



CIS



ACADEMY

E-Learning

In-Company Training

Corporate Learning Solutions

Senior Management Courses

Leadership Development Programmes

Short Professional Certifications

FORWARD

The current speed of transformation requires that employees need to be trained continuously in order for organizations to avoid the dangers of being out-thought and out-manoeuvred by competitors.

A poorly educated workforce results in decreased level of productivity and reduces their ability to deliver results. Ignorant and poorly skilled staff can't (or at least shouldn't) be promoted -- since they don't have the appropriate skills to help their company reach its business objectives.

Ideally, every company should have a plan in place for each of its employees. This plan should set out career development paths and the required training programmes that will enable the employees to develop the necessary knowledge and skills.

CIS Academy will be providing a wide range of corporate learning solutions to assist individuals to start a new career through short-term training, certification preparation, and career readiness. We prepare individuals for careers in high-demand industries with long-term growth potential.

We believe that developing a business mindset is a powerful skill set that an individual can possess in the fast-changing times that we live in. That can be done through proper education, continuous learning and experience that can lead you to success.

We are here not only to motivate you but also to help you acquire the required knowledge to achieve your goals.

I am optimistic that CIS Academy training programmes will transform performance and contribute significantly to boosting efficiency and effectiveness at the workplace in accordance with global best practices.

I hope you will take advantage of our training programmes.

Josiah Akerewusi, FCS
Registrar & Chief Executive
Chartered Institute of Stockbrokers

PRINCIPAL OFFICERS



OLATUNDE M. AMOLEGBE, FCS
President & Chairman of Council
Chartered Institute of Stockbrokers



OLUWOLE O. ADEOSUN, FCS
1st Vice President
Chartered Institute of Stockbrokers



OLUROPO S. DADA, FCS
2nd Vice President
Chartered Institute of Stockbrokers



JOSIAH D. AKEREWUSI, FCS
Registrar/ Chief Executive
Chartered Institute of Stockbrokers

PRESIDENT'S WELCOME ADDRESS

It gives me great pleasure to welcome you all to this great occasion.

Today, we celebrate another milestone in the life of our institute, the Chartered Institute of Stockbrokers (CIS). As you are aware, the law granting the charter to the Chartered Institute of Stockbrokers gave the institute four cardinal mandates:

- Determining the appropriate mode of training required to operate as an individual professional practitioner in the Nigerian Capital Market.
- Providing the required training and examination for the professionals.
- Certifying persons deemed to have met the requirements for operating as professionals in capital market.
- Disciplining erring members who contravene the ethical code of conduct.

You will agree with me that, among these four functions, “training” holds a very special place. This is because we cannot produce members without first providing the requisite training for them. We cannot set exams for people whom we have not trained. In fact, even after certification, we still have to provide Continuous Professional Development (CPD) to our members, to bring them up to date with current trends in the industry.

As our members will attest to, the Chartered Institute of Stockbrokers has, in recent years significantly upgraded the quality and scope of our training function. We now provide on average about 20 world class CPD courses to our members every year. In addition, we provide Community Training to various indigent groups across the country as part of our financial literacy drive. Our in-plant training programmes have helped several blue-chip organizations, in both public and private sectors, to

upgrade their service delivery and ultimately improve the bottom line.

The event of today is therefore another step in the progressive direction we have charted in recent years. It follows in the steps of the Commissioning of this magnificent head office last year; the commissioning of our ERP project and the imminent opening of our first ever operational branch in Abuja in the next few days. All these are testament to the re-emergence of the CIS to the part of progress and growth after years of restructuring after the global financial meltdown that negatively impacted our Institute and its members greatly.

As part of the institute's overall strategic plan, Council approved last year that the institute's Training and Continuing Professional Development Dept be upgraded to a full-fledged academy.

THE CIS ACADEMY

CIS Academy is in essence therefore, a division of the Chartered Institute of Stockbrokers, established with the broad objective of delivering high standard structured professional and post-graduate training for capital market operators, investors and the general public.

The CIS Academy will run a blend of academic and professional training programs in Finance, Securities and Investment, Business Management and Marketing, among other areas. It will promote the synergy among Capital market operators and the Academia to deepen Securities and Investment knowledge and provide well-structured training that forms the essential building blocks for personal and organizational development.

In providing these services, CIS Academy will partner with prestigious universities, institutes, and specialized training centers locally and internationally, to produce well-trained and competent manpower needed, not only in the capital market, but in the economy.

The training solutions of CIS Academy will cover a wide range of subjects and career levels, and will have the following components:

- Extensive Open Training Programs. These are paid training programs for members of the public.
- Mandatory Continuing Professional Development (MCPD) Training programs for Chartered Stockbrokers. This is primarily targeted at members of the Chartered Institute of Stockbrokers
- In-plant training programs which are designed and created specifically for particular organisations on their request.
- Executive Capacity and Leadership Development Training programs
- Free Webinars organised for students, youths and the general public.
- Executive Certificate Courses including single subject certificate courses.
- Training consultancy.

The Brand promise of the Academy is to provide result-oriented courses and quality training programs at competitive prices. The Academy has several distinct delivery styles that are designed to cater for the learning needs of everyone. All the training programs are designed to develop skills in today's highly competitive environment.

May I, at this juncture thank all of you for sharing in our vision and joining us on this occasion. I would particularly like to thank the leaders of sister Institutes and other Academic organizations that have made time to join us today during this launch. It is my believe that significant room exists for us to collaborate on various programmes for the benefit

of our members and the Nation as a whole and we shall soon be reaching out to explore these opportunities.

I also wish to thank all those who worked assiduously behind the scene to make this achievement a reality: From the committee level to the Department and of course at Council level.

I wish to thank our financial benefactors for supporting the project and for sponsoring your staff to our various training programmes in the past and we of course look forward to your continuing support as the new CIS Academy evolves to provide you with more robust services.

Please enjoy the occasion and the CIS hospitality.

Thank you and God Bless.

Olatunde Mohammed Amolegbe, FCS
President/Chairman of Council

CIS ACADEMY ADVISORY COMMITTEE



Mr. Adedeji Ajadi, FCS
Chairman



Mr. Oluropo Dada, FCS
Member



Mrs. Nkoli Edeka, FCS
Member



Prof. Kabiru Dandago Isa
Member



Mr. Oluwatofarati Agosto, FCS
Member



Mr. Chukwudi Nga, FCS
GM/COO CIS Academy



Partnership



Innovation



Technology

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ABOUT US

CIS Academy is a subsidiary of Chartered Institute of Stockbrokers (CIS), established to share the commitment of CIS' vision, mission and values with the broad objective of delivering high standard structured professional and post-graduate corporate learning solutions for all professionals.

Our emphasis on practical corporate skills for individuals helps fill the ever-increasing gap between hands-on experience and theory. Individuals enrolling in our programmes benefit from a holistic view of what it takes to be in the modern business world. Our differentiated approach to education encourages our professionals to focus on skills not acquired in traditional education.

We host accredited short programmes in partnership with leading companies, successful mentors, industry experts and outstanding professors in order to achieve the next step in career for our participants while building the future of professionalism.

In providing these corporate learning solutions for career optimization, CIS Academy will be partnering with prestigious universities, professional bodies and Training Centers locally, regionally and internationally to produce well-trained and competent manpower needed in the workplace.

WHY TRAIN AT CIS ACADEMY?

For many experienced individuals, formal education ended many years ago. With the passage of time, new technologies, processes, and best practices are brought to market. Our career professional programmes are constantly updated and therefore represent a unique opportunity for individuals to upskill.

For individuals with limited experience or new aspirations, our certifications are an effective way to quickly ramp up knowledge and skills to pursue a new job career in as little as a few months.

LEARN MORE

Keeps the workforce apprised of their job functions' developing requirements, enabling them to make a positive impact within their Organization and help that Organization achieve its aims and goals

GET HIRED

Our professional courses help individuals differentiate their skills from other job applicants. When employers are interviewing, the competition is often stiff. Job candidates with certification will clearly have an advantage.

