

POLICY INITIATIVE REPORT · June 2026

Where Is Your Pension Money Going?

A Plain-Language Tracker of PFA Asset Allocation in Nigeria

Where Is Your Pension Money Going?

₦30.94trn

Total Pension Assets
under Management

April 2026

11.2M+

Registered RSA
Contributors

Active accounts

56.1%

Held in FGN
Securities

Over ₦17 trillion

THE CENTRAL FINDING

As at April 2026, more than 56% of all pension assets over ₦17 trillion is invested in Federal Government of Nigeria (FGN) securities. Workers' retirement savings are, in large part, financing the operations of the same government that regulates the pension system. This is a structural fact that every contributor deserves to understand and one that is improving, having declined from 70.4% in 2017.

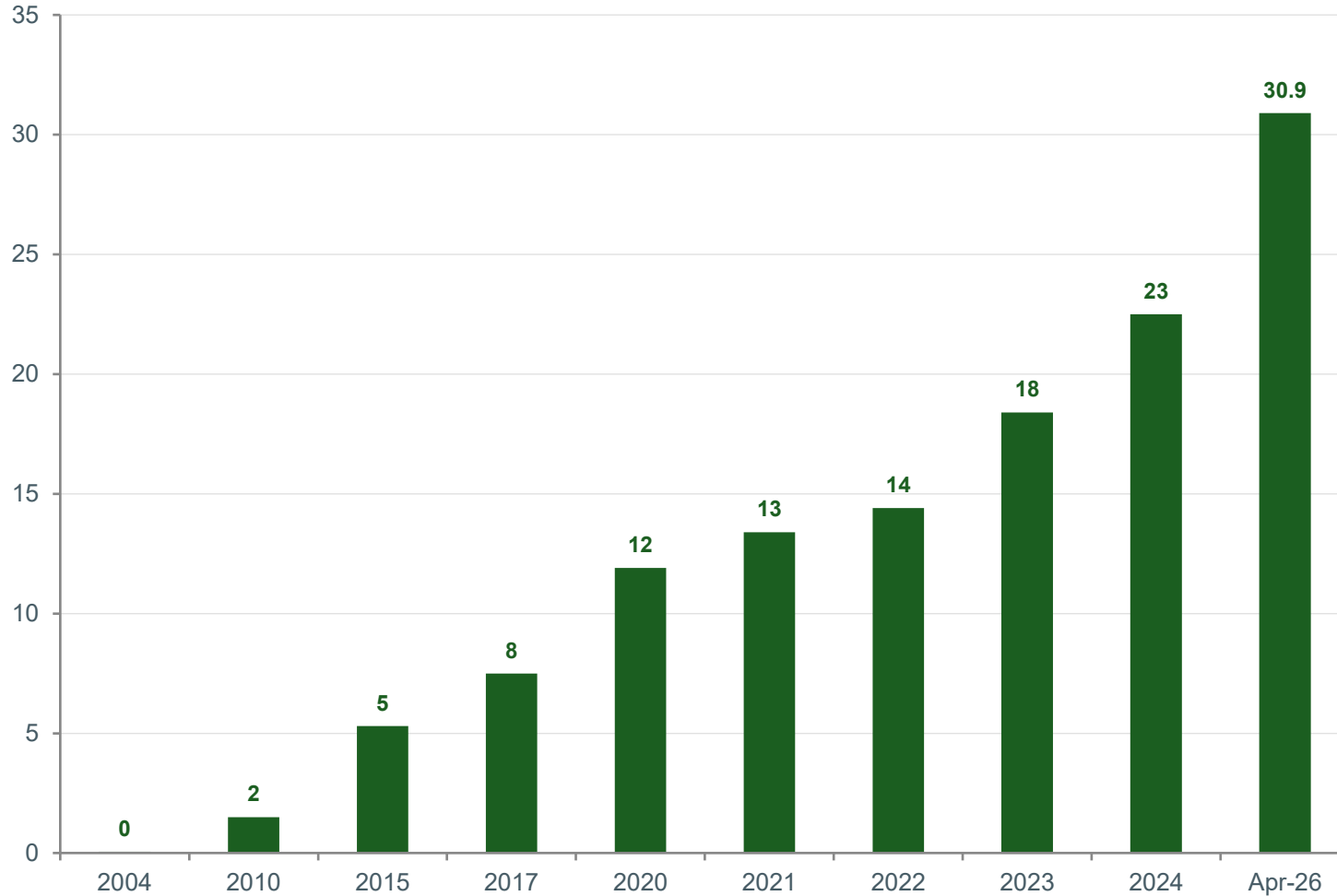
1 FGN securities share falling from 70.4% (2017) to 56.1% (2026)

