

Q4 2024 NEWSLETTER



Dear Esteemed Client,

As we reflect on our journey through 2024, I want to take a moment to sincerely thank you for your trust and continued partnership with VG Pensions. Your support and patronage have enabled us to achieve remarkable milestones despite the tough macroeconomic environment we operated in during the outgone year.

The year 2025 presents new opportunities to serve you better. At VG Pensions, we are committed to continuously enhancing our services, strengthening our relationship with you, and delivering on our promise to secure your financial future. With your continued support and our commitment to superior service delivery, we are confident that we will record greater accomplishments together in the new year.

We wish you and your loved ones a fruitful and truly happy year ahead.

Warm Regards,
GODSON UKPEVO, MANAGING DIRECTOR/CEO



GDP grew Marginally by +3.46%

The Nigerian economy is gradually navigating a positive trajectory towards economic recovery, as reflected in the 3.46% year-on-year increase in real GDP for the third quarter of 2024. This positive trend is further supported by the December 2024 Purchasing Managers' Index (PMI) report, which

indicates improvement in the business environment. The headline PMI rose to 52.70 points in December, up from 49.60 points in November.

This real GDP growth was driven by significant expansion in both the Oil and Non-Oil sectors. The oil sector experienced a real GDP growth of 5.17% year-on-year, a marked improvement from the -0.85% recorded in Q3 2023. Meanwhile, the non-oil sector grew by 3.37% year-on-year, surpassing the 2.75% growth observed in Q3 2023 and the 2.80% recorded in Q2 2024.

Inflation Rates

Nigeria's headline inflation increased for the third consecutive month, rising from 33.88% in October to 34.60% in November. The persistent rise in consumer prices is primarily driven by rising food prices and elevated energy costs.

Equities Market Update

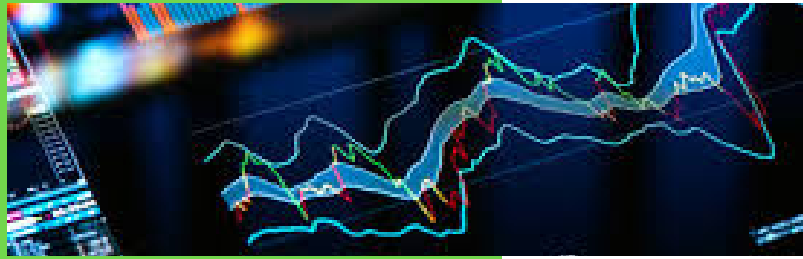
In December 2024, the Nigerian stock market closed on a positive note with the NGX All Share Index (ASI) rising by +5.56%, reaching a closing point of 102,926.40 points. Year-to-Date (YtD), the ASI has risen by 37.65%.

Foreign investor transactions remained lackluster, with Domestic investors outpacing foreign investors by c.84% in total transaction value, according to Year-to-Date statistics for November 2024 from the NGX.



External Reserves

Nigeria's external reserves increased by \$652.39 million month-on-month, reaching \$40.88 billion in December. This growth can be attributed to renewed interest from foreign investors, which was driven by the higher yields resulting from the Central Bank of Nigeria's tight monetary policy stance.



Money Market Update

- In the Money Market space, rates within the fixed deposit segment have remained relatively high, ranging between 22.00% and 26.00% for banks rated A and BBB.
- At the end of December 2024, the overnight (O/N) and Overnight Policy Rate (OPR) rates settled at 27.80% and 27.30% respectively.
- Several commercial papers are also being offered at attractive yields in the market.

Update on the Bonds & Treasury Bills Markets



- Activities in the secondary bond market closed the year on a bearish note – driven by intense selloffs primarily in the short- and mid-term segments of the curve as investors shifted to instruments offering higher yields.
- However, rates in the Treasury bills market edged higher, with the latest auction seeing an increase in the stop rate to 22.90% from 22.80%.

PENSION INDUSTRY NEWS

- According to the latest data released by PENCOM, total national pension assets grew to N21.92 trillion by October 31, 2024 from N18.35 trillion at the end of December 31, 2023, representing a growth of 19.46%.
- RSA membership stood at 10,535,608 by end of October 2024.
- En-bloc payment has been reviewed upward given the increase in minimum wage from N30,000 to N70,000. All retirees with a monthly pension below N23,333.33 can now withdraw their entire RSA balance.
- The Commission introduced e-Pension Clearance Certificate online application in October 2024 via the link: <https://pcc.pencom.gov.ng>
- A new Programmed Withdrawal template was released in December, allowing retirees to withdraw a lump sum greater than 50% of their RSA balance, provided the RSA balance is sufficient to fund it and covers the projected monthly pensions.

VG PENSIONS NEWS

Celebration of 2024 Customer Service Week with Cultural Dance and Funfair Events

In October, VG Pensions joined the global community in celebrating Customer Service Week to reaffirm its commitment to excellence in customer service.



Picture Highlights from our Annual Osun State Retiree’s Forum held on November 28, 2024 at Osogbo, the State Capital



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