

BUILDING WEALTH

Ebere Egenti, August 2023



Agenda

Why build Wealth

Understanding me

Wealth Framework

Financial Fitness Model

Defining Goals





What is Wealth?

- An abundance of valuable possessions?
Peace of mind? Safety and security
- Major differentiator of wealth is TIME

Why build Wealth?

1. It is my responsibility to leave a legacy behind
2. Be fruitful and multiply –Gen 1;28
3. Touch lives – Be your brothers' keeper Matt 37-40
4. Add value and don't be a wasted space
5. Live and Enjoy!

Understanding me.....Create the Financial you!

1. What is important to me?
2. What level of risk can I take?
3. What are my goals?
4. How do I rank my goals?
5. What results do I want to see?



Wealth Framework.....

1

CREATE & BUILD How you create Wealth

- How are you currently earning money?
- What are your career goals?
- What are your personal development plans?

2

LIVE & ENJOY How you spend

- What are your lifestyle and family goals?
- Do you have a budget for your monthly expenses?
- What is your debt profile like?

3

SAVE & INVEST How you add value to your wealth

- How much have you saved?
- What loan do you have as against liabilities?
- Have you diversified your investment?

4

SHARE & INVEST Leaving a foot print

- Are there causes you are passionate about?
- What are your passive and alternative investment interests?
- Leave a footprint and make an impact?

5

PLAN & PROTECT How to protect your Wealth

- Are your loved ones catered for in your absence?
- Are you protected in the case of unforeseen life events?
- Are your assets protected?



FINANCIAL FITNESS MODEL

Create & Build

- Retirement Planning
- Self assessment of finances
- Budget & Financial planning
- Saving & Investment decisions

01



Financial Wellness Session emphasizing:

- Retirement planning
- Self assessment of finances
- Budget & Financial planning
- Saving & Investment decisions
- Legacy & Transfer of wealth
- Family & Asset protection

02



Save & Invest

- Mutual Funds
- Start the investing culture early
- 100% in Money market securities
- N5,000 initial investment
- 30 days minimum holding period
- Dollar Fund
- Eurobond
- CPs
- FDs

03



Share & Legacy

- Estate Planning
- Comprehensive & simple Wills
- Living Trust
- Education Trust
- Plan & protect via Insurance
- Retirement Annuity

Live and Enjoy

- Mortgage solutions
- Smart loans
- Credit and debit cards
- Lifestyle offerings at a discount
- Transactions solutions

04



User Story (Effect of inflation on your money)

S/N	2019	2023	%age
A	N100,000.000	172,800,000	72%
B	USD365.37	786	>100%
C	N100,000,000 *10%	133,300,000	33%
D	USD273695.17	N215,124,394	>100%
E	USD273695.17*7.5%	USD335,276.58	22.5% growth
Assumptions			
A	Effect of time value of money	The Financial Fitness Session helps you to identify opportunities to grow your Wealth	
B	Exchange rate USD/NGN		
C	investment at 10% p.a compoundedg		
D	Converted to USD		
E	coupons earned \$61,581.41 (excluding face value of investments)		

The How?

1. Create your Goal table & update frequently
2. Match your goal table against your income
3. Understand Investment types & run with it

Goals	Wants	Needs	Splurge	Passion
Short term goals	Wristwatch, bag, etc	Food, School fees	Weekend get away	Learn pottery, s
Mid term goals	Phone,	Wedding, Rent	Vacation abroad	Golfing, Polo
Long term goals	Car	House	Shopping spree, Party etc	Create a foundation
Longer term goals	Buy a House, boat	Trust funds for children & wealth transfer, property abroad		

Tenured Investments	Definitions	Risk Type	Tenor/Yield	Types
Short term Investment	Money market investments of high quality and low risk	100% Capital preservative (low risk)	Usually within one year, mostly decent yield	Fixed Dep, Mutual funds, CPs, Eurobonds, etc
Mid term goals	Longer tenured and moderate risk	Maybe 100% -75% capital preservative (Moderate risk)	1-3 yrs and higher yield	Eurobonds, Bonds, Stocks
Long term goals	Investments that can span over a decade with	Risk may vary but very high returns	Above 3 years and Yield is very high	Equities, Real Estate, Stocks, Precious stones(Gold) Eurobonds etc

Defining Goals.....Investment Philosophy



Life stage of investor is very important,

- The Beginner (Young & early) – Safety & security, low risk and capital preservative
- Experienced (middle age 30 & above) – Diversification of investment types across different risks & currency, onshore and offshore investments, build wealth across the Globe
- The Matured (55 and above) – winding down on risk appetite, still diversifying but more medium risk-based Assets, setting up for the future
- Senior Citizens- Wealth transfer

Income to debt service ratio?

	Questions	Response
1	Should I borrow?	Yes, there is nothing wrong with borrowing subject to having steady income
2	Does borrowing increase my Assets/net worth	Absolutely, only where you have identified an opportunity to grow wealth
3	What percentage should be used to service my loan	35% of income (could be higher)
4	Am I better off saving towards my project?	It depends- Weigh the opportunity, time value of money and ROE on the opportunity vs interest rate on it
5	How best can I win with loans?	Create a schedule to part liquidate whenever you have free cash, that erodes cumulative interest cost.





Summary

1. LET YOUR MONEY WORK FOR YOU
2. CREATE MULTIPLE STREAMS OF INCOME
3. SECURE THE FUTURE TODAY
4. BUILD A SOLID LEGACY!
5. KEEP MOVING, NO AMOUNT IS TOO LITTLE

Thank You

Ebere Egenti