2 Equities surging now 21.0% of portfolio, up from 10.3% in 2017

3 Real assets still underdeveloped under 3% despite Nigeria's infrastructure gap

A System Built From Zero: 2004 to 2026

Total Pension AUM (₦ Trillion) — Inception to 2025



KEY MILESTONES

2004

Contributory Pension Scheme launched under Pension Reform Act

2017

Multi-Fund Structure introduced — contributors gain fund choice

2023

₦18.4trn — strongest single-year growth to that point (+27.8%)

2025

₦27.45trn — record AUM; 22% growth for second consecutive year

2026

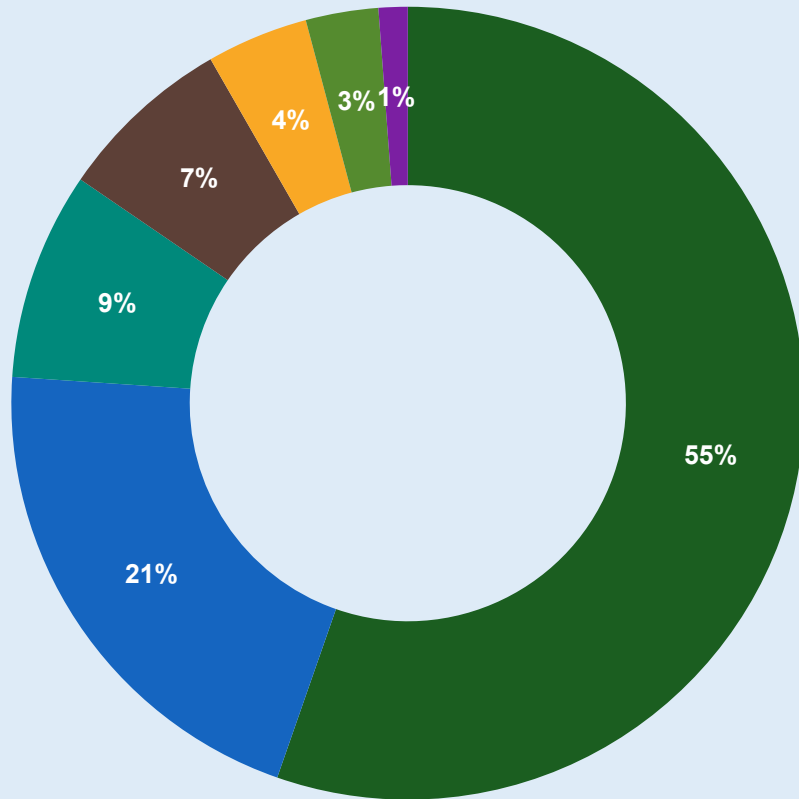
₦30.94trn — April 2026 mark; RSA membership tops 11.2 million

