FCMB ASSET MANAGEMENT

INVESTING 101

A BEGINNER'S GUIDE TO INVESTING WISELY





Introduction

We understand that Investing can feel confusing and overwhelming, especially when you're doing it alone. Learning the basics can help you understand your risk tolerance and opportunities, so you can make smarter, more confident investment decisions about your portfolio and put your money to work toward your financial goals.

Contents

Chapter One
What is Investment

Chapter Two
Discover your investor profile

Chapter Three
Set the right investment goal

Chapter Four
Picking your first Investment Vehicle

Chapter Five
The purpose of Diversification

Chapter Six
Getting Started: Opening Your FCMBAM Account

Chapter One

What Is Investing?



Investing is all about putting your money to work, so it multiplies over time. Instead of merely spending or stashing cash, you direct your money into assets (like funds) that can deliver returns. Simply put, it's about building wealth over time to pursue your financial goals.

Most people know they need to invest—retirement is coming, and you'll eventually need income beyond your paycheck. That pushes millions into quick schemes, Ponzi traps, they believe will pay off. But not every investor—or strategy—is built the same. Too many dive in without a roadmap.

You can begin by answering a few basic questions: What do you want to achieve by investing? Are you looking to build long-term wealth? How many years do you have to pursue your goals? Are you looking to save for a future expense, or just to generate passive income, or just to accumulate for retirement?

Chapter Two

Discover your Investor profile



Everyone approaches investing in their own way. As a smart investor, you need to discover your ability and willingness to take risks. In doing so, you'll likely recognize yourself in one of these three styles. Understanding yours makes it easier to follow a plan—no matter what happens around you.

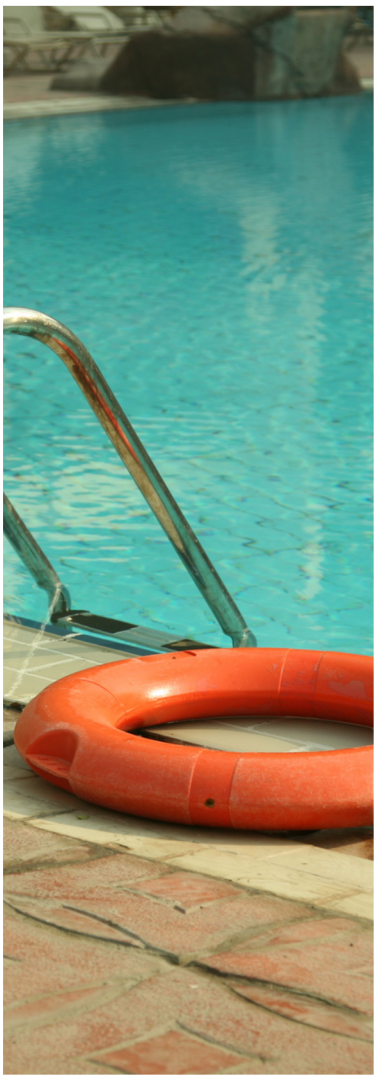


Adventure Investors

You love the thrill—like trying the newest gadget on day one. You're fine with big ups and downs if there's a chance for a big payoff.

Tips for Adventure Investors

1. Set clear limits. Decide ahead of time how much you're willing to risk, and don't exceed that amount.
2. Stick to a trusted plan. Find a reliable guide—an adviser or a straightforward fund—and follow their step-by-step approach.
3. Keep a "play pot." Reserve a small portion just for your high risk investment. If it grows past your comfort zone, Move the excess back into lower-volatility options—like our Legacy Money Market Fund or Legacy USD Bond Fund—to lock in gains and keep your overall risk in check.

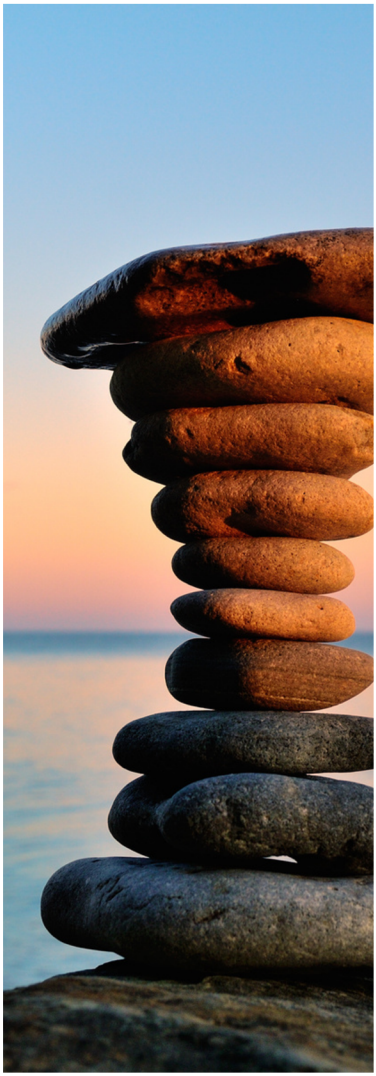


Careful Saver

You worry about losses - You're the type who double-checks the front door lock before bedtime—you'd rather keep your money in a safe spot than roll the dice on big swings.

