



PAL NEWS

1st Quarter, 2011

From the Editor



Uche Biosa

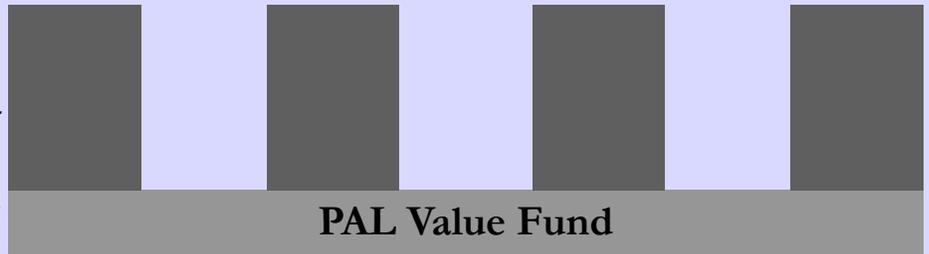
'Back to the Basics'

It is our honor and privilege to welcome our Clients/Retirees to 2011 with every hope that it will be a much better year than 2010. With our modest returns of 13.41% in 2010, we rank amongst the top 3 PFA's with respect to Investment returns for the period (January – December 2010).

Our focus in this newsletter however is not on the over flogged issue of the Investment environment and the attendant returns, but on 'going back to the basics' in respect of retirement, savings and pensions. In this issue, we want to remind you of the need for you to take personal responsibility for your retirement decision(s). As the sages have admonished over the ages, "he who fails to plan, plans to fail".

The Additional Voluntary Contribution (AVC) is one product that will help you make the leap from retirement with anxiety to retirement with hope and wealth. This product allows you to increase your monthly contribution aside from the statutory 15% (employer and employee). It is a vehicle that will allow you determine literary how much money you can retire with.

Please spare a moment and remind yourself of your earlier plan to retire wealthy and then do something about it now!

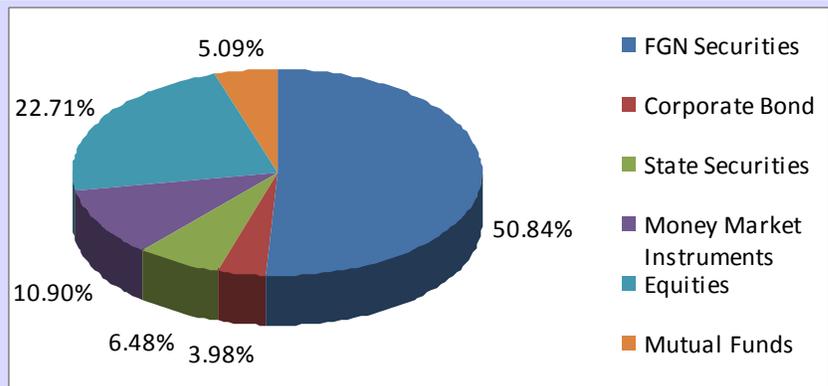


The Pal Value Fund unit price was N1.6408 at the beginning of the year 2011 and N1.6572 as at 31st March 2011. The portfolio was made up of the following Asset Classes: Government Securities (50.84%), Equities (22.71%) Money market (10.90%), State Securities (6.48%), Mutual Funds (5.09%) and Corporate Bond (3.98%).

PAVF Price Trend



PAVF Asset Allocation Structure as at 31st March 2011



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MANAGING YOUR PERSONAL INCOME FOR A MORE PRODUCTIVE WORKING LIFE AND BLISSFUL RETIREMENT

By John Adebayo

The Management of personal income has been a challenge for most Nigerians during their youthful and energetic life stage. As employees, some of the questions that run through our minds are varied and may include the following:

- *How do I want to manage my personal income?*
- *What will I do?*
- *Can I survive with my present income?*
- *If I remove N20,000.00 from my present income, will I be able to survive the whole month?*

Let us provide a background for a good understanding of this issue:

Personal Income: This is defined as an individual's total annual gross earning coming from wages, business enterprises and various investments. The Oxford dictionary defines personal income as the amount of money you are allowed to earn each year before you pay your income tax.

Personal Income Management: This refers to the amount of money that is available for spending and saving after income taxes have been accounted for. This income is usually monitored as one of the many key economic indicators used to gauge the overall state of an economy. Managing your personal Income is an important aspect of an individual's life that cannot be overlooked. The question then follows, how do I manage my Income efficiently? Your income can be managed through the following ways:

- *Savings*
- *Investment*
- *Operating a Small Business*

Savings: This is defined as an amount of money set aside for future purpose and unforeseen circumstances. The Oxford dictionary defines savings as an amount of something such as time or money that you do not need to use or spend.

Imbibing a savings culture is essential for the financial security of any individual. Experience has shown overtime that Nigerians have a poor savings culture which has affected the spending power of individuals in the country.

How to improve your savings

Our savings culture can be improved upon by adopting one or more of the approaches stated below:

- *Open an AVC (Additional Voluntary Account) with your PFA*
- *Be a member of a Cooperative Society*
- *Open a Savings Account which will restrict you from drawing on your account (Save for the season)*
- *Have a Life Insurance Policy*

Investment: This can be defined as an act of putting some part of your income in something with expected returns.

Types of Investment Instruments

- *Money Market*
- *Equities (Stock Market)*
- *Bond*
- *Commodities*
- *Treasury Bills*

We highly recommend that you increase your investment in Pensions through the Additional Voluntary Contributions (AVC) Product with your PFA. This will avail you the opportunity of letting professionals manage your funds in these different investment outlets. The returns are typically higher than what any Bank can give you.

Opening a Small Business: Starting a business might seem like an insurmountable challenge to quite a number of people, however experience indicates that with a strong determination to succeed and single minded focus as well as with our priorities carefully put in place, success is achievable.

What does it take to open a small business?

Findings have to be made on the business; the market share of the business, major competitors, demand for products or service(s) you are to render etc.

A business plan is required to define why you are in business, how you intend to market your products or services, what service you have to offer, the uniqueness of your product etc.

The business should commence while you are still in service to gather necessary experience before retirement. Legal implication of the business should also be considered- the business structure, license and permits, taxes etc.

Improving Your Personal Income Management for a Blissful Retirement

Improving your personal income management for a blissful retirement requires that we must have multiple sources of income. It is also important to note that the best time to plan for the future is now to foster an expansion in the course of time.

Good cash planning is required to keep a business, investment or saving afloat as this will build confidence and integrity in the minds of your creditor, your bank and investment manager.

We at PAL will ensure that you have a better life after retirement by investing your funds in secure portfolios and giving you good returns on your contributions. We are committed to you.

JOKE



A Retiree's Week

Hey Retired Guy, how many days are there in a week?
Retiree's Answer: 6 Saturdays, 1 Sunday

QUOTES

"Planning to retire? Before you do find your hidden passion, do the thing that you have always wanted to do."
Catherine Pulsifer

FAQs & Answers



1. Is there an age limit for my next of kin?

There is no age limit for your next of kin however, if your next of kin is below 18 years, he or she is regarded as a minor. A minor can access the RSA with the directive from a guardian.

2. Why is my pay slip needed to process my payment?

Information on your basic salary, transport and housing will be needed to compute your payment using the template from the National Pension Commission (PENCOM).