

**YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE PROSPECTUS. IF YOU ARE IN DOUBT ABOUT ITS CONTENTS OR THE ACTION TO TAKE, PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, BANKER OR AN INDEPENDENT INVESTMENT ADVISER FOR GUIDANCE IMMEDIATELY. THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS OF SFS CAPITAL NIGERIA LTD AND THEY JOINTLY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF ALL INFORMATION GIVEN AND CONFIRM THAT, AFTER HAVING MADE ALL ENQUIRIES WHICH ARE REASONABLE IN THE CIRCUMSTANCES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN MISLEADING.**

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "POTENTIAL RISK" ON PAGE 18-19

**INITIAL PUBLIC OFFERING  
OF  
500,000,000 UNITS OF ₦1 EACH**

**AT PAR IN THE**

**SFS FIXED INCOME FUND  
(Authorized and Registered in Nigeria as a Unit Trust Scheme)**

**PAYABLE IN FULL ON APPLICATION**

**FUND MANAGER:**



**RC:956192**

SFS CAPITAL NIGERIA LIMITED

**ISSUING HOUSE:**



**APPLICATION LIST**

**OPENS: FRIDAY, 2 MAY 2014**

**CLOSES: TUESDAY, 10 JUNE, 2014**

**THIS PROSPECTUS AND THE UNITS WHICH IT OFFERS HAVE BEEN CLEARED AND REGISTERED BY THE SECURITIES & EXCHANGE COMMISSION. THE INVESTMENTS AND SECURITIES ACT NO. 29 OF 2007 PROVIDES FOR CIVIL AND CRIMINAL LIABILITIES FOR THE ISSUE OF A PROSPECTUS WHICH CONTAINS FALSE OR MISLEADING INFORMATION. REGISTRATION OF THIS PROSPECTUS AND THE UNITS WHICH IT OFFERS DOES NOT RELIEVE THE PARTIES OF ANY LIABILITY ARISING UNDER THE ACT FOR FALSE OR MISLEADING STATEMENTS CONTAINED OR FOR ANY OMISSION OF A MATERIAL FACT IN THE PROSPECTUS.**

**THIS PROSPECTUS IS DATED 23 APRIL, 2014**

## TABLE OF CONTENTS

	<b>PAGE</b>	
<b>1</b>	<b>DEFINITION OF TERMS</b>	4
<b>2</b>	<b>ABRIDGED TIMETABLE</b>	7
<b>3</b>	<b>SUMMARY OF THE OFFER</b>	8
<b>4</b>	<b>THE OFFER</b>	11
<b>5</b>	<b>CORPORATE DIRECTORY OF THE FUND MANAGER</b>	12
<b>6</b>	<b>THE TRUSTEE AND OTHER PROFESSIONAL PARTIES TO THE OFFER</b>	13
<b>7</b>	<b>INFORMATION ON THE SFS FIXED INCOME FUND</b>	14
7.1	Particulars of the Fund	14
7.2	Investment Objective and Policy	14
7.3	Target Investors	14
7.4	Investment Strategy	15
7.5	Investment Incentives	15
7.6	Subscription to the Fund	15
7.7	Income and Distribution	16
7.8	Investment Discretion	16
7.9	Investment Restrictions	16
7.10	Fund Statements/Certificates	17
7.11	Transfer and Redemption of Units	17
7.12	Unit-holders' Meetings & Voting Rights	17
7.13	Valuation of the Units	17
7.14	Costs & Expenses of the Fund	18
7.15	Risk Factors	18
<b>8</b>	<b>Extra from the Fund's Rating Report</b>	20
<b>9</b>	<b>Financials</b>	
9.1	Letter from the Reporting Accountants on Profit Forecast	22
9.2	Assumptions underlying the forecast offer statistics	23
9.3	Forecast Statement of Comprehensive Income for the years ending 31st Dec 2014,2015,2016	25
9.4	Forecast Statement of Financial Position	26
9.5	Forecast changes in Equity	27
9.6	Forecast Statement of Cashflows	28

## TABLE OF CONTENTS

	<b>PAGE</b>	
9.7	Notes to the financial projections	29
9.8	Letter from the Issuing House	32
<b>10</b>	<b>Historical Financial Information of the Fund Manager</b>	<b>33</b>
<b>11</b>	<b>Information On The Fund Manager And Trustee</b>	<b>35</b>
11.1	Brief Profile of the Fund Manager – SFS Capital Nigeria Ltd.	35
11.2	Track Record – The Skye Shelter Fund (REIT)	35
11.3	Executive Management Team of the Fund Manager	36
11.4	Investment Committee and Principal Officers of the Fund Manager	37
11.5	Brief Profile of the Trustee	39
11.6	Brief Profile of the Custodian	40
<b>12</b>	<b>Statutory And General Information</b>	<b>41</b>
12.1	Authorization	41
12.2	Extracts from the Trust Deed of SFS fixed income Fund	41
12.3.	Extracts from the Custodial Agreement	60
12.4	Indebtedness	66
12.5	Claims and litigation	66
12.6	Costs and expenses	66
12.7	Material Contracts	66
12.8	Consents	67
12.9	Relationship between the Fund Manager and the Custodian	67
12.10	Relationship between the Fund Manager and the Trustee	67
12.11	Relationship between the Fund Manager and the Issuing house	68
12.12	Documents Available for Inspection	68
	<b>PROCEDURE FOR APPLICATION AND ALLOTMENT</b>	<b>69</b>
	<b>Application Form</b>	<b>70</b>
	<b>Instructions For Completing The Application Form</b>	<b>70</b>
	<b>Receiving Agents</b>	<b>72</b>

## 1. DEFINITION OF TERMS

In this document, unless otherwise stated or clearly indicated by the context, the words in the first column have the meanings stated opposite them in the second column and words in the singular shall include the plural and vice versa. Words importing natural persons shall include incorporated persons and an expression denoting any gender shall include the other genders:

<b>"Allotment Date"</b>	The date of the SEC clearance of the basis of allotment in connection with this Offering.
<b>"Application Form"</b>	The application form attached hereto, which is required to be completed by subscribers of Units of the Fund.
<b>"Bid Price"</b>	The price at which an investor can sell/redeem units of the Fund at a stated point in time.
<b>"Authorised Dealer"</b>	A bank licensed by the CBN to deal in foreign exchange under the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act Cap F34, LFN 2004.
<b>"Business Day"</b>	Monday to Friday excluding any day designated as a public holiday by the Federal Government of Nigeria.
<b>"CBN"</b>	Central Bank of Nigeria.
<b>"CCI"</b>	Certificate of Capital Importation, a certificate issued by an Authorised Dealer that confirms an inflow of foreign currency in cash or goods into the Federal Republic of Nigeria for the purpose of investment.
<b>"Custodian"</b>	Stanbic IBTC Bank Plc
<b>"Custodial Agreement"</b>	The agreement dated 23 April, 2014 between SFS Capital Nigeria Ltd, Stanbic IBTC Bank Plc and Skye Trustee, a summary of which is set out from pages 60 to 66 of this document.
<b>"Deposited Property"</b>	All assets (including cash) for the time being held or deemed to be held on trust for the Fund by virtue of the Trust Deed and all Net Income Proceeds realized by the Fund which are yet to be invested or distributed excluding any sums or investment which are for the time being standing to the credit of the distribution account.
<b>"Directors" OR "Board"</b>	The Directors of the Fund Manager, who comprise those persons whose names, are set out on pages 13 of this document.

## DEFINITION OF TERMS (CON'T)

<b>"FGN"</b>	Federal Government of Nigeria
<b>"Fund"</b>	SFS Fixed Income Fund as designed, structured, issued and managed by the Fund Manager.
<b>"Fund Manager" Or "Manager"</b>	SFS Capital Nigeria Limited ("SFS Capital").
<b>"Issuing House"</b>	Skye Financial Services Limited.
<b>"IPO" or "Offer" or "Offering"</b>	This offering of 500,000,000 Units of ₦1 each at par in the Fund.
<b>"Investment Committee"</b>	The Investment Committee of the Fund, as constituted pursuant to the provisions of the Trust Deed.
<b>"ISA"</b>	Investments & Securities Act No. 29 of 2007 and any statutory modification or re-enactment thereof for the time being in force.
<b>"LFN"</b>	Laws of the Federation of Nigeria.
<b>"Naira" or "₦"</b>	The Nigerian Naira, the official currency of the Federal Republic of Nigeria.
<b>"Net Asset Value" or "NAV"</b>	The total value of Fund's underlying investment portfolio, less any fees, charges, expenses and other liabilities accrued by the Fund.
<b>"The Exchange" or "The NSE"</b>	The Nigerian Stock Exchange.
<b>"Offer Documents"</b>	This document, advertisements, notices and any other document approved by the Commission, which disclose relevant information in respect of the Fund as required by the ISA and the SEC Rules and Regulations for the purpose of inviting the general public to invest in the IPO of the Units of the Fund.
<b>"Offer Period"</b>	The period between the opening and the closing dates of the Application List of the IPO as approved by the Commission
<b>"Offer Price"</b>	The price of a Unit of the Fund under the IPO
<b>"Pension Act"</b>	Pension Reform Act Cap P4, LFN 2004.

## DEFINITION OF TERMS

<b>“PFAs”</b>	Pension Fund Administrators.
<b>“Prospectus” or “Fund Prospectus”</b>	This document, which is issued in accordance with the provisions of the ISA and the SEC Rules and Regulations and which discloses relevant information about the Fund and the IPO.
<b>“Register”</b>	The register of Unit holders to be maintained by the Fund Manager.
<b>“RTGS”</b>	Real Time Gross Settlement, the CBN electronic platform for inter-bank transfer of funds.
<b>“SEC” or “Commission”</b>	Securities & Exchange Commission established pursuant to the provisions of the ISA.
<b>“SEC Rules and Regulations”</b>	The rules and regulations issued by the SEC pursuant to the ISA.
<b>“TIA” or “Trustees Act”</b>	Trustee Investments Act Cap T22, LFN 2004.
<b>“Trustee” or “Skye Trustee”</b>	Skye Trustee Limited
<b>“Trust Deed”</b>	The Deed dated 23 April, 2014 constituting the Fund and any document supplemental there to or executed in pursuance thereof.
<b>“Unit(s)”</b>	A Unit of the Fund representing title to assets of the Fund.
<b>“Unit holder” or “Unit Holder”</b>	The person(s) or company whose names are entered in the Register of Unit holders as holder(s) of the Units of the Fund including persons so entered as joint Unit holders.
<b>“VAT”</b>	Value Added Tax as provided for in the Value Added Tax Act Cap V1, LFN 2004 (as amended by the Value Added Tax (Amendment) Act No. 12 of 2007).
<b>“WHT”</b>	Withholding Tax as provided for in section 78(2) of Companies Income Tax Act, CAP C21, LFN 2004 and Section 70(2) of the Personal Income Tax Act Cap P8, LFN 2004.
<b>“Yield”</b>	The rate of income generated from a Unit in the form of distribution (dividend yield), or the effective rate of interest paid on a fixed income security.

## 2. ABRIDGED TIME TABLE

### DATE ACTIVITY

Date	Activity	Responsibility
<b>02/05/2014</b>	Application List opens.	Skye Financial Services
<b>10/06/2014</b>	Application List closes	Skye Financial Services
<b>24/06/2014</b>	Receiving Agents make returns	Skye Financial Services/ SFS Capital Nigeria Limited
<b>22/07/2014</b>	Forward Basis of Allotment to SEC	SFS Financial Services
<b>05/08/2014</b>	Obtain SEC clearance Basis of Allotment	Skye Financial Services
<b>06/08/2014</b>	Disburse net proceeds of the Offer to Fund Manager	Skye Financial Services
<b>11/08/2014</b>	Publish Allotment Announcement in national Newspaper	Skye Financial Services
<b>11/08/2014</b>	Dispatch rejected/surplus application monies (if any)	SFS Capital Nigeria Limited/ United Securities Limited
<b>25/08/2014</b>	Distribution of Statements of Unitholders	SFS Capital Nigeria Limited / United Securities Limited
<b>29/08/2014</b>	Forward Report on completion of Offer to the SEC	Skye Financial Services

*All dates following the opening and closing dates of the Application List are indicative only and, among other things, are subject to all necessary approvals from the SEC. If any of these approvals is not received on the date(s) specified; surrounding key events in the timetable will be subject to adjustments without prior notice.*

### 3. SUMMARY OF THE OFFER

The following is a summary of the terms and conditions of an investment in the SFS Fixed Income Fund. This summary is qualified in its entirety by the detailed information contained in this Prospectus and the Trust Deed constituting the Fund. Prospective investors are urged to read the entire Prospectus and to consult their own professional advisers as to the tax and legal consequences of investing in the Fund.

**Investors are advised to seek information on the Fees, Charges & Operating Expenses before investing in the Fund.**

<b>1. FUND MANAGER/PROMOTER</b>	SFS Capital Nigeria Ltd
<b>2. ISSUING HOUSE</b>	Skye Financial Services Ltd
<b>3. TRUSTEE TO THE FUND</b>	Skye Trustees Limited
<b>4. CUSTODIAN TO THE FUND</b>	Stanbic IBTC Bank Plc
<b>5. SIZE OF THE FUND</b>	₦500,000,000 divided into 500,000,000 Units of N1.00 each.
<b>6. FUND RATING</b>	<b>AA<sup>(F)</sup></b>
<b>7. NATURE OF THE FUND</b>	<p>The Fund is an Open ended Fund specifically designed to help savvy individuals with '<b>Financial Planning</b>'.</p> <p>By investing in low risk money market and fixed income investments the fund is targeted at maximizing the predictability of the investors returns while minimizing the risks and fluctuations. The Fund targets consistency of returns above inflation.</p>
<b>8. INVESTMENT OBJECTIVE</b>	<p>The main objective of the Fund is to achieve capital preservation of its assets and to maximise investment returns on capital employed, by investing in a diversified and select portfolio of high quality bond securities and money market instruments.</p> <p>The Fund will invest in Fixed Income securities: This includes low-risk interest generating investments such as: CBN Treasury Bills; Commercial Papers; Bankers Acceptances; Certificate of Deposit; FGN, State Government and Corporate Bonds.</p>
<b>9. DISTRIBUTIONS/REINVESTMENT</b>	The Funds focus would be to maximize current level of interest income while preserving capital invested and liquidity for investors. The Fund Manager intends to



declare dividends and make distributions on an annual basis.

Unit holders may elect to receive their Distribution in 'cash' i.e. via electronic transfer or to re-invest their distribution by purchasing additional Units of the Fund. Distribution payment option shall be made at the point of subscription.

**10. TARGET INVESTORS/  
INVESTOR SUITABILITY**

The Fund is aimed at investors who require liquidity and have a low risk appetite. It is also targeted at investors who wish to benefit from prevailing and historically high interest rates in Nigeria in an optimal manner. The Fund welcomes participation from resident and non-resident individual and institutional investors.

**11. METHOD OF OFFER**

Offer for Subscription.

**12. OFFER PRICE**

₦1.00 per Unit. Foreign currency investors will be processed at the prevailing exchange rate at the time of subscription. CCIs will be issued to all foreign currency subscribers.

**13. UNITS OF SALE**

10,000 units and Multiples of 10,000 units thereafter.

**14. PAYMENT TERMS**

In full on application.

**15. SUBSCRIPTION CURRENCY**

Nigerian Naira (₦).

**16. MANDATORY SUBSCRIPTION**

The Fund Manager shall subscribe to a minimum of 5% of the IPO.

**17. OPENING DATE**

2 May, 2014

**18. CLOSING DATE**

10 June, 2014

**19. MINIMUM HOLDING PERIOD**

The minimum holding period for an investment in the Fund is 30 calendar days from the date of purchase.

**20. REDEMPTION**

Unit holders have the right to redeem all or part of the Units held by them at the Bid price on any business day, provided the redemption documents are received in accordance with the instructions specified by the Fund Manager from time to time. Redemption documents delivered after 4pm on a Business Day will be deemed to have delivered on the next Business Day. No additional charges will be required on redemption. However, Units redeemed before the

expiration of the Minimum Investment Period will attract a processing fee of **0.5%** of the value of such redemption.

Redemption shall be effected at the Bid Price within five (5) Business Days immediately following the receipt of the Redemption Notice by the Fund Manager.

## 21. STATUS

The Units qualify as securities in which Trustees may invest under the Trustee Act.

## 22. LISTING

An application has been made to The Council of The Nigerian Stock Exchange for the admission of the 500,000,000 Units being offered for subscription, to its Memorandum List.

## 23. FORECAST OFFER STATISTICS

	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>Income</b>			
Bonds (FGN, State, Corporate)	23,450	28,910	40,474
CBN Treasury Bills	44,100	55,860	78,204
Money Market Instruments	42,875	54,880	72,030
Cash	525	735	1,029
	<u>110,950</u>	<u>140,385</u>	<u>191,737</u>
<b>Expenses</b>			
Management Fees	7,000	9,800	13,720
Issue cost	14,985		
Operating expenses	6,650	9,310	13,034
	<u>28,635</u>	<u>19,110</u>	<u>26,754</u>
<b>Net Income</b>	82,315	121,275	164,983
Distribution to Unitholders	<u>(82,315)</u>	<u>(121,275)</u>	<u>(164,983)</u>
<b>Undistributed Income</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Forecast ratios:</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Forecast earnings(N) per units of N1.00	0.12	0.12	0.12
Forecast price/earnings ratio at offer price	8.51	8.08	8.32
Forecast earnings yield at offer price (%)	<u>11.76%</u>	<u>12.38%</u>	<u>12.03%</u>

## 24. INVESTMENT RISKS

The risks associated with an investment in the Fund are set out in the section titled "**Risks of investing in the Fund**" on pages 18-19 of this Prospectus.

## 25. SELLING RESTRICTIONS

Under no circumstances shall this Prospectus constitute an offer to sell or the solicitation of an offer to buy or shall there be any sale of these Units in any jurisdiction in which such offer, solicitation or sale would be

unlawful.

## 26. GOVERNING LAW

The Trust Deed and related documents will be governed by and construed in accordance with the laws of the Federal Republic of Nigeria.

## 4. THE OFFER

A copy of this Prospectus and the documents specified herein have been approved by the Trustees and delivered to the Securities and Exchange Commission for registration.

This Prospectus is being issued in compliance with the provisions of the Investments and Securities Act No. 29 of 2007, the Rules and Regulations of the Commission and the Listing Requirements of The Exchange and contains particulars in compliance with the requirements of the Commission and The Exchange, for the purpose of giving information to the public with regard to the Offer for Subscription of 500,000,000 Units of the fund by Skye Financial Services Limited on behalf of SFS Capital Nigeria Limited. The Fund has been authorized and registered by SEC as a Unit Trust Scheme. An application has been made to the Council of the Exchange for the admission of the 500,000,000 Units being offered for subscription to its Memorandum List. The Directors of the Manager individually and collectively accept full responsibility for the accuracy of the information contained in this Prospectus.

