

TRUSTFUND PENSIONS

NEWSLETTER

October 2022. Volume 9, Issue 29



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TRUSTFUND PENSIONS ORGANISES 2022 EMPLOYERS FORUM



From R-L: Mr Anothony Nnegha -Head, Customer Support Services Dept.; Mr Christopher Fakanlu, Head - Compliance Dept., both at Trustfund Pensions; Mrs. Stephen Chioma -PDO at Centre For Satelite Tech Development; Mr Dayo Ogunmodede -Head HR at Pro Health HMO; Mrs. Maha Alonge -Regional Manager, Abuja at Trustfund Pensions; Mr. Chukwudi Ogbatue, representing Zenith Pensions Custodian; and Mr. Abdulateef Afolabi -Unit Head, Enrolment at Trustfund Pensions at the 2022 Employers Forum in Abuja, recently.

Trustfund Pensions Limited in conjunction with Zenith Pensions Custodian has recently hosted the 2022 edition of its Annual Employers Forum. The event which took place at the Company's head office in Abuja as well as other regions of the country provided an opportunity for the Company to interact with new and existing employers alike.

The event was graced by the Management staff of Trustfund Pensions, representatives of Zenith Pensions Custodian Limited, and Pension Desk Officers representing various employers around the country.

The Head of Compliance Department of Trustfund Pensions, Mr. Christopher Fakanlu, explained that the purpose of the interactive session is to sensitise employers to recent developments in the Pensions industry, so as to have a positive impact on their employees who are customers of Trustfund Pensions.

Mr. Fakanlu further noted that the forum provides an enabling platform for feedback from employers/customers to the PFA on how to improve the quality of service delivery. He also said that the Company uses this opportunity to "discuss ways of minimising the growth of un-credited or reconciled contributions, and the Transitional Contributory Fund."

The Employers Forum also provides an opportunity for the Company to enhance the compliance status of employers to the Contributory Pension Scheme, to help them know what is required of them as employers, and what should be expected from the PFA, the regulator, and the Pension Custodian.

PHOTO SPEAKS



Pic 1 & 2: Cross-section of participants at the 2022 Employers Forum, organised by Trustfund Pensions & Zenith Pnsions in Abuja, recently.



Participants receive free medical checks provided by Pro Health HMO at the 2022 Employers Forum, organised by Trustfund Pensions & Zenith Pnsions in Abuja, recently.

25% PENSIONS

FOR

MORTGAGE

ALL YOU NEED

TO KNOW

INDUSTRY UPDATE



Recall that the National Pension Commission (PenCom) recently approved guidelines to access Retirement Savings Account balance for payment of equity contribution for residential mortgage by RSA holders.

The approval was in line with Section 89 (2) of the Pension Reform Act 2014, which allows RSA holders to use a portion of their RSA balance towards payment of equity for residential mortgage.

One major condition to access the funds as specified by PenCom is that the applicant must be in active employment, either as a salaried employee or as a self-employed person, adding that application for equity contribution for residential mortgage must be in person and not by proxy.

HOW TO APPLY

Eligible persons who wish to access the 25% pension for mortgage funds can visit his/her PFA to get explanation on the process. The PFA will print the statement of account and determine the 25 per cent.

According to Spokesperson of the Commission, Abdulqadir Dahiru, “when you have that, you can now go back to your mortgage lender, get a letter of offer of your property, go through their own due diligence to agree for them to finance because the pension is only giving you 25 per cent; 75 per cent will still be financed by somebody.

“That person must give you an offer letter for a loan that he is ready to finance you, and this is the equity contribution you are required to bring.

So if you have that equity contribution with that letter of offer, which has been validated by the mortgage lender, that is when you can approach your PFA to request for your 25 per cent.”

MAXIMUM AMOUNT ALLOWED

PenCom stated that the maximum amount to be withdrawn is 25 per cent of the total mandatory RSA balance as of the date of application, irrespective of the value of equity contribution required by the mortgage lender.

Where 25 per cent of a contributor’s RSA balance is not sufficient for payment as equity contribution, the RSA holders may utilise the contingency portion of their voluntary contributions (if any).

CONSENT FORM

If a person had accessed part of the funds before either for leaving paid employment before retirement age, he will still get lump sum at retirement. He can still get part of the funds for mortgage after meeting specific conditions stated in the guidelines, but he must sign a consent form to get it.

Dahiru said, “If you have taken 25 percent for temporary loss of job and then you get employment again, and you continue contributing and you come to collect for a mortgage, you will sign a consent to say that I’m fully aware that this money I want to withdraw to finance a house will affect the amount I may likely take when I retire, I understand and whatever.

