



**THE Nigerian
STOCK EXCHANGE**

Smart Investing Workshop

Investing in the capital market: A focus on indices & ETFs

Secondary Markets

- 1 • An Overview of NSE's Global outlook
- 2 • Fundamentals of Investment Management
- 3 • Indices
- 4 • Leveraging NSE index suites
- 5 • Indexing and its benefits
- 6 • NSE Banking index
- 7 • Uses of Indices
- 8 • Features of ETFs
- 9 • About ETFs
- 10 • Accessing indices via ETFs
- 11 • What to Expect from the NSE



Wealth Management Cycle

EARLY YEARS



LATER YEARS

Accumulation & Growth

- Asset Allocation
- College Planning
- Retirement Planning



Protection & Preservation

- Tax Mitigation
- Risk Management
- Insurance Strategies
- Business Planning



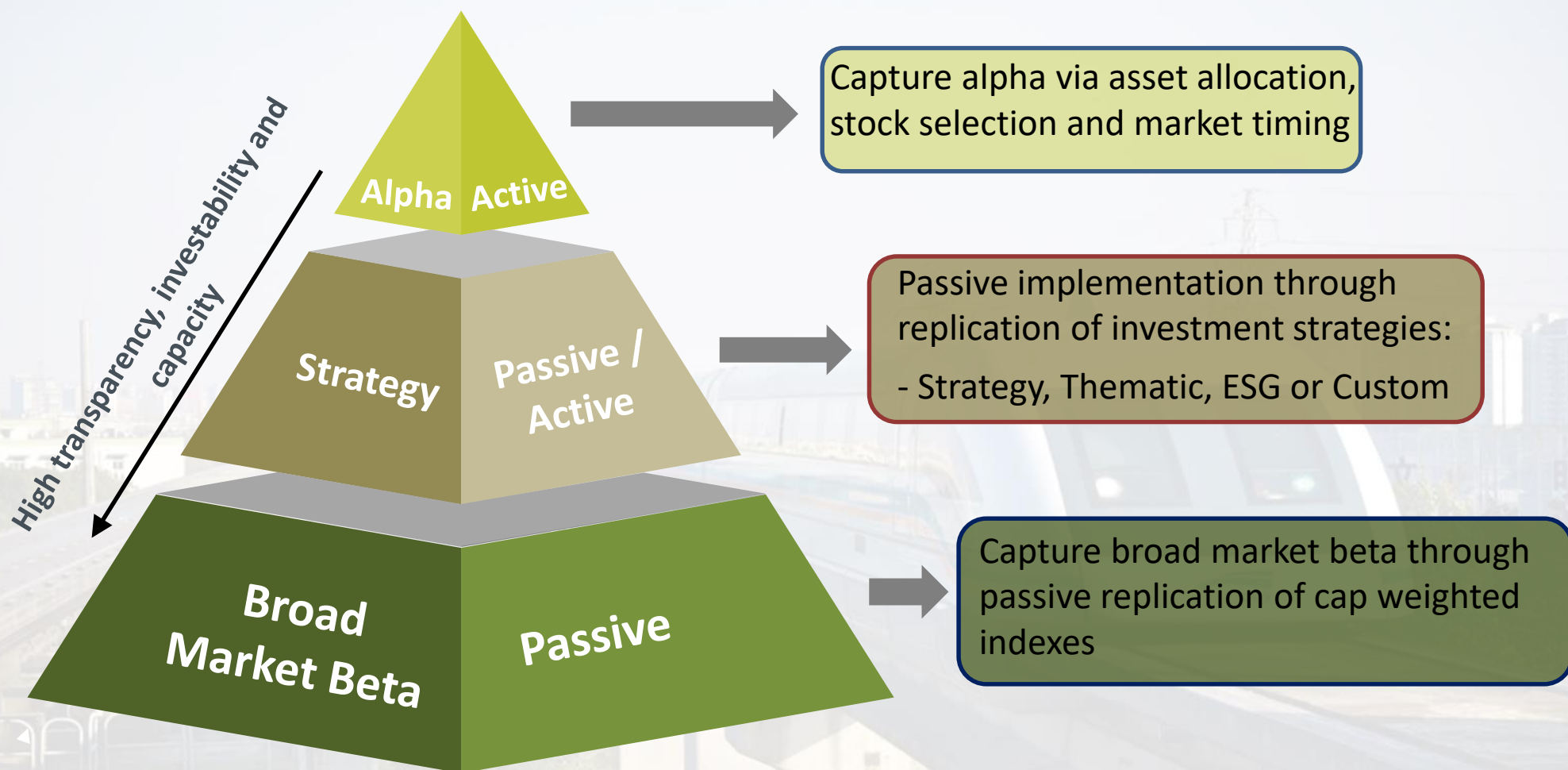
Utilization & Distribution

- Retirement Income Planning
- Inflation Protection
- Long Term Care Planning



Transfer

- Estate Planning
- Charitable Giving
- Legacy Consideration
- Wealth Stewardship



