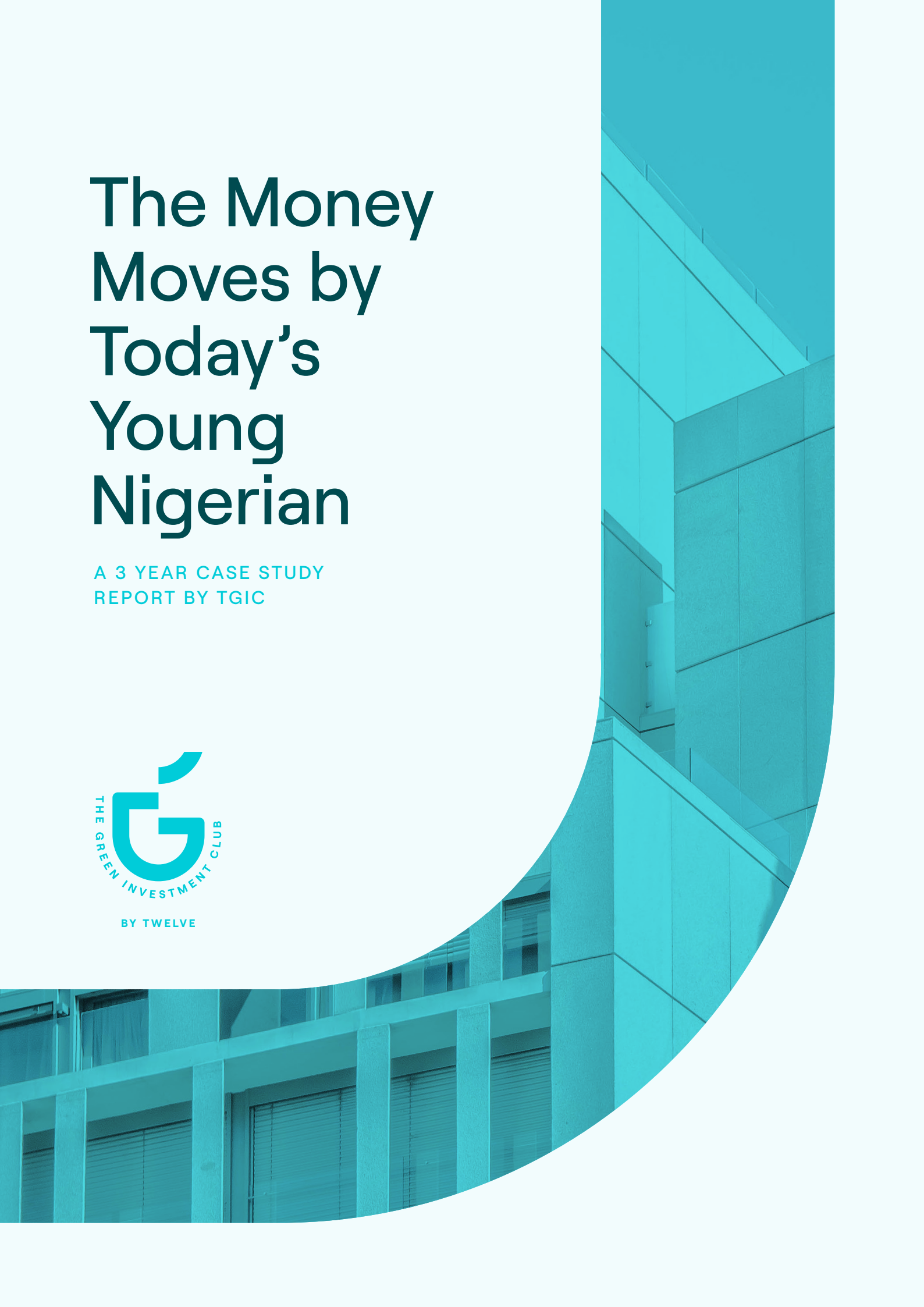


The Money Moves by Today's Young Nigerian

A 3 YEAR CASE STUDY
REPORT BY TGIC



BY TWELVE





...we work to bridge
the gap in financial
literacy among the
youth in Nigeria
through our products;
a community-based
investment club,
online courses,
webinars, campus
tours and a fintech
platform



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Letter from the Founder



Tomie Balogun

It all began with a simple mission

3 years ago, I decided to get serious with my personal finances and get started investing. Over time, my passion to understand the investment space in Nigeria evolved into building the TGIC community. I'm grateful for the 1,700+ members that joined me on this journey and together, we showcase what is possible when millennials are financially educated.

In 3 years, TGIC has grown into an online community for millennial investors excited to discuss investment opportunities with friends and new connections and take action all in one place. We have seen members tidy up their personal finance, make investment a bill, pay-off high interest debt, take flexible time off work all because they have healthy investment portfolios.

This report shares the background story; the economic environment we've had to deal with, how it all started, how the members of TGIC have evolved and built diversified portfolios. This report also shares our results in terms of investment over the same period and the impact of these investments on the businesses we partner with.

As you read through this report, I hope it provides insight on the innovative community-based investment club model we work with in TGIC and how this model can be replicated across the world. The next chapter for us at TGIC is to fully evolve into an organization that merges the innovative use of community and a digital platform to drive social investing for more millennials and more impact on our local economy.

How it all started

Tomie Balogun had been blogging for 2 years when she decided it was time to take the requests to start an investment community seriously.

She sent out this email to her email list on a sunny afternoon in late 2017

Hi.

Last week I had a live session on Instagram. I had a great time sharing what I know on how to invest correctly and answering questions as well.

During the live session, I shared this quote;
Anything you do that makes you money is business
Anything your money does that brings money to you is investment.

The first time I heard this quote, it struck me, most of us focus solely on 'business'. i.e what we do to earn an income. We give our time, skills and knowledge to earn an income.

That income represents a reward for our time and effort. That income is the value our time and effort has created for us.

For instance, if you work at a 9-5 job and you earn a salary, N500,000 (\$1400) on a monthly basis. What you get paid is the value of all the hours, skill, effort and knowledge you brought to your job for that month.

N500,000 represents the monetary value, your organization places on your time and effort

The problem is it's difficult to scale on that level.

You need to either get promoted to a new position that comes with additional pay, within your organization, or change organizations entirely.

and that's why we keep on working, spending our lives in days, weeks, months and years to make money.

Thank God there's hope. That hope is a secret rich people know and continue to take advantage of for centuries.

It's an open secret and that's why they work less hours as they age and yet, earn more.

What's the secret?

They put their money to work.

They invest in diverse investment opportunities, over time, because they have a plan to work less as they age and depend on the money they put to work.

They put the money they earn to work over and over again until it earns them enough to sustain their lifestyles and eventually stop working so hard.

The fact is as we age, our ability to continue to pour in time and effort into 'business' will reduce significantly and that's why we need the money to start working so it can take our place when we need to stop working.

From my conversations with friends, I find that most people fall into either of these categories;

Those who earn money and spend it like it's hot

and those who earn money and keep it in a savings account, keeping it on vacation and letting it lose value while they work all day

.., you can't keep doing this and expect to build any significant wealth.

Wealth doesn't work that way.

The ideal scenario is for you to continue working hard on your 'business' (This can also be your career) and start putting your money to work as well.

Both activities can and should happen simultaneously so your money can eventually take your place conveniently.

When you sign up to indicate interest in joining the green club, I'll show you how to achieve this.

The green club is a 3 month membership program created to walk you through the activities required to start putting your money to work correctly.

I wish I knew everything I'll be teaching on this program when I started making investment decisions 4 years ago.

I'm sure I would have avoided a lot of mistakes on my investment journey.

Your investment journey should not be based on random investment decisions that end up losing money and stressing you out.

Investing requires a lot more color to create a beautiful outcome

and you achieve a beautiful outcome when you keep learning and take deliberate action

[Click here to learn more about the green club](#)

35 people signed up and we started the journey which has culminated in the Green Investment club today. The Green Investment Club (TGIC) was established as a community-based investment club to democratize investment opportunities for millennials in Africa and African millennials in diaspora. We set out with the audacious goal to educate more millennials on how to make investment decisions and build diversified investment opportunities. Looking back over past years, the team has been able to achieve this.

Background

TGIC provides financial education within a community and supports them with practical tools to get the financial results they need. We teach financial education through online courses, webinars, events, and weekly emails. Our monthly webinars with industry experts give members of the club an opportunity to learn practical investment lessons and our annual hang-out events provide a way for members of the club to meet and network in a fun atmosphere.

As an innovative company in the financial education space, we work to bridge the gap in financial literacy for millennials in Nigeria through our products; a community-based investment club, online courses, webinars, campus tours and a digital platform

Youth within the age range 25-45 comprise an estimated 60% of the adult population in Nigeria. This statistic should increase growth prospects for the economy; however, this age group is more impoverished than their parents were at the same age. This demographic range deal with factors such as a high inflation rate (17.33% as at February 2021) and frequent currency devaluation. As a result, their rate of savings is lower, rate of property ownership is lower, and overall trust for the local financial system at an all-time low.



