



Pension Notes

Issue II, 01 December 2006

INDUSTRY/REGULATORY UPDATE

During the month of November 2006, PenCom disclosed that it had licensed new operators, consisting 3 Closed PFAs and 3 PFAs.

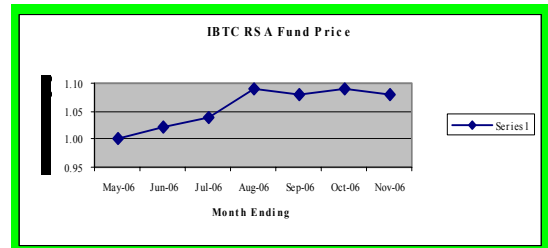
Also, PenCom issued a clarification regarding the treatment of recently right-sized Federal Public Servants who already have funds in their RSAs. According to PenCom, the right-sized workers will receive their retirement benefits based on the Pay-As-You-Go Defined Benefit Scheme operable before the commencement of the Act for Federal Public Servants. This payment would be made by the Office of The Accountant General of the Federation (“OAGF”) to each of the right-sized workers once the retirement planning seminars organized for the them is completed. Subsequently, the pension contributions that have been made so far on their behalf into their RSAs will be transferred by the PFAs to PenCom, to be refunded to their various employers. This category of employees should therefore not approach their PFAs for their payments any longer as all the payments will be made by the OAGF.

During the month, the Lagos State House of Assembly passed the State’s Contributory Pension Law, though the State Governor is yet to grant his assent to the new law. Employees of the Lagos State Government, and its Local Government Areas have commenced registration under the Scheme. Other State Governments are at various stages of establishing CPSs for their State and Local Government employees, and it is envisaged that over the next few months the benefits of the CPS would be available to State and Local Government workers throughout the country.

IBTC RSA FUND

The IBTC RSA Fund (“The Fund”) opened on 02 May 2006 at N1.00 and closed at N1.08 on 30 November 2006 representing an appreciation of 14.17% on an annualized basis. In line with investment guidelines issued by PenCom, the Fund’s portfolio allocation was as follows on 30 November 2006: Government Securities (69.73%), Money Market (9.07%), Quoted Equities (20.23%), Managed Funds (0.97%).

The chart below shows the appreciation of The Fund from inception to date.



Alongside achieving steady growth since inception, The Fund also achieved a higher rate of return when compared with the stop rates on the 3 year FGN Bonds, 91 and 364 day Treasury Bill rates at the most recent auctions as at 30 November 2006. The table below depicts the annualized performance of The Fund since inception vis-à-vis the indicated

Investment	Performance
IBTC RSA Fund	14.17%
3 year FGN Bond	12.00%
91 day T-Bills	5.45%
365 day T-Bills	9.25%

PRODUCT INFORMATION

Accessing Information on Your IBTC RSA

You may access information on your IBTC RSA including monthly contributions and growth of your Funds, using any of the four means below:

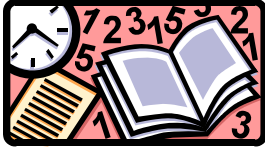
- Log onto our website, www.ibtc.com, and access the required information using your RSA PIN, Username, and Pass code
- Call our 24 hour call center on 01-2716000, 0802 PENSION (i.e. 0802 736 7466), 0804 PENSION, 0805 PENSION, or 0806 PENSION, with your RSA PIN, User Name and Pass Code handy.
- Text HELP to 0802 291 1000 to receive instructions on how to access your RSA information via text.
- Read your Quarterly Statement of Account that is delivered to you.

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Unit Price

The Unit Price of the RSA Fund represents the naira value of a unit of your investments with your PFA. The Unit Price is calculated daily, based on a formula prescribed by PenCom. The Unit Price reflects the total market value of all the underlying investments in the RSA Fund, divided by the number of units issued. The value of the underlying investments are subject to market forces, therefore the unit price may fluctuate accordingly.

When your Contribution is received monthly, the total Contribution less administrative fees is divided by the applicable unit price to arrive at the number of units attributable to that Contribution.

Also, when you view your Account Statement to ascertain your RSA balance, the RSA balance is calculated as the Number of Units based on your contributions over time multiplied by the applicable Unit price on the day you are viewing your account, i.e. Number of Units x RSA Fund Price.

FREQUENTLY ASKED QUESTIONS

Q. What is the expected rate of return on my RSA?

A. It is not possible to determine with absolute certainty, the exact returns you will receive on your RSA in advance. You may however calculate the returns achieved over a past period.

Pension funds are invested based on prudent guidelines issued by PenCom in various types of assets including Money Market Investments, Quoted Equity Investments, Government Bonds and Real Estate Securities. By virtue of the characteristics of these assets, rates of return cannot be predicted with certainty, as investment returns are subject to market forces which cause the value of the assets and their returns to fluctuate over time.

Although the exact rate of return cannot be predicted, the existing PenCom Investment Guidelines ensure security and growth of your funds, as well as a transparent means of monitoring your RSA performance.

KEY TO ABBREVIATIONS

CPS	Contributory Pension Scheme
FEC	Federal Executive Council
FGN	Federal Government of Nigeria
PenCom	National Pension Commission
PFA	Pension Fund Administrator
PFC	Pension Fund Custodian
PIN	Personal Identification Number
PRA 2004/The Act	Pension Reform Act 2004
RSA	Retirement Savings Account

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HOTLINES: 0802 PENSION (i.e. 0802 736 7466), 0804 PENSION, 0805 PENSION, 0806 PENSION