Where the Money Is: Allocation by Asset Class

Asset Class	Value (Apr 2026)	Share 2026	Share 2017	Trend
FGN Securities (Bonds, T-Bills, Sukuk)	₦17.36trn	56.1%	70.4%	↓ Declining
Domestic Equities (NGX-listed stocks)	₦6.51trn	21.0%	10.3%	↑ Rising
Money Market Instruments	₦2.66trn	8.6%	9.1%	→ Stable
Corporate Debt Securities	₦2.25trn	7.27%	7.0%	→ Stable
State Government Securities	₦0.38trn	1.2%	2.0%	↓ Declining
Real Estate & Infrastructure	₦0.93trn	3.0%	2.7%	↑ Rising
Foreign Instruments & Others ★ NEW	₦1.3trn	4.2%	N/A	★ New category
TOTAL	₦30.94trn	100%	100%	

★ **Foreign Instruments & Others — Why This Is New:** Prior to PenCom's revised Investment Regulation (September 2025), pension funds had negligible exposure to foreign-denominated assets. The revised regulation formally opened an allocation window for foreign instruments including Eurobonds, foreign-listed equities, and supranational debt subject to strict limits. The ₦1.3 trillion (4.2%) now recorded in this category reflects early deployment under the new framework. It signals a deliberate diversification away from sole dependence on naira-denominated returns, and offers contributors a degree of currency risk hedging within their RSA portfolios. This category did not exist as a reportable line in 2017 making direct comparison to a baseline unavailable.

April 2026 — ₦30.94 Trillion



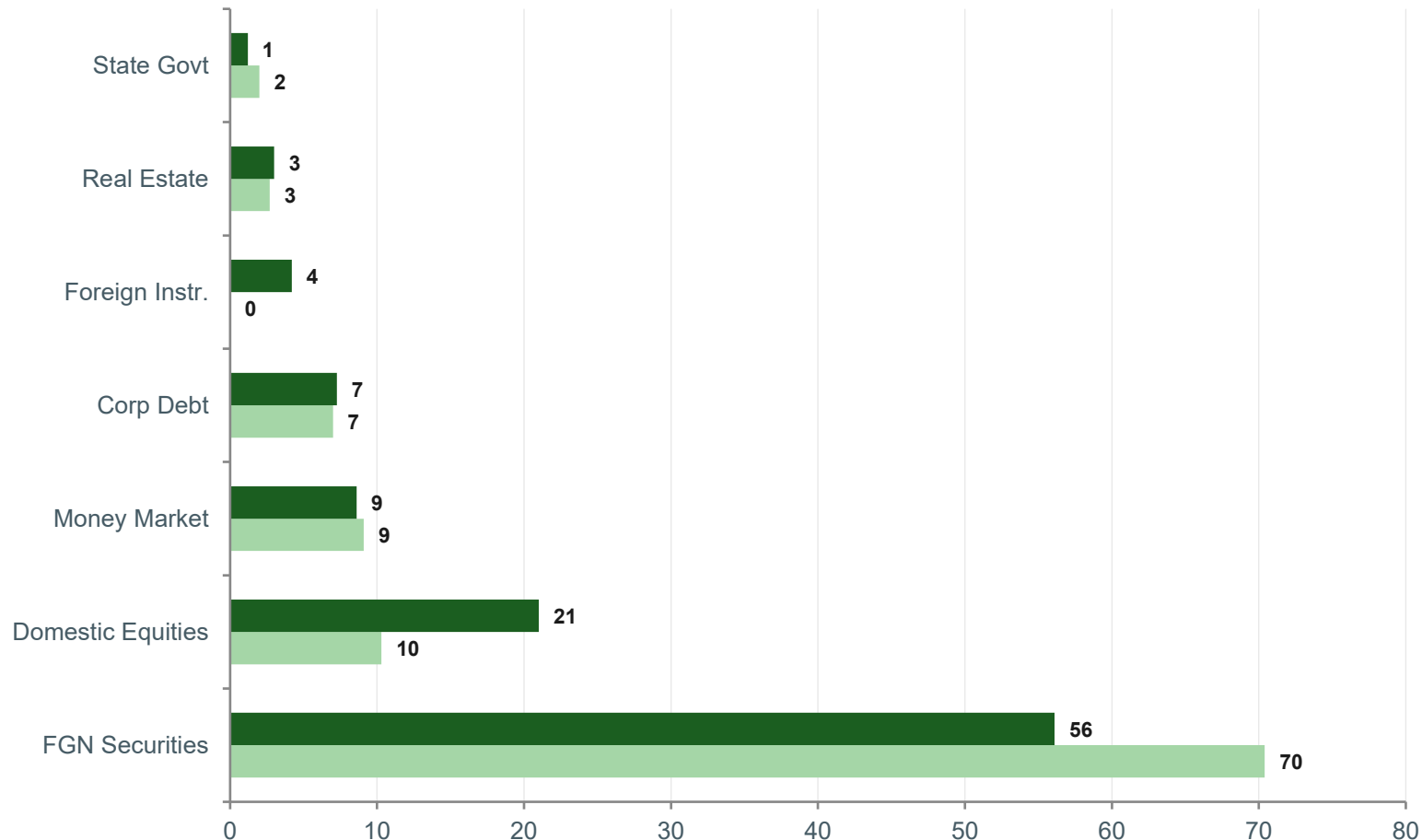
■ FGN Securities
 ■ Domestic Equities
 ■ Money Market
 ■ Corporate Debt
■ Foreign Instruments
 ■ Real Estate & Infra
 ■ State Govt Secs

