

Breakdown of Total Pension Assets Under The CPS

(As At September 2021)

The National Pension Commission (PenCom) released the monthly reports on the status of the Contributory Pension Scheme (CPS). The latest report released was for the period ended 30 September 2021.

This summarized report highlights the composition of the total pension assets in Nigeria as at the end of September 2021 under the Contributory Pension Scheme (CPS).

Multi Fund Structure

The Contributory Pension Scheme (CPS) in Nigeria is built on the multi-Fund structure which is designed to cater to the different needs and risk appetites of different contributors.

These pension funds include:

RSA Fund I – For active contributors below the age of 50 years

RSA Fund II – Default fund for Active contributors except if chosen to be moved to other Funds.

RSA Fund III – Default Fund for active contributors who are 50 years and above.

RSA Retiree Fund IV – Default Fund for retired contributors.

Micro Pension Fund OR Fund V – For self-employed workers and those working in an organization with less than 3 employees who have decided to join the CPS.

RSA Active Fund VI – Non-interest Fund for active contributors who wish to join the non-interest fund.

RSA Retiree Fund VI – Non-interest Fund for retiree members who wish to join the non-interest fund.

Asset Composition

The total pension assets as administered by the PFAs and CPFAs are comprised of various asset classes such as:

- Ordinary Shares (local and foreign)
- FGN Securities
- Stage Government Securities
- Corporate Debt securities
- Money Market securities (local and foreign)
- Mutual Funds
- Real Estate Properties
- Private Equity Fund
- Infrastructure Fund
- Cash and other assets

Summary of Total Assets As At 30 September 2021

The total pension assets stood at N13.001 trillion representing pension assets value of 9,461,173 contributors as at 30 September 2021. This translates to an increase of 0.78% representing **N100.54** billion from August 2021 with additional 34,170 net increase in members joining the scheme.

Government Securities

FGN Securities which comprises of FGN Bonds, Treasury Bills, Agency Bonds, Sukuk Bonds and Green Bonds took the largest share of the total assets with a combined ratio of **63.25%** representing N8.223trillion. Of this the FGN Bonds is **60.25%**, State Government bonds is **0.68%**, Treasury Bills is **2.18%**, Agency, Sukuk and Green Bonds took a combined ratio of **0.81%**.

Corporate institutions

Corporate debt securities (Corporate Debts) has a total share of N968.264 billion representing **7.45%**. This comprises of Corporate Bonds **7.22%**, Corporate Infrastructure Bonds **0.11%** and Corporate Green Bonds **0.12%**.

Money Market

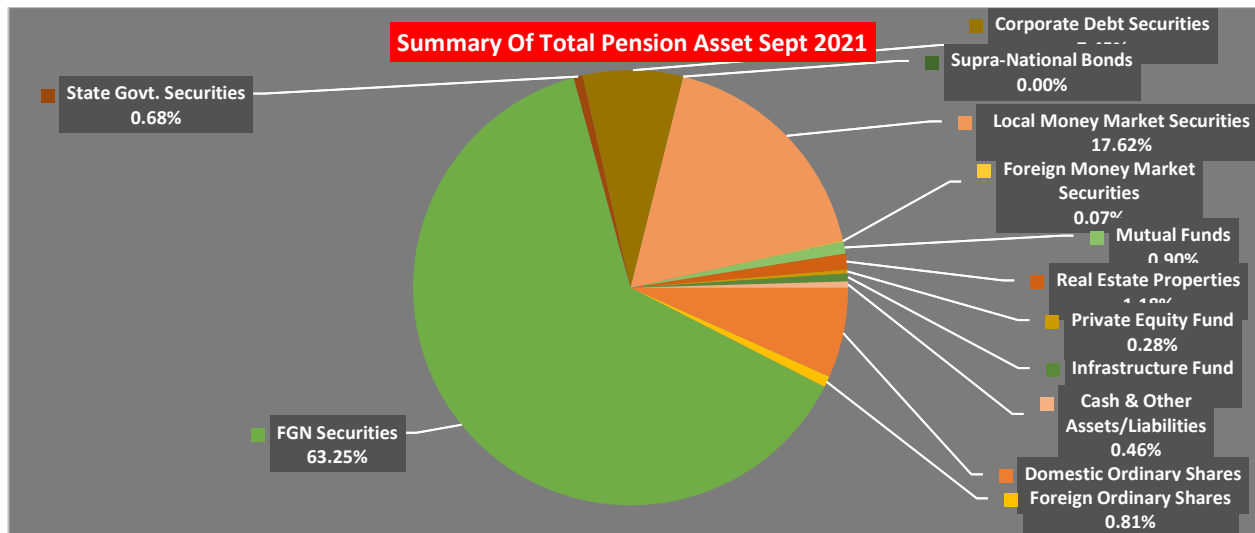
Money Market Securities are issued by banks and discount houses. As at end of September 2021, the total local money market securities as a percentage of total pension assets stood at **17.62%** representing N2.291 trillion. Fixed deposits/bank placement is **17.10%** while Commercial papers is **0.52%**. Foreign money market securities stood at N8.635 billion representing **0.07%** of total pension assets. Only the CPFAs have foreign money market instruments in their portfolios.

Other assets

Other asset classes are Mutual Funds **0.90%** comprising of Open/Close-End **0.26%** and REITs **0.64%**. The total value of Mutual Fund assets as at September 2021 stood at 116.835 billion.

Other asset class also comprise Real Estate properties N153.444 billion (**1.18%**), Private Equity Fund 36.678 billion (**0.28%**), Infrastructure Fund N76.851 billion (**0.59%**) and Cash and other Assets N59.790 billion (**0.46%**).

In summary, the chart below shows the breakdown of the total pension asset as at the end of September 2021 under the CPS.



Asset Class	Sept 2021 (N'B)	Weight %	Aug 2021 (N'B)	Naira (N'B)	% change MoM	Dec 20 (N'B)	% change YTD
Domestic Ordinary Shares	873.49	6.72%	846.55	▲ 26.94	3.2%	858.46	1.8%
Foreign Ordinary Shares	105.20	0.81%	107.89	▼ (2.69)	-2.5%	92.92	13.2%
FGN Securities	8,222.66	63.25%	8,291.23	▼ (68.57)	-0.8%	8,130.68	1.1%
State Govt. Securities	88.51	0.68%	88.07	▲ 0.45	0.5%	136.59	-35.2%
Corporate Debt Securities	968.26	7.45%	960.58	▲ 7.68	0.8%	836.34	15.8%
Supra-National Bonds	-	0.00%	-	-	0.0%	1.44	-100.0%
Local Money Market Securities	2,290.81	17.62%	2,123.53	▲ 167.28	7.9%	1,687.47	35.8%
Foreign Money Market Securities	8.64	0.07%	0.04	▲ 8.59	20907.0%	18.69	-53.8%
Mutual Funds	116.84	0.90%	35.12	▲ 81.72	232.7%	161.39	-27.6%
Real Estate Properties	153.44	1.18%	235.91	▼ (82.46)	-35.0%	159.70	-3.9%
Private Equity Fund	36.68	0.28%	34.80	▲ 1.88	5.4%	33.24	10.4%
Infrastructure Fund	76.85	0.59%	73.01	▲ 3.84	5.3%	66.43	15.7%
Cash & Other Assets/Liabilities	59.79	0.46%	103.90	▼ (44.11)	-42.5%	122.80	-51.3%
Total	13,001.17	100%	12,900.63	▲ 100.54	0.78%	12,306.15	5.65%

Data Source: **PenCom**

Courtesy: PensionTalk.com.ng