Our 5-year vision is
to help at least
1 million individuals
get financially
educated and
provide investment
advisory services
to them...

The economic fallout from events like the market crash in 2008 and economic recession in Nigeria in 2016, and the pandemic in 2020 resulted in financial security risks for this age group. Many of them are choosing to follow either their own instincts or go along with peers when making money and investment decisions. This makes them more likely to fall for Ponzi schemes. The economic situation and high incidence of these fraudulent schemes show a dire need for financial education.

Our target audience is the Nigerian youth who is trying to figure out how to save, budget and invest in a constantly changing economic environment. They want to achieve financial security and tick off things on their bucket list, however they are typically excluded by investment institutions due to the size of income. They want financial security but have no clue how to achieve this.

Our value proposition is on-demand financial education via a community-based investment club and strong partnerships with established financial institutions to provide affordable investment products to the members of our community.

Our 5-year vision is to help at least 1 million individuals get financially educated and provide investment advisory services to them, so they get more confident with making investment decisions and achieving financial security. We expect this to increase saving deposits in financial institutions. The deposits will be mobilized towards investing in small businesses in the economy. Small businesses comprise 80% of businesses in Nigeria. When these businesses are supported, they will provide employment to more people and reduce unemployment figures by at least 20%.

TGIC Advisory Board



Wale Salami

— Member since July 2018

Wale Salami is a Nigerian-born American IT professional, Army veteran, and investor with over 10 years' experience working in world-class organizations like the Commonwealth Secretariat, U.S. Army, FedEx, HP Enterprise and Amazon. Currently, he is a Technical Sales Specialist with Amazon Web Services (AWS) and Founder and Director at Texas Digital Magnate, a venture capital firm focused on North America and West African market opportunities.



Mayowa Kuyoro

— Member since March 2019

As an Associate Partner, Mayowa co-leads McKinsey's women's initiative in West Africa. Her experience cuts across consulting for government leaders, as well as the social and private sector, on corporate strategy, financial analysis and more. She is passionate about the role that access to finance can play in Africa's growth and development, and is the co-author of *Roaring to Life: Growth and innovation in African retail banking*. She is an alumnus of the University of Warwick and Harvard Business School.



Olushola Oladipupo

— Member since January 2020

Olushola is an experienced Data Analyst with a proven track record of driving strategic insights and business decisions. He is a graduate of the University of Ibadan and the Bournemouth University, where he won the prestigious Faculty of Management Executive Deen's Scholarship award. He currently works with the NHS in England and was one of the invited guest speakers at the 2019 Faculty of Management Postgraduate Research Conference.



Adenike Mantey

— Member since February 2019

Adenike is an experienced trade and investment specialist expert with over 15 years' experience advising the Nigerian Government on trade and investment policy and strategy. In her current role as a consultant to the World Bank, she is responsible for spearheading private sector investment opportunities and helping to attract FDI and increase Global Value Chain (GVC) participation.



Abimbola Odedeyi

— Member since May 2018

Abimbola is a seasoned professional with over eleven (11) years of in-depth experience in the financial services industry, having worked with GTBank, United Bank for Africa and Nigeria Inter-Bank Settlement System PLC. She is a graduate of the University of Ibadan (BSc.) and Bradford University School of Management. She currently serves as the Country Manager, Nigeria at Unlimint, a fast-growing global Fintech with 14 offices worldwide.



Segun Dada

— Member since September 2018

Segun is an accomplished leader in the energy sector. He is responsible for building and executing the sub-saharan African region's channel sales strategy for one of the world's leading oil & gas services company. He obtained his MBA in Business Management from the Lagos Business School and is founder of Kawe Africa, an initiative geared towards promoting reading and education on the African continent.



Tomie Balogun

— Founder

Our founder, Tomie is a certified financial educator who has successfully educated at over 50,000 millennials across Africa. As part of her broad experience, she has implemented crucial investment interventions for businesses across agriculture, real estate, microcredit and banking. She led on product design and implementation at Greystone Partners and was a selected young leader on the prestigious Bharti Airtel Global leadership program. She holds a Bachelor's degree in Economics, a Master of Business Administration (MBA) degree and is an alumni of the Harvard Fintech online program.

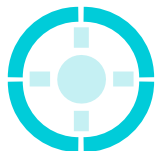
Our Brand Values

EMPATHY



We understand that we are all building up from different starting points and hence we embrace peculiarities on size of income, individual background, and more.

INTEGRITY



Due diligence is our barest minimum, and we do not shy away from telling the truth, every step of the way.

INNOVATION



We are constantly exploring new ways, approaches, and mediums to create more value for our members.

Highlights of the past 3 years

1

We created and elevated TGIC to the biggest investment club in Nigeria from 35 members at inception to

1,700

members in 3 years

2

Successfully crowdfunded

\$17m+

for multiple projects that have created jobs and contributed to economic growth in Nigeria.

3

Sourced direct investment opportunities in the capital market, agro-processing, consumer lending, logistics, fin-tech and real estate development sectors in Nigeria, UK, and USA.

4

Structured aggregate investment arrangements with multi-million dollar corporates in Nigeria.

5

Successfully launched multiple project focused sub-investment clubs;

- ▀ The project-based real estate club helped 70+ individuals (60% women) own real estate in Nigeria
- ▀ The stock market club has helped 250+ members invest profitably in the Nigerian and US stock market
- ▀ The Venture Capital club has helped aggregate \$750k to invest in a top Venture Capital fund in Africa.

While we are proud of all we have achieved, the most important highlight for us are our member stories of paying off high interest debts, achieving their dreams to own real estate and building diversified investment portfolios they never thought was possible.

Their stories warm our hearts and we share them in detail on our website. www.thegreeninvestmentclub.com/memberstories

This report shares the TGIC story with a focus on how we've helped our members diversify their portfolios in the face of the pandemic in 2020 (emphasis on asset allocation changes) and shares some of the growth stories of the companies we've invested in over this period.



I was actively looking to find a group of like-minded people to invest with and verify opportunities to invest. The Green Investment Club came by, I jumped on the waitlist, and was eager for the club to open so I could get admitted.

Since I joined the Green Investment club, I have leveled up my investment from fixed deposit and treasury bills to understanding opportunities that exist in Agriculture, Credit (lending), Eurobonds, Stock Market (Locally & Globally). I have learned to make investment a bill and leverage the power of many to achieve my investment goal.

Busayo, Nigeria



I used to be an investment banker and my investment knowledge was centered on traditional options such as fixed deposit and treasury bills. I was unaware of other numerous alternative investment opportunities that existed.

When I joined the Green Investment Club in 2018, I was neck deep in school loans and I could not figure out how to grow an investment portfolio while meeting my obligations. Now, through the knowledge and the investment opportunities, I discovered through the Green Club, I have succeeded in paying down on all my loans and I have increased my investment portfolio by almost 90%.

Abimbola, Nigeria

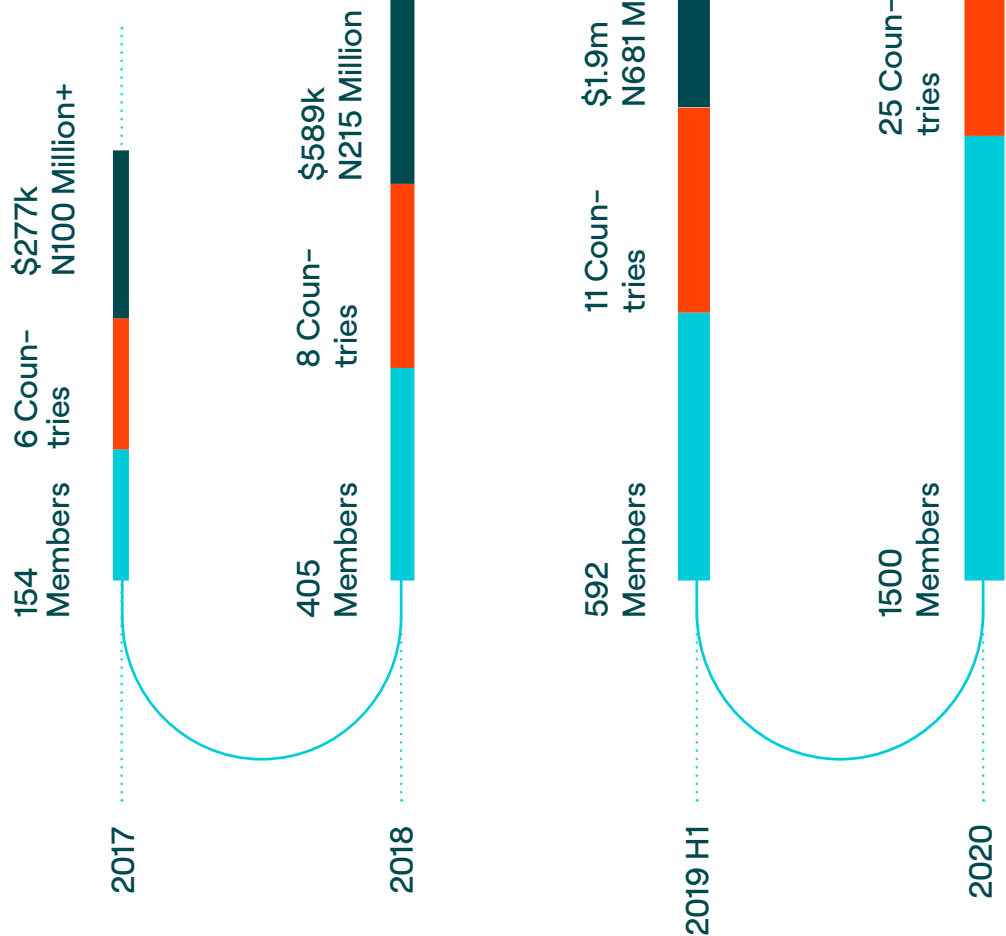
Key Statistics



STRATEGIC PARTNERS

COMPOUND
ANNUAL GROWTH
RATE (CAGR)