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Foreign Instruments ★ ₦1.3trn	4.2%
Real Estate & Infra ₦0.93trn	3.0%
State Govt Securities ₦0.38trn	1.2%

What Changed in 2026 – and Why It Matters

Asset Allocation: 2017 vs April 2026 (%)

■ 2026 ■ 2017



↓ FGN Securities

Fallen from 70.4% to 56.1% the most significant structural shift in the portfolio's history, driven by regulatory reform and market broadening.

↑ Domestic Equities

Doubled from 10.3% to 21.0%. The NGX Pension Index returned 54.43% YTD through Oct 2025, drawing PFAs toward growth assets.

★ Foreign Instruments

A brand new category. PenCom's September 2025 regulation created the framework. ₦1.3trn now deployed in foreign-denominated assets.

Three Questions the Industry Must Answer

01

Is pension capital too exposed to government fiscal risk?

With over 56% in FGN securities, contributors' retirement savings are structurally tied to the Federal Government's creditworthiness. This is not a crisis, it is a governance question that deserves open public conversation, particularly as the allocation continues to evolve.

02

Why is real estate and infrastructure allocation still so low?

At under 3%, Nigerian pension capital is nearly invisible in sectors with the country's largest investment gaps. PenCom has widened the infrastructure fund limits. The unsolved problem is pipeline creating investable, properly structured assets that PFAs can confidently commit to.

03

Do contributors know enough to make choices?

The Multi-Fund Structure gives contributors the right to choose their risk profile. In practice, most remain in the default Fund II by inertia, not design. A pension system where contributors cannot exercise informed choice is a system that is only partially working.

Recommendations

1

To the Federal Government

Create a dedicated Pension-Eligible Infrastructure Pipeline. The Ministry of Finance and ICRC should work with PenCom and PenOp to identify, structure, and bring to market infrastructure instruments that meet pension fund investment criteria with appropriate sovereign guarantees where necessary.

2

To PenCom

Publish a forward-looking Asset Allocation Policy Statement annually signalling regulatory priorities so PFAs and the market can plan accordingly. This improves transparency and reduces guesswork without mandating outcomes.

3

To PenOp Member Firms

Invest in contributor financial literacy. The Multi-Fund Structure only delivers its full benefit when contributors understand it. A collective industry commitment to public education on fund choice and compounding is overdue.

POLICY INITIATIVE REPORT No. 1

“Every naira in that pool belongs to a worker.”

Data Sources

PenCom · PenOp Secretariat

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