



THEME: INVESTING IN DIFFICULT TIMES

1ST TOPIC:

INVESTING IN COLLECTIVE INVESTMENT SCHEME (CIS): A VIABLE INVESTMENT OPTION

□ **OUTLINE**

- **Employment and Livelihood**
- **Financial Planning**
- **Investment Vs Savings**
- **Investing in CIS – A viable Investment Option**
- **Goals Vs Investment Options**



□ Employment and Livelihood

- The covid-19 pandemic still lingers
- Fall in global demand fueled by lockdown imposed across most countries.
- Drop in disposable income coupled with high unemployment levels.
- Rising inflation – increase in general prices of goods and services.

The World Bank/ National Bureau of Statistics Covid-19 Impact Monitoring Report as at June 2020 indicated that the share of respondents from survey conducted who were working in June 2020 was still lower than prior to the outbreak, indicating that the pandemic continues to limit individuals' work opportunities.



❑ Financial Planning


- ❑ It is no news that we are in difficult times and it is global.
- ❑ This is when  really have to save for the rainy day because surely, the rainy day will come.
- ❑ Setting practical financial goals, having a budget, planning/ preparing and so on.
 have a personal responsibility to ensure you guard those goals until they are met.



❑ Financial Planning .../2

❑ Financial Planning is key. If  fail to plan, you are planning to fail.

❑ **Financial Planning** is the process of achieving your life goals by using different investments options with your current resources through proper and disciplined money management.

❑ **Achieving your life goals-**  know what you want to achieve. Ensure you set a goal for every money YOU set aside either in savings or investment



□ Financial Planning .../3

Assess your current resources

know how much you earn and how much you spend. Analyse realistically your spending profile; do not deceive yourself. Know your wants, know your needs – they are two distinct things.

“If you buy things you don’t need, soon you will have to sell things you need” - Warren Buffet

Disciplined money management

Money management is the process of budgeting, saving, investing, spending or otherwise overseeing your capital usage. Budget every kobo you want to spend. However, give room for contingencies.