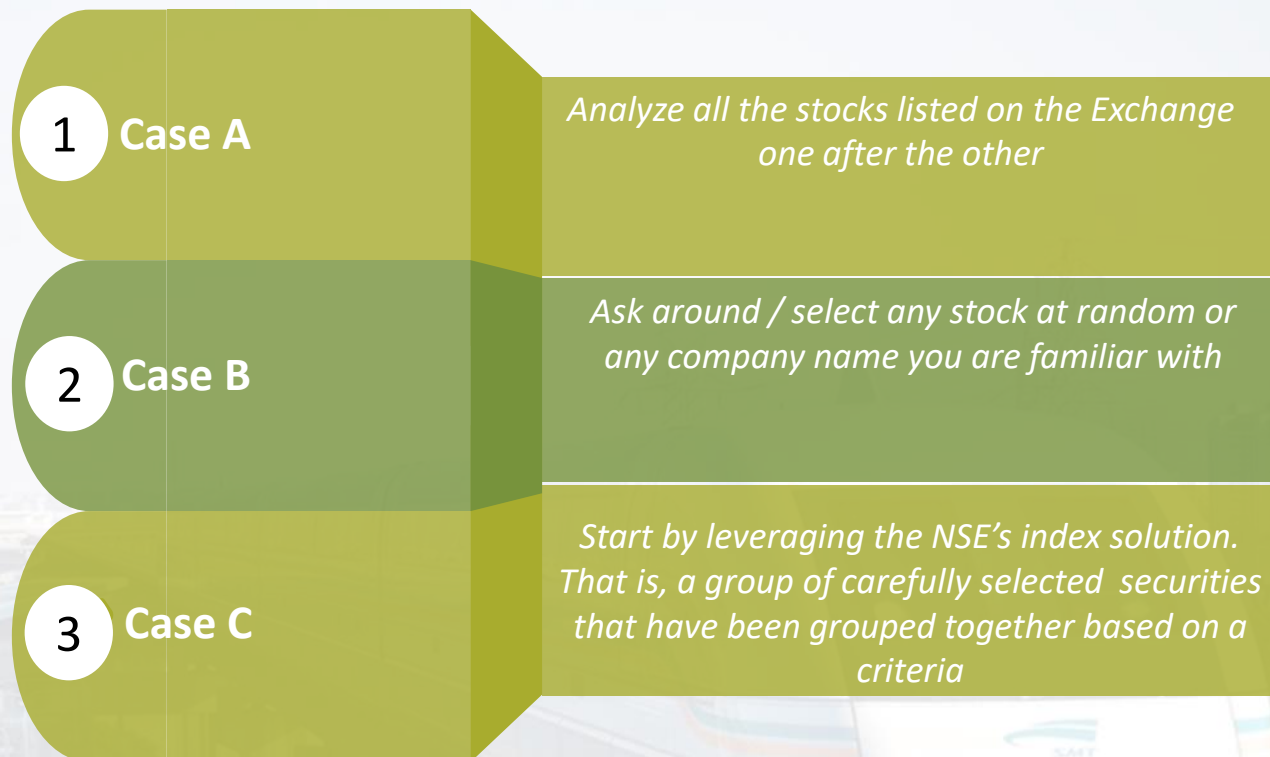
Leveraging the NSE Index Suites



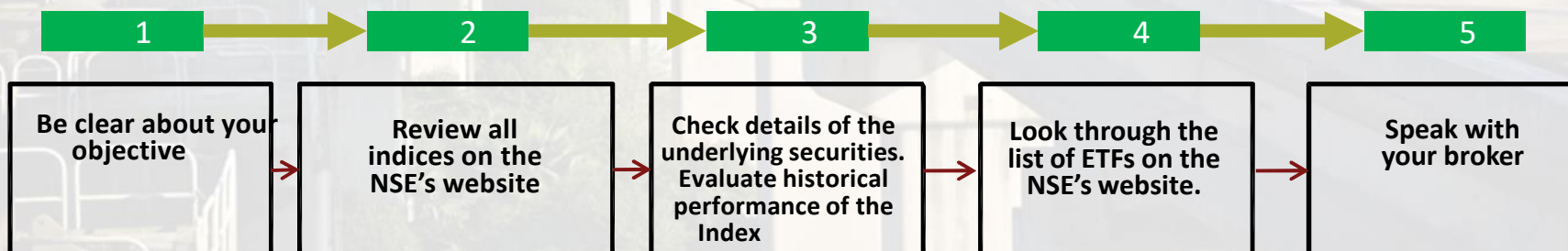
158 Stocks listed on
the Exchange.

17 Indices

10 ETFs



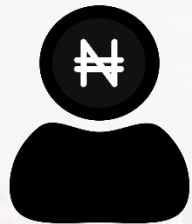
- To effectively leverage the NSE's Index solution, do follow the steps identified below;



Leveraging Indices



An index is a hypothetical portfolio of investment holdings which represents a segment of the market.



Investors follow different market indexes to gauge market movements.



Market indices measure the value of a portfolio of holdings with specific market characteristics.

Uses

Performance
Measurement

Investment
Proxy e.g. ETFs

Streamline
opportunity

Trading

Smart subsets curated for investors.