Certifications are a priority among hiring managers. 91% of managers consider certification as part of their hiring criteria.

OUR TRAINING OFFERINGS

GET CONNECTED

Certifications help individuals plug into new communities to share knowledge and best practices. Many of these groups offer member-only benefits, such as job boards, white papers, and networking opportunities

GET RECOGNIZED

Many employers internally recognize employees when they obtain a relevant certification. As a result of this recognition, certified employees often gain broad exposure across an organization which can result in new connections and opportunities.

Certifications are an objective, unbiased barometer of your skills. Certified employees stand out among peers when seeking an internal job promotion as they are more likely viewed as expert level members of the team and continuous learners.

EARN MORE

Certifications commonly lead to an increase in salary. For example, PMP-certified project managers earn an average of 22 per cent more in salary than non-certified project managers.



-  E-Learning
-  In-Company Training
-  Corporate Learning Solutions
-  Short Professional Certification
-  Senior Management Courses
-  Leadership Development Programmes

READ FROM OUR PARTNERS



On behalf of the Board, Executive Management and Staff of Central Securities Clearing System Plc ("CSCS"), I have great pleasure and excitement sending, on this occasion, our heartiest congratulations, and best wishes to the Council of the Chartered Institute of Stockbrokers ("CIS" or "Institute"), esteemed members and broader capital market stakeholders.

The formal launch of the Institute's Academy is long overdue but indeed it is better later than never. More importantly, it is now very timely, given the dire need for upscaling skills as a critical lever for deepening capital market penetration and achieving sustainable growth.

This laudable initiative of the Institute exudes the commitment, as a major stakeholder and one of the most important bodies of knowledge, to leveraging its immense resources in bridging the skill gaps in the capital market and facilitating knowledge exchange requisite for deepening the Nigerian capital market and harnessing its full potentials for inclusive economic growth and development.

As the central securities depository for the Nigerian Capital Market, we are excited at partnering with the Institute's Academy, as we continue to work with all relevant stakeholders in addressing gaps in the market for mutual prosperity of all stakeholders in the ecosystem and growth of the Nigerian economy.

Once again, congratulations to all Capital Market stakeholders, as I hope we would all make the best of the Institute's Academy.

HARUNA JALO-WAZIRI
MANAGING DIRECTOR/CEO, CSCS PLC



The Chartered Institute for Securities and Investment (CISI) is proud to be a longstanding partner and friend of the Chartered Institute of Stockbrokers (CIS). The CISI and CIS have worked together in partnership to raise standards in financial services in Nigeria and we are delighted to see the launch of the CIS Academy. We wish the Academy every success in its important work.

KEVIN MOORE, CHARTERED FCSI
DIRECTOR, GLOBAL BUSINESS DEVELOPMENT



It is a great pleasure and privilege to celebrate the outstanding feat of the Chartered Institute of Stockbrokers in becoming a full-fledged Academy that will showcase its immeasurable contributions to the advancement of financial literacy in Nigeria's capital market. I would like to offer my warmest congratulations to the institute for this highly achievable feat that chart the direction for economic opportunities and prosperity for the development of our nation.

I am equally delighted to be given a seat as a Special Guest of Honor at this pivotal event as we mark a new beginning in history for the institute. AFEX, as an organization can attest to how instrumental the CIS has been in developing professionals with comprehensive knowledge in finance, securities, and investment in Nigeria. We are working actively and collaboratively with all stakeholders to create an enabling environment that enables competitiveness and growth across the value chains and the CIS academy coming into full operation is a testament of the great vision we all hold for a prosperous nation in the sector.

I congratulate the institute once again on this endeavor. AFEX would continue to extend its full support to the CIS for such sectoral cooperation as well as for the further improvement of partnerships and ties as we share a common interest

AYODEJI BALOGUN
CHIEF EXECUTIVE OFFICER, AFEX



NG CLEARING

NG Clearing Limited congratulates the Governing Council and Principal Officers of the Chartered Institute of Stockbrokers (CIS) on the monumental milestone of establishing the CIS Academy.

We are delighted about the positive impact the CIS Academy will have on deepening professional investment practice especially now that we have new asset classes like derivatives.

We wish the CIS Academy success as it sets out to elevate the stellar achievements of the Chartered Institute of Brokers(CIS) in training and developing sound investment professionals



On behalf of the National Executives and members of the Association of Capital Market Academics of Nigeria (ACMAN), I congratulate the Principal Officers, the Governing Council, management and staff of the Chartered Institute of Stockbrokers (CIS) and the capital market community on the official unveiling of the CIS Academy.

I have no doubt that the CIS Academy will tremendously impact financial market education in Nigeria and in this vision ACMAN looks forward to a mutually beneficial relationship with the Academy.

Once again, accept my congratulations on this landmark achievement.

**PROF. UCHE UWALEKE, ACS
(ACMAN PRESIDENT)**



**THE
FINTECH
INSTITUTE**

On behalf of the board, management, and staff of The Fintech Institute, I would like to congratulate the management and staff of the Chartered Institute of Stockbrokers CIS on the upcoming inauguration of its Academy.

CIS has been a trailblazer in ensuring her network is well prepared for the future of work in terms of reskilling and upskilling of professionals in the capital markets and the academy is further proof of your commitment and passion.

This is a laudable and The Fintech Institute is proud to be a partner. We look forward to working closely with the Academy to take it to greater heights.

Thank you.
Yours faithfully,

**MAKINWA AKINREMI FRANCIS
TEAM LEAD,
THE FINTECH INSTITUTE.**



**ASSOCIATION OF
SECURITIES DEALING
HOUSES OF
NIGERIA**

On behalf of the Governing Council of the Association of Securities Dealing Houses of Nigeria (ASHON), I would like to thank the President and Chairman of Council of our noble Institute, for the courtesy extended to us to be part of this epoch-making occasion of the official inauguration of the CIS ACADEMY. This is indeed a great milestone in the annals of the history of our Institute.

Over the years the Institute has excelled in the training and certification of finance and investment professionals who have made tremendous impact in the growth and development of the capital market in Nigeria. We at ASHON are proud to be associated with the Institute because of the commendable foresight of its Governing Council and Management in setting up this ingenious platform for capacity building.

Today's inauguration of the Academy could not have come at a better time, given the noticeable emergence of specialized platforms, innovative products and the attendant need to up-skill and develop requisite capacities for efficient service delivery. This is expected to enhance global competitiveness of our finance and securities professionals.

Distinguished Guests and Gentlemen of the City, there is no gainsaying that with this upgrade of the Institute's training department to an Academy, we are confident that the Institute will not only meet the training needs of certified professionals in the market but the entire staff of our member firms. Be rest assured Mr. President that our members will take full advantage of the Academy in meeting the training needs of our staff.

Looking at the array of eminent dignitaries who have graced this auspicious event despite their tight schedules, I feel re-assured that it is a testament to the high level of interest in this initiative. I join every well-meaning person here to confirm that the Academy will expand the frontiers of knowledge and skill for service delivery and for sustainable development of the capital market in Nigeria and beyond.

We congratulate the President and Council of our Institute once again for this great foresight.

