

# ARM CX

*June 2015*



# **Outline**

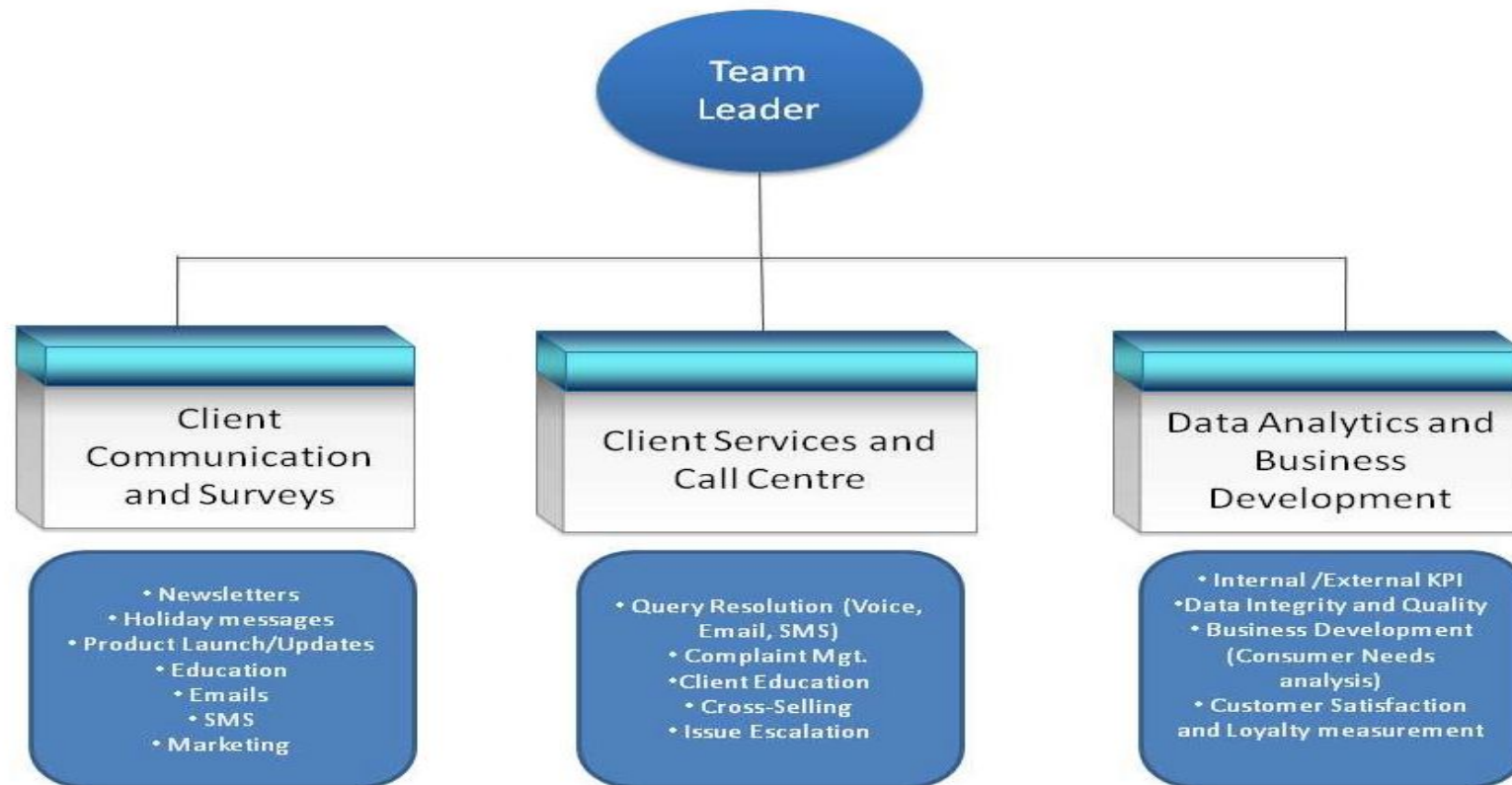
- 1. Introduction – CS ARM Functions**
- 2. Overview of the ARMI CX team**
- 3. ARM Mutual Funds**
  - a. The ARM Discovery Fund**
  - b. The ARM Aggressive Fund**
  - c. The Ethical Fund**
  - d. The ARM Money Market Fund**
- 4. ARM Securities**