The Directors have taken reasonable care to ensure that the facts contained herein are true and accurate in all respects and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no material facts the omission of which would make any statement herein misleading or untrue.



**SFS CAPITAL NIGERIA LIMITED**

**OFFER FOR SUBSCRIPTION AND IS AUTHORIZED TO RECEIVE SUBSCRIPTIONS FOR**

**500,000,000 UNITS AT ₦1 EACH  
AT PAR IN THE**

**SFS FIXED INCOME FUND**

**(Authorised and Registered in Nigeria as a Unit Trust Scheme)  
PAYABLE IN FULL ON APPLICATION**

The Application List for the Units now being offered will open on 2 May, 2014 and close on 10 June, 2014

## **5. CORPORATE DIRECTORY OF THE FUND MANAGER**

### **CORPORATE DIRECTORY OF THE FUND MANAGER:**

Plot 287 Ajose Adeogun Street,  
Victoria Island, Lagos  
Telephone: 234(1) 280 1400  
Fax: 234 (1) 280 1429  
Website:www.sfsnigeria.com

### **DIRECTORS OF THE FUND MANAGER:**

#### **Dr. Layi Fatona (Chairman)**

Plot 287 Ajose Adeogun Street  
Victoria Island, Lagos

#### **Dr. Yemi Kale**

Plot 287 Ajose Adeogun Street  
Victoria Island, Lagos

#### **Mr. Yemi Gbenro**

Plot 287 Ajose Adeogun Street  
Victoria Island, Lagos

#### **Mr. Patrick Ilodiana (Managing Director)**

Plot 287 Ajose Adeogun Street  
Victoria Island, Lagos

#### **Mr. Dimeji Sonowo**

Plot 287 Ajose Adeogun Street  
Victoria Island, Lagos

### **COMPANY SECRETARY**

#### **Tokunbo Orimobi LP**

5<sup>th</sup> Floor,  
72, Broad Street, Lagos

### **PRINCIPAL OFFICERS OF THE FUND MANAGER:**

Patrick Ilodiana; MBA FCA ACS ACIT  
Dimeji Sonowo; FCA  
Gbemi Arawole  
Tola Adekanmbi  
Seyi Makanju

### **MEMBER OF THE INVESTMENT COMMITTEE OF THE FUND:**

#### **Mr. Yemi Gbenro**

Plot 287 Ajose Adeogun Street  
Victoria Island, Lagos

#### **Mr. Patrick Ilodiana**

Plot 287 Ajose Adeogun Street  
Victoria Island, Lagos

#### **Mr. Dimeji Sonowo**

Plot 287 Ajose Adeogun Street  
Victoria Island, Lagos

#### **Mrs. Funmi Ekundayo**

Plot 287 Ajose Adeogun Street  
Victoria Island, Lagos

**Mr. Laolu Martins** (Independent Member)  
Plot 287 Ajose Adeogun Street  
Victoria Island, Lagos

## **6. THE TRUSTEE AND OTHER PROFESSIONAL PARTIES TO THE OFFER**

<b>FINANCIAL ADVISOR/ISSUING HOUSE:</b>	<b>Skye Financial Service Ltd</b> Plot 287, Ajose Adeogun Street Victoria Island Lagos
<b>TRUSTEE TO THE FUND:</b>	<b>Skye Trustees Limited</b> Skye Bank Building (3 <sup>rd</sup> Floor) 30, Marina, Lagos
<b>SOLICITORS TO THE TRUSTEE:</b>	<b>Oluyomi Olawore &amp; Co.</b> ITIKU House, 28/30 Macarthy Street, Onikan, Lagos Island, Lagos.
<b>SOLICITORS TO THE OFFER:</b>	<b>Jackson, Etti &amp; Edu</b> RCO Court 3 – 5 Sinari Daranijo Street Victoria Island, Lagos
<b>REPORTING ACCOUNTANTS:</b>	<b>Dele Olufon &amp; Co.</b> Plot 788 Somide Odujinrin Street Omole Phase 2 Ikeja, Lagos.
<b>STOCKBROKERS TO THE OFFER:</b>	<b>Securities Africa Financial Limited</b> Skye Bank Building (5 <sup>th</sup> Floor) 30, Marina, Lagos.
<b>CUSTODIAN:</b>	<b>Stanbic – IBTC Bank PLC</b> Walter Carrington Crescent Victoria Island Lagos
<b>REGISTRAR TO THE OFFER:</b>	<b>United Securities Limited</b> 10 Amodu Ojikutu Street Victoria Island Lagos
<b>RATING AGENCY:</b>	<b>DataPro Limited</b> 6 <sup>th</sup> Floor, Ashakun House 13-15 Lake Street Lagos Island
<b>RECEIVING BANKS:</b>	<b>Skye Bank PLC</b> 3 Akin Adesola Street Victoria Island

## **7. INFORMATION ON THE SFS FIXED INCOME FUND**

### **7.1 PARTICULARS OF THE FUND**

The SFS Fixed Income Fund is structured as an open-ended scheme and duly authorised and registered in Nigeria as a Unit Trust Scheme under Section 160 of the ISA. The Fund is constituted by a Trust Deed in favour of **Skye Trustees Limited** as Trustee. **500,000,000** Units are being offered for subscription at the launch of the Fund. Upon the successful completion of this Offer, the net proceeds therefrom and the resultant investments will be held in trust for the beneficial interest of the Unitholders and will constitute the Fund. **Stanbic IBTC Plc** has been appointed as the Custodian to provide custodial services in respect of the Deposited Property pursuant to the terms of the Custody Agreement.

As an open-ended Fund, the Units will be continuously offered to investors and the Fund Manager will be ready to redeem the Units at all times throughout the duration of the trust constituting the Fund.

### **7.2 INVESTMENT OBJECTIVES AND POLICY**

The Fund Manager would invest funds in such a manner as to ensure no loss of principal investment. In addition, the Fund Manager would seek to always attain a return above the prevailing inflation rate.

Most of the funds would be invested in interest bearing instruments through any CBN approved Bank. However, funds may also be invested in high quality corporate, commercial papers and Bankers Acceptance.

The Fund would selectively invest a minimum of 20% in bonds of FGN, State and Corporate when it's likely to get capital appreciation and exit at a profit. This strategy would happen only when bond or fixed income instruction appears underpriced using fundamental interest rate and yield curve analysis.

The Fund Manager would monitor all exposures very keenly and seek preservation of the investment ahead of possibilities of high returns. In summary, the Fund Manager would always seek to maximize risk-adjusted return of the investments.

### **7.3 TARGET INVESTORS**

This is principally individual financial planning products.

The target investors are:

- Individual Investors
- Investor with low risk appetite
- Investor which prefer to invest funds periodically and consistently for a particular reason.
- Investor who do not want high fluctuation in investment returns
- Group of individual who want to hold themselves accountable for meeting certain investment goals.

## 7.4 INVESTMENT STRATEGY

**Bonds:** The fund will invest in discount bonds with high coupon rates and high yields. This would reduce the impact of the effect mark-to-market in the funds overall performance.

**Fixed Income:** The fund would seek out the best rate available in the market amongst CBN approved banks and blue-chip corporate. This would be predominantly money market instruments such as Bank Placements, Commercial Paper and Bankers Acceptance. It is expected that the Fund Manager would be able to obtain high yields and better terms than any individual investor would be able to obtain on their own.

## 7.5 INVESTMENT INCENTIVES

### Stable Long Term

The investment targets stable long term returns above inflation.

### Ease of Investments

The Fund would seek to make investing convenient through the use of information technology.

### Financial Planning Literature

As the Fund focuses on financial planning, subscribers would be constantly updated with tips on effective financial planning.

## 7.6 SUBSCRIPTION TO THE FUND

Following the completion of this Offer, Units of the Fund can be purchased exclusively from the Manager or any other Agent(s) appointed by the Fund Manager by completing the appropriate Purchase Order Form. Subscription may be by one of the following means:

- a) Directly from the Manager or from any designated agent. Completed Forms should be returned to any such designated agent along with a bank draft for the amount being invested.
- b) By downloading a Purchase Order Form from the Fund Manager's website, [www.sfsfixedincomefund.com](http://www.sfsfixedincomefund.com). The downloaded and duly completed Form should be sent to the Fund Manager's Lagos office address as indicated on the Form. Payment for Units of the Fund can be made by a bank draft made payable in Lagos or via a wire transfer made in line with instructions on the Form. Foreign currency subscriptions shall be processed at the prevailing exchange rate advised by the Manager.
- c) Subscriptions after the closure of the Offer can be done by standing order instructions to the Fund Manager or by cheque or bank transfer to the account of the Fund Manager on a weekly, monthly or bi-annual basis as the case may be.

*Foreign currency subscribers are requested to complete the Purchase Order Form and follow the instructions at the back of the Form. The Fund Manager will support all foreign currency subscribers to obtain CCIs from authorized dealers within 24 hours of importation of capital for the purpose of investing in the Fund. CCIs are required to enable subsequent repatriation, of proceeds from redemption of Units or from any distribution of the Fund's income that the Fund Manager may undertake.*

#### **7.7 INCOME AND DISTRIBUTION**

Unit-holders may elect to receive their distributions in form of cash or to re-invest it in additional units in the Fund.

#### **7.8 INVESTMENT DISCRETION**

Investment choices of the Fund will be undertaken at the discretion of the Fund Manager, in accordance with the Trust Deed. Within these limits, the Fund Manager will be responsible for all the decisions regarding investment strategies, types, amounts and timing of the investments to be undertaken by the Fund. The strategies of the Fund will be periodically reviewed and modified as market conditions dictate and as the Fund Manager deems such modifications to be in the Fund's best interest. Holding periods for the Fund's trading and investment positions will be principally dependent upon their anticipated short to long term income and capital appreciation potentials and the market conditions that may prevail over time.

#### **7.9 INVESTMENT RESTRICTIONS**

The Fund Manager will adhere strictly to the investment objective of the Fund. In addition, the Fund Manager shall invest in such instruments as are permissible under the Trust Deed and authorized by the Investment Committee, taking due cognizance of the following restrictions at all times:

- (i) Investments shall be made for trading purposes only and shall not be intended for the purpose of exercising control over the management or operating policies of issuers of securities held;
- (ii) The Fund shall not advance loans except that it may buy and hold qualifying debt instruments in accordance with its mandate;
- (iii) The Fund will not purchase securities on margin or engage in short sales of securities;

#### **Benefits of investing in the fund:**

The fund is carefully **designed** to improve the Financial 'Health' of an individual/ group/ institution; therefore the following unique benefits shall apply:

- (i) Ease of Investment: The fund is designed to ensure convenience in the investment process;
  - Investment in the Fund can be made using the Quickteller platform by Interswitch Limited ( details as contained in the application form)
  - Various steps are being taken to ensure a seamless investment via standing instruction and direct debits.
- (ii) Liquidity: The fund would also provide easy exit for investors.
- (iii) Professional Management: The Fund will be managed by highly experienced portfolio managers.



(iv) Financial Planning Education: Subscribers to the fund would be consistently sent information to improve their financial health and financial planning skills.

**7.10 STATEMENTS OF UNITHOLDINGS**

Unit-holders will be issued with Fund Statements, which shall constitute evidence of their title to the number of Units specified on such statements. Joint Unit holders shall be entitled to one statement in respect of the units held jointly by them which shall be delivered to the joint holder or whose name first appears on the register.

**7.11 TRANSFER AND REDEMPTION OF UNITS**

Redemption of Units will be possible at any time after the allotment of such Units. Units redeemed within 30 days of the purchase will attract a processing fee of 0.5% of the net redemption value. Every Unit-holder shall be entitled to transfer the Units or any of the Units held by him through the Manager in accordance with the provisions of the Trust Deed. The Manager will not transfer or redeem Units without the production of a Fund statement of unit holding relating to such Units, which must be surrendered before any transfer or redemption whether for the whole or any part thereof can be registered. Units purchased on behalf of an individual under the age of 18 years may be redeemed or transferred by the signatory or by the individual upon attaining the age of 18 years provided that such individual produces a statement of unit holding and a valid means of identification. Detailed transfer instructions are provided in the Trust Deed. Units may be redeemed on any Business Day at the Bid Price per Unit, provided redemption notices are received at the offices of the Fund Manager before 5.00 p.m. on the Valuation Day. Notices received after 5.00 p.m. shall be treated on the following Business Day. Redemption price shall be as at the date of treatment.

A new statement of unit holding will be issued for the new number of units in case of partial redemption. Under normal circumstances, the Fund will make redemption payments within 5 Business Days of receipt of the redemption notice.

The account detail stated in the application form will be the default account to be credited in the event of redemption. The name on the subscriber must be the same as the name on the account to be credited.

**7.12 UNIT-HOLDERS' MEETINGS AND VOTING RIGHTS**

The Manager shall call a General Meeting of Unit-holders with the consent of the Trustees as the need arises to consider the accounts and all matters affecting the Fund. Each Unit of the Fund carries a right of one vote in all matters requiring the decision of the Unit-holders. The Units confer on the Unit-holders exclusive participation in the returns on the assets of the Fund and a right to receive notices to attend and vote at any general meeting of the Fund.

**7.13 VALUATION OF THE UNITS**

The valuation of the Units shall be done daily or such other period which the Fund Manager may advise from time to time, based on a formula approved by SEC from time to time. The Fund Manager will advise the prices of the Fund after the valuation. The current formula approved by the Commission is as follows:

ADD

1. Un-invested cash
2. Undistributed income to date, less expenses
3. Total value of fixed income securities

LESS

4. Stamp Duties

## 5. Brokerage Fee

$$\text{Value per Unit} = \frac{(\text{Sum of 1 to 3}) - (\text{Sum of 4 to 5})}{\text{Total Number of Units}}$$

The Bid and Offer Prices per Unit shall be displayed at the Fund Manager's office and website.

### **7.14 COSTS & EXPENSES OF THE FUND AND FEES**

The initial costs of establishing the Fund will be charged against the expected proceeds. This charge includes the expenses of this Offer, which comprises regulatory and professional fees, printing, advertising and publicity and brokerage commission. The administrative costs, which include the Manager's fee, will not exceed 3% of Net Asset Value of the Fund per annum. All future costs and expenses of maintaining the Fund, which shall include management of its assets, administration and other services, shall be deducted from the income generated by the Fund. The Fund Manager shall be paid an annual management fee of 1% of the NAV of the fund. This fee will be computed daily and paid quarterly in arrears and represents the remuneration due to the Fund Manager for the management and advisory roles involved in the day-to-day management of the fund. The manager is also entitled to an incentive fee which shall not exceed 30% of the total returns in excess of 10% of the fund's NAV per annum.

### **7.15 RISK FACTORS**

The Fund Manager will exercise all necessary caution in investing monies mobilized by the Fund. In addition to the foregoing, foreign currency subscribers should note that their investment will be denominated in Naira and should qualify for repatriation upon redemption. In addition, foreign subscribers should note that their investment may also be subject to currency fluctuations and exchange control regulations in the jurisdictions of which they are citizens, residents or domiciled and in which they conduct business and are advised to consult their own professional advisers, in this regard.

#### **Market Risk**

This is the risk of a downturn in any sector of the market, which may lead to loss of investor confidence in the fixed income securities. If the Fund is invested in any of the fixed securities market, the value of such a fund will likely reduce in the sector invested as the value of the investments it contains goes down.

*Mitigant - Fund Manager will closely monitor national & international market events and trends and cautiously invest investor funds in sectors that will yield positive returns. The Fund Manager will also trade (buy and sell) investments within the fund in order to maintain a diversified and constantly reviewed asset allocation model.*

#### **Business Risk**

This is the risk of a reduction in asset values as a result of unexpected changes in the operating dynamics of immediate business environment in which the fund exists.

*Mitigant - Using a well diversified portfolio, the Fund Manager will aim to create a defensive asset allocation model that will help the fund guard against massive losses in value within a short period.*

#### **Liquidity Risk**

This is the risk that some assets in which the fund will be invested in might be difficult to sell.

*Mitigant - Investments would be majority in liquid instruments that are freely tradeable.*

### **Interest Rate Risk**

This is the risk that fluctuations in interest rates might adversely affect the value of the assets to be invested in.

*Mitigant - Bid and Offer prices would be calculated based on the cost plus accrued interest to protect subscribers from excessive interest rate fluctuations.*

### **Inflation Risk**

This refers to the risk of loss of purchasing power due to increase in costs over time due to rising prices and results in a decrease in purchasing power over time. The interest rate on a bond is typically set when it is issued.

If there is significant inflation over the time the bond is held, the real value of the investment depreciate

*Mitigant - there is no mitigant currently to the Risk.*

### **NAV Risk**

Stock market trends show that prices of many listed securities (especially Bonds) move in unpredictable directions, which may affect the value of the Fund's portfolio of listed securities. Depending on its exposure to such securities, the NAV of Units issued under this Fund may change depending on various factors and forces affecting the capital markets. Moreover, there is no guarantee that the market price of the Fund's Units will fully reflect the underlying asset value of the Fund.

*Mitigant - The Fund manager will invest a maximum of 20% in Bonds which can experience a fluctuation in Price.*

### **Credit Risk**

The credit ratings of the issuers of corporate bonds and money market instruments in which the Fund will invest in are an assessment by the relevant rating agencies of such issuers' ability to pay the debt obligations when due. The ratings may not reflect the potential impact of all risks related to investing in the bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. There will still be the risk of loss due to an issuer's default or non-payment of the principal or coupon or both.

*Mitigant - The Fund Manager will amongst other measures to mitigate risk, assess the payment ability and past history of the issuer and only invest in corporate bonds that are issued by Nigerian listed companies and money market instruments with at least an "A" rating by a SEC registered rating agency.*



## 8. EXTRACT FROM THE FUND'S RATING REPORT

### FIXED INCOME FUND RISK RATING REPORT

DataPro

#### EVALUATION

**VALID TILL: February, 2015**

<b>DataPro Rating:</b>	<b>AA(F)</b>
<b>Previous Rating</b>	<b>N/A</b>
<b>Fund Type:</b>	<b>Open Ended Unit Trust Scheme</b>
<b>Fund Size:</b>	<b>₦ 500m</b>
<b>Currency:</b>	<b>Naira</b>
<b>Fund Outlook:</b>	<b>Evolving</b>

#### RATING EXPLANATION

The long term rating of **AA<sup>(F)</sup>** indicates Lower risk. It is assigned to fund which have very good financial strength, operating performance and profile when compared to the standards established by *DataPro*. This Fund, in our opinion, has a very strong ability to meet its ongoing obligations.

#### RATING SYNOPSIS

The rating took into consideration all relevant qualitative and quantitative factors to arrive at the assigned risk factor.

