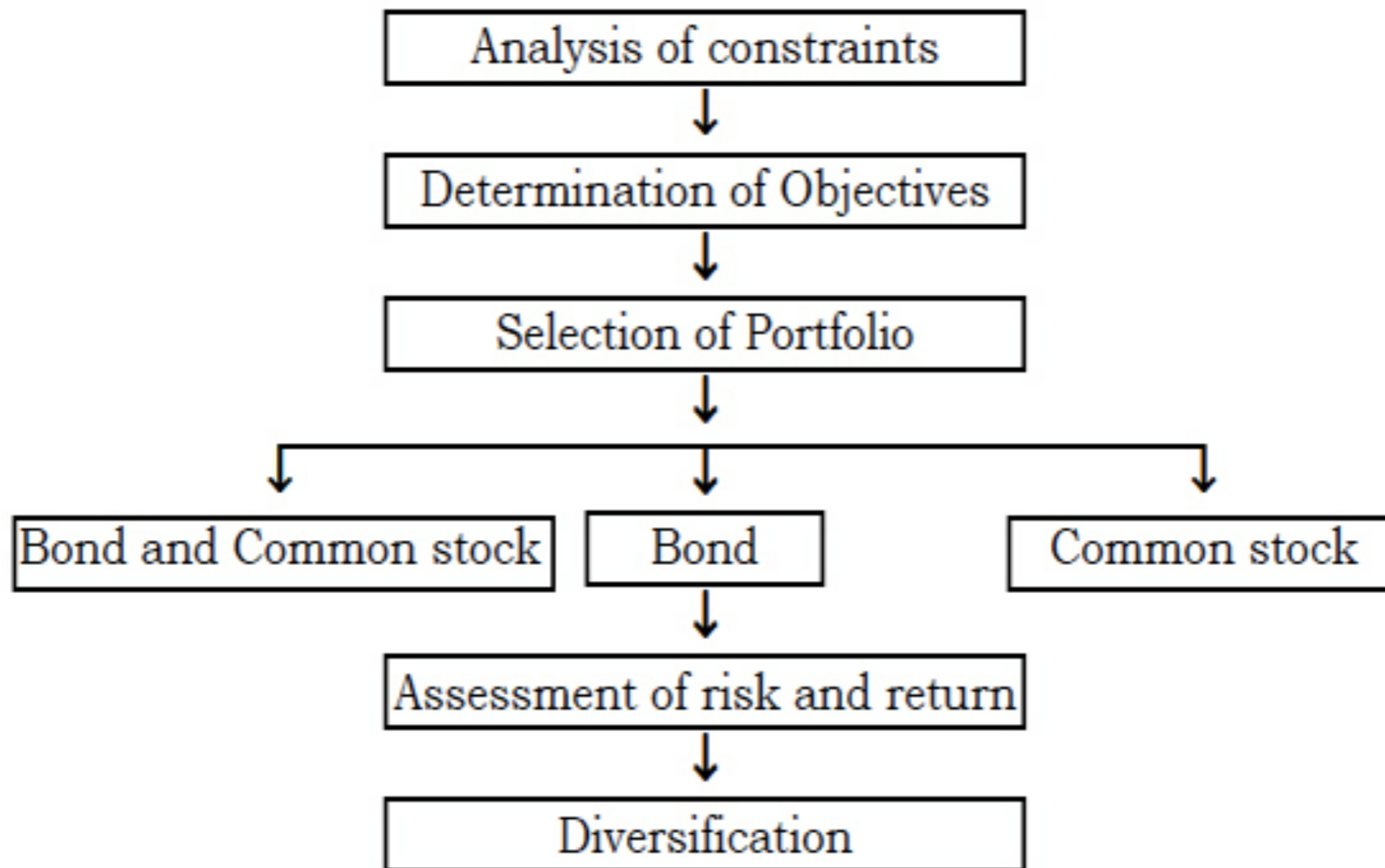


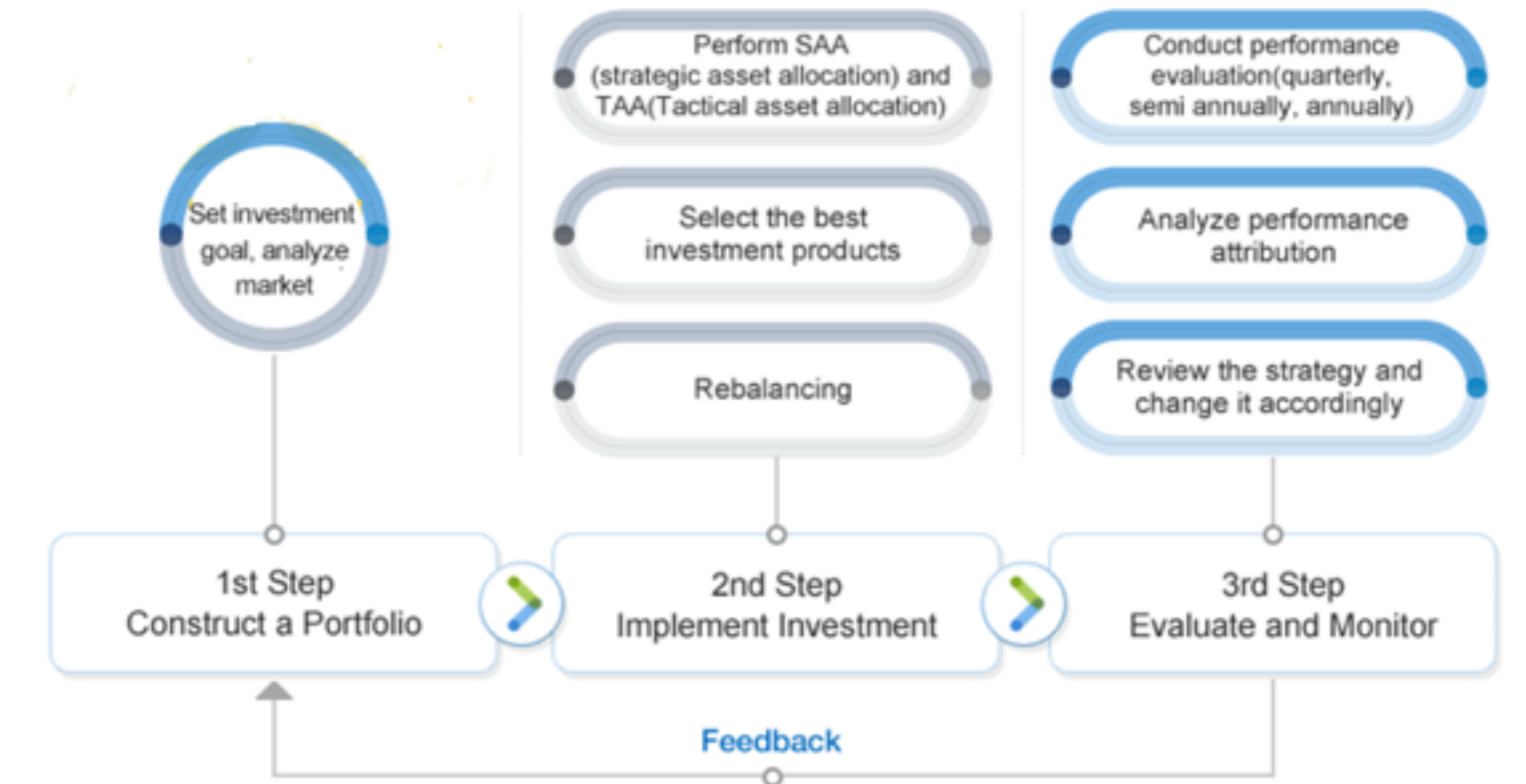
EFFECTIVE DIVERSIFICATION: THE EQUITIES ASSET CLASS