**SAM ONUKWUE FCS
CHAIRMAN: ASHON**

PROGRAMME OF EVENTS

1.	Arrival of Guests	11:00am – 11:05am
2.	National Anthem	11:05am – 11:10am
3.	Introduction/Recognition	11:10am – 11:15am
4.	President/Chairman of Council's Welcome Address	11:15am – 11:25am
5.	Special Guest of Honour Remark	11:25am – 11:35am
6.	Special Lecture on: "The Role of Academies in National Development: A case for CIS Academy".	11:35am – 11:50am
7.	Why CIS Academy?	11:50am – 12:00noon
7.	Marketing Video on CIS Academy	12:00noon – 12:05pm
8.	Inauguration of CIS Academy Advisory Committee	12:05pm – 12:10pm
9.	Response by Chairman CIS Academy Advisory Committeew	12:10pm – 12:15pm
10.	Goodwill Messages	
a.	Honourable Commissioner for Finance, Lagos State, Dr. Rabiun Onaolapo Olowo	
b.	Group Managing Director, NGX Group Plc, Mr. Oscar N. Onyema, FCS	
c.	President/Chairman of Council, Institute of Chartered Accountant, Mrs. Comfort Olu. Eytayo mni, FCA, CFA	
d.	President/Chairman of Council Chartered Institute of Taxation (CITN) Mr. Adesina Isaac Adedayo, FCTI	
e.	Director, Global Business Development, Chartered Institute for Securities and Investment, (CISI) United Kingdom Kevin Moore, Chartered FCSI – Virtual response	12:15pm – 12:45pm
f.	Chairman, ASHON Mr. Sam Onukwue, FCS	
g.	Rep. Governing Council	

- | | | |
|-----|------------------------------------------------------------------------------------------------------------------------|-------------------|
| 11. | Unveiling the CIS Academy Logo (Mr. Muhammad Mamman Nami, Executive Chairman of Federal Inland Revenue Service (FIRS)) | 12:45pm – 01:00pm |
| 12. | Photo Session | 01:00pm – 01:10pm |
| 13. | Vote of thanks | 01:10pm – 01:15pm |

UPCOMING TRAINING

APRIL 2022

COURSE TITLE	DATE	FEE
Practical Financial Statement Analysis	7th April, 2022	N15, 000.00
Securities, Financial Markets and Investment	26th - 27th April, 2022	N30, 000.00

VIRTUAL TRAINING

MAY 2022

COURSE TITLE	DATE	FEE
Derivatives (In Partnership with CISI, UK)	12th May, 2022	N15, 000.00
The Finance Act 2021 and the Financial Services Industry (In partnership with NGX X-Academy)	19th - 20th May, 2022	N30, 000.00
Commodity Market, Derivatives and Trading (In partnership with Lagos Commodities and Futures Exchange)	25th - 26th May, 2022	N30, 000.00

VIRTUAL TRAINING

JUNE 2022

COURSE TITLE	DATE	FEE
Accelerating Business Performance, Growth and Innovation	12th May, 2022	N15, 000.00
Trends, Disruption, Innovation & Sustainable Finance (In Partnership with Institute of Islamic Finance Professionals)	19th - 20th May, 2022	N30, 000.00
The Role of Islamic Finance on Economic Development via Zakat, Waqf & Cooperatives (In Partnership with Institute of Islamic Finance Professionals)	25th - 26th May, 2022	N30, 000.00
Fundamentals of Derivatives Clearing and Settlement 2 (In partnership with NG Clearing)	28th June, 2022	Free
Enterprise Risk Management in the Digital Age (In Partnership with the Association of Enterprise Risk Management Professionals)	30th June, 2022	N20,000.00

VIRTUAL TRAINING

JULY 2022		
COURSE TITLE	DATE	FEE
Fundamental Analysis in Securities valuation	13th - 14th July, 2022	N30,000.00
Investment Strategy and Portfolio Management	27th - 28th July, 2022	N30,000.00
VIRTUAL TRAINING		

AUGUST 2022		
COURSE TITLE	DATE	FEE
Integrated Marketing Communication in the Digital Age	11th August, 2022	N15,000.00
Taxation of Capital Market Operations (In partnership with CITN Tax Academy)	25th August, 2022	N30,000.00
VIRTUAL TRAINING		

SEPTEMBER 2022		
COURSE TITLE	DATE	FEE
Ethics and Professionalism as Critical Success Factor in Financial Services (In partnership with CISI, UK)	8th September, 2022	N15,000.00
Retirement Planning and Wealth Creation & Management through the Capital Market	21st - 22nd September, 2022	N30,000.00
Fundamentals of Derivatives Clearing and Settlement 3(In partnership with NG Clearing)	29th September, 2022	Free
VIRTUAL TRAINING		

OCTOBER 2022		
COURSE TITLE	DATE	FEE
Crypto Asset Market (In partnership with Fintech Institute)	6th October, 2022	N15,000.00
Maximizing Opportunities in non-listed securities (In partnership with NASD OTC Exchange)	20th October, 2022	N15,000.00
CIS Pre-Induction Training	TBA	N25,000.00
VIRTUAL TRAINING		

NOVEMBER 2022		
COURSE TITLE	DATE	FEE
Digital Financial Services	10th November, 2022	N15,000.00
Cyber Security (In partnership with the Fintech Institute)	24th November, 2022	N15,000.00
VIRTUAL TRAINING		

DECEMBER 2022		
COURSE TITLE	DATE	FEE
Fundamentals of Derivatives Clearing and Settlement 4 (In partnership with NG Clearing)	13th December, 2022	Free
Margin Lending, Securities Lending and Short selling	14th - 15th December, 2022	N30,000.00
VIRTUAL TRAINING		

EXECUTIVE CERTIFICATE COURSES

Accounting & Finance for Non-Finance Professionals

Technical and Fundamental Analysis in Securities Valuation

Equity Valuation Using Free Cash Flow Metric

Investment Opportunities in Non-Interest Capital Market Products

Bond & Other Fixed Income Markets

Understanding Commodity Processing and Trading

Understanding Financial Technology and Innovation

The Alternative Investment Market

Momentum Investment Strategy

Financial technology

The Block Chain Enterprise, the New Financial Method

Financial modeling and forecasting

The Fintech Advantage in crowd funding

Effective Marketing of Financial Services

Python for Finance Professional

Influencing the Strategic Planning Process

Finance Business Partnering

Corporate Treasury Fundamentals

Building a High Performance Finance Team

Effective Communication Skills for Influencers

Practical Business Valuation

Winning KPIs – Using Metrics to Improve Business Performance

Fintech Innovation

Fintech Effective Marketing of Financial Services

Masterclass for Regulators

Digital Transformation, Ways of Doing Business

Data Science

Personal Investment Analysis and Portfolio Management

Big Data – Finance

Excel Modeling – Investment Appraisal, Valuation And Business Cases

SHORT PROFESSIONAL COURSES

Risk Analysis

Commodity Market and Trading

Taxation of Capital Market Operations

Executive Capacity Course in the Nigerian Capital Market

Financial Markets

Corporate Finance

Advanced Finance Business Partnering

Business and Analytical Problem Framing

Corporate Treasury Fundamentals



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Regulatory compliance requirement and reporting – transactions, anti-money laundering	10
Insurance: Definition of Indemnity; Insurance, Insurance products & procedure; Insurance Policies & Performance Bonds; warehouse insurance, Settlement of Claims, Ratings	11

3

INTRODUCTION

The commodity ecosystem is constantly evolving. Commodity ecosystem participants are more and more exposed to stiffer competition, price volatilities, and changes in the regulatory environment.

There is no "one size fits all" approach as companies vary significantly in their objectives and rationales for managing such risks.

Critical Issues



Source of Funds



Utilization of Funds



Risk Management

5

Brief History of Commodities



4

What do we know about commodities?



Commodities are tangible items (unprocessed goods or raw materials) that can be bought, sold or exchanged for goods of similar value. E.g Gold, Crude Oil, Soybean, Wheat etc.

Classes of Commodities



Hard Commodities - in most cases are mined out of the ground or otherwise extracted from another natural resource (Metals, Energy, Solid Minerals)



Soft Commodities - these are typically grown or bred (Agricultural Commodities)

6

COMMODITY MARKET

A commodity market is simply a medium for connecting buyers and sellers of commodities.

It may be:

Informal (unorganized) - informal trading deals mostly with physical buying and selling of commodities.

Formal (Organized) - allows trading of commodities on a recognized exchange.

7

FACTORS AFFECTING COMMODITY PRICES

Environmental Factors

Includes the Effects of Weather, climate, natural disasters, population growth.

Macro Economic Factors

Includes the effect of Govt policy, imports, exports.

