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# NEWSLETTER

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*A Quarterly Publication by Veritas Glanvills Pensions Limited*





**Dear Esteemed Client,**

**We would like to express our deepest appreciation for your continued loyalty and trust in us as your preferred pension fund manager over the years. We want to reassure you of our commitment and dedication in providing exceptional customer services that will continue to exceed your expectations.**

***Happy Customer Service Week from all of us at VG Pensions.***

**You are welcome to the last quarter of the year and to another edition of our periodic newsletter. In this edition, you will find informative updates on the Macroeconomic environment and Financial Markets, Pension Industry, recent developments in our Company, highlights of our investment returns for the third quarter of 2021 and many more.**

**If you have any questions, kindly send an email to [info@vgpensions.com](mailto:info@vgpensions.com), [contactcenter@vgpensions.com](mailto:contactcenter@vgpensions.com) or call us on 01-2803550. You can also reach us through any of our social media platforms. We would love to hear from you, Thank You!**



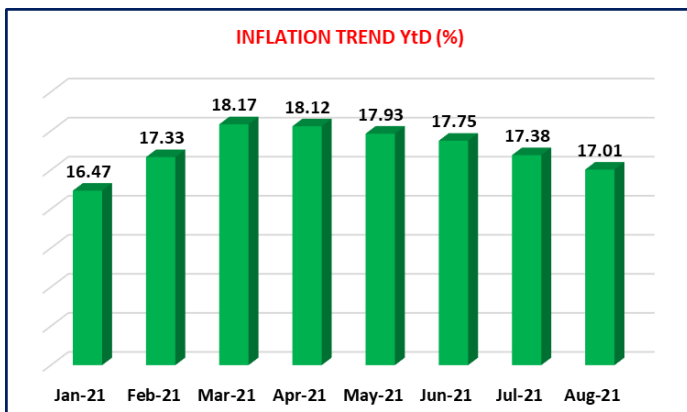


### Modest GDP Growth Expected in Q3: 2021

- The recently released Q2-2021 GDP report by the National Bureau of Statistics (NBS) showed that Nigeria recorded the third consecutive quarterly growth which is a reflection of the reopening of the economy.
- Specifically, real GDP grew by 5.01% Year-on-Year (YoY) in Q2-2021 (Q1-2021: +0.51% YoY), driven mainly by the Non-Oil sector (+6.74% YoY vs Q1-21: +0.79% YoY).
- Oil GDP declined by 12.65% YoY (Q1-21: -2.21% YoY), reflecting the reduction in average crude oil production from 1.72mb/d in Q1-21 to 1.61mb/d. Overall, the oil sector contributed 7.42% to GDP while the Non-Oil sector contributed 92.58%.

### Inflation Rate

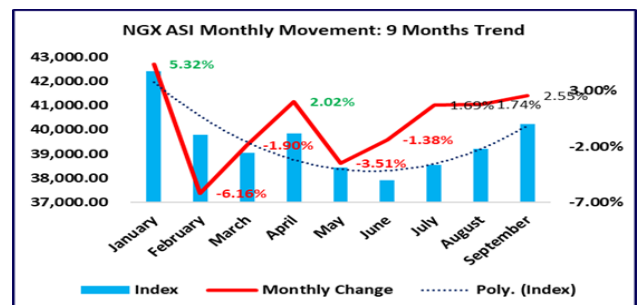
- The National Bureau of Statistics' Consumer Price Index (CPI) report for August 2021 showed that headline inflation slowed down for the fifth time in 2021 to 17.01% (Vs. 17.38% in July) YoY.
- Though the August report from the NBS shows a fifth successive decline in inflation rate, the headline rate remains well above the CBN's single-digit target, eroding consumers' purchasing power.



- The disinflation in August was anchored by a slowdown in food and transport inflation as well as recovery in business activities, absence of price shocks and strong contribution of sectors like ICT, Trade, Transport and Cement to the production chain.
- We note that inflation in Nigeria is predominantly a cost-push phenomenon. This stems from a depreciating exchange rate, high energy cost due to erratic power supply and huge cost of asset replacement. Interventions from the CBN and the government along these lines will likely keep inflation in check in the near term.