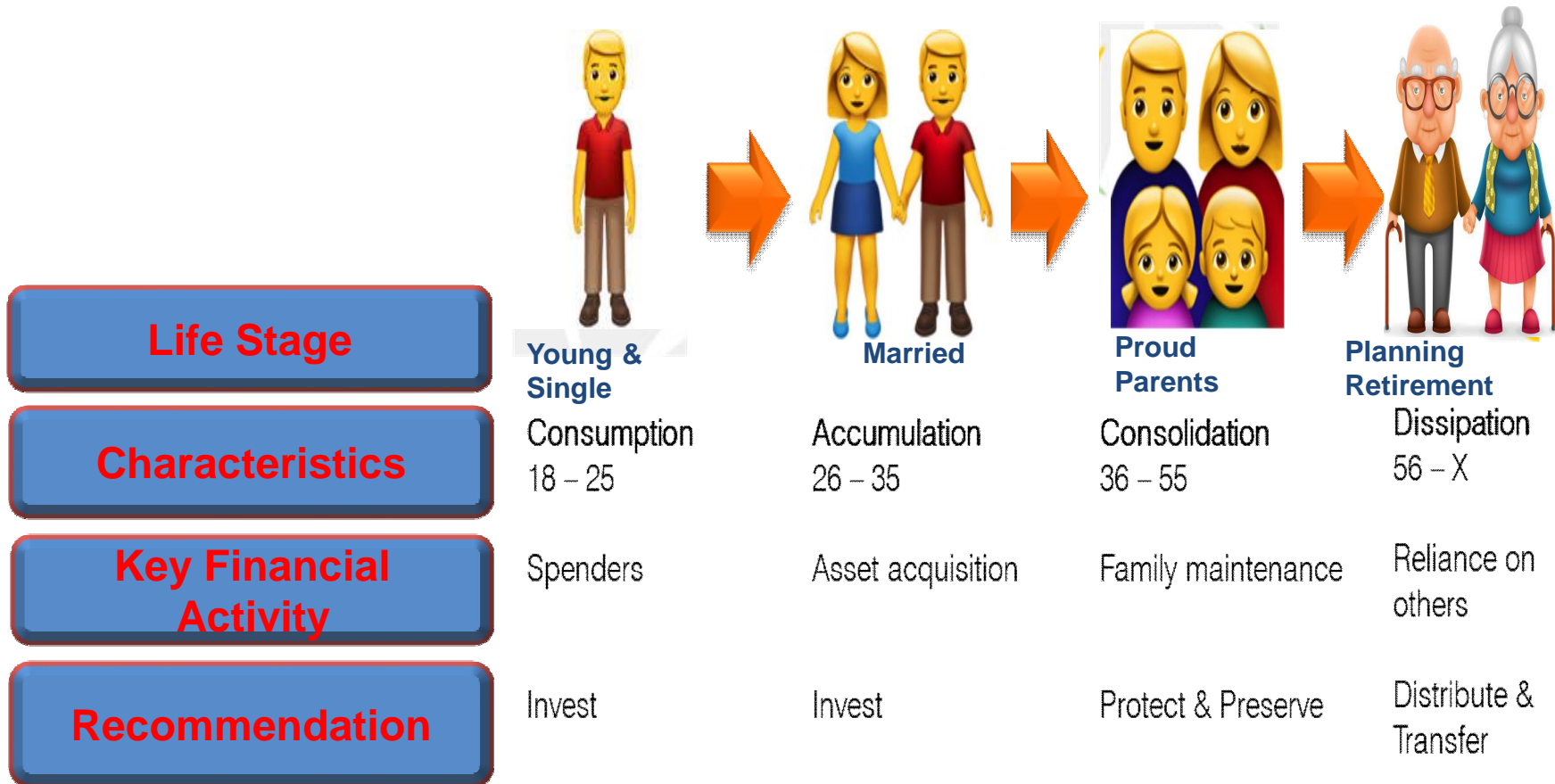
“Do not save what is left after spending, spend what is left after saving” - Warren Buffet

Carefully review investments options

Based on your current resources, risk to return and expense profile, identify appropriate investments for you. Don’t lock in your money in a long term investment when you have short term expenses profile.

Financial Planning Cycle

Financial Life Cycle: Where do you belong? Consider the recommendation.



❑ Investment Vs Savings

❑ Why is Investment a better option?

❑ SAVINGS

Savings is putting aside part of your income for future use

"If you don't find a way to make money while you sleep, you will work till you die"

