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AN ASSESSMENT OF THE CHALLENGES OF PENSION SYSTEMS IN NIGERIA

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Abstract

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This paper assesses the pension scheme in Nigeria and its challenges since the inception of this country. The purpose is to find solution to the lingering systemic pension challenges in Nigeria. The study used primary data to explain the problems associated with contributory pension scheme. 60 respondents were randomly selected from existing and will be pensioners. Simple percentages were used to summarize their responses, thus, descriptive analyses was employed the analyze data generated. The research found out that the new contributory pension scheme which was ushered in by the Reform Act 2004, has helped in reducing the problem associated with the define benefit scheme. The study has shown that effective and sound investment and management of pension fund has a tremendous impact the economy as a whole. There will be huge investment of fund in the capital and money markets, creation of employment opportunities as well increased tax revenue to the government. Having reviewed the Contributory Pension Scheme (CPS), the research hereby recommend thus: There should be more emphasis on the management of pension assets in the capital market as well as government bond, real estate, investment trust to boost Gross Domestic Product (GDP) of the country (Nigeria); Risk assessment should be improved upon in the area of pre-investment risk appraisal. This will help to guide against economic and political risks that are prevalent in an emerging economy of ours; PenCom should ensure effective monitoring, supervision and enforcement of the provision of the PRA 2004, which are the inevitable ingredients in the Contributory Pension Scheme towards Gross Domestic Product (GDP).

Introduction

Pension schemes all over the world are confronted with a lot of challenges, which Nigeria is not an exception. In Nigeria, the non-contributory pension scheme faces a lot of administrative challenges since its introduction in1979. Before the adoption of the new pension scheme in 2004, Nigeria's social security provision for the retired and aged was ill at ease. Most private sector establishments did not accord any priority to their retired workers after years of service. The newly introduced contributory pension scheme is seen as an important social security system that could address both structural and institutional dysfunctions in the country's social security obligations. Nigerian Pensioners have high expectations on the new Government to ensure an effective implementation of pension regulations existing in the country. These expectations arise from the need to have sustainable standard of living in retirement and their benefits paid as at when due. The different pension regimes operating in Nigeria, Defined Benefit (DB) and Contributory Pension (CPS) Schemes, give rise to varying set of problems that limit the capacity of key stakeholders within the Nigerian pension industry to meet pensioners' expectations.This article examines some salient issues about the scheme and people's expectations of it by assessing its benefits and challenges.The pre-2004 Pension Reform Act refers to Pension Act 102 (PAYG) was signed into law in 1979. The scheme was a failure in the public sector because those in the private sector introduced a contributory scheme that empowered them economically far above their counterparts in the public sector Nwalo. (2007). World Bank(1994) reports that the system failed as a result of output contraction and rising system dependency ratio- the ratio between the population of age 65 and above.

Literature Review and Theoretical Framework

In the view of Ndebbio (2000), financial deepening means an increase in the supply of financial assets in the economy and therefore the sum of all the measures of financial assets gives us the approximate size of financial deepening. From this, it is suggested that the financial sector is the conduit through which financial deepening is manifested. The Department for International Development (DFID) (2004) defined the financial sector of an economy as the wholesale, retail, formal and informal institutions in an economy offering financial services to consumers, businesses and other financial institutions. It therefore broadly includes everything from banks, stock exchanges, insurers, credit unions, microfinance institutions and money holders. Through its contributory features, the funded scheme has the inherent potential to boost savings. OECD (2005) has observed that institutional investors, in particular pension funds, mutual funds and insurance have enhanced their role as collectors of savings over the past few decades. It went on to conclude that this trend is likely to continue as retirement saving grows and the increased pension saving will augment the size of capital markets.

The large pool of savings which constitutes pension funds must be channeled into portfolios for reasonable returns so that old-age liquidity of the retirees (former affiliates) and hence their old-age consumption (welfare) can be assured. This requires a high degree of financial intermediation in the financial sector. Such a come-together of the deficit and surplus spending units is likely to result in more deepening of the financial system (Goldsmith, 1969; Ghani, 1992; Greenwood and Jovanovic, 1990). Ardic and Damar (2006) in their study of financial sector deepening and economic growth in Turkey captured financial depth as total bank deposits divided by Gross Domestic Product GDP. De Jesus Emidio (2007) utilized the ratio of bank deposits liabilities to nominal GDP to capture information on the extent of financial intermediation and the savings level in the economy of Mozambique. McDonal and Schumacher (2007) in their study of financial deepening in sub-Saharan Africa saw financial depth as the ratio of GDP of bank credit to the private sector. Hasan et al (2007) in their study of institutional development, financial a deepening and economic growth in China, used two measures of financial deepening. One measure was based on banks alone; which was the ratio of total bank loans to GDP and the other was the non-bank sources; which was the ratio of equity and non-financial corporate debt (long term and short term corporate bonds) issuance to GDP.