# **INTRODUCTION**

# Our Core Functions

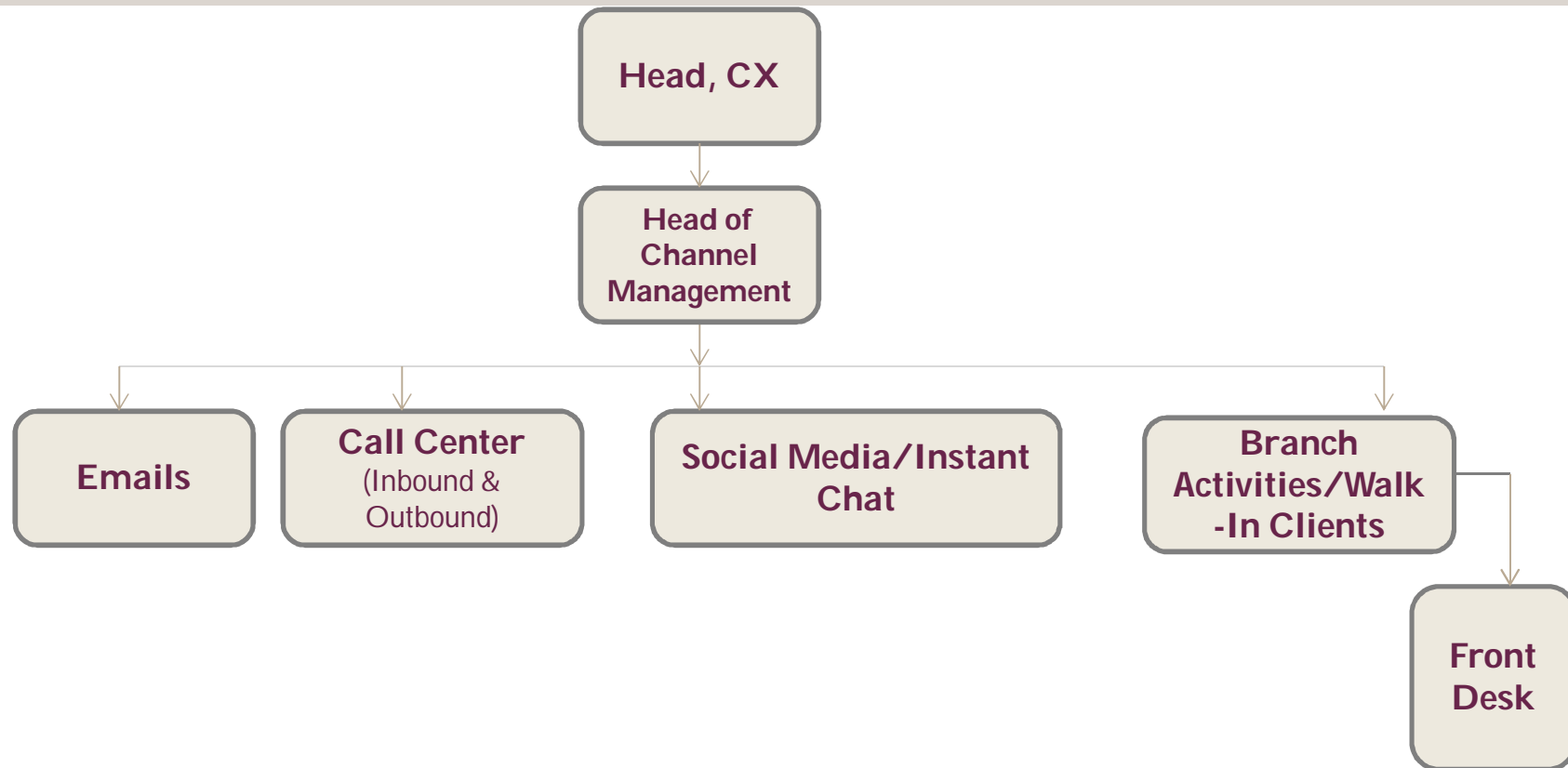
3 core functions at HQ/Call Centre with role champions

