

FUND MANAGER'S REPORT

J U N E 2 0 2 6



RSA Fund I Snapshot

Fund Summary

- RSA Fund I is the most aggressive among the different RSA funds in terms of risk and potential returns, it is structured to have a higher allocation towards variable income securities, primarily equities.
- This fund typically invests a significant portion of its assets in the Nigerian stock market and other high-risk, high-return instruments.
- It is an optional fund that contributors must elect to opt to, with a maximum age of membership being 49 years old.

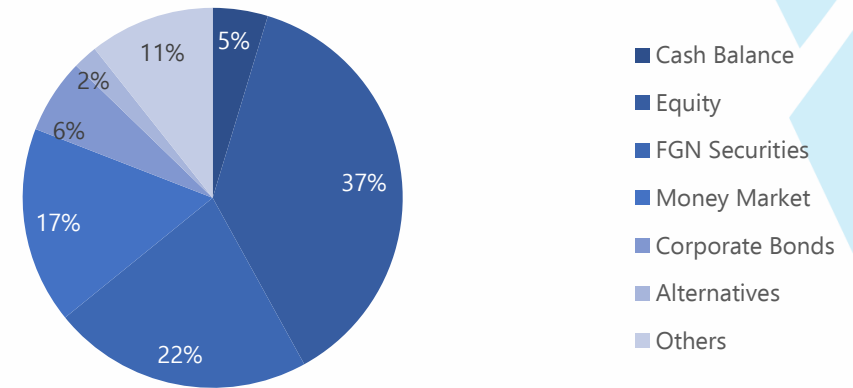
Risk Profile

- It carries the highest risk among the RSA funds due to its heavy exposure to equities and variable income securities. Equities are known for their volatility and can experience significant fluctuations in value over the short term. Therefore, RSA Fund I holders are exposed to market fluctuations and may experience higher volatility in their investment returns.

Return Expectations

- Due to its aggressive investment strategy, RSA Fund I has the potential to offer higher returns compared to the other RSA funds over the long term. However, these returns come with higher volatility and risk, meaning there could be periods of substantial gains but also periods of significant losses

RSA Fund I Asset Allocation



3-Year CAGR: 26.83%

Sharpe Ratio: 1.41

RSA Fund II Snapshot

Fund Summary

- RSA Fund II is the default RSA Fund and is a moderate-risk fund that strikes a balance between risk and potential returns.
- It is structured with a mixed portfolio, investing in a combination of variable income securities (such as equities) and fixed income securities (such as bonds).
- The fund's allocation typically includes a balanced mix of these asset classes, aiming to achieve moderate growth while maintaining a degree of stability.
- RSA Fund II offers a middle ground for contributors who want a balanced approach to investing, seeking growth opportunities while mitigating some of the risks associated with higher exposure to equities.

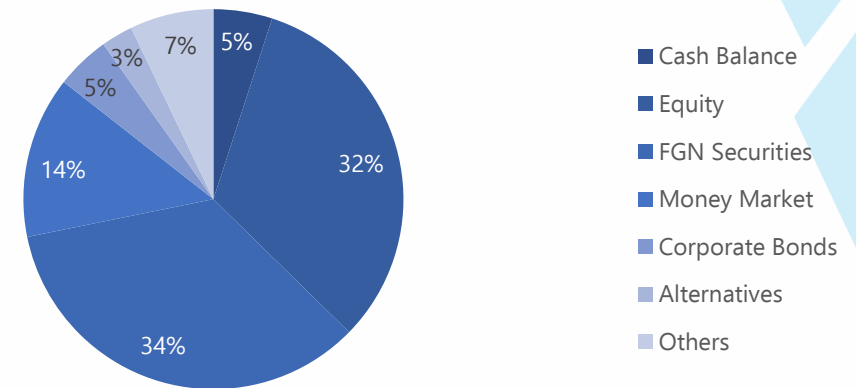
Risk Profile

- Fund II carries a moderate risk profile. The blend of equities and fixed income securities is designed to moderate volatility while seeking reasonable returns. The risk level is lower than Fund I due to its diversification but higher than the more conservative Fund III..