In essence, issuance of equity and corporate bonds represents the activities of the capital markets. Rousseau and Wachtel (2008) in their study of the impact if financial deepening on economic growth used three measures of financial development, namely; the ratios to GDP of liquid liabilities (M3), liquid liabilities less narrow money (M3 less M1) and credit allocated to the private sector. Lastly, Singh et al (2009) in their study of financial deepening in CFA France Zone captured financial depth as credit to the private sector in terms of GDP.

Pension System in Nigeria

Over the years, Nigeria is faced with a lot of challenges among which is pension and gratuity of her workers. Both the private and public sector workers have been faced with this challenge. The public sector workers have suffered a lot under the Defined Benefit Scheme (DBS) and their private sector counterparts have been pained owing to different pension plans by their respective employers. Retirement benefit paid to retired employees prior to 2004 Reform Act was gratuity and pension. Adegbayi (2005) views gratuity as the payment of a lump sum to an ex-employee at the period of retirement while pension is the payment of monthly stipend to a person who has retired from active employment or business engagement. The payment is sustained by way of deductions from past entitlements or past earnings, which are saved to provide retirement benefits. Thus as a tax saving devise, savings toward pensions is quite encouraging. Equally, since pension saving is long term, it is also useful as a macroeconomic tool for national development by enabling money to be in circulation for long-term investment. As viewed by Ugwu (2006) in Amujiri (2009) there are four main classification of pension in Nigeria. These are retiring pension, compensatory pension, superannuating pension and compassionate allowance. It should also be noted that gratuity is a one-and-for-all lump sum of money paid to an employee on retirement. A retiring worker can be entitled to gratuity only or both gratuity and pension. It then means that a worker who is entitled to pension is also entitled to gratuity.)The history of Nigeria's pension system dates back to the year 1951 when the first pension scheme was inaugurated in the country. According to Balogun (2006), Nigeria's first ever legislative instrument on pension matters was the Pension Ordinance of 1951 which had a retroactive effect from 1st January, 1946. The law provided public servants with both pension and gratuity. The National Provident Fund (NPF) which was established in 1961, was the first legislation enacted to address pension matters of private organizations.

Pensions Decrees 102 and 103 (for the military) of 1979 were enacted with retroactive effect from April, 1974 (Ahmed, 2006). The police and other Government Agencies' Pension Scheme were enacted under Pension Act No. 75 of 1987. This was followed by the Local Government Pension Edict which culminated into the establishment of the Local Government Staff Pension Board of 1987. In 1993, the National Social Insurance Trust Fund (NSITF) scheme was established by decree No. 73 of 1993 to replace the defunct NPF scheme with effect from 1st July, 1994 to cater for employees in the private sector of the economy against loss of employment income in old, invalidity or death. Before 2004, most public organizations operated a Defined Benefit (Pay-As-You-Go) scheme and final entitlements were based on length of service and terminal emoluments. The defined benefit pension scheme in Nigeria was plagued by many problems among which were poor funding due to inadequate budgetary allocations [for instance shortage of budgetary release relative to benefits resulted into unprecedented and unsustainable outstanding pension deficit estimated at over N2 trillion before 2004 (Balogun, 2006), weak, inefficient and non-transparent administration. There was no authenticated list/data base on pensioners and about 14 documents were required to file for pension claims. Restrictive and sharp practices in the investment and management of pension funds exacerbated the problems of pension liabilities and over 300 parastatals' schemes were bankrupt before the defined benefit scheme was finally jettisoned and replaced with the funded contributory benefit scheme in July, 2004. The new pension scheme was established for all employees of the Federal Public service, Federal Capital Territory and the private sectors (including informal sector employees) in Nigeria.