Market Forces - Demand/ Supply

Generally, Commodities are very dependent on supply and demand. If the supply is disrupted and the demand is consistent the prices swing up. If the demand decreases and the supply is steady the prices go down.

For Agricultural commodities, factors that drive the demand and supply dynamics are:

Demand

- Disposable Income
- Population
- Consumer Taste & Preference
- Environmental & Cultural Factors

Supply

- Quality of input
- Weather
- Production Level
- Actions of Speculators

9

FINANCE OPTIONS

Traditional Financing

"Traditional" financing generally refers to a loan or line of credit secured through a financial institution under conventional terms.

Structured Commodity Financing (SCF)

SCF provides liquidity management and risk mitigation for the production, purchase and sale of commodities and materials.

An essential principle of SCF is the ability to tailor a structure that will satisfy the needs and circumstances of all parties to the transaction

8

CAPITAL REQUIREMENT AND SOURCES OF FINANCE



This is dependent on the aspect of commodity value chain you wish to participate

Commodity financing comes into play in the following areas:

Primary Production

Providing financing for small-holder farmers or commercial farm holder to produce

Trading

Providing financing for traders/ merchants/ exporters for the import/ export/ local sales of commodities. This is dependent on the aspect of commodity value chain you wish to participate

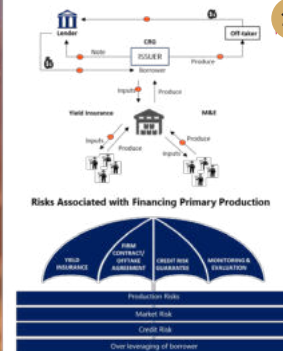
Commodity financing comes into play in the following areas:

Primary Production

Financing Primary production is considered risky due to a myriad of reasons including but not limited to:

- Unavailability of data (verifiable farmer data, land-holding data)
- Financial non-inclusion of farmers
- Insincerity of borrowers
- Uncertainties around weather and climatic conditions
- Strength/ capacity of insurance companies to meet claims requests
- Financial Institutions lacking knowledge of Agriculture

10



Pre Export Financing

- This is a term loan made available to a Producer/Exporter secured against the future export flows of a commodity to one or more Buyers (Off-takers).
- Loan amount is a % of a pre-arranged sales contract in advance of shipment.
- Quality of the pre-arranged buyer is important, since he is the source of repayment.



11



Issues Associated with Pre - Export Financing

- Usually without recourse to off-taker until delivery
- Tenor versus trade cycle (relates to use of funds)
- Managing commodity price risk over deal life
- Determining risk transfer trigger points
- Getting effective Assignment over sales proceeds
- Method of evidencing and controlling collateral

13

SETTLEMENT OF INSURANCE CLAIMS

An insurer can settle claims that arise and accepted under the terms of the insurance contract in the following ways:

- Payment of money
- Replacement of the item covered
- Reinstatement
- Paying for repairs

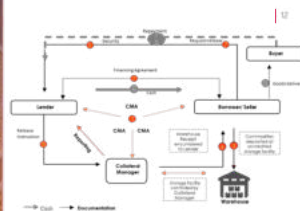


27

12

Warehouse Inventory Financing

- A facility provided to an importer or exporter of commodities that are stored in the name of the Borrower with the lender's security interest notified to an independent Warehouse Operator via a Collateral Management Agreement (CMA).
- The commodities held in store form the collateral for such loans and are usually exchange-traded or have very visible and liquid markets.
- Normal insurance for goods in warehouse would have to be evidenced and be in a form acceptable to the lender.
- Repayment typically comes from pre-arranged export proceeds of the commodity or from local sales.
- Loan to value varies 70% - 80% of market or sales.



Issues Associated with Warehouse Inventory Financing

- Management of commodity price risk
- Operational risks connected with collateral monitoring and
- Risks associated with logistics
- What is relationship/inter-dependency of parties involved

1

Marketing Magic

The Art of Marketing in The Digital Age

"Prepared by Seun Osikalu
Executive Director
Moxie Media"

1. Learn what Marketing is and how it differs from Sales.
2. Learn Marketing Strategy.
3. Learn the tools of marketing and how to create a workable Marketing plan.
4. Understand the uses of Research in Marketing.
5. Differential Marketing from Branding
6. Learn what Brand and Branding is and how to build an enduring brand.
7. Understand Digital Marketing, Strategy and its place in Marketing.



Chartered by Act 105 of 1992

2

Types of Marketing

- * Traditional Marketing – Offline Promotion
- * Digital Marketing – Leveraging Technology
- * Brand Marketing – Perception & Emotional Connection
- * Product Marketing – Use in driving demand and perception
- * Experiential Marketing – Event, Activation & Sampling
- * Influencer - Plugging into celebrity followership
- * Cause Marketing – Brand adopting Social Issues
- * Content Marketing – valuable and consistent content to acquire and attract audience.



Chartered by Act 105 of 1992

4

What is Marketing?

- * Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. (American Marketing Association 2017)
- * *Marketing outlines the specific activities of how, where and when a brand will promote its products and services to its target audience in the marketplace.*



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3

The elements of a marketing mix are the aspects of marketing that a business will leverage to promote its goods or services.

We will be considering the four traditional elements viz: **Product, Price, Place and Promotion.**



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6

Marketing mix- 4P's



8



Marketing Plan

7

A marketing plan is a document that lays out the marketing efforts of a business for an upcoming period, usually a year. It outlines the Strategy, Promotional, and Advertising activities that would be engaged for the period.

A clear and concise marketing plan gives clarity to who your target audience is. It also helps to craft marketing messages that will generate result.

A marketing plan also provide direction and focus. Due to the vast channels that is available for marketing, having a plan ensure the focus is well defined and would deliver target result



Steps in creating a Workable Marketing Plan

- * Details of current business situation
 - * Target Market
- * Know your competitors
- * Quantifiable Objectives and timelines
 - * Marketing Strategies
 - * Budget
 - * Execution
- * Monitor results.

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In the simplest of terms,
Marketing is building *awareness*
of your organization and brand to
potential customers.

Sales is turning that awareness
into a *profit*.



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Key Objectives

Market research may usually have 3 different types of objectives.

Administrative: Help a company in proper planning, organization of both human and material.

Social: Satisfy customer's specific needs through a required product or service.

Economical: Determine the economical degree of success or failure a company can have while being new to the market, or otherwise introducing new products or services, and thus providing certainty to all actions to be implemented.

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Scientific research is the bedrock of the art of Marketing.

The process of evaluating the feasibility of a new product or service; of potential consumers and effective channels are driven by scientific research



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Importance

- **Valuable information:** It provides information and opportunities about the value of existing and new products, thus, helping businesses plan and strategize accordingly.
- **Customer-centric:** It helps to determine what the customers need and want.
- **Forecasts:** Through research, businesses can also forecast their production and sales. Market research also helps in determining optimum inventory stock.
- **Competitive advantage:** To stay ahead of competitors market research is a vital tool to carry out comparative studies

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Benefits



MAKE WELL-INFORMED DECISIONS.



GAIN ACCURATE INFORMATION.



DETERMINE THE MARKET SIZE.



CHOOSE AN APPROPRIATE SALES SYSTEM.



LEARN ABOUT CUSTOMER PREFERENCES.



GATHER DETAILS ABOUT CUSTOMER PERCEPTION ABOUT THE BRAND.



ANALYZE CUSTOMER COMMUNICATION METHODS.



PRODUCTIVE BUSINESS INVESTMENT

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Marketing Strategy

A marketing strategy refers to a business's overall plan for reaching prospective consumers and turning them into customers of their products or services.

A marketing strategy contains the company's **value proposition**, key brand messaging, data on **target customer** demographics, and other high-level elements.

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A thorough marketing strategy covers “the four Ps” of marketing—product, price, place, and promotion.