231%



YEAR 1

Inception

Economic Background in 2017

In 2017, the Nigerian economy recovered from its first recession in over a decade. Oil prices started a decline in 2014 and its effect did not really hit the Nigerian economy till after the general elections in 2015.

Low crude oil prices gave the Nigerian economy the usual symptoms: scarce foreign exchange, high inflation, declining GDP, rising unemployment etc. The Central Bank of Nigeria (CBN) introduced different measures to stem the effect of declining foreign exchange earning on the economy.

The CBN introduced a flexible exchange rate system, a list of 41 items banned from accessing forex from the official source, introduced a futures market for the Naira, devalued the Naira from N199/\$ in 2016 to N300/\$ by early 2017. However, all of these initiatives did not achieve the primary aim to ease the pressure on external reserve rather it widened the disparity at different segments of the foreign exchange market and heightened inflation.

Oil prices stabilized in 2016 and by 2017 Brent crude was above \$50, with the budget benchmark at \$44.50, the external reserve grew. With the increase in supply of foreign exchange, economic indicators got better.

Inflation trended lower from a high of 18.7% in January 2017 to 15.4% by the end of the year. Foreign



exchange rate was stable at N360/\$ in the parallel market. The stock market closed the year with a negative 17.81% in 2018. This was no surprise as a negative performance in the stock market is one of the features of a pre-election year in Nigeria. Rates on government securities (treasury bills, FGN Bonds etc.) rose in 2018, 364-day treasury bills provided 18% returns as at December 2018. With inflation at 11%, this was the go-to place for both institutional and retail investors.

Against this economic backdrop, TGIC was created...

The Green Investment club started as a 3-month membership program focused on investment education. It was a successful pilot. When the first pilot ended, we had over 100 people on the waitlist who couldn't wait to join the movement. We took on new members mid-2018 and we continued to grow over time.

As we continued to educate our members on financial education with online courses and a couple of investment workshops, it quickly became clear that providing financial education alone wasn't going to be enough for the members who signed up.

They needed to take action on the lessons they learned.

So, the journey to becoming an investment club focused on investment education and sourcing for credible investment opportunities for our members to invest commenced.

As we started to source for investment opportunities, we noticed a trend in the investment space. Nigeria was evolving as an emerging destination for tech innovation and this innovation was implemented in the agricultural sector. With low crude oil prices cutting revenue flows for the government,



there emerged innovation for the agricultural sector, Start-up companies such as FarmCrowdy and Thrive Agric created digital platforms to connect investors with opportunities to fund short-term agriculture projects.

These investment opportunities offered practical use of income investing and impact investing strategies as members could invest in agriculture projects that offered good ROI and also impacted economy. The agricultural sector is a sector with huge potential in Nigeria and this innovation was celebrated. According to the CBN Governor, Godwin Emefiele, The agricultural sector was a critical sector that helped Nigeria come out of the economic recession in 2016.

The short-term opportunities provided by the agriculture digital platforms became a major attraction for our members and with good reason too. The economic climate called for a focus on additional income streams. We understood our members were just getting educated and beginning their investment journeys so needed short term results.

However, we knew our goal was to help build investors with long term diversified portfolios. We paced ourselves and focused on continuous education as the Nigerian economy and the investment space evolved



Before joining TGIC I knew investing was something I wanted to take seriously, but I had also seen so many people lose money that it became scary. So having a resource that was going to help a beginner like me navigate the waters was crucial.

Joining TGIC in late 2018 not only widened my knowledge and awareness of the numerous investment vehicles, but I've been able to successfully grow my money by taking advantage of them. TGIC has also helped me grow as an investor and build my "investing stamina". I'm not the same person that was so scared to invest her money back in 2018.

Thanks to TGIC I finally had the balls to invest in the stock market! And with very positive gains I might add. Thanks to the new Stock Market Club I'll start investing in the US as well. In 2020, my goal was diversifying my investment portfolio, and thanks to TGIC I was able to do that successfully, and position myself for even more financial growth. I love TGIC because they put their money where their mouth is, and it instills a lot of confidence in its members.

Odunayo Abdulai



TGIC HELPED ME GROW AND SURPASS MY INVESTMENT PORTFOLIO TARGET FOR 2020

With the guidance and support of TGIC, I was able to grow and surpassed my target for 2020. My investment grew by 355%, Thank you for sharing your wisdom with the members especially me as the learnings from the weekly newsletter and webinar guided me to make the right decisions about my finances.

Although I am still not clear on some aspects of investing (Stocks) but I have to appreciate everyone behind TGIC for getting me this far. Financial freedom is Bae.

Mopelola Abegunde

YEAR 2

Increasing our global footprint

Economic background

Investor pessimism about the Nigerian economy continued into the first quarter of 2019. As the year progressed, and political stability was maintained at the elections, economic activities recovered.

Monetary policy was one of the growth drivers in 2019, the CBN in 2019, mandated a loan to deposit ratio of 60% for commercial banks operating in Nigeria. Banks that failed to comply with this directive got their accounts with the CBN debited to the tune of the level of their non-compliance. In October 2019, the CBN banned non-banking entities from participating in the primary auction of government securities and raised the minimum requirement for participation in the primary auction from N100,000 to N50mn.

This contributed to the emergence of micro consumer lending fintech startups forced commercial banks to create products around lending to the real sector

A major highlight for the Nigerian Stock Exchange (NSE) in 2019 was listing the shares of the telecommunications giant, MTN on the Nigerian stock exchange. The company, after a faceoff with the Nigerian government on violation of regulatory policies in 2018, was forced to list on the NSE by introduction in 2019. The company's share price rose daily for almost a week as investors jostled for its shares. Its competitor Airtel Africa also listed on the stock exchange in the same year. The stock listing of these two companies provided more depth to the NSE in 2019.

The NSE however had an ugly 2019 as the market lost 14.6% in that year. This placed the NSE as the second worst performing stock exchange in Africa, second only to the Zambian stock market. Low investors appetite and a lack of confidence in the government's ability to implement policies that would significantly grow the economy reflected on the exchange.

The performance of a country's stock exchange says a lot about how investors perceive its economy.

In a bid to ramp up taxes and diversify government earnings away from oil & gas, the government in 2019 raised Value Added Tax (VAT) by 50% from 5% to 7.5%. This new tax policy was not to be implemented till 2020.

**Against this economic backdrop,
TGIC increased its global footprint.**

"Hello Tomie. I just joined the Green Investment Club. I currently live in China as a student."

We continued to grow as an investment club and as we grew and shared our results, we attracted members (mostly Nigerians in diaspora) from other countries; USA, UK, South Africa, Cameroun, Canada etc. Current numbers are 1,700+ members who live across 5 continents in 26 countries.

On building investment portfolios, our members continued to grow as investors as well.



In 2019, Tomie Balogun took a tour to hold physical meetings with members of TGIC who live in UK, USA and Abuja. We also held two member events in Lagos at the Civic Centre in year 2 with keynote speakers who share practical investing experience.

