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YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. BEFORE SUBSCRIBING, PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, BANKER OR AN INDEPENDENT INVESTMENT ADVISER REGISTERED BY THE SECURITIES & EXCHANGE COMMISSION. THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS OF THE FUND MANAGER AND/OR PROMOTERS OF THE UNIT TRUST 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.

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*For information concerning certain risk factors which should be considered by prospective investors, see Risk Factors on page 21 to 23.*

## **VETIVA USD FIXED INCOME FUND**

(Authorised and Registered in Nigeria as a Unit Trust Scheme)

### **OFFER FOR SUBSCRIPTION**

OF

500,000 UNITS OF \$1 EACH (\$500,000) AT PAR

PAYABLE IN FULL ON APPLICATION

#### **FUND MANAGER:**



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Commencement Date: 08 January, 2025

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THIS PROSPECTUS AND THE UNITS WHICH IT OFFERS HAVE BEEN REGISTERED BY THE SECURITIES & EXCHANGE COMMISSION. THE INVESTMENT AND SECURITIES ACT CAP I24 LFN 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 ANY PROSPECTUS.

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The Prospectus is dated 9th day of January, 2025

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## 1. DEFINITIONS

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The following definitions apply throughout this document except where otherwise stated

TERMS	DEFINITIONS
<b>"Affiliate"</b>	<p>means any person, natural or corporate falling within the categories of persons listed under the definition of 'Affiliate of a Related Party' in the SEC Rules and Regulations.</p> <p>An affiliate of a related party having regards to a registered Collective Investment Scheme shall be any person, natural or corporate falling within the categories of the parties listed below:</p> <ol style="list-style-type: none"><li>i. Companies that share personnel of the Fund Manager who hold administrative, management and Board position in the Fund Manager, in addition to front office staff engaged in investment management function of the Fund;</li><li>ii. Companies that share personnel of the Trustee who holds administrative, management and Board position in the Trustee;</li><li>iii. Companies that share personnel of the Custodian Bank or Central Depository who holds administrative and management position in the Custodian or Depository;</li><li>iv. Companies that are affiliates of the Fund Manager, Trustees or Custodians within the same financial group or another group;</li><li>v. Key persons undertaking asset management, investment analysis and other key front office tasks that impact or likely to impact the Fund;</li><li>vi. Persons capable of exerting influence on management and Board decisions in Related Parties and their affiliates;</li><li>vii. Other Collective Investment Schemes managed by:<ul style="list-style-type: none"><li>• the Fund Manager</li><li>• an affiliate of the Fund Manager and/or companies belonging to the same group as the Fund Manager</li><li>• an affiliate of the Trustee and/or companies belonging to the same group as the Trustee</li><li>• a Company whether as affiliate, subsidiary or parent of the Fund Manager, Trustees or Custodian whose securities are unlisted or listed on a recognized securities Exchange</li></ul></li><li>viii. Sponsor, administrator or managers of electronic/digital platforms which serve as channel for subscription to or redemption from, of units of the Fund;</li><li>ix. Companies which share interlocking directorship with the Fund Manager, Trustee or Custodian;</li><li>x. Companies that engage in principal transactions with the Fund Manager, Trustee or Custodian;</li><li>xi. Companies/Entities with at least 5% shareholding or beneficial ownership in the Fund Manager, Trustee or Custodian;</li><li>xii. Any other person(s) identified by the Fund Manager, Trustees to the Fund, the Custodian or the Commission as an affiliate of a Related Party.</li></ol>
<b>"Application Form"</b>	The form for the subscription of Units of the Fund attached hereto
<b>"Auditors"</b>	In respect of the Fund, the auditors for the time being of the Fund and if they are unable or unwilling to carry out any action requested of them pursuant to the Trust Deed, then in relation to that action such other firm of chartered accountants as may be approved or nominated; subject to the notification and approval, of the proposed auditors, by the Commission.
<b>"Authorised Investment"</b>	Investment in the Instruments and any other investment which is specifically authorised under section 171 of the ISA (defined below) and the Rules and

	Regulations of the Securities and Exchange Commission as may be amended from time to time or such other investments as the Commission may from time to time approve.
<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>"Bid Price"</b>	The price, computed in accordance with the formula specified by the Fund Manager in accordance with SEC guidelines, at which an investor may redeem Units of the Fund at a stated point in time.
<b>"Business Day"</b>	Monday to Friday excluding any day designated as a public holiday by the Federal Government of Nigeria.
<b>"CAMA"</b>	Companies and Allied Matters Act. Cap C20, LFN 2004 as may be amended from time to time.
<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>	United Bank for Africa Plc (Global Investor Services)
<b>"Custody Agreement"</b>	The agreement dated 08 January 2025, between STL Trustees Limited, Vetiva Fund Managers Limited and UBA Global Investor Services Division
<b>"Deposited Property"</b>	All assets (including cash) for the time being held or deemed to be held in trust on behalf of the Fund by virtue of the Trust Deed.
<b>"Directors" or "Board"</b>	The Directors of the Fund Manager, who comprises those persons whose names are set out on page 12 as at the date of this document.
<b>"Distributions"</b>	Income generated by the Fund and paid (less expenses and applicable taxes) to Unit holders.
<b>"Distribution Payment Date"</b>	Any day on which the Fund Manager shall make Distributions pursuant to the provisions of the Trust Deed.
<b>"Dollar or "\$" or "USD"</b>	Official Currency of the United States
<b>"FGN"</b>	Federal Government of Nigeria
<b>"Fund"</b>	Vetiva USD Fixed Income Fund as designed, structured, issued and managed by the Fund Manager.
<b>"Fund Manager" or "Manager"</b>	Vetiva Fund Managers Limited
<b>"IPO" or "Offer" or "Offering"</b>	This Initial Public Offer of 500,000 Units of \$1 each at par in the Vetiva USD Fixed Income Fund.
<b>"Investment Committee"</b>	The investment committee of the Fund, as constituted pursuant to the provisions of the Trust Deed.
<b>"ISA"</b>	Investment & Securities Act No. 29, 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>"Net Asset Value" or "NAV"</b>	The total value of the Fund's underlying investment portfolio, less any fees, charges, expenses and other liabilities accrued by the Fund.
<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 Fund.
<b>"Offer Price"</b>	The price an investor will be required to pay for a Unit when subscribing to the Fund.
<b>"Open-ended Fund"</b>	A mutual fund that can create and offer additional units outside of its initial offering on a continuous basis throughout its life. Units of such a fund can also be redeemed in line with the provisions of the Trust Deed constituting the Fund.
<b>"Principal Transaction"</b>	A transaction which, singularly or in aggregate of over a 12-month period equals five percent (5%) or more of the Fund's net asset value (NAV), in which the Fund Manager acting on behalf of the Fund enters with an Affiliate of a Related Party to the Fund as defined in the SEC Rules and Regulations.
<b>"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>"Receiving Agents"</b>	Market operators authorized to receive Application Forms/monies from subscribers to this Offer.
<b>"Register"</b>	The register of Unit holders to be maintained by the Fund Manager.
<b>"Registrar"</b>	First Registrars & Investor Services Limited
<b>"Related Party"</b>	A related party, having regards to a registered Collective Investment Scheme shall be the Trustee, Fund Manager and Custodian of the Fund
<b>"Related Party Transactions"</b>	Transactions between the affiliates of Related Parties and the Fund Manager acting on behalf of the Fund.
<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>"The Exchange" or "The NSE"</b>	The Nigerian Stock Exchange.
<b>"TIA" or "Trustees Act"</b>	Trustees Investments Act Cap T22, LFN 2004
<b>"Trustee" or "STL"</b>	STL Trustees Limited
<b>"Trust Deed"</b>	The Deed dated 09 January 2025, constituting the Fund and any document supplemental thereto or executed in pursuance thereof.
<b>"Unit(s)"</b>	An undivided share in the assets of the Fund
<b>"Unitholder" or "Unit-Holder"</b>	The person(s) whose names are for the time being entered in the Register as holder(s) of Units of the Fund.
<b>"Valuation Day"</b>	The last Business Day of each week or such other date (s) on which the Offer and Bid Prices are calculated after the conclusion of the IPO.

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## 2. ABRIDGED TIMETABLE

The following is a summary of the terms and conditions of an investment in the Vetiva USD Fixed Income Fund. This summary is qualified in its entirety by the detailed information contained in the prospectus and deed governing the Fund.

Prospective investors are urged to read the entire prospectus and consult their professional adviser as to the tax and legal consequences of investing in the Fund adviser as to the tax and legal consequences: of investing in the Fund:

Date	Activity	Responsibility
08 July 2024	Application to the SEC	Vetiva Fund Managers Limited
15 Jan 2025	Application List opens	Vetiva Fund Managers Limited
15 Feb 2025	Collection of Subscription money paid directly into the Custody Account	United Bank for Africa Plc (GIS)
28 Feb 2025	Distribute Statements of Unitholding to Unitholders	Registrars
08 April 2025	Submission of Scheme Launch Report to SEC within 90 days of registration	Vetiva Fund Managers Limited

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### 3. SUMMARY OF THE OFFER

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The following is a summary of the terms and conditions of an investment in the Vetiva USD Fixed Income Fund. This summary is qualified in its entirety by the detailed information contained in the prospectus and deed governing the Fund.

Prospective investors are urged to read the entire Prospectus, along with the relevant Supplementary Prospectus, and to consult their own professional advisers regarding the financial, tax, and legal consequences of investing in the Fund. Additionally, prospective investors should seek information on the fees and charges before making any investment decisions.

TERM	DETAILS
<b>1. FUND MANAGER</b>	Vetiva Fund Managers Limited
<b>2. TRUSTEES TO THE FUND</b>	STL Trustees Limited
<b>3. CUSTODIAN</b>	United Bank for Africa Plc (Global Investor Services)
<b>4. THE OFFER</b>	500,000 Units of \$1 each at par in the Fund
<b>5. METHOD OF OFFER</b>	Offer for Subscription, being the Initial Public Offering of Units of the Fund
<b>6. OFFER PRICE</b>	\$1 per Unit
<b>7. OFFER SIZE</b>	\$500,000
<b>8. MINIMUM SUBSCRIPTION</b>	\$500 (Five Hundred Dollars Only) and multiples of \$500 subsequently. <i>The minimum investment sum and multiples thereafter will apply in the IPO &amp; post-IPO period</i>
<b>9. SUBSCRIPTION METHOD</b>	Duly completed application form with personal or banker's cheque or wire transfer and lodged with Receiving Agents specified in the Offer documents.
<b>10. PAYMENT TERMS</b>	In full on application
<b>11. MANDATORY SUBSCRIPTION</b>	In compliance with the rules and regulations of the SEC, which states that promoters of Unit Trust Schemes in Nigeria must subscribe to a minimum of 5% of the initial issue of such schemes, the Fund Manager shall subscribe to 5% of the Offer.
<b>12. COMMENCEMENT DATE</b>	08, January 2025
<b>14. NATURE OF THE FUND</b>	<p>The Vetiva USD Fixed Income Fund is an open-ended unit trust scheme that invests predominantly in a portfolio of dollar-denominated fixed-income securities including Eurobonds, USD money market investments and other fixed-income instruments to provide unitholders access to foreign currency-denominated assets for income generation, investment planning and diversification purposes. The Fund is constituted and exists under the Trust Deed. The Trustee, who shall be vested with all the assets of the Fund, shall protect the interest of investors.</p> <p>Investors will be free to subscribe to Units of the Fund through Vetiva Fund Managers Limited or any other Agent approved by the Fund Manager from time to time. Therefore, although the Fund has an initial target of 500,000 Units, the Fund Manager will issue additional units of the Fund to subscribers on demand after the initial tranche of 500,000 Units has been fully subscribed, subject to the Commission's approval.</p>



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**15. FUND OBJECTIVE**

The objective of the Fund is to efficiently generate and maximise income in Dollar terms whilst providing liquidity, diversification and competitive returns within an acceptable level of investment risk in the medium to long term through investments in US dollar-denominated fixed income assets.

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**16. MINIMUM INVESTMENT PERIOD**

The minimum holding period for an investment in the Fund is One Hundred and Eighty (180) calendar days from the date of subscription. The minimum holding period commences from the day of confirmation of subscribers' subscription to the Fund. A penalty charge of 20% flat on the accrued income is payable on any redemption effected within 180 days of subscription to the Fund.

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**17. UNIT STATEMENTS**

Unitholders will be issued electronic statements which shall constitute evidence of title to the number of Units specified on such statements.

