GDP data for Q3 2020. However, the much dreaded second wave of the COVID-19 pandemic appears underway and many countries have either slowed reopening of the economies or are reinstating partial lockdowns to limit hospitalization rates. Nonetheless, the IMF now expects global GDP growth to contract by 4.4 percent, less severely than the 5.2 percent expectation in June 2020, reflecting strong recovery in China and aggressive stimulus measures across developed markets. Despite the less bearish market outlook, global financial markets witnessed a sell-off as investors positioned ahead of the US elections in November. Following the announcement of fresh lockdowns across key European countries, Brent crude oil price slipped 2 percent over October (YTD: -40 percent) at USD40.19/\$ as concerns heightened over the impact of new lockdowns on crude oil demand. On the supply side, comments from Organization of Petroleum Exporting Countries (OPEC) and their allies suggests growing consensus about an extension of the current round of cuts.

On the domestic front, despite the relaxation in movement restrictions, Nigeria's manufacturing and non-manufacturing PMI remained in contraction territory with both indicators printing at sub-50 levels: 49.4 (September: 46.9) and 46.8 (September: 41.9) respectively. Nigeria's inflation quickened to 13.71 percent in September (August: 13.22 percent), largely driven by surging food prices (food inflation: 16.66 percent). The runaway in food prices, despite the start of main harvest season in September, suggests that food harvests were particularly weak which lends credence to the claim that COVID-19 restrictions significantly hurt crop cultivation for the 2019 farm season. External reserves declined (-0.1 percent) over October to USD35.6billion, reflecting the weak trend in Nigeria's external accounts due to the drop in oil prices amid a pick-up in CBN sales with the resumption of international flights. In the FX market, the Naira held steady at the official (NGN379/\$, YTD: -19 percent) and the Investors and Exporters window (NGN385.67/\$, YTD: -5.5 percent). At the parallel market, the resumption of FX sales drove further strengthening as the exchange rate closed at NGN461/\$ (YTD: -22 percent).

In terms of financial market performance, Nigerian equities posted five consecutive weekly gains throughout the month of October. The market rally was underpinned by strong local institutional demand amid unattractive yields in the fixed income market. The Nigerian All-Share Index (NSEASI) advanced by 13.8 percent (+13.7 percent). In the fixed income space, dovish monetary policy continued to underpin a rally in bond prices with the S&P FMDQ Nigerian Bond index up 19.5 percent (YTD: +55 percent) over October as yields along the Naira curve maintained the downward trajectory (-260bps over the month).

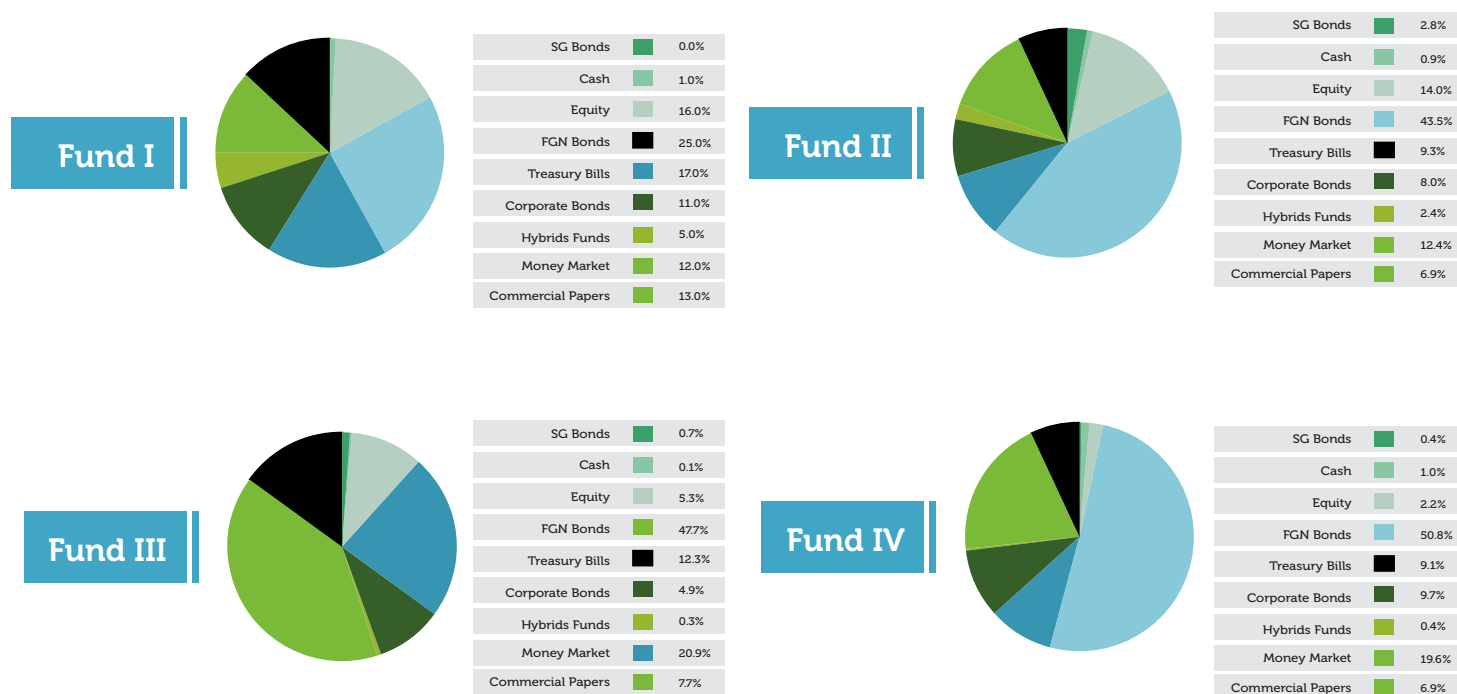
## October 2020 Investment Returns and Asset Allocation