Samuel Gichohi | Head of Business Development

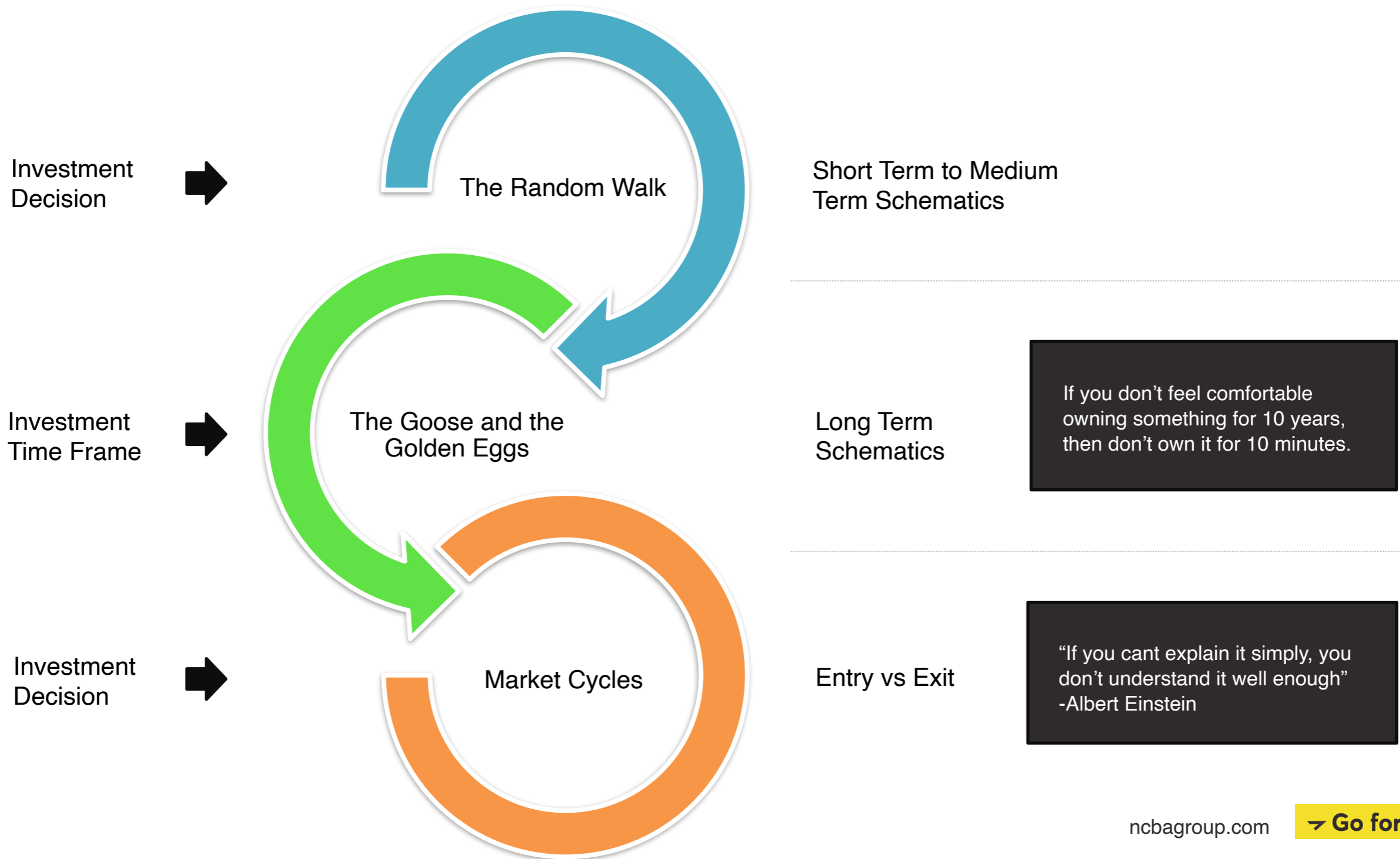
Diversification Strategy



Performance is Tied to Relationship



Investment Decisions



ncbagroup.com

→ **Go for it**

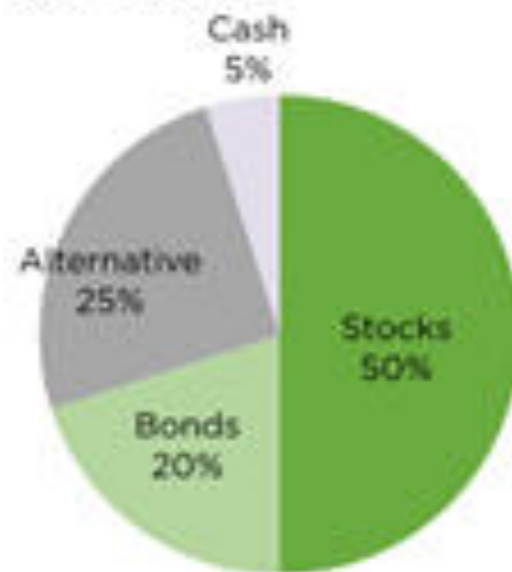
NCBA Investment Bank is regulated by Capital Markets Authority

