

Newsletter

3rd Quarter 2016

Dear Esteemed Customer,

Thank you for accompanying us on the journey so far and trusting us with your Retirement Savings Account.

The fourth quarter of the year is upon us and this presents the perfect opportunity to reflect, evaluate and realign our plans for the remaining part of the year. The Nigerian economy has experienced myriads of issues, ranging from fuel scarcity to scarcity of foreign exchange and most recently, the word "Recession" has featured more in our vocabulary than ever before.

In this quarter's edition of our newsletter, we will like to share a few innovative cost saving tips and how to coast the "recession" currently besieging the country. We believe you will take out one or two things from this article.

Have a good read everyone!

THE ANTI-RECESSION ARMOUR

No matter how successful a nation is, there will always be highs and lows. For several decades, economies have consistently towed a cyclical trend consisting of; booms, recessions, depressions, recoveries and back to booms again. So just as seasons are inevitable, recessions are a necessary evil.

As rational beings, our first impulse is usually to blame the Government and those in authority for the harsh conditions we are exposed to during periods of recession. But while those in authority may or may not be primarily responsible for the problems we face during these periods, our level of exposure to the effects of a recession is ours to determine. You must have wondered how during harsh periods like these, the neighbor next door can still afford to buy those new wheels even after the Land- Lord just upped the rent. Similarly, how your colleague at work still manages to drive his car around town despite the hike in petrol prices and even carries on as though he is totally unperturbed by the prevalent recession. By and large, no matter how wealthy a person is, it seems quite unwise to be extravagant during a recession.

We cannot lose hope now, can we? Every cloud has a silver lining and a lot of us have failed to realize that we can cushion the effect of these conditions just by simply adjusting our living habits. Call them simple tips to surviving a recession or the anti-recession armor, what matters is that they work;

1. Yesterday: The best time to pay off debts

First off, if you owe any form or loans or interest based debts, you have to pay them off 'yesterday'. If you did not pay them off before the recession hit, pay them off now, because things are bound to get worse before they get better. Try not to incur more debts during this period, because loans at times like this bear ridiculously high interest rates, and this would pose a heavy financial strain on your income in the long run.

2. Track your Monthly Spending

Proper monitoring of your expenses would help you prioritize. Spending at this time should be based on what you actually need and less of what you want. You could compartmentalize similar expenditures into various categories like food consumption, clothing, extracurricular activities etc. You might find that food consumption takes the bulk of your income and now might be a good time to start ignoring those Shawarma stands.

3. Save!

Saving is not the easiest thing to do, it gets even much more difficult as the economy struggles to rebound but it is one of the healthiest financial habits you can cultivate as an individual. You can even invest in Treasury Bills at this time; the rates are understandably high given the circumstances. What do you have to lose; you get interest upfront!

4. An Extra Income Does Not Hurt at All

Find out what your hobbies are, get creative with them, and be passionate enough to discover ways to make money from them. Apart from your regular day job, there is absolutely nothing like making money from doing what you love. You get to support your regular income by basically being you.

5. Don't Bite More Than You Can Chew

Life works in the strangest ways and the trendiest things always seem to flood the market during times like these. We often try to keep up with the Joneses; But as Democritus once said "Throw moderation to the winds, and the greatest pleasures bring the greatest pains". Avoid spending on things you do not need, hunt for sales and discounts, minimize electricity usage and cut costs to the barest minimum as best you can.

So what are you all waiting for? Put on your Anti-Recession Armor, because like it or not, we are at war with the inevitable economic trend!

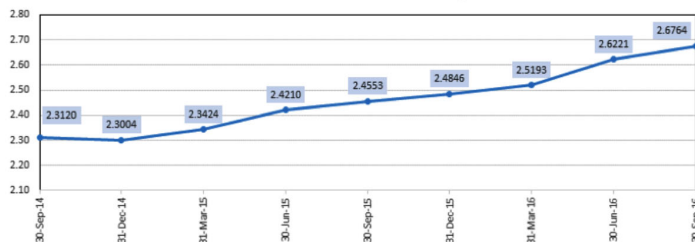
QUOTABLE QUOTES

"You cannot discover new oceans unless you have the courage to lose sight of the shore." -(Anonymous).

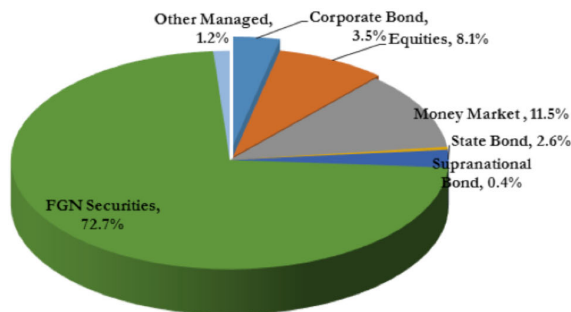
PAL VALUE FUND 3RD QUARTER, 2016

The PAL Value fund opened the year with a unit price of N2.4846 and stood at N2.6764 as at September 30, 2016. This represents a return of 7.75% as at September 30, 2016. The PAL Value fund portfolio as at 30th September, 2016 comprised of the following asset classes: Federal Government Securities (72.7%), Corporate Bonds (3.5%), Supranational Bond (0.4%), State Government Bonds (2.6%), Money Market (11.5%), Equities (8.1%), Other Managed Funds (1.2%).

PAL Value Fund Unit Price as at 30 Sept 2016



PAVF ASSET ALLOCATION STRUCTURE AS @ 30 SEPTEMBER, 2016



WHAT WE'VE BEEN UP TO...

The PAL Pensions team attended the World Pension Summit 'Africa Special'. This is a yearly specialized Summit for Africa which is held in collaboration with the National Pension Commission of Nigeria. The first edition was held in Nigeria in 2014 to celebrate the tenth anniversary of the Nigerian Pension Reform Act of 2004. The theme of the 2016 summit was 'Pension Innovations: The African Perspective'. It was attended by Pension Professional and major stakeholders from around the globe.



We were at The Corporate Gap Summit organized by Uniplan Integrated Services in conjunction with Ibadan Business School. The aim of the summit was to educate the youths on money management skills especially savings and investments as a critical part of their financial life.



CROSS-SECTION OF PARTICIPANTS AT THE CORPORATE GAP

FREQUENTLY ASKED QUESTIONS

I HAVE TWO PINS FROM DIFFERENT PFAS, BOTH ARE FUNDED, HOW DO I TRANSFER ALL FUND TO ONE RSA?

The National Pension Commission recognizes the first PIN issued to an RSA holder and is responsible for account reconciliation. Once the accounts have been reconciled and actual contributions determined, PENCOM will instruct that the funds are transferred from the second PFA to the PFA issued with the first PIN.

#DIDYOUKNOWNIGERIA

Nigeria is home to seven percent (7%) of the total languages spoken on earth. Taraba state alone has more languages than 30 African countries.



JUST FOR LAUGHS

Reaching the end of a job interview, the Human Resources Officer asks a young engineer fresh out of the Massachusetts Institute of Technology, "And what starting salary are you looking for?" The engineer replies, "In the region of \$125,000 a year, depending on the benefits package." The interviewer inquires, "Well, what would you say to a package of five weeks' vacation, 14 paid holidays, full medical and dental, company matching retirement fund to 50% of salary, and a company car leased every two years, say, a red Corvette?" The engineer sits up straight and says, "Wow! Are you kidding?" The interviewer replies, "Yeah, but you started it." Culled from the internet