The qualitative information used was obtained from the Fund Manager during interview sessions with its representatives and examination of trust deed and the custody agreement.

The quantitative information used was obtained from the Fund financial forecast, Reporting Accountant Report and the Fund's Prospectus.

The risk factors were assessed by considering the credit risk, interest rate risk, liquidity risk, regulatory framework and operating performance of the Fund Managers.

Our review of the investment strategy of the Fund Manager reveals the following:

#### Strengths

- Good Credit Quantity
- Good Liquidity
- Experienced Fund Managers

#### Weaknesses

- Minimal Protection against inflation

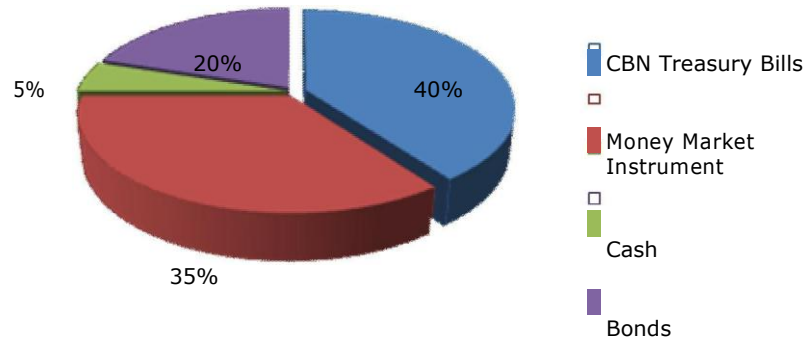
#### INVESTMENT STRATEGY

The investment strategy is to place funds in interest bearing assets that can guarantee the principal

sum. The assets classes are bonds, treasury bills, money market instruments and cash. The distribution is presented below:

## FIXED INCOME FUND RISK RATING REPORT

Distribution of Fund's Assets



Source: SFS Capital Nigeria Ltd

The rating cap for any instrument of the fund not backed by Federal Government would be a minimum of an "A".

The mandatory holding period of investment in the Fund is minimum of 30 calendar days.

### REGULATORY FRAMEWORK/OPERATION

The fund administration and operation will be guided by the Law of Federal Republic of Nigeria and specifically, Investments and Securities Act of 2007.

The Fund manager/promoter will seek approval of the **Securities & Exchange Commission** before offering the Fund to the public. **Securities & Exchange Commission** also regulates all other parties to the Fund.

The Fund is to be constituted by a trust deed that provides for the rights and obligations of parties to the Fund.

We have reviewed the investment policy. The rating is constrained by the credit quality of non-government related securities in the Fund.

However, attention was paid to the track record of the management including the investment instruments under consideration for the fund

Consequently, we consider the fund an "**investment grade**".

### References

Abiodun Adeseyoju, **FCA**.  
Abimbola Adeseyoju  
Oladele Adeoye

**DataPro Limited**  
6<sup>th</sup> Floor, Ashakun House  
13/15 Lake Street, Lagos Island, Lagos.  
Tel: 234-1-4542803, 8967978, 0709-811-9962  
Cell: 0805-530-3677

Email: info@datapronigeria.net, datprong@gmail.com Website: [www.datapronigeria.net](http://www.datapronigeria.net)

## **9. FINANCIALS PROJECTIONS**

### **9.1 LETTER FROM THE REPORTING ACCOUNTANTS ON PROFIT FORECAST OF SFS FIXED INCOME FUND**



# Dele Olufon & Co (Chartered Accountants)

...the diligent will stand before kings.  
1

## LETTER FROM REPORTING ACCOUNTANTS ON FINANCIAL FORECAST OF SFS FIXED INCOME FUND

January 20, 2014

The Director  
**SFS Capital Nigeria Limited**  
Plot 287, Ajose Adeogun Street,  
Victoria Island, Lagos

The Director  
**Skye Financial Services Limited**  
Plot 287, Ajose Adeogun Street,  
Victoria Island, Lagos

Dear Sirs,

### SFS FIXED INCOME FUND – OFFER FOR SUBSCRIPTION OF 500,000,000 UNITS OF N1 EACH

We have reviewed the accounting policies and calculations for the financial forecast of the SFS Fixed Income Fund (for which the Fund Manager is solely responsible) for the three years period ending 31 December, 2016.

In our opinion, the financial forecast, so far as the accounting policies and calculations are concerned, has been properly compiled on the basis of the assumptions made by the managers and are presented in accordance with International Financial Reporting Standards.

However, there will usually be differences between forecast and actual results, because events and circumstances frequently do not occur as expected and those differences may be material.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Yours faithfully,

Mrs O. Olufon

For: **Dele Olufon & Co**  
**Chartered Accountants**

788 Somide Odujinrin Avenue  
Omole Phase II  
Ikeja Lagos Nigeria

+2341-7747759  
+2341-7905541

Enquiries@doccharteredaccountants.com

PARTNERS: Dele Olufon, Timothy Olagunju , Funbi Fagbohun

## FINANCIALS PROJECTIONS

### 9.2 ASSUMPTIONS UNDERLYING THE FORECAST OFFER STATISTICS

## **1. FINANCIAL PROJECTIONS**

The Fund Manager is of the opinion that subject to unforeseen circumstances and based on the assumptions stated below, the net income of the SFS Fixed Income Fund for the years ending 31<sup>st</sup> December 2014, 2015 and 2016 will be N82.30 million, N121.28 million and N164.98 million.

## **2. BASIS AND ASSUMPTIONS**

The following are the basis and principal assumptions underlying the financial projections for the three years ending 31<sup>st</sup> December 2016:

### **2.1 Basis**

The financial projections for the three years ending 31<sup>st</sup> December 2016 have been prepared under the historical cost convention with the Fund Manager's accounting policies.

### **2.2 Assumptions**

- (i) Based on the projected level of operation, the gross income of the Fund for the year ending 31<sup>st</sup> December 2014, 2015 and 2016 will be approximately N110.95 million, N140.39 million and N191.74 million respectively.
- (ii) The Fund is expected to take off with a size of N500 million and subscriptions will be received as follows:
  - End of Year 1: N700 million
  - End of Year 2: N980 million
  - End of Year 3: N1,372 million

The subscriptions would be received evenly throughout the year. The average subscriptions in Year 1, 2 and 3 is N600 million, N840 million and N1,176 million. This represents the simple average of the beginning and ending subscription levels.

- (iii) Additional units of the Fund will be issued to the new/existing investors in 2015 and 2016. The additional investments are estimated at 40% of Net Asset Value annually commencing from the year ending 31<sup>st</sup> December 2014.
- (iv) The Fund's income will include the following:
  - Interest on Federal Government bonds, estimated to be 16.25% per annum during the year ending 31<sup>st</sup> December, 2014 and 14.25% per annum for the two years ending 31<sup>st</sup> December 2016.
  - Interest on State Government and Corporate bonds, estimated at 17.25% per annum during the year ending 31<sup>st</sup> December, 2014 and 15.25% per annum for the two years ending 31<sup>st</sup> December 2016.
  - Interest on Central Bank of Nigeria treasury bills, estimated to be 17%, 15% and 14% per annum for 1 Year, 182 days and 91 day treasury bills respectively for the year ending 31<sup>st</sup> December, 2014 and 15%, 14% and 13% per annum for 1 Year, 182 days and 91 days respectively the two years ending 31<sup>st</sup> December, 2016.

- (v) Issue costs



The issue costs which include statutory fees, professional fees and publicity, marketing and distribution are estimated at 3% of the offer proceeds. The offer expenses totaling ₦14,985,000 which is payable from the offer proceeds, will be written off during the first year of the Fund.

(vi) Management fees

The Fund Manager will receive a management fee of 1% of the Fund's Net Asset Value before distribution to Unit holders which is payable at the end of each quarter

(vii) Other operating expenses

The Fund will be responsible for all administrative, custodians, research and other related expenses to be incurred in the day-to-day operations. This could entail making payments to the Fund Manager and other professional parties in respect of specific services provided to the Fund. Operating expenses are estimated at an average of 0.95% of net assets at the beginning of each of the years ending 31<sup>st</sup> December,2016.

(viii) Taxation

The Fund's income will be exempted from taxation throughout the forecast period.

(ix) Distribution to Unitholders

100% of net income per annum may be distributed to Unitholders during the forecast period.

(x) Annual audit

The Fund's accounts will be subject to annual audit by auditors, as the Trustees shall approve from time to time.

### 9.3 FORECAST STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE YEARS ENDING 31<sup>ST</sup> DECEMBER 2014, 2015, 2016

		<b>2014</b>	<b>2015</b>	<b>2016</b>
		<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>Income</b>				
Bonds (FGN,State,Corporate)	2	23,450	28,910	40,474
CBN Treasury Bills	3	44,100	55,860	78,204
Money Market Instruments	4	42,875	54,880	72,030
Cash	5	525	735	1,029
		<hr/>	<hr/>	<hr/>
Gross Income		110,950	140,385	191,737
		<hr/>	<hr/>	<hr/>
<b>Expenses</b>				
Management Fees	6	7,000	9,800	13,720
Issue cost		14,985	-	-
Operating expenses	7	6,650	9,310	13,034
		<hr/>	<hr/>	<hr/>
		28,635	19,110	26,754
		<hr/>	<hr/>	<hr/>
Net Income		82,315	121,275	164,983
Distribution to unitholders		(82,315)	(121,275)	(164,983)
		<hr/>	<hr/>	<hr/>
<b>Undistributed Income</b>		-	-	-
		<hr/>	<hr/>	<hr/>
<b>Forecast ratios:</b>				
		<b>2014</b>	<b>2015</b>	<b>2016</b>
Forecast earnings(N) per units of N1.00		0.12	0.12	0.12
Forecast price/earnings ratio at offer price		8.51	8.08	8.32
Forecast earnings yield at offer price (%)		11.76%	12.38%	12.03%

**9.4 FORECAST STATEMENT OF FINANCIAL POSITION  
FOR THE THREE YEARS ENDING 31 DECEMBER 2014, 2015 AND 2016.**

		<b>2014 N'000</b>	<b>2015 N'000</b>	<b>2016 N'000</b>
<b>Assets</b>				
Financial instruments	1.1	700,000	980,000	1,372,000
		<hr/>	<hr/>	<hr/>
<b>Net asset value, end of year</b>		<b>700,000</b>	<b>980,000</b>	<b>1,372,000</b>
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Finance by</b>				
Members capital account		700,000	980,000	1,372,000
Revenue reserve		-	-	-
		<hr/>	<hr/>	<hr/>
		<b>700,000</b>	<b>980,000</b>	<b>1,372,000</b>
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**9.5 FORECAST CHANGES IN EQUITY  
FOR THE THREE YEARS ENDING 31 DECEMBER 2014, 2015 AND 2016.**

	<b>Members' Capital Account N'000</b>	<b>Revenue Reserve N'000</b>	<b>Total N'000</b>
Balance as at January 1, 2014	500,000		500,000
Addition to capital	200,000		200,000
Net income for the year		82,300	82,300
Distribution paid		(82,300)	(82,300)
<b>Balance as at 31st December 2014</b>	<b>700,000</b>	<b>-</b>	<b>700,000</b>
Balance as at January 1, 2015	700,000	-	700,000
Addition to capital	280,000		280,000
Net income for the year		121,275	121,275
Distribution to unitholders		(121,275)	(121,275)
<b>Balance as at 31st December 2015</b>	<b>980,000</b>	<b>-</b>	<b>980,000</b>
Balance as at January 1, 2016	980,000	-	980,000
Addition to capital	392,000		392,000
Net income for the year		164,983	164,983
Distribution paid		(164,983)	(164,983)
<b>Balance as at 31st December 2016</b>	<b>1,372,000</b>	<b>-</b>	<b>1,372,000</b>

**9.6 FORECAST STATEMENT OF CASH FLOWS  
FOR THE THREE YEARS ENDING 31 DECEMBER 2014, 2015 AND 2016.**

	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>Cashflows from operating activities:</b>			
Net income before distribution	82,300	121,275	164,983
Changes in operating activities	-	-	-
	<u>82,300</u>	<u>121,275</u>	<u>164,983</u>
<b>Cashflows from investing activities:</b>			
Bonds (FGN,State,Corporate)	(140,000)	(56,000)	(78,400)
CBN Treasury Bills	(280,000)	(112,000)	(156,800)
Money Market Instruments	(245,000)	(98,000)	(137,200)
	<u>(665,000)</u>	<u>(266,000)</u>	<u>(372,400)</u>
<b>Cashflows from financing activities:</b>			
Net proceeds from issue	700,000	280,000	392,000
Distribution to unitholders	(82,300)	(121,275)	(164,983)
	<u>617,700</u>	<u>158,725</u>	<u>227,017</u>
<b>Net increase in cash and cash equivalents</b>	<b>35,000</b>	<b>14,000</b>	<b>19,600</b>
Opening cash and cash equivalents	-	35,000	49,000
Closing cash and cash equivalents	<u>35,000</u>	<u>49,000</u>	<u>68,600</u>

## 9.7 NOTES TO THE FINANCIAL FORECAST

- 1 A gross amount of N500,000,000 is expected to be realised from the offer. The net Funds available for investments annually

	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance brought forward	-	655,900	935,900
Proceeds from offer	500,000	-	-
Net increase in members' capital account	200,000	280,000	392,000
Undistributed income in prior year	(44,100)	-	-
	<u>655,900</u>	<u>935,900</u>	<u>1,327,900</u>
<b>Amount available for investment</b>	<b><u>655,900</u></b>	<b><u>935,900</u></b>	<b><u>1,327,900</u></b>

The Fund Manager has projected that the available net funds will be invested in financial instruments.

### 1 Financial Instruments

		<b>2014</b>	<b>2015</b>	<b>2016</b>
		<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Bonds (FGN, State, Corporate)	Target weight 20%	131,180	187,180	265,580
CBN Treasury Bills	40%	262,360	374,360	531,160
Money Market Instruments	35%	229,565	327,565	464,765
Cash	5%	32,795	46,795	66,395
	<u>100%</u>	<u>655,900</u>	<u>935,900</u>	<u>1,327,900</u>

### 2 Interest on Bonds (FGN, State and Corporate)

	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
FGN Bonds	11,375	13,965	19,551
State Government and Corporate Bonds	12,075	14,945	20,923
Total Bonds	<u>23,450</u>	<u>28,910</u>	<u>40,474</u>

The Fund Manager will invest 20% of the net available fund in Bonds; 10% for 5 to 10 year FGN bonds, while the other 10% will be for State and corporate bonds. The interest earned on these instruments is estimated to be 16.25% and 17.25% on the 5 to 10 Year FGN bonds and the State and Corporate bonds respectively in the year ending 31st December 2014, while the interest earned is estimated to be 14.25% and 15.25% per annum on the 5 to 10 Year FGN bonds and the State and Corporate bonds respectively for the two years ending 31st December

## 9.7 NOTES TO THE FINANCIAL FORECAST (CONTD)

### 3 Interest on CBN Treasury

	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
1 Year Treasury Bills	23,800	29,400	41,160
182 Day Treasury Bills	10,500	13,720	19,208
91 Day Treasury Bills	9,800	12,740	17,836
Total Treasury Bills	<u>44,100</u>	<u>55,860</u>	<u>78,204</u>

The Fund Manager will invest 40% of the net available assets in Treasury Bills, 20% on 1 Year Treasury bills, 10% on 182 days Treasury bills and 10% on 91 days Treasury bills. Returns on these bills are estimated to be 17%,15% and 14% on 1 Year, 182 days

### 4 Interest On Money Market Instruments

	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
For the Year	<u>42,875</u>	<u>54,880</u>	<u>72,030</u>

The Fund Manager estimated that 35% of available funds at the beginning of each financial year will be invested in Money Market Instrument with estimated yield of 17.5% in the first year ending 31st December 2014 and 16% and 15% per annum respectively

### 5 Interest On Cash

	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
For The Year	<u>525</u>	<u>735</u>	<u>1,029</u>

The Fund Manager plans to invest 5% of the net available funds in cash in 2014, 2015 and 2016. Return on cash invested is estimated to be 1.5% per annum during the three years ending 31st December 2016.

### 6 Management Fee

	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
For The Year	<u>7,000</u>	<u>9,800</u>	<u>13,720</u>

Management Fee is based on annual charge of 1.0% of asset value of the Fund before distribution to the unit holders at the respective balance sheet dates.

## 9.7 NOTES TO THE FINANCIAL FORECAST (CONTD)

### 7 Other Operating Expenses.

	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Trusteeship	350	490	686
Custody	1,400	1,960	2,744
Insurance	2,800	3,920	5,488
AGM and other expenses	2,100	2,940	4,116
	<u>6,650</u>	<u>9,310</u>	<u>13,034</u>

Other operating expenses are estimated at 0.05%, 0.20%, 0.40% and 0.30% per annum of net assets for trusteeship, custody, insurance and other expenses and Annual General Meeting respectively for the years ending 31st December 2014, 2015 and 2016.

### 8 Distribution to Unitholders

The Fund Manager estimated that 100% of net income per annum will be paid to unit holders as dividends during the forecast period.

### 9 Taxation

The Fund's income will be exempted from taxation throughout the forecast period.



## 9.8 LETTER FROM THE ISSUING HOUSE

22 JANUARY 2014

**The Managing Director**  
**SFS Capital Nigeria Limited**  
Plot 287, Ajose Adeogun Street,  
Victoria Island, Lagos

Dear Sirs,

**OFFER FOR SUBSCRIPTION OF 500,000,000 UNITS OF ₦1.00 EACH IN THE SFS FIXED INCOME FUND.**

We write with regard to the Memorandum issued in respect of the Initial Public Offer of 500,000,000 units of ₦1.00 in the SFS Fixed Income Fund. The Memorandum contains forecasts of the profits of the Fund for the years ending 31 December 2014, 2015 and 2016.

We have discussed the bases and assumptions upon which the forecasts were made with you. We have also considered the letter dated 20<sup>th</sup> January, 2014 from Dele Olufon & Co., the Reporting Accountants regarding the accounting bases and calculations upon which the forecasts were compiled.

Having considered the assumptions made by you as well as the accounting bases and calculations reviewed by the Reporting Accountant, we consider that the forecasts (for which you as Managers are solely responsible) have been made by you after due and careful enquiry.