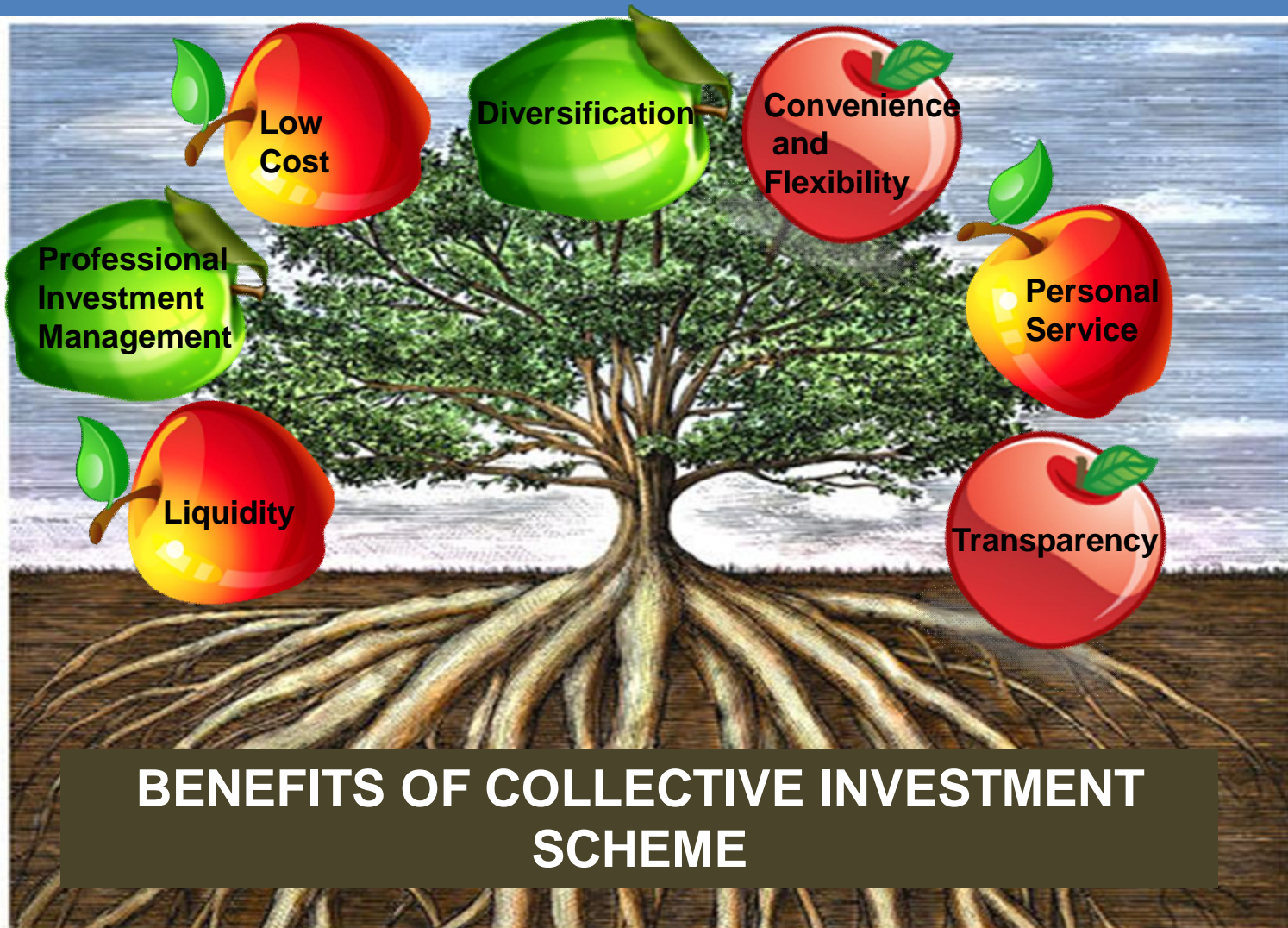
Warren Buffet

❑ INVESTMENTS

Investment is putting part of your income into productive use for future use

V
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CIS- A Viable Investment Option



