



Veritas
GLANVILLS PENSIONS
PLC

Q4 2021 NEWSLETTER

*A Quarterly Publication of
Veritas Glanvills Pensions
Limited*

Veritas
GLANVILLS PENSIONS

HAPPY

New Year

2022

This is wishing you a fruitful year ahead. May this new year bring hope, good health, peace and great accomplishments.

Happy New Year from all of us at VG Pensions



Dear Esteemed Client,

We would like to welcome you once again to the new 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, and the highlights of our investment returns for the fourth quarter of 2021

If you have any questions, kindly send an email to info@vgpensions.com, contactcenter@vgpensions.com or call us on 01-2803550. You can also reach us through any of our social media platforms.

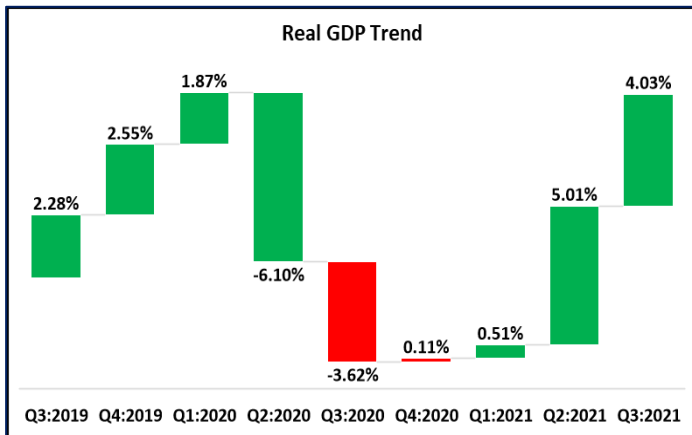
We would love to hear from you.

Thank You for reading!



Q3'2021 GDP Growth showed a slowdown in recovery

- According to the National Bureau of Statistics (NBS), the Nigerian economy grew by 4.03% YoY in Q3'2021. This was lower than the 5.01% YoY growth reported in Q2'2021, but was higher when compared to the 3.62% contraction in Q3'2020.
- We note that the growth experienced in Q3 could be partly attributed to steady progress in stemming the spread of the coronavirus and the resumption of economic/business activity. Furthermore, positive base effect contributed to the growth figure.



- The non-oil sector recorded a growth rate of 5.44% YoY while the oil sector, which is the lifeline of the Nigerian economy failed to turn its historical negative growth rate around as it contracted by 10.73% YoY.
- Agriculture's share of GDP stood at 25.55% in the first three quarters of 2021. This is the same share recorded in 2020. The sector continues to face challenges of low productivity, logistics issues and insecurity.
- Services share remained at 53.01%, the industrial sector, led by non-oil industry accounted for 21.55% of GDP in the period.

Inflation Rate

- For the eight consecutive month, headline inflation rate declined to 15.40% in November 2021 from 18.12% in March 2021, driven by reduced pressure on food inflation rate.

- The headline rate remains well above the CBN's single-digit target, eroding consumers' purchasing power.
- Though there are prevailing threats to full recovery in food production, food inflation declined to 17.21% YoY in November 2021, lower than 18.34% YoY in October 2021 and 19.56% YoY in November 2020.
- High prices remain a major concern for businesses and households, especially given the challenges associated with insecurity, infrastructure deficit and foreign exchange, all of which are factors that trigger inflation in Nigeria.

Nigeria Equities Market Update

- The Nigerian equities market ended Q4:2021 on a positive note as the primary health indicator of the Exchange – the All-Share Index (NGX ASI), appreciated by 6.20%. The NGX ASI Year-to-Date (YtD) return improved from a loss position of -0.12% in September to +6.07% in December 2021.
- Market participation over the first ten months of 2021 amounted to N1.54 trillion, representing a 2.29% contraction from N1.58 trillion in the corresponding period of 2020.
- Though foreign participation is picking up (their apathy towards Nigeria's equity market remains), it is significantly lower than domestic participation. Foreign participation as of November 2021 declined by 39.45% to N399.18 billion when compared to N659.28 billion recorded in the corresponding period of November 2020.
- Domestic investors continue to dominate the equity market with a participation share of 77.07% (N1.34 trillion) as of November 2021.
- Besides NGX Oil & Gas and Industrial Goods indices that declined by 6.06% and 3.88% respectively in Q4:2021, all other NGX indices closed in the green zone.
- Going into 2022, we anticipate further liquidity boost in Q1:2022 due to more maturities coming in from segments of the fixed income market. Hence, the equity market may continue its positive trend.