Yours faithfully,  
Skye Financial Services Ltd



**Yemi Gbenro**  
Managing Director/CEO

## 10. HISTORICAL FINANCIAL INFORMATION OF THE FUND MANAGER

### SFS CAPITAL NIGERIA LIMITED

The historical financial information of SFS Capital Nigeria Limited, the Fund Manager, has been extracted without adjustment from its management and published audited financial statements for the financial year ended 31 December, 2013 and 31 December, 2012:

<b>SFS Capital Nigeria Limited</b>	Management Account	Audited Account
<b>Statement of Comprehensive Income</b>	<b>2013</b>	<b>2012</b>
	<b>₦</b>	<b>₦</b>
<b>Revenue</b>	135,733,207	49,025,000
Less: Direct cost		
<b>Gross profit</b>	<b>135,733,207</b>	<b>49,025,000</b>
Gains/ (Losses) from investment securities fair-valued through profit and loss	(149,057)	-
Other Income/(Expense)	(37,446)	18,974,000
Allowance and Impairment loss	-	-
Total Operating Expenses	(94,114,613)	(42,992,000)
<b>Profit/(Loss) before taxation</b>	41,432,091	25,007,000
Taxation		(578,000)
<b>Profit from Continuing Operations</b>	<b>41,432,091</b>	<b>24,429,000</b>
<b>Other Comprehensive Income</b>		
Fair Value movement on Available for Sale Investment in securities	-	-
Exchange differences on translating foreign operations		
Income tax relating to components of other comprehensive income		
Other comprehensive income		
<b>Total comprehensive income</b>	<b>41,432,091</b>	<b>24,429,000</b>

<b>SFS Capital Nigeria Limited</b>	Management Account	Audited Account
<b>Statement of Financial Position</b>	2013	2012
	<b>₦' 000</b>	<b>₦' 000</b>
<b>Assets</b>		
Cash and Cash equivalents	56,029	826,726
Receivables	36,489	
Fixed Income Investment	72,710	200,000
Investment in Equities	334,495	
Other Assets	-	21,500
Fixed Assets	5,205	6,100
Managed Funds	21,120,104	9,665,444
<b>Total Assets</b>	<b>21,625,034</b>	<b>10,719,770</b>
<b>EQUITIES &amp; LIABILITIES</b>		
<b>Equity</b>		
Share capital	364,002	20,000
Retained earnings	65,084	24,429
<b>Total Equity</b>	<b>429,086</b>	<b>44,429</b>
<b>Liabilities</b>		
Trade & other Payables	75,258	2,484
Tax Payable	225	578
Other Liabilities	358	662,833
Deposit for Shares		344,002
Specific Provision for diminution in share assets		
Managed Funds	21,120,104	9,665,444
<b>Total Liabilities</b>	<b>21,195,947</b>	<b>10,675,341</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>21,625,034</b>	<b>10,719,770</b>

## 11. INFORMATION ON THE FUND MANAGER AND TRUSTEE

### 11.1 BRIEF PROFILE OF THE FUND MANAGER

SFS Capital Nigeria Limited ("SFS Capital") is a non-bank financial institution established in May 2011, with a focus on asset management. The company is duly registered as a Portfolio/ Fund Manager and Investment Adviser with SEC. SFS Capital is a carve-out of the investment management business of Skye Financial Services Limited. Since inception, SFS Capital has established itself as a leading asset management company in the financial market.

The fund management activities of SFS Capital have billions of Naira under management. Its clients' include retirement benefit schemes, Trustees, corporations, high net worth individuals, investment trust, reserve funds and saving schemes. The company also provides bespoke investment advisory services to its diversified client base.

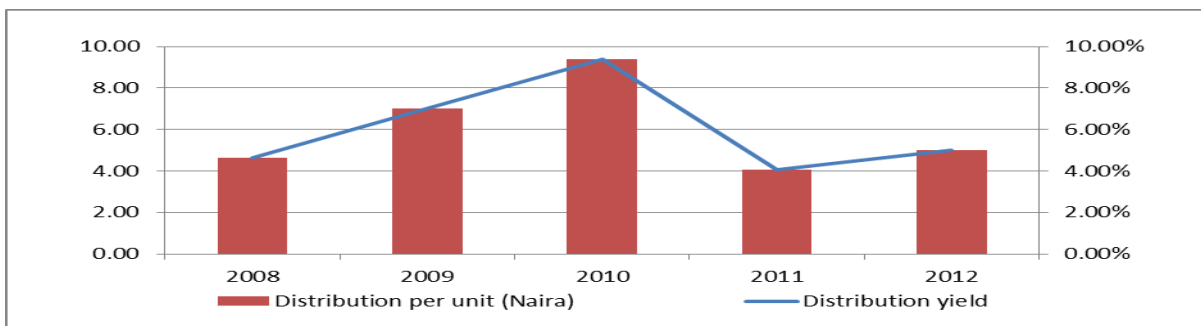
SFS Capital has considerable financial market expertise with an experienced and versatile management team. The company has a track record of being client-focused, acting with integrity and giving honest and reliable investment advice.

### 11.2 TRACK RECORD- THE SKYE SHELTER FUND

SFS Capital manages the Skye Shelter Fund ("the Fund"). It is a close-ended Real Estate Investment Trusts ("REIT"), and the first REIT to be listed and traded on the floor of the Nigerian Stock Exchange ("NSE"). As at 31 December 2012, the Fund had a net assets value (NAV) of N2.25 billion.

The Fund's performance since inception confirms the investment expertise of the firm's management. A REIT provides the vehicle for diversification of investment, considering the fact that real estate investment has low correlation with equity and fixed income markets. It also bridges the administrative, knowledge and capital requirement needed to have exposure to real estate investments. The launch and growth of the Fund is a reconfirmation of the innovative culture of the firm.

Since inception the Fund has distributed a cumulative of N30.09 (including 2012 distribution). This is a return of 30.09% of the unit price at inception. Notwithstanding the dismal performance of the capital market over the last five years, the Fund's NAV had increased about 12.5%. This is excluding to the amount distributed.



Source: SFS Capital Nigeria Limited

\*2012 distribution is declared but yet to be paid

### **11.3 EXECUTIVE MANAGEMENT TEAM OF THE FUND MANAGER**

The Executive Management team of the Fund Manager is currently constituted as follows:

**Dr. 'Layi Fatona (Chairman)** is a Petroleum Geologist with over thirty-five years of practice, commencing with a seven year stint in the Petroleum Engineering and Exploration & Production Departments at The Shell Petroleum Development Company of Nigeria Ltd (SPDC).

He obtained both the Master of Science and Doctorate degrees from the Royal School of Mines at the Imperial College of Science Technology and Medicine, University of London, in 1976 and 1980 respectively. He is the Chairman of Geotrex Systems Limited, Nigeria's foremost independent Exploration & Production Consultants, which has provided expertise to all the major oil operators in the country.

Dr Fatona is a past President and Fellow of the Nigerian Association of Petroleum Explorationists, (NAPE), and a Certified Petroleum Geologist of the American Association of Petroleum Geologists (AAPG). He is the 2010 recipient of the prestigious Aret Adams Award, of the Nigerian Association of Petroleum Explorationists (NAPE) and is also a leading authority on the geology of the Niger Delta Oil and Gas Province.

**Dr Yemi Kale (Non-Executive Director)** holds a First Class BSc. degree in Economics from the Addis Ababa University, Ethiopia in 1999 and a MSc. Degree in Economics with distinction in 2000 and PhD. Degree in Economics from the London School of Economics and Political Science (LSE) in 2003. Dr Kale is the Statistician General of the Federation and Chief Executive Officer National Bureau of Statistics.

He worked as an equity analyst at Goldman Sachs and for several years as a quantitative analyst at Merrill Lynch Financial Services from where he was made Group Head of Research and Investment Strategy at Investment Banking and Trust Company Plc. (now Stanbic IBTC Bank plc), where he rose from Assistant Manager to Assistant General Manager. In this role which he held for several years, he was also directly responsible for the Funds Management and Registrars Departments, in addition to the Research and Strategy department.

He was later appointed Special Adviser to the Minister of Finance on Domestic and International Financial institutions as well as Public Policy and Administration. Dr Yemi Kale was also involved in the initial team that drafted the guidelines for The Nigerian Sovereign Wealth Fund and also participated as a member of various technical teams set up as part of the National Economic Management Team. He was later appointed Technical Adviser to the Minister of National Planning on Macroeconomic Policy, Infrastructure development and Trade Policy and regional Integration In 2009, he was presented the African Financial Analyst of the year award by Africa Investor. Dr Yemi Kale is a Non-Executive Director of DSU Capital Limited and Kayle Synergies Limited and is a fellow of the Royal Statistical Society, UK, a member of the World Economics Association and a member of the Royal Economic Society, UK.

#### **Mr. Yemi Gbenro (Non-Executive Director)**

Yemi has over 2 decades experience in Investment Banking and Investment Management in Nigeria. He attended the University of Lagos where he obtained a Bachelor's Degree in Business Administration in 1981 and subsequently a Master Degree in Marketing from the same University in 1995. He is a banker with over 19years experience. He worked with NAL Bank Plc where he acquired varied experience in capital markets and corporate banking; he also worked with EIB International Bank where he headed the Corporate Finance Division of the Bank.

Yemi has attended several senior management development programmes locally and overseas, including the Advanced Management Programme at INSEAD, France in 2011.

### **Mr. Patrick Ilodiana – Managing Director/CEO**

Patrick has over a decade of experience in Investment banking and Investment Management, within and outside Nigeria. He was the Top graduating student with a B.Sc in Accounting from the University of Lagos in 1998 and also has an MBA from Lagos Business School Pan-African University in 2006. Patrick became a Fellow of the Institute of Chartered Accountants of Nigeria (FCA) in 2010 and a Honourary Senior Member of the Chartered Institute of Bankers of Nigeria (HCIBN) in 2010. He is also an Associate Member of the Chartered Institute of Taxation (ACIT) (2004) and the Chartered Institute of Stockbrokers (ACIS) in 2008. In addition, he is a qualified stockbroker of The Nigerian Stock Exchange, a registered Bond Trader with SEC and is currently on the final stage of acquiring the United States-based Chartered Financial Analyst (CFA) qualification.

Patrick has attended various overseas training/job internships conducted by Citibank in New York; ING in Belgium/Holland; IESE Business School, University of Navarra in Spain; Fortis Investments in United Kingdom/Belgium/France/Holland; and Commerzbank in Germany.

Patrick worked with Stanbic-IBTC for almost a decade and spent the balance of his career pioneering a local joint venture with Fortis Investments of Luxembourg prior to joining Skye Bank Plc as the Group Head Investment Management Group. Patrick subsequently participated in a management Buy-out/carve out of the investment management group at Skye Bank Plc to participate in the formation of SFS Capital Nigeria Ltd. Patrick is the Managing Director / CEO of SFS Capital Nigeria Ltd.

Patrick is also a recipient of the Prestigious Award by the Securities & Exchange Commission for His contribution to the development of the Nigerian Capital Market.

### **Mr. Dimeji Sonowo - Director**

Dimeji Sonowo brings on board over a decade of experience in Investment Banking and Asset Management to create bespoke Investment Solutions to the clients of the firm. Dimeji was previously Head of Asset Management at IBTC Asset Management Limited where he was responsible for managing the investment portfolios of institutional and high net worth individual clients. Dimeji holds an MBA from Manchester Business School (2013) and earned his a B.Sc in Accounting from Ogun State University in 1999 and he became a Fellow of the Institute of Chartered Accountants of Nigeria (FCA) in 2012. Dimeji is a registered Director with the Securities and Exchange Commission (SEC). Dimeji was an executive in the investment management group at Skye Bank Plc. Dimeji Subsequently participated in a management Buy-out/carve out of the Investment Management Group of Skye Bank Plc to participate in the formation of SFS Capital Nigeria Ltd.

## **11.4 INVESTMENT COMMITTEE**

The Investment Committee will advise and guide the Fund Manager on its investment strategies and policies in order to ensure that its activities conform with the Fund's established investment objectives and in the overall interests of the Unit-holders.

The membership of the Investment Committee is as follows:

### **MR. YEMI GBENRO**

**MR. PATRICK ILODIANYA – Managing Director/ CEO**

**MR. DIMEJI SONOWO**

**MRS. FUNMI EKUNDAYO**

Funmi heads the Management Team. She holds a Bachelor of Laws Degree, LLB (Hons.) in 1995 and Master of Laws degree (LLM) in 1998 from the University of Lagos. Funmi is an Associate Member of the Institute of Chartered Secretaries and Administrators, London. She was in Legal Practice for several years with the firm of Bentley Edu & Co. before joining NAL Asset Management & Trustees Limited (Now Sterling Asset Management & Trustees Limited). She worked with UBA Trustees Limited as Head, Marketing & Business Development prior to joining Skye Trustees Limited as an Assistant General Manager. Funmi is the MD/CEO of the Company and she is currently the Vice President, Association of Corporate Trustees of Nigeria.

**MR. LAOLU MARTINS (Independent Member)**

Mr. Martins holds a B.Sc. Degree in Business Administration from the University of Lagos (1998); he is a Chartered Stockbroker and a Chartered Accountant with 12 years' experience in investment banking, corporate banking, stockbroking, asset management and pension fund management.

He started his career with PricewaterhouseCoopers in 1999, joined Investment Banking & Trust Company Plc (now Stanbic IBTC Bank Plc) in 2000 where he served in the Financial Control and Trade Finance/Foreign Operations units of the Bank before being seconded to Stanbic IBTC Asset Management Ltd where at various times he was Financial Controller, Head Asset Management and lastly Head Stockbroking before resigning in November 2005 to join Shell Nig. CPFA Ltd (the Fund Manager of the Shell Companies in Nigeria Pensions Scheme with assets under management of over N148billion, as at June 2008) where he was Head - Investments up till June 2008 when he resigned to join Nigeria International Securities Limited to act as Managing Director.

**PRINCIPAL OFFICERS OF THE FUND MANAGER**

The principal officers of the Fund Manager currently constituted as follows:

**MR. PATRICK ILODIANYA – Managing Director/ CEO**

**MR. DIMEJI SONOWO**

**MR. GBEMI ARAWOLE**

Gbemi is the Chief Compliance Officer. He holds a Bachelor's degree in Economics from Obafemi Awolowo University in 2004. He has gained considerable experience in Investment management and Risk management.

**MISS TOLA ADEKANMBI**

Tola holds a Bachelor's degree in Accounting and Financial Management from Loughborough University in 2010 as well as a Master's Degree in Business and Management from Aston Business School in 2011. She has gained considerable experience in Accounting and Portfolio Management, working in both the Financial Control and Asset Management divisions.

**MISS. SEYI MAKANJU**

Seyi is a graduate of Babcock University with a Bachelor's Degree in Computer Science (2011). She is in charge of executing client mandates for the unquoted mutual fund, ensuring that clients

are attended to timely and appropriately. She also manage the portfolio management software "Fundfusion".

## **11.5 BRIEF PROFILE OF THE TRUSTEE –**

### **History**

Skye Trustees Limited was incorporated on the 2nd of May 1991 as EIB Trustees Limited before the change of name following the merger of its former parent company (Skye Bank Plc) in 2005.

The Company is experienced in all aspects of Trusteeship including Corporate Trusts, Private Trusts and Estate Planning, Charitable Trusts, Endowments & Foundations. Clientele base cuts across State Governments and Parastatals, corporate entities as well as private individuals whilst scope of business spans the Money Market, Capital Market and Real Estate.

Skye Trustees is registered with the Securities and Exchange Commission as Trustees and Funds/Portfolio Managers. Skye Bank recently divested its holding with Skye trustees through a management buy-out led by its MD/CEO, Funmi Ekundayo.

### **Particulars of Management**

The Board of Directors of the Company comprises five members. The Board formulates the broad policies of the Company and takes decisions for the management and operation of the Company with a view to attaining the Company's objectives.

#### **MR. OLAWALE EDUN– CHAIRMAN OF THE BOARD**

Olawale Edun, was the Honourable Commissioner of Finance, Lagos State from 1999-2004 He has considerable experience in Economics and International Finance at national and international levels. He worked at Chase Merchant Bank Nig. Limited (later Continental bank PLC) – including spells at Lehman Brothers and Chase Manhattan Capital Markets, New York, USA and The World Bank / International Finance Corporation, Washington DC, USA. He returned to Nigeria in 1989 as Co-founder and Executive Director of Investment Banking and Trust Company (now Stanbic IBTC Bank PLC). He is the founder and current Chairman of Denham Management Limited (now Chapel Hill Denham Group). He serves on the Board of African Paints Nigeria PLC among others. He is also the Chairman, LiveWell Initiative a health education and literacy non-government organization (NGO) as well as Sisters Unite for Children – another NGO which assists street children.

#### **MRS FUNMI EKUNDAYO– MANAGING DIRECTOR/CEO**

Funmi heads the Management Team. She holds a Bachelor of Laws Degree, LLB (Hons.) in 1995 and Master of Laws degree (LLM) in 1998 from the University of Lagos. Funmi is an Associate Member of the Institute of Chartered Secretaries and Administrators, London. She was in Legal Practice for several years with the firm of Bentley Edu & Co. before joining NAL Asset Management & Trustees Limited (Now Sterling Asset Management & Trustees Limited). She worked with UBA Trustees Limited as Head, Marketing & Business Development prior to joining Skye Trustees Limited as an Assistant General Manager. Funmi is the MD/CEO of the Company and she is currently the Vice President, Association of Corporate Trustees of Nigeria.

#### **MR. KAYODE FALOWO- NON-EXECUTIVE DIRECTOR**

Kayode Falowo holds a Bachelor of Science degree (B.SC) in Agricultural Engineering, from the University of Ife now Obafemi Awolowo University (1982), a Masters of Business Administration (MBA) from the University of Benin (1988). He is a fellow of the Chartered Institute of Stockbrokers, a member of the Institute of Management Consultants, Nigeria Society of



Engineers, Certified Pension Institute of Nigeria, Nigerian-British Chamber of Commerce and Nigerian-Indian Chamber of Commerce. He has over 26 years of working experience in the financial sector with a long track record in management consultancy, privatization of public sector enterprises and debt issuance programmes amongst others. He is the current Managing Director of Greenwich Trust Limited, a member of the Presidential Advisory Committee on the Nigeria Capital Market and the immediate past Chairman of the Association of Issuing Houses of Nigeria. He is also a member, the Technical Committee of the Nigeria Council on Privatization and sits on the Board of DN Meyer PLC.

**MR. AFOLABI CAXTON-MARTINS- NON-EXECUTIVE DIRECTOR**

Afolabi Caxton-Martins is a founding Partner of the law firm Adepetun, Caxton-Martins, Aggor & Segun. He holds a Bachelor of Law degree (LL.B) from the University of London (1983). He is a fellow of the Chartered Institute of Arbitrators (FCI Arb), a member of the Nigerian Bar Associations (NBA) and the International Bar Association (IBA). He specializes in international commercial mergers and acquisitions, corporate finance and international commercial arbitration.

**MRS. CONNIE OGUNDARE- NON-EXECUTIVE DIRECTOR**

Connie Ogundare holds a Bachelor of Science degree (B.SC) in Major Chemistry and Minor Psychology from the Marymount College Tarrytown, New York, USA (1990) as well as Bachelor of Science (B.sc) degree in Pharmacy (1994) and a Master of Science (M.Sc.) in Clinical Pharmacy from the St. John University, New York, USA (1997). She has over 18 years of working experience in the United State of America and Nigeria spanning clinical pharmacy, real estate, investment banking and consultancy. She is currently the Management Director of Business Objects Limited, and a partner in JASTCO Mayfair International Property Management LLC and CSS Corporate Solution LLC (both located in New York, USA). She is also on the Board Fadco Investment Limited.