Return Expectations

- RSA Fund II aims for moderate growth, offering a balance between potential returns and stability. While it may not deliver as high returns as Fund I over the long term, it seeks to provide more consistent and stable growth.

RSA Fund II Asset Allocation



3-Year CAGR: 21.83%

Sharpe Ratio: 0.98

RSA Fund III Snapshot

Fund Summary

- RSA Fund III focuses on a more conservative investment approach compared to Fund II. It is primarily invested in fixed income securities such as bonds, treasury bills, and other relatively low-risk, fixed-income instruments.
- However, it also includes a smaller portion allocated to variable income securities like equities and designed to cater to contributors with about 10 years or less to retirement with the default age being 50 years old.
- RSA Fund III offers a more conservative investment option within the multi-fund structure, catering to contributors who prioritize stability and capital preservation over higher growth potential.

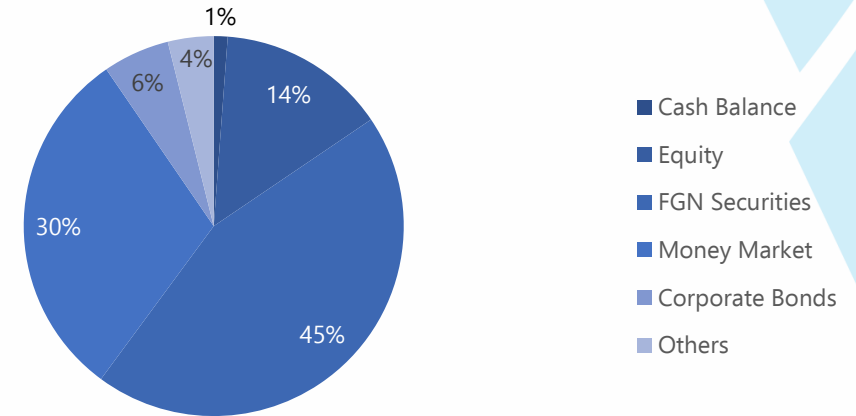
Risk Profile

- This fund is less exposed to market volatility and fluctuations compared to Fund I and Fund II due to its higher allocation to fixed income securities. The presence of some variable income securities introduces a modest level of risk but significantly reduces volatility compared to more aggressive funds.

Return Expectations

- RSA Fund III aims to provide relatively stable and steady returns. While the potential for high returns is lower compared to the more aggressive Funds I & II, it seeks to offer a higher level of capital preservation and stability over the long term.

RSA Fund III Asset Allocation



3-Year CAGR: 17.26%

Sharpe Ratio: 0.55

RSA Fund IV Snapshot

Fund Summary

- The investment strategy of RSA Fund IV is centered on maintaining a conservative portfolio that emphasizes capital preservation and generating income. The fund primarily invests in low risk fixed income securities like long-term bonds and government securities to ensure stability and steady income generation.

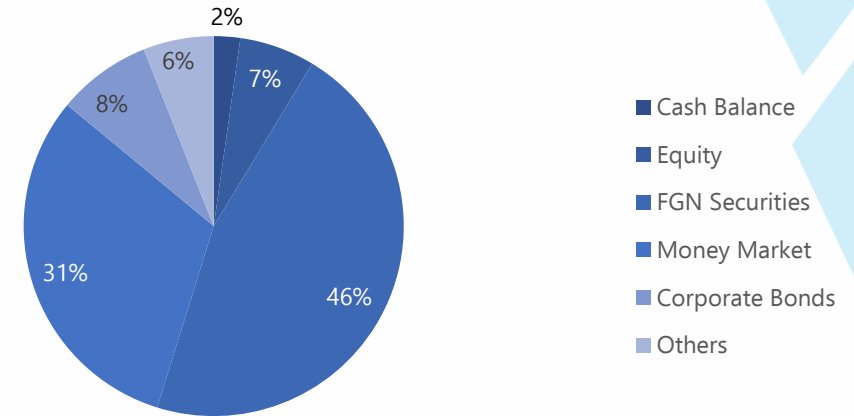
Risk Profile

- This fund is geared towards minimizing risk to safeguard retirees' savings and provide a stable income stream. It maintains a low-risk profile, reducing exposure to market volatility and aiming for consistent income rather than aggressive growth.