Fixed Income Market Update

- Activities in the Fixed Income environment this quarter were bearish as average yields in the FGN Bond market rose. The FGN 7, 14 and 29 -Year hovered around 11.89%, 12.81% and 13.12% respectively. However, true yields one-year NTB inched downwards to around 5.21% while yields on OMO bills remained flat at 10.45%
- Going into Q1:2022, the system expects N2.24 trillion in maturities of FGN Bond, Treasury Bills and OMO, which will bolster the liquidity level. This would continue to pressure the yields in the various markets downwards.

Update on External Reserves and Exchange Rate

- Nigeria’s external reserves closed 2021 on a higher note relative to the start of the year. The reserves, which opened the year at US\$35.37 billion, rose to US\$40.53bn on December 30, 2021 – indicating an increase of 14.57%. The accretion could be attributable to the recent US\$3.5 billion IMF SDR drawdown and the successful issuance of the recent US\$4 billion Eurobond by the Federal Government at the International Capital Market (ICM).
- In H1:2021, the Naira depreciated by 4.36% to N411.50/US\$ at the Investors and Exporters (I&E) window. However, Naira further depreciated in H2:2021 by 5.71% to N435/US\$ just as the CBN struggled to meet the FX demand. Foreign inflows received through the I&E window in 2021 stood at US\$3.57 billion, however, NetFlow revealed a deficit of US\$844.20 million.
- Though huge external inflows from borrowings will stabilize rates in the short term, we believe higher importation of goods and foreign exchange demand to finance services will continue to add pressure on reserves.

Pension Industry News

PENSION FUND ASSETS:

- Unaudited Valuation Report as at end of September 2021 showed that total pension fund assets in Nigeria increased to N13.00 trillion from N12.90 trillion recorded in August 2021. Total Retirement Savings Accounts registrations as at the same period stood at 9,461,173.
- About N8.22 trillion of the total pension funds is invested in Federal Government Securities. Further breakdown showed that the pension managers invested N968.26 billion in Corporate Debt Securities, Local Money Market N2.29 trillion while Mutual Funds gulped N116.84 billion.
- During the quarter under review, the Commission released circulars on the commencement of capturing ten fingerprint images for RSA registration and data recapture and the appointment and assumption of office of directors and top management staff of PFAs.

VG Pensions News:

- 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	Q4:21	Growth (%)
Fund I	1.5733	1.6116	1.6315	1.6599	6.51%
Fund II	3.7829	3.8833	3.9892	4.0849	9.19%
Fund III	1.4272	1.4653	1.5042	1.5446	9.53%
Fund IV	4.2968	4.4012	4.5217	4.6285	9.68%
Fund V	1.0775	1.1008	1.1268	1.1552	8.24%

Picture highlights during the presentation of ISO 9001:2015 certification in Quality Management System to the Board of Directors, Veritas Glanvills Pensions Limited on the 14th of October 2021



First roll (L-R) Mr. Godson Ukpevo, Managing Director; Mr. Nahim Abe Ibraheem, Director; Chief Adetunji Omisore, Director; Alhaji. Farouk Lawal Yola, Board Chairman; Mrs. Ify Umannakwe-Okeke, Independent Director; Mr. Peter Aletor, Vice Chairman; Mr. Olasupo Falana, Director

Second roll (L-R) Mr. Abiodun Shode, Executive Director and Mr. Olumide Ajibawo, CEO, Tenol Alpha who presented the certificate on behalf of the International Organization for Standardization.

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