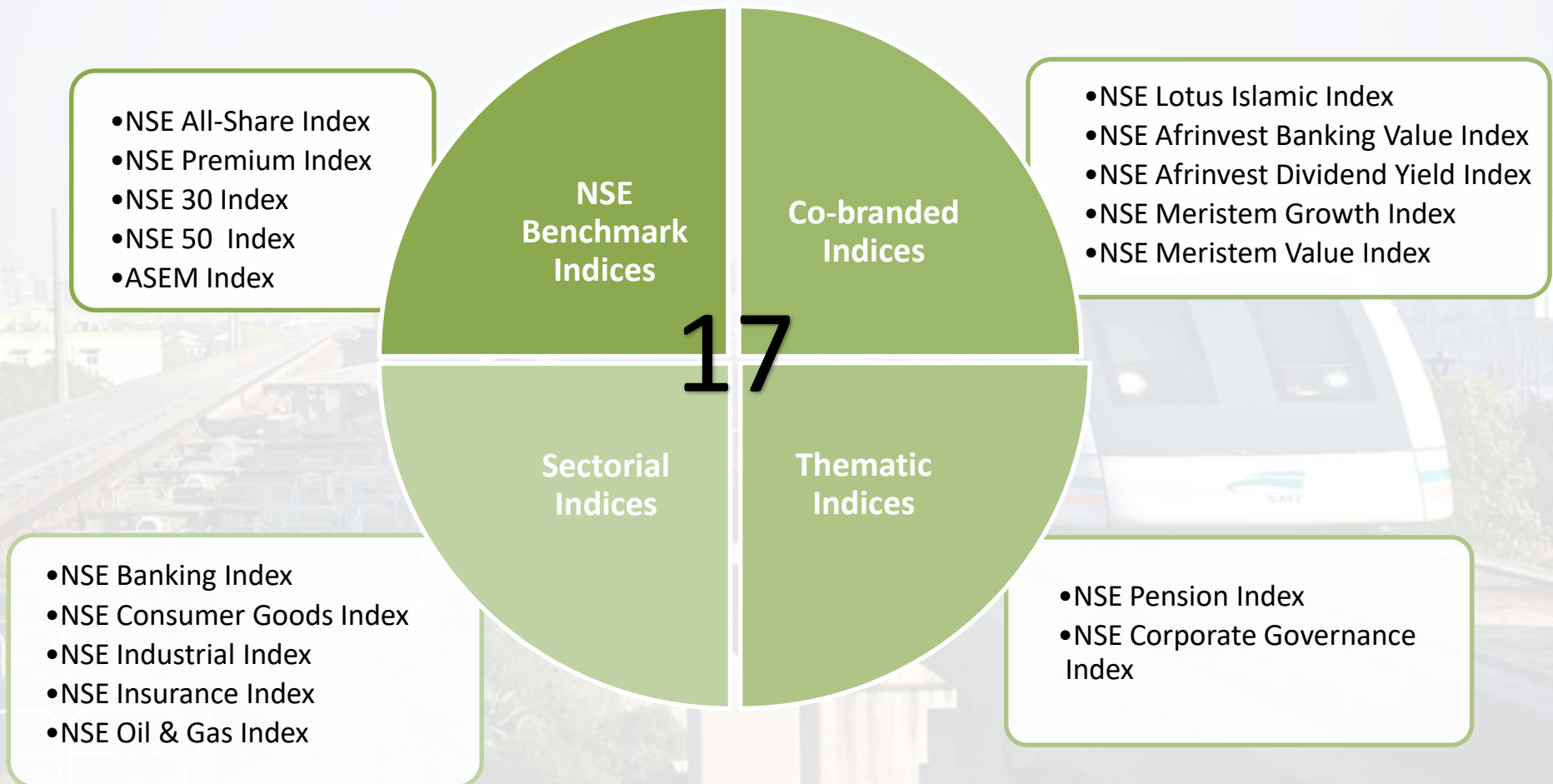


- ❑ The total listed equity securities represents the available opportunity set.
- ❑ The available equity opportunity set requires some analysis to achieve the right subset that meets your objectives.
- ❑ To reflect these different objectives and investor needs, the NSE has employed a range of methods to create indices for investors to leverage.





The Exchange currently has a suite of indices which it will continue to expand to cater for market performance