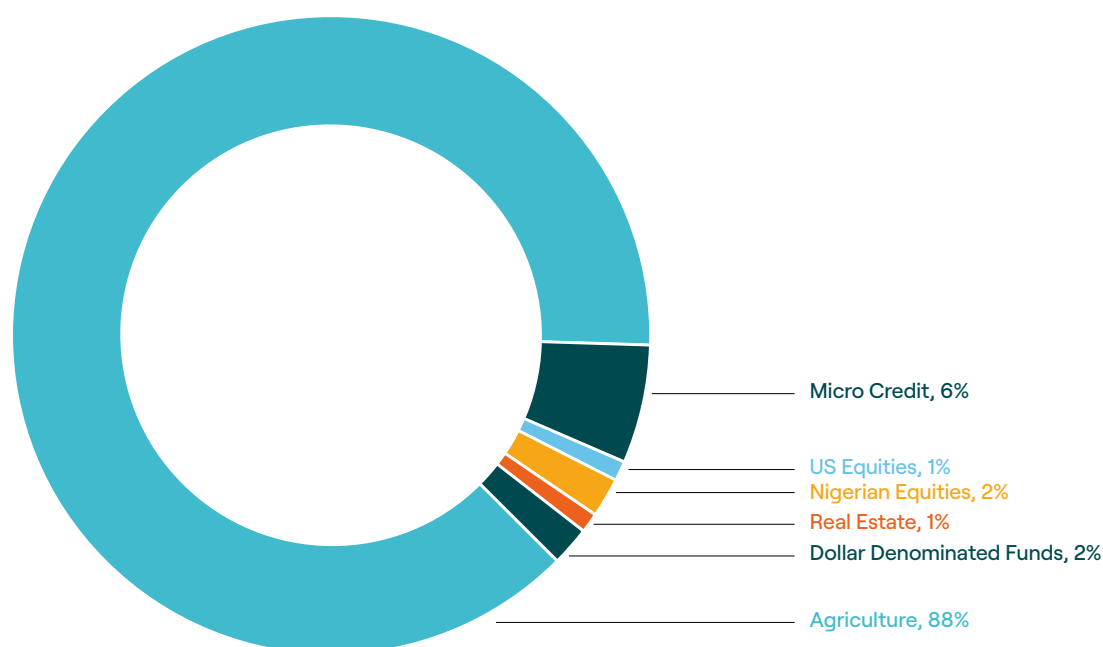
As we continued to source credible investment opportunities, we saw an opportunity to evolve and formalize partnerships with investment companies in Nigeria who could give us direct access to the investment opportunities in the capital markets or provide access to opportunities in additional asset classes.

Some of our partners in year 2 include Coronation securities, Cardinal Stone Limited, Farmforte Ltd, Landwey Ltd.

We also hosted virtual webinars with experts who shared practical investment experience and encouraged our members to diversify their investment portfolios beyond short-term investment options. Based on our research and analysis, the hesitation with investing in long term investment options came from concerns over the need for short term additional income, the fear of volatility in the stock market and the high cost barriers in real estate development.

One of our proud moments during this period was aggregating funds as a club to invest in the stock listing by introduction of the telecommunication giant, MTN. We worked with one of our investment partners, Coronations Securities to make this happen against all odds. This was a first step towards helping the members diversify their investment portfolios.

Asset allocation of member investment portfolios 2019



This asset allocation report in 2019 showed 88% of investing activities by our members in short-term Agricultural projects. The Agri-tech industry started this innovative trend in 2017 offering returns up to 35% for 9-12 months. Most members need an additional stream of income and took a special liking for these short-term investment returns.

The TGIC research team saw this as an opportunity to help our members diversify from short term investment options and we set out to deepen our partnership with players in the capital market, real estate industry and venture capital funds.

In year 3, we took definite measures to reduce the hesitation by partnering with top stock broking companies who shared stock recommendations with our members, we negotiated group discounts and payment plans for our members to invest in real estate. Our efforts led to a slight shift towards investing long-term options.



I decided to join the green club because I saw it as an opportunity to learn more about investing. I learned a lot more. Becoming a member of the green club has helped me take control of my finances. Now I believe I have a solid foundation to build on for my wealth journey and I have started my investment club.

Seyi Olufikayo-Olabiyi



I joined the Green Investment Club because my friend, Isi, advised me to. I was at a point where I was aggressively saving my money but didn't have any ideas what else to do with it. Now I have a diverse investment portfolio, thanks to the club. I am no longer tempted by the latest "flavour of the day" when it comes to possible investments. I have an investment plan, and I am working towards it. So, no matter how attractive an investment opportunity looks, I now have the investment education and discipline to know if it's really something I should invest in or not.

Osemhen



The in-depth lessons on different investment options helped me decide which investment options were right for my short, medium and long term investment goals. I was able to take immediate action and structure my investment options. Joining the Green club has been an amazing experience for me and money well spent.

Dipo Kola Banjo

YEAR 3

It all came together

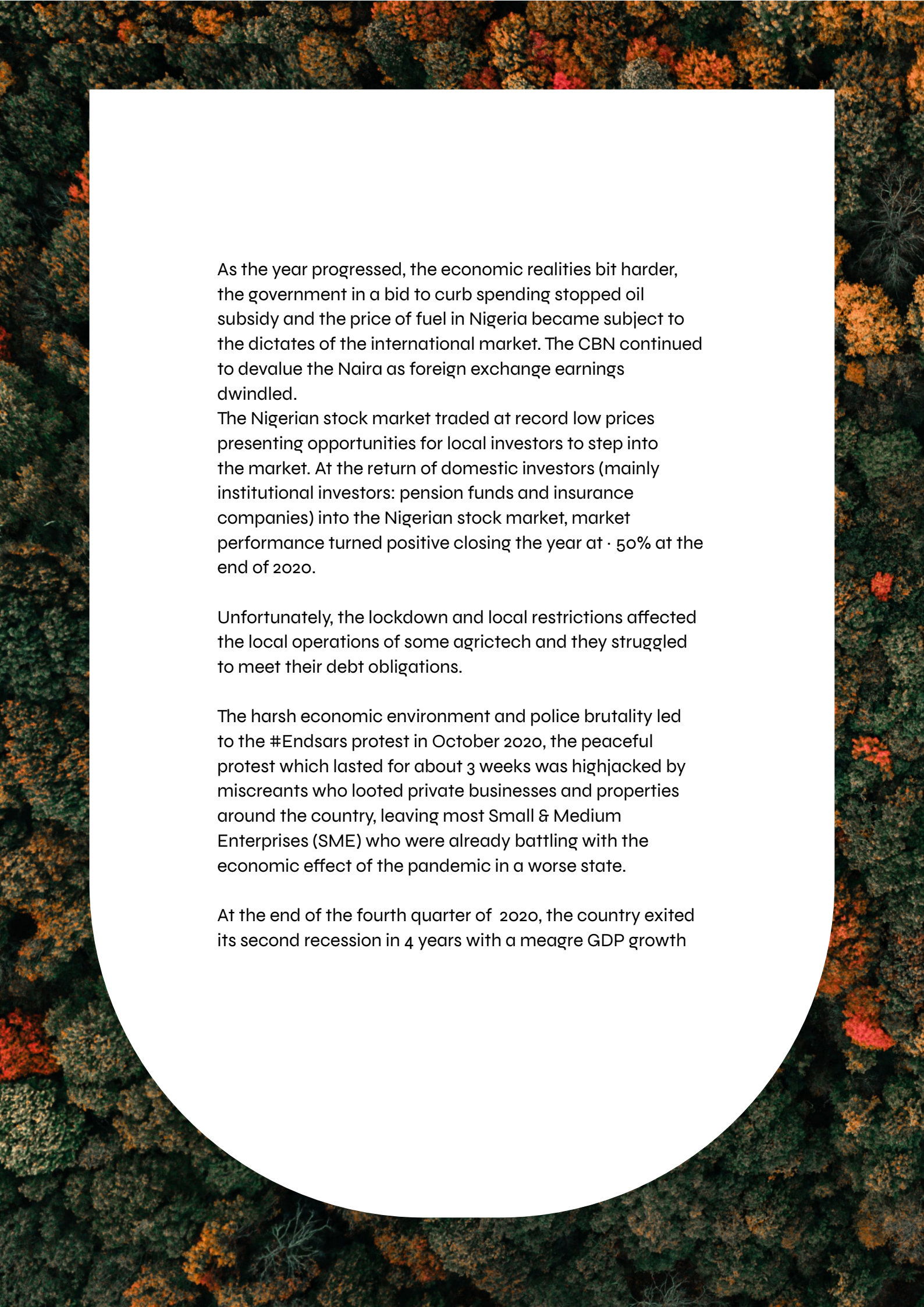
Economic background in 2020

Coming into 2020, most Nigerians was prepared for a tougher economic climate. The new tax laws took effect and based on prior announcement; electricity tariffs were also going to increase. But this was nothing compared to the economic realities of 2020.

What seem like a health epidemic in Wu Han, China in January 2020, became a worldwide pandemic by the end of the first quarter of 2020. The Nigerian economy at the end of Q1 2020, recorded a GDP growth of 1.87%. This was the slowest growth in 3 quarters. The pandemic led to economic lockdowns and a sharp drop in prices of commodities (especially oil). Oil prices plunged below \$20 as demand was almost non-existent, this had a direct effect on government revenue, foreign exchange earnings and the economy.

Economies around the world introduced stimulus packages and furlough programs to curb the economic effect of the pandemic on their citizens. The pandemic made the expected economic woes happen sooner than expected. The CBN devalued the Naira to N360/\$ from N307/\$, the Nigerian Stock Exchange lost 18% in March 2020 alone, external reserves fell from \$38bn at the beginning of the year to \$35bn in April 2020, and inflation was above 12% by the end of Q1 2020.