“So, basically you are indemnifying the PFA that you understand so that at the point of retirement if your benefit is lower compared to your colleagues you will not complain.”



MORTGAGE LENDER

To qualify as a mortgage lender for the purpose, the company must be licensed by the Central Bank of Nigeria, comply with the Contributory Pension Scheme and have valid Pension Clearance Certificate, according to PenCom's guidelines.

ELIGIBILITY

According to PenCom, a worker must have an offer letter for the property duly signed by the property owner and verified by the mortgage lender. The RSA of the applicant must have both employer and employee's mandatory contributions for a cumulative minimum period of 60 months (five years). A contributor under the Micro Pension Plan is also eligible, provided he/she has made contributions for at least 60 months (five years) prior to the date of his/her application.

AGE LIMIT

RSA holders that have less than three years to retirement are not eligible.

Dahiru explained, "If I am an employee and working in an organisation where the retirement age is 55 years, if I am 50, or 51 years, I can access because I have five years or more than three years to retire. But once I get to 52 that means I have three years which I cannot access."

According to PenCom's guidelines, married couples, who are RSA holders, are eligible to make a joint application, subject to individually satisfying the eligibility requirements.

DATA RECAPTURING

If registered before 1 July 2019, RSA holders must have their records updated through the RSA data recapture exercise.

Dahiru said, "But it's essential that RSA holders have done their recapture. We can't process your data recapturing when you have not done your data recapturing."

INSUFFICIENT 25 PERCENT CONTRIBUTION

The PenCom spokesperson said, "Where the 25 percent the mortgage lender is asking for is equal to the 25 percent of your RSA, definitely we will process. But if the amount the mortgage lender is asking for is higher than what you can get from your PFA, you will have to look for the difference and pay and show evidence to your PFA.

"For instance, if your mortgage lender is looking for N2.5m and the mortgage is N10m, and the mortgage lender says bring 25 percent as equity contribution, and your own 25 percent in your RSA is only N1.5m, you will have to look for that difference of N1m and pay; then come with it with your offer letter for the property and the evidence that you have paid, then your PFA will give you the balance of N1.5m which is your 25 percent."