evaluation as well as support product development efforts for the benefit of issuers.



NSE Banking Index



Stocks	Price
ACCESS	9.75
ETI	7.40
FIDELITYBK	2.17
GUARANTY	30.00
JAIZBANK	0.69
STERLNBANK	1.69
UBA	7.75
UBN	7.20
WEMABANK	0.71
ZENITHBANK	20.00

The cost of buying 1 unit each of all the stocks is N87.36

BENEFITS

Diversification

Cost-Effective

Convenience

BANKING INDEX

=
29x
more
expensive

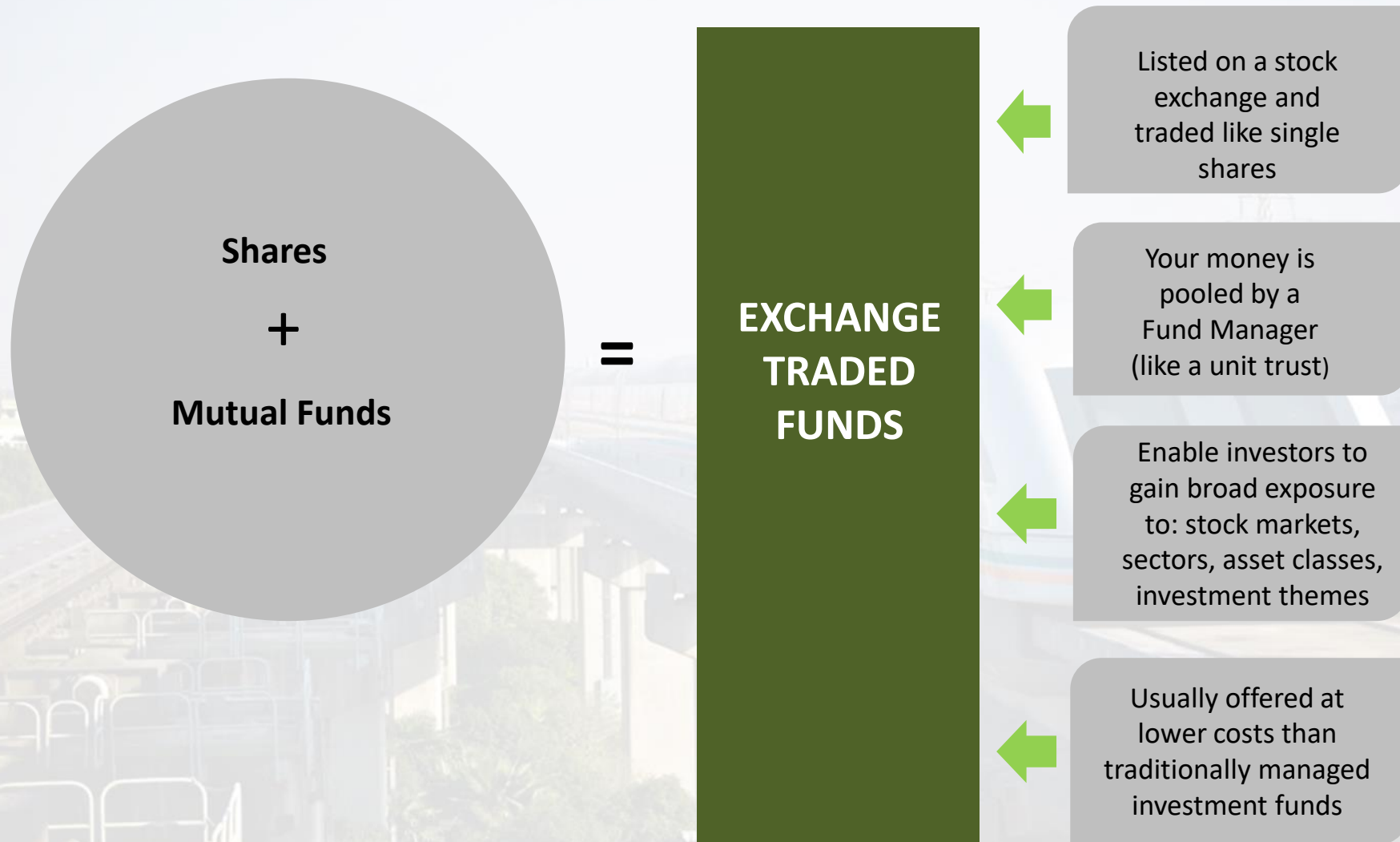
Performance – YTD 1.08%; MTD 1.08%, WTD - 3.50%