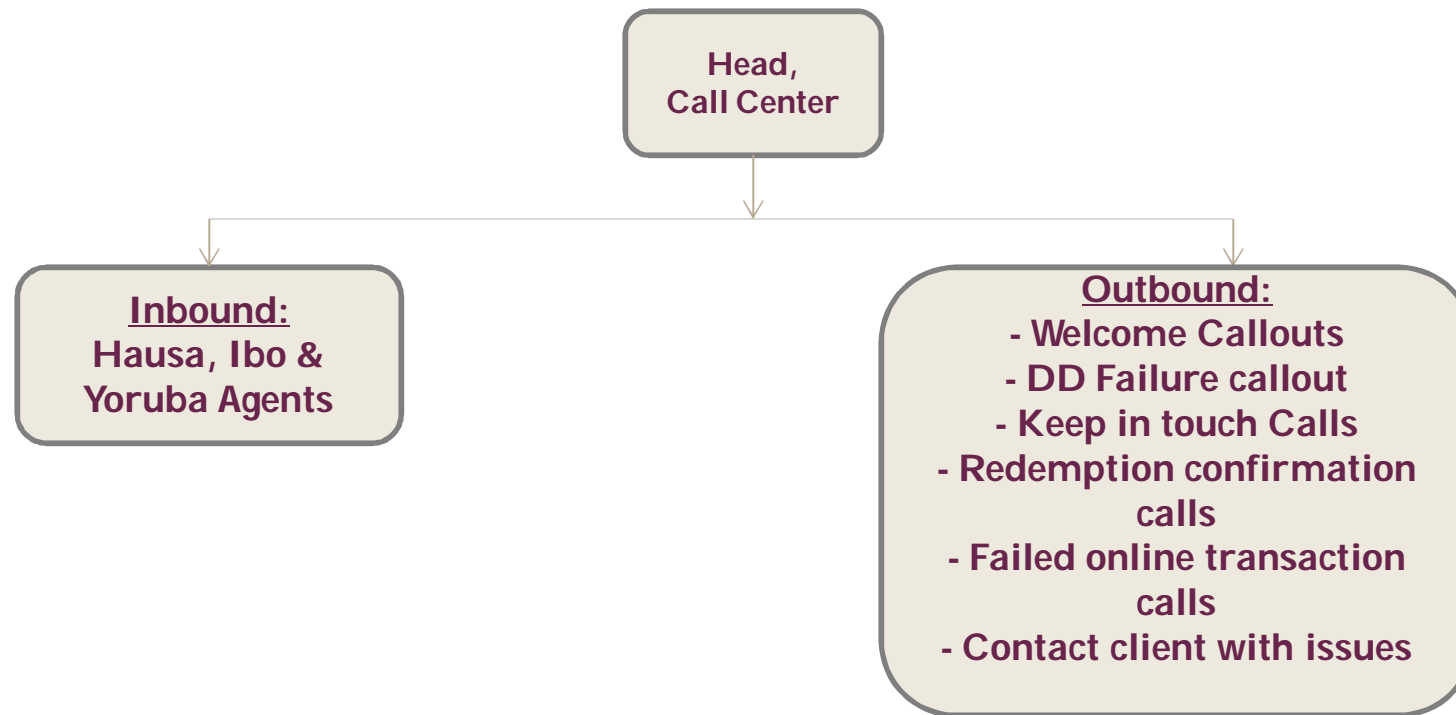
- Client Communication, Data Analytics , Client Services (distributed function run at all branches)