The economic lockdowns meant companies stopped generating revenue to pay employees, so there was a massive wave of downsizing around the world. By the end of the second quarter, GDP in Nigeria was growing negatively at -6.1% and by Q3, the economy was in a recession.



As the year progressed, the economic realities bit harder, the government in a bid to curb spending stopped oil subsidy and the price of fuel in Nigeria became subject to the dictates of the international market. The CBN continued to devalue the Naira as foreign exchange earnings dwindled.

The Nigerian stock market traded at record low prices presenting opportunities for local investors to step into the market. At the return of domestic investors (mainly institutional investors: pension funds and insurance companies) into the Nigerian stock market, market performance turned positive closing the year at + 50% at the end of 2020.

Unfortunately, the lockdown and local restrictions affected the local operations of some agritech and they struggled to meet their debt obligations.

The harsh economic environment and police brutality led to the #Endsars protest in October 2020, the peaceful protest which lasted for about 3 weeks was hijacked by miscreants who looted private businesses and properties around the country, leaving most Small & Medium Enterprises (SME) who were already battling with the economic effect of the pandemic in a worse state.

At the end of the fourth quarter of 2020, the country exited its second recession in 4 years with a meagre GDP growth

of 0.11%. At this time, official exchange rate was at N379/\$, while at other segments of the foreign exchange market, the Naira traded well above N400/\$.

In year 3, it all came together.

A higher percentage of our members are millennials. According to research, millennials are eager to start investing, yet they are also fairly uninformed about the best strategies for planning the long-term financial future.

Case in point, Millennials with money already invested in the markets often speak of higher short term return expectations at the same time. They appear to be more experimental than older generations of investors in their asset allocation, allocating nearly three times as much of their portfolios toward alternative investment options. They also maintain a higher average cash allocation than their older counterparts. TGiC research observes, “In order to meet the Millennial investor’s average annual return expectation, asset classes would need to generate an average annualized return of at least 25%, considerably higher than the average annualized return of the NSE index over the past decade.”

When new members join the TGiC, they express a desire to tidy up personal finances and invest actively in new investment categories, however, we continued to see a

trend focused on short-term investment options.

2020 came with a lot of unexpected global events such as the pandemic and resulting effect on the local economy. With the scary headlines came a truck load of opportunities.

This was the time to practice the popular quote b Warren Buffet –

“Though markets are generally rational, they occasionally do crazy things. Seizing the opportunities then offered does not require great intelligence, a degree in economics or a familiarity with Wall Street jargon.”

In uncertain or chaotic times, Buffett believes that savvy investors should continue looking at the fundamental value of companies, seeking companies that are able to sustain their competitive advantage for a long time, and investing with an owner’s mentality. If investors can do that, they’ll naturally tend to go in the opposite direction of the herd – to “be fearful when others are greedy and greedy only when others are fearful”

His reasoning is simple: when others are fearful, prices go down, but prices are only likely to remain low in the short term. In the long term, Investors should be bullish on any business that creates great products, has great management, and offers great competitive advantages. (Culled from CBInsights)

In April 2020, we held a stock masterclass to get our members thinking the right way about taking advantage of opportunities the pandemic offered. Subsequently, we set up a sub-club within TGIC to cater to those who desire to deepen their knowledge in this area. The stock market club currently has 250 members who invest actively in the Nigerian and US stock market

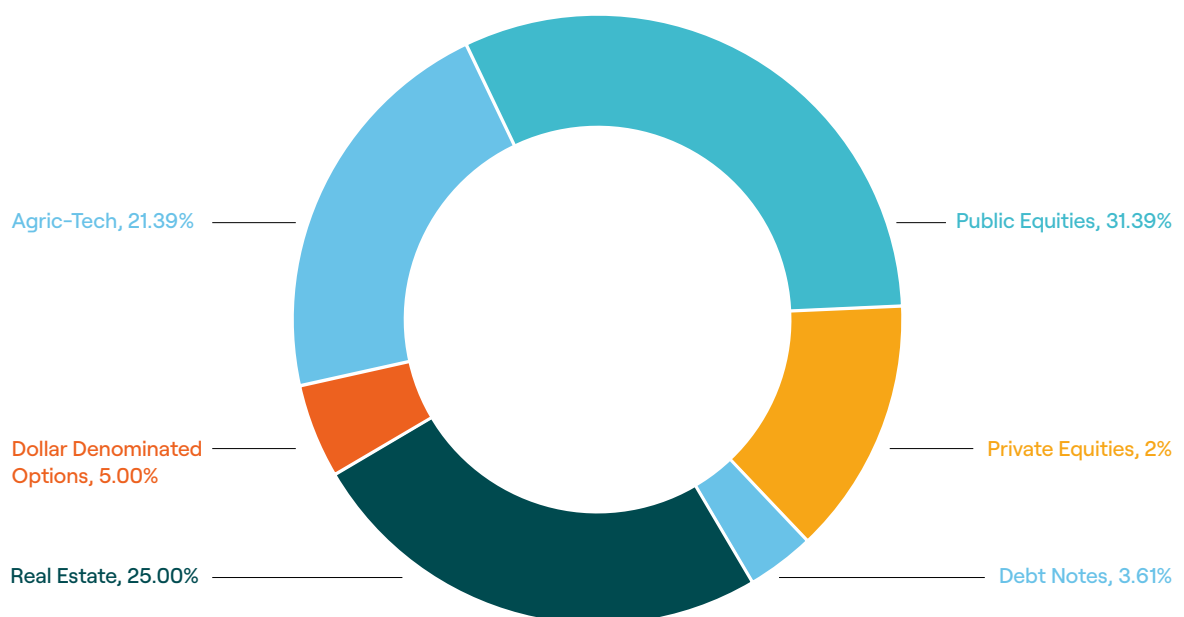
based on the quality of research, webinars and stock recommendations we share with the members on a weekly/monthly basis.

On real estate, we saw an opportunity for members to get in on discount opportunities and we negotiated flexible and affordable payment plans for our members with real estate development companies. So far, at least 50 members have benefited from these flexible payment plans as an easier way into real estate in Lagos.

One final asset class we wanted more members investing in was high growth start-ups across Africa. We strongly believe Africans should invest in Africa's growth and the start-up space currently offers a great opportunity for those interested. Recently, we set up a venture capital fund to aggregate funding for venture capital funds from everyday people like the members of TGIC.

Amid the onset of COVID-19, significant changes are evident in Members' portfolios according to the TGIC Asset Allocation Report for the first quarter

Asset allocation of member investment portfolios 2020/2021



of 2021. Members raised their allocation to Private Equity from zero to 13.61% and increased their investment in public equities (the stock market) -28%.

Meanwhile, Members responded positively to our flexible payment plans as they raised allocations to real estate 25% in the first quarter of 2021 to take advantage of long term capital growth in real estate in Lagos. Allocations to dollar denominated options increased to 5% due to concerns over the devaluation of Naira.

Debt notes mostly to the consumer lending sector did not change significantly from the previous quarter.



Private Equity allocation went from almost non-existent in 2020 to 13.61%, the highest level ever recorded.

Most significantly, investment in Agri-tech projects declined to 21.39%. This was not a decrease in real terms but in relative terms as the value of investment in these options remained in billions of Naira over this same period. Agri-tech has remained a strong favorite over the past few years, with positions not just in short-term projects but also through owning actual businesses. Setting up businesses allows members to leverage their entrepreneurial skills while having maximum control over their investments, and keeping them closer to the actions, where they often comment they can fix problems before they spiral out of control.

TGIC Members continue to keep elevated levels of cash invested in short-term Agri-tech projects as it helps their liquidity positions especially with the rise in inflation and subsequent rise in the cost of living. With continued investment in Agri-tech companies, members are able to manage for 9-12 months of living expenses without being forced to liquidate holdings in other long term assets at the wrong time. The returns on these short term projects also provides cash for members to continue to build up positions in other long term asset classes like public equity (stock market), private equity and real estate



Before the green club I invested in a Ponzi scheme (MMM) and lost some funds so I was ‘hunting’ for reliable investment options. I stumbled upon Tomie’s page on IG in August 2018 and decided I should give it a shot. It was actually by first paid club membership and today I have joined several other paid groups because I have seen the value of such communities. My financial literacy is heightened (I now have money sense), there is a great shift in my mindset about money (abundance mindset) and I have made over 20X (2,000%) of the amount I invested to join the club in less than two years. Indeed, investing in yourself pays the highest returns. It has been an amazing journey. Learning from the investment guru @Tomie

Chioma Uzodinma



Prior to joining The Green Investment Club (TGIC), I was simply afraid of investing in any investment opportunities in Nigeria because I had heard too many stories about people who lost their money from investing in projects, even the projects supervised by close family members.

Since becoming a member of the TGIC, I have not only been able to invest in Nigeria through a transparent process, but I have also started my own investment club in the US. While on deployment to the Middle East, I needed a way to save so I could take advantage of opportunities even while being at the battlefield. When we started in 2016, we grossed \$72k in savings.