### Nigeria Equities Market Update

- The Nigerian equities market ended Q3:2021 on a positive note as the primary health indicator of the Exchange – the All-Share Index (NGX ASI), appreciated by 6.10%. The NGX ASI Year-to-Date (YtD) loss improved from -5.87% in June to -0.12% in September 2021.
- Foreign investors continued to sit on the fence as FX liquidity remained a concern. A few however stayed active but were mostly interested in trading dual listed stocks such as AIRTEL and SEPLAT.
- Local investors remained the key driver of trading activities in the quarter according to data released by the Nigerian Exchange Limited (NGX). Local investors commanded 82.70% and 71.64% of total trades executed in July and August 2021 respectively.



- Performance of the NGX Indices during the month was mixed. While the NGX Pension, NGX Industrial Goods and NGX Consumer Goods indices closed in the positive zone, NGX Insurance led the losers' chart.

### Fixed Income Market Update

- Activities in the Fixed Income environment this quarter were bullish as average yields in the FGN Bond market moderated. The FGN 7, 14 and 29 -Year hovered around 11.59%, 12.51% and 12.92% respectively. In the Treasury Bills space, true yields on one-year NTB during Q3:2021 also declined to around 7.86% from 10.52% in Q2:2021.

### Update on External Reserves and Exchange Rate

- Nigeria's FX reserve grew by 9.82% in Q3: 2021 to USD\$36.59 billion (as of 29th September 2021). The rising reserves put the apex bank in a more comfortable position to defend the troubled Naira and meet import obligations. However, Quarter-to-Date (QtD), Naira depreciated by 0.46% at the I&E Window closing at N413.38/US\$.

### PENSION INDUSTRY NEWS

#### PENSION FUND ASSETS:

- Unaudited Valuation Report as at end of July 2021 showed that total pension fund assets in Nigeria as at the period under review increased to N12.78 trillion from N12.66 trillion recorded in June 2021. Total RSA registrations as at July 2021 stood at 9,405,553.
- About N8.20 trillion of the total pension funds is invested in Federal Government Securities. Further breakdown showed that the pension managers invested N957.74 billion in Corporate Debt Securities, N2.11 trillion in Local Money Market and N116.26 billion in Mutual Funds.

### VG PENSIONS NEWS

#### ISO CERTIFICATION

VG Pensions has obtained the ISO 9001:2015 certification in Quality Management System. With this certification the company's management system is rated to be of international standard. The certification further demonstrates the commitment of our Board and Management to meeting internationally accepted standards in our management system and service delivery. It is also a measure of our strong corporate governance which is anchored on global best practices.



### COMMENCEMENT OF NON-INTEREST FUND (FUND VI) ADMINISTRATION

- VG Pensions has commenced the administration of RSA Fund VI to meet the yearnings of its clients who prefer to have their retirement savings invested in ethical, non-interest-bearing instruments in accordance with Islamic Shari' ah Principles.
- The commencement of Fund VI (non-interest) would assist in expanding the coverage of the Contributory Pension Scheme (CPS) by attracting employees with reservations about investments in non-shariah compliant instruments and promoting financial inclusion within the Nigerian Financial System. Please click the link below for more information:
  - <https://vgpensions.com/2021/09/21/fund-vi/>

### VG PENSIONS: INVESTMENT PERFORMANCE RETURNS

- Veritas Glanvills Pensions Limited continues to perform well in all the Fund categories. Please see the table below:

Funds	Unit Price (N)			YTD
	Q1:'21	Q2:'21	Q3:'21	Growth (%)
Fund I	1.5733	1.6116	1.6315	4.69%
Fund II	3.7829	3.8833	3.9892	6.64%
Fund III	1.4272	1.4653	1.5042	6.66%
Fund IV	4.2968	4.4012	4.5217	7.15%
Fund V	1.0775	1.1008	1.1268	5.58%

*Thank you for reading*

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