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MARKETING STRATEGY

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Brand, Branding & Communication



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Step to build a successful brand

1. **Define how you want to be perceived** - When your customers have finished using your product or service, how do you want them to describe their experience?
2. **Organize your business based on this promise** - Keeping the promise that sets you apart from your competitors implies that you're doing something more than what they're doing.
3. **Communicate your promise** - All of your marketing material – from the colours of your logo to your website text – must be developed as a function of this promise.
4. **Be consistent** - After defining how you want to be perceived, then organizing your business based on this perception and communicating this promise, you must be consistent. Build trust



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Brand & Branding

- * A brand is a name, term, design, symbol, or any other feature that identifies one seller's goods or services as a distinct from those of other sellers while Branding is architecting and managing the meaning and experience of the brand with intention
- * A brand is a promise the company must keep in every experience of its product, marketing and other interaction with customers.



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Product vs Marketing

*Product**Brand*

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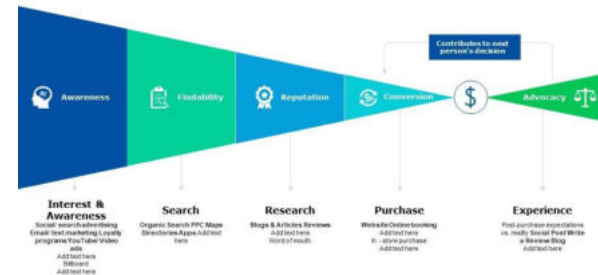
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	Brand	Product
Length	Updated every 5 years or so	Typically months, sometimes a few years
Audience	Comprehensive and diverse	Targeted and specific
Goals	Broad	Narrow and measurable
Message	An enduring platform	A smart, catchy tagline
Visual Language	Flexible and systematic	Limited to increase recall

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Current Customer Journey



Is there a Stockbroking Brand in Nigeria?

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The Age of the Digital Channel

Digital Marketing Strategy

A digital marketing strategy is a set of planned actions performed online to reach specific business goals. In simple terms, this means performing consistent actions at the right time via the most suitable online channels to increase revenue and improve relationships with your audience.



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Digital Marketing Strategy

THE ELEMENTS OF A SUCCESSFUL DIGITAL MARKETING STRATEGY



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Digital marketing refers to advertising delivered through digital channels such as search engines, websites, social media, email, and mobile apps.

Using these online media channels, digital marketing is the method by which companies endorse goods, services, and brands

Digital Marketing Components



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In Nigeria Digital Space, Stockbroking firms do not EXIST!

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Why your Brand need to go Digital

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1. Word of Mouth on Steroid - Customers used to tell 4-5 people about brand experience, one digital post will reach 4,000-5,000 people or more at the same time.
2. It is Cost effective
3. Offers High Return on Investment.
4. Helps you convert prospects into customers • Helps you build long term customer relationships

5. Offers High Return on Investment

6. Has Precise yet Wide Reach and facilitates Conversations

7. Caters to Mobile Consumers

8. Helps generate more revenue

9. Help us analyze what works and what doesn't work



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How To Create a Strategy



- * Research and define your goals
- * Collect data about your audience
 - * Generate leads
 - * Nurture leads
- * Take care of returning clients and advocates
 - * Set up marketing automation26

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The Magic of Digital Marketing

- * Target Placement
- * CRM Bots
- * Tracking Cookies
- * URL Tracker
- * Tracking Pixel
- * Efficient, No waste

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Key Take Away

- * The World has evolved and we are in the 4th Industrial Revolution triggered by technology advancement
- * Marketing is fully affected by the revolution and must adapt
- * Brands future is only going to be guaranteed if it adjusted to this reality
- * However, the basic principle of Marketing still remain same. The digital age only gave marketers a valuable channel to reach their target consumers easily and more effective



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Share Valuation and Portfolio Management

Being a paper presented at the Executive Capacity Development Course jointly organized by the NGX Group and CIS Academy

by: Adedeji Ajadi (MSc, FCS, FCA, ACCA, CMA)

Thursday, March 17, 2022

1

Advantages



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Outline

1. What are equities?
2. Types of equities
3. Benefits of ownership of equities
4. Intrinsic value vs market value
5. Basic principles of securities valuation
6. Valuation of equities
7. Comparative model
8. Dividend discount model
9. Free cash flow valuation model
10. Modern portfolio theory
11. The investment management process
12. Passive and active management
13. Asset allocation
14. Portfolio rebalancing
15. Portfolio performance evaluation
16. Financial innovation
 - ✓ Fintech
 - ✓ Blockchain technology
 - ✓ Automated investing

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► Equity securities

What are Stocks/Equities?

- ✓ Equities represent a claim on the company's assets and earnings
- ✓ When you purchase a stock (equity), you receive a piece of the company
- ✓ As one of the many owners of the company, you technically own a piece of the company.

3

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► Benefits of shares ownership

- Capital appreciation
- Dividends
- Voting privileges
- Marketability (shares can easily be bought or sold)
- Dividend tax credit

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► Types of equities

- ✓ Ordinary shares
- ✓ Preference shares
- ✓ Mutual funds/ Exchange traded funds

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Intrinsic value vs market value

- Intrinsic value, in general, is defined as the 'fair value', 'true value' or 'inherent value' of any asset (whether real or financial), company, its stock, derivatives like options, etc. This is usually different from how the market values it.
- Market value on the other hand is simply a measure of how much the market values the company, or how much it would cost to buy it.
- Market value is easy to determine for publicly traded companies but can be a little more complicated for private companies.

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Security analysis

- Fundamental analysis is a term for studying a company's accounting statements and other financial and economic information to estimate the economic/intrinsic value of a company's securities.
- The basic idea is to identify "undervalued" securities to buy and "overvalued" securities to sell.

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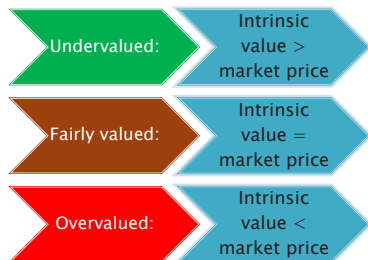
Efficient Market Hypothesis

- The concept of 'efficient market' is relevant in asset valuation
- EMH alternatively known as the efficient market theory, is a hypothesis that states that share prices reflect all information and consistent alpha generation is impossible.
- Levels of market efficiency
 - ❖ Weak form
 - ❖ Semi strong form
 - ❖ Strong form

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Intrinsic Value vs Market Value (...contd)



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Valuation of equities– An example of relative valuation model

Bank	P/E
1) UBA	2.15
2) Zenith Bank	3.39
3) GTBank	4.24
4) Stanbic IBTC	4.54
Average	3.58

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QUESTION: Access Bank Plc is similar to the above listed banks in most respects. It has EPS of N3.48/ share. Estimate its value using P/E ratio

▸ Estimated price of Access Bank = $3.58 \times \text{N}3.48/\text{share}$
= **N12.46/ share** (vs **N10.40 market value**)

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Valuation of equities

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► There are several Models:

- **Comparative/Relative Valuation Models** – P/E ;
P/Sales; Price/ Enterprise Value
- **Cashflow Based Models** – Dividend discount model (DDM); Free cash flow to equity model (FCFE); Free cash flow to the firm model (FCFF)
- **Earnings-Based Models** – Abnormal earnings/
Residual Income model

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Dividend discount model

The **Dividend Discount Model (DDM)** is a method to estimate the value of a share of stock by discounting all expected future dividend payments. The basic DDM equation is:

$$P_0 = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \frac{D_3}{(1+k)^3} + \dots + \frac{D_T}{(1+k)^T}$$

- In the DDM equation:
 - P_0 = the present value of all future dividends
 - D_t = the dividend to be paid t years from now
 - k = the appropriate risk-adjusted discount rate

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Valuing of equities (....contd)

Economic theory teaches us that the value of an investment is the present value of all future cashflows or benefits

$$V_0 = \sum_{t=1}^n \frac{\text{Projected Future Payoffs}_t}{(1 + \text{Discount Rate})^t}$$

