

# PERSONAL WEALTH MANAGEMENT AND INVESTMENT

Presented by

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for

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The NSE Can Help...

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• NSE's Market Position in Africa

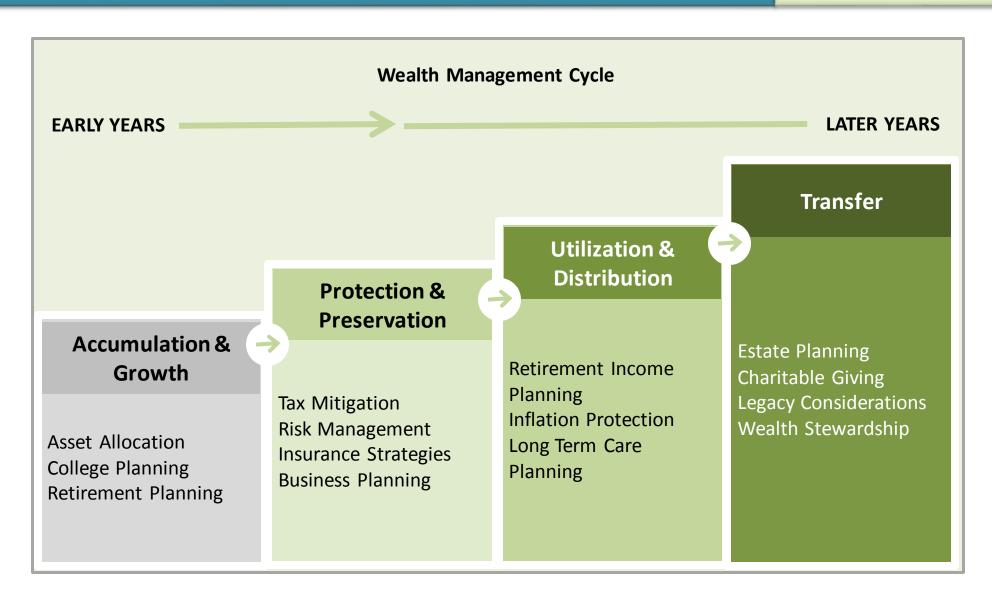
NSE Awards & Accolades

Wealth Management is the science of solving/enhancing a financial situation.

An individual may manage their wealth through a number of **Investment** strategies.

## Fundamentals of Wealth Management





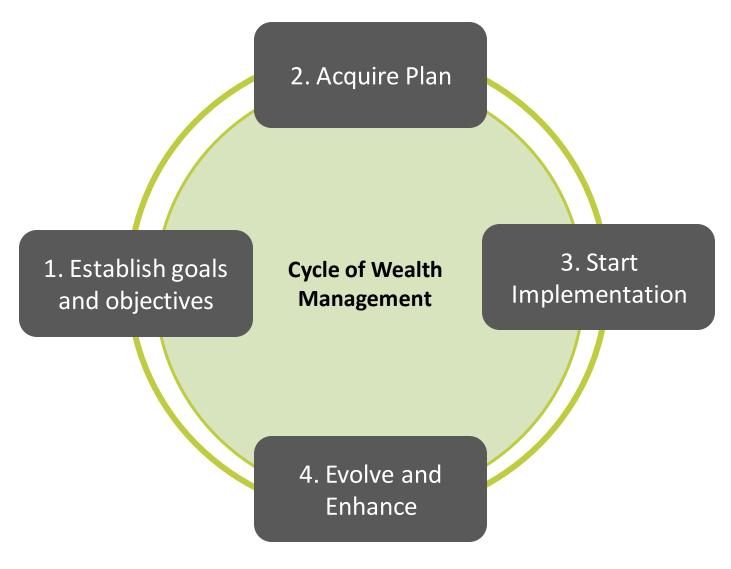
## Wealth Management Process



A key factor in determining an effective wealth management strategy is how the wealth is accumulated.

