

## EDITOR'S NOTE

### Dear Esteemed Customer

We are pleased to welcome you to another quarter and the second half of the year 2014. In this quarter, several activities took place that affected the economy positively. One of them was the rebasing of the country's GDP. The effect of the rebasing is the re-proportioning of contributions from different sectors of the nation's 'basket'. The Services sector now contributes up to

50% to the GDP. Generally speaking, the outlook of the Nigerian economy is better.

Financial inclusion has gained increasing recognition worldwide among policy makers, researchers and development oriented agencies. This is evident as it tends to hold as a tool for economic development; especially in the area of poverty alleviation, job and wealth creation, improving welfare and general standard of living as a priority. Encouraged by the positive development, the Central Bank of Nigeria in collaboration

with stakeholders in financial services launched the National Financial Inclusion Strategy on 23rd October, 2012. In our bid to compliment the efforts of this strategy, PAL Pensions introduced The Financial Literacy Volunteer Campaign where PAL Staff volunteered their time to educate Primary and Secondary School students in financial literacy. This edition will inform in brief our activities in this line. Enjoy your read!



## PAL PENSIONS' CSR INITIATIVE: Bringing Financial Literacy to the young ones



Corporate Social Responsibility otherwise known as CSR is the continuing commitment by businesses to behave ethically and contribute to economic development while improving the quality of life of the local community and society at large. More simply put, CSR is about how companies manage the business processes to produce an overall positive impact on society (Baker M, 2004). As part of our strategy in having a positive impact on our society and reaching out to everyone, we recently conducted a financial literacy campaign, an initiative that will help in enlightening our younger ones on the need to save towards the future. PAL's CSR is focused on meeting the

requirements of the present as well as the future generations by improving the quality of life of Nigerians.

Our goal is to ensure that Primary and Secondary School students and the Nigerian populace at large are financially literate and have more than just basic knowledge on the essence of saving and the available options of planning for the future.

The maiden outing of this initiative featured 25 primary and secondary schools across the country. We had presentations where the students were taught the importance and need for saving. Thereafter a question and answer session was held with the children participating very actively. We also had gifts (piggy banks, expense booklets, writing materials, etc) distributed to students that excelled in the question and answer session. It was really an exciting outing for all participants!!!

The criteria used to nominate the participating schools were random nominations by PAL staff. With the launch

of this campaign, we hope to inculcate the culture of savings in youths, teenagers and children at an early stage so that when they are more matured, the culture of savings will resonate clearly within them.

This is the beginning of a more Financially Literate Nigeria!!

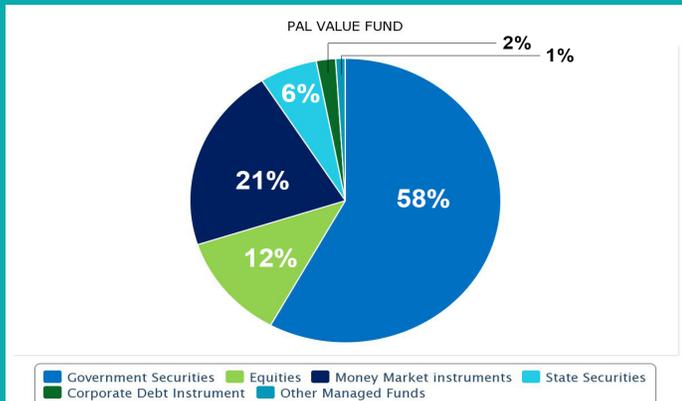
Like W. Clement Stone rightly said, "If you cannot save money, then the seeds of greatness are not in you"



