

Transforming Nigeria's Asset Management Landscape

A TECH-POWERED REVOLUTION

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The financial landscape across Africa is undergoing a significant transformation, largely propelled by rapid advancements in technology. This wave of innovation is not only reshaping the sector but also profoundly impacting the financial behaviours and aspirations of a new generation.

The Rise of Tech-Savvy Innovators

Gone are the days when traditional industries held unyielding sway over the market. Enter agile and ingenious disruptors armed with cutting-edge technology. The mid-2010s witnessed the emergence of fintech start-ups who revolutionised conventional banking models. These start-ups introduced innovative solutions like peer-to-peer lending, online payment platforms, and digital wallets. In rewriting the rulebook, these newcomers ushered in a paradigm shift, overhauling accessibility, transparency, and investment possibilities.

By using technology to make financial services available on digital platforms, which provide personalized advice through data analytics and machine learning, this transformation is

changing how people interact with their money. Now, even with modest amounts of money, individuals can invest in different asset classes. This makes investment opportunities fairer and empowers people financially, paving the way for a new generation of tech-savvy investors, with these industry challengers leading the charge.

A New Dawn for Asset Management

Amid this transformative wave, the field of asset management stands at a pivotal juncture within the financial services ecosystem in Nigeria.

Our banking sector has evolved remarkably over the last decade and a half, transitioning from a largely traditional brick-and-mortar model to a digital landscape.

In contrast, Nigeria's pension system, was marred by fragmentation, lack of transparency, fund mismanagement, and inadequate retirement coverage. However, significant improvements came about through the introduction of the Contributory Pension Scheme (CPS) and subsequent reforms. These changes prompted Pension Fund Administrators (PFAs) to enhance their investment strategies and cater to the growing importance of retirement planning and long-term investments. They encouraged diversification of portfolios to manage risk and maximize potential returns.

Conversely, asset managers encountered challenges; from manual processes, limited information access, elevated entry barriers, and an initial reluctance to fully embrace digital transformation. Nonetheless, this delay is by no means insurmountable, as asset management firms recognised the pressing need to adapt and fully embrace technology, integrating advanced analytics, Artificial Intelligence (AI), and machine learning to elevate investment strategies and provide tailored financial advice.

Pioneering the Path Forward

Coronation Asset Management is at the forefront of this evolution. We are introducing user-friendly digital platforms that empower investors. These platforms allow investors to monitor portfolios, track performance, and make informed decisions, all while minimising

administrative complexities. This streamlined approach resonates with the tech-savvy investors, emphasizing how technology empowers us to be pioneering, innovative players in Nigeria's financial ecosystem.

These innovative platforms are ushering in a more streamlined and accessible investment approach, particularly appealing to the younger generation due to their convenience, intuitive interfaces, and inventive features. Disruptive technology has levelled the playing field, by letting flexible asset managers like Coronation Asset Management innovate and redefine our role in creating, accessing, and preserving wealth.

A very important part of this digital transition lies in the incorporation of AI. While AI's infiltration into Nigeria's asset management sector is still unfolding, its potential is evident, especially within equities markets. Robo-advisors use algorithms to offer tailored investment advice and portfolio management. These platforms simplify financial jargon, making investing less confusing and bridging the chasm between financial literacy and wealth creation.

Adopting technology mandates an emphasis on regulatory compliance and cybersecurity. We are committed to safeguarding client data and adhering to cybersecurity protocols to ensure the reliability and security of digital services. Despite the need for increased cybersecurity mechanisms and regulatory compliance, technology offers us new opportunities to expand and collaborate with other financial stakeholders through APIs (Application Programming Interface). This means customers get access to a broader range of financial products and services, and that's a win-win.

Embracing the future

As Nigeria advances toward financial inclusivity and prosperity, a digital-first strategy is necessary for asset management firms to maintain their competitive edge. Prioritising transparency, accountability, and data-driven insights is also paramount. We understand that flexibility and innovation is what will set the pioneers like Coronation Asset Management apart and ensure we're here for the long haul.

The convergence of technology and finance is reshaping Nigeria's financial ecosystem. Coronation Asset Management is committed to agility, embracing technology, and continually advancing our business models to meet the evolving needs of Nigerian investors. The journey towards a transparent, accessible financial future for all is well underway, and we are excited to be leading this big change.



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