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**18. BENCHMARK**

Composite index comprising: 70% of the 3-year Nigeria Sovereign Eurobond and 30% of the 6-month US Treasury Bill. In the absence of a 3-Year FGN Eurobond, the Fund shall adopt the FGN Eurobond with the closest maturity to 3 Years.

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The Fund shall allocate its investments based on the following target weightings.

**19. ASSET ALLOCATION**

<b>Proposed Asset Class</b>	<b>Asset Allocation Range</b>
Fixed Income Securities: Nigerian Sovereign Eurobonds, Corporate Eurobonds, Multilateral Eurobonds and other debt instruments	70% - 100%
Money Market Instruments: Dollar Denominated commercial papers, certificate of deposits, fixed deposits issued by banks and other financial institutions and other short term USD money market instruments	0% - 30%
Cash and cash equivalent	0% - 5%

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**20. DISTRIBUTIONS**

The Fund will seek to distribute the net income to Unitholders in line with existing regulations, subject to profits realized. The income of the Fund, net of expenses, to be distributed on an annual basis will be determined by the Fund Manager in the best interest of the Unitholders.

The Unitholders shall have the option to choose whether to be paid distributions or to reinvest their distributions in additional Units at the prevailing unit Offer Price. Unitholders who elect to have their distributions reinvested in new units shall be entitled to an issue of units that shall be equal in value to the amount they otherwise would have received in cash as distribution. Where an investor did not choose any of these options, the default will be for the Fund Manager to reinvest distributions for the respective Unitholders.

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**21. REDEMPTION**

Unitholders shall have the right to redeem all or part of the Units held by them at the Bid Price on any Business Day, provided redemption documents are received in accordance with the instructions specified by the Fund Manager from time to time. The minimum permissible holding after partial redemption is \$500 or such balance as advised by the Manager from time to time. The Fund will make redemption payments within 5 (five) Business Days of receipt of the Redemption Notice. A penalty charge of 20% flat on the accrued income is payable on any redemption effected within 180 days of subscription to the Fund.

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<b>22. QUOTATION</b>	In order to improve visibility of Units of the Fund, the Fund Manager may make an application to the Nigerian Exchange Group and/or FMDQ for the admission of the Units of the Fund to its Memorandum List.
<b>23. STATUS</b>	The Units qualify as securities in which Trustees may invest under the Trustees Investment Act Cap T22 Laws of the Federation of Nigeria 2004.
<b>24. INVESTMENT RISKS</b>	The Risks associated with an investment in the Fund are set out in the section titled "Risk Factors" on page 21 of this prospectus.
<b>25. GOVERNING LAW</b>	The Offer will be governed by and construed in accordance with the laws of the Federal Republic of Nigeria.
<b>26. OVERSUBSCRIPTIONS</b>	In the event of oversubscription over and above the 500,000 units being offered, the Fund Manager shall register new units with SEC, allot additional units subject to the approval of the Commission and absorb any excess application monies.
<b>27. SELLING RESTRICTIONS</b>	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.

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## 4. THE PROSPECTUS

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A copy of this Prospectus and the documents specified herein have been delivered to the SEC for registration.

This Prospectus is being issued in compliance with the provisions of the Investments and Securities Act No 29 2007, the Rules and Regulations of the Commission, and contains particulars in compliance with the requirements of the Commission for the purpose of giving information to the public with regard to the Offer for Subscription of 500,000 Units in the Vetiva USD Fixed Income Fund by Vetiva Fund Managers Limited.

The Prospectus provides relevant information about the Vetiva USD Fixed Income Fund to enable prospective investors to make informed decisions. Due care has been taken to disclose material information about the investment opportunities presented by this security and all interested investors are strongly advised to read it thoroughly. The Commission has registered this Fund and does not assume any responsibility for the correctness or accuracy of any of the statements contained in this Prospectus.

This Prospectus must not be considered as a solicitation for investment in any jurisdiction where such an offer or solicitation is unauthorized or unlawful.

The units of this Fund are offered on the basis of the information and representations contained in this Prospectus, and other documents referred to herein. Any further information and representations made by any person may not be relied upon as having been authorized by the Fund Manager. Neither the delivery of this Prospectus nor the allotment of units of the Vetiva USD Fixed Income Fund shall, under any circumstances, create any implication that there has been no change in the affairs of the Fund or its underlying securities since the date thereof.

This Prospectus has been reviewed and approved by the Commission. In its review, the Commission has examined the contents of the Prospectus to ensure that adequate disclosures have been made. To ascertain the financial soundness or value of the Units, investors are advised to consult an investment advisor, a broker/dealer or other investment professionals for appropriate advice.

The Directors of the Fund Manager collectively and individually accept full responsibility for the accuracy of the information given 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.

***It is important that this Prospectus is read in its entirety before making an application for Units and same should be retained for future reference.***

***Investors may confirm the clearance of this Document and registration of the securities with the Securities and Exchange Commission by contacting the Commission on [sec@sec.gov.ng](mailto:sec@sec.gov.ng) or +234 209 4621 168.***

## 5. DIRECTORS OF THE FUND MANAGER AND OTHER CORPORATE INFORMATION

### FUND MANAGER

Vetiva Fund Managers Limited  
 Plot 266B, Kofo Abayomi Street  
 P. O. Box 73530 Victoria Island  
 Lagos, Nigeria  
 Email: [assetmanagement@vetiva.com](mailto:assetmanagement@vetiva.com)  
 Web: [www.vetiva.com](http://www.vetiva.com)

### Directors

#### Directors of Fund Manager

##### Chuka Eseka (Chairman)

Plot 266B, Kofo Abayomi Street  
 Victoria Island  
 Lagos



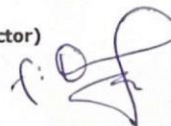
##### Damilola Ajayi (Non-Executive Director)

Plot 266B, Kofo Abayomi Street  
 Victoria Island  
 Lagos



##### Abiodun Adeniran (Non-Executive Director)

Plot 266B, Kofo Abayomi Street  
 Victoria Island  
 Lagos



##### Olutade Olaegbe (Non-Executive Director)

Plot 266B, Kofo Abayomi Street  
 Victoria Island  
 Lagos



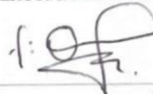
##### Oyelade Eigbe (Managing Director)

Plot 266B, Kofo Abayomi Street  
 Victoria Island  
 Lagos



##### Adeola Ajibade (Independent Non-Executive Director)

Plot 266B, Kofo Abayomi Street  
 Victoria Island  
 Lagos



#### Company Secretary

##### ALP Nominees Limited

21 Military Street  
 Onikan, Lagos

#### Principal Officers of the Fund Manager

Ms. Oyelade Eigbe  
 Ms. Ifedayo Olowoporoku  
 Mr. Jelili Lamidi  
 Mr. Dapo Ojo  
 Mr. Yusuff Adekunle


#### Investment Committee

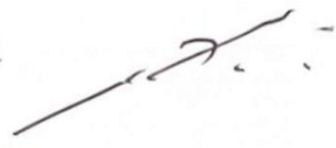
Mr. Opeyemi Agbaje (Independent Member)  
 Ms. Oyelade Eigbe (Representative of the Fund Manager)  
 Ms. Ifedayo Olowoporoku (Representative of the Fund Manager)  
 Mr. Adetola Oshundara (Representative of the Fund Manager)  
 Representative(s) of the Trustee

**6. OTHER PROFESSIONAL PARTIES TO THE OFFER**

**FUND MANAGER:**

Vetiva Fund Managers Limited  
Plot 266B, Kofo Abayomi Street  
P. O. Box 73530 Victoria Island  
Lagos, Nigeria

 OYELEKE KIGBE  
DIRECTOR



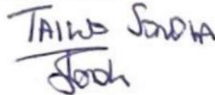
**TRUSTEE TO THE FUND:**

STL Trustees Limited  
183, Moshood Olugbani Street  
Victoria Island  
Lagos, Nigeria

 Funmi Ekundayo

**CUSTODIAN TO THE FUND:**

UBA Plc (Global Investor Services Division)  
UBA House  
57 Marina  
Lagos, Nigeria

 TAIWO SANDA  
JOSH

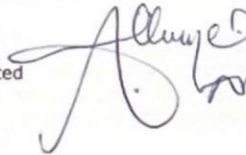
**SOLICITOR TO THE OFFER:**

Akin Delano Legal Practitioners  
21 Military Street  
Onikan  
Lagos, Nigeria

 ALP Nominees Limited  
COMPANY SECRETARY

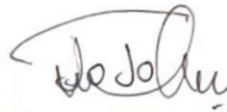
**REGISTRAR:**

First Registrars and Investor Services Limited  
2 Abebe Village Road  
Iganmu  
Lagos, Nigeria

 TOMIDE AKINYEMI  
CFO

**AUDITORS:**

Deloitte & Touche  
Civic Towers  
Plot GA 1, Ozumba Mbadiwe Avenue  
Victoria Island  
Lagos, Nigeria

 Joshua Ojo

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## **7. OVERVIEW OF THE VETIVA USD FIXED INCOME FUND**

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### **7.1 FUND BRIEF**

The Board of Directors of the Fund Manager, by a resolution dated the 11<sup>th</sup> Day of June 2024, determined to establish a US Dollar denominated Fixed Income Fund to be authorised and registered in Nigeria by the Securities and Exchange Commission ("SEC") under the Investment and Securities Act 2007 ("ISA") and named the Vetiva USD Fixed Income Fund. The Vetiva USD Fixed Income Fund is an open-ended unit trust scheme that invests predominantly in a portfolio of qualifying dollar-denominated fixed income securities which includes Eurobonds (Sovereign, Corporate and Multilateral), USD money market investments and other USD fixed income and debt instruments with aim of providing Unitholders access to foreign currency denominated assets for investment planning and income purposes. The Fund is not a legal entity but is constituted and exists under the Trust Deed. The Trustee, who shall be vested with all the assets of the Fund, shall protect the interest of Investors.

The Manager of the Fund, Vetiva Fund Managers Limited, has since its establishment in 2011 grown to become one of the foremost fund managers in Nigeria.

The Fund seeks to offer free entry and exit for investors subject to the prevailing Fund price.

### **7.2 CONSTITUTION OF THE FUND**

The Vetiva USD Fixed Income Fund is a Unit Trust Scheme authorised by the SEC in accordance with the provisions of Section 160 of the ISA. The Fund shall be constituted under a Trust Deed executed between the Fund Manager and STL Trustees Limited and comprised of 500,000 units with an initial value of \$1.00 to the investing public through the Offer.

The net proceeds of the Offer and assets of the Fund will be vested in the Trustees. The Trustees shall enforce the provisions of the Trust Deed as well as other regulatory provisions. The assets of the Fund shall be held by the Custodian. The Fund Manager shall make all required regulatory filings with the SEC in accordance with the SEC Rules and Regulations. All expenses incurred in the establishment and operation of the Fund will be borne by the Fund.

### **7.3 INVESTMENT OBJECTIVES**

The Fund seeks to invest predominantly in a portfolio of dollar-denominated fixed-income securities including Eurobonds, USD money market investments and other fixed-income instruments, with an objective of efficiently generating and maximising income in Dollar terms whilst providing liquidity, diversification and competitive returns within an acceptable level of investment risk in the medium to long term.

The Fund aims to provide unitholders access to foreign currency-denominated assets to diversify their portfolio and income streams whilst providing possible long-term capital appreciation opportunities.

The Fund Manager shall seek to attain this objective through prudent and consistent management of medium to long-term securities.

### **7.4 INVESTMENT PHILOSOPHY AND POLICIES**

The Fund is an actively managed open-ended unit trust scheme that seeks to invest predominantly in a portfolio of dollar-denominated fixed income securities including Eurobonds, USD money market investments and other fixed income instruments to provide unitholders access to foreign currency denominated assets for investment planning and diversification purposes subject to the approval of SEC.

In line with the investment objectives, the investment policy of the Fund is to maintain an investment mix in USD Fixed income and money market instruments which optimizes the returns through active fund management. In order to achieve the parameters, set by aforementioned policy, the Fund Manager shall determine/alter the investment mix of the portfolio from time to time keeping in view economic, sector or company developments. Investments would be made in the best available opportunities while considering acceptable risk parameters, the provisions of the Trust Deed and the SEC Rules and Regulations.

The determination of required returns to meet the Fund’s objective is dependent upon key macroeconomic indicators and comparable investment returns in the market. Determination of risk parameters involves qualitative as well as quantitative analysis including comparison among the various instruments, volatility of the available returns on these instruments and macroeconomic indicators, as per the judgment of the Fund Manager.