Portfolio Asset Allocation: Market Cycle

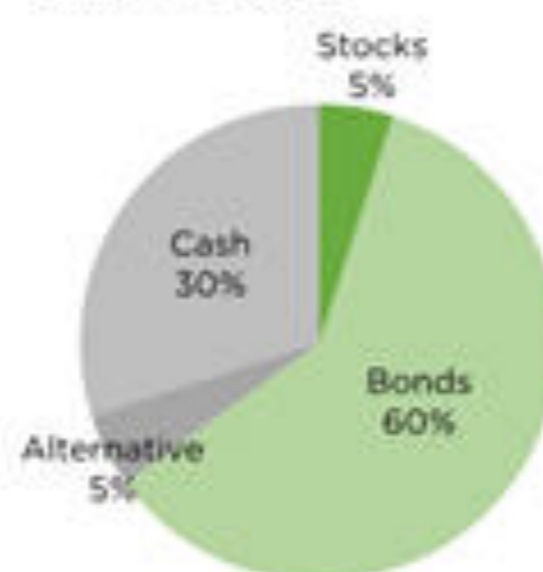


Market Allocations

Bull Market



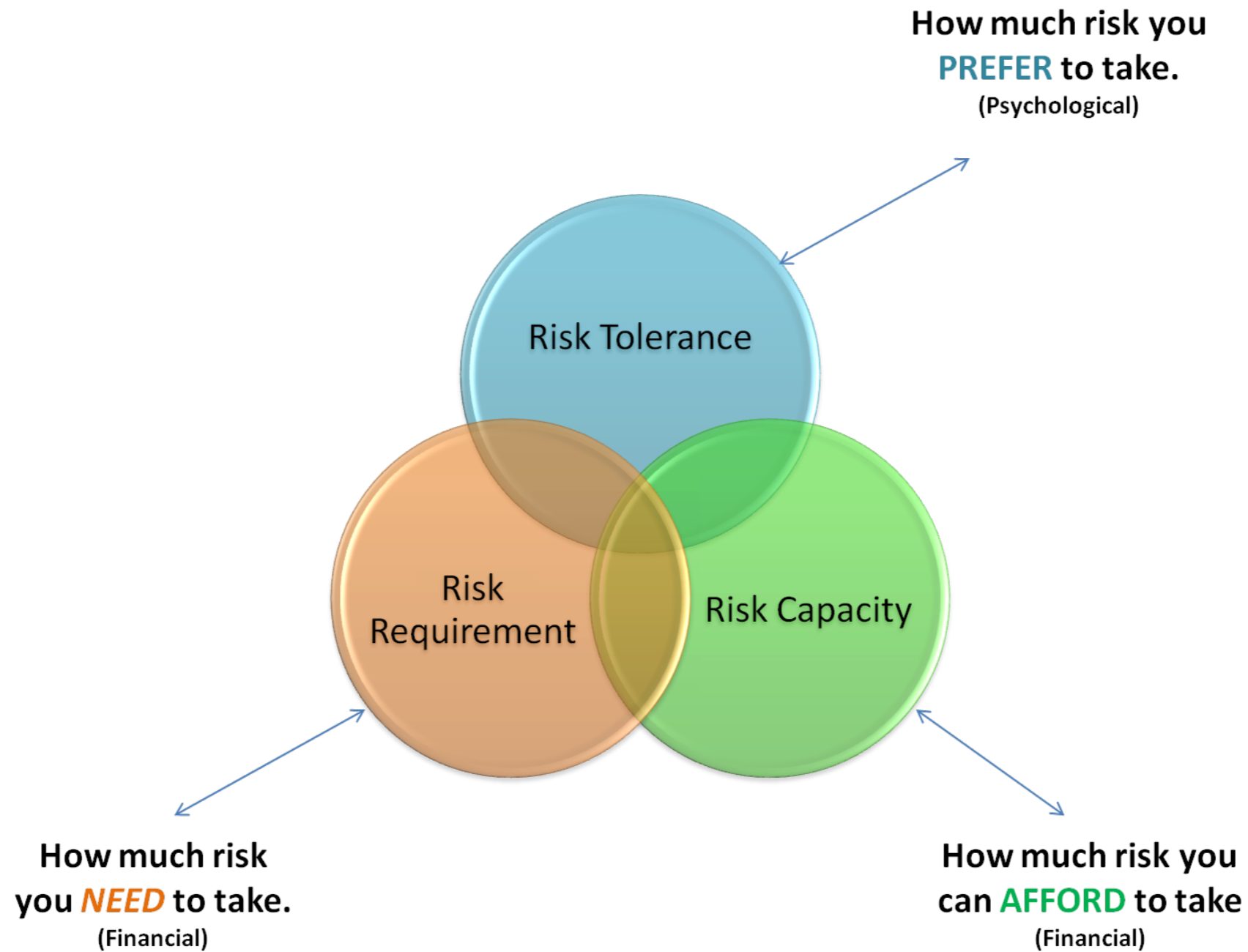
Bear Market



Transitional Market



Risk Tolerance Determinants



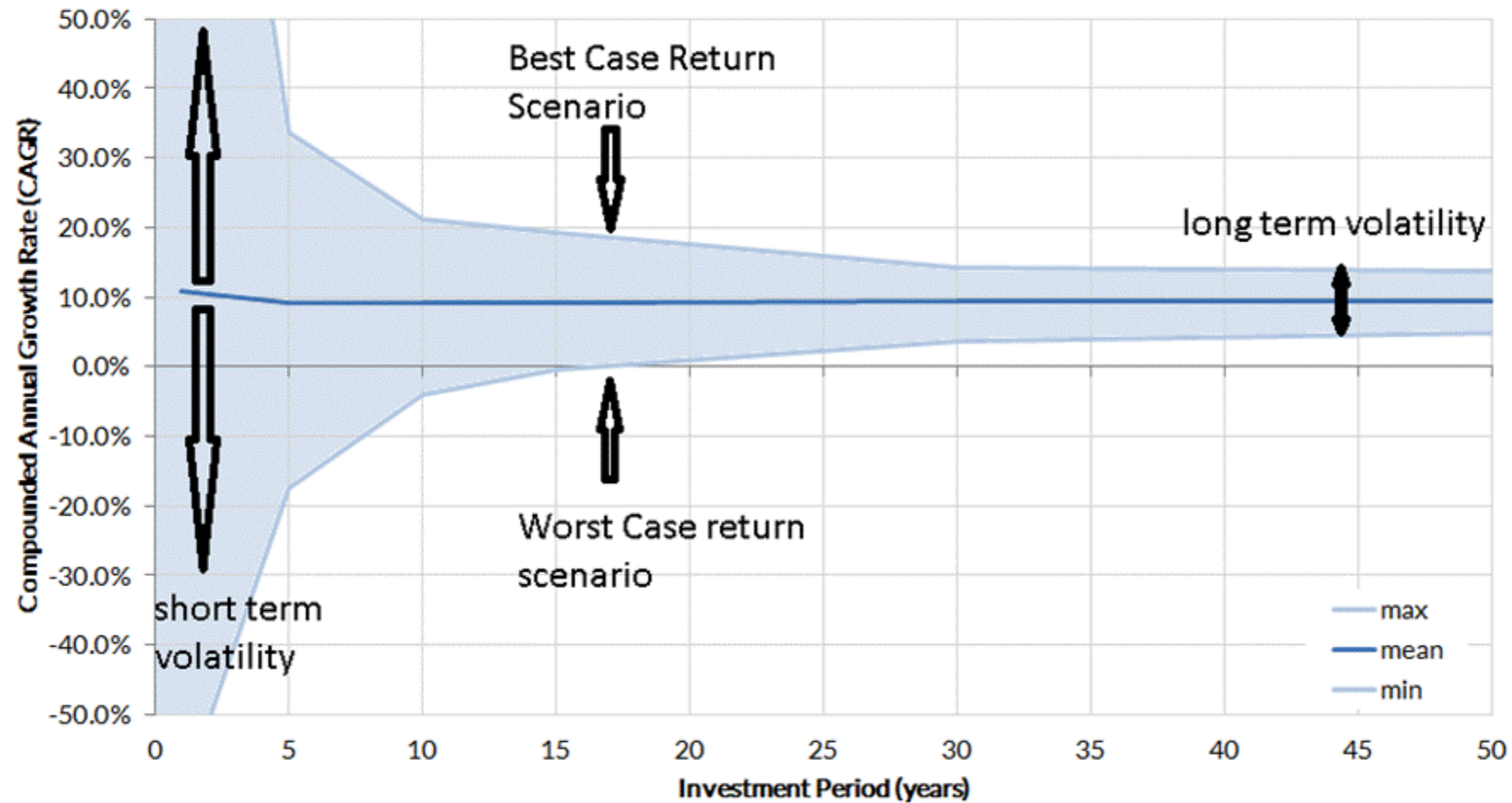
Risk Tolerance & Asset Allocation



- Calculate your portfolio's current split across stocks, bonds, cash investments and alternative investments.
- See if any individual stock positions account for more than 5% of your stock portfolio's value.
- Monitor transaction costs and tax expenses since they eat into your RETURN ON INVESTMENT.
- Never Invest in a business or asset that you do not understand.
- Use your RISK PROFILE to identify appropriate asset mix.

