PERSONAL WEALTH MANAGEMENT AND INVESTMENT

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Outline

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

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

TIME

PERSONAL WEALTH

PLANNING

GROWTH

PROTECTION

EXIT/SUCCESSION

RETIREMENT

Tax Efficiency

Debt Reduction

Financial Planning

Asset Protection

Wealth Management

Estate Planning

Wealth Transfer

Wealth Management

Estate Planning

Wealth Transfer
Pursuing Your Financial Goals

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

Three D’s of Financial Planning

- Determine Where you are today
- Decide where you want to be in future
- Develop a plan to move towards your goal

• 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.
  \[\text{Total Asset} - \text{Liabilities} = \text{Net Worth}\]
• 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.

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Investment Approaches

Investment Risks

- Irrecoverable loss of purchasing power
- Irrecoverable loss of principal
- Risk vs. volatility and reward

Investment Strategy

- 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
The higher the risk, the higher the potential reward
Refining Investment Strategy – Considerations

- Risk of rare market catastrophes
- Risks Vs. Volatility
- Financial market behavior and trends
- Portfolio rebalancing intervals
- Change in investment goals
- Rewards may not always match risks
The NSE Can Help...

- Facilitates Capital-raising for Business/Economic growth & dynamism
- Mobilizes savings for investment
- Permits efficiency in capital flows
- Empowers populace through financial literacy programs and CSR initiatives
- Promotes corporate governance
- Enhances Public-Private Partnership Initiatives
- Facilitates Government financing for developmental projects
- Facilitates inclusive economic growth

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 participants
- Monitor the market
- Protect investors

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

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1970s
The Lagos Stock Exchange becomes the NSE and several branches (with trading floors) are opened across Nigeria

1980s
Focus on increasing corporate governance in the market, on the back of international exposure via Reuters

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: growth-enabling market structure; stronger regulatory environment; targeted business development efforts; 21st century technologies; first-rate investor protection programs; market development and improved operational efficiency
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.
## 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

### Information Services
- Data Center
- Hosting and co-location services for global exchanges/trading platforms
- Market data
NSE is Home to...
Our 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
THANK YOU
Questions & Answers

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