Unit Price
Banking ETF
= 3.72

The NSE Banking Index is a collection of ten (10) banking stocks listed on the Nigerian Stock Exchange. It is designed to give investors exposure to top 10 Banking stocks. A typical CIS is an Exchange Traded Fund which affords investors the opportunity to invest in various securities via a single fund. A banking ETF will allow investors access to a basket of banking stocks in a convenient and risk mitigating fashion.

Introducing ETFs



Features of ETFs



ETFs continue to attract a large pool of investors (retail and institutional) because of their:



Cost Effective

Low costs for broad exposure



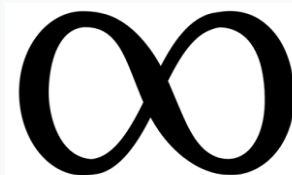
Transparent

Real time pricing



Portfolio Diversification Tools

Baskets of Securities wrapped into one product



Open-Ended

ETFs, unlike mutual funds, are open-ended



Flexible Trading

Real time trading



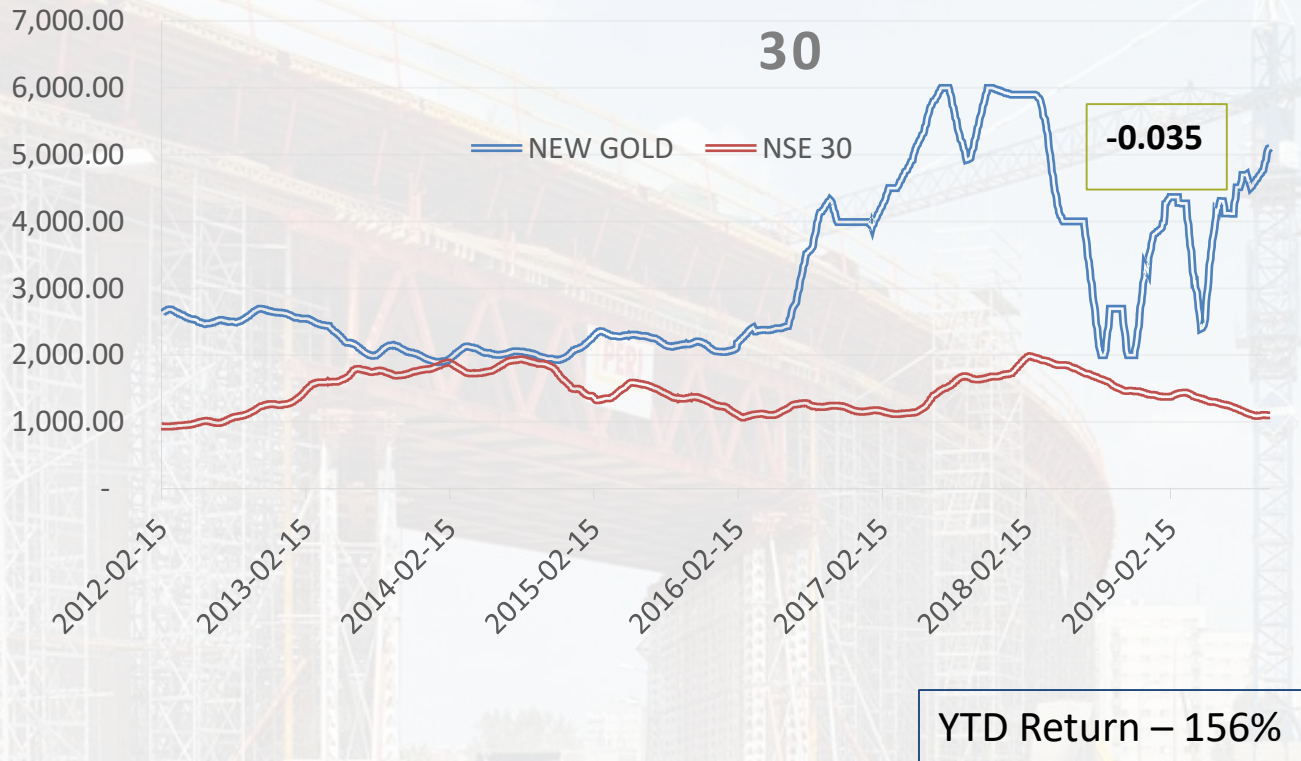
Expert Portfolio Management

Access to Asset Management expertise

Diversifying with Commodities – Newgold ETF



PERFORMANCE OF NEWGOLD VS NSE



1. Alternative Access.
2. Currency Hedge