INVESTMENT NEWS FUND PERFORMANCE REPORT

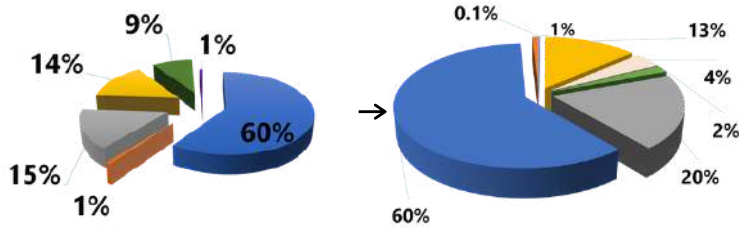
ASSET ALLOCATION
AS AT OCTOBER 31ST, 2021

ASSET ALLOCATION
AS AT OCTOBER 31ST, 2022

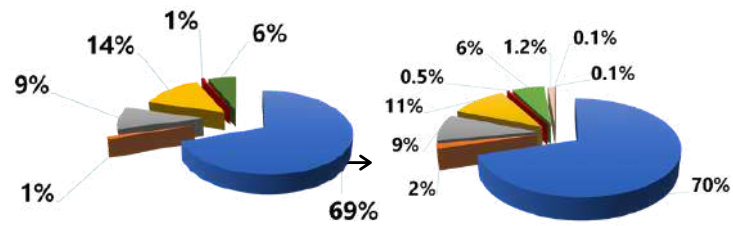
ASSET ALLOCATION
AS AT OCTOBER 31ST, 2021

ASSET ALLOCATION
AS AT OCTOBER 31ST, 2022

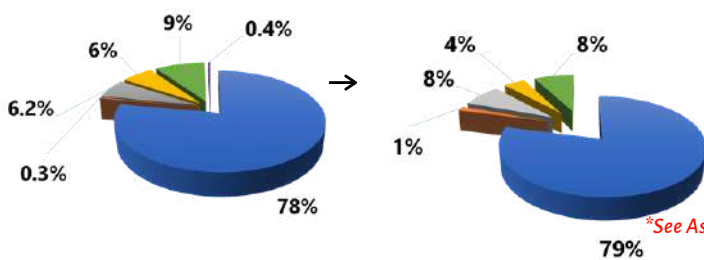
FUND I



FUND II

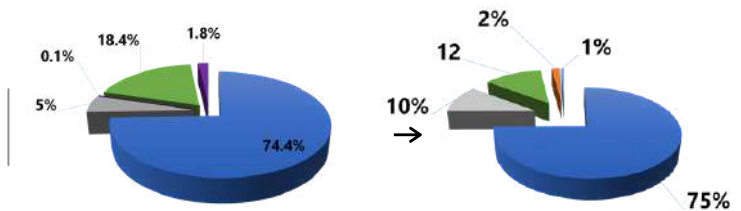


FUND III

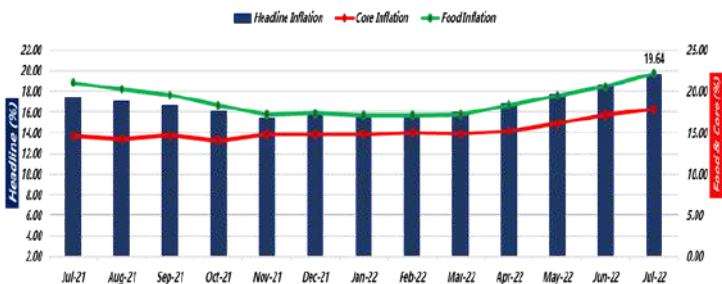


*See Asset Allocation Legend below

FUND IV

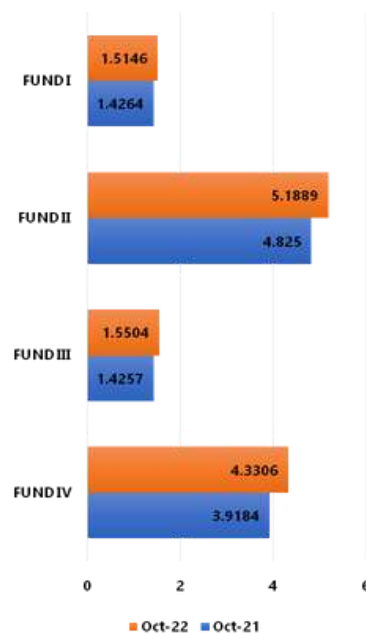


Inflation Jumps to 21.09%.



The headline inflation rate rose by 32bps to 21.09% y/y in October 2022, from 20.77% recorded in September 2022. This arose from increased transportation costs due to persistent currency depreciation, supply chain disruptions and higher costs of production. Meanwhile, food inflation grew by 38bps to 23.72% when compared to the previous month's rate, while Core inflation stood at 17.46% y/y. We foresee elevated inflation levels in the near term as macro economic catalysts remain unchanged. Nonetheless, these expectations are barring any radical global/macroeconomic shifts and apex bank interventions.

Price Movement Chart- Oct'21 Vs Oct '22



ASSET ALLOCATION LEGEND



ALLOWABLE INSTRUMENTS

Bonds, Sukuk, Treasury Bills, Global Depository Notes and other securities issued by the Federal Government of Nigeria and CBN, Non-interest compliant debt instruments, Ordinary Shares of Public Limited Liability Companies listed or proposed to be listed through an Initial Public Offer (IPO), on a Securities Exchange registered by SEC, Money Market, Instruments of Banks and Commercial Papers issued by eligible corporate entities, Hybrid Investment Funds, Real Estate Investment Trusts (REITs) registered by SEC, Private Equity Funds registered with SEC, Infrastructure Funds registered with SEC, Supranational Bonds, Supranational Sukuk, Global Depository Receipts/Notes, (GDRs/Ns) and Eurobonds.

STAYING HEALTHY THIS HARMATTAN

The dry, dusty easterly or north-easterly wind on the West African coast, occurring from December to February, known as “Harmattan” is here! It’s no news that the dry, cold, and dusty weather can make you sick. So, to avoid falling ill due to the harsh hazy dry winds, here are some necessary steps to help you cope with this season:

- ☞ Drink plenty of water to prevent dehydration
- ☞ Wash your eyes regularly to avoid red eyes which is common in during harmattan
- ☞ Cover your nose and mouth with a mask or towel when it is dusty
- ☞ Avoid or reduce outdoor activities, especially if you have allergies
- ☞ Stay indoors to avoid dust inhalation of harmful particles coming with the wind
- ☞ Wear clothes that keep your body warm
- ☞ Visit the clinic if you have red, itchy, and watery eyes.
- ☞ Seek medical help if you have running, itchy, sneezing, and stuffy nose
- ☞ Always keep the doors and windows closed
- ☞ Always use moisturizers to prevent dry skin and dry palms
- ☞ Use lip balm to prevent cracked lips

Also note that this season can trigger asthma and allergies. Asthmatic patients are therefore advised to always keep the inhaler handy and avoid dust as much as possible. This dry cold dusty season triggers sickle cell disease (SCD) as well. Patients should drink plenty of water and avoid outdoor activities as much as possible.



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