The major operators under the scheme are the National Pension Commission (PenCom), Pension Fund Administrators (PFAs), Closed Pension Fund Administrators (CPFAs) and Pension Fund Custodians (PFCs). Being a contributory scheme, employees are to contribute minimum of 7.5 percent of basic salary, housing and transport allowances and employers are to also contribute a matching fund. So the total minimum monthly contribution of a typical employee contributor under the scheme is 15 percent of basic salary, housing and transport allowances. PenCom was established to regulate, supervise and ensure an effective administration of pension matters. In this regard, the commission is mandated under the Act to, inter alia, establish standard rules for the management of pension funds, approve, license and regulate PFAs, PFCs and CPFAs, manage national data bank on pension, impose sanctions or fines on erring employers, PFAs, PFCs and CPFAs and ensure that payment and remittance of contributions are made and beneficiaries of retirement savings accounts (RSAs) are paid as and when due. In order to avoid the illiquidity and unsustainability that plagued the erstwhile defined benefit (PAYG) system, the Act and subject to enforcement by PenCom, specifically spelt out the investment of pension assets.

Objectives of the New Pension Scheme in Nigeria

Prior to the new pension scheme, Nigeria operated a Pay As You Go defined Benefit Scheme burdened with a lot of problem. Ahmad (2008) attributed the non-performance of the define benefit system of pension to under fund; unsustainable outstanding pension liabilities; weak and inefficient pension administration; demographic shifts and aging of the scheme; non-courage of workers in the private sector by any form of compulsory retirement benefit arrangement; and poor regulation of the hitherto scheme. Due to the above deficiencies, there was need for proper and adequate reformation in order to properly cater and provide for retiree benefit. These identified loopholes necessitated the ushering in of the modern Contributory Pension Scheme (CPS). The CPS in the words of Ahmed (2006) is premised on the following: - To ensure that every workers receives his retirement benefits as and when due. - To empower the worker and assist workers to save in order to cater for their livelihood during old age. - Stem the growth of pension liabilities. - Establish uniform rules, regulation and standards for the administration of pension matters. - Secure compliance and promote wider coverage.

Regulatory body and the operators under the new system

National Pension Commission

One of the reasons for the failure of DBS was lack of strict and effective regulations. Having identified this, the modern scheme established this body, PenCom to serve as the major regulatory organ to regulate all the pension system in the country. The scheme made provides that National Pension

Commission (PenCom) shall regulate, supervise and ensure the effective administration of pension matters in Nigeria. The PRA 2004 also ushered in the operators who are the Pension Fund Administrators (PFAs), Pension Fund Custodians (PFCs) and the Closed Pension Fund Administrators (CPFAs).
Section 21 of PRA 2004 states that the powers of the Commission shall be to formulate, direct and oversee the overall policy on pension matters in Nigeria; fix the terms and conditions of service including remuneration of the employees of the Commission; request or call for information from any employer or pension administrator or custodian or any person or institution on matters relating to retirement benefit; charge and collect such fees, levies or penalties, as may be specified by the Commission; establish and acquire offices and other premises for the use of the Commission in such locations as it may deem necessary for the proper performance of its functions under this Act; establish standards, rules and regulations for the management of pension funds under this Act; investigate any pension fund administrator, custodian or other party involved in the management of pension funds; Impose administrative sanctions or fines on erring employers or pension fund administrators or custodians; Order the transfer of management or custody of all pension funds or assets being managed by a pension fund administrator or held by a custodian whose license has been revoked under this Act or subject to insolvency proceedings to another pension fund administration or custodian, as the case may be; And do such other things in its opinion are necessary to ensure the efficient performance of the functions of the Commission under this Act.

Pension Fund Administrators

The new pension scheme requires pension funds to be privately managed by licensed Pension Fund Administrators. Pension Fund Administrators (PFAs) have been duly licensed to open Retirement Savings Accounts for employees, invest and manage the pension funds in a manner as the Commission may from time to time prescribe, maintain books of accounts on all transactions relating to the pension funds managed by it, provide regular information to the employees or beneficiaries and pay retirement benefits to employees in accordance with the provisions of the Pension Reform Act 2004. Adegbayi (2005) has identified that the roles of PFAs are to open RSA for all employees registered by it with a Personal Identification Number (PIN); invest and manage the Fund and assets; Calculate annuities; and pay Retirement Benefits. It is glaring that the PFAs are the veritable operators that add value to the contributors' fund.