Consistent with the Fund’s objectives, the Fund Manager will invest most of the Fund’s assets in medium to long-tenured Sovereign, Multilateral and Corporate Eurobonds. The Fund would also invest its assets in near cash instruments/money market instruments such as foreign currency fixed deposits in order to ensure and maintain consistent liquidity of the Fund.

The Fund Manager would monitor all exposures keenly and seek preservation of the investment ahead of possibilities of high returns. Summarily, the Fund Manager would always seek to maximize the risk-adjusted return of the investments. The investment philosophy is premised on the below:

- i. Active management can add value to a portfolio.
- ii. Superior performance can be obtained through undertaking thorough research.
- iii. Cutting-edge technology can help to identify temporary pricing anomalies.
- iv. Diversification reduces portfolio volatility.

**Strategic Asset Allocation of the Fund:** The table below highlights the proposed asset allocation within the Fund.

<b>Asset Class</b>	<b>Asset Allocation Range</b>
<b>Fixed Income Securities:</b> Nigerian Sovereign Eurobonds, Corporate Eurobonds, Multilateral Eurobonds and other debt instruments	70% - 100%
<b>Money Market Instruments:</b> Dollar Denominated commercial papers, certificate of deposits, fixed deposits issued by banks and other financial institutions and other short term USD money market instruments	0% - 30%
<b>Cash and cash equivalent</b>	0% - 5%

## 7.5 INVESTMENT STRATEGY

The Fund Manager’s investment strategy focuses on medium to long-term value creation and wealth protection. In line with this, the Fund Manager shall identify quality investments, and adopt a top-down investment approach based on comprehensive due diligence on the nature of the investment, as well as independent, robust and thorough research analysis that will lead to prudent investment judgment. Certain macro and microeconomic factors will be considered in selecting investible securities. The Fund Manager intends to make investment decisions based on the continuous assessment of the market and specific investments that offer competitive prospects for the duration of the Fund.

Specifically, the Fund Manager will adopt the following investment strategy:



**Eurobonds:** The fund will invest mostly in on-the-run Eurobonds with relatively high yields to reduce the impact of the effect of mark-to-market in the Fund's overall performance.

**Money Market:** The Fund would seek out the best rate relative to risk available in the market amongst investment grade instruments and placements with CBN-approved banks as well as other qualifying money market instruments. It is expected that the Fund Manager would be able to obtain relatively high yields and better terms than any individual investor would be able to obtain on their own.

## 7.6 POTENTIAL SUBSCRIBERS

The Fund is targeted at Retail investors, High-Net-Worth Individuals (HNIs), Africans in the diaspora, and institutional investors (both local and foreign), who desire exposure to dollar-denominated fixed income securities to meet future obligations and diversify their portfolios. The Fund is particularly suitable for investors who seek:

- Medium-risk investments with a regular income flow;
- A medium-term investment horizon;
- To reduce concentration risk by diversifying their investments across securities and currencies
- Liquidity

## 7.7 BENEFITS OF INVESTING IN THE VETIVA USD FIXED INCOME FUND

- 1. Diversification** – The Fund provides investors with dual diversification as investing in the Fund offers currency and securities diversification to an investment portfolio. The Fund provides an opportunity for investors to diversify their investments in foreign currency assets as well as take advantage of volatility in foreign exchange exposure. The statutorily diversified structure of the Fund will lower volatility and therefore optimize portfolio return.
- 2. Optimal Returns:** The Fund seeks to achieve capital appreciation in the medium to long term for investors with USD and is also designed to deliver significantly higher returns than what is obtainable from the average domiciliary account in the local banks. As such, the Fund will also assist holders of foreign currency in domiciliary accounts optimize their returns.
- 3. Accessibility:** Investment in the Fund provides individual investors with access to Eurobonds (Sovereign, Multilateral and Corporate) which typically they would otherwise not have access to due to cost and complexities around investing in such instruments.
- 4. Economies of Scale** – The Fund Manager will use its advantages in terms of the size of the Fund and its proprietary tools and platforms to negotiate for better rates and consequently enhance portfolio returns, which individual investors may not have access to on their own.
- 5. Liquidity:** The Fund will enable investors to enjoy greater flexibility as they can invest in quoted Eurobonds and USD fixed income securities which can be redeemed partially or in full after allotment. Unitholders can redeem their Units within five (5) Business Days of the Fund Manager receiving a valid request.
- 6. Programmed Investments** - Investors with plans for periodic investment programs will also find the Fund very useful. Such investors might choose to make regular monthly or quarterly investments, or at such other frequencies that align with their overall investment needs.
- 7. Professionalism** - The Fund offers investors the opportunity to have access to a professional portfolio management team whose expertise lies in managing investments in order to optimize permissible asset allocation range.
- 8. Administration** - The statutory role of the Manager will ensure that the cumbersome day-to-day administrative functions associated with investing are effectively coordinated and managed.



## **7.8 INVESTMENT DISCRETION**

Investments of the Fund will be undertaken at the discretion of the Fund Manager acting in accordance with the Fund's stated objectives, policies and restrictions as instituted by the Investment Committee pursuant to the Trust Deed with such modifications as may be made from time to time and in accordance with the provisions of the Act and the relevant Rules and Regulations of the SEC, as prescribed from time to time. Within these limits, the Fund Manager will be responsible for all the decisions regarding investment strategies, assets, size, types, amounts and timing of the investments to be undertaken by the Fund. The strategies of the Fund will be reviewed periodically and modified in line with prevailing market conditions and the best interest of Unitholders by the Fund Manager.

## **7.9 INVESTMENT GUIDELINES**

The Fund Manager shall adhere strictly to the investment objective of the Fund by investing only in such instruments that are permissible under the ISA, SEC Rules and Regulations and the Trust Deed for the Fund and as authorised by the Investment Committee.

## **7.10 INVESTMENT RESTRICTIONS**

The Fund Manager is bound by certain restrictions contained in the Trust Deed and shall not invest: in respect of investment and the Fund Manager shall not invest:

- with a view to seek to take legal or management control of the entities in which the Investments are made
- more than 20% in aggregate, or 5% per fund, of its Net Asset Value in authorised collective investment schemes with a higher investment grade
- With the exemption of Federal Government of Nigeria short-term securities, more than 20% of the Fund's Net Asset Value in money market instruments issued by any single issuer
- With the exemption of Federal Government Bonds, more than 30% of the Fund's Net Asset Value in bonds issued by any single issuer or one group of companies
- more than 20% of the Fund's Net Asset Value in fixed deposits with any single institution.

Where the investment limits as above and indicated in the Trust Deed are exceeded as a result of a corporate action or through an appreciation or depreciation of the Fund's NAV, the Fund Manager shall not make any further acquisition with respect to any security with which the relevant limit is breached, and the Fund Manager shall within a period of not more than 3 months from the date of the breach take all necessary steps and actions to rectify the breach.

## **7.11 SUBSCRIPTION TO THE FUND**

Investors can subscribe to Units of the Fund after the initial Offer Period from the Fund Manager or any of its designated agents/representatives or through any medium that may be approved and provided by the Fund Manager from time to time. Payment for Units of the Fund can be made by a personal or manager's cheque or via a wire transfer made in accordance with instructions on the form or as provided by the Fund Manager.

## **7.12 INVESTMENT THRESHOLD**

The Initial minimum investment will be \$500 (Five Hundred Dollars Only) and multiples of \$500 subsequently. The minimum investment sum and multiples thereafter will apply in the IPO & post-IPO period and shall be payable in full upon subscription.

### **7.13 MINIMUM INVESTMENT PERIOD**

The minimum holding period for an investment in the Fund is One Hundred and Eighty (180) calendar days from the date of subscription to the Fund. The minimum holding period commences from the Allotment Date for subscribers under the Initial Offering of the Fund. A 20% flat penal charge on accrued income is payable on any redemption effected within 180 days of subscription to the Fund.

### **7.14 INCOME AND DISTRIBUTION**

The Fund will invest primarily in US dollar-denominated fixed income assets and the net income will be distributed in US Dollars. The Fund Manager expects to pay out substantially the net income realized to Unitholders.

The Fund Manager intends to distribute income (less expense) as distributions to Unitholders annually. The Unitholders shall have the option to elect to be paid distributions or to reinvest their distribution in new Units at the Offer Price. Where a Unitholder does not choose any of these options, the default will be for the Fund Manager to reinvest distribution for the respective Unitholders. Unitholders who elect to have their distributions reinvested in new Units shall be entitled to an issue of Units that shall be equal in value to the amount they otherwise would have received in cash as distributions.

### **7.15 DISTRIBUTION OPTIONS AND PAYMENT**

The following distribution options are available to Unitholders:

**Reinvestment Option:** Under this option, distributions are to be automatically reinvested in additional Units of the Fund at the Offer Price on the qualification day of distribution.

**Cash Option:** Distributions are paid via electronic transfer to Unitholder's bank account.

### **7.16 TAX CONSIDERATIONS**

Distributions of income to Unitholders may be subject to 10% Withholding Tax. However, any capital gains derived by the Unitholders from the redemption of units in the Fund shall be tax exempt. Foreign investors should contact their respective tax authorities for the tax treatment of income earned in Nigeria. Please note that taxation-related issues are subject to changes in legislations. Investors are therefore advised to seek tax advice regarding an investment in the Fund from their professional tax advisers.

### **7.17 STATEMENT OF UNITHOLDING**

Every unit holder shall be entitled to a statement of unit holding, which shall be evidence of their title to the number of units specified on such documents. 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 whose name first appears on the Register.

### **7.18 SUBSCRIPTION AND REDEMPTION OF UNITS**

The Initial minimum investment will be \$500 (Five Hundred Dollars Only) and multiples of \$500 subsequently and payable in full upon subscription. Units shall be created, offered and redeemed on a continuous basis throughout the life of the Fund.

The price at which units will be offered and redeemed will be determined by the NAV of the Fund. Subsequent to the Offer, Units of the Fund can be subscribed exclusively from the Fund Manager and other approved channels as provided by the Fund Manager from time to time.

Unitholders shall have the right to redeem all, or part of the Units held by them at the Bid Price on any Business Day, provided redemption documents are received in accordance with the instructions specified by the Fund Manager from time to time. The applicable redemption price shall be the Bid price published by the Fund Manager on the day of the lodgment of the redemption documents. For redemption notices received after 4:00 pm, the redemption price for the following business day shall apply. The Fund will

make redemption payments within 5 (five) Business Days following the receipt of the Redemption Notice. The minimum permissible holding after partial redemption is \$500 or such balance as may be advised by the Fund Manager from time to time. A penalty charge of 20% flat on the accrued income is payable on any redemption effected within 180 days of subscription to the Fund.

The Fund Manager will not transfer or redeem Units without a duly completed redemption form, for the whole or any part thereof. Units purchased in the name of an investor who is under 18 years may be redeemed or transferred by such investor upon attaining the age of 18 years, provided that such investor produces a duly completed redemption form and a valid means of identification.

## 7.19 VALUATION OF UNITS OF THE FUND

The Fund will use a net asset basis in valuing the Fund daily. The bid and offer prices of units in an open-ended collective investment scheme shall be based on the net asset value of the scheme calculated on a daily basis by the scheme's manager.

The valuation of Units for a previous day shall be done at the open of a new business Day or such other period that the Fund Manager may advise from time to time, based on a formula approved by SEC from time to time. The Fund will use a stable basis as stated below:

### COMPUTATION OF BID PRICE(N)

#### Add securities /investments (as applicable):

Sovereign Eurobonds	x
Corporate Eurobonds	x
Multilateral Eurobonds	x
Money Market Instruments	x
Other investments (with disclosures)	x
Cash and bank	x
Dividend/income	x
Less payables (as applicable):	
<b>Net Asset before fees</b>	<b>X</b>

#### Less expenses (as applicable):

Auditor's fee	(x)
Custodian's fee	(x)
Fund manager's fee	(x)
Trustee's fee	(x)
Registrar's fee	(x)
Other allowable fees and expenses (with disclosures)	(x)
<b>Net asset value after fees</b>	<b>X</b>

#### Less Charges

Stamp Duty	(x)
Brokerage Fees	(x)

Securities Exchange (x)

CSCS (x)

**BID VALUE AT VALUATION DATE X**

**BID PRICE = BID VALUE AT VALUATION DATE / NUMBER OF OUTSTANDING UNITS**

**COMPUTATION OF OFFER PRICE(N)**

**Add securities /investments (as applicable):**

Sovereign Eurobonds x

Corporate Eurobonds x

Multilateral Eurobonds x

Money Market Instruments x

Other investments (with disclosures) x

Cash and bank x

Dividend/income x

**Net Asset before fees X**

Less expenses (as applicable):

Auditor's fee (x)

Custodian's fee (x)

Fund manager's fee (x)

Trustee's fee (x)

Registrar's fee (x)

Other allowable fees and expenses (with disclosures) (x)

Net asset value after fees X

**Add Charges**

Stamp Duty (x)

Brokerage Fees (x)

Securities Exchange (x)

CSCS (x)

**OFFER VALUE AT VALUATION DATE X**

**OFFER PRICE = OFFER VALUE AT VALUATION DATE / NUMBER OF OUTSTANDING UNITS**

**7.20 PUBLICATION OF THE NAV OF THE FUND**

The NAV of the Fund shall be made available on the Fund Manager's website every Business Day. The information to be provided on the website is for information purposes only and shall not constitute an invitation to subscribe for Units of the Fund at Net Asset Value.