CIS- A Viable Investment Option

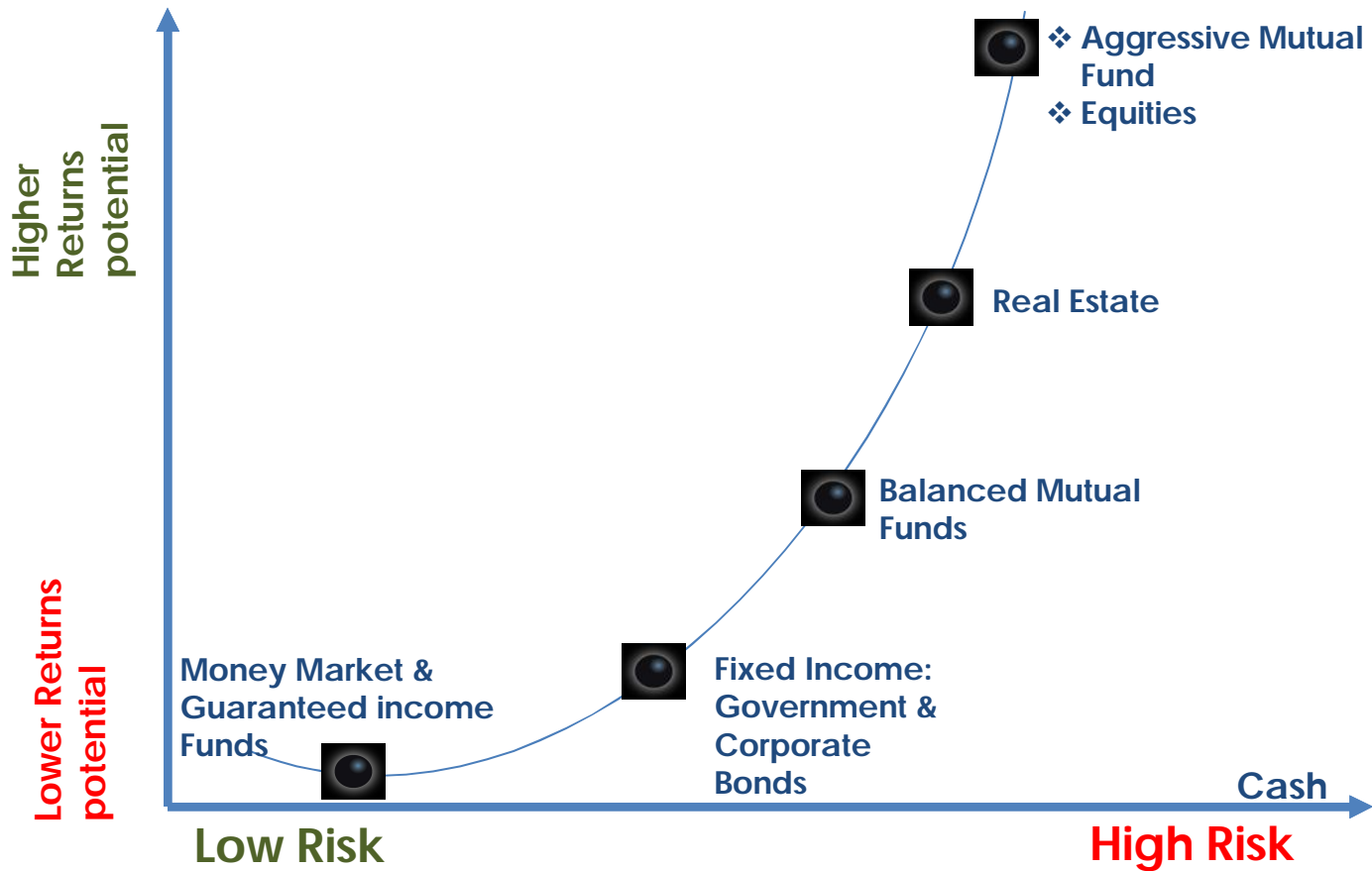
- ❑ **Collective Investment Scheme (CIS)** is an arranged **pool** of funds managed on behalf of investors by **licensed Professional Fund Manager** which may invest in; Ventures capital, Portfolio of stocks Bonds and other securities. Subscribers in investment scheme receive shares or units that represent the investor's pro-rata share of the pool of fund assets.
- ❑ The Investments and Securities Act (ISA) defines Collective Investment Scheme as "a scheme in whatever form, including an open-ended investment company, in pursuance of which members of the public are invited or permitted to invest money or other assets in a portfolio.



CIS- A Viable Investment .../2



Your Goal Vs Investment Option



Your Goal Vs Investment.../2



Choose lower risk investments if you have a short time horizon



CIS is not a Ponzi scheme or money-doubling – Don't expect higher returns in a lower risk scheme



Don't invest in a long term scheme when your spending profile is very liquid



Always ask for the objective of a scheme and compare with your objective before investing in the CIS



Identify what your rainy day could be (purpose and timing) and invest in a CIS that can allow you meet your rainy day

Categories of Mutual Funds



Money Market Funds (MMF): Invests in instruments such as Treasury Bills, Bank Placements, Commercial Papers etc.



