



NSIA 2019

Nigeria Sovereign Investment Authority

Pillar 1: Legal

Legal framework, objectives, and coordination with macroeconomic policies

Principle 1

1. The legal framework for the SWF should be sound and support its effective operation and the achievement of its stated objective(s).

1.1. The legal framework for the SWF should ensure legal soundness of the SWF and its transactions.

1.2. The key features of the SWF's legal basis and structure, as well as the legal relationship between the SWF and other state bodies, should be publicly disclosed.

The legal framework for the Nigeria Sovereign Investment Authority (NSIA) is the NSIA Act 2011. NSIA was established by an act of the National Assembly in May 2011. The Act was signed into law by the President of the Federal Republic of Nigeria on May 28, 2011.

Section 1 of the NSIA Act establishes the NSIA as a body corporate with perpetual succession which may sue and be sued; may acquire, hold and dispose property; and shall be independent in the discharge of its functions subject to limitations contained in the Act.

NSIA's legal basis and structure, and legal relationships between the NSIA Governing Council, the Board of Directors and all tiers of government are detailed in the NSIA Act 2011, a copy of which is publicly available from www.nsia.com.ng and can also be found documented in its annual reports.

Specifically, NSIA was established pursuant to the NSIA Act with a statutory mandate to receive, manage and invest funds in a diversified portfolio of medium and long-term assets on behalf of the Federal Government, State Governments, Federal Capital Territory, Local Governments and Area Councils. As a result, NSIA is not a Federal Parastatal, Agency or Institution but a Federation Agency owned to varying share proportions by all tiers of Government i.e. Federal, State, and Local governments.

Principle 2

The policy purpose of the SWF should be clearly defined and publicly disclosed.

The NSIA Act established the Authority to receive, manage, and invest in a diversified portfolio of medium and long-term revenue of the Federal Government, all State Governments, Federal Capital Territory, all

Local Government and Area Councils to prepare for the eventual depletion of Nigeria's hydrocarbon resources and the development of critical infrastructure in Nigeria that will attract and support foreign investment, economic diversification, growth, and job creation in Nigeria.

NSIA's vision and mission is documented in the NSIA Act and in its published annual reports. Both documents are publicly available on NSIA's website at www.nsia.com.ng

NSIA's vision is to establish NSIA as a leading sovereign wealth fund globally playing a role in promoting Nigeria's economic development.

The Authority's mission is to play a leading role in driving sustained economic development for the benefit of all Nigerians through:

1. Building a savings base for the Nigerian people
2. Enhancing the development of Nigeria's infrastructure
3. Providing stabilisation support in times of economic stress.

The NSIA operates three ring-fenced funds:

- a. The Stabilisation Fund (SF)
- b. The Future Generations Fund (FGF)
- c. The Nigeria Infrastructure Fund (NIF)

Principle 3

3. Where the SWF's activities have significant direct domestic macroeconomic implications, those activities should be closely coordinated with the domestic fiscal and monetary authorities, so as to ensure consistency with the overall macroeconomic policies.

NSIA helps in promoting macroeconomic stability in several ways:

- a. The first is that the Stabilisation Fund is designed to provide macroeconomic stabilisation in times of economic distress – that is, the Federal Ministry of Finance can make a case to make withdrawals from the Fund for economic stabilisation.
- b. The SWF is a tool of fiscal discipline as it forces and enforces an investment and savings culture in a clearly defined manner as documented in the three separate Investment Policy Statements. Please see copies at <http://nsia.com.ng/downloads/>.
- c. Investments in infrastructure helps in enhancing economic growth, which in the long run aids in overall economic development.

Further, several members of NSIA's Governing Council are made up of the domestic fiscal and monetary authorities. Specifically, section 7 of the NSIA Act 2011 list these members to include the Minister of Finance; the Minister responsible for the National Planning Commission; the Governor of the Central Bank of Nigeria; the Chief Economic Adviser to the President; the Chairman of the Revenue Mobilization, Allocation and Fiscal Commission among others.

The Authority's Management Executives continually and closely engage domestic key stakeholders to ensure general alignment of strategic objectives.

Principle 4

4. There should be clear and publicly disclosed policies, rules, procedures, or arrangements in relation to the SWF's general approach to funding, withdrawal, and spending operations.

4.1. The source of SWF funding should be publicly disclosed.

4.2. The general approach to withdrawals from the SWF and spending on behalf of the government should be publicly disclosed.

