



CREATING PROSPERITY BY CONNECTING INVESTMENT OPPORTUNITIES TO INVESTORS

INVESTORS' CORNER

Publication 5. 2018

What is a Roadshow Really?

“When I write an advertisement, I don’t want you to tell me that you find it ‘creative.’

I want you to find it so interesting that you buy the product.”

David Ogilvy

If you have a store that sells the most trendy and unique clothing at the most affordable prices, but no one knows where the store is located or knows about these amazing styles of clothing that you have in your showcase; then no matter how affordable the clothes might be or how much of a high quality the clothing materials are, they will never sell! That is where advertising comes in. Advertising allows you to peddle your wares to the public, specifically to your target market in order for them to learn about the items you have on offer.

A roadshow for the listing of your bonds or your company’s shares is no different. A roadshow is a presentation made about an investment opportunity usually given by a representative of a company at the offices of potential investors. So pretty much, if you wish to list your bond, the advertising strategy that is normally done is called a “roadshow”. The roadshow includes you or other representatives from your company and the broker/arranger that is assisting you in listing the bond or share, sitting down with potential investors to discuss the investment and to answer any questions that the potential investors might have. The potential investors are usually brokerage companies that have access to, or manage accounts for, a large number of, oftentimes, wealthy clients that are able to invest in the bond/shares. Your job is to convince potential investors that your bonds or shares are attractive and worthwhile for them to invest in.

A roadshow is a big deal in the US and other first world jurisdictions when a company is looking to list its company for the first time on a Securities Exchange. Normally a successful roadshow would mean that the shares of your company can be listed at a higher price. This is because the potential investors find your share attractive and there would be a lot of demand for your stock. The same for your bonds, a successful roadshow means you could in the end, pay less interest to investors, because of the demand. In Curaçao, a roadshow is used, not necessarily to determine the price of the investment, but to let the public and potential investors become aware of the investment opportunity. Our local roadshow is a mixture of company visits coupled with traditional advertisings like TV and radio slots along with online media advertising through Facebook and LinkedIn.

A roadshow typically lasts three to four weeks. However, it may take much longer than that, because you may need additional weeks to prepare: to set up the meetings, arrange the media slots and promotional items that will be aired as well as creating the presentations that you might need to deliver in meetings. Locally, this is even a little more difficult, because the roadshow is targeting the general public rather than professional investment managers at brokerage companies who are investment savvy, aware of the investment jargons and are mindful of the information needed to conduct thorough analysis to decide on an investment. The challenge locally, therefore, is that the information provided through the roadshow has to repackage technical investment terminologies and information to an easy to understand language for the general public, so that they are inclined to invest.

Currently, there are two roadshows taking pace locally for the two recently listed securities on the DCSX. I encourage you to look out for them and take note of the information you see being displayed and the media that the arrangers have employed.

Follow Investor's Corner for everything you need to know about Wealth Creation!

This editorial is presented to you by the DCSX with the collaboration of Vertex Investments.

Author of this publication: Stephanie Shaw CFA, MBA.