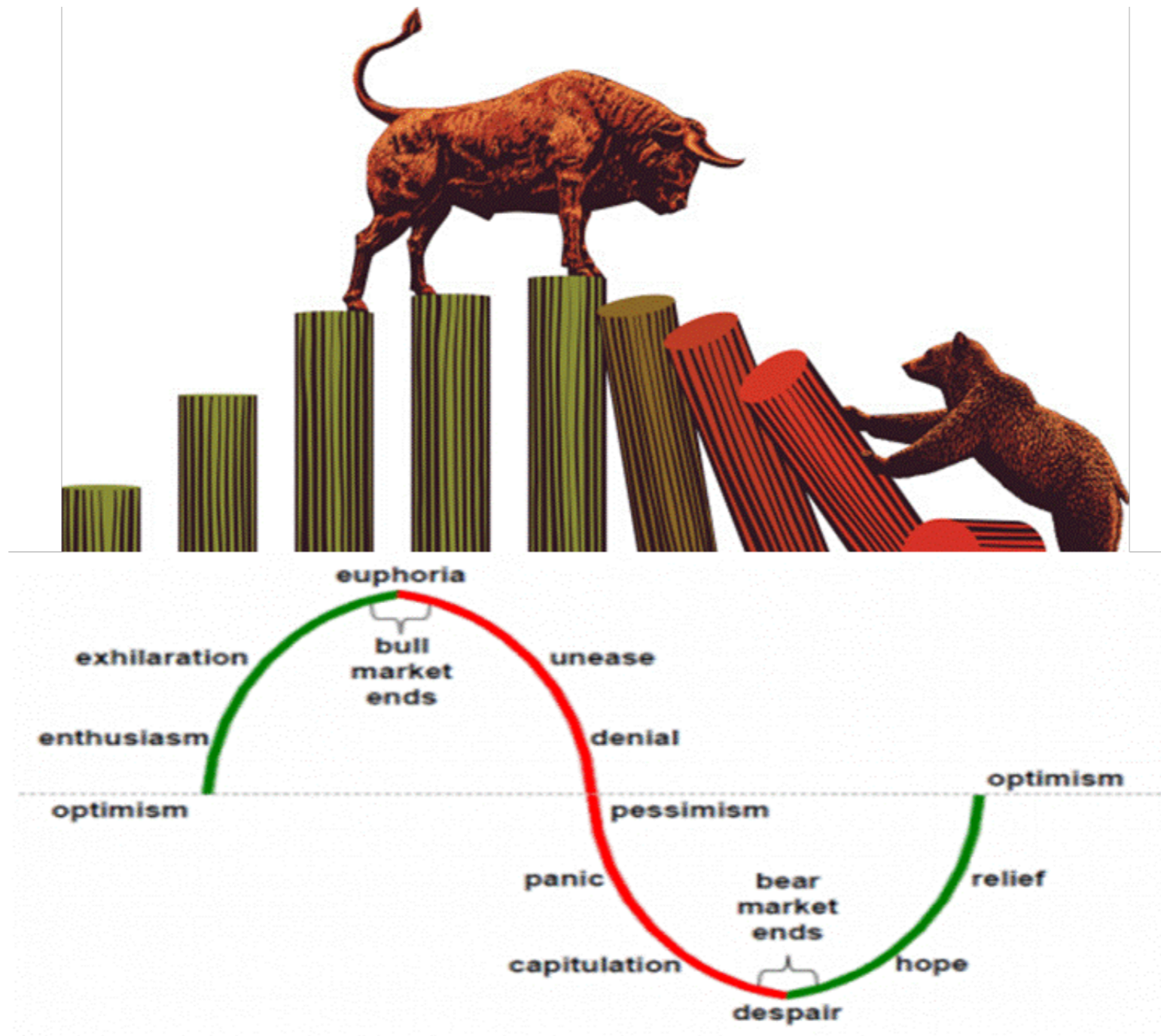


Time Horizon



- Give your investment time to “COOK”
- Time horizon is an important factor in investment decision.