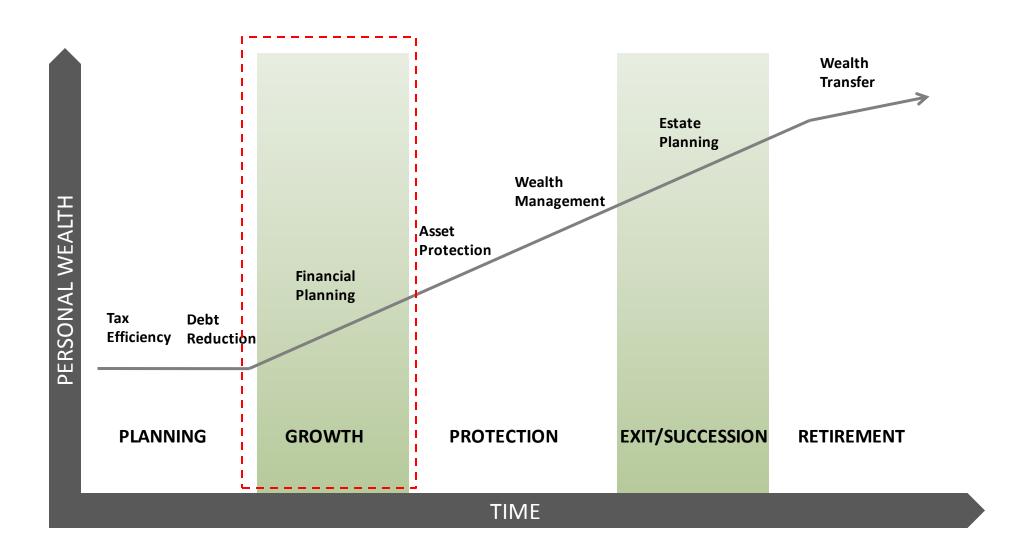
There are basically two different ways people accumulate wealth:

- Wealth through moderate accumulation; and
- Wealth through momentous event.



## Wealth Life Cycle

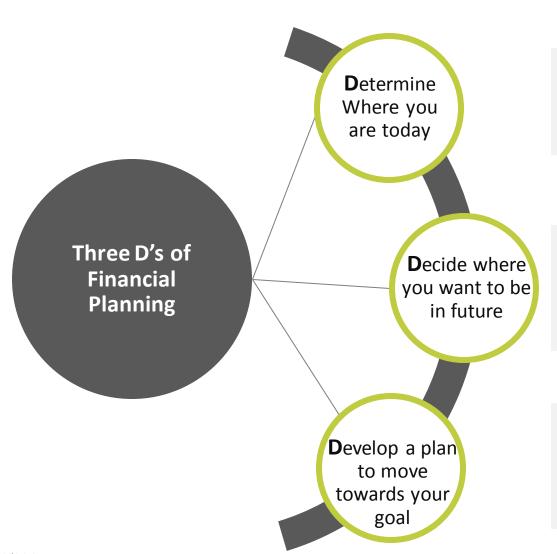




## Pursuing Your Financial Goals



Having a realistic financial framework can help you better seize financial opportunities as they arise.



- Before creating a wealth plan, take a snapshot of where you are today financially.
- Net worth is measured as the excess of all your assets over all your liabilities. i.e.
- Total Asset Liabilities = Net Worth

- When developing a plan, balance financially prudent strategies with emotionally acceptable thresholds.
- Provide for flexibility, as personal and financial situations often change with major and minor life events such as death, illness or marriage.
- A successful investment program must address both safety and performance concerns compromising neither.
- It is an ongoing process, thus you must monitor the plan and adjust it as necessary to ensure that you are moving in the right direction.