**11.6 PROFILE OF THE CUSTODIAN**

Stanbic IBTC Holdings is a member of Standard Bank Group. Standard Bank Group is Africa's largest banking group ranked by assets and earnings and has been in business for about 150 years. With a controlling stake of 53.2% in Stanbic IBTC Holdings PLC, Standard Bank employs over 52,000 people worldwide; operates in 18 African countries including South Africa; and 13 countries outside Africa including key financial centers like Europe, United States and Asia. Standard Bank operates in Nigeria as Stanbic IBTC Bank.

In September 2012, Stanbic IBTC Bank was restructured to align with the Regulation on the Scope of Banking Activities and Ancillary Matters issued by the Central Bank of Nigeria in September 2010, which requires banks rendering universal banking, services to reorganize their businesses into banking and non-banking activities.

Stanbic IBTC's strategic intent is to be the leading end-to-end financial solutions provider in Nigeria, therefore board members of Stanbic IBTC Bank agreed that the group should continue in all its lines of business which include asset management, pension fund administration, stockbroking, among others.

Stanbic IBTC Bank offers its clients a wide range of commercial banking products and is present in every state in Nigeria. The bank also offers custodial services for non-pension asset custodian. With over 175 branches across the country, Stanbic IBTC Bank is strengthening its position in the financial sector and is increasingly playing a significant role in the commercial banking environment, positioning itself to take care of your banking needs.

## **12. STATUTORY & GENERAL INFORMATION**

### **12.1 AUTHORISATION**

The establishment of the Fund and the issuance of the Units pursuant to the IPO are duly and properly authorised by a resolution passed on 12<sup>th</sup> November, 2012, by the Board of Directors of the Fund Manager. The Fund is also authorised and registered in Nigeria as a Unit Trust Scheme by the SEC in accordance with Section 160 of the ISA.

### **12.2 EXTRACTS FROM THE TRUST DEED OF SFS FIXED INCOME FUND**

#### **CONSTITUTION OF THE TRUST AND CREATION OF UNITS**

- 2.1 The Trust shall be constituted in the first instance out of the net proceeds of the Offer of 500,000,000 Units of N1.00 each. The cash proceeds of the Issue and any other assets of the Fund shall at all times be vested in the Trustee and held by the Custodian and shall together constitute the Fund after deduction of or provision for any applicable sales commission and other expenses and charges by the Manager
- 2.2 Thereafter and until the determination of the Fund, the Manager shall subject to the provisions of Section 171 of the ISA and clauses 2.3 and 6 hereof, have the right and power to manage the Deposited Property.
- 2.4 The Manager's powers shall also include the power to:
  - 2.4.1 Effect the issue of New Units from time to time as the Manager may deem fit; and
  - 2.4.2 Generally do all other acts and things, which the Manager may consider desirable in connection with the effective management of the Fund.
- 2.5 Subject to the provisions of Clause 6.1.5, the Manager shall have the exclusive right from time to time to make offers to the Unitholders of units of one or more authorized unit trust schemes as defined by Section 152 of ISA by the issue of Units in exchange for such units or cash or other property [being Authorised Investments] represented by such units. Such offers shall be made upon such terms (including the provision for paying out of the Deposited Property, the duties, charges, costs, fees and disbursements consequent upon such offer). Units may be redeemed in exchange for units under such other authorized unit trust schemes.
- 2.6 Subject to the provisions of clause 6.1.5, the Manager shall have exclusive right to issue Units in exchange or part exchange for any Authorised Investments which shall become vested in the Trustee and which may be issued partly in consideration of such vesting and partly for cash. Such issue shall be made upon such terms including the provision for paying out of the Deposited Property, the duties, charges, costs, fees and disbursements consequent upon the transaction. Save for the Units issued pursuant to clause 2.1, the

issue of Units as provided in this clause 2.6 shall be made as the Manager may deem fit.

- 2.7 Moneys paid to the Custodian in subscription for New Units issued pursuant to clause 2.4.1 and moneys and other property transferred in consequence of any offer or issue made pursuant to clauses 2.5 and 2.6 shall be paid or transferred to the Fund and the New Units shall be deemed to have been constituted and to be in issue. Moneys and other property so paid or transferred shall be vested in the Trustee as part of the Deposited Property.
- 2.8 All stamp duty and other duties and charges payable on this Deed or upon the Constitution of New Units shall be payable out of the Deposited Property.
- 2.9. The Custodian shall keep in its possession all documents of ownership of each individual asset comprised in the Fund.
- 2.10 The Fund shall be an open-ended fixed income fund

#### **4 RIGHTS OF UNITHOLDERS**

- 4.1 Unitholders shall have the right to share in the assets of the Fund proportionate to the number of Units held.
- 4.2 Unitholders shall not have or acquire any right against the Manager or the Trustee in respect of Units save such as are expressly conferred upon them by this Deed or by any law, subsidiary legislation, SEC rules and regulations or any order of court. No person shall be recognized as a Unitholder except in respect of Units registered in his name.
- 4.3 Unitholders shall have the right to receive Distributions and all other rights which attach and or accrue to the Units, pursuant to the provisions of this Deed, and shall be entitled throughout the Trust Period, to receive a Fund Statement from the Manager stating the number of Units issued as at the date of the Fund Statement.
- 4.4 A Unitholder or Unitholders holding not less than 25% in value of the Units then in issue may in writing request the Trustee or the Manager to convene a meeting of Unitholders

## 5. **TRUST PROPERTY**

- 5.1 The Trustee shall be vested with and stand possessed of the Deposited Property upon trust for all the Unitholders, however, the custody of the Deposited Property shall be with the Custodian. All property including cash, which ought in accordance with the provisions of this Deed to form part of the Deposited Property shall forthwith after receipt by the Manager be vested in the Trustee. The Deposited Property shall be held as a single common fund and no Unit shall confer any interest or share in any particular part of the Deposited Property until and upon the determination of the Fund.
- 5.2 The Trustee shall have all the rights and powers conferred upon trustees by the Trustee Investment Act Cap T22 Laws of the Federation of Nigeria, 2004, as though it and other relevant laws were expressly set out in this Deed.
- 5.3 The powers hereby conferred on the Trustee shall be in addition to any powers which may from time to time be vested in it by general law or as holder of the Deposited Property in so far as it does not and shall not conflict with the rights and powers vested in the Manager by virtue of this Deed. The Trustee in the exercise of the powers and discretions vested in it by this Deed shall comply with the provisions of ISA, and all regulations, rules and guidelines made pursuant to it.

## 6 **INVESTMENT POLICY**

- 6.1 The Manager shall invest all assets of the Fund in Authorised Investments, with the concurrence of the Investment Committee with a view to achieving the main objective of the Fund of high dividend payout provided that:
- 6.1.1 between a minimum of 40% and maximum of 45% of the assets of the Fund shall be invested in Treasury bills, subject to the provisions of clauses 6.3 and 6.4 hereof;
- 6.1.2 between a minimum of 20% and a maximum of 25% of the assets of the Fund may be invested in Corporate, Federal and State Government Bonds, subject to the provisions of clauses 6.3 and 6.4 hereof;
- 6.1.3. between a minimum of 35% and a maximum of 40% of the assets of the Fund may be invested in Money Market securities, subject to the provisions of clauses 6.3 and 6.4 hereof;
- 6.1.4. a maximum of 5% of the assets of the Fund shall be held in cash;
- 6.1.5 the Manager shall not invest all or any part of the Deposited Property or make any investments in any units or securities of any unit trust scheme or fund

managed by it or in any security of the Trustee or any associated company of the Manager or Trustee;

- 6.1.6 the Manager shall not enter into any investment or any transaction which results in all or any part of the Deposited Property being pledged, charged, mortgaged or in any other way offered as security and the Fund shall not borrow any money or obtain any credit at all for the purpose of financing its investments;
- 6.1.7 the Manager shall not deal in or retain the securities of any company in which any executive officer or any person connected to such executive officer is the beneficial owner of more than 0.5% of the securities of the company and all such executive officers or connected persons are collectively beneficial owners of more than 5% of the securities aforesaid;
- 6.1.8 nothing in this Clause shall authorize the Manager or the Trustee or their respective holding company or any subsidiary to act as principals in the sale of any part of the Deposited Property;
- 6.2 The Manager may from time to time for the account of the Fund and subject to compliance with the standard guidelines for such, on terms previously agreed with the Trustee and with the prior consent of SEC, enter into underwriting and sub-underwriting contracts in relation to the subscription of or purchase of Authorized Investments, subject to the provisions of this Clause, upon such terms as the Manager shall think fit. All commissions or their fees received by the Manager and all Authorized Investments or cash acquired pursuant to any such contract or contracts shall form part of the Deposited Property.
- 6.3 It shall not be necessary for either the Manager or the Trustee to effect or cause to be effected changes of Investments by reason of any appreciation in the value or the aggregate of the value of any Investments in any one market or industry sector or company or body or of any security or any depreciation in the value or the aggregate of the values of any Investments causing the limits referred to in clause 6.1 to be exceeded nor by reason of those limits being exceeded as a result of either (i) any scheme or arrangement for amalgamation, reconstruction, conversion or exchange or (ii) any repayment or redemption [including in the case of debentures or debenture stock following their purchase by the company or body]. PROVIDED HOWEVER that the Manager shall endeavour to rebalance the portfolio of Investment within a reasonable time to ensure substantial compliance with the limits referred to in clause 6.1.
- 6.4 Should the limits referred to in clause 6.1. be exceeded; the Manager shall not purchase any additional Investments, which would result in any of those limits being exceeded further. If at any time when any of the limits shall be exceeded and the Manager determines to sell any Investments for the purpose of a reduction of the

Fund, the Manager shall, before selling any other Investment, sell so much of the Investment or Investments in respect of which any of the limits are exceeded as is necessary to effect the reduction.

## **7 INVESTMENT COMMITTEE**

- 7.1. The Fund shall have an Investment Committee to be constituted by the Manager for the purpose of ensuring compliance with the Investment Policy of the Fund.
- 7.2. The Investment Committee shall be made up of 5 [five] persons, who shall be persons with good understanding of finance and investment law. The Investment Committee shall advise the Manager generally on guidelines relating to investments in line with the investment policy of the Fund.
- 7.3. The membership of the Investment Committee shall comprise of one representative each of the Trustee and the Manager and 3 [three] other persons nominated by the Manager, 1 [one] of whom must be independent of the Trustee and the Manager.
- 7.4. The quorum for meetings of the Investment Committee shall be 4 [four] members, 2 [two] of whom shall be a representative each of the Trustee and Fund Manager.
- 7.5. Meetings of the Investment Committee may hold by means of telephone conference or any other electronic platform facility provided all people participating in the meeting can communicate with one another contemporaneously.
- 7.6. The Investment Committee shall meet with the Manager at least quarterly or more frequently as circumstances warrant.

## **10 REGISTER AND REGISTRATION OF UNITHOLDERS**

- 10.1 The Manager shall with the consent of the Trustee appoint the Registrar who shall on behalf of the Manager establish and maintain the Register.
- 10.2 The Registrar shall maintain and keep the Register in such form and in such manner as the Trustee may from time to time direct and shall permit no alteration in the form of the Register or its conduct without the consent in writing of the Trustee which the Trustee shall be entitled to give or to withhold at its entire discretion.
- 10.3 The Registrar shall promptly comply with all requirements that may be notified to it from time to time by the Trustee as to the form and conduct of the Register.
- 10.4 The Registrar shall at all times, at the request of the Trustee supply to the Trustee all such information and explanations in relation to the Register and the conduct thereof as the Trustee may require.
- 10.5 The Registrar shall permit the Trustee or any person representing it to have

- access at all reasonable times to the Register and to all subsidiary records and all documents, orders, transfers, cancelled Fund Statements, if any, or other papers relating to the conduct of the Register.
- 10.6 The Trustee or any person representing it shall be entitled to inspect at the Registrar's premises at any time with or without previous notice, any document it may wish to see and to carry out such verifications as may seem to it to be desirable.
- 10.7 There shall be entered in the Register the following information:
- 10.7.1 the number of Units held;
- 10.7.2 the full names and addresses of the Unitholders and if the units are held jointly, the names and addresses of the Joint Unitholders except that not more than 4 [four] joint Unitholders shall be entered in the Register in respect of any holding of Units;
- 10.7.3 the date on which the name of every such Unitholder was entered in respect of the Units standing in his name and if the Unitholder is a Unitholder by virtue of transmission, a sufficient reference to enable the name of the successor to be identified; and
- 10.7.4 the date on which any transmission is registered and the name and address of the successor.
- 10.8 Any change of name or address on the part of any Unitholder shall forthwith be notified in writing to the Registrar who on being satisfied and in compliance with all such formalities as he may require shall alter the Register or cause it to be altered accordingly.
- 10.9 Any Unitholder or his nominee shall be entitled at all reasonable times during business hours and without charge to inspect the Register PROVIDED ALWAYS that if the Register is maintained in or by some mechanical or electronic system, the provisions of this clause will be satisfied by the production of legible evidence of the contents of the Register.
- 10.10 The Register shall be conclusive evidence as to the persons entitled to the Units stated in it and no notice of any trust, express, implied or constructive shall be entered upon the Register in respect of any such Units nor shall the Registrar, save as otherwise provided in this Deed or except as ordered by a court of competent jurisdiction or as by statute required, be bound to recognize [even when having notice] any trust or equity affecting the ownership of such Units or the rights incidental to them.
- 10.11 On the bankruptcy or liquidation or death of anyone of joint Unitholders, the survivor of the joint Unitholder shall be the only person or persons recognized under this Deed as having any title to or interest in the Units and upon producing such evidence of

bankruptcy or liquidation or death as the Manager may require, the survivor shall be entitled to have the Fund Statement duly endorsed or to have a fresh Fund Statement duly issued in the survivor's name as may be appropriate, subject to the payment of administrative charges as may be advised by the Manager.

- 10.12 A body corporate may be registered as a Unitholder or as one of joint Unitholders.
- 10.13 The executors or administrators of a deceased Unitholder [not being one of joint Unitholders] or of the survivor of joint Unitholders as the case may be, shall be the only persons recognized under this Deed as having any title to or interest in the deceased Unitholder's Units.
- 10.14 Any person becoming entitled to any Units in consequence of the death or bankruptcy or dissolution or winding up of any Unitholders or the survivor of joint Unitholders, shall upon producing such evidence that he is duly authorized to act in the capacity in respect of which he proposes to act under this clause or of his title, as the Registrar shall consider sufficient and on delivering up the Fund Statement or resolution of dissolution or winding up or order of court as the case may be to the Registrar, be entitled to elect either to be registered as the holder of such Units and to have his name or that of his nominee or some other person or persons entered into the Register and be issued a new Fund Statement. If the person so becoming entitled shall elect to be registered himself he shall deliver or send to the Registrar a notice in writing in a form to be prescribed by the Registrar signed by him stating that he so elects. If he shall elect to have some other person nominated by him so registered, he shall testify his election by executing to such other person an assignment of such Units. All the provisions of this Deed relating to transfers of Units shall be applicable to any such notice or assignment as if the death or bankruptcy or dissolution or winding up of the Unitholder had not occurred and the notice or assignment was executed by the Unitholder.
- 10.15 A person becoming entitled to Units in consequence of the death or bankruptcy or dissolution or winding up of a Unitholder or the survivor of joint Unitholders shall be entitled to receive and may give good discharge for all moneys payable in respect of the Unitholder but he shall not be entitled to the rights of a Unitholder with regard to the receipt of notices of or attendance or voting at any meetings of Unitholders until he shall have been registered as a Unitholder in respect of the Units.
- 10.16 A reasonable fee as determined by the Registrar with the consent of the Trustee shall be charged in respect of the registration of any grant of probate, letters of administration, power of attorney, certificate of marriage, certificate of death, order of court, deed, poll, resolution or other document affecting the transmission of any Units or Distribution in respect of them.



10.17 A Unitholder hereafter called "the Transferor Unitholder" may transfer all or part of his Units to some other person hereafter called "the Transferee Unitholder" upon the payment of a nominal transfer charge as determined by the Manager with the consent of the Trustee and by delivering to the Manager:

10.17.1 An instrument in common form signed by him as transferor and the Transferee Unitholder as Transferee;

10.17.2 The Fund Statement (or any other instrument specified by the Manager) for the Units being transferred and

10.17.3 A letter written and signed by him stating that he is transferring a specified number of Units to the Transferee Unitholder.

10.18 The Transferor Unitholder shall be deemed to remain the holder of the Units being transferred until the name of the Transferee Unitholder is entered in the Register in respect of thereof.

10.19 Where a Fund Statement has been issued by the Manager, in the event the Transferor Unitholder transfers part of his Units he shall be entitled to a new Fund Statement for the Units not transferred that are comprised in any Fund Statement delivered to the Manager under clause 10.17.

10.20 Notwithstanding any other provision of this Deed, the Registrar in keeping the Register as required by the provisions of this clause acts solely as agent for the Manager and the Manager shall have the same responsibility towards Unitholders as if the Register was kept by it.

## **11 ISSUANCE OF FUND STATEMENTS**

Every Unitholder shall be entitled to receive a Fund Statement from the Manager (or any other instrument specified by the Manager) for the number of Units purchased by him within 7 days of the date of purchase. Fund Statements shall be issued in respect of the allotments made pursuant to applications received during the Initial Subscription Period, within 15 Business Days of the approval by SEC of the allotments.

## **12 FORM AND EXECUTION OF FUND STATEMENTS**

12.1 A Fund Statement shall specify the number of Units held and shall be in the form set out in the Second Schedule or in such other form as the Trustee and the Manager may agree or the circumstances may require.

12.2 Every Fund Statement shall be signed by the Manager who shall affix its seal on it. Any

signature effected on behalf of the Manager may be affixed lithographically or by such other mechanical means as may be approved by the Trustee and the Manager. No Fund Statement requested in respect of any Unit shall be issued or be valid until so signed and [in the case of issue of a New Unit] no Fund Statement, requested shall be signed until either the cash or such other property as is to be vested in the Trustee in respect of the issue of the New Unit has been paid or transferred to the Custodian. Should any person whose signature shall appear on any Fund Statement die or cease to be an official so authorized after the Fund Statement shall have been issued but before it is received by the Unitholder to whom it was issued, the Fund Statement shall be as valid and binding as though the person whose signature so appeared had lived or continued to be an official so authorized up to the date of the Unitholder's receipt of the Fund Statement.

