

Alternative Securities Market (ASeM)



Alternative Securities Market: Introduction and Meaning

The Nigerian Stock Exchange (NSE) has recently launched the Alternative Securities Market (ASeM) for emerging companies with high potentials for growth in Nigeria. ASeM is a market with a specialized board to accommodate small and mid-sized companies with high growth potentials seeking to access the capital market.

Before the approval of Alternative Securities Market, the NSE use to have a total of 283 listed securities in two market segments- first tier securities market and second tier securities market. The first tier market is for companies that have at least 25 per cent of their equity capital available to the public among other requirements, while the second tier market is for upcoming small and medium enterprises that have 100 per cent of their equity capital available to the market.

This decision of the ASeM is part of the measures of the Federal Government to enable operators and in particular indigenous companies who could not meet all listing requirements, to take advantage of the capital market.

ASeM seeks to address major challenges of emerging businesses in Nigeria. Some of these challenges are:

- Difficulty in accessing long term capital due to high cost of funds as a result of perceived high risk,
- Informal nature of operations,
- Inadequate accounting standards, controls and management of resources, etc.

ASeM Targeted Market

ASeM is targeted towards small and medium scale enterprises (SMEs).

Recent Updates And Developments

- Developed brand essence towards launching of the board with identity, purpose and target company criteria
- Reviewed listing requirements, making listing on ASeM readily accessible and affordable to a wide range of viable emerging businesses
- Introduced Designated Adviser (DA) Programme to support companies listed on ASeM in complying with post listing obligations and maintaining their listing status
- Introduced ASeM Growth Ambassador (GA) Programme to project the ASeM brand and support the advocacy and quotations drive of The Exchange

- Reviewing and currently enhancing market structure and trading mechanics for ASeM companies towards driving liquidity
- Introducing ASeM Index to track performance of companies listed on the board
- Introducing alternative capital raising instruments, other than pure vanilla equity for ASeM companies to achieve optimal capital structure
- Advocacy for affordable fee regime for ASeM companies by statutory organizations (CAC, FIRS, FRCN, etc)

Listing Requirements

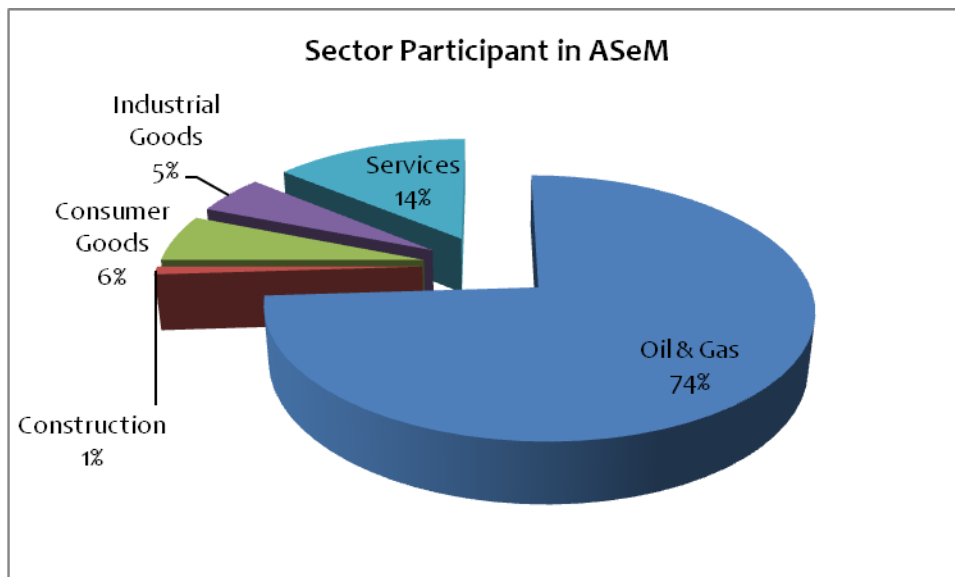
Before a company can be listed on the ASeM, it must satisfy the following pre-listing requirements:

- Pre Tax Profits-Medium term (at least 2 years) comprehensive business plan
- The company must submit financial statements/business records for the 2years prior
- Financials-Date of last audited accounts must not be more than 9 months
- Minimum of 15% of share capital must be offered to the public
- At least 51 shareholders

Listing on the ASeM can be done either through:

- ❖ Initial Public Offer or
- ❖ Introduction

Sector Participation in the Alternative Securities Market



Members of ASeM (as at 29/04/2013)

Presently ASeM has a total of eleven(11) members with market capitalization of N4.1 billion. These members are:

1	Ads Witch Plc
2	Afrik Pharmaceuticals Plc
3	Anino International Plc
4	Capital Oil Plc
5	Juli Plc
6	McNichols Consolidated Plc
7	Rak Unity Petroleum Plc
8	Rokanna Industries Plc
9	Smart Products Nigeria Plc
10	Union Venture & Petroleum Plc
11	West Africa Aluminium Products Plc

Benefits Of Listing

- Access to long term capital for growth and expansion
- Platform for facilitating long term sustainability of the company
- Reduction of financial burden and spreading of risks amongst shareholders
- Access to investors focused on high growth potential SMEs in emerging markets
- Professional guidance (Designated Adviser) to ensure company benefits
- Opportunity for initial investors to realize some or all of their investments
- Liquidity of the market
- Reduced stringent listing requirements
- Transparent price discovery mechanism

About GMA

GMA is duly registered with the Securities & Exchange Commission (SEC) in Nigeria as an Issuing House, Financial Advisers and Fund Managers and it is also a member of Asia Pacific Real Estate Association (APREA) that deals with all manners of listed real estate instruments.

Goldbanc Management Associates Limited (GMA) has opened up new frontiers in the provision of financial services through professionalism and delivery of unparalleled value-added services. One of the cardinal goals of GMA is to provide unbeatable customized investment solutions for institutional investors, corporations and high net worth individuals

in response to the prevailing financial market conditions and expand the horizon of options for channeling resources towards wealth creation.

Our keen focus on Africa is based on our extensive experience and tested expertise in key economic sectors, coupled with our working relationship with various international portfolio management companies. This has enhanced our capacity in risk management, given us access to funds and enabled us to offer personalized services to our clients.

GMA has been able to establish a strong presence in virtually all the segments of the market in which it operates in Nigeria and other African countries.

GMA has taken pride in some of its landmark transactions such as cross -border listing of a South African-based company Pinnacle Point Group Plc on the floor of Nigerian Stock Exchange and structuring First-Ever African Real Estate Investment Trusts (REITs) for Union Homes Plc.

Our financial/investment advisory services have been extended to clients in Tanzania and our real estate development and assets management services are also available in South Africa.

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