Pension FundCustodians

Pension Fund Custodians (PFCs) will be responsible for the warehousing of the pension fund assets. The PFAs shall not be allowed to hold the pension fund assets. The employer sends the contributions directly to the Custodian, who notifies the PFA of the receipt of the contribution and the PFA subsequently credits the retirement savings account of the employee. Specifically, the primary functions of PFCs are: Receive and Hold the Fund upon trust for Contributors and Beneficiaries; Settle investment transactions on behalf of the PFA; provide independent reports to the Pension Commission on Fund assets and Undertake statistical analysis on the investment and returns on behalf of the Pension Commission and the PFA. As a matter of fact, the functions of the PFAs and the PFCs interlock and act as a guard against financial impropriety. Thus, even though the PFA opens the account, it does not have access to the money except for purposes of investment, which asset representation must still be kept with the custodian, who settles payment and other transactions made on particular investment undertaking. The money is also not controlled by the PFC, who must act upon the instructions of the PFA and cannot treat funds with it as mere cash savings. Since both parties assume joint trust positions, an incidence of financial imprudence is reduced but cannot be totally ruled out.

The Closed Pension Fund Administrators

The Closed Pension Fund Administrators (CPFAs) are specifically established by companies with strong financial standing to manage their pension funds. There are about seven CPFAs owned mostly by multinational companies to enable them administer their pension funds under the guide and direction of PenCom.

Opportunities created by the contributory pension scheme

A lot of opportunities are created in the modern CPS. The scheme has boasted the capital and money markets and this has brought a tremendous growth to the economy. As it stands, all PFAs have their funds invested in the capital market through equities and bonds. Also the banks and other money market operators have had their own share through fixed deposits. The PFAs and PFCs that were the offshoot of the new scheme have created employment opportunities and savings for employees among others. Oshiomole (2007) caped up the available and inherent potentials the Nigeria and Nigerians stand to gain with advent of the CPS. In his opinion CPS has created opportunities ranging from individual retirement savings account which enhances fund accumulation, mobility of labour without any effect on the RSA fund, contributors' rights to change PFA as the occasion demands, access to retirement benefits as at when due, minimum pension guarantee to accumulation of long-term funds which has contributed to the growth in the capital market. The new pension scheme has laid to rest Ghost Pension Syndrome (Amujiri, 2009:148). Also, Agbese (2008) in Amujiri (2009) opined that the introduction of the new pension scheme in Nigeria marked a turning point in Nigeria economy because it made the incidence of Ghost Pensioner to disappear completely from payroll of pensioners nationwide. Since individuals own the contributions, the pensioner is no longer at the mercy of government or employer and is assured of regular payment of retirement benefits. The employee has up to date information on his retirement savings account. The scheme imposes fiscal discipline on the nation and a solid foundation for economic development. There is an expansion of convertible funds, creation of a huge pools of long term funds and enhances accountability. The scheme introduces clear legal and administrative sanctions and there is a separation of investment, administration and custody of assets. Transparency is also assured by the requirement for published rate of returns, regular statement of contributions and earnings and audited account. g)

Methods

The study used primary data to explain the problems associated with contributory pension scheme. 60 respondents were randomly selected from existing and will be pensioners. Simple percentages were used to summarize their responses, thus, descriptive analyses was employed the analyze data generated. The discussion was provided in table 1.

Table 1: The problems of contributory pension scheme

i. Remittance of the benefits to the Retirements Savings Account (RSA) by firms, employers and employees may be difficult.	72% of the respondents indicated that its difficult
ii. How genuine are our pension fund administrators and custodians that have licensed; were the licenses given to those competent and qualified?	98% claimed that they are genuine but only 56% belived that the PFAs are competent.
iii. What are the legal frameworks put in place by government such that in spite of political changes, the scheme is sustained by subsequent government?	60% of respondents said that they are not trusting government with some of the policies especially that the ugly scenarios of pensioners have continue to escalate.
iv. How do we ensure effective implementation of penalties in the act of non-compliers regardless of their status and origin?	70% believed that the measures are not effective and stringent given what is happening in the country. People still escape with pension fund and nothing is being done.
v. How will government and national pension commission monitor, supervise, and enforce the provisions of the Pension Reform Act 2004?	98% believed that government can enforce laws that can be effective if I want to
vi. What happen if PFAs or PFCs default or went into liquidation?	Government has prepared all funds be kept with CBN but 90% of respondents are still skeptical.