## 7.21 FEES, CHARGES & EXPENSES OF THE FUND

Fee	Description
<b>Offer Expenses</b>	The initial cost of setting up the Fund will be charged against total offer proceeds. The Fund shall bear all charges and fees (including VAT where relevant) for establishing the Fund. These costs include regulatory and professional expenses, printing, advertisement, publicity, distribution, and other related administrative expenses as well as brokerage commissions. The offer expenses shall not exceed US\$5,000 representing 1% of the Offer size. All future costs and expenses of maintaining the Fund shall be deducted from the income generated by the Fund.
<b>Management &amp; Incentive Fees</b>	<p>An annual management fee of 1.50% of the NAV of the Fund accruable daily shall be payable to the Fund Manager. This fee will be 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.</p> <p>The Fund Manager is also entitled to an incentive fee of up to 20% of total annualized returns above its benchmark. The Fund will be benchmarked against the Composite index benchmark comprising: 70% of the average yield on a 3-year Nigeria Sovereign Eurobond and 30% of the 6-month US Treasury Bill. In the absence of a 3-Year FGN Eurobond, the Fund shall adopt the FGN Eurobond with the closest maturity to 3 Years. The incentive fee is chargeable provided that:</p> <ul style="list-style-type: none"> <li>i) where the Fund underperforms its benchmark, the management fee charged shall decrease by the same percentage by which the Fund underperformed; and</li> <li>ii) the fund performance must have reached a high-water mark. A high-water mark is reached when the fund's value (per unit basis) exceeds its highest historical record.</li> </ul> <p>The Management and Incentive Fees shall be borne by the Fund.</p>
<b>Other Operating Expenses</b>	<p>This includes all other fees payable to the Trustee, Custodian, Registrar, and Auditor, as well as listing fees and other expenses incurred in connection with running the Fund.</p> <p>The total of all operating expenses including management fees shall not exceed 3.5% of the NAV of the Fund.</p>
<b>Early Redemption Fee</b>	The minimum holding period for an investment in the Fund is One Hundred and Eighty (180) calendar days from the date of subscription. The minimum holding period commences from the Allotment Date for subscribers during the Offer Period of the Fund. A 20% penal charge is payable by the Unitholder on any redemption effected within 180 days of subscription to the Fund.

## 7.22 RISK FACTORS

The value of an investment generally will fluctuate in response to market conditions, as every type of investment involves an element of risk. A summary of the major risks that may significantly affect the Fund's performance, and should therefore be considered when investing in the Fund, are listed below:

- i) **General risk:** The investment of the Fund is subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in the value of the investment will occur. The value of investment and the income derived therefrom may fall as well as rise and unitholders may not recoup their original investment in the Fund. There is no certainty that the investment objective of the Fund will be achieved, and no warranty or representation is given to this effect. The level of any yield of the Fund may be subject to fluctuations and is not guaranteed.

The entire market of a particular asset class or geographical sector may fall, having a systemic effect on Funds heavily exposed under that asset class or region. Variations in performance may also occur from time to time.

- ii) **Economic Risk:** The Nigerian economy is almost solely dependent on its oil sector, and any changes in oil production or global oil prices will have a wide-reaching impact on all other sectors of the Nigerian economy, including the Dollar earning ability of the FGN.
- iii) **Political Risk:** Future changes in the political environment may have a material adverse effect on the business environment. Regional instability and unrest in Nigeria, particularly in the Northern Part of Nigeria may have material adverse effect on public safety. Emerging markets such as Nigeria are generally subject to greater risk than more developed markets and actual and perceived risks associated with emerging economies could negatively impact the price of FGN and Sub-Sovereign Eurobonds.
- iv) **Market/Interest Rate Risk:** The value of the Fund's portfolio may be affected by markets risks that are external and out of the Fund Manager's control, including volatility (risk) in interest rates. Interest rate risk is the risk that an unexpected change in interest rate will negatively affect the value of an investment. A fall in interest rates would result in a decline in the market value of the Fund while a rise in interest rates would increase the market value of the Fund.
- v) **Foreign Currency Risk:** Movement in exchange rates could result in a devaluation of the Dollar, which may affect the value of the underlying assets and in turn have a negative impact on the yields of the Fund.
- vi) **Credit Risk:** Credit risk is the risk that a borrower/issuer of fixed income securities in which the Fund Manager may invest will be unable to make payment or interest as and when due. While the Fund Manager would only invest in investment grade rated securities, the fund manager offers no guarantee that the ratings of the issuer of the instrument will remain the same throughout the life of the Fund.
- vii) **Liquidity Risk:** Liquidity risk is the risk that the Fund may be unable to meet short-term financial demands. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process.
- viii) **Reinvestment Risk:** This is the risk that future money market investments might be at a lower interest rate in comparison to the prevailing rate or that there may be no viable investment opportunity to re-invest proceeds received at maturity of an instruments. This is possible in a declining interest rate environment due to the short-term maturity of the investible assets.
- ix) **Inflation Risk:** This is the risk that an increase in price levels will undermine the purchasing power of the Fund's value of investment and returns.
- x) **FGN Obligations Risk:** FGN obligations are subject to low but varying degrees of credit risks and are still subject to interest rate and market risk. While Debt Management Office-issued obligations are backed by the "full faith and credit" of the FGN, securities issued by the government agencies or government-sponsored entities may not be backed by the full faith and credit of the FGN. If a government-sponsored entity is unable to meet its obligations or its creditworthiness declines, the performance of the Fund that holds securities issued or guaranteed by the entity will be adversely impacted.

- xi) **Regulatory Risk:** The Fund is subject to various forms of regulations. These regulations may have an adverse effect on the Fund. The CBN may from time to time, issue new regulations and guidelines which may have a direct or indirect impact on securities the Fund will invest in. Regulations issued by the CBN to defend the currency, manage the country's external reserves, inflation or spur economic growth may negatively impact the Fund's performance. Additionally, regulators such as the SEC and the NGX may from time to time, issue circulars that may also impact the Fund's performance. These regulations may inadvertently, lead to higher cost impact on the Fund. This risk may arise from a possible breach of regulatory guidelines or requirements. There is also the risk that possible amendments to the local and foreign legislation (including tax legislation), may cause additional expenses for the Fund.
- xii) **Operational Risk:** Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events such as third-party fraud. The Fund Manager recognizes the significance of operational risk, which is inherent in all areas of its business. Any lapse due to operational risk that could result in losses could affect the Fund Manager's ability to meet its obligations.

## 7.23 RISK MANAGEMENT STRATEGY

The Fund manager will adopt a robust risk management framework and will ensure that the risk factors mentioned above are monitored on a regular basis to minimize their potential effect on the fund's value. The under-listed elements of the Risk Management Framework shall be put in place by the Fund Manager:

- i) The Fund Manager shall from time-to-time stress test the portfolio using various simulation scenarios to show any potential risk that could impact on the Fund. The result of the test shall be reported to the investment committee.
- ii) The Fund Manager shall ensure that the Fund's assets are adequately diversified among the approved asset classes. In the case of fixed income instruments, the credit ratings of approved Issuers will also be monitored on an ongoing basis.

## 7.24 MANAGEMENT OF CONFLICT OF INTEREST

The Fund Manager shall adhere strictly to the procedures of management of Conflict of Interest as specified under the Trust Deed of the Fund and the SEC Rules and Regulations, some of which are highlighted below:

- All services or transactions undertaken by the Fund Manager on behalf of the Fund with the affiliate of a related party shall be done at arm's length and at terms based on cost, price, and prevailing market conditions in the interest of the Fund;
- The Fund Manager shall obtain the consent of the Trustee for any:
  - Principal Transaction on behalf of the Fund by the Fund Manager with an Affiliate of a Related Party as counter party or vendor to ensure that cost, terms and conditions of the transaction are carried out at better terms and price than prevailing market condition;
  - Principal Transaction for the sale or purchase of securities in the secondary market where an Affiliate of a Related Party acts as broker or intermediary for such sale or purchase showing the price or cost at which the transaction was made as compared to the highest and lowest price for the similar transaction in the market for that day.
- The Fund Manager shall file quarterly and annual reports to the Commission disclosing:
  - All service contracts with Affiliates of Related Parties such as securities brokerage, advisory, marketing fees and aggregate cost of such services to the Fund in absolute amount and as percentage to total operating cost;

- Investment/portfolio holdings in securities, instruments issued by Affiliates of Related Parties showing the aggregate value and percentage composition to the Fund’s net asset value;
  - Principal Transaction relating to the purchase or sale of securities and assets between the Fund Manager and Affiliates of Related Parties showing the purchase cost or sale price; best prevailing market price or cost at the time of transaction; evidence that the transaction was carried out at best execution price or under terms same or better than prevailing market condition at time of transaction;
  - Principal Transactions relating to the purchase or sale of securities and assets by the Fund Manager acting on the Fund’s behalf and a client of the Fund Manager under a discretionary portfolio management service of the Fund Manager or Affiliate of the Fund Manager, showing price or cost of the transaction and best market price or cost of similar transaction for that day;
  - primary market transactions involving the subscription to securities offerings at the primary market by the Fund Manager in which an Affiliate of a Related Party acts as Issuing House/Underwriter disclosing the number of units/shares and value of securities subscribed for, the percentage composition subscribed and total subscription of the offer.
- The Value of trades through each affiliate as a percentage of total trades shall be monitored daily and reported when such exceeds 5% of the NAV of the Fund as required by the SEC Rules.
  - Where the investment permissible limit is exceeded as a result of a corporate action or through an appreciation or depreciation of the Fund’s NAV either through subscription or redemption, a Fund Manager shall not make further acquisition or investment with the particular entity for which the breach occurred. In addition, the Fund Manager shall within a period of not more than 3 months from the date of the breach take all necessary steps and actions to rectify the breach.
  - The Fund Manager shall ensure funds are called backed upon the next maturity in the event of a fixed deposit placement or the fixed income security attributed to related party held to maturity by making no further investment in the particular entity for which the breach occurred.
  - Where there is a breach due to execution error, the Fund Manager shall take immediate steps to correct the error.



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## 8. INFORMATION ON THE FUND MANAGER

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### 8.1 BRIEF PROFILE OF THE FUND MANAGER

Vetiva Fund Managers Limited (“VFML”) is a wholly owned subsidiary of Vetiva Capital Management Limited (Vetiva), a Pan-African Financial Services Company incorporated in Nigeria; duly regulated and registered by the Securities & Exchange Commission with wholly owned subsidiaries Vetiva Advisory Services Limited, Vetiva Securities Limited (a dealing member of the Nigerian Stock Exchange); Vetiva Fund Managers Limited, Vetiva Trustees Limited and Griffin Finance Limited. VFML was incorporated on September 22, 2011 to carry on the business of fund and asset management through sponsoring and issuance of collective investment schemes, exchange traded funds, publicly or privately managed funds and authorized investment instruments. VFML was registered with the Securities and Exchange Commission, Nigeria (“SEC”) on July 2, 2012 to carry on business as Fund/Portfolio Manager.

Vetiva is an evolving full-service investment banking brand whose essence is “Professionally Passionate”. Vetiva continues to seek innovative ways to add value to its clientele and is regarded as a one-stop Investment Banking boutique, with a competence driven, bottom-up approach to problem solving. Vetiva has assembled an outstanding team of deeply competent investment bankers backed by a comprehensive team of dedicated support professionals. Vetiva has achieved a presence in the Nigerian capital market and will continue to increase its market share, whilst delivering exceptional services to its clientele. In addition, VFML’s personnel have prior experience in asset and wealth management and in-depth knowledge of the Nigerian capital markets with strong research capabilities enabling accurate forecast of market trends and timely investment decisions.

