



NEWSLETTER

Dear Esteemed customer,
 With the first half of the year already concluded, it is another milestone, therefore we must take out time to review all that has been achieved from January to date and to look forward with a positive can-do attitude towards the remaining half of the year 2015.
 The focus of the pension industry is centered on gaining 30% coverage of the working population by 2024 while delivering excellent service, real positive returns and measurable impact on the Nigerian economy. Further broken down, the goal is to achieve a 70% customer satisfaction score, 35 million RSA (Retirement Savings Account) opened, reduce the administrative cost of an RSA by 50% (thinking technology, right?) and have at least 40% of Pension Assets Under Management in Infrastructure, Real Estates and Alternative assets.
 In view of this, there has been a slight shift in our business approach. PAL Pensions is geared up to be part of this evolution by bringing

pension awareness to the younger generation as part of their wealth-building plan.
 We are working to ensure that we make the 35million RSAs by 2024 a reality!
 We have expanded our frontiers and harnessed resources within our reach by using multiple support channels to better serve our customers; the mobile bus, live chat, multi-lingual call center, mobile app, interactive social media channels and lots more still to come.
 While we are focused on this, we will not relent in our drive to deliver our promise of outstanding service and ensure that our esteemed customers stay informed constantly with necessary information spooled from our significant mind share of critical industry issues.
 Have a good read everyone; you will definitely learn more than a thing or two.
 Cheers!

PROGRAMMED WITHDRAWAL vs. ANNUITY CONTRIBUTION

There has been a little battle going on between the two above named payment options for quite some time now and we know it is important that our clients know what their options are so as to enable them make informed and beneficial decisions.

PROGRAMMED WITHDRAWAL

Programmed Withdrawal is a retirement benefit payment platform which enables an individual receive monthly pensions from his/her Pension Fund Administrator (PFA) which might be after the collection of a lump sum amount upon retirement in the case where you don't opt for zero lump sum payment plan.

LIFE ANNUITY

This option like Programmed Withdrawal is a benefit payment package as well; however, it involves a contract (Annuity contract) that is purchased from Insurance Company. An individual transfers his/her pension contributions from his/her PFA to the Insurance Company where he/she purchased the annuity contract.

The Insurance Company will be responsible (from that point onwards) for the administration of that individual's monthly pensions.

At this point, it would be best to let you see a few similarities in both retirement benefit packages.

SIMILARITIES BETWEEN PROGRAMMED WITHDRAWAL AND ANNUITY

RETIREMENT PACKAGE:

These two are retirement benefit packages for individuals who have chosen them and they are a means of livelihood for old age or when such individual is no longer in active service.

POST - LUMPSUM PAYMENT:

These two gladiators have the Lump sum payment in common... They never come before the lump sum, always after (well, except you decide to opt for zero lump sum upon retirement).

CONTRACTUAL AGREEMENT:

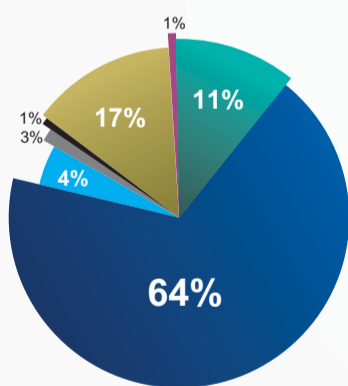
Both benefit plans are contractual in nature, as individuals will be required to formally agree to an amount to be paid on a monthly basis.

So you wonder and ask, "If these two have all these features in common, what then is the point of having them both as options? So let's explore the differences together.

PAL VALUE FUND SECOND QUARTER 2015

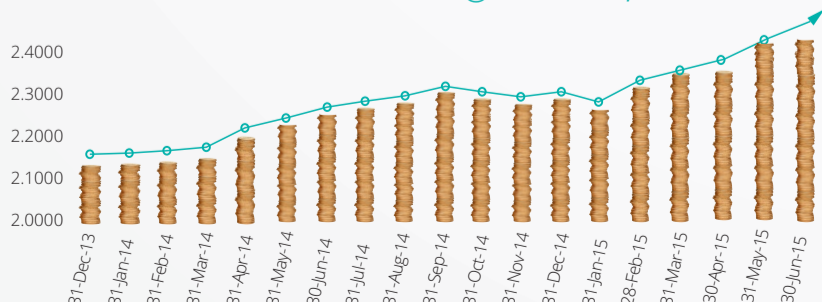
The PAL Value Fund opened the year with a unit price of N2.2999 and closed the quarter under review with a unit price of N2.4210. This represents a Year to Date return of 5.26% as at the end of June 2015. The PAL Value Fund Portfolio as at 30th June, 2015 comprised of the following asset classes: Federal Government Securities (63.7%), Equities i.e. Ordinary Shares (10.6%), Money market instruments (16.8%), State Securities (4.1%), Corporate Debt Instruments (2.8%), Supranational Bonds (0.5%) and Other Managed Funds (1.4%).