Transitional Pension Management

Key Challenges

The current problems that beleaguered pensioners from Pay-As-You-Go (PAYG) defined benefit (DB) scheme in Nigeria (which have always been to the fore) include, inter alia:

i. Delayed or non-payment of pension entitlements and misappropriation of existing pension funds.

ii. Low standard of living (or high poverty incidence) among pensioners due to pension increases not in line with salary inflation or no pension increase at all.

iii. Too frequent verification of pensioners by Pension Transitional Arrangements Directorate (PTAD) (section 42 of PRA 2014) leading to pensioners dying during verification exercises.

iv. Inadequate Enforcement of Pension Regulation– Over 10 years of existence of CPS, not all State Governments had enacted their pension Laws to establish CPS which is a sign of regulatory weakness. The actuarial valuations of the old DB schemes required by PENCOM at the point of implementation of the new CPS have not been carried out even for those State Governments that have already established their CPS.

Possible Solutions

The establishment of PTAD and various penalties for pension funds mismanagement introduced by PRA 2014 would address some of the lingering challenges of pensioners in the public service pension administration in the country.

However, below are other ways to address the problems described above:

i. Create pensioners' biometric database that is suitable for future actuarial valuation, demographic and financial projections, which would also eliminate ghost pensioners.
ii. Adopt a pragmatic approach to pensioners' biometric verification process (a system of self-verification by pensioners capable of automatically updating the pensioners' database) having conducted an initial face-to-face verification in order to minimize the frequency of subsequent face-to-face verification exercise.
iii. An automation of pension/gratuity calculation and payment system to ensure that pension increases are implemented on a timely basis relative to increase in workers' salaries and also allowing pensioners to receive their pensions/gratuities as at when due. The Integrated Personnel and Payroll Information System (IPPIS) for the Federal public service should be emulated at the State and local Government levels,
iv. A periodic actuarial valuation of the old DB pension scheme as required by law needs to be carried out in order to ascertain the value of the pensioners' liabilities at a given date as the scheme runs off. This will enable a realistic annual pension budget estimate to be made for the Government(s) which will reduce the insufficient funds being allocated for pension payment. This would help in the administration of PTAD in minimizing the delays and arrears in pension payment.

v. PTAD should set up a realistic pension stabilization fund (to be invested) with the primary aim to stabilize the pension/gratuity payment system which is always in arrears. This will ensure that money is readily available to pay the arrears of pension liability.

In summary, the relevance of professional actuaries and information technology experts cannot be ignored in the implementation of the above suggested solutions

Guaranteed Minimum Pension (GMP)
Key Challenges

The guaranteed minimum pension (GMP), which will be specified from time to time by PENCOM, is a provision for protecting all retirees who have not accumulated enough to have a decent standard of living in retirement (Section 84(1) of PRA 2014). Thus, it is anincome support from the government, which can act as a safety net for pensioners.

The modalities for implementing GMP are yet to be finalized by PENCOM for more than 10 years of its existence. This may be due to the computational complexities involved in determining the GM that require actuarial techniques which might not have been considered important.

Possible Solutions

The assessment of the level of GMP including the cost of guarantee requires stochastic modelling techniques, a task under the control of an actuary whose services PENCOM should obtain on a regular basis.

Additional Voluntary Contributions (AVC)
Key Challenges

There is lack of valuation of an individual member's DC plan (individual projections of likely pension benefit at retirement) by PFAs with a clear objective to measure sustainable retirement income (using metrics such as replacement ratio which represents a sensible estimate of the standard of living in retirement) before allowing an individual to make his/her choice of AVC. The concept of replacement ratio provides an effective connection between the accumulation and de-accumulation phases of a DC plan member's life cycle.

With the exception of tax benefit, there is also no incentive for additional savings (AVC) towards retirement, particularly where there is a GMPto be funded by the Government. Thus, there are relatively small RSA balances of some retirees pending the implementation of GMP. This results in a growing sense of disenchantment with the token monthly pension benefit being received by pensioners under the new CPS relative to the huge gains (from investment returns and dividends) the Pension Fund Administrator (PFAs) are currently making.