## Investment Approaches



#### **Investment Strategy**

Irrecoverable loss of purchasing power

Irrecoverable loss of principal

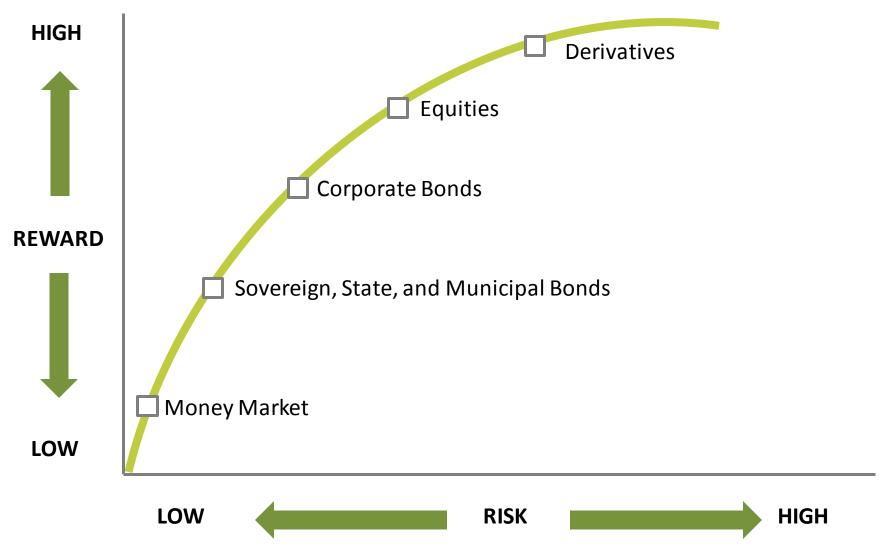
Risk vs. volatility and reward

- Ownership of broadly
   diversified portfolio –
   investments in multiple asset
   classes such as equity, fixed
   income, ETPs and derivatives
- Ownership of high-quality equities diversified across Sectors, Blue Chip/Growth companies and Geography
- Investment in ETFs for smaller investment amounts

**Investment Risks** 

## Risk Vs. Reward Model





The higher the **risk**, the higher the potential **reward** 

## Refining Investment Strategy – Considerations





#### The NSE Can Help...



Facilitating inclusive economic

The NSE is committed to providing stakeholders with reliable access to capital formation and value creation, with thought leadership to drive economic growth.

Permits efficiency in capital flows

Mobilizes savings for investment

Empowers populace through financial literacy programs and CSR initiatives

Promotes corporate governance

Enhances Public-Private Partnership Initiatives

Facilitates Capital-raising for Business/ Economic growth & dynamism

Facilitates Government financing for developmental projects

#### Stabilizing the Capital Market

Primary market for the issuance of newly listed securities Secondary market for the trading of securities

Provide market data and transparency

Regulate members and <u>pa</u>rticipants

Monitor the market

Protect investors

## Background of the NSE



- The NSE was founded on the objective of operating a fair and orderly market that is based on just and equitable principles for dealings in listed securities.
- Since its inception, the NSE has assisted corporations to raise capital through the issuance of equity and fixedincome products.
- The NSE has provided a platform for the FGN, individual States and Local Governments, and other government entities to raise funds for various types of projects through the issuance of debt.
- The objective of the NSE is to be "the foremost securities exchange in Africa.

#### 1960

The Nigerian Stock Exchange (NSE) was founded as the Lagos Stock Exchange

#### 1961

Trading began with 19 listed securities - 3 equities, 6 Gov't bonds and 10 corporate bonds



#### 1980s

Focus on increasing corporate governance in the market, on the back of international exposure via Reuters



The Lagos Stock Exchange becomes the NSE and several branches (with trading floors) are opened across Nigeria



#### 1990s

The IPF is operational; policy is enacted to encourage foreign participation; and the Exchange automates trading

#### 2000s

Modernization, strong GDP growth, an influx of local/ foreign participation ignite the market; weak regulatory practices rupture the market

2010s Reforms take hold in the Nigerian capital market: growthenabling market structure: stronger regulatory environment; targeted **business** development efforts: 21st century technologies; first-rate investor protection programs; market development and improved operational efficiency