Gold is low to negatively correlated to traditional equities and fixed income securities which can be efficiently access through ETFs.

Accessing Indices via ETFs



There are several opportunities available for investors on the NSE platform

Indices

- ❖ NSE 30 Index.
- ❖ NSE Lotus Islamic Index.
- ❖ NSE Banking.
- ❖ NSE Industrial index
- ❖ The Sovereign Bond Index.
- ❖ The Sovereign Bond Index.
- ❖ NSE Consumer goods index.

Indices are tracked by ETFs

ETFs

- ☐ Vetiva Griffin 30 ETF
- ☐ New Gold ETF
- ☐ Stanbic Ibtc ETF 30
- ☐ Lotus Halal
- ☐ Vetiva Banking ETF
- ☐ Vetiva Consumer goods ETF
- ☐ Vetiva Industrial Goods ETF
- ☐ Vetiva S&P Nigeria Sovereign Bond ETF
- ☐ The SIAML Pension ETF 40
- ☐ Greenwich Alpha ETF



Regulatory Oversight

ETFs are regulated by the Securities & Exchange Commission and the Nigerian Stock Exchange.



Trust Structure

Trustees are appointed to ensure adherence to the Trust Deed and the underlying assets will be held in a Trust Account.



Custodianship

The underlying assets are held in a custody account. The Register of unit holders are independently kept by the Registrar/Transfer Agent.

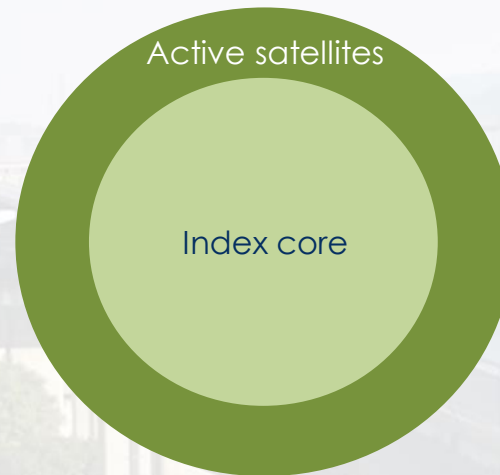
You can have it all...