Fixed Income Funds (FIF): Focus on investment in a broad range of debt securities issued by sovereigns and corporates.



Balanced/Mixed Funds (BF): Invested in a diversified portfolio of high quality Nigerian companies through equities, bonds and money market securities.



Pure Equity Funds: Invest majorly in a diversified portfolio of the equities of Nigerian companies.



Dollar Denominated Funds (DDF): Invest in a broad range of tenured US Dollar denominated debt securities issued by Nigerian sovereigns and corporates.



Shari'ah Compliant Funds (SCF): Invest strictly in Shari'ah-compliant instruments and contracts.

Mutual Fund Listing

Available daily on FMAN Page – ThisDay Newspapers

Visit: <https://issuu.com/thisdaylive/docs/tcla-0817>

A Mutual fund (Unit Trust) is an investment vehicle managed by a SEC (Securities and Exchange Commission) registered Fund Manager. Investors with similar objectives buy units of the Fund so that the Fund Manager can buy securities that will generate their desired return.

An ETF (Exchange Traded Fund) is a type of fund which owns the assets (shares of stock, bonds, oil futures, gold bars, foreign currency, etc.) and divides ownership of those assets into shares. Investors can buy these 'shares' on the

floor of the Nigerian Stock Exchange.

A REIT (Real Estate Investment Trust) is an investment vehicle that allows both small and large investors to part-own real estate ventures (eg. Offices, Houses, Hospitals) in proportion to their investments. The assets are divided into shares that are traded on the Nigerian Stock Exchange.

GUIDE TO DATA:

Date: All fund prices are quoted in Naira as at 13-Aug-2020, unless otherwise stated.

Offer price: The price at which units of a trust or ETF are bought by investors.

Bid Price: The price at which Investors redeem (sell) units of a trust or ETF.

Yield/Total Return: Denotes the total return an investor would have earned on his investment. Money Market Funds report Yield while others report Year- to-date Total Return.

NAV: Is value per share of the real estate assets held by a REIT on a specific date.



DAILY PRICE LIST FOR MUTUAL FUNDS, REITS and ETFs

MUTUAL FUNDS / UNIT TRUSTS

AFRINVEST ASSET MANAGEMENT LTD			
aaml@afinvest.com			
Web: www.afinvest.com; Tel: +234 818 885 6757			
Fund Name	Bid Price	Offer Price	Yield / T-Rtn
Afrinvest Equity Fund	N/A	N/A	N/A
Afrinvest Plutus Fund	N/A	N/A	N/A
Nigeria International Debt Fund	N/A	N/A	N/A
ALTERNATIVE CAPITAL PARTNERS LTD			
info@acapng.com			
Web: www.acapng.com, Tel: +234 1 291 2406, +234 1 291 2868			
Fund Name	Bid Price	Offer Price	Yield / T-Rtn
ACAP Canary Growth Fund	0.92	0.93	1.86%
ACAP Income Funds	0.78	0.78	10.06%

GROWTH & DEVELOPMENT ASSET MANAGEMENT LIMITED			
assetmanagement@gdl.com.ng			
Web: www.gdl.com.ng ; Tel: +234 9055691122			
Fund Name	Bid Price	Offer Price	Yield / T-Rtn
GDL Money Market Fund	N/A	N/A	N/A
INVESTMENT ONE FUNDS MANAGEMENT LTD			
enquiries@investment-one.com			
Web: www.investment-one.com; Tel: +234 812 992 1045, +234 1 448 8888			
Fund Name	Bid Price	Offer Price	Yield / T-Rtn
Abacus Money Market Fund	100.00	100.00	4.16%
Vantage Balanced Fund	2.19	2.23	0.07%
Vantage Guaranteed Income Fund	1.00	1.00	8.62%
Kedari Investment Fund (KIF)	149.45	150.19	4.27%

Contact

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List of Member Companies:

<http://fman.com.ng/our-members/>



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THANK YOU