Return Expectations

- RSA Fund IV aims to provide retirees with regular and stable income rather than high returns. The focus is on preserving the capital and ensuring that retirees have a dependable source of income during their retirement years.

RSA Fund IV Asset Allocation



3-Year CAGR: 15.83%

Sharpe Ratio: -0.07

RSA Fund V Snapshot

Fund Summary

- Micro pension is an inclusive and flexible retirement savings plan for individuals in the informal sector. It empowers self-employed individuals and small businesses with less than 3 employees to voluntarily save and build a secure future by accumulating funds over an extended period, providing a reliable income during retirement.

Investment Strategy

- The investment strategy of RSA Fund V is centered on maintaining a conservative and very liquid portfolio that emphasizes capital preservation and generating income. The fund primarily invests in low risk fixed income securities and bank deposits to ensure stability and steady income generation.

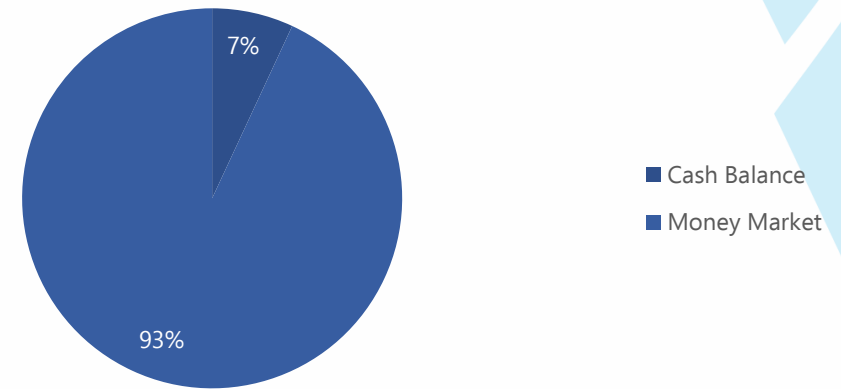
Risk Profile

- This fund is geared towards minimizing risk to safeguard members savings and provide a stable income stream. It maintains a low-risk profile, reducing exposure to market volatility and aiming for consistent income rather than aggressive growth.

Return Expectations

- The focus is on preserving the capital and ensuring that members have a dependable source of income during their retirement years.

RSA Fund V Asset Allocation



3-Year CAGR: 20.11%

Sharpe Ratio: 2.36

RSA Fund VI Active Snapshot

Fund Summary

- RSA Fund VI Active is a non-interest fund in the context of Islamic finance or Sharia-compliant investments. It typically adheres to the principles of Islamic finance.

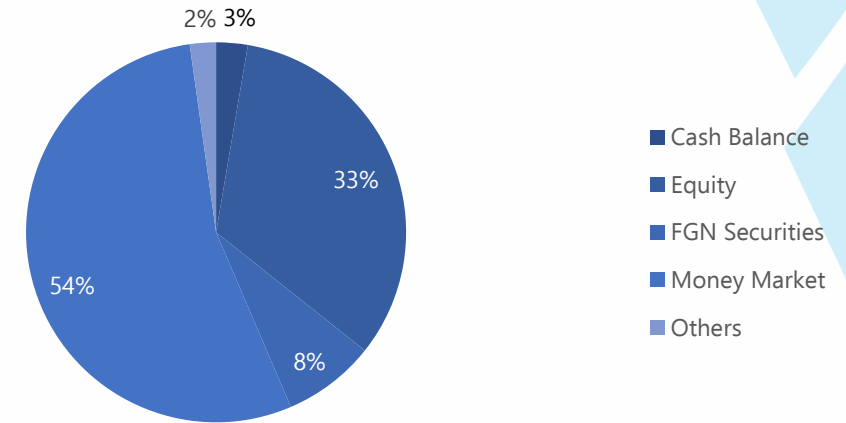
Sharia Compliance

- Non-interest funds adhere to Sharia principles, which prohibit investments in certain sectors such as gambling, alcohol, and conventional financial services that involve interest.

Risk Profile

- Non-interest funds may have a moderate risk profile, focusing on stable and ethical investment opportunities that align with Sharia principles.