Expected future payoffs can be measured in terms of:

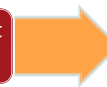
- Dividends
- Cash Flows
- Earnings

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DDM- No growth model

Constant dividend



$$V_0 = \frac{D_0}{K_e}$$

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Example

The preference shares of Rock plc pays dividends of N1.80 per year, and the required rate of return for the stock is 8% ; what is its intrinsic value?

$$VO = 1.80 / 0.08 = \text{N22.5}$$

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Dividend discount model (.....contd)

- ▶ Three assumptions regarding pattern of dividends:
 - No growth
 - Constant growth to perpetuity
 - Multi-stage growth

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DDM- Gordon's growth model – example

- ▶ Zenith Bank's stock is trading at N24 per share. The Bank will pay a N3 dividend per share next year (D_1), which is expected to increase by 10 % annually (g). The required minimum rate of return (r) for the stock is 20%.
- ▶ **Required** : Estimate the intrinsic value of Zenith Bank's shares. Given the available information, what decision will you take as an investor?
- ▶ The intrinsic value (P) of the stock is calculated as follows:

$$P_0 = \frac{D_1}{K_e - g} = \frac{3}{0.2 - 0.1} = \underline{N30}$$

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DDM- Gordon's growth model

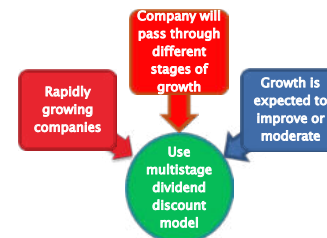
- ▶ Assuming that the dividends will grow *forever* at a constant growth rate g .
- ▶ For constant perpetual dividend growth, the DDM formula becomes:

$$P_0 = \frac{D_0 \times (1+g)}{k - g} = \frac{D_1}{k - g} \quad (\text{Important : } g < k)$$

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Multi-stage dividend discount model (.....contd)



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Multi-stage dividend discount model

- ▶ This model assumes a period/ periods of supernormal growth.
- ▶ It therefore takes account of a period of high growth followed by a lower, constant growth period.
- ▶ During the high growth period, one can take each dividend amount and discount it back to the present period. For the constant growth period, the calculations follow the GGM model. All such calculated factors are summed up to arrive at a stock price.

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Multi-stage dividend growth model – example

Suppose XYZ, a listed company on the NGXP has a current dividend of $D_0 = N5$, which is expected to **shrink** at the rate, $g_1 = 10\%$, for 5 years and thereafter **grow** at the rate, $g_2 = 4\%$, forever. With a discount rate of $k = 10\%$, what is the present value of the stock?

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Multi-stage dividend discount model

Dividends grow at rate g_S for n years and rate g_L thereafter:

$$V_0 = \sum_{t=1}^n \frac{D_0(1+g_S)^t}{(1+r)^t} + \frac{V_n}{(1+r)^n}$$

$$V_n = \frac{D_{n+1}}{r - g_L}$$

$$D_{n+1} = D_0(1+g_S)^n(1+g_L)$$

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Strengths and weaknesses of dividend discount models

Constant Perpetual Growth Model:

- ▶ Simple to compute
- ▶ Not usable for firms that do not pay dividends
- ▶ Not usable when $g > k$
- ▶ Is sensitive to the choice of g and k
- ▶ k and g may be difficult to estimate accurately.
- ▶ Constant perpetual growth is often an unrealistic assumption.

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Multistage dividend growth model – solution

Yr	Cashflow/Dividends						
	0	1	2	3	4	5	5
	5	4.5	4.05	3.65	3.280	2.95	$\frac{2.95(1.04)}{0.1-0.04}$
Discount Factor		0.909	0.826	0.751	0.683	0.621	0.621
PV		4.09	3.35	2.74	2.24	1.83	31.75

Solution

- ▶ PV of first 5 dividends = 14.25
- ▶ PV of terminal value = 31.75
- ▶ Total PV (Price) = 46.00

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Free cash flow valuation model

- ✓ There are companies that do not pay dividends and have negative earnings.
- ✓ Do negative earnings always mean little value?
 - We calculate earnings based on accounting rules and tax codes.
 - It is possible that a company has:
 - negative earnings
 - positive cash flows
 - a positive value.

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Strengths and weaknesses of dividend discount models (.....contd)

Two-Stage Dividend Growth Model:

- ▶ More realistic in that it accounts for two stages of growth
- ▶ Usable when $g > k$ in the first stage
- ▶ Not usable for firms that do not pay dividends
- ▶ Is sensitive to the choice of g and k
- ▶ k and g may be difficult to estimate accurately

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Free cash flow valuation (....contd)

- Amount of cash flowing into firm differs from dividends paid in a particular period.
- But over the lifetime of the firm, cash flows into and cash flows out of the firm will be equal.

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Free cash flow valuation model (....contd.)

- Focus is on the cash that flows *into* the firm.
- Measures the cash flows that are “free” to be distributed to shareholders.
- Cash flows generated by the firm create dividend-paying capacity.

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Free cash flow to equity – example

Question

Babankudi Limited is expected to have per share FCFE in year 1 of N1.20, per share, FCFE in year 2 of N1.50, and per share FCFE in year 3 of N2.00. After year 3, per share FCFE is expected to grow at the rate of 10% per year. An appropriate required return for the stock is 14%.

What should the stock be worth today?

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Free cash flow valuation (....contd)

- Rationale
- Cash is the ultimate source of value. The free cash flows approach measures value based on the cash flows that the firm generates that can be distributed to investors.
- It is a measurable common denominator for comparing the future benefits of alternative investment instruments.

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Portfolio managementa preamble

- By investing in many different stocks/ securities to form a portfolio, we can lower risk without lowering the expected return.
- The effect of lowering risk via appropriate portfolio formulation is called **diversification**.
- By learning how to compute the expected return and risk on a portfolio, we illustrate the effect of diversification.

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Free cash flow to equity – example (...contd)

Solution

Year	FCFE	PV of FCFE @14%
1	1.20	$1.20 / 1.14 = 1.0526$
2	1.50	$1.50 / (1.14)^2 = 1.1542$
3	2.00	$2.00 / (1.14)^3 = 1.3499$
3 (cont value) 55.00		$55.00 / (1.14)^3 = 37.12$
	Sum	40.68

Wkg : Continuing value at year 3

$$P_3 = 2 (1.10) / (0.14 - 0.10) = N55.00$$

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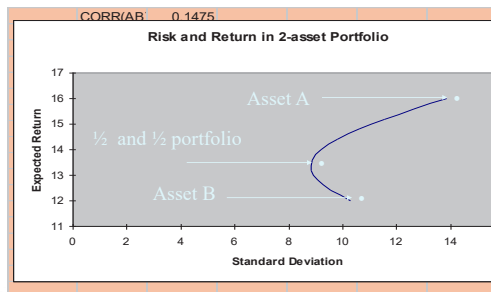
Portfolio/ Investment management

- Investment management include asset allocation, financial statement analysis, stock selection, monitoring of existing investments, and portfolio strategy and implementation.
- Investment management may also include financial planning and advisory services, not only overseeing a client's portfolio but coordinating it with other assets and life goals.
- The manager may also manage real assets such as precious metals, commodities, and artwork. Managers can help align investment to match retirement and estate planning as well as asset distribution.

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Modern portfolio theory (...contd)



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The investment management process

- The following stages are involved:
 1. *Set investment policy*
 - Objectives
 - Amount
 - Choice of assets
 2. *Conduct security analysis*
 - Examine securities (identify those which are mispriced?)