The NSIA Act 2011 established three main funds i.e. the Stabilisation Fund, the Future Generations Fund and the Nigeria Infrastructure Fund. See section 4 of the NSIA Act 2011, a copy of which is available here http://nsia.com.ng/wp-content/uploads/2013/02/NSIA_ACT.pdf

The Act also establishes how funds accrue to the Authority, how and when withdrawals can be made, and how operational costs should be funded.

The NSIA commenced investment activities in 2013, with a seed capital of US\$1 billion with the following contribution structure: Federal Government (45.83%), the 36 States of the Federation (36.25%), all 774 Local Government Areas (17.76%); and the Federal Capital Territory (0.16%). 20% of the capital was allocated to the Stabilisation Fund, and 40% each was allocated to the Future Generations Fund and the Nigeria Infrastructure Fund. Section 30 of the NSIA Act 2011 requires that subsequent funding of the NSIA be derived from all amounts above the Budgetary Smoothing Amount in the Residual Funds from the Federation Account, excluding the derivation portion of the revenue allocation formula. These funds are required to be transferred to the NSIA monthly. Based on Section 4(e) of the NSIA Act 2011, NSIA may also obtain funds such as co-investments from other strategic investors, sovereign and internationally recognized investment funds and private companies.

In January 2016, NSIA received US\$250 million in new funding. The funding was derived from the 3 tiers of Government's share of dividends in the Nigerian Liquefied Natural Gas, NLNG, which they agreed to reinvest in NSIA. The contribution structure was: Federal Government (51.68%), the 36 State Governments (26.72%), 774 Local Government Areas (20.41%); and the Federal Capital Territory (1.19%). The US\$250 million capital was allocated to the 3 ring-fenced funds as follows: SF (20%), NIF (40%), and FGF (40%)

In July 2017, NSIA received additional US\$250 million funding from the Excess Crude Account with the contribution structured as follows: Federal Government (45.83%), the 36 States of the Federation (36.25%), 774 Local Government Areas (17.76%); and the Federal Capital Territory (0.16%). The US\$250 million capital was allocated to the 3 ring-fenced funds as follows: SF (20%), NIF (40%), and FGF (40%)

Section 34 of the NSIA Act permits the NSIA Board to declare a distribution out of its uninvested and uncommitted available funds. This distribution, according to Section 35 of the NSIA Act, shall be made to the Federal Government, State Governments, Federal Capital Territory, Local Governments and Area Councils in proportion of their respective contributions to the Authority.

The Act however requires that the following conditions be satisfied before the NSIA can declare a distribution:

- i. the distribution is paid out of net profits that must have been made in each of the Funds for at least 5 years in the year following enactment of the NSIA Act;
- ii. the NSIA made a net profit in each of the Funds in the year in which such dividend is paid; and
- iii. such distributions are not more than 60% of the profits of the Authority at the time of the distribution.

5. The relevant statistical data pertaining to the SWF should be reported on a timely basis to the owner, or as otherwise required, for inclusion where appropriate in macroeconomic data sets.

Section 12 of the NSIA Act requires that NSIA provides the Governing Council with a report every 12 months, in writing on the assets, liabilities, redemptions, realisations, sales, general performance by asset class, and significant trends affecting NSIA's investment objectives. Section 38 of the NSIA Act requires that NSIA carry out an annual audit of its operations and financial statements in accordance with International Financial Reporting Standards, as applied in the Federal Republic of Nigeria and the generally accepted principles of accounting by an internationally recognized accounting firm through such firm's local Nigerian branch approved by the Auditor General for the Federation.

Authority therefore does have its accounts audited and released publicly within 3 - 4 months after the end of its financial year. Quarterly reviews are also performed by NSIA's external auditors, all in compliance with the requirements of section 37 (2) which requires that NSIA make the Annual Report, together with quarterly financial reports and key policy documents prepared by NSIA accessible to the public. The audited financial statements / annual reports are published on NSIA's website.

At the highest level, the NSIA is overseen by a Governing Council. The Governing Council's 55 statutory members consists of the President of the Federal Republic (The Chairman), Nigeria's 36 state governors, the Minister of Finance and 12 other members representing civil society, Nigerian youths, the academia and the private sector. At the next level is the Board of Directors and the related board committees; and at the third level is the Executive Management team.

The Board and Executive Management present results annually to the Governing Council as required by section 12 of the NSIA Act.

Pillar 2: Institutional

Institutional Framework and Governance Structure.