Wale Salami

Community helping other communities – #TGIC4GOOD

Small businesses are the lifeline of every economy, because they provide jobs in the economy. In Nigeria, over 80% of businesses are small, medium, or micro businesses. As a community of impact-driven investors, we also support social and communal development through the #TGIC4good project.

The #TGIC4good project was created to support a number of initiatives. These initiatives include a recent partnership with Lagos State Employment Trust Fund (LSETF) to raise funds for businesses to recover from the recent looting in Lagos state

After the #ENDSARS protest, the looting and acts of vandalism affected small businesses and we decided to provide grants to small businesses that were vandalized. We set up a N10m social responsibility fund for this initiative. The first recipient and beneficiary of the fund was Maucare Pharmacy {[@maucarepharmacy](#) on IG}. The small business was given N1M in relief funds to restore her vandalized pharmacy.

Subsequently, we called for more application to the fund, but we could not verify most of the small businesses that applied. As a result, we decided to partner with Lagos State Employment Trust Fund (LSETF) to support more businesses. Through the LSETF, we disbursed N9,000,000 (Nine million naira)

#TGIC4GOOD

S/No	Company Name	Amount Disbursed (₦)
1.	J7 Communications	500,000
2	The Advert Place	500,000
3.	The Broad Hospital	500,000
4.	Safeway Hospital	500,000
5.	Nigerian Bar Association	500,000
6.	Fracol Property& Investment Limited	1,000,000
7.	Speedway Business Services Limited	500,000
8.	Seed of Life Pharmacy	500,000
9.	Nuville Realities Limited	500,000
10.	Kay Homes and Properties	500,000
11.	D'évergreen Ventures	50,000
12.	Y'ceda Global Resources Limited	2,000,000
13.	Impact Arabian Perfumes Oils and Ltd	600,000
14.	KKK Event Management	50,000
15.	Olarry Bridals	350,000
16.	Posh Kollect Eye Wears and Accessories	450,000
17.	Maucare Pharmacy	1,000,000
	TOTAL	10,000,000

Letter of Acknowledgement from LSETF on the businesses funded by TGIC



16, Billings Way, Oregun, Ikeja, Lagos
E: info@lsetf.ng W: www.lsetf.ng

6th May 2021

THE GREEN INVESTMENT CLUB

Suite 3A, Office 3312D, Wole Ariyo Street,
Lekki Phase 1,
Lagos State.

ATTENTION: GBOYEGA ADEYEMI-BIBILEKO

Dear Sir,

LETTER OF ACKNOWLEDGEMENT AND APPRECIATION FOR THE DONATION TO LAGOS STATE GOVERNMENT MICRO, SMALL AND MEDIUM ENTERPRISES RECOVERY FUND

We write to express our profound gratitude for your contribution of Nine Million Naira (N9,000,000.00) towards Lagos State Government Micro, Small and Medium Enterprises (LASG MSME) Recovery Fund which was initiated to award grants to MSMEs in Lagos State that were affected by the vandalization and looting which occurred with the hijack of the ENDSARS protest by hoodlums in October 2020.

Your contribution has been rationed and disbursed amongst the following grant applicants/businesses of LASG MSME Recovery Fund as listed below:

S/N	Company Name	Amount Disbursed (N)
1	J7 Communications	500,000.00
2	The Advert Place	500,000.00
3	The Broad Hospital	500,000.00
4	Safeway Hospital	500,000.00
5	Nigerian Bar Association	500,000.00
6	Fracol Property & Investment Ltd	1,000,000.00
7	Speedway Business Services Limited	500,000.00
8	Seed of Life Pharmacy	500,000.00
9	Nuville Realities Limited	500,000.00
10	Kay Homes & Properties	500,000.00
11	D'evergreen Ventures	50,000.00
12	Yceda Global Resources Limited	2,000,000.00
13	Impact Arabian Perfumes & Oils Ltd	600,000.00
14	KKK Event Management	50,000.00
15	Olary Bridals	350,000.00
16	Posh Collect Eye Wears & Accessories	450,000.00
	Total	9,000,000.00

We look forward to partnering with you on more projects.

Thank you.

Yours Faithfully,

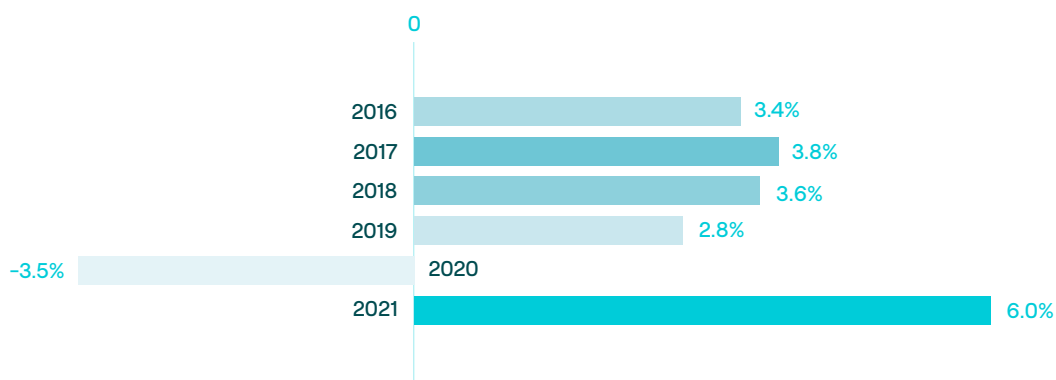
For: **LAGOS STATE EMPLOYMENT TRUST FUND**

Teju Abisoye

Our Investment Outlook

We'll start with the facts on the global economy

- IMF came into Q2 2021 with an upward review of global economic growth rate to 6% from 5.5% in January 2021.
- The stimulus package is to help Americans deal with the negative effect the pandemic had on their finances and the economy as a whole
- Stimulus packages like this push money into people's pocket hereby boosting economic activities and output
- This upward review is as a result of the 2 key reasons; the positive effects the \$1.9m stimulus package the US government embarked on in Q1 2021 is expected to have on the US economy, and the rollout of vaccines in different countries around the world.
- The IMF projects a GDP (Gross Domestic Product) growth rate of 6.4% for the US economy in 2021

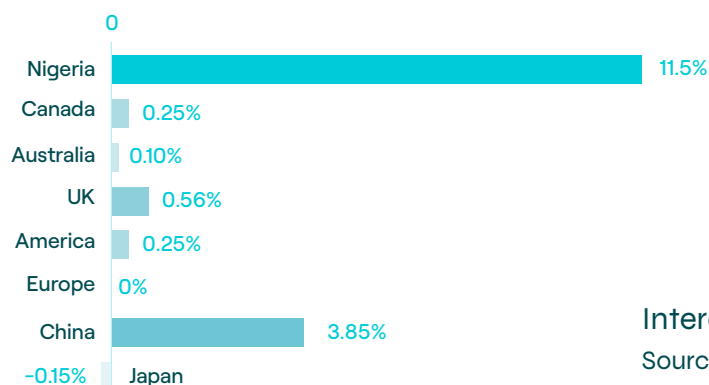


Global GDP Growth

Source: International Monetary Fund

On Interest Rates

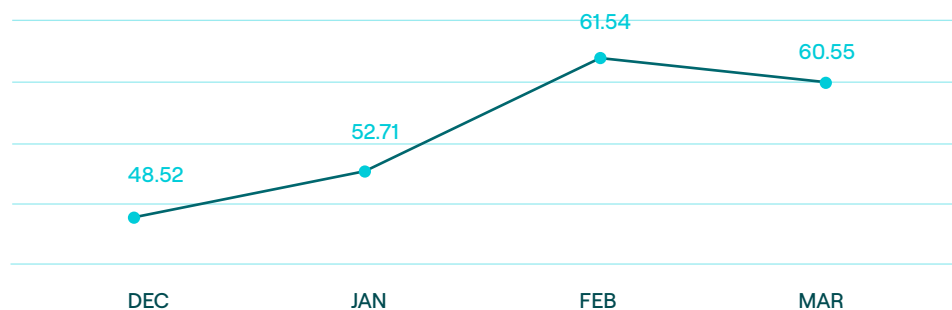
- Central Banks around the world maintained low interest rates all through Q1 2021
- Higher employment and investment in an economy has a positive effect on inflation as they both mean more people are getting paid hereby increasing the volume of money in the economy
- More people with money in an economy raises the demand for goods and services, higher demand pushes up prices.
- Despite intensive vaccination exercises in countries like the USA and the United Kingdom, central banks insisted on keeping rates low to stimulate the economy and drive up inflation.
- The Central Bank of Nigeria (CBN), though caught in between holding rates to stimulate the economy and raising rates to garner investors interest on government securities, chose to hold rates



Interest Rate As At Q1 2021
Source: investing.com

On Crude Oil Price Rebound from 2020

- Crude oil prices picked up in the first quarter of 2021 as hope was renewed on the reopening of economies after a prolonged lockdown.
- Aggressive vaccinations in countries like the US & UK pushed up crude oil prices as it gained 26% in Q1 2021
- Other factors accounting for rise in price of oil is the supply cut agreement between members of the Organization of petroleum products (OPEC) and non-OPEC oil producing countries
- Oil prices are expected to stay high for the most part of 2021 as more economies open and supply remains controlled.