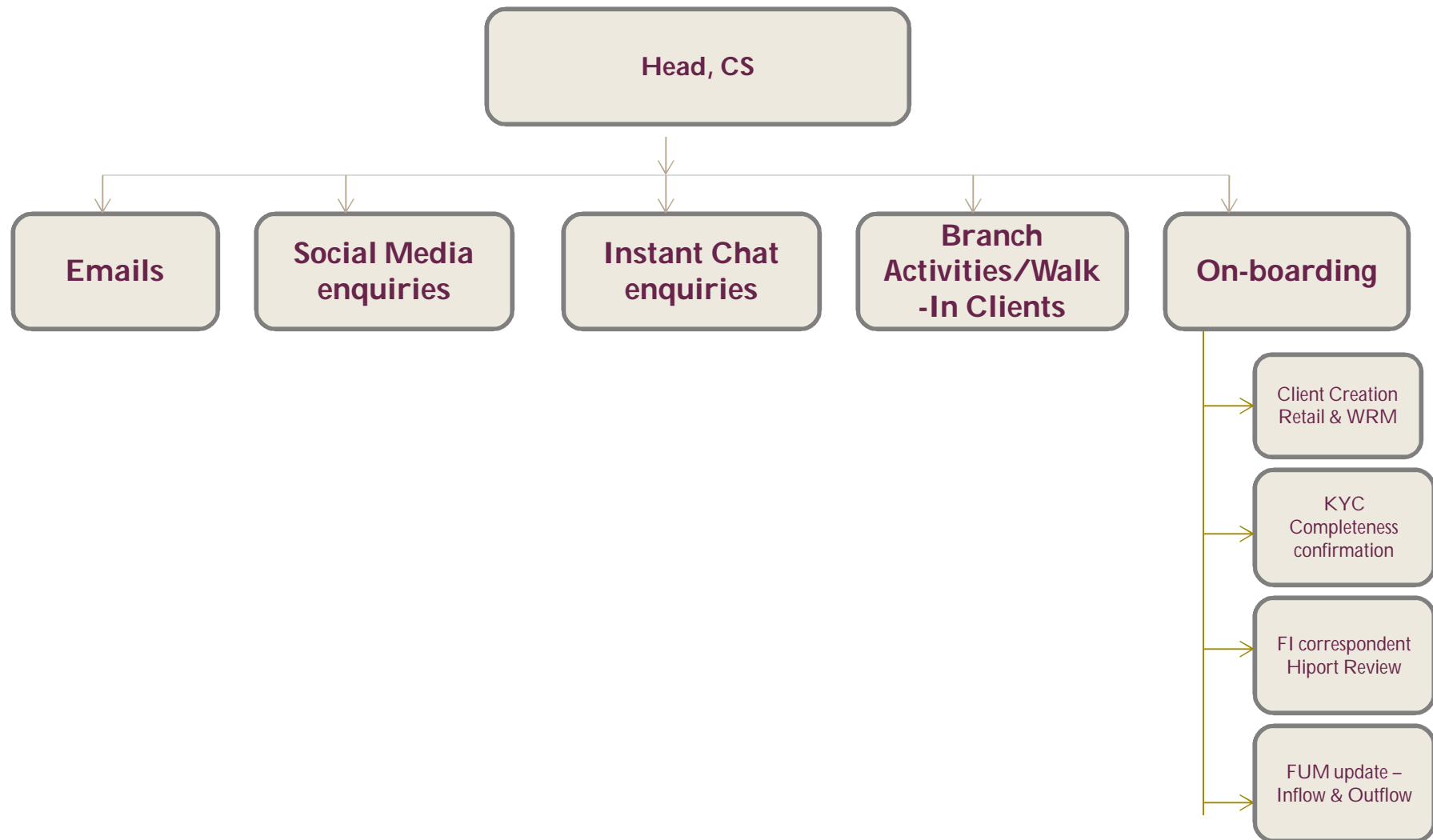


# ARM IC CX Unit Structure





# IC CS Unit Structure - branches



*\* Also acts as back up for all the roles anytime the need arises*

Mutual Funds are:

- a pool of funds from a number of investors who have, relatively, the same investment objectives;
- managed by professional fund managers
- invested in various investment vehicles such as equities, bonds, real estate, money market securities
  