The corporate objective of VFML is to provide asset management solutions which adequately hedge against market swings while delivering sustainable returns to investors. We understand the significance of diversifying investment portfolios to encompass both traditional and alternative asset classes. With a legacy of excellence, VFML serves as the cornerstone of stability and innovation in the financial landscape.

VFML’s core investment principles are hinged on:

- In-depth global and local research.
- Disciplined investment processes.
- Adequate risk management techniques; and
- Protection of investors’ wealth at all times.

VFML’s risk management approach is designed to ensure that investment risks in the various portfolios of securities are kept at an optimal level. VFML also operates a multiple portfolio manager system, which combines teamwork with individual accountability in the management of assets under its care and is driven by its team of experienced investment professionals.

In addition to the above, Vetiva Fund Managers Limited is a member of the Fund Managers Association of Nigeria and a member of the Association of Investment Advisers and Portfolio Managers.

VFML’s coverage includes but is not limited to Private Clients (High Net Worth Individuals), Institutional Investors, and Retail Investors; whilst its services include Investment management; Wealth Advisory and Financial Planning; Institutional Asset Management; Treasury and Liquidity Management Services; Mutual Funds & Exchange Traded Funds.

### 8.2 BOARD OF DIRECTORS OF THE FUND MANAGER

**Chuka Eseka**, is the Chairman of Vetiva Fund Managers Limited as well as the Group Managing Director/CEO of Vetiva Capital Management Limited, one of the top investment banking firms in Nigeria. He has extensive experience covering merchant and investment banking activities. He is especially formidable in deal origination, structuring, and execution. He is vastly experienced in corporate restructuring and repositioning as well as privatization advisory; having been involved in several

significant transactions in the financial services and real sectors of the Nigerian Economy. He is regarded as one of the foremost investment bankers in Nigeria with broad complementary competences in the real sectors of the Nigerian economy over the past 33 years. Mr. Chuka Eseka is a graduate in Accounting from the University of Lagos in 1989, a Fellow of the Chartered Institute of Stockbrokers (became a member in 1993) and a member of the Institute of Chartered Accountants of Nigeria (1991). He is also an Authorised Dealer of the NGX. Mr. Eseka has managed the emergence of Vetiva into one of the most respected, innovative, and efficient investment banks in Nigeria.

**Damilola Ajayi** is the Group Chief Operating Officer and Executive Director at Vetiva Capital Management Limited and doubles as a Non-Executive Director of Vetiva Fund Manager Limited. He has over 22 years' experience covering Investment Management, Equities Research and Institutional Sales. He has been actively involved in the development of the Exchange Traded Fund (ETF) industry in Nigeria and has been a key contributor to the listings of the ETFs in Nigeria including the listing of the NewGold ETF (the first commodity backed ETF), the listings of the suite of Vetiva's ETFs (which comprises of the first equity ETF to be listed in Nigeria – the Vetiva Griffin 30 ETF, and the first bond ETF to also be listed in Nigeria - Vetiva S&P Nigerian Sovereign Bond ETF). Prior to joining Vetiva, Damilola had worked at Arthur Anderson (now KPMG) and Sectrust (now Afrinvest). He obtained a BSc. Computer Science, University of Ibadan in 1999, and is an Associate Member, Institute of Chartered Accountants of Nigeria (2001) and an Associate Member, Institute of Certified Pension Fund Managers of Nigeria (2005).

**Abiodun Adeniran** is a Non-Executive Director at Vetiva Fund Managers Limited and the Managing Director of Vetiva Securities Limited. He is a Certified Forensic Accountant, a Fellow of The Institute of Chartered Accountants of Nigeria (FCA), Fellow of The Chartered Institute of Stockbrokers (FCS), Fellow of The Institute of Credit Administration (FICA), Associates of The Chartered Institute for Securities & Investment (ACSI), Associates of The Chartered Institute of Taxation of Nigeria (ACIT), The Nigerian Institute of Management (MNIM), The Certified Pension Institute of Nigeria (ACPI), The Global Association of Risk Professionals (GARP), Member of Society for Corporate Governance Nigeria, and The Open Compliance and Ethics Group (OCEG) Certifications in GRC Professional and GRC Audit (GRCP & GRCA). He has harmonized experience in Commercial and Investment Banking spanned over 20 years and possess diverse knowledge in Financial Control and Information Management; Treasury and Loan Operations; Strategy and Planning; Project Management; Governance, Risk and Compliance Management; Investment Analysis and Capital Market Operations. He has a Higher National Diploma in Accountancy (1995) from Ogun State Polytechnic, Abeokuta and later obtained an MBA (finance) qualification from Ekiti State University (2000), Mr. Adeniran has an excellent understanding of the financial services industry, investment and risk management framework, and regulatory requirements. He is an amiable personality with strong inclination for knowledge sharing, and an apostle of strict adherence to professional ethics.

**Adeola Ajibade** is an Independent Non-Executive Director at Vetiva Fund Managers Limited and a Managing Executive overseeing the group operations and deployment of innovative supply chain financing products at Factorex Solutions Limited. She is a strategic and operations professional with over 20 years of experience with an extensive track record spanning diverse sectors in Nigeria (financial services), the United Arab Emirates (supply chain), and South Africa (venture capital and financial advisory). Over the course of her career, she has successfully developed and implemented strategic plans, driven innovation, and achieved laudable results. She obtained a BSc. Finance degree from University of Lagos, Nigeria (1997) as well as an Msc. Finance & Management (2007) from Cranfield University (UK).

**Olutade Olaegbe** is a Non-Executive Director at Vetiva Fund Managers Limited and the Managing Director, Vetiva Advisory Services Limited. He is a thorough-bred finance professional with over 11 years' cognate experience in Investment Banking, covering Equity & Debt Capital Markets, Financial Advisory/Mergers & Acquisitions and Project Finance. Over the course of his career, he has led advisory

and capital raising mandates for several corporate institutions across diverse sectors of the Nigerian economy, as well as Government and Government institutions. He obtained a BSc. Insurance degree from University of Lagos, Nigeria (2010) as well as a Certificate in ESG Investing from CFA UK (2020).

**Oyelade Eigbe** is the Managing Director of Vetiva Fund Managers Limited. She is an Investment Management professional with over 17 years of experience covering Accounting, Asset Management, Equities Research, Product and Business Development and Financial Advisory and Planning. She heads the Asset Management Business within the Vetiva Group which provides investment management and financial planning services to Corporates and individuals as well as operating and managing several Portfolios, Exchange Traded Funds and mutual fund.

Oyelade has been actively involved in the structuring and development of dynamic products in the Nigerian Capital Market and has been at the helm of noteworthy transactions as an Asset management professional. This includes her contributions to the pioneering of the Exchange Traded Fund (ETF) industry in Nigeria, leading several teams in the launching and registration of a few of the first and largest ETFs on the Nigerian Exchange ("NGX") whilst also serving as a market architect, having facilitated ETF knowledge sessions and trainings to major stakeholders. Specifically, she led the listings of the suites of Vetiva's ETFs (Vetiva Griffin 30 ETF – the first equity ETF to be listed in Nigeria, Vetiva Banking ETF, Vetiva Consumer Goods ETF, Vetiva Industrials ETF, Vetiva S&P Nigerian Sovereign Bond ETF) on the floors of the NGX and worked in an advisory capacity to support the listings of other ETFs in the market as well.

She has an extensive track record as a methodical, multi-dimensional wealth manager, developing and curating tailor-made strategies to cater to diverse and complex investment objectives. She also has a long-standing passion for financial literacy and has organized several financial planning seminars for various domestic and multi-national corporate institutions across various sectors in Nigeria.

Oyelade holds a BSc. Accounting (2003), an MSc. Financial Decisions Management (2005) and is a Fellow of the Association of Chartered Certified Accountants (FCCA). She also holds a Financial Planning certificate from Florida State University. U.S.A (2012).

### 8.3 MANAGEMENT TEAM OF THE FUND MANAGER

**Oyelade Eigbe** - Managing Director of Vetiva Fund Managers Limited. Please see above.

**Ifedayo Olowoporoku**, is a Senior Portfolio Manager in Vetiva Fund Managers Limited. She is an Investment Management professional with experience covering Portfolio management, Equities and Credit Research. Currently, she works with Vetiva's asset management division and across the spectrum of the institutional, retail and collective investment schemes business lines. Ifedayo has a strong background in fundamental research having worked as a buy and sell side research analyst. She applies this thorough understanding of capital markets and financial instruments in the delivery of best-in-class investment management solutions tailored to meet clients' objectives. Ifedayo is passionate about providing financial and investment solutions. She obtained her BSC in Economics from the University of Lagos, Nigeria (2014).

**'Dapo Ojo** has over a decade post NYSC experience in the financial services industry, spanning across, Debt Management, Treasury Management, Currencies and Fixed Income Trading and Sales, Portfolio Management, Assets and Liabilities Management, including a brief stint at Her Majesty's Revenue and Customs (HMRC) United Kingdom. Prior to joining the team at Vetiva, Dapo worked across several functions within the Treasury Team of a leading Financial Institution in Nigeria, Guaranty Trust Bank Limited where he worked across the Foreign Exchange Desk responsible for FX dealing and reporting, Fixed Income Dealing desk as a Fixed Income Trader, and as a member of the Group Subsidiary Asset and Liabilities Management Team responsible for reviewing and providing recommendations for balance sheet optimization strategies across the Banks subsidiaries amongst other roles. Dapo currently leads

the Treasury Business across the group at Vetiva, where he is responsible for managing Assets and Liabilities book within the group and Fixed Income, Credit and Currencies activities amongst other strategic responsibilities within the group.

He holds a B.Eng. Electrical & Electronics Engineering (2010) from Igbinedion University, Okada Edo State Nigeria, and a MSc. in Electronics & Electrical Engineering and Management from the University of Glasgow (2013), Scotland, United Kingdom. He has also been awarded the certificate of Risk in Financial Services by the Chartered Institute for Securities and Investment (2013) and the ACI dealing certificate (2015) by the ACI Financial Markets Association having fulfilled all requirements. He has attended several training courses locally and abroad and continues to contribute to milestone improvements in both quantitative and qualitative performance metrics across roles.

**Yusuff Adekunle** is a Senior Analyst in Vetiva Fund Managers Limited. He is a seasoned investment professional with core competence in areas of portfolio management and administration, financial reporting, finance and accounts, operations, and application of the International Financial Reporting Standards (IFRS) across various transaction types. He obtained his BSC in Finance from the University of Ilorin, Nigeria in 2017 and graduated top 5% of his class. He became qualified as a chartered Accountant of the Institute of Chartered Accountants of Nigeria (ICAN) as an undergraduate in the year 2016.

**Lamidi Jelili** has a B.Sc. Accounting (Second Class Upper Division) from the University of Ilorin, Ilorin (2010) as well as National Diploma Accountancy (Distinction) from the Federal Polytechnic Ilaro, Ogun State (2005). He is a resourceful Audit and Accounting Professional, Certified Tax Practitioner, Internal Control, Risk and Compliance Specialist with over ten (10) years' experience in audits (both internal and external), internal controls, enterprise risk management, tax and compliance and other regulatory matters.

Prior to his current position as Head, Compliance at Vetiva Fund Managers Limited, he has had experience with renowned firms that are within the regulatory purview of SEC and CBN on internal control, internal audit, risk and compliance matters.

He is an associate member of Institute of Chartered Accountants of Nigeria (ICAN - 2014), Chartered Institute of Taxation of Nigeria (CITN - 2014), Institutes of Capital Market Registrar (ICMR - 2018), as well as the Nigerian Institute of Management (NIM - 2011).

**Adetola Oshundara** is the Head of Risk Management at Vetiva. He is a certified risk manager with immense experience in the management of key risks across areas such as operational risk, market and liquidity risk, and credit risk. His experience includes various sectors within the financial industry ranging from insurance, asset management, and banking. He holds a master's in risk management (2023) from the University of Lagos and a bachelor's degree in insurance (2016) from the University of Lagos.

He started his career with Wapic Insurance now Coronation Insurance as an executive trainee gradually growing the ranks before joining AIICO Insurance as a team lead for the risk management unit. Before joining VFML, he was the head of risk management at Lasaco Assurance Plc where he helped develop and improve the enterprise risk management framework for the company. His unbroken career path in the finance industry led him to be the head of the Risk management division for VFML.