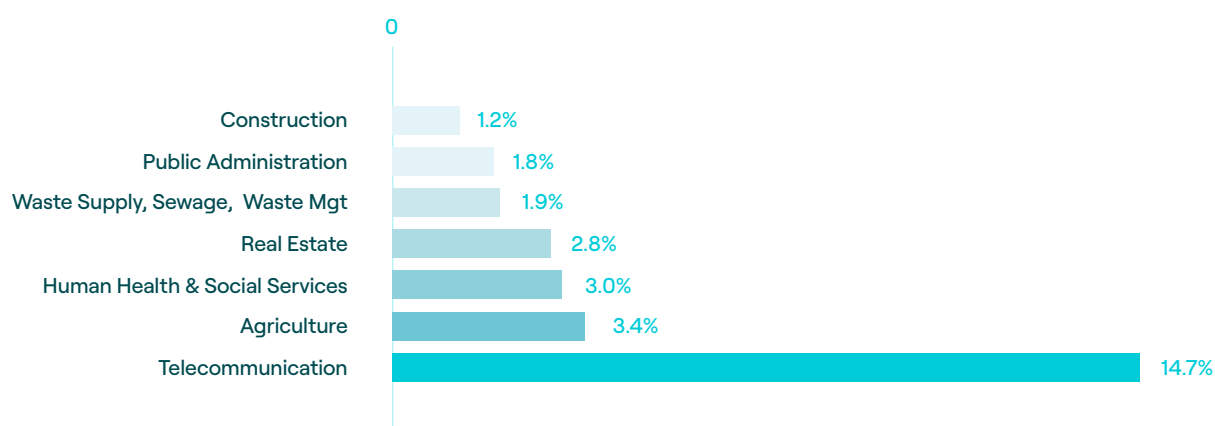
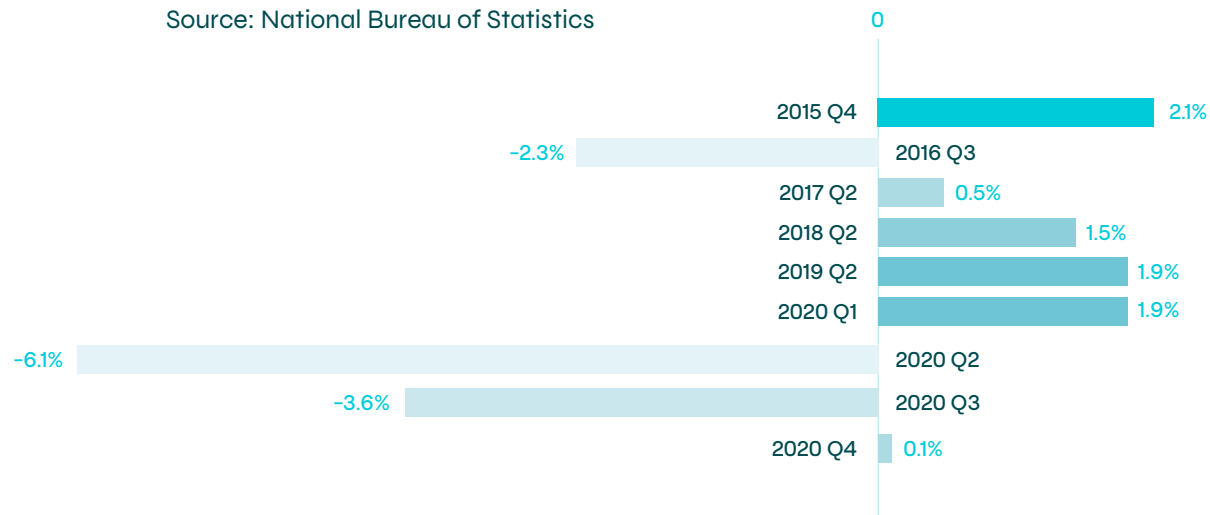
Crude Oil Prices in Q1 2021 (\$) | Source: tradingeconomics.com

Nigeria exits recession as GDP turns positive

- A 0.11% increase in Gross Domestic Product (GDP) in the 4th quarter of 2020 pushed Nigeria out of a recession
- When GDP is negative for two consecutive quarters an economy is said to be in a recession
- A recession implies a significant drop in economic activities leading to a rise in unemployment and a decline in productive activities
- This we saw happen in the first quarter of 2020, when the stock market lost 18% in March but later went on to gain 50% at the end of the year.
- Nigeria slipped into one of its worst recessions (a 6.1% drop in GDP) in the 3rd quarter of 2020
- Gross Domestic Product (GDP) is an economic indicator that tracks the value of goods and services produced in a country over a period of time.
- Asset prices usually fall during a recession, hence a recession is an opportunity for investors to invest in valuable assets at a discount.

Nigeria's Real GDP Growth Rate

Source: National Bureau of Statistics



Positive Contributors to Q4 2020 GDP

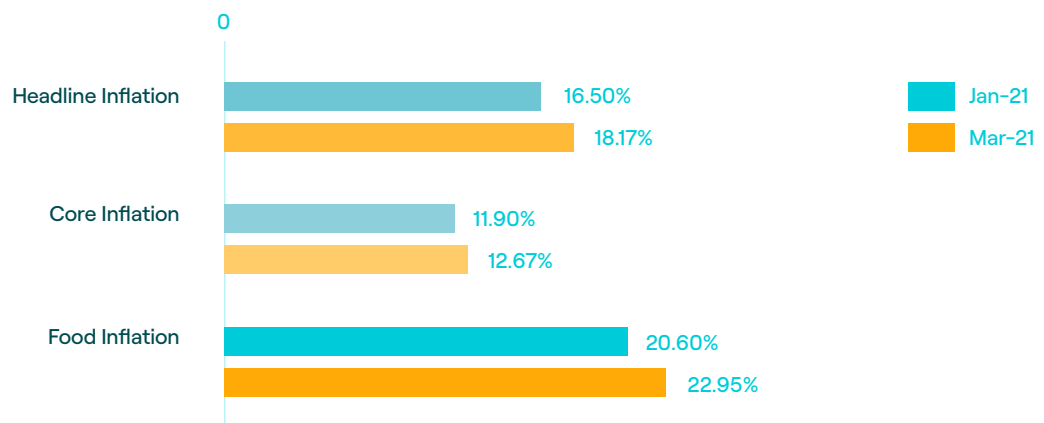
Source: National Bureau of Statistics

Non-oil sector drives growth in GDP

- The non-oil sector of the economy was responsible for the economic growth in Nigeria in Q4 2020
- Leading the pack was the telecoms sector contributing 14.7% to total GDP
- This is not a surprise given the increased use of the services of this sector in the course of 2020.
- Agriculture came after telecoms returning 3.4% in the Q4 2020
- We expect a bit of a decline in GDP in Q1 2021, mainly because it will be compared to the high numbers of Q1 2020.
- Other economic sectors that performed well in Q4 2020 include: Human health and social services, Real estate, Waste management, Public Administration and Construction
- Going forward, we expect GDP to remain positive for the rest of 2021. Based on the IMF's projection Nigeria will record a GDP growth of 2.5% in 2021 due mainly to improved vaccinations driving up economics activities.
- Issues of insecurity, foreign exchange scarcity and high inflation pose a threat to the growth of the Nigerian economy in 2021

Prices continue to soar

- Inflation remains a challenge as prices of goods and services rose to 18.17% in March 2021.
- A number of things account for the continuous rise in inflation some of which are: insecurity, foreign exchange scarcity, devaluation of the naira and rise in fuel prices.
- A break-down of the numbers reveal food inflation rose to 22.95% in March 2021.
- As the government's foreign exchange earnings improve, we expect inflation to stabilize.



Inflation Data

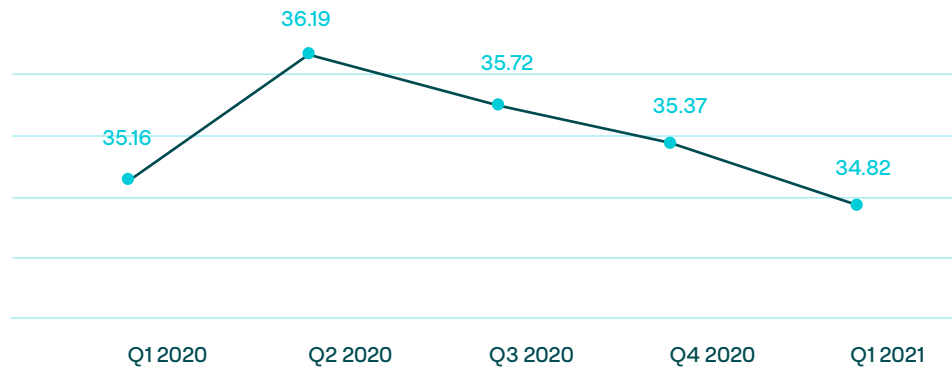
Source: National Bureau of Statistics

Foreign exchange scarcity persists as demand mounts

- The inequality between the demand for foreign exchange and available forex has pushed down the exchange rate at various segments of the market.
- As the end of March 2021, the official rate remained at N379/\$, at the investors and exporters window it closed around N410/\$, while at the parallel market it closed at N485/\$.
- We believe foreign exchange challenges will persist into Q2 2021 given lower inflows from major sources of foreign exchange earnings (crude oil, foreign portfolio investment & remittances) and a backlog of demand for foreign currency.