Buy Low / Sell High



agroup.com

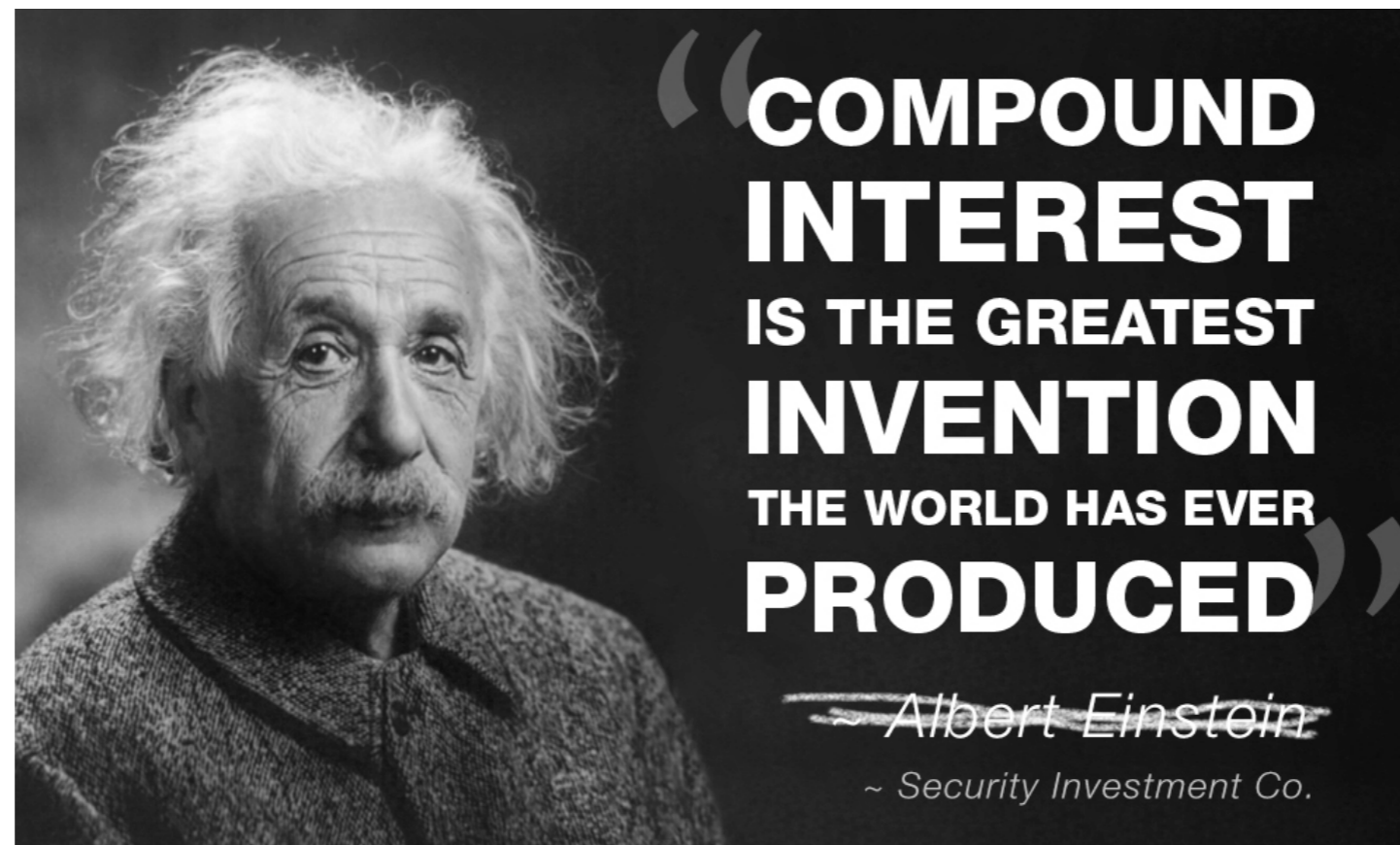
→ Go for it

NCBA Investment Bank is regulated by Capital Markets Authority

The Power of Compounding



Compound interest is such a powerful yet neglected idea, that Albert Einstein famously called it "the eighth wonder of the world. He who understands it, earns it ... he who doesn't ... pays it." Buffett bought his first stock at 11, but has earned 99 percent of his wealth since his 50th birthday.



ncbagroup.com

→ Go for it

NCBA Investment Bank is regulated by Capital Markets Authority

The Power of Compounding



| Safaricom | | | | | | |
|---|------|-----------|---------------|--------------|---------------|------------|
| Year | Rate | Payment | Price | No of Shares | Dividend | New shares |
| 2009 | 0.10 | 1-Apr-09 | 2.85 | 1,000.00 | 100.00 | 35.09 |
| 2010 | 0.20 | 2-Sep-10 | 4.45 | 1,035.09 | 207.02 | 46.52 |
| 2011 | 0.20 | 11-Sep-11 | 3.00 | 1,081.61 | 216.32 | 72.11 |