- 12.3 If the Manager is replaced or if there is any change in its control or ownership or the control or ownership of its holding company, then in such case the Trustee may in its absolute discretion but subject to the approval of SEC require that every Fund Statement shall be prepared and signed in such manner as the Trustee shall specify at such time.

### **13 REPLACEMENT OF FUND STATEMENT**

- 13.1 If any Fund Statement be worn out, mutilated or defaced, the Manager upon having the Fund Statement produced to it, may cancel it and arrange for the issue of a new Fund Statement in its place and if any Fund Statement be lost, stolen or destroyed, upon proof to the satisfaction of the Manager and on giving such indemnity as the Manager may deem adequate, a new Fund Statement in lieu may be given to the person entitled to the lost, stolen or destroyed one. An entry as to the issue of the new Fund Statement and indemnity shall be made in the Register.

- 13.2. Before issuing any Fund Statement under the provisions of this clause, the Manager may require from the applicant for the Fund Statement, a payment to it of a fee for each Fund Statement so issued which payment shall be in such sum as may be required to cover the cost of producing and issuing a new Fund Statement. In the case of loss, theft or destruction, the person availing himself of the provisions of this clause shall also pay to the Manager all expenses incidental to the investigation of evidence of loss, theft or destruction and the preparation of the requisite indemnity. The Manager shall not be required or obliged to arrange for the issue of a new Fund Statement to a Unitholder pursuant to this clause unless such Unitholder shall first have paid to the Manager all fees, charges and expenses payable.

### **14 DISTRIBUTIONS TO UNITHOLDERS**

- 14.1 The Manager shall, at the end of each financial year, subject to the approval of the Unitholders in a general meeting, effect within the Distribution Period, a Distribution of

all or a part of the Net Income realized by the Fund. The Net Income of the Fund will be determined on every Valuation Day by 5 p.m.

- 14.2 Distributions will be made to Unitholders on the Distribution Payment Date and Unitholders have the option of receiving their Distributions in cash or re-investing them in New Units at the prevailing Offer Price applicable to the New Units.
- 14.3 Election to receive Distributions in cash or in New Units shall be made by Unitholders at the time the Units are subscribed for or purchased and may be changed by written notice to the Manager at any time not exceeding 21[Twenty One] days before the Distribution Payment Date PROVIDED that unless an election to the contrary is made the Manager shall reinvest the Distributions due to Foreign Currency Subscribers in New Units.
- 14.4 Unitholders who elect to have their Distributions reinvested in New Units shall be entitled to an issue of New Units that shall be equal in value to the amount they otherwise would have received in cash as a Distribution.
- 14.5 In the event that Distributions are payable in cash, the Manager shall, within the Distribution Period transfer by electronic payments into the Unitholders notified bank account, of such periodic Distributions and send by mail to the Unitholders who are so entitled, notification of such electronic payments into Unitholders' designated bank accounts.
- 14.6 The amount of cash required to effect a Distribution in respect of a particular Distribution Period shall be transferred from the Deposited Property to the Distribution Account 2 Business Days before the Distribution Payment Date

## 15 **REPORTS, FINANCIAL STATEMENTS AND AUDITED ACCOUNTS**

- 15.1 The Manager shall cause proper books of accounts to be kept and send an annual report to the Trustee not later than 3 months after the end of each financial year and the Trustee shall be absolutely protected in relying upon the report. The report shall show:
  - 15.1.1 the gross income per Unit for the year to which it relates;
  - 15.1.2 the amount payable per Unit in respect of expenses made by the Trustee for the year to which it relates stating that the same has been provided in the manner required by this Deed;
  - 15.1.3 the amount payable per Unit in respect of expenses made by the Trustee out of the Deposited Property for the year to which it relates in accordance with the provisions of this Deed, and deducted in computing the amount available for Distribution;

- 15.1.4 the amount payable per Unit in respect of withholding tax deductions, if any;
  - 15.1.5 where relevant, the amount payable per Unit in respect of any start-up expenses and other general expenses incurred in connection with the offer made pursuant to the Prospectus; and
  - 15.1.6 in percentage form, the major investments which on the last day of the year to which it relates, constituted the Fund.
- 15.2 The Manager shall prepare and publish, the Fund's unaudited financial statements in respect of the half-year ending June 30 in not less than one national daily newspaper, the publication being made not later than 2 months from the end of the half-year.
- 15.3 The Manager shall cause the Fund's annual accounts, to be prepared in respect of each financial year, which shall be audited up to December 31 or the last day of each financial year and shall contain all the information as may from time to time be required by SEC and certified by the Auditors. Copies of the audited accounts shall be forwarded to SEC and the Trustee whilst electronic copies of the said accounts in compact disc format will be sent to all Unitholders not later than 3 months after the end of each financial year.
- 15.4 The Manager shall prepare and publish in not less than two national daily newspapers, a summary report setting forth the financial position of the Fund as at December 31 each year not later than 4 months from the end of the relevant financial year and electronic copies of the said report in compact disc format will be sent to all Unitholders.
- 15.5 The financial year end of the Fund shall be December 31 of every year.
- 15.6 There shall also be attached to such accounts statements certified by the Auditors showing the amount and percentage of gross profits made [before any deductions] or losses incurred from each of the following types of transactions:-
- 15.6.1 The issue of New Units since the date of the last account; and
  - 15.6.2 The redemption of Units.

The percentage profit or loss on the issue of New Units shall be calculated on the Income arising during the period of account from Investments purchased with the net amounts raised by the issue of such New Units; and the percentage profit or loss from the redemption of Units shall be calculated on the cost to the Manager of the Units redeemed. If in respect of any of the types of transactions above referred to there shall occur between the time of acquisition of Units by the Manager and the time of sale or redemption thereof variations in the value of the Deposited Property represented by such Units which shall on balance show a profit or a loss to the Manager, the Manager shall in each case disclose such profit or loss.

15.7 The audit certificates appended to the accounts and statements referred to in this clause shall declare that the accounts and statement accompanying them have been examined with the books and records of the Fund and the Manager in relation thereto as the case may be and that the Auditors have obtained all the information and explanations they have required; and the Auditors shall report whether the accounts and statements are in their opinion properly drawn up in accordance with such books and records and whether in the case of the accounts referred to in this clause they give a true and fair view of the profits and losses accruing to the Fund.

## 16 **UNITHOLDERS RIGHT OF REDEMPTION**

16.1 Unitholders shall be entitled, during the Redemption Period, to redeem all or part of the Units held by them at the Bid Price on any Business Day upon a request to the Manager and by lodging the Redemption Documents with the Manager.

16.2 The Manager shall effect the Redemption from the liquidation of Investments or from cash holdings of the Fund by payment through any means of electronic funds transfer or by cheque to the Unitholder within 5 [Five] Business Days from the date on which the Redemption Documents are received by the Manager.

16.3 Redemption Documents must be lodged with the Manager not later than 5p.m on a Business Day during the Redemption Period. Redemption Documents delivered after 5p.m shall be deemed to have been delivered on the next Business Day.

16.4 The Manager shall not honour any Redemption request if such Redemption is for less than 5,000 Units, or such other minimum as the Manager may from time to time prescribe in writing and if a Redemption request shall result in the total number of Units held by a Unitholder to fall below 5,000 Units, the Unitholder shall be required to redeem all his Units held.

16.5 No redemption shall be permitted if the Units have not been held for a minimum of 30 days from date of purchase and or if the Manager has suspended the redemption of Units due to force majeure events, such as but not limited to outbreak of war, civil commotion, strikes, government intervention, public holidays and closure of the stock exchange. Provided however, Units redeemed before the expiration of the Minimum Investment Period will attract a processing fee of 0.5% of the value of such redemption.

16.6 The applicable redemption price payable by the Manager shall be the Bid Price displayed at the Manager's office on the day the Redemption Documents are lodged with the Manager. The Manager shall carry out Daily Valuations of the Fund.

16.7 No redemption request shall be valid or honoured by the Manager unless the Unitholder shall first deliver to the Manager or its authorized agent the Redemption Documents or

at the option of the Manager, produce such evidence of his title to the units for redemption as the Manager shall think sufficient.

- 16.8. The Trustee shall be under no obligation to verify the identity of any Unitholder seeking to redeem the whole of the Units but shall be obligated to reasonably ensure or verify that the Manager substantially complies with the Trust Deed and the provisions of ISA concerning the price at which the Manager redeems or sells Units.

## 17 **DUTIES AND RESPONSIBILITIES OF THE MANAGER**

The Manager hereby covenants with the Trustee as follows:

- 17.1 to carry on and conduct the business of the Fund in a diligent manner, and expeditiously carry out the purpose for which the Units are issued;
- 17.2 to keep proper books of accounts for the Fund in the English language and therein make true and proper entries of all affairs of the Fund and procure that the books shall with not less than 24 [Twenty Four] hours written notice, at all reasonable times, during business hours be open for inspection by the Trustee;
- 17.3 to give to the Trustee and Custodian such relevant information requested in writing as to all matters relating to the affairs or business of the Fund which it shall reasonably require and furnish to the Trustee and Custodian , within such period as may be less than 3 [Three] months (or such extended period not exceeding a further period of 3 [Three] months as SEC may in exceptional circumstance allow) after the end of the period to which such accounts relate, 2 [two] copies of every balance sheet profit and loss account of the Fund certified by the Auditors;
- 17.4. avoid conflict between the interest of the Manager and the interest of the Unitholders;
- 17.5. disclose the interest of its directors and management in any sale or acquisition of investments to the Unithoder;
- 17.6. maintain adequate financial resources to meet its commitment and to manage the risk to which Fund is exposed;
- 17.7. organise and control the Fund in a responsible manner;
- 17.8. ensure that it maintains such records as may be necessary to identify the Deposited Property as belonging to the Fund and shall ensure that such underlying securities are at all times properly identified as being held in the name of the Trustee;
- 17.9. employ adequate trained staff and ensure that they are properly supervised;
- 17.10. have well-defined compliance procedures;
- 17.11. be obliged to immediately notify the Trustee and Custodian of any attempt by any party

- to assert any charge against the Deposited property held and to take lawful actions to protect such property from such charge until the Custodian has had reasonable time to respond to such notice;
- 17.12. promote investor education;
  - 17.13 not Borrow money on behalf of the Fund for the purpose of acquiring Authorised Investments for inclusion in the Fund;
  - 17.14. not lend any money that is subject to the Trust to a person to enable him purchase Units;
  - 17.15. not mortgage or charge or impose any other encumbrance on any securities or property held or to be held subject to the Trust;
  - 17.16. not engage in any transactions that are not in the interest and for the benefit of Unitholders or the Fund;
  - 17.17. give to the Trustee and Custodian quarterly reports on activities of the Fund; and
  - 17.18 act at all times with prudence and honesty in relation to all moneys and accounts kept for the purpose of the Fund.

## **18 DUTIES OF THE TRUSTEE**

The Trustee shall:

- 18.1. Ensure that the sale, issue, repurchase or cancellation, as the case may be, of Units, effected on behalf of the Fund, is carried out in accordance with the ISA and this Deed;
- 18.2. Ensure that the selling or repurchase price of the Units are in accordance with the ISA and this Deed;
- 18.3. Carry out the instructions of the Manager unless they are inconsistent with the ISA or this Deed;
- 18.4. Verify that, in transactions involving the deposited Property, any consideration is remitted to the Custodian within time limits which are acceptable market practice in the context of its duties as prescribed in this Deed or the ISA;
- 18.5. Verify that the Income proceeds of the Fund are applied in accordance with the ISA and this Deed;
- 18.6. Enquire into and prepare a report on the administration of the Fund by the Manager during each annual accounting period, in which it shall be stated whether the fund has been administered in accordance with the provisions of the ISA and this Deed;

- 18.7. If the Manager does not comply with the provisions of sub-paragraph 18.6 of this clause, state the reason for the non-compliance and outline steps taken by the Manager to rectify the situation;
- 18.8. Send the report referred to in sub-paragraph 18.6. of this clause to SEC and to the Manager in good time to enable the Manager include a copy of the report in its annual report; and ensure that-
- 18.8.1. There is a legal separation of the underlying assets of the Fund held under custody and that the legal entitlement of the Unitholders to such assets are assured; and
- 18.8.2. Appropriate internal control systems are maintained and the records clearly identify the nature and value of all assets under custody, the ownership of each asset and the place where documents of title pertaining to each asset are kept.
- 18.9. Report to the Manager any irregularity or undesirable practice, concerning the Fund of which it is aware and if steps to rectify the irregularity or practice in question are not taken to the satisfaction of the Trustee, it shall as soon as possible report such irregularity or undesirable practice to the Commission;
- 18.10. Satisfy itself that every income statement, balance sheet or other prepared by the Manager fairly represents the assets and liabilities, as well as the income distribution of income, of every portfolio of the Fund administered by the Manager; and
- 18.11. Undertake to notify SEC of any proposed changes in the management of the Fund and of any breach of any of the provisions of this Deed not later than 10[Ten] Business Days after the breach. The Trustee undertakes further that whenever it shall become necessary for it to enforce any of the provisions of this Deed it shall act within 10[Ten] Business Days to effect the enforcement.

## 19 **INDEMNITIES OF THE MANAGER AND THE TRUSTEE**

Without prejudice to any indemnity allowed by law or given by this Deed to the Trustee or to the Manager, the following provisions shall apply in addition to any other such powers and indemnities so given:

- 19.1 Neither the Trustee nor the Manager shall be responsible for the authenticity of any signature on or any seal affixed to any endorsement on any Fund Statement or form of application or endorsement or other document affecting



- the title to or transmission of Units or Investments or be in any way liable for any forged or unauthorized signature on or seal affixed to the endorsement or other document or for acting on or giving effect to any such forged or unauthorized signature or seal, provided always, that the Trustee and the Manager, would exercise due care and diligence as may in the circumstance be required.
- 19.2 Neither the Trustee nor the Manager shall incur liability in respect of any action taken or thing suffered by them in good faith in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, plan of re-organization or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.
- 19.3 Neither the Trustee nor the Manager shall incur liability to the Unitholders for doing or failing to do any act or thing which by reason of any provision of any present or future law or regulation or of any decree, order or judgment of any court, or by reason of any request, announcement or similar action [whether of binding legal effect or not] which may be taken or made by any person or body acting with or purporting to exercise the authority of any government [whether legally or otherwise] which either the Trustee or the Manager shall be directed or requested to do or perform or to forbear from doing or performing.
- 19.4 The Trustee, the Manager or the Registrar, shall be entitled to require that the signature of any Unitholder or joint Unitholder to any document required to be signed by him or them under or in connection with this Deed shall be verified by a banker or otherwise authenticated to its or their reasonable satisfaction.
- 19.5 The Manager may in relation to anything required to be done pursuant to this Deed act on the opinion or advice or any information obtained from any legal practitioner, accountant, broker or any other persons believed by the Manager in good faith to be experts in relation to the matters upon which they are consulted.
- 19.6 The Manager shall not be liable to account to any Unitholder or otherwise for any payment made or suffered by the Manager in good faith to any duly empowered fiscal authority in Nigeria or elsewhere for taxes or other charges in any way arising out of or relating to any transaction of whatever nature in accordance with the provisions of this Deed.
- 19.7 The Trustee shall not by reason of its office be precluded from purchasing, holding, dealing in or disposing of Units or at any time contracting or entering into any financial, banking or other transaction with the Manager or any Unitholder or any company or body whose securities form part of the Deposited Property or from being interested in any such contract or transaction or from holding any shares or any investment in any

- such company or body and the Trustee shall not except as otherwise provided in this Deed be in anyway liable to account either to the Manager or to the Unitholder or any of them for any profits or benefits made or derived by the Trustee thereby or in connection therewith.
- 19.8 The Trustee shall not be under any obligation to appear in, prosecute or defend any action or suit in respect of the provisions of this Deed or in respect of the Deposited Property or any part thereof or take part in or consent to any corporate or investors' action which in its opinion might involve it in any expense or liability unless Unitholders holding not less than 25% of the registered Units or the Manager shall so request in writing and shall furnish it as often and to the extent as it may require with satisfactory indemnities against any such expense or liability.
- 19.9 Subject as may otherwise be provided in this Deed, the Trustee shall not in any circumstances be responsible for the purchase or selection of any investment nor for the sale, exchange or alteration of any Investment but the Manager shall SUBJECT to the consent of the Trustee, exercise such discretion as to the purchase, selection, sale, exchange or alteration of any investment and the Trustee shall not in any circumstances be responsible for any loss howsoever arising from the exercise of such discretion by the Manager.
- 19.10 The Trustee shall not be under any liability on account of anything done or suffered by it in good faith in accordance with or in pursuance of any request, notice, direction or advice of the Manager. Whenever any request notice or other communication is to be given by the Manager to the Trustee the latter may accept as sufficient evidence a document signed on behalf of the Manager by any two persons whose signatures the Trustee is for the time being authorized in writing by the Manager to accept.
- 19.11 The Trustee shall as regards all the powers and discretions vested in it under this Deed have absolute and uncontrolled discretion as to their exercise or non-exercise and in the absence of fraud or negligence the Trustee shall not be in any way responsible for any loss, costs, expenses or damages that may result from their exercise or non-exercise.
- 19.12 The Trustee may act upon the advice of or information obtained from legal practitioners whether instructed by it or by the Manager and it may also act upon statements of or information or advice obtained from the Manager or any bankers, accountants, brokers and other persons believed by the Trustee in good faith to be experts in relation to the matters upon which they are consulted and the Trustee shall not be liable for anything done or omitted or suffered to be done by it in reliance upon such advice, statement or information.

- 19.13 The Trustee shall not be responsible for any misconduct, mistake, oversight, error of judgment or want of prudence on the part of the Manager. The Trustee shall also not be responsible for any misconduct, mistake, oversight, error of judgment or want of prudence on the part of any banker, accountant, broker, legal practitioner, agent or other person acting pursuant to this Deed as agent or adviser of the Trustee.
- 19.14 The Trustee shall subject to the provisions of this Deed be entitled to destroy all instruments of redemption or Redemption Documents which have been registered at any time after the expiration of 10 years from the date of its registration; and all optional Fund Statements which have been cancelled at anytime after the expiration of 10 years from the date of its cancellation; and all registers, statements and other records and documents relating to the Fund at any time after the expiration of 10 years from the date of their cancellation; and all registers, statements and other records and documents relating to the Fund at any time after the expiration of 10 years from the termination of the Fund. The Trustee shall be under no liability whatsoever in consequence thereof and [unless the contrary be proved] every instrument of transfer so destroyed shall be deemed to have been a valid and effective instrument duly and properly cancelled by the Trustee and every Fund Statement so destroyed shall be deemed to have been a valid Fund Statement duly and properly cancelled.