External reserve continues to dwindle

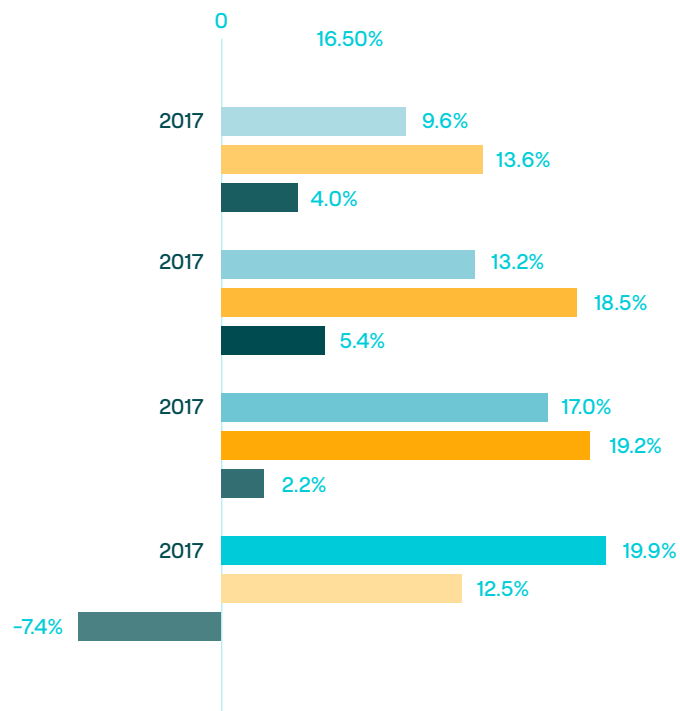
- The external reserve fell from its January 2021 high of \$36.5BN to \$34.8bn in March 2021.
- Pressure will remain on the external reserve going into Q2 given the huge demand for imports compared to foreign exchange earnings and the backlog of demands for foreign exchange.
- The external reserve is down despite increase in price of crude oil in the period this is as a result of the huge forex demand for imports and the low demand for Nigeria's type of crude oil. The demand for imports is projected to grow by 20% to \$58.5bn in 2021.



External Reserves (\$'bn) | Source: Central Bank of Nigeria

Nigeria's Import, Export, Trade Balance (N'Trillions)

Source: National Bureau of Statistics



Declining Trade Balance turns Negative

- Data from the Nation Bureau of statistics (NBS) shows Nigeria recorded its largest trade deficit in 2020. Trade deficit was 7.4trn in the period.
- The value of imports in 2020 rose by 17% while the value of exports declined by 35% in the same period.
- The closure of land borders for most of 2020, devaluation of the naira and lower exports account for Nigeria's huge trade deficit in 2020.
- A break down on Nigeria's import and exports reveals manufactured goods account for 64% of imports followed by petroleum products with 15% of total imports. Nigeria's major export remains crude oil with 89% of total exports.
- The closure of land borders for most of 2020, devaluation of the naira and lower exports account for Nigeria's huge trade deficit in 2020.
- Trade is expect to pick up as economic activities improve in 2021

Monetary Policy

- The Central Bank of Nigeria in the two meetings held so far in 2021 has retained all monetary policy metrics.
- The reason for this is to allow the economy recover fully from the economic effect of covid-19.
- This notwithstanding rates, on government borrowing instruments like treasury bills and FGN bonds have trended higher in Q1 2021 compared to what they were in 2020

MPR left at

11.5%

With Asymmetric Corridor at

+100/-700

basis points around the MPR; (meaning interest rates can increase by 1 percentage point and reduce by 7 percentage points)

Cash Reserve Ratio (CRR)

- 27.5%

Liquidity Ratio

- 30%

Monetary Policy in Q2 2021

- We expect the following factors to influence the Central Bank's decision on monetary policy in Q2
- As interest rate rise, the disparity between inflation and return on investment will start to close up.
- High Inflation - The continual rise of inflation (18.17% in March 2021) will greatly influence the apex bank's decision on interest rate in its Q2 2021 monetary policy meeting.
- Low foreign exchange earnings and dwindling external reserve - Depressed foreign exchange earnings will continue to put pressure on the external reserve. Hence, we expect stricter forex restrictions in Q2 2021.
- Growing public debt - We expect interest rate on government borrowing instruments to continue to trend higher in Q2 2021. The government's need to fund budget deficit given revenue shortfall will force interest up to attract foreign investment inflows.

Fiscal Policy Vs Monetary Policy in Q2 2021

Fiscal Policy

- Despite the rise in oil prices in Q1 2021, foreign exchange earnings continue to dwindle. Though OPEC+ (OPEC and other oil producing countries) increased Nigeria's production quota in its last meeting, the international market for oil is still awash with excess supply and a low demand for Nigeria's type of crude oil, hence Nigeria's crude is selling at a discount. This together with a heavy import bill pose a challenge for government revenue in Q2.
- The government's inability to devise a means of including the informal sector in the tax bracket and the low level of tax compliance will be its own undoing as non-oil revenue will most likely not meet the projected N6 trillion for 2021.
- Since revenue may be a bit difficult to raise, the government would need to adjust its spending to make room for more funds for the implementation of the budget. A lack of political will to do this is however glaring, given the government's refusal to completely let go of oil subsidy.

Monetary Policy

- The CBN has had two consecutive meetings in 2021 and all monetary policy metrics have been left unchanged.
- We have however seen rates on government borrowing instrument like treasury bills and bonds trend higher. This tells us the CBN will tighten monetary policy without necessarily raising Monetary Policy Rate (MPR)
- Hence, we suspect monetary policy metrics will remain unchanged in Q2 2021.
- This might however change as we move into the second half of 2021, when foreign exchange earnings are expected to be better.
- The monetary & fiscal policies notwithstanding, millennials are looking beyond the macroeconomic environment and investing more in dollar denominated assets to preserve the value of their portfolios.

Macroeconomic Projection and Market Outlook for Q2 2021

Macroeconomic Projections

- The macroeconomic environment in Nigeria in Q2 2021 we suspect will remain tight
- Government earnings from the sale of its major export, crude oil will be subdued despite the increase in Nigeria's production quota at OPEC's last meeting.
- OPEC in its monthly report for March 2021 revealed that Nigeria's oil earnings remains subdued due to low demand for Nigeria's type of crude and high supply in the international market at the moment. Hence, Nigeria's crude is selling at a discount.
- This, we believe will bring tighter restrictions on foreign exchange in Q2 2021, thereby pushing up inflation and widening the disparity in the different segments of the foreign exchange market.

Market Outlook

- The need for the government to shore up revenue will drive up rates on fixed income instruments, in a bid to attract investors.
- This will redirect investment from the stock market to the fixed income space in Q2 2021.
- Growing inflation will however keep return on investment negative

How You Should Invest in Q2 2021

- Covid-19 and recent innovations are changing the world and the way investment is done.
- Investors now more than ever before, need to pay attention to the sectors that are innovating during the pandemic and invest in these sectors
- As an investor, you should be prepared to take advantage of opportunities as they emerge
- The pandemic has made real estate assets in prime areas in the world more affordable, we believe this is the time for more young Nigerians to take advantage of that for future rewards.
- The emerging new world would require that investors stay in constant check of their financial plans and goals because the world in adjusting to the new normal, will continue to change and as this happens new opportunities will open up at different points in time.

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TGIC Future plans

1

TGIC is evolving into **a digital financial advisory start-up** that provides an online community for investors to discuss multiple investment opportunities, build new connections and make investment decisions all in one place

2

We also plan to **provide tools for other investment clubs across the world to host their club portfolios**, find credible investment opportunities and build connections with the members of their clubs. We'll be offering major perks to clubs with an established structure and membership.

3


We will **launch campus clubs** across 10 universities in 2021 to facilitate core financial education for undergraduates across the country.



TGIC provides financial education and access to credible investment opportunities that help resident young Nigerians and Nigerians in diaspora invest in Nigeria's economic growth.

We've done this for 3 years and we intend to continue to scale up our efforts significantly in the near future.





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www.thegreeninvestmentclub.com

FOUNDER

Tomie Balogun
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