MANAGING DIRECTOR'S REMARKS

The Chairman of the Board, Members of the Board, Distinguished Shareholders, Representatives of our Regulators and Auditors, Ladies and Gentlemen,

I sincerely welcome you all to the 7th Annual General Meeting of our Company, Future Unity Glanvills Pensions Limited (FUG) and count it a great privilege to present to you the performance for 2013 financial year.

Before I proceed to unveil the details of the performance in 2013, permit me to present an overview of the operating environment during the period under review with an emphasis on the Pension Industry wherein the Company operated. The objective is to enable us fully appreciate the opportunities and challenges that our Company faced during the period.

Macroeconomic Development

The Nigerian economy experienced strong growth during the review period with the Federal Government of Nigeria initiating reforms in strategic industries such as power, agriculture and transport aimed at diversifying the economy and promoting economic growth. Data from the Nigerian Bureau of statistics and other sources estimate a real Gross Domestic Product (GDP) growth of 6.87% for the 2013 fiscal year, compared to 6.58% recorded in 2012. GDP during the review period grew by 6.60%, 6.18%, 6.81% and 7.67% in the first, second, third and fourth quarters respectively.

The non-oil sector remained the major driver of growth for the economy during the year, with estimations of 8.73% for the fourth quarter and major contributions from agriculture, wholesale and retail trade and services, which grew by 1.64%, 2.34% and 2.66% respectively. Such growth despite sluggish recovery on the global scene reflects favourable conditions for increased agricultural production and macroeconomic stability. This appreciation was supported by several Federal Government initiatives during the year to further bolster non-oil sector contributions to national output, including the growth enhancement scheme and plans for import substitution of rice, wheat, fish and other products.

The oil sector continued to be a modest contributor to real GDP during the year, recording 12.90% and 12.50% in the second and third quarters respectively. Average daily production was 2.11 and 2.26 million bpd in the second and third quarters, compared to 2.52 million bpd averaged for the third quarter of 2012. International crude oil prices however remained above the US$100/pb mark throughout the year, ensuring appreciable revenue surpluses for all tiers of Government.

On the financial front, the Central Bank maintained a restrictive monetary policy throughout the year in a bid to contain inflationary pressures and safeguard the value of the Naira from external shocks. Monetary Policy Rate (MPR) remained at 12.0% throughout the year, while Liquidity Ratio (L/R), Cash Reserve Ratio (CRR) and the Net Open Position were 30.0%, 12.0% and 1.0% respectively. The Cash Reserve Ratio (CRR) for public sector funds was however increased to 50% during the year in a bid to control inflation, which remained in the single digit bracket throughout the review period, with Year on Year headline inflation falling from 9.0% in January to 8.0% in December.

The Naira continued to struggle against increasing foreign exchange demands in 2013 leading to increasing variances between official and black market rates which closed at N157.26/US$1 and N172.00/US$1 respectively. The country's external reserves stood at US$42.85 billion on December 31st, 2013, a 2.23% drop from its opening position in January of US$43.83 billion. The Excess Crude Account therefore experienced massive depletion during the year closing at less than US$2.5 billion as against US$11.5 billion in December 2012.

The Nigerian Stock Exchange (NSE) closed green to mark the end of 2013, as the performance indicators increased significantly. The All-Share Index and the Market Capitalisation surged by 2.12 percent (212 basis points) to close at 41,329.19 points as against 28,078.80 points recorded in 2012 and N13.23 trillion, respectively. Similarly, the volume of deals grew by 32.76 percent and the value of deals surged by 1.57 percent, while the number of deals fell by 11.79 percent.

The Economy and Pension Industry

The macroeconomic environment was quite conducive to pension fund operations. The total memberships of pension scheme increased from 5,459,418 at the end of 2012 to 5,796,979 at the end of the third quarter 2013, representing an increase of 6.2 percent. The total pension contribution by both the public and private sectors into the RSA Scheme was N2, 119.77 billion as at the end of third quarter, 2013. This marked an increase of N331.48 billion, representing 18.58 percent over the total contributions of N1, 787.57 billion as at the end of 2012. The total pension fund assets under custody grew by 38% in 2013 from N2.94 trillion in 2012 to N4.05 trillion in 2013. It is obvious that the pension reform act has positively impacted on the Nigerian economy, and would continue to do so considering the rapid growth of the funds.