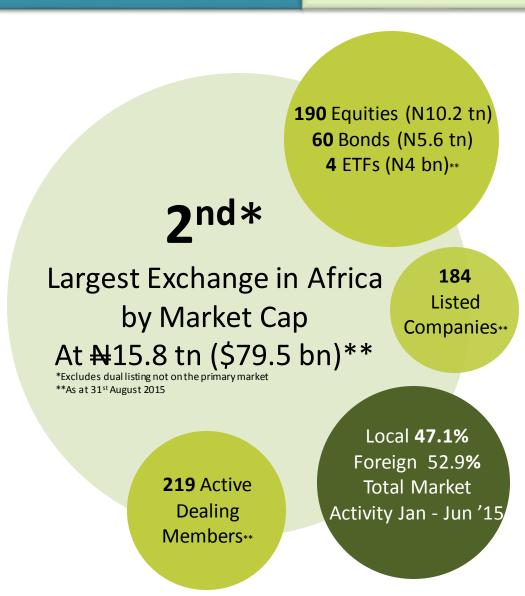
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## NSE's Market Position in Africa



#### **Company Highlights:**

- Today, NSE services the largest economy in Africa, and is championing the development of Africa's financial markets.
- The NSE offers listing and trading services, licensing services, in addition to market data solutions, ancillary technology services, and more.
- The Exchange offers a robust and internationally recognized regulatory environment that bolsters trust and investor confidence.
- The NSE is a full member of the World Federation of Exchanges (WFE) with meaningful participation in other global and regional organizations, some of which set global standards.



#### Where We Play



#### **Equity Securities**

**Common shares** 

**Preference shares** 

**Rights** 

Investment trusts

Closed-end funds

**Boards:** 

**Premium Board** 

**Main Board** 

**ASeM Board** 

**Benchmark Indices:** 

**NSE 30** 

All Share Index (ASI)

**NSE 50** 

**ASeM** 

## Fixed Income Securities

**Corporate Bonds** 

**State Bonds** 

**Municipal Bonds** 

**Federal Government Bonds** 

**Supra-national bonds** 

## **Exchange Traded Products**

Exchange Traded Funds
Mutual funds

#### **Derivatives**

**Derivatives feasibility study** 

Corningsoft

#### **Information Services**

Data Center

Hosting and co-location services for global exchanges/trading platforms

Market data

#### NSE is Home to...









































#### Our Intermediaries



#### **NSE Registered Market Intermediaries**

- The NSE is a Self Regulatory Organization (SRO) and provides regulation and oversight for Investment banks and other agents that facilitate the flow of capital between investors and issuers.
- An investor participating in the Nigerian capital market must do so through a registered broker.
- Investors may enquire about all Nigerian registered brokers through the NSE website www.nse.com.ng.
- There is also a Broker TraX tool on the NSE website that provides information on the status of brokers operations.

































## Moving With the Times



 To enhance the experience of investors coming to the market, there are a number of smart applications (supported by FIX and OMS) provided by our market intermediaries:



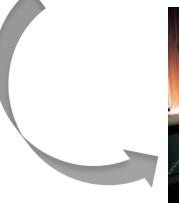






- Key Industry trends include, but are not limited to the following:
  - ❖ Mobile / E-trading
  - Co-hosting and Co-Location
  - New technology enabled trading models
  - Reduction in latency and increases in order book capacity
  - Market surveillance technology







#### **NSE Awards & Accolades**





**Best Corporate Social Responsibility Award** 

**2015 AFRICAN BUSINESS AWARDS** 



**Award For Promoting Best Practice Reporting and Corporate Disclosure** 

LAGOS CHAMBER OF COMMERCE & INDUSTRY (LCCI)
COMMERCE & INDUSTRY AWARD 2015



African Regulator of The Year

AFRICAN BUSINESS LEADERSHIP AWARDS 2015



Financial Institution of The Year

THE OIL & GAS YEAR NIGERIA 2015



Best Initiative In Support of SMEs & The Millenium Development Goals (2014 Winner)

AFRICAN INVESTOR (Ai) INVESTOR AND BUSINESS LEADER AWARDS



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