## 8.4 FINANCIAL SUMMARY OF THE FUND MANAGER

### Five - Year Financial Summary

#### Statement of financial position

<i>In thousands of Naira</i>	December 2023	December 2022	December 2021	December 2020	December 2019
<b>Assets:</b>					
Cash and cash equivalents	942,561	401,140	324,717	136,240	86,536
Investment securities	435,632	354,356	349,220	382,417	465,435
Other assets	960,501	845,815	395,502	369,265	5,419
Intangible assets	1,941	4,270	7,556	2,231	229,154
Deferred tax	25,364	11,770	11,010	11,010	6,363
<b>Total assets</b>	<b>2,365,999</b>	<b>1,617,351</b>	<b>1,088,005</b>	<b>901,163</b>	<b>792,907</b>
<b>Liabilities:</b>					
Other liabilities	1,311,223	634,523	387,758	255,155	176,166
Current tax liabilities	63,639	98,168	27,684	13,767	16,504
<b>Total liabilities</b>	<b>1,374,862</b>	<b>732,691</b>	<b>415,442</b>	<b>268,922</b>	<b>192,670</b>
<b>Equity:</b>					
Share capital	200,000	200,000	200,000	200,000	200,000
Share premium	26,000	26,000	26,000	26,000	26,000
Retained earnings	690,949	660,497	452,393	377,668	334,090
Fair value reserves	74,188	(1,837)	(5,830)	28,574	40,148
<b>Total equity</b>	<b>991,137</b>	<b>884,660</b>	<b>672,563</b>	<b>632,241</b>	<b>600,237</b>
<b>Total liabilities and equity</b>	<b>2,365,999</b>	<b>1,617,351</b>	<b>1,088,005</b>	<b>901,163</b>	<b>792,907</b>

#### Statement of comprehensive income

<i>In thousands of Naira</i>	December 2023	December 2022	December 2021	December 2020	December 2019
Fees and commission income	291,956	462,837	315,951	206,564	175,677
Fees and commission expense	-	-	-	-	-
	291,956	462,837	315,951	206,564	175,677
Interest expense	(117,601)	(39)	(56)	(65)	(76)
Interest income calculated using effective interest rate method	122,391	7,728	6,746	10,374	10,374
Other Investment Income	11,432	25,023	14,406	11,422	11,422
Impairment loss on asset	(41,000)	(2,374)	(1,764)	(14,451)	(2,428)
Other income	29,453	15,080	12,775	23,504	2,699
Operating expenses	(161,487)	(138,752)	(250,798)	(185,117)	(113,760)
Amortisation	(2,329)	(3,286)	(1,663)	(3,188)	(2,231)
<b>Profit before tax</b>	<b>132,815</b>	<b>366,217</b>	<b>95,597</b>	<b>49,043</b>	<b>81,677</b>
Income tax expense	(39,369)	(87,255)	(20,872)	(5,465)	(14,533)
<b>Profit/(Loss) after tax</b>	<b>93,446</b>	<b>278,962</b>	<b>74,725</b>	<b>43,578</b>	<b>67,144</b>
Earnings per share (in kobo)- basic and diluted	15	104	37	22	31

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## 9. INFORMATION ON THE TRUSTEE

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### 9.1 PROFILE OF THE TRUSTEE

STL TRUSTEES LIMITED (STL) was incorporated in 1991 and registered with the Securities & Exchange Commission as a Corporate Trustee in 1996 to carry out Trusteeship Functions in Nigeria.

STL is managed by a team of highly skilled professionals in all relevant areas of its functions. Over the years, STL has built an outstanding track record and pedigree and is currently the leading Brand in the trusteeship sector in Nigeria with a business size in excess of ₦3 Trillion and balance sheet size in excess of ₦40bn.

The core areas of our corporate trust business include trusteeship of Bond Issues, Debenture Trust Issues under Consortium Financing/Loan Syndications and Project/Structured Finance as well as Collective Investment Schemes (including REITs). Other areas of our business include Private Trusts and Estate Planning Services, Real Estate Trusts, Employee Benefit Schemes, Custodial Services and Nominee Services.

STL is reputed to be the leading Trustee Company in the area of Non-Interest Issuances and other Sub-National Debt Issuances by transaction size and complexity of structures, having pioneered Sukuk Issuance in Nigeria with the Osun State Sukuk and thereafter gained tremendous experience, pedigree and track record over the years.

### 9.2 BOARD OF DIRECTORS OF THE TRUSTEE (STL TRUSTEES LIMITED)

**Mr. Afolabi Caxton-Martins – Chairman:** Afolabi Caxton-Martins is a Founding Partner at the law firm of Adepotun, Caxton-Martins, Agbor & Segun (ACAS). 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 (FCIArb), a member of the Nigerian Bar Association (NBA) (1985) and the International Bar Association (IBA). He specializes in international commercial mergers and acquisitions, corporate finance and international commercial arbitration. Caxton-Martins has over 3 decades work experience.

**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 (1997) from the St. John University, New York, USA. She has over two decades of working experience in the United States of America and Nigeria spanning clinical pharmacy, real estate, investment banking and consultancy. She is currently the Managing 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.

**Mrs. Chioma Jennifer Okee-Aguguo– Non-Executive Director (Independent):** Chioma Jennifer Okee-Aguguo holds a Bachelor of Law degree (LL. B) (1987) from the Abia State University and a Master of Law degree (LL.M) (1990) from the University of Lagos with emphasis in Corporate and Commercial Law, Secured Credit transactions and International Economic Law. She had a stint at Steelways Limited (1991) before joining Midas Bank which later merged with other banks to become FCMB in 1992. She rose to become the Company Secretary/Legal Adviser and served in that capacity from 1997 to 2006. She was appointed as the Head, Legal Department of Bank PHB in 2006 and in 2010 she left for private law practice in the Firm of Associated Attorneys where she is a Partner till date. Chioma Okee-Aguguo has over three decades work experience.

**Dr. Temitope Oshikoya - Non-Executive Director:** Dr. Temitope Oshikoya is a seasoned Economist, Chartered Accountant and a banker. A commonwealth scholar, he holds PhD Economics from McMaster University, Ontario 1988; MBA, Finance & Strategy from the University of Liverpool 2010 and a B.Sc. First Class Honors Degree in Economics from Ahmadu Bello University, Zaria 1983. He is a member of Association of Chartered Certified Accountant (ACCA, UK) 2004, Certified Management Accountant, (CMA, USA) 2010, and Fellow Chartered Institute of Bankers (FCIB, England and Nigeria).

He has over two decades of professional and leadership experience in the private sector, public sector, consulting, and academia, at both national and international levels including as Director General, West African Monetary Institute, Senior Adviser to Group CEO at Ecobank Transnational Incorporated, Chief Economist at Africa Finance Corporation, a Director at the African Development Bank, and a consultant to the World Bank amongst other Institutions.

**Mr. Oluwatobi Edun- Non- Executive Director:** Tobi Edun is a Partner at Agrolay Ventures, an avid financial advisor and investor in Africa's real sector. He graduated from Corpus Christi College Cambridge in 2010.

Tobi was a Technical Adviser to the Commissioner for Finance in Lagos State from 2015-2016 where he advised on fiscal policy and debt management. He assisted on re-engineering the State's debt portfolio as well as various policy initiatives aimed at boosting government revenues to fund capital projects.

Tobi worked as an Associate at Travant Capital, an Investment Advisory Firm. He has also held investment banking roles at Renaissance Capital and Standard Bank. He holds an MA (Cantab) from the University of Cambridge 2010. Tobi has 13years work experience.

**Mrs. Funmi Ekundayo– Managing Director/CEO:** Funmi Ekundayo is an alumna of the prestigious Harvard Business School where she attended the General Management Programme, the Lagos Business School (Chief Executive Programme) and the IESE Business School, Barcelona, Spain. She holds a Bachelor of Law degree (LL.B) (1995) and Master of Laws degree from the University of Lagos, Nigeria (LL.M) (1998) and is also a member of the Nigerian Bar Association.

Funmi is a Fellow and the First Female President of the Institute of Chartered Secretaries & Administrators of Nigeria. She is an associate member of the Institute of Chartered Secretaries & Administrators United Kingdom and served as the President of the Association of Corporate Trustees of Nigeria from 2014-2016.

Funmi is a Fellow of both the Institute of Investment and Portfolio Managers, Portfolio Management Institute (Chartered) and an Honorary Senior Member of the Chartered Institute of Bankers, Nigeria.

She joined STL Trustees (Formerly Skye Trustees Limited) as an Assistant General Manager, Business Development, from where she rose to become the MD/CEO of the Company. Funmi has distinguished herself in her area of core competence as a seasoned trust specialist engaging in the structuring of complex corporate finance, legal and trust instruments. Funmi Ekundayo has 25years work experience.

### **9.3 PRINCIPAL OFFICERS OF THE TRUSTEES**

#### **Funmi Ekundayo – MD/CEO**

Profile as stated above.

#### **Akinwumi Oni – Executive Director, Trust Services/Legal**

Akin Oni is an Alumnus of the Lagos Business School Senior Management Programme 2019. He holds a Bachelors Degree in Law (LL. B) (1997) and a Masters degree in Law (LL.M) (2000) both from the Obafemi Awolowo University, Ile Ife. He has several years of experience in private legal practice and as in-house counsel to corporate organizations.

Akin Oni is an Associate of the Institute of Chartered Secretaries & Administrators of Nigeria as well as Chartered Institute for Securities and Investment. He has over 25years working experience.

Akin has exceptional flair for Securitization, Project finance and structuring specialized transactions.

### **Oko U. Mba - Head, Accounts & Operations**

Oko Mba attended Yaba College of Technology, Ondo State University and Lagos State University, Ojo at different times where he graduated with HND Statistics (1990), Ondo State University; P.G.D Banking & Finance (1998) and Masters in Business Administration (2006) respectively. An Associate member of Institute of Chartered Accountants of Nigeria (ICAN) and Nigerian Institute of Management, he has 25 years working experience. Before joining STL Trustees Limited, he worked with S. S. Afemikhe & Co (Chartered Accountants). He has attended several local and international management and leadership courses.

### **Folasade Ademokunwa- Head, Marketing and Business Development**

Sade holds a Master's in Business Administration (MBA) from the Lagos State University (2004) and HND Secretariat Studies from Federal Polytechnic, Ilaro (1990). She worked with Armour Savings and Loans Limited before joining STL Trustees Limited. She has over 25 years working experience.

### **Jibril Yanda Mohammed - Head, Northern Region**

Jibril attended Kaduna Polytechnic, Kaduna and Abubakar Tafawa Balewa University, Bauchi where he obtained HND in Accountancy (1994) and Master of Business Administration specializing in Finance (2005). He has over 25 years' experience in the financial services Industry having worked with Union Bank of Nigeria Plc and Consolidated Discounts Limited. Jibril is a member of the Association of National Accountants of Nigeria, Nigerian Institute of Management and an Associate of the Certified Pension Institute of Nigeria. He has been exposed to several trainings relevant to the Financial Services Industry both locally and internationally.



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## 10. INVESTMENT COMMITTEE OF THE FUND

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The Investment Committee of the Vetiva USD Fixed Income Fund will be instrumental in the Fund's daily management and is made up of highly experienced professionals with extensive experience in wealth and portfolio management and investment in various assets in the Nigerian Capital Market. The Investment Committee of the Fund shall consist of representatives of the Fund Manager, Trustee and an independent member

Profiles of the members of the Committee are as given below:

**Mrs. Oyelade Eigbe (Managing Director)** – (Please see page 27 for Mrs. Eigbe's profile).

**Ms. Ifedayo Olowoporoku (Representative of the Fund Manager)** – Please see page 2727 for Ms. Olowoporoku's profile).

**Mr. Adetola Oshundara (Head, Risk Management)** – (Please see page 28 for Mr. Oshundara's profile).

**Mr. Opeyemi Agbaje (Independent Member)** - He is an experienced financial and business expert with over twenty years' post-graduation experience. He holds a first degree in Law from the University of Ife (now Obafemi Awolowo University), Ile-Ife (1985) and two Masters Degrees in Law and Business from the University of Lagos (1989) and IESE Business School, Spain (1997) respectively. He is a former Senior Fellow and Head of Department of Strategy, Entrepreneurship and Business Environment at the Lagos Business School. Mr. Agbaje worked for over twenty years in the Nigerian Financial Services Industry (FSI) with experience spanning several institutions and functional areas including Consumer Banking, Corporate & Institutional Banking, Financial Institution's and Correspondence Banking; and Asset & Insurance Management. He left the Banking Sector as an Executive Director in 2004 to set up Resources and Trust Company Ltd. Mr. Agbaje has a unique perspective based on a rare combination of practical business and industry experience, strong academic pedigree and qualitative consulting exposure.