MANAGING DIRECTOR'S REMARKS

FUG Pensions Financial Highlights for the Year Ended December 31, 2013

Results	2013 N'000	2012 N'000	Change %
Profit Before Tax (PBT)	49,085	98,087	(49.9)
Profit After Tax (PAT)	31,781	41,952	(24.2)
Gross Earnings	387,801	372,606	4.1
Net Interest Income	61,094	75,165	(18.7)
Operating Expenses	350,725	274,519	27.8
Fixed assets	210,252	50,844	313.5
Deferred tax assets	119,212	124,533	(4.3)
Total Assets Under Management	23,153,730	16,261,322	42.4
Shareholders' Funds	1,168,886	1,124,213	3.9

Significant Development

During the year under review, FUG pension fund under management grew to N23.154 billion, about 42.4% increase over 2012 financial year and shareholders' funds recorded an increase of 3.9% over 2012 financial year. However, following the restructuring of the balance sheet with fixed assets now taking a prominent position, it is our expectation that greater improvement will be recorded in the subsequent years as we also continuously strengthen our business development and enforce our marketing strategies.

As indicated in the profit and loss account for the year ended December 31, 2013, we closed the 2013 financial year with a profit after tax of 31,781million**.** The balance sheet as at the year ended December 31, 2013 indicated a fixed assets net book value of N210.252 million, and a Deferred tax assets of N119.212 million.

Economy Outlook

The Global economy grew by 2.4% in 2013 and according to estimates by the International Monetary Fund (IMF) it is expected to grow by 3.4% in 2014 and 3.5% in 2015. Projections by the UN Commission for Africa estimate that the African economy will grow by 4.7% in 2014 and various analysts forecast that Nigeria, which has being recognized as one of the MINT economies will surpass South Africa during the year and emerge as Africa's biggest economy. 2014 Gross Domestic Product (GDP) estimate for the economy is being pegged at 6.9%, with projections that growth will be driven primarily by high oil prices and robust domestic demand. In addition, several reforms initiated by the Federal Government in 2013 are expected to have a positive impact on economic realities during the year and further spur long-term development. These initiatives include the expected passage of the Petroleum Industry Bill (PIB), power sector reforms to reduce the cost of doing business and attract foreign investment, the licensing of private refineries, the Import substitution programme, transport and port reforms and agriculture modernization.

The IMF projects that Nigeria's real output growth will reach 7.4% in 2014 and Inflation will remain within the single digit band, despite pre-election spending that might threaten price stability. Oil prices are expected to remain above the US$100pb threshold as more economies across the globe start to experience positive growth and aggregate demand for oil increases. Nigeria's ability to take advantage of this situation would depend largely on the Government's determination to ensure optimal oil production and the application of surplus incomes to capital projects.

The Central Bank of Nigeria is likely to maintain its restrictive monetary policy for 2014; especially given that it is the penultimate year to the general elections and expected increases in Government spending could impact liquidity conditions and aggravate inflationary pressures. It is also expected that the United States will continue QE tapering (quantitative easing) and interest rates will rise in Europe. Both developments will lead to some pressure on the exchange rate and stock prices due to the emerging impact on capital flows.

For Future Unity Glanvills Pensions Limited, 2014 is another phase on our journey to be the foremost pension administrator in Nigeria. We will continue to focus on improving customer service delivery to our clients which is the major retention force in the industry and seek innovative ways of growing our AUM. We are poised to take advantage of all the opportunities that will arise during the course of the year and are committed to maintain our unique brand in the industry and among our competitors. We will continue to stay the course, work hard, be transparent and maintain our reputation.

Conclusion/Appreciation

I hereby use this opportunity to express the sincere appreciation of Management and Staff for the support and co-operation of all our stakeholders particularly our clients, shareholders and the regulator.

To our Board members, you continued support and contribution to all strategic management decisions and efforts undertaken during the year under review is overwhelming and is highly appreciated. Ultimately it is my great privilege to thank God for his abundant mercies for keeping us all alive and well and also giving us the advancement we have experienced so far.

I am confident that with the help of God and the support of our eminent stakeholders, 2014 shall be another prosperous and successful year in our Company.

Thank you for your attention.

Usman B. Suleiman
Managing Director/CEO