PROVIDED always that :-

- 19.14.1 The provisions of sub-clause 19.14 shall apply only to the destruction of a document in good faith and without notice of any claim [regardless of the parties to such claim] to which the document might be relevant;
- 19.14.2 Nothing in sub-clause 19.14 shall be construed as imposing upon the Trustee any liability in respect of the destruction of a document earlier than as stated or in any case where the conditions of sub-clause 19.14.1 are not fulfilled; and
- 19.14.3 References in sub-clause 19.14 to the destruction of any document include references to its disposal in any manner.
- 19.15 If for any reason it becomes impossible or impracticable to carry out any of the provisions of this Deed, neither the Manager nor the Trustee shall be under any liability therefore or thereby and neither shall incur liability by reason of any error of law and in the absence of fraud or negligence for any matter or thing done or suffered to be done or omitted to be done in good faith pursuant to this Deed. PROVIDED ALWAYS that nothing in this clause shall be construed as exempting the Trustee from, or indemnifying the Trustee against, liability for breach of trust where having regard to the provisions of this Deed conferring on the Trustee any powers, authorities or discretions, the Trustee fails to exercise the degree of care and diligence required of it as Trustee.

19.16 The Manager and any company which is a subsidiary or holding company of the Manager or a director or executive officer of the Manager shall not carry out any transaction for itself or make any profit for itself from any transactions in the Deposited Property.

## 21 **DEALINGS WITH FUND STATEMENTS**

Notwithstanding anything in this Deed, neither the Trustee nor the Manager nor any party shall be required or obliged to effect any transaction or dealing with any Fund Statement or with any part of the Investments or of the Deposited Property on behalf or for the benefit or at the request of any Unitholder or joint Unitholder unless such Unitholder or joint Unitholder shall first have paid in cash to the Trustee or the Manager or to any such party or otherwise provided to its or their satisfaction as the case may be for all duties and charges and any necessary stamp duty which may have become or may be payable in respect of or prior to or upon the occasion of such transaction or dealing PROVIDED always that the Trustee or the Manager or such other party shall be entitled if or they [as the case may be] so think fit to pay and discharge all or any of such duties, charges or stamp duty on behalf of the Unitholder and to retain the amount so paid out of any money or property to which such Unitholder may be or become entitled in respect of his Units or otherwise howsoever hereunder.

## 26 **RETIREMENT OR REMOVAL OF MANAGER**

The Manager shall retire or be removed, from the management of the Trust on the happening of any of the following events:

- 26.1. If the Manager goes into liquidation (except a voluntary liquidation for the purpose of amalgamation or reconstruction on terms previously approved in writing by the Trustee) or if a receiver shall be appointed of the undertaking of the Manager or any part thereof then, the Manager shall be subject to removal by 90 [Ninety] days notice in writing given by the Trustee PROVIDED THAT in every case the Trustee has sought and received the approval of SEC;
- 26.2. If the Manager upon providing good and sufficient reason, giving 6 [Six] months notice to the Trustee and SEC, desires to retire from the management of the Fund;
- 26.3. If Unitholders pass a Special Resolution approving the removal of the Manager at a Meeting convened in accordance with the provisions of the First Schedule hereto.
- 26.4. If for any valid reason whatsoever, not limited to fraud or gross misconduct only, SEC signifies that the Manager is no longer eligible to act as Manager for the Fund. PROVIDED HOWEVER, upon the change of the Manager, the Manager shall have the right to request for the change of name of the Fund.

## 27 **APPOINTMENT OF NEW MANAGER**

In the event of a proposed change of the Manager, the Trustee shall be entitled by writing under its seal to notify SEC about any such proposed change and secure the prior approval of a new Manager of the Fund from SEC. Such new Manager shall enter such Deed or Deeds as the Trustee may be advised are necessary or desirable to be entered by such new Manager in order to secure the due performance of its duties as Manager.

## 28 **APPOINTMENT OF THE CUSTODIAN**

- 28.1 The Custodian shall be appointed by the Manager with the prior approval of SEC upon and subject to the Custodian entering into such deed or deeds as the Trustee may advise as necessary or desirable to be entered into by the Custodian in order to ensure that it shall perform the duties of the Custodian during the remainder of the Trust Period.
- 28.2. The Custodian shall stand possessed of the Deposited Property upon trust, which Deposited Property shall be held as a single common fund, no unit shall confer any interest or share in any particular part of the Deposited Property.
- 28.3. The Custodian shall verify that, in transactions involving the Deposited Property, any consideration is remitted to it within such limited time frame as are within acceptable market practice in the context of its duties referred to in this paragraph.
- 28.4. The Custodian shall be responsible for the duties stated in the Trust deed and any other duties agreed with the Manager in the custodial agreement.

## **12.3 EXTRACTS FROM THE CUSTODY AGREEMENT**

### **1. Establishment of Account.**

- (a) The Custodian shall itself establish and maintain in the Federal Republic of Nigeria a custodial account entitled "Skye Trustees / SFS Fixed Income Fund" ("the Account") shall be a special custody account for the receipt and maintenance of (i) cash or cash equivalents (collectively referred to herein as "Cash"); and (ii) all treasury bills, commercial papers, bank acceptances, certificate of deposits, bonds, debentures, any distributions with respect to such treasury bills, commercial papers, bank acceptances, certificate of deposits, bonds, and debentures; and any other related property delivered to Custodian (collectively referred to herein as "Securities"). Such Cash and Securities which may be deposited or credited to the Account from time to time are collectively referred to as "Property".

- (b) Custodian shall itself establish in the Federal Republic of Nigeria within the Account such sub accounts for the Fund and for the deposit of Cash in the Account as the Client may by instructions to the Custodian designate from time to time, all of which sub accounts shall be deemed to be part of the Account. The cash account may be linked to any other Cash Account which may be opened subsequently for the sake of convenience in the Fund's management arrangement.
- (c) The legal title to the Property in the account, whether Securities, Cash or both, and whether any such property held by Trustee, is kept by the Custodian in a Depository (as defined in Section 5) and clearly recorded in Custodian's books as belonging to the Trustee/Fund and insofar as the same are identifiable as belonging to the Trustee/Fund and for the Fund such Securities shall also be physically segregated from the general assets of the Custodian, the assets of the Trustee in its individual capacity and the assets of the Custodian's other clients.

## **2. Representations and Warranties of the Custodian and The Client**

### **(a) The Custodian hereby represents and warrants that:**

- (i) it is a bank, duly incorporated or organised under the laws of the Federal Republic of Nigeria and is licensed to carry on banking business under the Banks and Other Financial Institutions Act 1991.
- (ii) it is an authorised dealer of foreign exchange under the provisions of the Foreign Exchange Monitoring and Miscellaneous Provisions Act 1995
- (iii) it is duly registered as a Custodian of Securities with SEC and its registration remains valid as of the date of this Agreement.
- (iv) this Agreement has been duly authorised, executed and delivered on its behalf and constitutes the legal, valid and binding obligation on the Custodian;
- (v) the execution, delivery and performance of this Agreement by Custodian in the Federal Republic of Nigeria do not and will not violate any applicable law or regulation and do not require the consent of any governmental or other regulatory body except for such consents and approvals which have been obtained.
- (vi) the Custodian undertakes to inform the client immediately in writing in the event of a change in its situation. The client may not be held liable in the event that it is not informed of a change and/or in the event that the Custodian does not fulfil its legal and regulatory obligations.

### **(b) The Client hereby represents and warrants that:**

- (i) it has the legal capacity to carry out its obligations under this Agreement and has taken all necessary action to authorize the execution, delivery and performance of this Agreement.
- (ii) it is duly authorised to appoint the Custodian.
- (iii) it will fulfil all of its legal, tax and regulatory obligations relating to this Agreement.
- (iv) the Client undertakes to inform the Custodian immediately in the event of a change in its situation or the situation of the Fund. The Custodian may

not be held liable in the event that it is not informed of a change under this provision and/or in the event that the Client does not fulfil its legal and regulatory obligations.

**(c) The Trustee hereby represents and warrants that:**

- (i) it has the legal capacity to carry out its obligations under this Agreement and has taken all necessary action to authorize the execution, delivery and performance of this Agreement.
- (ii) it is duly registered with SEC to carry on business as a Trustee.
- (iii) it will fulfil all of its legal, tax and regulatory obligations relating to this Agreement.
- (iv) the Trustee undertakes to inform the Client and the Custodian immediately in the event of a change in the situation of its business. The Client and the Custodian may not be held liable in the event that it is not informed of a change under this provision.

**3. Undertakings and Agreements of Custodian**

The Custodian hereby undertakes and agrees that so long as any property is held in its Account:

(a) **Insurance**

The Custodian shall at the cost of the Client maintain adequate insurance for the Property held under custody and the Custodian shall provide the Client with evidence of such insurance coverage upon the Clients' request.

(b) **Charges; Liens.**

Custodian shall not subject the property to or have or enjoy any right, charge, security interest, right of retention or recoupment, lien or claim of any kind, or any creditors thereof, except a claim of payment for the safe custody and administration of the Property. The Custodian shall not loan, hypothecate, pledge or otherwise encumber any property in the Account without the Client's written instructions.

(c) **Records.**

Accurate records will be maintained by the Custodian showing that the Trustee / Fund are the legal owners of the Property. Such records shall include, with respect to the Account (and each subaccount, if any) (i) journals or other records of original entry containing an itemized daily record in detail of all receipts and deliveries of Securities (including certificate numbers, if any) and all receipts and disbursements of Cash; (ii) ledgers (or other records) reflecting (A) Securities in transfer, (B) Securities in physical possession, (C) monies borrowed and monies loaned (together with a record of the collateral therefore and substitutions of such collateral), (D) dividends and interest received, and (E) dividends receivable and

interest accrued; (iii) cancelled cheques and bank records related thereto; and (iv) such other books and records as the Client shall reasonably request.

(d) **Reports** .

The Custodian shall supply to the Client at the completion of each transaction and thereafter at least monthly, a written statement which (i) lists all Property held in the Account; (ii) identifies the entity having physical possession of such property; and (iii) details all transactions involving the Account from the date of the last written statement, including all transfers to or from the Account. Such reports shall also include any other information which the Client shall reasonably request or any other information the Custodian is required to provide under Nigerian Laws.

(e) **Notice of Changes.**

The Custodian shall notify the Client immediately in writing if (i) the Custodian receives notice of any claim against the Property (ii) the Custodian fail to comply with any of the provisions of this section 3; or (iii) any of the representations and warranties in Sections 2(a) or 2(b) shall cease to be true and correct.

**4. Powers and Duties of Custodian.**

(a) **Delivery, Receipt and Maintenance of Property.**

The Custodian, shall receive, hold, release and deliver Property from the Account only in accordance with this Agreement.

(b) **Settlement**

The Custodian undertakes on its own behalf to undertake the custody and clearing of all the securities registered in the Accounts, and to fulfill the related obligations mainly the settlement of trade Instructions, the collection of dividends or coupons, the exercising of rights and the amortization or redemption of the securities.

(e) **Registration; Holding of Securities.**

Legal title to the Securities held by the Custodian in registered form shall, unless otherwise instructed by the Client in writing, be registered in the name of the Trustee/Fund the nominee of the Client. Securities delivered to the Custodian in bearer form shall be held by Custodian in that form.

(f) **Receipt and Disposition of Cash.**

The Custodian shall hold cash collected within the Account (or within a subaccount, if any, of the Account) or upon the Client's instructions, shall (i) convert such cash into United States Dollars or into such other currency as the Client may instruct; (ii) remit such cash to the Client; (iii) use such cash to purchase Securities specified by the Client (but only to the extent that cash is available in the Account), which securities shall be deposited in the Account; or (iv) do any combination of the above. Unless the Custodian receives the Client's instructions to the contrary, the Custodian is authorized to, execute on behalf of and for the



Client's Account, whenever the Custodian deems it appropriate, such ownership certificates and other documents as may be required to obtain the payment of income from the property. With respect to the payment for purchases of Securities to be deposited in the Account, the Client agrees and represents those funds for settlement will be on deposit by the settlement date with the Custodian or at the location of settlement, in good available funds and in the currency of settlement. The Client acknowledges that nothing in this Agreement shall obligate the Custodian to extend credit, grant financial accommodation or otherwise advance moneys to the Client, Trustee or the Fund for the purpose of making any such payments or otherwise carrying out any instructions.

(g) **Voting Rights and Information.**

The Custodian shall not exercise any voting rights in respect of Securities held by it pursuant to this Agreement, unless specifically instructed to do so by the Trustee. The Custodian will use its best efforts to promptly transmit to the Client or as may be designated by the Trustee in instructions all notices (including, but not limited to, notices it may receive from issuers of Securities), information the Custodian may receive relating to exchange or tender offers or other rights or offerings, proxies and proxy soliciting materials with respect to Securities held in the Account, and on request of the Client, all public information, financial reports, and stockholder communications.

(h) **Payment of Taxes.**

Unless the Client otherwise instructs the Custodian, the Custodian shall pay or cause to be paid from the Account any and all taxes and levies in the nature of taxes imposed on the property by any governmental authority and shall use its best efforts to assist the Client in reclaiming any applicable withholding tax as permitted by law from the government of the Federal Republic of Nigeria provided that the Custodian shall provide to the Client an advice or notification as to any such payments, and provided further that the Custodian shall not liquidate any Securities in order to make such payments without the prior written consent of the Client. The Custodian will furnish the Client with written explanations of such reclamation efforts.

(i) **Other Information.**

The Custodian shall provide to the Client (i) its most recent audited financial statements as such statements are prepared; (ii) a copy of any reports on the accounting system and internal accounting controls and procedures used by the Custodian, or any Depository in which any Securities are held; (iii) information regarding the Custodian's policies and procedures as they relate to their custodial activities, (iv) the names and addresses of the governmental agencies or regulatory authorities which supervise or regulate the Custodian and any Depository with which Securities have been deposited pursuant to this Agreement. If any such information is prepared in an English language version, the Custodian shall furnish the Client with such version.

(j) **Periodic information**

The Client shall receive at least each month through mail or other agreed communication means an Account statement evaluated at the closing price of the last working day of the previous month, or where the closing price is not known on the day the statement is prepared the latest known closing price available in the local market. Such account statement will be sent in accordance with the Operational Requirements Schedule, which has been agreed between the parties.

The Client shall be entitled to make any claim concerning the said Instructions in accordance with the time limits prescribed by law, except where a shorter period is imposed by custom or by contracts for certain specific transactions.

**11. Liability of Custodian; Indemnification**

(a) The Custodian shall be liable for and shall indemnify the Client for, and hold the Client harmless from, any loss, damage, cost, judgment, expense or any other liability (including, but not limited to, the Client's legal fees and expenses and any other legal fees and expenses which the Client incurs or for which the Custodian is otherwise liable) (collectively referred to herein as "Losses") incurred by the Client or by Trustee/Fund or the Client, relating to or arising from, directly or indirectly:

- (i) any physical loss, destruction or damage to the Property;
- (ii) any breach of this Agreement by the Custodian, or

with respect to any losses not within the foregoing subsections (a) and (b) any fraud , wilful misconduct or gross negligence on the part of Custodian or any failure by Custodian to exercise, with respect to any of the property, the same high standard of care that Custodian exercises over their own assets and property, but in any event not less than the standard of care expected of a prudent professional custodian for hire. The Client shall notify the Custodian promptly of any proceeding or claim for which the Client may seek indemnity, and the Custodian shall co-operate fully with the Client with respect to any such proceeding or claim. The Custodian shall not be held responsible for any Losses resulting from or caused by events or circumstances commonly referred to as acts of God or resulting from or caused by an act of government (such as, by way of illustration, but limited to expropriation by a governmental body, currency restrictions, acts of war or terrorism, revolution or similar events or acts).

**12. Fees and Expenses**

Fees and expenses for the services rendered by the Custodian under this Agreement shall be payable by the Client in accordance with written fee schedules as may be mutually agreed upon by the parties hereto or in accordance with the schedule attached hereto as Schedule B, as such schedule may be changed upon forty-five (45) days' prior written notice from the Custodian to the Client.

### **13. Termination**

- (i) Either party hereto may terminate this Agreement on giving not less than forty five (45) days' prior written notice to the other party.
- (ii) Notwithstanding the provisions of clause 13.1 therein above the Agreement shall terminate unconditionally and without notice in the event of the bankruptcy or insolvency of either party; the same shall apply in principle if either party enters into any arrangement with creditors.
- (iii) In the event of termination of this Agreement, the Custodian shall immediately return the Securities to the Client according to the Client's instructions, subject to compliance with any regulatory requirement with the force of law in the country where the Securities are held and in the country where the Client requests that the transfer or return be carried out. Return shall be by electronic transfer for paperless Securities and by delivery or certificates for other securities.
- (iv) If the Client does not give the necessary Instructions for the return of the Securities, the Custodian shall transfer the securities to a special Account.
- (v) The costs of termination of the Agreement shall be met by the party (if any) in breach, in all other cases the costs shall be met by the party giving notice of the termination of the Agreement. The Custodian shall be entitled to receive all fees due to the date of such termination.

### **12.4 INDEBTEDNESS**

As at the date of this Prospectus, the Fund Manager has no outstanding debentures, mortgages, loans, charges or similar indebtedness, except in the ordinary course of business.

### **12.5 CLAIMS AND LITIGATION**

SFS Capital Nigeria Limited is not involved in any civil litigation or criminal litigation.

### **12.6 COSTS AND EXPENSES**

The costs, charges and expenses of and incidental to the Offer including fees payable to the SEC, The Exchange, and professional parties, brokerage, printing and distribution expenses, are estimated at about ₦14,985,000 or 3% of the gross Offer proceeds and is payable by the Fund Manager and shall be offset from the Offer Proceeds.

### **12.7 MATERIAL CONTRACTS**

The following agreements have been entered into and are considered material to this Offer:

1. A **Trust Deed** dated 23 April, 2014 between SFS Capital and Skye Trustee Limited under which the Fund was constituted and Skye Trustees Limited has agreed to act for the benefit of the Unitholders. Extracts of the Trust Deed are set out on pages 39 to 58 of this Prospectus.
2. A **Vending Agreement** dated 23 April, 2014 between SFS Capital and Skye Financial Services under the terms of which Skye Financial Services Limited has agreed to offer 500,000,000 Units of NGN1 each of the SFS Fixed Income Fund.
3. A **Custody Agreement** dated 23 April, 2014 between SFS Capital, Skye Trustee Limited and StanbicIBTC Plc pursuant to which the Fund Manager has appointed

StanbicIBTC Plc to act as custodian of the Fund's investments, cash and other assets and to accept responsibility for the safe custody of the Deposited Property which is delivered to and accepted by the Custodian or any of its sub-custodians.

Other than as stated above, the Fund Manager has not entered into any material contracts except in the ordinary course of business.