PAVF ASSET ALLOCATION STRUCTURE AS AT 30th JUNE, 2015



- Equities 10%
- Other Managed 1%
- Money Market 14%
- State Bonds 4%
- Supranational Bonds 1%
- Corporate Bonds 2%
- FGN Securities 68%

PAL VALUE FUND UNIT PRICE CHART AS @ MARCH 31ST, 2015



Differences Between Programmed Withdrawal And Annuity

PROGRAMMED WITHDRAWAL	ANNUITY
Administered by the individual's PFA	Administered by a Licensed Insurance Company
Contract stems from the agreement between the PFA (PAL Pensions) and the individual	Contract is purchased from an Insurance Company
Contract has a minimum guaranteed period of 18 years	Contract has a guaranteed period of 10 years

Financial Tips



Invest in your own development.

Make 2015 the year that you choose to invest in your personal self-development and hop out of your comfort zone. Learn something new, travel, take risks, and practice your negotiating skills. Investing in your own development is a great idea at a time when the income gap between those with education and marketable skills and those without is growing greater. Rather than react to the changing times, plant some seeds now, be proactive and stay in control of your career and remain competitive.

An elderly lady was concerned about her husband's hearing. It seemed that every time she would call him, he wouldn't respond. So, the lady went to the doctor to ask his advice.

The doctor said to her, "when you go home, tell your husband to stand at the end of the hallway, and you should stand at the other end. Ask him what he wants for dinner. Continue to move closer towards him until he responds to your question so you know exactly how far away he is from you when he finally hears you." She thought this was a great idea. When she got home, she placed her husband at the end of the hallway and yelled, "Herbert, what do you want for dinner?" There was no response. She moved 10 feet closer. Again she yelled, "Herbert, what do you want for dinner?" No response.

She moved another 15 feet closer to where she was now practically face to face with her husband. She yelled even louder this time, "HERBERT, what do you want for dinner?" Herbert yelled back at her, "For the THIRD time, I want chicken!"

Quotes to live by

It's not that optimism solves all of life's problems; it is just that it can sometimes make the difference between coping and collapsing.

-LUCY MACDONALD (BE OPTIMISTIC)

FAQs

What is Cross –Border arrangements?

Cross border arrangements refer to agreements involving two or more jurisdiction. Thus cross border arrangements are the conditions and / or set of guidelines under which expatriate employees of Companies that are registered in Nigeria and Nigerian citizens working / residing outside Nigeria can participate in the Nigerian Contributory Pension Scheme.

Contributions made under this arrangement are treated as voluntary contributions since the individuals choose to join the scheme and are not mandated to by Law. All RSAs opened under the cross border arrangement shall, like any other RSA, be denominated in Naira.

Therefore, where the employee's salary/wage is paid in foreign currency, his/her employer shall convert the contributions to Naira and remit to the PFC.

Can I continue contribution into my RSA after I have retired and accessed my retirement benefits?

Yes, a retiree on monthly pensions who secures another employment after retirement can continue to contribute to his RSA. The contributions received will be credited to the retiree's account as Voluntary Contribution and can be accessed any time.

Can I close my current Retirement Savings Account and open a new one with you?

You are expected to have only one Retirement Savings Account. The National Pension Commission (PenCom) adopts a "First PIN" rule that recognizes the first RSA Personal Identification Number (PIN) obtained by a client as the valid one to be maintained. However, you can transfer from one PFA to another when the transfer window is declared open by the National Pension Commission (PenCom).

ADVANTAGES OF PROGRAMMED WITHDRAWAL OVER ANNUITY

	PROGRAMMED WITHDRAWAL	ANNUITY
FLEXIBILITY	Three years down the line after your programmed withdrawal agreement was signed, you can walk up to your PFA and decide to convert your monthly pensions to quarterly or even yearly pension payments. Bottom line- The Programmed withdrawal allows for a lot more flexibility.	NOT APPLICABLE
LIFE SPAN	In an event of death of the retiree, all residual amounts go to named beneficiaries.	The minimum guaranteed period of the annuity program spans 10 years. After this period, all residual amounts are retained by the Insurance Company in an event of death of the annuitant.
ANNUITY FOR LIFE OR PAL FOR LIFE	Programmed withdrawal agreement offered by your PFA (PAL) caters not just for the Retirement Savings Account holder, but also for his/her named beneficiaries long after the account owner is gone.	The annuity platform takes care of the individual till his/her demise and only caters for the loved ones if such contract hasn't elapsed the 10 years guaranteed period
KEEPING TRACK OF YOUR FUNDS	Your PFA (PAL) makes it possible for you to keep track of your available funds.	NOT APPLICABLE
PREMIUM PAYMENT	As your PALs for life, we will serve you for life with everything we have....no additional payment required	Agent payment required
RETURNS ON INVESTMENT	With your PAL, we ensure that your money is invested appropriately to yield substantial returns which enables us extend your payment period and cater for you for as long as you live.	NOT APPLICABLE

The word life in the term "annuity for life" connotes that such agreement will be held in good faith only in life....but we are truly your PALs FOR LIFE! Life to us doesn't only mean when we see you. Life to us still includes our services to your legacies even long after you are gone.