Principle 6

6. The governance framework for the SWF should be sound and establish a clear and effective division of roles and responsibilities in order to facilitate accountability and operational independence in the management of the SWF to pursue its objectives.

The roles and responsibilities of the Governing Council (representing asset owners), the Board and Management (as asset managers) are detailed in the NSIA Act. According to section 7 of the NSIA Act, at the highest level, the NSIA is overseen by a Governing Council.

The Governing Council's 55 statutory members consists of the President of the Federal Republic (The Chairman), Nigeria's 36 state governors, the Minister of Finance and 12 other members representing civil society, Nigerian youths, the academia and the private sector.

At the next level is the Board of Directors and the related board committees; and at the third level is the Executive Management team.

Further details are provided in five Board charters and three Investment Policy Statements (IPS). See <http://nsia.com.ng/downloads/> for copies of the Charters and IPS.

Internal policies, procedures and processes have been established to further outline roles and responsibilities at the operational level.

Principle 7

7. The owner should set the objectives of the SWF, appoint the members of its governing body(ies) in accordance with clearly defined procedures, and exercise oversight over the SWF's operations.

The objectives of each of the three principal funds, the procedure for appointing the Governing Council and NSIA's Board of Directors are detailed in the NSIA Act.

http://nsia.com.ng/wp-content/uploads/2013/02/NSIA_ACT.pdf

Section 29 of the NSIA Act list the owners of the Authority as the Federal Government, the 36 State Governments, the Federal Capital Territory, all the Local Governments and Area Councils of the federation. The Governing Council is in place and meet from time to time.

Shareholding and capital sharing arrangement is consistent with the agreed national revenue allocation sharing formula.

Section 7 of the NSIA Act list the Governing Council members as consisting of the president of the Federal Republic of Nigeria, as chairman; each of the State Governors; the Attorney-General of the Federation; the Minister; the Minister responsible for the National Planning Commission; the Governor of the Central bank of Nigeria; the Chief Economic Adviser to the President; the Chairman of the Revenue Mobilization, Allocation and Fiscal Commission and 4 reputable individuals representing the private sector with cognate experience in finance, economics, investments, or other related areas of expertise; 2 representatives of civil society, 2 representatives of Nigerian youths, and 4 eminent academics.

In terms of the Governing Council oversight function, section 7(2) states that The Council shall provide advice and counsel generally to the Board having regard to the objects of the Authority under the Act. Section 7(3) further states that the Council shall, in the discharge of its duties, observe the independence of the Board and officers of the Authority.

Principle 8

8. The governing body(ies) should act in the best interests of the SWF, and have a clear mandate and adequate authority and competency to carry out its functions.

The roles and responsibilities of the Governing Council is detailed in section 7 of the NSIA Act. Section 7(2) of the NSIA Act stipulates that the Council shall provide advice and counsel generally to the Board with regards to the objects of the Authority under the Act.

The roles and responsibilities of the Board of Directors is detailed in section 15 of the NSIA Act and includes the attainment of the objectives of NSIA, making of policy and general supervision of the management and affairs of the Authority and other functions conferred upon it by any other provision of the Act.

The Board in carrying out its duties is bound by the provision contained in internal policies, investment policy statements, and investment mandates which are required to be consistent with the NSIA Act.

Principle 9

9. The operational management of the SWF should implement the SWF's strategies in an independent manner and in accordance with clearly defined responsibilities.

Section 7(3) of the NSIA Act states that the Governing Council in discharging its duties shall observe the independence of the Board and officers of NSIA.

Section (21) of the NSIA Act provides for the appointment of the Managing Director / CEO, who is responsible for the execution of policies formulated by the Board and the day-to-day administration of the Authority. Section (22) provides for the appointment of the Secretary by the Board of Directors who is responsible for issuing meeting notices, keeping records of the Board and the Governing Council proceedings, and carrying out other duties from as may be directed by the Managing Director or the Board from time to time.

Section (23) provides for the appointment of other staff who shall be responsible for the proper and efficient performance of the Authority under the Act. According to section (25) of the Act, the Board shall be independent in the exercise of its responsibilities under the NSIA Act.

Operational roles and responsibilities are also clearly delineated in internal policies and procedures. These structural framework of roles and responsibilities is illustrated in the NSIA's published annual reports and accounts and shows:

1. The Governing Council at the very top
2. The Board of Directors directly below the Governing Council.
3. The Authority Secretary, Managing Director/CEO, and Internal Audit reporting directly to the Board of Directors with the Authority Secretary and Internal Audit having a dotted reporting line to the Managing Director/CEO.

