



Beginner's Guide to Buying Shares in Nigeria Checklist

1. Understand What Shares Are

- Definition: Shares represent ownership in a company and entitle you to a portion of its profits and assets.
- Types of Ownership: Determine the difference between owning common vs. preferred shares.

2. Identify Types of Shares

- Common Shares:
 - Voting rights at company meetings.
 - Entitlement to dividends.
- Preferred Shares:
 - Higher claim on earnings and assets.
 - Typically, no voting rights.
- Growth Shares:
 - Invest in companies expected to grow at an above-average rate.
- Value Shares:
 - Invest in companies that are undervalued relative to their true worth.

3. Research Available Shares

- Real Estate: Investment in property and land.
- Mutual Funds: Pooled investment managed by professionals.
- Company Stocks & Equity: Purchase shares of specific companies.
- Fixed Income and Bonds: Loans to corporations or governments with fixed returns.
- Commodities: Investment in raw materials like gold, oil, or corn.
- Cash and Cash Equivalents: Safe investments such as savings accounts or short-term investments.
- Exchange-Traded Funds (ETFs): Mutual funds traded like stocks with lower fees and more liquidity.

4. Choose Investment Path

- Direct Purchase: Buy shares directly from a company without a middleman.
- Brokerage Firm: Hire a licensed broker to buy and sell shares on your behalf.

5. Open and Fund a Brokerage Account

- Select a Broker:
 - Research reputable brokers.
 - Assess their expertise and services.
- Complete Application:
 - Fill out the necessary forms.
 - Provide required documents.
- Verify Identity:
 - Submit identification documents.
- Fund Your Account:

- Choose a payment method (bank transfer, card payment, USSD).
- Deposit funds into your trading account.

6. Monitor Investments

- Track Performance: Regularly check how your shares are performing.
- Adjust Strategy: Make necessary adjustments based on performance and market conditions.

7. Review and Educate Yourself Continuously

- Stay Updated: Keep abreast of market news and economic trends.
- Seek Advice: Consult with financial advisors or brokers if needed.
- Evaluate Portfolio: Regularly review your investment portfolio and goals.

