



Dear Esteemed Customer,

Welcome to 2017. We are truly grateful to God that we made it into the new year.

In 2016, the country was served a cocktail of events from the removal of fuel subsidy to the introduction of the flexible exchange rate regime. This was further worsened by falling oil prices in the international market and its attendant effect on reduced output in crude oil in the country. Not surprisingly, the country sailed into the shores of "Recession".

In this first edition of our newsletter for the year 2017, we will be sharing our thoughts on the Economic Outlook for 2017 as well as snippets from our activities in 2016

As we continually seek ways to improve our services, we welcome your suggestions and contributions on how best we can meet your expectations. Kindly reach us on 01-2776900 or send an email to info@palspensions.com

We wish you a successful 2017 and an enjoyable read.

ECONOMIC OUTLOOK FOR 2017

Crude Oil

Crude oil remains an important source of government revenue, with receipts from the sale of crude oil contributing about 46% to government revenues. In addition to its contribution to revenue, it is the largest source of foreign exchange for the Nigerian government. Last year, crude oil prices slumped, trading at an average price of US\$ 45.2 per barrel in 2016 due to a glut in the market. This year, we expect crude oil prices to rise if the agreement between OPEC and non-OPEC members to reduce supply is implemented.

Inflation

The cost of goods and services rose sharply in 2016. For example, the price of a kilogram of chicken rose by 50% from N800 to N1200 while the cost of a pack of Indomie noodles rose 71% from N35 to N60. No one was spared; we all felt the pinch. Whilst we expect prices to rise this year, the rate of increase should be slower. As such, inflation readings in 2017 ought to be lower year-on-year.

Currency

Despite the June 2016 devaluation of the naira, US dollars remain scarce - manufacturers and individuals still struggle to get the dollar they require to fund foreign currency transactions. We expect foreign exchange scarcity to persist in 2017. However, dollar supply may improve if the current oil price rally is sustained and oil production improves.

Fixed Income Market

The yields on fixed income securities (treasury bills and bonds) have been rising since the 2nd half of 2016. The increase reflected efforts by the Central Bank of Nigeria to curb speculative demand for the dollar and increased borrowing from the Federal government. Given CBN's concern over the currency and expected shortfalls in federal government revenues, we believe yields will remain elevated in the first half of 2017.

Equity Market

The equity market had a poor run in 2016, with the Nigerian All Share Index declining 6.2%. Going into 2017, we expect corporate earnings to remain depressed for most consumer and industrial companies given on-going dollar scarcity and subdued consumer demand. However, agricultural companies should continue to benefit from increased demand for domestic produce as importers struggle. We also expect performance in the banking sector to be subdued as capital adequacy and asset quality issues remain a concern. In all, the weak earnings outlook and elevated bond yields may keep activity in the equity market muted.

JUST FOR LAUGHS

Dear God, my prayer for 2017 is a FAT bank account and a THIN body. Please don't mix it up like you did last year.

Culled from the internet



MEET OUR NEW MD



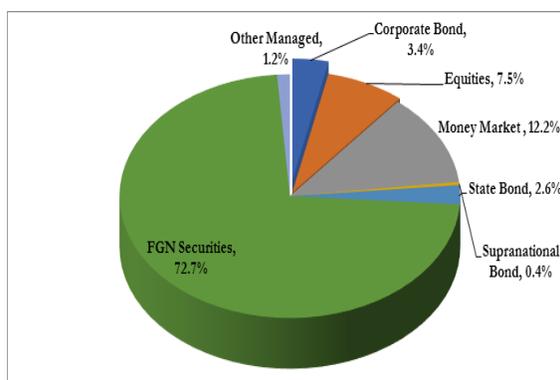
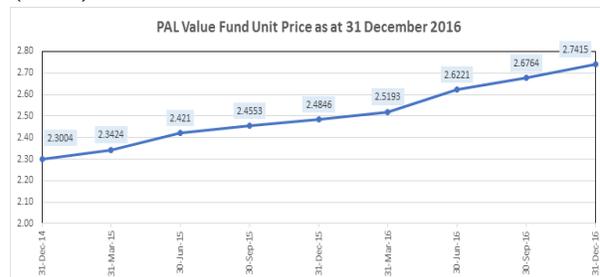
Mrs. Ronke Bammeke holds a First Class degree in Computer Science and Economics from the Obafemi Awolowo University Ile-Ife and an MSc. in Management from the London Business School. She has over twenty-seven years' experience in Banking, Information Technology, Accounting and General Management. Ronke was the General Manager, Operations at First Bank Nig. Plc and a Managing Director at Guaranty Trust Bank UK Ltd.

#DIDYOUKNOW NIGERIA

The Sambisa Forest was used for Safaris in the 1970s. It had a large population of leopards, lions, hyenas, elephants and cabins that tourists could lodge.

PAL VALUE FUND – 4th Quarter

The PAL Value fund opened the year with a unit price of ₦2.4846 and stood at ₦2.7415 as at December 31, 2016. This represents a return of 10.34% as at December 31, 2016. The PAL Value fund portfolio as at 31st December, 2016 comprised of the following asset classes: Federal Government Securities (72.7%), Corporate Bonds (3.4%), Supranational Bond (0.4%), State Government Bonds (2.6%), Money Market (12.2%), Equities (7.5%), Other Managed Funds (1.2%).



WHAT WE'VE BEEN UP TO...

CHRISTMAS-WITH-PAL

The Christmas-With-PAL Initiative was a medium to express our continuous commitment to our retirees who are our PAL-for-Life. PAL gift packs were distributed to some of our retirees across the country. The Managing Director – Mrs. Ronke Bammeke and other management staff across the regions also interacted with the retirees.



FINANCIAL LITERACY COMPETITION

Our CSR objective is to create and build exceptional learning and skills development opportunities for secondary school students with focus on financial literacy. In 2016, we ran a Financial Literacy competition themed, "What Does Financial Literacy Mean To You". Arts and Essay entries were received from 26 schools across the country. Titus David of ASCL Staff Comprehensive Secondary School I, Ajaokuta, Kogi emerged the overall winner of the competition. Mbalewe Nneoma, Babcock University High School, Ilishan Remo, Ogun State (Essay Entry) and Quadri Uthman, Western College, Lagos (Art Entry), emerged as first and second runners up respectively.



FREQUENTLY ASKED QUESTIONS

I HAVE JUST CHANGED MY EMPLOYMENT; HOW CAN I UPDATE MY PROFILE?

You need to notify your PFA. You can either call the Pensions Service Centre on 01-2776900 or send an email to info@palpensions.com. A copy of the Change of Employment form will be sent to you. You can either send a scanned copy of the completed form to info@palpensions.com or submit the hard copy to any of our offices closest to you.