## **12.8 CONSENTS**

The following have given and not withdrawn their written consents to the issue of this Prospectus with their names and reports (where applicable) included in the form and context in which they appear:

<b>Fund Manager:</b>	<b>SFS Capital Nigeria Ltd</b>
<b>Directors of the Fund Manager:</b>	<b>Dr. Layi Fatona</b> ( <i>Chairman</i> ) <b>Dr. Yemi Kale</b> ( <i>Non-Executive</i> ) <b>Yemi Gbenro</b> ( <i>Non-Executive</i> ) <b>Patrick Ilodiana</b> ( <i>Managing Director</i> ) <b>Dimeji Sonowo</b> ( <i>Executive</i> )
<b>Company Secretary:</b>	<b>Tokunbo Orimobi LP</b>
<b>Investment Committee Members:</b>	<b>Yemi Gbenro</b> <b>Patrick Ilodiana</b> <b>Dimeji Sonowo</b> <b>Funmi Ekundayo</b> <b>Laolu Martins</b>
<b>Financial Advisor/Issuing House:</b>	<b>Skye Financial Services Limited</b>
<b>Trustee to the Fund:</b>	<b>Skye Trustees Limited</b>
<b>Solicitors to the Trustee:</b>	<b>Oluyomi Olawore &amp; Co.</b>
<b>Solicitors to the Offer:</b>	<b>Jackson, Etti &amp; Edu.</b>
<b>Reporting Accountants:</b>	<b>Dele Olufon &amp; Co.</b>
<b>Stockbrokers to the Offer:</b>	<b>Securities Africa Financial Limited</b>
<b>Custodian:</b>	<b>Stanbic IBTC Bank PLC</b>
<b>Registrars to the Offer:</b>	<b>United Securities Limited</b>
<b>Rating Agency:</b>	<b>DataPro Limited</b>
<b>Receiving Bank:</b>	<b>Skye Bank Plc</b>

## **12.9 RELATIONSHIP BETWEEN THE FUND MANAGER AND THE CUSTODIAN**

The Fund Manager and the Custodian do not have any common shareholder and neither one is a subsidiary or holding company of the other. They do not have common Directors.

## **12.10 RELATIONSHIP BETWEEN THE FUND MANAGER AND THE TRUSTEE**

The Fund Manager and the Trustee do not have any common shareholder and neither one is a subsidiary or holding company of the other. They do not have common Directors.

### **12.11 RELATIONSHIP BETWEEN THE FUND MANAGER AND THE ISSUING HOUSE**

The Fund Manager and the Issuing House have similar shareholders. Both companies have a majority shareholder called Zigmund Investment Alliance Limited.

### **12.12 DOCUMENTS AVAILABLE FOR INSPECTION**

1. Certificates of Incorporation of the Fund Manager and the Trustee;
2. Memorandum and Articles of Association of the Fund Manager and the Trustee;
3. The resolution of the Board of Directors of the Fund Manager authorizing the creation of the Fund and the issuance of 500 million Units of the Fund;
4. The duly executed Prospectus issued in respect of the Offer;
5. The Report of Dele Olufon Reporting Accountants, on the Financial Projections of the Fund for the 3 years ending 31 December, 2016
6. The audited financial statements of the Fund Manager for the years ended December 31, 2012;
7. The management financial statements of the Fund Manager for the years ended December 31, 2013;
8. The letter of authorisation of the Fund and registration of the Units by the Securities and Exchange Commission.
9. The material contracts referred to above;
10. The written consents referred to above.

## PROCEDURE FOR APPLICATION AND ALLOTMENT

### 1 APPLICATION

- 1.1 The general investing public is hereby invited to apply for Units of the Fund through any of the Receiving Agents listed in this Prospectus.
- 1.2 Applications for Units must be made in accordance with the instructions set out at the back of the Application Form attached hereto. Care must be taken to follow these instructions, as applications which do not comply will be rejected.
- 1.3 The Application List for the Units now being offered will open on 2 May, 2014 and close on 10 June, 2014. Applications must be for a minimum of 10,000 Units and in multiples of 10,000 Units thereafter. The number of Units for which an application is made and the value of the cheque or bank draft attached should be entered in the boxes provided.
- 1.4 Applications in Naira above N10 million should be transferred via RTSG into the issue Proceeds Account domiciled with the Receiving Bank indicated below:

<b>Bank Name :</b>	Skye Bank Plc
<b>Account Name :</b>	Skye Trustees / SFS Fixed Income Fund
<b>Account Number :</b>	1771351912
<b>Applicant / Sender :</b>	Please complete as appropriate

### 2. ALLOTMENT

Skye Financial Services Limited and the Directors of the Fund Manager reserve the right to accept or reject any application in whole or in part. All irregular applications will be rejected. In the event of an over subscription, additional Units of the Fund will be allotted subject to the Commission's approval.

### 3. APPLICATION MONIES

All application monies will be retained in a separate bank account by the Receiving Bank pending allotment. If any application is not accepted, a crossed cheque/return money warrant for the full amount paid will be returned by registered post within 5 working days of allotment. For electronic payment return, monies will be returned to the bank account details provided by the applicant on the application form with 5 working days of allotment.

A Fund Statement will be sent by registered post within 15 working days from the date of allotment.

Application Forms may be obtained free of charge from any of the Receiving Agents registered as capital market operators by SEC, to whom brokerage will be paid at the rate of ₦0.75 per annum, per ₦100 worth of units allotted in respect of applications bearing their official stamps.

*The Issuing House cannot accept responsibility for the conduct of any of the institutions involved in this offer. Investors are therefore advised to conduct their own independent enquiries before choosing an agent to act on their behalf. Evidence of lodgment of funds at any of the Receiving Agents, in the absence of corresponding evidence of receipt by the Issuing House, cannot give rise to a liability on the part of the Issuing House under any circumstances.*

# APPLICATION FORM

APPLICATION LIST OPENS  
2 MAY, 2014

INITIAL PUBLIC OFFERING OF  
500,000,000 UNITS OF N1.00 PER UNIT  
IN THE

APPLICATION LIST CLOSES  
10 JUNE, 2014

FUND MANAGER



RC: 956192

**SFS Fixed Income Fund**  
(Authorized and Registered in Nigeria as a Unit Trust Scheme)

**PAYABLE IN FULL ON APPLICATION**

Application must be made in accordance with the instructions set out on the reverse side of the Application form. Care must be taken to follow these instructions as applications that do not comply may be rejected. If you are in doubt as to the action to take, please consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance immediately.

ISSUING HOUSE



**Please complete all relevant sections of this form USING BLOCK LETTERS WHERE APPLICABLE**

GUIDE TO APPLICATION	
<b>Number of Units applied for</b> 10,000 minimum Subsequent multiple of 10,000	<b>Amount payable</b> N10,000.00 N10,000.00
UNITS APPLIED FOR	
[Grid for units applied for]	
VALUE OF UNITS APPLIED/ AMOUNT PAID	
[Grid for value of units applied/ amount paid]	
DATE (DD/MM/YYYY)	
[Grid for date]	
CONTROL NO. (FOR FUND MANAGER'S USE ONLY)	
[Grid for control no.]	

**DECLARATION**

I/ We declare that I/we have read the Prospectus dated 23 April, 2014 issued by Skye Financial Services Limited on behalf of SFS Capital Nigeria Limited.

I/ We the undersigned, confirm that we have full legal capacity to contract and hereby irrevocably apply for the number of Units specified hereon.

I/ We attach the amount payable in full on application for the number of units indicated in the SFS Fixed Income Fund at N1.00 per unit.

I/ We agree to accept the same or any smaller numbers of Units in respect of which allotment may be made upon the terms of the Prospectus dated 23 April, 2014 and subject to the Trust Deed constituting the Fund.

I/ We understand that we will receive our allotted Units in uncertificated form. Accordingly, we hereby authorize you to allot the said Units in uncertificated form.

**APPLICANT'S DETAILS (INDIVIDUAL/ CORPORATE ((Please use one box for one alphabet leaving one box blank between first word and second)**

SURNAME/CORPORATE NAME  
[Grid]

FIRST NAME (FOR INDIVIDUALS ONLY) [Grid] OTHER NAMES (FOR INDIVIDUALS ONLY) [Grid]

JOINT APPLICANT'S FIRST NAME (IF APPLICABLE) [Grid] OTHER NAMES (FOR JOINT APPLICANT ONLY) [Grid]

CONTACT PERSON (FOR CORPORATE APPLICANT)/ NEXT OF KIN (FOR INDIVIDUAL APPLICANT)  
[Grid]

ADDRESS IN FULL (PLEASE DO NOT REPEAT APPLICANT(S)' NAME). POST BOX NO. ALONE IS NOT SUFFICIENT  
[Grid]

CITY [Grid] STATE [Grid] E-MAIL [Grid]

**APPLICANT'S DETAILS (INDIVIDUAL/ CORPORATE ((Please use one box for one alphabet leaving one box blank between first word and second)**

SURNAME OF MINOR [Grid] OTHER NAMES [Grid]

DATE OF BIRTH [Grid] GENDER [Grid] NATURE OF RELATIONSHIP (PARENT/GUARDIAN) [Grid]

MALE  FEMALE

ADDRESS IN FULL (PLEASE DO NOT REPEAT APPLICANT(S)' NAME). POST BOX NO. ALONE IS NOT SUFFICIENT  
[Grid]

CITY [Grid] STATE [Grid] E-MAIL [Grid]

# APPLICATION FORM (REVERSE SIDE)

## INCOME DISTRIBUTION

Please tick in the box to indicate the preferred distribution option- CASH  / REINVESTMENT

## BANK DETAILS (FOR E-DISTRIBUTION)

BANK	BRANCH																																								
ACCOUNT NO	BANK SORT CODE																																								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 12.5%; height: 20px;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>																					<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 12.5%; height: 20px;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>																				

## BANK DETAILS (FOR E-DISTRIBUTION)

SIGNATURE	SIGNATURE (CORPORATE/JOINT)	OFFICIAL SEAL/RC. NO. OR *THUMBPRINT* (FOR ILLITERATES ONLY)
NAME OF AUTHORISED SIGNATORY (CORPORATE ONLY):	NAME OF AUTHORISED SIGNATORY	
DESIGNATION (CORPORATE ONLY):	DESIGNATION (CORPORATE ONLY):	

## FORM OF ATTESTATION (Compulsory requirement for a witness of a thumbprint impression only)

I, \_\_\_\_\_ [Please insert full name of person attesting] of \_\_\_\_\_ [address] hereby testify that the above \*thumbprint\* was affixed in my presence this.....day of.....2014, and is the true right thumb print of \_\_\_\_\_ [insert name of person executing] who has acknowledged to me after due explanation of the Application Form in the language understandable to him that (i) that he has voluntarily executed this instrument and (ii) that he understands the contents and effect thereof.

As witness my hand this.....day of....., 2014. Witness Signature: \_\_\_\_\_

## INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

1. Applications must be made only on this Application Form, or photocopy, downloaded or scanned copy of the Application Form. Applications should be made in accordance with the instructions. Care must be taken to follow these instructions, as applications which do not comply will be rejected.
2. The Application List for the Units will be open to prospective investors for the duration specified in the Prospectus.
3. Applications must be for a minimum of 10,000 Units. Applications for more than 10,000 Units must be in multiples of 10,000. The number of Units for which an application is made and the applicable value should be entered in the boxes provided.
4. An application for a minor must include the full names and date of birth of the minor, as well as the full names and address of the adult (Parent or Guardian) making the application on such minor's behalf.
5. Joint applicants must all sign the Application Form.
6. An application from a corporate body must state its Incorporation (RC) Number and bear the corporate body's common seal and be completed under the hand of a duly authorized official.
7. An application by an illiterate should bear his right thumbprint on the Application Form and be witnessed by an official of the Receiving Agent at which the application is lodged who must have first explained the meaning and effect of the Application Form to the illiterate in his own language. Above the thumb print of the illiterate, the witness must record in writing that he has given this explanation to the illiterate in a language understandable to him and that the illiterate appeared to have understood same before affixing his thumb impression.
8. An applicant should not print his signature. If he is unable to sign in the normal manner he should be treated for the purpose of this Offer as an illiterate and his right thumbprint should be clearly impressed on the Application Form.
9. Applications in Naira below N10 million should be forwarded together with a cheque or bank draft for the full amount of the purchase price made payable to any of the Receiving Agent listed in this Prospectus. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "SFS FIXED INCOME FUND" with the name, address and daytime telephone number of the applicant written on the back. All bank commissions and transfer charges must be prepaid by the applicant. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected and returned through the post at the applicant's risk.
10. Applications in Naira above N10 million should be transferred via RTGS into either of the Issue Proceeds Accounts specified in this Prospectus.
11. All foreign currency subscriptions should be credited to any of the receiving bank account specified in this Prospectus. The applicable Receiving Bank will issue CCIs evidencing such foreign currency subscriptions. CCIs are required to enable subsequent repatriation, in a freely convertible currency, of the dividends from or proceeds of any future sale of the Units acquired in this IPO.



## Receiving Agents

Application Forms may be obtained free of charge from any of the following Receiving Agents registered as market operators by the SEC, to whom brokerage will be paid at the rate of ₦0.75 per annum, per ₦100.00 worth of units allotted in respect of applications bearing their official stamps.

**The Issuing House cannot accept responsibility for the conduct of any of the institutions listed below. Investors are therefore advised to conduct their own enquiries before choosing an agent to act on their behalf. Evidence of lodgment of funds at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by the Issuing House, cannot give rise to a liability on the part of the Issuing House under any circumstances.**

## BANKS

Access Bank Plc Diamond Bank Plc Ecobank Nigeria Plc Enterprise Bank limited Fidelity Bank Plc First City Monument Bank Plc First Bank Nigeria Plc	Guaranty Trust Bank Plc Heritage Bank Limited Keystone Bank Limited Mainstream Bank Limited Skye Bank Plc Stanbic IBTC Bank Plc Standard Chartered Bank Nigeria Limited	Sterling Bank Plc Union Bank of Nigeria Plc United Bank for Africa Plc Unity Bank Plc Wema Bank Plc Zenith Bank Plc
--	---	--

## STOCKBROKERS AND OTHERS

Adamawa Securities Limited Adonai Stockbrokers Limited AL Securities Limited Alangrange Securities Limited Allbond Investments Limited Alltrade Securities Limited Alliance Capital Management Limited AMYN Investments Limited Asset & Resource Management Limited Anchoria Investment & Securities Ltd APT Securities & Fund Limited Bacad Finance & Investment Co Limited Beachgrove Securities & Investment Co Limited Beaver Securities Limited Bestworth Assets & Trust Limited BFCL Assets & Investment Limited BGL Securities Limited BIC Securities Limited BSD Securities Limited Capital Assets Limited Capital Trust Brokers Limited Capital Express Securities Limited Century Securities Limited Calyx Securities Limited Cash Craft Asset Management Limited. Capital Bancorp Limited Cashville Investments & Securities Ltd. Centre-Point Investment Limited Citi Investment Capital Limited City Investment Management Limited City Securities Limited City-Code Trust & Investments Limited Consolidated Investment Limited Cooper Flemming Stockbrokers Limited Core Trust & Investment Limited Crane Securities Limited Crossworld Securities Limited Clearview Investment Co Limited Counters Trust Securities Limited CSL Stockbrokers Limited DakaL Securities Limited DBL Securities Limited De-canon Investments Limited De-Lords Securities Limited Denham Management Limited Dependable Securities Limited Dynamic Portfolios Limited Empire Securities Limited Euro Comm Securities Limited Express Portfolio Services Limited Falcon Securities Limited	F & C Securities Limited Fidelity Union Securities Limited Fidelity Finance Limited Financial Derivatives Limited Financial Equities Limited Financial Trust Co Limited Fimnal Finance Company Limited First Equity Securities Limited First Stockbrokers Limited Folu Securities Limited Foresight Securities & Investment Ltd Forte Asset Management Limited Forthright Securities & Investments Ltd Fountain Securities Limited Future View Securities Limited Genesis Securities and Investment Ltd. Gidauniya Investment & Securities Ltd Global Capital Market Limited Golden Securities Limited Great Africa Trust Limited Greenwich Trust Limited GTI Capital Limited Heritage Investment & Securities Ltd Horizon Stockbrokers Limited IBTC Asset Management Limited IBN Securities Limited ICON Stockbroker Limited IMB Morgan Plc Indemnity Finance Limited Independent Securities Limited Integrated Trust & Investments Limited Intercontinental Securities Limited International Capital Securities Limited International Standard Securities Ltd Intercontinental Capital Markets Limited Interstate Securities Limited Investors & Trust Co Limited Jamkol Investments Limited Jenkins Investment Limited Kinley Securities Limited Kundila Finance Services Limited Lakeworth Investments & Securities Ltd LB Securities Limited Lead Securities & Investment Limited Lighthouse Asset Management Limited Lion Stockbrokers Limited Lyncac Securities Limited Magnartis Fin & Inv Limited Mainland Trust Limited Maninvest Securities Limited Marina Securities Limited	MBC Securities Limited Mega Equities Limited Mercov Securities Limited M & F Investment Limited Molten Trust Limited Mutual Alliance Investment & Securities Ltd Midas Stockbrokers Limited Midland Capital Markets Limited Midlands Investment & Trust Co. Ltd Mission Securities Limited Morgan Trust & Asset Management Ltd Mountain Investment & Securities Limited Newdevco Finance Securities Ltd Niche Securities Limited Nigerian Stockbrokers Limited Networth Securities & Finance Nova Finance & Securities Limited Options Securities Limited OMF Securities & Finance Limited Partnership Investment Co. Limited Pine Fields Investment Services Limited PIPC Securities Limited Peak Securities Limited Perfection Securities & Investment Ltd PIPC Securities Limited Platinum Capital Limited Premium Securities Limited Professional Stockbroker Limited Profund Securities Limited Prominent Securities Limited P.S.I. Securities Limited Rainbow Securities & Investment Co. Ltd Riverside Trust Limited Reward Investments & Services Limited Royal Crest Finance Limited Sanbros Trust & Securities Limited Securities Africa Financial Limited Securities Solutions Limited Securities Swaps Limited Shallom Investment & Securities Ltd Sigma Securities Limited Silver Financial Services Limited Solid-Rock Securities & Investment Ltd Stanbic Equities Nigeria Limited Summa Guaranty & Trust Co. Limited Summit Finance Company Limited Support Services Limited Tiddo Universal Securities & Finance Limited Tomil Trusts Limited Topmost Finance & Investment s Ltd Transglobe Investment & Finance Co Limited	TRW Stockbrokers Limited Trade Link Finance & Securities Ltd Tropics Securities Limited Trust and Financial Services Limited Trusthouse Investment Limited Trust Yields Securities Limited UBA Securities Limited UNEX Securities & Investment Ltd Union Stockbrokers Limited Valmon Securities Limited Valueline Securities & Investment Ltd Vetiva Capital Management Limited Vision Trust & Investments Limited WSTC Financial Services Limited Yobe Investment Co. Limited Zenith Securities Limited Zuma Securities Limited
--	--	---	--