The rally in the equity markets and continued rally in bond prices had a favorable impact on the performance of our flagship RSA portfolios.

	RSA Unit Prices		Portfolio Returns	Benchmark Returns <sup>1</sup>
	31-Dec-19	31-Oct-20	YTD	YTD
Fund I	1.1497	1.3767	19.74%	14.10%
Fund II	3.4769	3.9429	13.42%	11.80%
Fund III	1.1502	1.2856	11.77%	8.60%
Fund IV	3.4769	3.7686	8.20%	6.70%

<sup>1</sup>Sigma Composite Indices. These are a group of proprietary indices which aggregate the performance of various asset benchmarks for pension compliant assets. The composition of these indices and methodology used in their creation is available to our clients upon request.

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





## TRANSFER WINDOW

The National Pension Commission (PenCom) has announced the opening of the long-anticipated transfer window from **November 16, 2020**.

Retirement Savings Account Holders can now move their RSAs from one Pension Fund Administrator (PFA) to another.

The good news is that your family and friends can now Switch to enjoy **The Sigma Edge**. To transfer RSA simply send an email to [info@sigmapensions.com](mailto:info@sigmapensions.com).

## DOWNLOAD AND WIN

It's the season of rewards! In November and December, we will be rewarding lucky customers who have downloaded our mobile app and utilised any of our multiple digital communication channels. See details on how to participate below:



**DOWNLOAD AND WIN**

### How To Qualify

- Step 1** Download the Sigma Buddy App
- Step 2** Use any of our other digital channels

Download **SigmaBUDDY** on 

**(USSD CODE)**  
\*7737\*2#

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**Web Login & Live Chat**  
www.sigmapensions.com

**Mobile App**  
**SigmaBUDDY**





**SIGMA PENSIONS**

will not offer nor receive bribes or other improper advantages for business gains. We also urge our customers to report any request for payment to facilitate benefit processing or any services rendered.

Kindly report any direct or indirect requests for gratification to

[whistleblowing@sigmapensions.com](mailto:whistleblowing@sigmapensions.com)



# OUR PROMISE TO YOU

- ✓ Registration and PIN Generation within 24 hours
- ✓ Benefits Payment within 20 Working Days
- ✓ Competitive and Sustainable Long Term Returns on Retirement Savings
- ✓ Less than 3 Minutes Call Centre Wait Time
- ✓ Feedback/Call Back on Enquiries within 24hrs
- ✓ Multi-Channel access to RSA Statements
- ✓ Professional, Courteous, and Friendly Staff
- ✓ 24 hours Self-Service Channels
- ✓ Wealth Management Advisory Services available on Demand

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