The above arises from the expectation that all returns on invested funds belong to contributors (employees) except for the minimal fees/chargesexpected for the pension operators. The lack of frequent review of fees/charging structure (including the stipulated fees by PENCOM representing the maximum amounts) chargeable by operators and possible non-disclosure of hidden charges, interests and commissions accruable to pension assets might also be the cause of above dissatisfaction.

Possible Solutions

The fees/charging structure needs to be constantly reviewed by PENCOM in order to eliminate any hidden charges in order to increase the RSA balances.

There is also a need for sensitization of potential benefits to workers in making AVC having considered the expected living standard in retirement.

Summary of Findings, Conclusion and Recommendations

Summary o f Findings

The researcher discovered from his findings that the new contributory pension scheme which was ushered in by the Reform Act 2004, has helped in reducing the problem associated with the define benefit scheme. The researcher discovered the followings findings:

i. Adequate investment and management of the pool of fund contributed by employees and employers has immensely contributed to development of the economy.
ii. The risk prevalent in pension fund investment has significant effect on pension management.
iii. The RSA fund financial statement and RSA status report are not received promptly.

iv. Creating job or employment to the masses thereby reducing unemployment and alleviating poverty.
v. Provide resources for investment in the money and capital market.
vi. Payment of tax to government through personal income tax of the employees of the various PFA and PFCs.
vii. Enhances adequate and prompt payment of pension to retirees.

Conclusion

The study has shown that effective and sound investment and management of pension fund has a tremendous impact the economy as a whole. There will be huge investment of fund in the capital and money markets, creation of employment opportunities as well increased tax revenue to the government.

The analyses have shown that among all the investment outlets, hybrid fund and equity have proven to be the most volatile. This volatility is a response to economic and political risks that the country and of course the global economies have not fully recovered from the global economic crises. And that government bond, money market instrument and corporate bond have an appreciable impact on the net asset value and/or the unit prices. The changes in uninvested cash are as a result of receipt of bond and money market instrument interests and ordinary share dividends as well as temporary liquidation/termination of MMIs etc.

The responses from the respondents show that investment decision making is based on informed judgments and fund accounting are both handled by professionals. However, the risk department is viewed to concentrate more attention on regulatory compliance than pre-investment risk appraisal. The research also disclosed that some PFAs do not submit their daily, weekly, monthly and annual Pension Regulatory Reports (PENRR) as at when due. This has led to payment offines by defaulting PFAs to PENCOM. Responses by respondents have also shown that most of RSA holders do not receive their monthly RSA status report. This status report is necessary because it is the major communication that enables the RSA holders to assess the monthly contributions.

Coupled with the risk management, the contributory pension has served in effective and efficient capacity in boosting the Gross Domestic Product (GDP) and very convenient to retirees compared to the previous defined benefit scheme.

Recommendations

Having reviewed the Contributory Pension Scheme (CPS), the researcher hereby recommends thus:

i) There should be more emphasis on the management of pension assets in the capital market as well as government bond, real estate, investment trust to boost Gross Domestic Product (GDP) of the country (Nigeria).

ii) Risk assessment should be improved upon in the area of pre-investment risk appraisal. This will help to guide against economic and political risks that are prevalent in an emerging economy of ours.

iii) PenCom should ensure effective monitoring, supervision and enforcement of the provision of the PRA 2004, which are the inevitable ingredients in the Contributory Pension Scheme towards Gross Domestic Product (GDP).

iv) There should be prompt reconciliation between PFAs, PFCs and PENCOM and statements of accounts should be given to contributors regularly. This will bring transparency and accountability to the system.

v) PFAs should send RSA reports via mail and SMS alert to RSA holders regularly to enable them monitor and document the pension contribution. Also there should be a good network of accessibility to members of PFAs whereby discrepancies between their payment and the status reports can be easily tracked and corrected no matter the distance under a limited reasonable time.

vi) The Pension Regulatory Reports (PENRRs) should be promptly submitted to the regulatory authority as at when due. However whenever there is default and non-compliance, there should tough penalty on PFAs and PFCs to serve as determent to others.

vii) Computed charges by PFAs should be strictly monitored by PenCom to avoid overcharge. This is because it has negative impact on the RSA contribution.

viii) Professionals should be employed by PFAs to bring competence and professionalism to the investment of funds and risks and return thereon.

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