Active approach

- Seeks to outperform
- Higher cost
- Requires expertise
- Shorter term focus
- May be outsourced

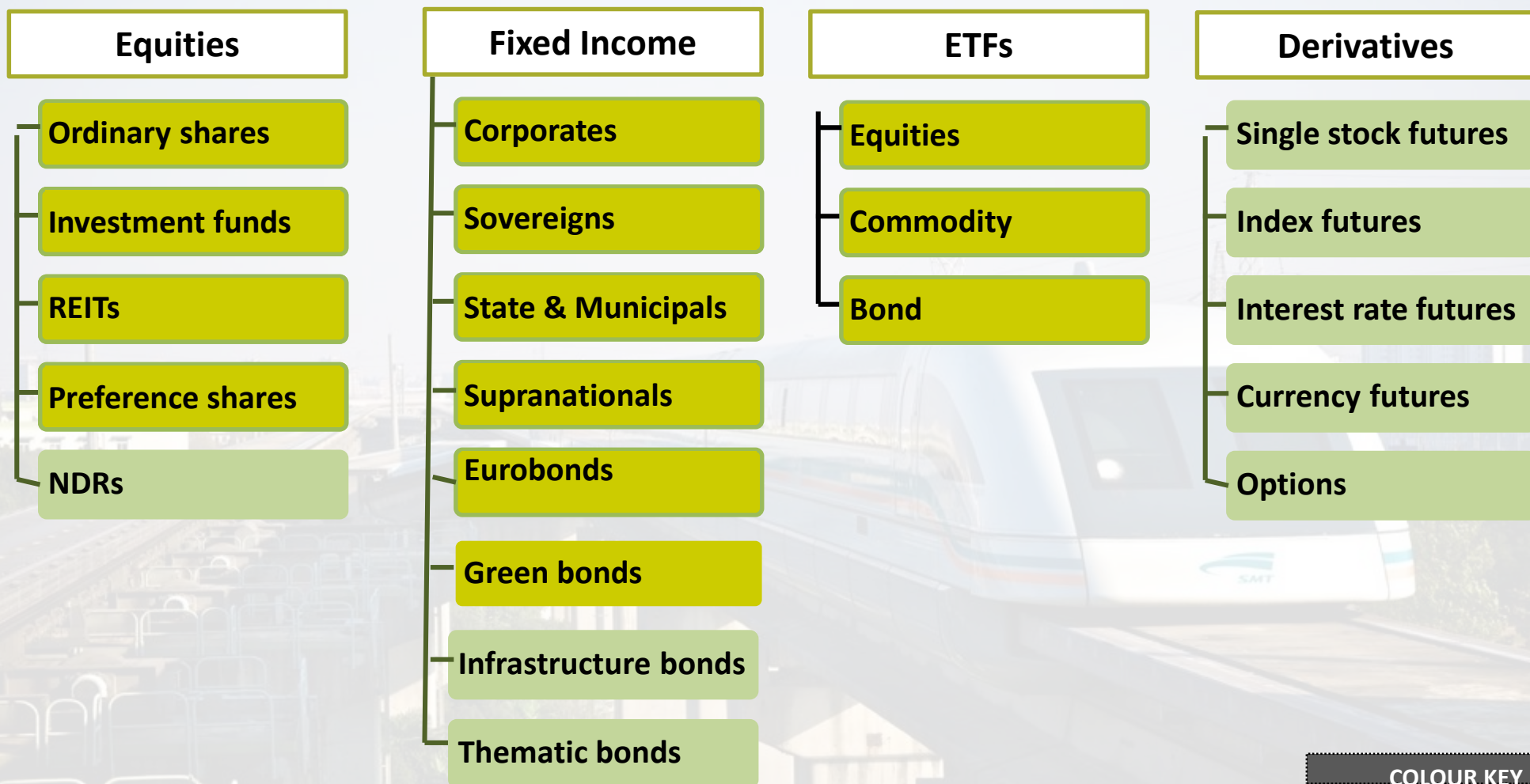
Core-Satellite approach



Index approach

- Seeks market returns
- Lower cost
- Low manager risk
- Long-term focus

Our Product Offerings



COLOUR KEY

- Listed Product(s)
- In Progress

NDRs – Nigerian Depositary Receipts; REITs – Real Estate Investment Trusts; ETFs- Exchange Traded Funds;

NSE is a Globally Recognized Exchange



The NSE's national impact and global reach

Globally competitive exchange



Partner with leading global associations

that promote best practices and financial system stability

Mobilize savings for investment



**13.2
Million**
investor
accounts



**₦3.53
Trillion**
value traded
YTD



**₦329.69
Billion**
in retail trades
YTD



**₦472.7
Billion**
in Foreign Portfolio
Investor trades YTD

THANK YOU

Questions & Answers

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