The Chief Investment Officer, Chief Risk Officer / Chief Operating Officer, Financial Controller, Head of Human Resources, and Head of Legal report directly to the Managing Director/CEO.

Principle 10

10. The accountability framework for the SWF's operations should be clearly defined in the relevant legislation, charter, other constitutive documents, or management agreement.

Accountability arrangements, including the requirements for completion of annual reports and submission to the Governing Council (section 12) and to the President, the Minister, the Central Bank of Nigeria, the National Economic Council, the National Assembly, and each State House of Assembly (section 37) are detailed in the NSIA Act 2011. Please also see response to our implementation of GAPP Principle 5 for additional discussion of how GAPP Principle 10 has been implemented.

Section 37 (2) also requires that NSIA make the Annual Report, together with quarterly financial reports and key policy documents prepared by NSIA accessible to the public. Section 37 (3) requires that the Annual Report be summarised and the summary published at NSIA's expense in the 2 most widely-circulated newspapers in Nigeria.

In addition to the above, NSIA's accountability framework distils to the operational level with the execution and existence of third outsourcing contracts and third-party investment mandates; internal policies, procedures, and guidelines and operational charters.

Principle 11

11. An annual report and accompanying financial statements on the SWF's operations and performance should be prepared in a timely fashion and in accordance with recognized international or national accounting standards in a consistent manner.

Section 36 of the NSIA Act requires that all proper books of accounts with respect to the transactions and business of the Authority be kept in conformity with International Financial reporting Standards or such other

internationally recognized financial reporting standards, as applied in Nigeria and the Nigerian generally accepted principles of accounting.

Section 37 of the NSIA Act also requires that not later than 3 months after the end of the financial year of NSIA, the Authority shall submit an annual report of its activities during the financial year to the President, the Minister, the Central Bank of Nigeria, the National Economic Council, the National Assembly, and each State House of Assembly.

Consistent with relevant provisions of the NSIA Act, the Authority has since inception published its annual report within 3 - 4 months after the end of its financial year. The annual reports and key policy documents are accessible to the public via www.nsia.com.ng

Principle 12

12. The SWF's operations and financial statements should be audited annually in accordance with recognized international or national auditing standards in a consistent manner.

Section 38 of the NSIA Act requires that NSIA carry out an annual audit of its operations and financial statements in accordance with International Financial Reporting Standards, as applied in the Federal Republic of Nigeria and the generally accepted principles of accounting by an internationally recognized accounting firm through such firm's local Nigerian branch approved by the Auditor General for the Federation.

NSIA has established an internal audit unit run by an experienced internal audit head. The Internal Audit head reports to the Chairman of the Audit Committee. Its external audit is carried out by a big 4 accounting firm. The Office of the Auditor General for the Federation also conducts periodic, independent review of activities of the Authority. The report of the Auditor General for the Federation is submitted to the National Assembly.

Principle 13

13. Professional and ethical standards should be clearly defined and made known to the members of the SWF's governing body(ies), management, and staff.

The duties and obligations of the Governing Council and the Board of Directors are detailed in the NSIA Act together with arrangements for the management of conflicts of interest.

Section 10 of the NSIA Act specifies reasons to remove members of the Governing Council which includes conviction of a criminal offence; bankruptcy; prolonged ill health and misconduct in the discharge of official duties.

The NSIA Act describes qualifications for appointment to the board, disqualifications, resignation and removal and tenures of members. Section 18 of the Act specifies that Board members may be removed if adjudged bankrupt; disqualified or suspended from practicing his or profession by order of a competent authority; disqualified or restricted from being a director of any corporate institution by any law or regulatory body; and convicted of an offence involving fraud or dishonesty or if not involving fraud or dishonesty but the penalty exceeds imprisonment for 6 months.

In addition to the Board Committee, there are five Board sub Committees viz: Finance and General-Purpose Committee (F & GPC), Audit Committee, Compensation Committee, Externally Managed Investment Committee (EMIC), and the Direct Investment Committee (DIC). Each Committee of the Board has a Charter that describes the responsibilities of each Committee, Membership composition, Meetings, and

Performance Reviews. The Charters are loaded to NSIA's website at www.nsia.com.ng.

Professional and ethical standards are further clearly articulated in the Compliance Policy, Conflict of Interest Policy for NSIA Investment staff, Conflict of Interest Policy for Directors, Board Member Disclosure, Annual Statement of Interest, and Ethical & Responsible Investing. All policies are uploaded onto NSIA's intranet for the benefit of NSIA's management and staff.