**Mr. Akin Oni (Non-voting Trustee Representative)** – (Please see page 31 for Mr. Oni's profile).

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## 11. EXTRACTS FROM THE TRUST DEED

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### 3.1 Establishment of the Trust

The Fund Manager as settlor confirms that to constitute and settle the trust established or continued hereunder, it has established for the benefit of the Unitholders, the trust under the name of the Fund set forth in the First Schedule hereto from time to time.

### 3.2 Appointment of Trustee

The Fund Manager hereby appoints STL Trustees Limited as Trustee, and the Trustee agrees to act as the trustee of the Fund subject to the provisions of this Trust Deed.

### 3.3 Constitution of the Fund

3.3.1 The Fund shall consist of the assets thereof contributed by Unitholders and received by the Custodian together with the investments of the Vetiva USD Fixed Income Fund (including substitutions or additions thereto) made from time to time by the Fund Manager in accordance with this Deed and on behalf of the Fund.

3.3.2 The Deposited Property of the Fund shall be held separate and distinct and shall not be co-mingled with any other Fund or any other unit trust scheme, collective investment scheme or mutual fund. The Fund's Deposited Property shall be held in the name of the Trustee as ["STL TRUSTEES/VETIVA USD FIXED INCOME FUND"];

### 3.4 Division of the Fund into Units

3.4.1 The beneficial interest in the Fund shall be divided into interests of equal value referred to as "**Units**" and the Units shall be issued at a price calculated in accordance with Clause 6. Units shall be issued only as fully paid.

3.4.2 No Unit of the Fund shall have any rights, preferences or priorities over any other Unit of the Fund.

3.4.3 The Trustee and the Fund Manager may be Holders of Units in the Fund.

## 4. Appointment of a Custodian

The Trustee and Fund Manager shall jointly appoint UBA Global Investor Services as Custodian to provide custodial services to the Fund.

## 5. Designated Accounts

5.1 There shall be 2 accounts maintained by the Custodian in respect of the Fund which shall be designated the "Custody Account" and the "Cash Account" respectively.

5.2 All cash proceeds of the sale of a Unit in the Fund shall be paid into the Custody Account of the Fund or into such other designated account with the Custodian as the Fund Manager in consultation with the Trustee may so choose. The account shall be designated as the "STL TRUSTEES/VETIVA USD FIXED INCOME FUND".

5.3 A portion of the proceeds from the sale of Units will from time to time, as hereinafter provided, be used for the payment of charges incidental to the administration of the Fund.

5.4 The Designated Accounts shall be operated by the Custodian on the instructions of Fund Manager

and/or Trustee. The Custodian shall provide SEC, the Fund Manager and the Trustee with quarterly reports thereon.

- 5.5 The Fund Manager shall provide SEC and the Trustee with monthly and quarterly valuations of the investments held by the Fund.
- 5.6 All investments by the Fund shall be made with monies drawn from the Custody Account of the Fund and such investments shall be in the name of both the Trustee and the Fund.
- 5.7 All subscription monies shall be paid into the Custody Account of the Fund and shall form part of the Deposited Property.
- 5.8 All stamp duty and all other duties and charges on this Deed or upon the constitution of the Units of the Fund and charges relating to the establishment of this Trust or other expenses incurred in respect of the Fund shall be payable out of the Cash Account.
- 5.9 The Fund Manager and Trustee shall not mortgage, pledge, charge or otherwise provide the Deposited Property as security for any borrowing, facility, guarantee, indemnity, lease or other contractual obligation, whether on their own behalf or on behalf of the Fund or the Unitholders and monies may not be lent out of the investments or Deposited Property of any of the Fund.
- 5.10 Notwithstanding anything to the contrary either herein or in any other document, the Fund Manager shall be entitled to subscribe to Units of the Fund.

## 6. **Issue and Sale of Units**

- 6.1 Upon the establishment of the Fund and its division into Units, the Fund Manager shall issue 500,000 (Five Hundred Thousand) Units of the Fund at a Unit price equal to \$1.00 (One United States Dollar) per Unit pursuant to the registration approval of the Fund from the SEC. Thereafter, the subscription price per Unit of the Fund purchased pursuant to a subscription will be the Offer price per Unit thereof determined in accordance with Schedule VI of the SEC Rules and Regulations, on the Valuation Day on which the subscription is accepted, provided it is accepted before the close of business on such Valuation Day, or the next Valuation Day following the acceptance of the subscription.
- 6.2 Subsequent to the registration and authorization of the Fund by the Commission, the Fund Manager shall have the power to create additional Units of the Fund subject to the approval and registration of such additional Units with the Commission.
- 6.3 The minimum subscription a single or joint holder(s) may make in the Fund is \$500.00 (Five Hundred United States Dollars Only) and a multiple of \$500.00 (Five Hundred United States Dollars Only) thereafter or such other amounts as may be determined by the Fund Manager from time to time. All subscription payments shall be made in Dollars.
- 6.4 A person who wants to subscribe for Units in the Fund after the initial price of the Fund pursuant to the approval of the Commission may do so at the Offer Price thereof and must complete and deliver to the Fund Manager a subscription form in the form prescribed by the Fund Manager. Every application in whatever form shall be accompanied with evidence of payment of the subscription money and any other document as the Fund Manager may require. The Fund Manager has an absolute discretion whether to accept or reject an application for Units in the Fund.

- 6.5 The Fund Manager may make offers of Units in the Fund to the public, (subject to any prescribed minimum investment requirement) of such number and of such value as the Fund Manager may from time to time determine, subject to the consent of the Trustee. The Fund shall be open to the public for the entire period of its existence.
- 6.6 The Fund Manager upon receipt of a subscription form shall accept or reject such subscription within 5 (five) Business Days of receipt and upon such acceptance or rejection will, in the case of rejection, forthwith return the subscription form and any payment made (without interest thereon), and in the case of acceptance, the Fund Manager shall forthwith forward a notice to the subscriber indicating the number of Units, if any, purchased by such subscriber.
- 6.7 Any new Units issued pursuant to Clause 6.5 above, shall rank pari passu in all respects with the Units issued pursuant to this Trust Deed and shall represent an undivided part of the Deposited Property.
- 6.8 The Fund Manager, as promoter of the Fund, shall subscribe to a minimum of 5% of the Units of the Fund and such Units shall be held throughout the lifespan of the Trust.
- 6.9 The Fund may be listed at an Exchange or Exchanges recognized by the Commission. The initial and annual listing fees shall be payable by the Fund.

## **7. Financial Year**

The Financial Year of the Fund shall be from January to December of every year. The year end of the Fund will be 31<sup>st</sup> December in each year.

## **8. Rights of Unitholders**

- 8.1 The Unitholders in the Fund shall not have or acquire any right against the Fund Manager or the Trustee in respect of their investments except such rights as are expressly conferred upon them by this Deed or by any law, subsidiary legislation, regulation or any order of Court.
- 8.2 The ownership of the Fund shall be vested in the Trustee and, subject to the terms of this Trust Deed, the right to conduct the affairs the Fund will be exercised independently by the Trustee on behalf of the Unitholders. The Unitholders of the Fund shall have no interest other than the beneficial interest provided herein in this Trust Deed and no Unit of the Fund shall confer any interest or share in any particular part of the Deposited Property of the Fund. The Unitholders shall have no right to call for any partition or division of any portion of the property of the Fund nor shall they be called upon to share or assume any losses of the Fund or suffer any assessment or further payments to the Fund or the Trustee of any kind by virtue of their ownership of Units of the Fund.
- 8.3 A Unitholder shall have the right to share in the Fund proportionate to the number of Units held in the Fund.
- 8.4 Only persons who have been duly registered as Unitholders in the Register shall have the right to be recognised as such.
- 8.5 The Fund Manager shall be treated for the purposes of this Deed as the Unitholder of each Unit

during such time that neither the Fund Manager nor any other person is registered or entitled to be registered as the Unitholder but nothing herein contained shall prevent the Fund Manager from subscribing for and becoming a registered holder of Units in the Fund.

- 8.6 A Unitholder shall be entitled, subject as hereinafter provided, to require payment of the Bid Price of all or any of his Units of the Fund by giving written notice to the Fund Manager.
- 8.7 A Unitholder shall have the right to pledge, charge, mortgage, or otherwise offer his Units to secure a debt, a loan or an obligation and in any such case shall notify the Fund Manager of the pledge, charge, mortgage or obligation.

## **9. REDEMPTION AND TRANSFER OF UNITS**

### ***Redemption of Units***

- 9.1 Except as provided herein, there is no restriction on a Unitholders' access to their investment proceeds by way of redemption of Units of open-ended funds.
- 9.2 All redemptions shall be made through the Fund Manager or any of its agents as may be appointed from time to time.
- 9.3 Subject to Clause 9.4 below, Units shall be redeemed at the Bid Price and where the redemptions are being made within 180 days of initial acquisition of the Units by a Unitholder, the Fund Manager shall have the right to charge a redemption fee of 20% of the accrued interest in the investment of the Unitholder.
- 9.4 Notwithstanding anything contained in this Clause 9, where a Unitholder seeks to redeem such number of Units as would result in his holding being reduced to less than the Minimum Permissible Holding, any such application shall be treated as an application to redeem all Units held by that Unitholder in the Fund.
- 9.5 Unitholders can redeem their Units within 5 (five) Business Days following receipt by the Fund Manager or any of its agents of a Redemption Notice.
  - 9.5.1 The form of Redemption Notice shall be as set out in the Second Schedule hereto and the Fund Manager will notify a Unitholder of any deficiencies in the Redemption Notice.
  - 9.5.2 Redemption shall be effected at the Bid Price subject to Clause 9.3 above and Clause 9.6 below.

Payments in respect of each redemption shall be by electronic transfer sent within 5 (five) Business Days of receipt of the Unitholder's Redemption Notice into the unitholder's nominated bank account and not a third party bank account PROVIDED THAT a Redemption Notice must be lodged with the Fund Manager not later than the Dealing Time on a Business Day and any Redemption Notice delivered after the Dealing Time on a Business Day shall be deemed to have been delivered on the next Business Day.
- 9.6 Where only part of the Units comprised in a Statement of Unitholding are to be redeemed, the Fund Manager shall issue a new Statement of Unitholding for the balance of the Units comprised in the original Statement of Unitholding.

- 9.7 The Trustee shall use all reasonable endeavours to ensure that the calculations with respect to Unitholders' interests are correct and where a Unitholder notifies it of an error in any computation of such Unitholders' interest, any such error shall be rectified within two (2) Business Days. The Trustee shall be entitled at any time to require the Fund Manager to justify any errors in the computation of the Unitholders' interest.
- 9.8 In no event shall the Custodian be bound to make any payment to the Fund Manager or any Unitholder except out of the Fund held by it for that purpose under the provisions of this Deed.
- 9.9 The Fund Manager shall be entitled in the name and on behalf of the Unitholders to execute an instrument of transfer in respect of any Units to be redeemed PROVIDED THAT in either event the Fund Manager shall within a reasonable period thereafter furnish to the Trustee, the authority under which it acted.
- 9.10 Units redeemed may be re-sold to existing or incoming Unitholders.
- 9.11 All Units which the Fund is required to redeem under this Deed shall be deemed to be outstanding until payment for such Units is made in accordance with this Clause 9.

### ***Transfer of Units***

- 9.12 Every Unitholder shall be entitled to transfer the Units or any part of the Units held by him through the Fund Manager upon the execution by the transferor and the transferee and the delivery to the Fund Manager of such transfer instrument as may be prescribed by the Fund Manager from time to time PROVIDED however that no transfer of part of a holding of Units shall be registered if in consequence thereof either the transferor or the transferee would hold less than the Minimum Permissible Holding in the Fund.
- 9.13 Every instrument of transfer must be signed by the transferor and the transferee and the transferor shall be deemed to remain the holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof. The instrument of transfer need not be a deed.
- 9.14 Every instrument of transfer must be duly stamped and lodged with the Fund Manager for transmission to the Registrar accompanied by any necessary declarations or other documents that may be required in consequence of any regulation or legislation for the time being in force and by the Statement of Unitholding relating to the Units to be transferred and or such other evidence as the Registrar may require to prove the title of the transferor or his right to transfer the Units and thereupon the Registrar shall register the transferee as holder of the Units referred to in such instrument of transfer and shall issue to such transferee a new Statement of Unitholding representing the Units so transferred.
- 9.15 All instruments of transfer that shall be registered may be retained by the Fund Manager or by the Registrar on its behalf.
- 9.16 A receipt signed by the Unitholder in respect of any monies payable in respect of the Units represented by any Statement of Unitholding shall be a good discharge to the Trustee and the Fund Manager and if several persons are registered as Joint Unitholders or in consequence of the death of a Unitholder, are entitled so to be registered, any one of them may give an effectual receipt for any such monies.