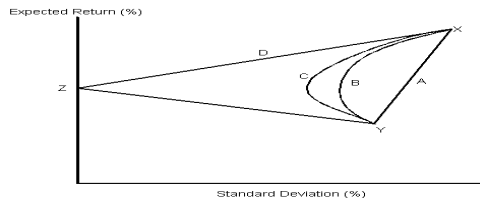
Use

 - a. Technical analysis – the examination of past prices for trends
 - b. Fundamental analysis – true value based on future expected returns

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Modern portfolio theory (....contd)



- A: correlation = 1. Perfect linear relationship between the two assets. Diversification has no potential benefits.
- B: correlation = 0.5. Portfolio diversification can be achieved.
- C: correlation = 0. No linear relationship between the two assets. More diversification can be achieved than B.
- D: correlation = -1. This indicates a perfect inverse linear relationship.

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Passive versus active management

- Passive equity portfolio management
 - Long-term buy-and-hold strategy
 - Usually track an index over time
 - Designed to match market performance
 - Manager is judged on how well they track the target index
- Active equity portfolio management
 - Attempts to outperform a passive benchmark portfolio on a risk-adjusted basis

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The investment management process (.....contd)

3. Portfolio Construction

- Identify assets
- Choose extent of diversification

4. Portfolio Evaluation

- Assess the performance of portfolio

5. Portfolio Revision

- Repeat previous three steps

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An overview of passive equity portfolio management strategies

- Replicate the performance of an index e.g All Share Index, NSE 30 etc
- May slightly underperform the target index due to fees and commissions
- Costs of active management (1 to 2 percent) are hard to overcome in risk-adjusted performance
- Many different market indexes are used for tracking portfolios

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Passive equity portfolio management techniques

- Full replication
- Sampling
- Quadratic optimization or programming

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An overview of active equity portfolio management strategies

- Goal is to earn a portfolio return that exceeds the return of a passive benchmark portfolio, net of transaction costs, on a risk-adjusted basis
- Practical difficulties of active manager:
 - Transactions costs must be offset
 - Risk can exceed passive benchmark

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Other passive portfolios

- Core-satellite strategy

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Fundamental strategies

- Top-down versus bottom-up approaches
- Asset and sector rotation strategies

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Fundamental strategies (....contd)

- Market timing – shifting funds into and out of stocks, bonds, and T-bills depending on broad market forecasts and estimated risk premiums
- Shifting funds among different equity sectors and industries (sector rotation) or among investment styles (e.g., theme investing) to catch hot concepts before the market does
- Stock-picking : individual issues

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Technical strategies/ momentum investing

- Momentum investing strategy involves riding the waves
- Momentum investors believe that winners keep winning and losers keep losing. They look to buy stocks experiencing an uptrend.
- Because they believe losers continue to drop, they may choose to short sell those securities.
- The strategy is based on the original work of Jegadeesh and Titman (1993)
 - Contrarian investment strategy
 - Price momentum strategy
 - Earnings momentum strategy

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Style investing

- Style investing is an overarching strategy or approach used by an investor set asset allocation and choose individual securities for investment
- Construct a portfolio to capture one or more of the characteristics of equity securities
- Small-capitalization stocks, low-P/E stocks, etc...
- Value stocks appear to be underpriced
 - price/book or price/earnings
- Growth stocks enjoy above-average earnings per share increases

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Contrarian investing strategies – Dog of the Dow

- Michael O'Higgins outlines a simple strategy in his book "Beating the Dow."
- The dogs of the Dow are simply the 10 companies in the index that have the lowest dividend yields
- The strategy is to purchase these stocks at the beginning of the year and then adjust their portfolios annually.
- It turns out that this strategy has usually beaten the return of the index over time (although not every year).

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Frequency of investing

- Lumpsum investing
- Cost averaging
- Value averaging

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Portfolio rebalancing

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- It is process by which an investor restores their portfolio to its target allocation.
- It brings the portfolio back to the desired asset mix. This is done by divesting in underperforming assets and investing in the ones that have the potential to grow.
- The primary objective is to establish better risk control, and ensure that the portfolio isn't solely dependent on the success or failure of a particular investment, asset class, or fund type.

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Asset allocation strategies

- Asset allocation involves dividing your investments among different assets, such as stocks, bonds, and cash.
- Factors to consider include time horizon and risk tolerance.
- Asset allocation strategies:
 - ✓ Strategic asset allocation
 - ✓ Tactical asset allocation
 - ✓ Integrated asset allocation
 - ✓ Insured asset allocation
 - ✓ Dynamic asset allocation

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Portfolio rebalancing (.....contd)

- For example, an original target asset allocation was 50% stocks and 50% bonds.
- If the stocks performed well during the period, it could have increased the stock weighting of the portfolio to 70%.
- The investor may then decide to sell some stocks and buy bonds to get the portfolio back to the original target allocation of 50/50.

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Performance measurement/evaluation

(.....contd)

- Many investors mistakenly base the success of their portfolios on returns alone.
- Few investors consider the risk involved in achieving those returns.
- Today, there several performance measurement tools to assist with portfolio evaluation.

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Performance measurement/evaluation

(.....contd)

(3) Jensen Alpha

- The Jensen ratio measures how much of the portfolio's rate of return is attributable to the manager's ability to deliver above-average returns, adjusted for market risk.
- Jensen's alpha = $PR - CAPM$
- $R_{pt} - R_{ft} = \alpha_p + \beta_p (R_{Mt} - R_{ft}) + e_{pt}$

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Performance measurement/evaluation

(.....contd)

(1) Treynor Ratio

$$= \frac{(rp - rf)}{\beta p}$$

where:

rp = Portfolio return
 rf = Risk-free rate
 βp = Beta of the portfolio

(2) Sharpe Ratio

$$= \frac{(rp - rf)}{\sigma p}$$

where:

rp = return of portfolio
 rf = risk-free rate
 σp = standard deviation of the portfolio's excess return

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Performance measurement/evaluation

(.....contd)

(4) Multi-factor models

➤ Several models including:

- ✓ Fama-French 3-factor model
- ✓ Cahart model
- ✓ Fama-French 5-factor model

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Financial innovation

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1) Fintech

- Financial technology, more commonly known as "fintech," includes the emergence of a whole range of new technology used to improve and automate the delivery of financial services.
- The rise of robo-advisors—along with the proliferation of artificial intelligence (AI) tools—has transformed the way financial advisors interact with and provide services to their clients e.g Betterment, Wealth front, Vanguard Digital Advisor.

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Financial innovations (.....contd)

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2) Blockchain Technology (.....contd)

- **Cryptocurrencies** are built on the Blockchain technology which is a "virtual ledger"... capable of recording, verifying, and securing digital transactions.
- Large U.S. corporations like **Square** (SQ), **PayPal** (PYPL), **Fidelity** (FNF), and **MicroStrategy** (MSTR) have been buying bitcoin by the truckload.
- The big investment firm Greyscale has been buying bitcoin by the hundreds of millions...
-But in Nigeria the CBN prohibited banks from keeping accounts and supporting individuals and firms trading in cryptocurrencies.

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Financial innovation (.....contd)

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2) Blockchain Technology

- Blockchain creates a faster, more efficient way for businesses to transmit, receive, and track orders using secure data.
- A blockchain is a series of confirmed and encrypted data spread across many geographic locations. It's going to touch virtually every industry on Earth.
- It is the foundation of cryptocurrency trading and is moving into regulated industries such as banking, insurance and auctions.

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Financial innovations (.....contd)

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3) Automated Investing

- Automated investing is the use of digital platforms to make pre-programmed investing and trading decisions for customers based on algorithms and variables from the user such as age, income, goals, and risk tolerance. There is little or no direct human effort is needed.
- The automated investing industry is growing fast : client assets managed by automated-advisors are estimated to have hit \$1.4 trillion in 2020 and are projected to reach \$2.5 trillion by 2023.
- Most automated advisors use Modern Portfolio Theory (MPT) to create and manage the asset allocation of a portfolio. The idea is to decrease your risk by diversifying into all kinds of assets. It's a good way to "not put all your eggs in one basket."

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Sample questions

- 1) What is a Managed Portfolio. What types do we have?
- 2) What are mutual Funds. Are there any benefits to investing in them?
- 3) Mention and discuss the Stock Market Indexes in Nigeria today. Of what use are they.
- 4) Distinguish between intrinsic value and market value of securities. Discuss three models for valuing equities.
- 5) Discuss the concept of diversification in portfolio management. Why is it important?