Principle 14

14. Dealing with third parties for the purpose of the SWF's operational management should be based on economic and financial grounds, and follow clear rules and procedures.

The Board engages third party advisors and investment managers based on the provisions of the NSIA Act, Investment Policy Statements, and the Manager Selection and Review process. Engagement of third parties is based on economic and financial grounds.

For the purchase of goods and services, NSIA applies the provisions of its Procurement Policy and its Outsourcing Policy. While the purpose of the Procurement Policy obligates NSIA to conform to the ideals of transparency and competitiveness in the procurement of goods and services; the Outsourcing Policy sets specific procedures for engaging third parties in procurement and outsourcing arrangements as well as the procedures for managing and discontinuing such arrangements.

Principle 15

15. SWF operations and activities in host countries should be conducted in compliance with all applicable regulatory and disclosure requirements of the countries in which they operate.

NSIA conducts all its operations and activities in compliance with all applicable regulatory and disclosure requirements. To facilitate compliance, there are dedicated Legal and Compliance functions in place. In addition, NSIA has an external legal firm on permanent retainerhip.

Further, the Board Finance and General Purpose Committee Charter is responsible for ensuring that NSIA complies with internal guidelines and external regulations. The charter also states that the Committee is responsible for receiving reports from NSIA management concerning risk implications of new and emerging legislative and regulatory initiatives impacting its activities in all jurisdictions in which the Authority operates.

http://nsia.com.ng/wp-content/uploads/2014/04/NSIA_Risk_Committee_Charter.pdf

Principle 16

16. The governance framework and objectives, as well as the manner in which the SWF's management is operationally independent from the owner, should be publicly disclosed.

The governance framework and objectives of the Board and of NSIA are set out in NSIA Act 2011 and in its published annual reports. The framework establishes the independence and accountability arrangements for the three funds, the Board and the Authority.

Section 1 of the NSIA Act establishes the NSIA as a body corporate with perpetual succession which may sue and be sued; may acquire, hold and dispose property; and shall be independent in the discharge of its functions subject to limitations contained in the Act.

Note that consistent with the requirements of the NSIA Act, the Authority was established in October 2012 as an independent agency run by Executive Management and the Board of Directors. Please refer to NSIA website at <http://nsia.com.ng/> and its published annual reports at <http://nsia.com.ng/> for details of NSIA Executive Management and its Board of Directors.

Section 7(3) of the NSIA Act states that the Governing Council in discharging its duties shall observe the independence of the Board and officers of NSIA. According to section 25 of the Act, the Board shall be independent in the exercise of its responsibilities under the NSIA Act.

Principle 17

17. Relevant financial information regarding the SWF should be publicly disclosed to demonstrate its economic and financial orientation, so as to contribute to stability in international financial markets and enhance trust in recipient countries.

NSIA's annual reports and audited financial statements are submitted to the Governing Council for review (section 12) and to the President, the Minister, the Central bank of Nigeria, the National Economic Council, the National Assembly, and each State House of Assembly (section 37) as prescribed by the NSIA Act 2011.

Section 37 (2) also requires that NSIA make the Annual Report, together with quarterly financial reports and key policy documents prepared by NSIA accessible to the public. Section 37 (3) requires that the Annual Report be summarised and the summary published at NSIA's expense in the 2 most widely-circulated newspapers in Nigeria.

In addition to fully meeting the requirements of the law, the audited annual financial statements and quarterly updates on the portfolios are also released publicly through the news media and NSIA's website.

Pillar 3: Investment

Principle 18

18. The SWF's investment policy should be clear and consistent with its defined objectives, risk tolerance, and investment strategy, as set by the owner or the governing body(ies), and be based on sound portfolio management principles.

18.1. The investment policy should guide the SWF's financial risk exposures and the possible use of leverage.

18.2. The investment policy should address the extent to which internal and/or external investment managers are used, the range of their activities and authority, and the process by which they are selected and their performance monitored.

18.3. A description of the investment policy of the SWF should be publicly disclosed.

NSIA's investment policies are clearly documented in 3 separate Investment Policy Statements (IPS), each one of the IPS represents the investment policy for a ring-fenced fund. See <http://nsia.com.ng/downloads/> Each IPS provides a framework for the management of the respective funds and sets out to identify each fund's investment objectives, risk tolerance and constraints.