Tips for Careful Savers

1. Balance safety and growth. Your caution is a strength, but too much can leave your money barely keeping up with rising costs.
2. Avoid constant checking. Peeking at your balances every day adds stress. A quick look once a week keeps you informed without the anxiety.
3. Pick low-risk options. Consider straightforward choices like money-market funds, government bond funds, or balanced funds designed to smooth out big ups and downs.



Steady Builder

You believe in small, regular steps—like taking a short walk every morning. Consistency is your secret weapon.

Tips for Steady Builders

1. Automate your savings. Set up auto-invest or direct debits so you invest before you ever see the cash.
2. Blend safety with growth. Mix stable vehicles (like bond funds or money-market plans) with growth-oriented funds so you don't feel the urge to tinker every month.
3. Celebrate milestones. Review your progress quarterly, reward yourself for hitting targets, and then set new ones. Your habit of showing up is itself a win.

Chapter Three

Setting the Right Investment Goals

- Define Your "Why"

Pin down exactly what you're investing for—retirement, your child's education, that dream home. When you know your destination, you can plot the clearest route.

- Set a Timeframe

Break your journey into short, medium, and long-term goals. Need the money in 2 years? That's a different strategy than money you won't touch for 20 years.

- Quantify Your Targets

Give yourself clear numbers: "I want ₦5 million in five years" beats "I want more money someday" every time—specifics fuel discipline.

- Match Your Risk to Your Goal

If your target is just around the corner, opt for lower-volatility assets. If you have time to ride out ups and downs, you can afford a bit more risk for higher potential returns

- Review and Adjust Regularly

Life changes—and so will your goals. Schedule a quarterly check-in to see if you're on track, and tweak as needed. Markets wobble; your plan shouldn't.

Chapter Four

Picking your First Investment Vehicles



Picture the investment world as an all-you-can-eat buffet that never closes. Anyone can walk in, grab a seat, and choose from many options. There's something for every appetite—from simple, familiar choices to more specialised, acquired tastes.

Most Popular Investment Choices

The next page will guide you through a quick look at the four options most people turn to: stocks, bonds, mutual funds, and exchange-traded funds (ETFs).

Stocks

Owning a share of common stock means you own a small piece of a company. Investors purchase them in hopes that their value increases over time. Stock prices jump around—sometimes wildly—based on how investors perceive the company, the overall market, or the economy. Since shares trade continuously during market hours, you'll see prices change by the hour (or even the minute). Be prepared for ups and downs.



Bonds

Buying a bond is like lending money to a company or government. In return, you receive interest payments twice a year, and a repayment of the principal at a later date, but you don't own part of the issuer. Bond price tend to be less volatile than stocks.,



Mutual Funds

Mutual funds pool cash from lots of people to buy a diverse mix of stocks, bonds, or other assets. A professional manager handles the buying and selling, charging a small fee for their service. It's a simple way to get broad market exposure without picking individual securities yourself.



Exchange-Traded Funds (ETFs)

Exchange-Traded Funds (ETFs) are like individual stocks on an exchange, mostly passively managed, which means they aim to track the performance of a benchmark index. Unlike mutual funds,

ETFs can be bought on an Exchange at their trading market prices. Together, these four choices cover the spectrum from very cautious (bonds) to more aggressive (stocks). If you'd rather keep things straightforward, mixing these can give you a balanced portfolio. For those ready to explore further, there are other asset types to consider—more on those later.

Visit https://fcmbassetmanagement.com/index/ for more information



Chapter Five

The purpose of diversification



What is Diversification?
Diversification means finding the right mix of investments (discussed earlier), some that can grow over time and others that protect your portfolio during market downturns. For example, combining just two asset classes, stocks and bonds can already improve your investment's efficiency. Also, adding more types of assets beyond these two may lower your risk further while aiming for the same return.

Diversification is:

- Investing in different types of assets that serve unique purposes or benefit from different sources of returns.
- A strategy to increase potential returns for the same level of risk, or to reduce risk while maintaining the same level of return.



Diversification is NOT

Diversification is not a guarantee that your investments will always go up in value.

Why Diversification Matters

Diversification helps you get better returns for a given level of risk. By including a wider range of asset classes in your portfolio, you may be able to reduce risk without giving up return potential.



Getting Started: Open Your FCMB Asset Management Account

Start your investment journey today and empower your financial future with FCMB Asset Management.
Prepare Documents
– Valid ID (Passport, Driver's License, or National ID)
– Recent utility bill or bank statement
– A clear passport photograph

Register Online
– Go to https://apps.fcmbassetmanagement.com/FE-Onboarding/register
– Fill in your details and upload documents

Link & Fund
– Connect your bank account (BVN-linked)
– Deposit the minimum based on the fund
– Enable direct debit on payday to keep contributing

Having a plan and professional advice can help. Working with a Financial Advisor can help keep you focused on your long-term goals, taking emotions out of the equation.

When you work with a financial advisor like us, you get the best of both world:, the freedom to make your own investment choices with the guidance of a professional who understands and cares about your goals

Conclusion

That's it—your money is now working for you!

Past performance is not an indication of future performance. Please read the Prospectus and, where in doubt, consult your stockbroker, fund/portfolio manager, accountant, banker, solicitor or any other professional adviser for guidance before subscribing.



@fcmbassetmgt

5th Floor, First City Plaza,
44 Marina, Lagos State, Nigeria. P.O.Box 9117