- Allocation of funds to investment asset is at the discretion of the Fund Manager, who is guided by the fund's investment objective & risk profile
  
- Investors are allocated units in a fund, corresponding to the value of their investment
  
- Benefits of a mutual fund
  - Professional fund management
  - Diversification
  - Affordability



## **ARM MUTUAL FUNDS**

## ARM Discovery Fund

- Objective - to provide investors with capital growth in the long-term
- Moderate risk profile
- Listed on the Nigerian Stock Exchange
- Open ended Fund
- Has provided income through annual dividend payments
- Inception date: 1995
- Minimum investment: N10,000

## ARM Aggressive Growth Fund

- Objective: to generate high, real returns over the long term
- High risk profile
- Open ended (easy entry & exit)
- Inception date: January 2005
- Minimum investment: N50,000

## ARM Ethical Fund

- Objective: to generate high, real returns over the long term with strict compliance with moral and religious principle
- Open ended fund
- Diversification to spread risk
- Minimum Investment - N10,000.00

## ARM Money Market Fund

- Objective: to provide a steady stream of income to investors by investing in high quality, short term money market instruments and government securities
- Low risk profile
- Open ended (easy entry & exit)
- Inception date: June 2013
- Minimum investment: N5,000

## **MAKING PRODUCT RECOMMENDATIONS**

# Guide to Making Product Recommendations



An ARM financial advisor must understand the prospective client in the light of the following factors:

- 1. Financial life cycle stage.
- 2. Goals
- 3. Liquidity Needs
- 4. Investment Horizon
- 5. Risk Appetite.
- 6. Risk Management Needs

The products we sell must be in line with the above. i.e. *do not sell the aggressive growth fund to a client with a short term investment horizon or with a low risk appetite. The Money Market Fund will be more suitable for such a client.*

It is our responsibility to educate the client on each of the 5 factors listed above.



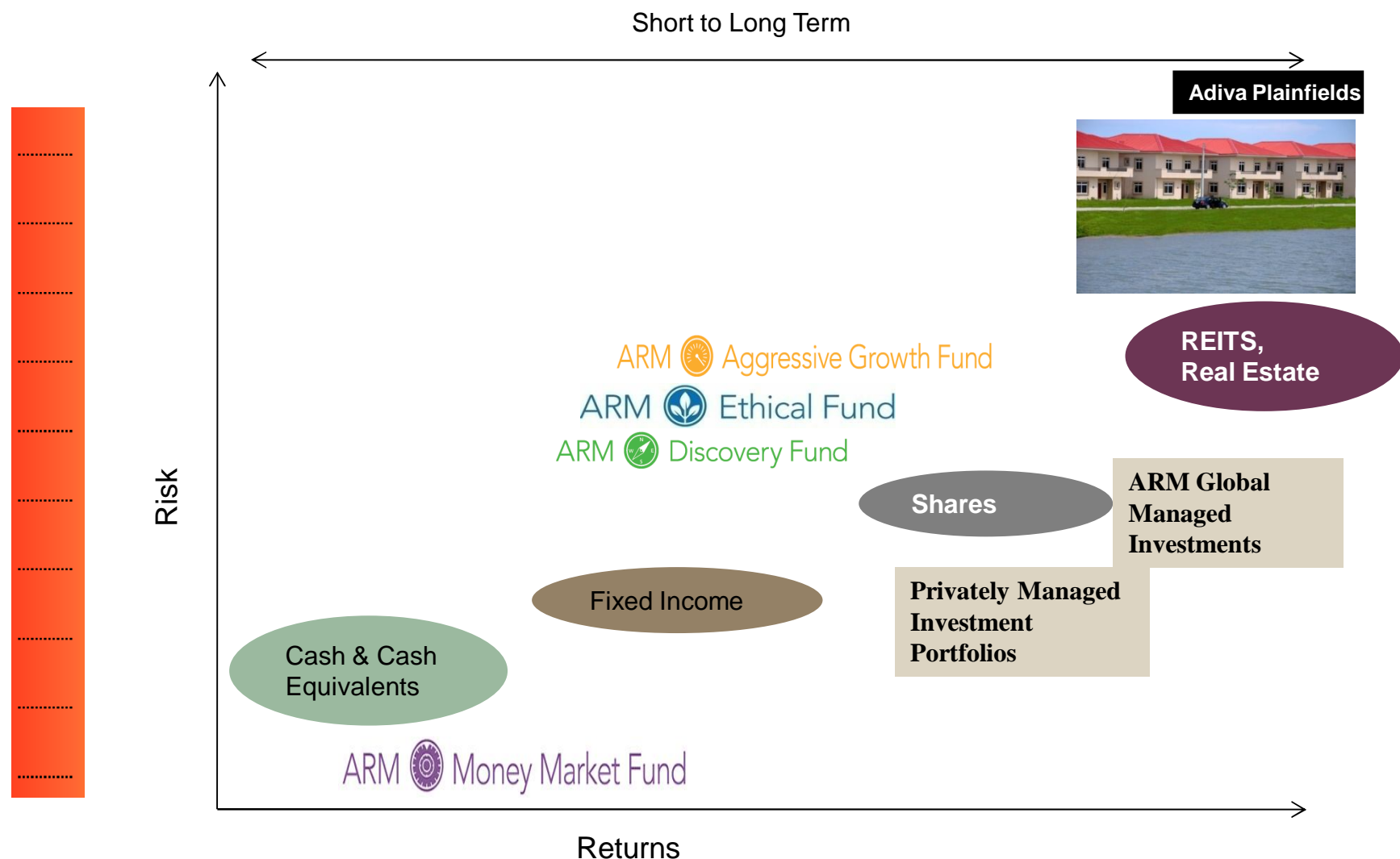
# Illustration: Financial Life Cycle and Needs Assessment ARM