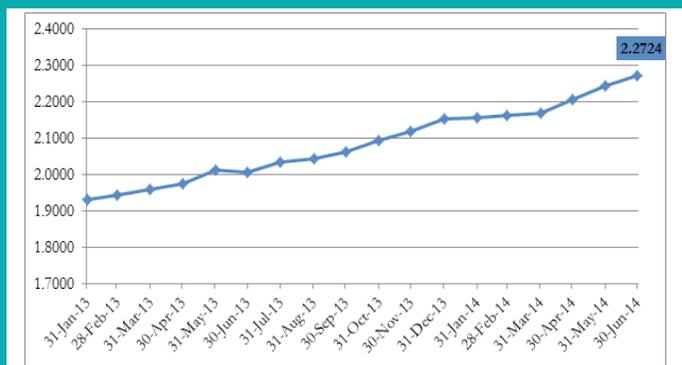
# PAL VALUE FUND

The PAL Value Fund opened the year with a unit price of N2.1510 and closed the month of June 2014 with a unit price of N2.2724. This represents a year till date growth of 5.64%. The PAL Value Fund Portfolio as at 30th June, 2014 comprised of the following asset classes: Government Securities (58%), Equities (12%), Money Market Instruments (21%), State Securities (6%), Corporate Debt Instrument (2%) and Other Managed Funds (1%).

## PAL VALUE FUND UNIT PRICE CHART AS @ 30TH JUNE 2014



## PVF ASSET ALLOCATION STRUCTURE CHART AS @ 30TH JUNE 2014



## FINANCIAL TIPS



To describe what you want to accomplish with your money it is advisable to use numbers and dates rather than just words. Example: How much debt do I want to pay off—and when? How much do I want saved, and by what date? This method has proved to be very effective.

## QUOTE:

*"If you make time each month to give your money some attention, you'll start the next year in fabulous financial shape"* Suze Orman



## FREQUENTLY ASKED QUESTIONS

### Q1. What happens to my RSA when I change Jobs?

On getting a new job, you are required to notify your new employer of your PIN, the name and account details of the PFA that manages your account. Subsequently, remittances from this new employer will be sent to the custodian of the PFA. You will also be required to complete a change of employment form with your PFA in order for your profile to be updated. A copy of your certificate of registration should also be presented to your employer.

### Q2. When will I have access to money in my RSA?

The PRA 2004 allows a RSA holder access to the RSA only on retirement. If an employee retires at the age of 50 years or more, he/she can have immediate access to the RSA. Similarly, if an employee retires before the age of 50 years due to mental or physical incapacity, he or she can have immediate access to his/her RSA based on medical grounds. However, where an employee gets disengaged and is below the age of 50 years, such an employee will be unable to access the RSA until after six months of being disengaged and has been unable to secure another employment.

### Q3. What happens to my contributions made under the Nigeria Social Insurance Trust Fund (NSITF) scheme?

The Pension Reform Act 2004 mandates that contributions made to NSITF should be transferred 5 years after the commencement of the new pension scheme to your PFA. To ensure the transfer of your NSITF contributions, you are required to submit the following through your PFA:

- A completed NSITF transfer application form
- Your original NSITF certificate and a means of identification.
- Where there is no original certificate, you would be required to provide a sworn court affidavit (if your certificate is missing) and a letter of indemnity/identification from your employer (Also note that this can be done by PAL).

### Q4. Can my employer request for my NSITF funds to be transferred on my behalf?

Yes. Employers are allowed to request for the transfer of NSITF contributions of their active employees directly to Trustfund Pensions. The employer shall provide to Trustfund Pensions the comprehensive schedule of the active/existing employees with the organization who are valid contributors under the NSITF scheme. The schedule should indicate the names of the employees, corresponding PFA and PIN.



## ON A LIGHTER NOTE

An elderly gentleman had serious hearing problems for a number of years. He went to the doctor and the doctor was able to have him fitted for a set of hearing aids that allowed the gentleman to hear 100%. The elderly gentleman went back in a month to the doctor and the doctor said, "Your hearing is perfect. Your family must be really pleased that you can hear again." The gentleman replied, "Oh, I haven't told my family yet. I just sit around and listen to the conversations. I've changed my Will three times!"