RSA Fund VI Active Asset Allocation



3-Year CAGR: 21.22%

Sharpe Ratio: 1.55

RSA Fund VI Retiree Snapshot

Fund Summary

- RSA Fund VI Active is a non-interest fund in the context of Islamic finance or Sharia-compliant investments. It typically adheres to the principles of Islamic finance.

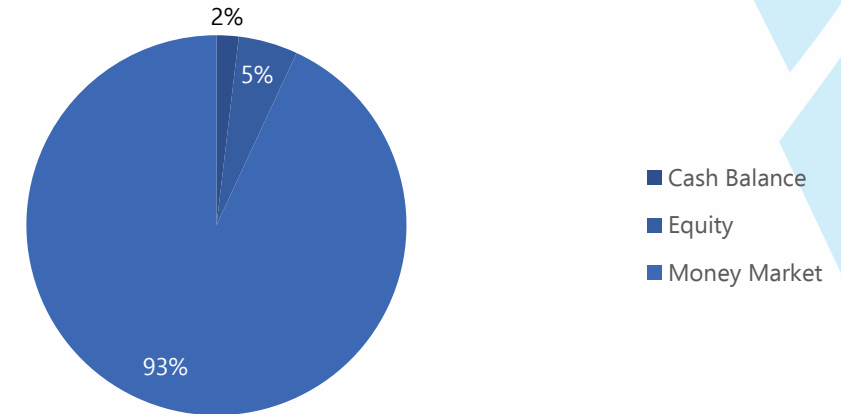
Sharia Compliance

- Non-interest funds adhere to Sharia principles, which prohibit investments in certain sectors such as gambling, alcohol, and conventional financial services that involve interest.

Risk Profile

- Non-interest funds may have a moderate risk profile, focusing on stable and ethical investment opportunities that align with Sharia principles.

RSA Fund VI Retiree Asset Allocation



3-Year CAGR: 19.53%

Sharpe Ratio: 2.19

Financial Market Review & Outlook

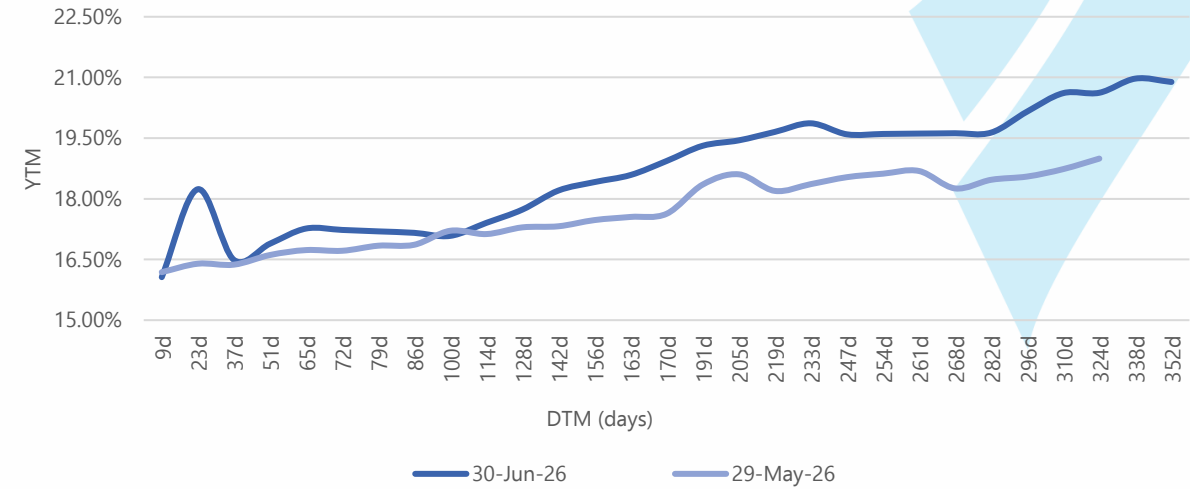
Fixed Income Review

- In June, short-term interest rates moved in mixed directions across money market segments as system liquidity conditions tightened modestly. Average system liquidity surplus declined by 18.23% month-on-month to N4.36 trillion, reflecting a 12.12% m/m reduction in average Standing Deposit Facility (SDF) balances to N4.25 trillion. Nigerian Interbank Offered Rates (NIBOR) moderated across most tenor buckets, indicating improved willingness among banks to lend to one another. However, term repo rates increased across all tenors, reflecting relatively tighter conditions in the collateralized funding market amid the prevailing elevated yield environment.
- Against this backdrop, the secondary Treasury bills market remained bearish, with yields rising across all maturities. Consequently, the average Treasury bill yield increased by 105 basis points to 18.71%. Similarly, average Federal Government bond yields rose by 147 basis points to 15.74%, broadly in line with our expectations, as investors demanded higher risk premiums amid mounting inflationary pressures and increased FGN bond supply.