Based on the financial life cycle, profile each of the client's below and determine if the statements in the shaded area are true or false.

## Example

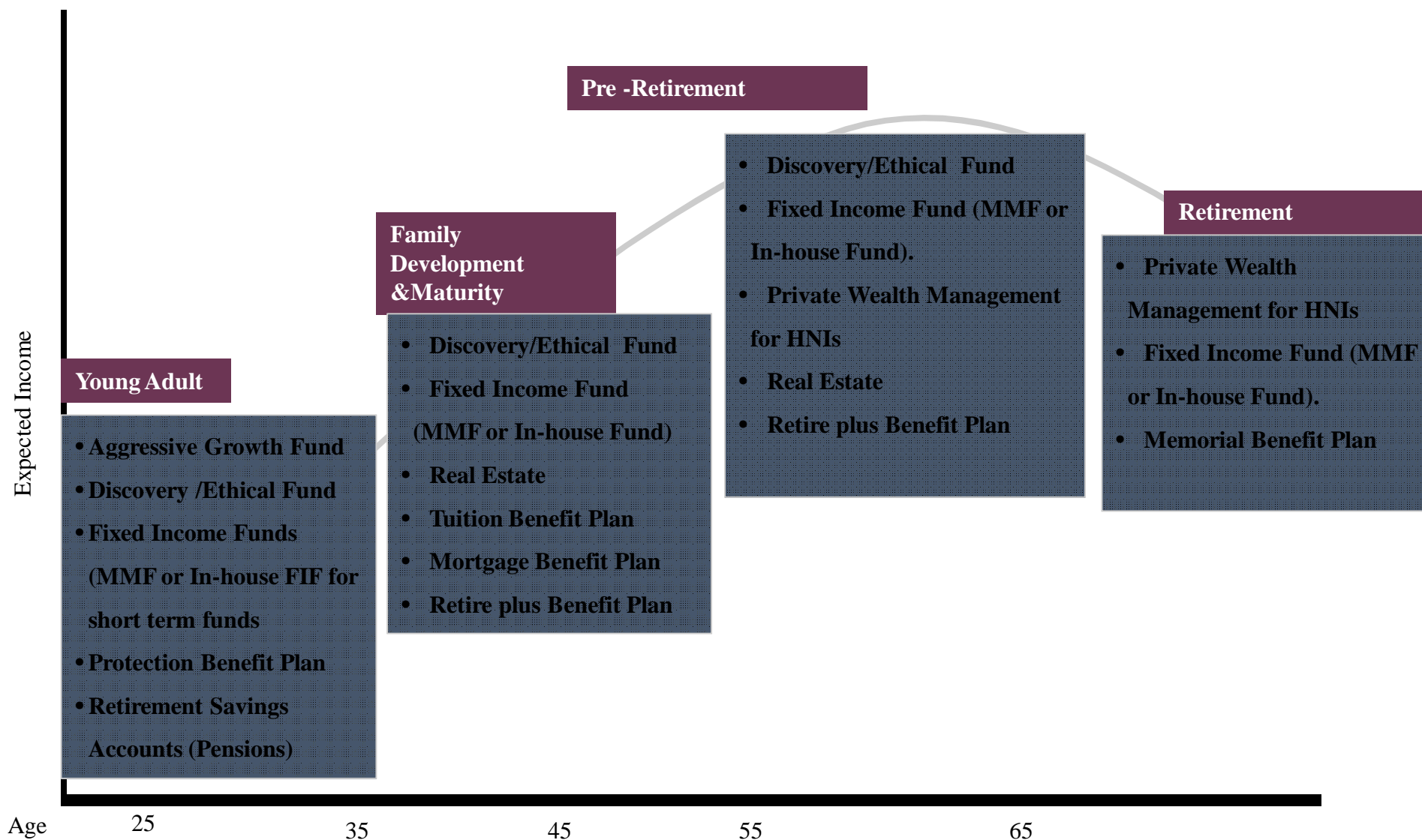
Scenario	Stage of Financial Life Cycle (True/False)	Investment Horizon (True/False)	Risk Ability (True/False)	Risk Management Needs
1. Eniola is 21 years old, She earns N150,000.00 per month. She has inherited N250,000 from her grand father and would like to invest this towards her retirement	<ul style="list-style-type: none"> <li>Young Adult <b>True</b></li> <li>Wealth Accumulation <b>True</b></li> </ul>	Short term. <b>False</b>  She is 21 and has roughly 44 years to retirement. Which is Long term	Low Risk . <b>False</b>  She is young with a steady job. She has the ability to take up more investment risk.	Income Protection incase of permanent disability <b>True</b>
Alhaji Sade is 70 Years. He is retired and has just received an over due retirement benefit of N1million	<ul style="list-style-type: none"> <li>Wealth Accumulation <b>False</b></li> <li>Middle Aged <b>False</b></li> </ul>	Long term. <b>False</b>	High. <b>False</b>	Minimize the cost of funeral expenses for his family in the event of unexpected death. <b>True</b>

# The Choice of Asset Classes Depends on Risk Appetite & Time...



*The products we sell/recommend to clients must align with their risk appetite, investment horizon and resource base*

# The Financial Life Cycle with Recommended ARM Retail Products



## **ARM SECURITIES**

## ✓ **Securities Trading**

Buying and selling of shares of quoted companies on the Nigerian Stock Exchange (NSE)

## ✓ **Certificate Dematerialization & Administration**

Share Certificates are converted to electronic forms before the units they represent could be traded. This process is called dematerialization. ARM Securities liaise with the various registrars to ensure smooth and timely dematerialization of all clients' certificates into their respective brokerage accounts.

## ✓ **Macroeconomic and Equity Research**

Provision of quality research to guide clients' investment decisions.

## ✓ **Financial Advisory Services**

Guidance on stock selection and overall investment activities.

## ✓ **Dividend Revalidation**

Revalidation is the extension of the validity period of a stale (not converted to cash within six months of issue) dividend warrant. ARM Securities liaises with the relevant registrars to revalidate dividend warrants on behalf of clients that were unable to cash their dividend warrants within the validity period.

## ✓ **Securities Transfer**

Transfer of existing securities from other brokerage firms.

## ✓ **Primary Market Distribution**

Provision of access to public offers and rights issues.

# Questions?