| 2012 | 0.22 | 11-Dec-12 | 5.05 | 1,153.72 | 253.82 | 50.26 |
| 2013 | 0.31 | 11-Dec-13 | 10.85 | 1,203.98 | 373.23 | 34.40 |
| 2014 | 0.47 | 23-Sep-14 | 12.00 | 1,238.38 | 582.04 | 48.50 |
| 2015 | 0.64 | 30-Oct-15 | 15.55 | 1,286.88 | 823.60 | 52.96 |
| 2016 | 0.76 | 3-Oct-16 | 19.85 | 1,339.84 | 1,018.28 | 51.30 |
| 2016 | 0.68 | 3-Nov-16 | 19.90 | 1,391.14 | 945.98 | 47.54 |
| 2017 | 0.97 | 19-Oct-17 | 27.50 | 1,438.68 | 1,395.52 | 50.75 |
| 2018 | 1.10 | 28-Sep-18 | 28.20 | 1,489.43 | 1,638.37 | 58.10 |
| 2019 | 1.25 | 30-Sep-19 | 29.75 | 1,547.52 | 1,934.40 | 65.02 |
| 2019 | 0.62 | 30-Sep-19 | 29.75 | 1,612.55 | 999.78 | 33.61 |
| CAGR (Compounded Annual growth Rate) | | | 19.77% | 3.74% | 19.38% | |

"My wealth has come from a combination of living in America, some lucky genes, and compound interest." – Warren Buffett

Portfolio Asset Allocation: **Wisdom**





THANK YOU!



ncbagroup.com

→ Go for it

NCBA Investment Bank is regulated by Capital Markets Authority