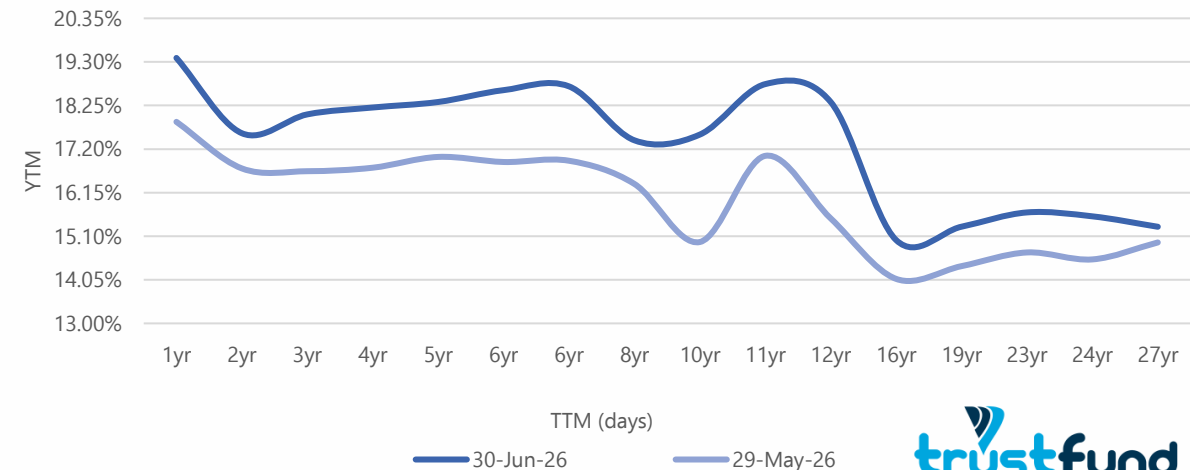
Fixed Income Outlook

- With the Federal Government expected to increase domestic borrowing in Q3 2026, the anticipated rise in bond supply is likely to exert further upward pressure on fixed-income yields. Consequently, Federal Government of Nigeria bond yields could trend above 18% in the near term.

T-Bills Yield Curve



FGN Bond Yield Curve



Financial Market Review & Outlook

Equities Market Review

- The local bourse slipped into bearish territory in June, as the NGX All-Share Index (ASI) declined by 8.37% month-on-month to close at 229,419.18 points, while market capitalization fell by 8.28% to N147.22 trillion.
- Market breadth also deteriorated significantly during the month, with the number of advancing stocks falling to 16 from 85 in the previous month, while decliners increased to 98 from 30 over the same period.
- Among the few gainers during the month were telecoms major, Airtel Africa (+31.15%), and insurance company, International Energy Insurance (+28.10%).
- Conversely, the major laggards during the month included integrated oil & gas major, Aradel Holdings (-28.70%), major oil palm plantation producer, The Okomu Oil Company (-18.97%), and leading cement manufacturer, Dangote Cement (-18.39%).

Equities Market Outlook

- Looking ahead, expectations of improved corporate actions following the H1 2026 reporting season could provide support for equities in July. However, any dividend-driven rally could be moderated by the prevailing high interest-rate environment, which continues to enhance the attractiveness of fixed-income securities. Consequently, market sentiment is expected to remain mixed in the near term.

June '26 monthly return

NGX ASI	-8.37%
NGX Pension	-9.70%
NGX Banking	-12.22%
NGX Insurance	-13.06%
NGX Oil & Gas	-15.06%
NGX Industrial	-17.02%
NGX Consumer Goods	-6.33%

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