The IPS also establishes a structure of guidelines and policies within which the executive management can exercise their delegated authority and against which recommendations to the Investment Committee and the Board can be judged.

Annual reports also provide additional insights into NSIA's investment strategy. These documents, along with the IPS address matters relating to Investment objectives, investment principles, asset allocation, as well as the process for appointing, monitoring and disengaging 3rd party managers, advisors, consultants, and co-investors.

Principle 19

19. The SWF's investment decisions should aim to maximize risk-adjusted financial returns in a manner consistent with its investment policy, and based on economic and financial grounds.

19.1. If investment decisions are subject to other than economic and financial considerations, these should be clearly set out in the investment policy and be publicly disclosed.

19.2. The management of an SWF's assets should be consistent with what is generally accepted as sound asset management principles.

NSIA's obligation to seek and maximize risk-adjusted returns is established in the NSIA Act. The Investment Policy Statement also details the risk and return parameters while The Risk Appetite Statement articulates the risk appetite framework of the NSIA and communicates the objectives with which the Authority was established, the constraints as well as minimum expectations as contained in the NSIA Act 2011.

The NSIA operates three ring fenced funds:

- a. The Stabilisation Fund (SF)
- b. The Future Generations Fund (FGF)
- c. The Nigeria Infrastructure Fund (NIF)

The Nigeria Infrastructure Fund also has a sub set which is "Social Infrastructure", to which 10% of the NIF may be allocated. Overall however, NSIA does not invest other than for economic and financial considerations.

Principle 20

20. The SWF should not seek or take advantage of privileged information or inappropriate influence by the broader government in competing with private entities.

The Authority or its Board do not trade on any privileged information.

The Compliance Policy, Conflict of Interest Policy for NSIA Investment staff, Conflict of Interest Policy for Directors, Board Member Disclosure Annual Statement of Interest, and Ethical & Responsible Investing all provide a framework that restricts and monitors engagements with all tiers of government in relation to NSIA Board and other NSIA matters.

Further, the Authority seeks to enhance private sector participation in investments in Nigeria and endeavours not to compete with the private sector for deals and transactions.

Principle 21

21. SWFs view shareholder ownership rights as a fundamental element of their equity investments' value. If an SWF chooses to exercise its ownership rights, it should do so in a manner that is consistent with its investment policy and protects the financial value of its investments. The SWF should publicly disclose its general approach to voting securities of listed entities, including the key factors guiding its exercise of ownership rights.

NSIA primarily invests in equities through board approved third party investment managers whose investment philosophy, expertise and strategy align with NSIA's investment objectives.

The third-party investment managers have full ownership rights to voting securities of listed entities beneficially owned by NSIA through the investment managers' activities. The Authority receives regular periodic performance reports and updates on matters that are of importance to NSIA in relation to these investments.

Where direct investments are made the NSIA exercises its full ownership rights in a professional manner consistent with its investment policies with the ultimate aim of protecting the value of its investments.

Principle 22

22. The SWF should have a framework that identifies, assesses, and manages the risks of its operations.

22.1. The risk management framework should include reliable information and timely reporting systems, which should enable the adequate monitoring and management of relevant risks within acceptable parameters and levels, control and incentive mechanisms, codes of conduct, business continuity planning, and an independent audit function.

22.2. The general approach to the SWF's risk management framework should be publicly disclosed.

Principle 23

23. The assets and investment performance (absolute and relative to benchmarks, if any) of the SWF should be measured and reported to the owner according to clearly defined principles or standards.

Investment objectives are clearly specified in investment mandates along with benchmarks against which performance is measured.

Performance reports are provided on a monthly as well as adhoc basis as may be required by our global custodians and investment services consultants.

All assets are marked-to-market to ensure compliance with guidelines. NSIA presents all investment performance both in absolute and relative terms vis-à-vis the portfolio benchmark as described in the NSIA Act and the respective IPS.

Principle 24

24. A process of regular review of the implementation of the GAPP should be engaged in by or on behalf of the SWF.

NSIA performed its first self-assessment in 2013 and the second in 2016. This is the third self-assessment to be completed by NSIA and it will continue to be done on a regular basis to ensure continuing compliance with the 24 Generally Accepted Principles and Practices.

NSIA reports on compliance with the Santiago Principles to stakeholders through its Annual Report and evidences its endorsement by hosting the GAPP on its website at <http://nsia.com.ng/wp-content/uploads/2013/07/santiagoprinciples.pdf>