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Sample questions (.....contd)

60

- 6) Blockchain and cryptocurrencies are some of the innovations in the financial markets. Briefly discuss your understanding of the technology and asset class respectively.
- 7) What are the concerns regarding investing in cryptocurrencies
- 8) Assuming you are long equities. Give an example of how you can use a derivative instrument for risk management to mitigate against a downturn in the equities market.

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SECURITIES, FINANCIAL MARKETS AND INVESTMENT



OBJECTIVES

The main object of this training is to expose staff of the Financial Institutions in Nigeria to the fundamentals of Securities and Investment and the dynamics of the Capital market operations.

During the training, participants are expected to have a clear understanding of the framework of specialized financial institutions that brings together suppliers and users of capital and the arrangement through which buyers and sellers get together to effect the exchange of capital funds which promotes investment. They will know the mechanism which connects users and providers of medium to long term funds in the economy leading to investment.

At the end of the program, they will appreciate the link between investment and securities and Financial Services generally.

COURSE OUTLINE

Overview of Financial Markets

Equity Markets

Bond Markets and Risk

Derivative Instruments and Hedging

Structure of the Nigerian Capital Market

Regulations, Laws, Ethics and Professional Standards In The Capital Market

DERIVATIVE INSTRUMENTS, MARKETS AND CONTRACTS



OBJECTIVES

This training program explains the fundamentals of different derivative instruments. Tools used in hedging and speculating strategies are reviewed, as well as ways in which these tools are used by both individual and institutional investors around the world.

The course covers futures pricing, and the various options positions, and explains the basic structure of plain vanilla swaps and how organizations use swaps to manage their risk. It ends with a discussion of how futures and options are traded and the use of margin.

COURSE OUTLINE

Introduction of Derivatives

Nature of Futures Contracts

Options Basic

Swaps

Exploiting selected derivative strategies in a down market

Derivatives disasters and what we can learn from them

UNDERSTANDING FINTECH



OBJECTIVES

This course is meant to equip participants to identify fintech companies, understand the dynamic between the innovations and regulations, understand the role of fintech companies in the evolution of the financial services industry, choices around integrating with other financial institutions, and employing best practices in developing fintech strategies.

COURSE OUTLINE

Fintech and Innovations

Prepare for the Fintech Disruption

Blockchain, Bitcoin & ICOs Understanding

Fintech Investing

Pillars of Innovation Management Strategy and execution

Digital Customer Experience and Fintech Best Practices

COURSE OUTLINE

Basics of Fundamental Analysis

Financial Statement Analysis and Financial Indicators

Industry Analysis

Equity Valuation Models

Comparative Valuation/ Relative Valuation Models

FUNDAMENTAL ANALYSIS IN SECURITIES VALUATION



OBJECTIVES

The Course aims at exposing the participants to the rudiments and intricacies of Fundamental Analysis in Securities Valuation. The program dwells on Quantitative and Qualitative Analysis in investment decision. The three levels of Fundamental Analysis: Economic Analysis, Industry Analysis, and Company Analysis will be discussed together with the subject of intrinsic value plus some of the downfall in using the Fundamental Analysis.

UNDERSTANDING SECURITIES LENDING



OBJECTIVES

The main object of this training is to expose staff of the Financial Institutions in Nigeria to the fundamentals of Securities and Investment and the dynamics of the Capital market.

During the training, participants are expected to have a clear understanding of the framework of specialized financial institutions that brings together suppliers and

users of capital and the arrangement through which buyers and sellers get together to effect the exchange of capital funds which promotes investment. They will know the mechanism which connects users and providers of medium to long term funds in the economy leading to investment.

At the end of the program, they will appreciate the link between investment and securities and Financial Services generally.

COURSE OUTLINE

Market Participants and Lenders of Securities

Why do People Borrow Securities?

Towards Creating Securities Lending Market in Nigeria [Market Mechanics]

Risks involved with Securities Lending

What is Securities Lending?

Collateral Management In Securities Lending

OBJECTIVES

The main object of this training is to expose staff of the Financial Institutions in Nigeria to the fundamentals of Securities and Investment and the dynamics of the Capital market.

During the training, participants are expected to have a clear understanding of the framework of specialized financial institutions that brings together suppliers and users of capital and the arrangement through which buyers and sellers get together to effect the exchange of capital funds which promotes investment. They will know the mechanism which connects users and providers of medium to long term funds in the economy leading to investment.

At the end of the program, they will appreciate the link between investment and securities and Financial Services generally.

COURSE OUTLINE

Practical Bond Trading & Key Technical Concepts in the Bond Markets

Key technical concepts in the Bond market

Risk Management

Primary Market Activities

Secondary Market Activities

Collateral Management In Securities Lending

BOND & OTHER FIXED INCOME MARKETS AND TRADING



FINTECH MASTERCLASS FOR REGULATORS



OBJECTIVES

This learning programme is intended for financial services regulatory oversight bodies who are seeking to develop skills and understanding of Fintech. Through this training, you will cover Fintech foundations and overview, Data Analytics, Regulatory Technology (RegTech), Fintech risk management and emerging disruptive technologies in Fintech innovation: implications to society, which will prepare you to become more confident and proficient in your ability to analyse and make decisions regarding how to react to these changes.

COURSE OUTLINE

Fintech and Innovation

*RegTech in the Financial Services Industry:
reshaping the risk and compliance function*

Risk Management

Big Data, Data analytics for Regulators

CIS CORPORATE PROFILE

The Chartered Institute of Stockbrokers ("CIS" or "the Institute") is an autonomous, statutory, and not-for-profit professional body established in 1990 and chartered by Act 105 of 1992. The Act vested on the Institute the statutory responsibility of determining the appropriate type of training, conducting the training and issuing the definitive certifications for persons practicing in the Securities and Investment profession (also and commonly referred to as Stockbroking) in Nigeria. Stockbroking covers all financial activities relating to the issuance of, and investment in securities, both long and short tenured. Prior to earning its charter status, the Institute was known and legally registered as the Nigerian Institute of Stockbrokers, a company limited by guarantee.

The Institute has maintained steady growth since inception, and its membership includes people from various professional groups, such as economists, academics, accountants, bankers, lawyers, medical doctors, engineers etc.

The principal activities of the Institute are: the conduct of examinations leading to qualifications as Securities and Investment professionals, organising Continuing Professional Development (CPD) courses for members to keep them abreast of global trends in the industry, and generally engaging in activities that will deepen capital market literacy in Nigeria. The Institute is also empowered to regulate the conduct of its members in the course of their businesses as capital market operators, and discipline erring members appropriately.

The affairs of CIS are superintended to by a Governing Council that is responsible for setting the institute's strategic direction as well as the formulation and approval of major policies in the interest of the Securities and Investment profession and the public at large. The Council consists of 27 members made up of elected, appointed and ex officio members, with the President as Chairman. The day to day running of the institute is handled by a management team led by the Registrar & Chief Executive.

VISION

To develop professional leaders.

MISSION

To promote and protect the interest of the Securities and Investment profession by upholding the highest standards of service and integrity.

VALUES

Professionalism

To achieve the highest level of professionalism attainable.

Member Focus

A commitment to satisfying our members at all time.

Quality of Service

Provision of qualitative, efficient, and timely service, and continuous improvement in what we do.

Integrity

Commitment to fairness, honesty and trustworthiness in our dealings:
Our word is our bond.

Accountability

To achieve the highest level of professionalism attainable.

Resourcesfulness


Proactive, innovative, and cost effective.

Transparency


Dealing always in a verifiable manner and in accordance with the rules.

Respect


Showing respect and dignity to our members, patrons and staff at all times, an promoting teamwork and inclusiveness.




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	Old	New
Exam 1	150,000	60,000
Exam 2	150,000	60,000
Student registration N85,000		




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