## 10. INVESTMENT STRATEGY

- 10.1 The Investment Strategy of the Fund is set out in the First Schedule to this Trust Deed. The Fund Manager shall not alter the Investment Strategy of the Fund as set out in the First Schedule to this Trust Deed without the consent of the Trustee and the prior approval of the Commission.
- 10.2 Subject to the Commission's approval, the Fund shall be measured against a Composite index benchmark comprising: 70% of the average yield on a 3-year Nigeria Sovereign Eurobond and 30% of the 6-month US Treasury Bill. In the absence of a 3-Year FGN Eurobond, the Fund shall adopt the FGN Eurobond with the closest maturity to 3 Years). This shall be the relevant Benchmark of the Fund.

## 11. INVESTMENT COMMITTEE & RIGHT TO SELECT INVESTMENTS

- 11.1 The Fund shall have an Investment Committee comprising of not less than three (3) persons who are knowledgeable in investment and financial matters and at least one of whom shall be independent. The Investment Committee shall be responsible for reviewing and advising the Fund Manager on any proposed investment by the Fund and shall consist of representatives of the Fund Manager, Trustee and an independent member. Profiles of the members of the Investment Committee are provided in the Prospectus. Any changes in the Investment Committee shall be subject to the Commission's approval.
- 11.2 Subject to Clause 11.1 above and Section 171 of the Investments and Securities Act and such other investments as the Commission may from time to time approve, the Investment Committee shall be responsible for providing general guidance on the purchase, selection, sale or alteration of any investments under the provisions of this Trust Deed. The investments of the Fund shall be in accordance with the investment guidelines established by the Investment Committee.
- 11.3 Save pursuant to an offer made jointly to all Unitholders of Units of another authorised Unit Trust Scheme (as defined by Section 152 of the Investments and Securities Act) for the exchange of such Units or the cash or other property represented thereby for Units of this Fund, neither the Fund Manager, Trustee or Custodian or any Affiliate shall as principal sell or deal in the sale of investments to the Trustee for account of the Fund, or vest Authorised Investments in the Trustee upon the issue of Units, and the Trustee and the Fund Manager shall (without incurring any liability to do so) use their best endeavours to procure that no such sale or dealing or vesting shall be made by any director of the Trustee or the Fund Manager or of any Affiliate PROVIDED THAT the restriction imposed by this Clause shall not apply to any sale or dealing or vesting in connection with the provision of the initial portfolio of investments by the Fund Manager.
- 11.4 Subject to Clause 13.2, the Fund Manager shall not undertake any dealing of the Fund's assets in or retention of any underlying securities of any company if the individual officers of the Fund Manager or any of its Affiliates or subsidiaries each have beneficial ownership of more than 0.5% of the securities of such company and together more than 5% of the securities of that particular company.
- 11.5 The Fund Manager, the Trustee, the Custodian and their Affiliates shall not deal as principals in the sale of the Deposited Property to the trust scheme.
- 11.6 The Fund Manager shall exercise its discretion as to the type of securities which the Fund shall invest in PROVIDED THAT the Fund Manager shall be fully responsible for any investment made

in unlisted securities. Notwithstanding anything to the contrary herein, the Fund Manager shall not be liable for any depreciation or diminution in the value of the investment portfolio arising from its investment activities except where such depreciation or diminution is as a result of actual fraud, gross negligence or willful default of the Fund Manager.

- 11.7 The Investment Committee shall meet at least once every quarter to review the performance of the Fund. The functions of the Investment Committee shall include:
- (a) Reviewing Investment Policy and Strategies: Ensuring alignment with the Fund's objectives.
  - (b) Approving Investment Proposals: Making decisions on proposed investments.
  - (c) Strategic Decision Making: Developing strategies to achieve the Fund's goals.
  - (d) Supervising Fund Manager Activities: Monitoring performance and ensuring compliance with investment guidelines.
  - (e) Maximizing Returns: Ensuring funds are fully invested to optimize returns.

## **12. REALISATION OF INVESTMENT**

Any monies accruing from investments of the Fund shall be treated as realised investments. The Fund Manager shall have the discretion subject to the agreed investment guidelines to reinvest any realised investment comprised in the Deposited Property in other Authorized Investments at any time PROVIDED ALWAYS THAT the Fund Manager acts with diligence and prudence in exercising this discretion.

Without prejudice to the foregoing provision, investments comprised in the Deposited Property and which at any time or for any reason cease to be Authorized Investments shall be realised by the Manager and the net proceeds of realisation shall be applied in accordance with the provisions of this Deed but the Manager may postpone the realisation of any such investment for such period as they may determine to be in the interest of the Unitholders unless the Trustees shall require the same to be immediately realised.

## **13. INVESTMENT RESTRICTIONS AND RISK MANAGEMENT**

- 13.1 The Fund Manager shall adhere to the investment objective and policy set out in the First Schedule to this Deed, the SEC Rules and any directives of the Trust Deed in respect of investment and the Fund Manager shall not invest:
- 13.1.1 with a view to seek to take legal or management control of the entities in which the Investments are made;
  - 13.1.2 more than 20% in aggregate, or 5% per fund, of its Net Asset Value in authorised collective investment schemes with a higher investment grade;
  - 13.1.3 With the exemption of treasury bills, more than 20% of the Fund's Net Asset Value in money market instruments issued by any single issuer.
  - 13.1.4 With the exemption of federal government bonds, more than 30% of the Fund's Net Asset Value in bonds issued by any single issuer or one group of companies;



- 13.1.5 more than 20% of the Fund's Net Asset Value in fixed deposits with any single institution;
- 13.2 Neither a Related Party nor its Affiliates shall deal as principals in any sale of the Fund's underlying assets.
- 13.3 The Fund Manager shall not invest in any securities that are not transferable.
- 13.4 No part of the Fund shall be invested in any units or securities of Related Parties and their Affiliates except as otherwise permitted by the Commission or under the SEC Rules.
- 13.5 The Fund Manager may invest in money market instruments issued by the Affiliates of a Related Party only where the following conditions have been satisfied:
  - 13.5.1 that the Money market instruments issued by the Affiliate of the Related Party shall not be below investment grade rating of A- and at yields better than prevailing market rates.
  - 13.5.2 that consent of the Trustee for compliance with pre-conditions for such investment has been obtained.
  - 13.5.3 The investment in money market instruments of a related party's affiliates shall not exceed 10% of total value of money market allocation.
  - 13.5.4 The Trustee shall ensure and report to the Commission compliance with the limit set in this Clause 13.5.
- 13.6 The Fund shall not purchase securities on margin or engage in short sales of securities.

Subject to compliance with the requirements of the SEC Rules, any service or transaction undertaken by the Fund Manager on behalf of the Fund with an Affiliate of a Related Party shall be done at arm's length and at terms based on cost, price and prevailing market conditions in the interest of the Fund.

#### **14. CHANGE IN INVESTMENTS**

- 14.1 It shall not be necessary for either the Fund Manager or the Trustee to effect any change in investments by reason of any appreciation in the value or the aggregate of the value of any investments in any one company or body or of any security or any depreciation in the value or the aggregate of the value of any investments causing the limits referred to in Clause 13 to be exceeded nor by reason of the said limits being exceeded as a result of either:
  - 14.1.1 any scheme of arrangement for amalgamation, reconstruction, conversion or exchange; or
  - 14.1.2 any repayment or redemption (including in the case of debentures or debenture stock) following the purchase thereof by that company or body.
- 14.2 If and so long as the said limits shall be exceeded, the Fund Manager shall not make any further acquisition with respect to any security with which the relevant limit is breached, and the Fund Manager shall within a period of not more than 3 months from the date of the breach take all necessary steps and actions to rectify the breach and or sell so much of the investment or investments in respect of which any of the said limits is exceeded thereby bringing it into conformity with Clause 13.

#### **15. APPOINTMENT OF REGISTRAR**

- 15.1 The Fund Manager shall, with the prior consent of the Trustee, appoint a Registrar; First Registrars and Investor Services Limited for the Fund for the purposes contemplated in Clause 16 and the Third Schedule hereto.

15.2 Where the Fund Manager in consultation with the Trustee for valid reasons is of the opinion that a change of Registrar is desirable in the interest of the Unitholders, it shall notify the Registrar accordingly and the Registrar shall, within thirty (30) days transfer all records, Statement of Unitholding, documents and Registers kept or maintained by it with regard to the Fund to the Fund Manager and the Fund Manager will thereafter take such steps as may be necessary to appoint a new Registrar for the Fund. PROVIDED however that any appointment of a new Registrar will be subject to the prior approval of the Commission and notice of such change or appointment shall be advised to the Unitholders in the manner provided in Clause 37 herein within 5 (five) Business Days of the date such change or appointment takes effect.

## **16. REGISTRATION OF UNITHOLDERS**

- 16.1 A Register of Unitholders shall be kept by the Registrar in such form and manner as the Trustee may from time to time direct including in an electronic form.
- 16.2 The Register shall contain the names of Unitholders, the respective number of Units held, the nominal value of the Units, the date of purchase, the Statement of Unitholding number (if applicable) and any other information that may be deemed necessary by the Fund Manager and the Trustee.
- 16.3 The Registrar shall immediately be notified in writing of any change of name or address on the part of any Unitholder and upon the Registrar's satisfaction thereof and in compliance with all such formalities as it may require shall cause the Register to be altered or the change to be registered accordingly.
- 16.4 Any Unitholder or his nominee shall be entitled during business hours to freely inspect the Register at no cost. However, a nominal fee may be payable where copies of any documents from the Register are required by the Unitholder. PROVIDED always that if the Register is maintained in an electronic format, the provisions of this Clause will be satisfied by the production of legible evidence of the contents of the Register.
- 16.5 The Register shall be conclusive evidence of 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. PROVIDED that any person claiming to be interested in any Units or the distributions on them may protect his interest by serving on the Fund Manager a notice and an affidavit of interest whereupon the Registrar shall cause to be entered on the Register the existence of such notice and shall not register, transfer or make a payment or return(s) in respect of the relevant Units contrary to the terms of the notice until the expiration of 30 (thirty) days' notice to the claimant of the proposed transfer or payment.
- 16.6 A body corporate may be registered as a Unitholder or one of Joint Unitholders.
- 16.7 In the event of the death of a Unitholder, only the legally appointed executors or administrators of the estate of the deceased Unitholder (not being one of Joint Unitholders) or the surviving Unitholder(s) of Joint Unitholders shall be recognised by the Registrar as having any title to or interest in the Units of the deceased Unitholder.

- 16.8 Any person becoming legally entitled to any Units in consequence of the death or bankruptcy or dissolution or winding up of any Unitholder or upon the order of a Court or upon a declaration that a Unitholder is a lunatic shall upon producing such evidence to the satisfaction of the Registrar substantiating his claim and on delivering up the Statement of Unitholding(s) (if applicable) of the deceased, bankrupt or lunatic Unitholder or resolution of dissolution or winding up to the Registrar for cancellation, be entitled to elect either to be registered himself or to have some other persons nominated by him registered as entitled to such Unit(s) and to have a new Statement of Unitholding(s) issued accordingly. The Fund Manager may at its discretion, charge a token fee to verify the entitlement of the person to be so registered. If the person becoming so entitled shall elect to be registered himself, he shall deliver or send to the Registrar a duly signed written notice in a form to be prescribed by the Registrar stating that he elects to be so registered, or if he shall elect to have some other person nominated by him, he shall testify to such election as if the death, bankruptcy or lunacy or the dissolution or winding up of the Unitholder had not occurred and the notice or transfer were a transfer executed by such Unitholder. Until such production is made, the Unitholder on record shall be deemed to be the Unitholder of such Units for all purposes hereof and the Trustee and the Fund Manager shall not be affected by any notice of such bankruptcy, insolvency or other event, and in particular shall not be affected by reason that the Bid Price of the Units for the purposes of redemption is calculated on the day when actual redemption occurs and not on the day when notice of bankruptcy, insolvency or other event is received by the Trustee and the Fund Manager.
- 16.9 Any person becoming entitled to Units in consequence of the death or bankruptcy or dissolution or winding up of a Unitholder shall, once he has provided sufficient evidence of such entitlement to the Registrar even if actual registration has not yet taken place, be entitled to receive and may give a discharge for monies payable in respect of the Units. However, such person shall not be entitled to all the other rights of a Unitholder until his name is entered in the register of Unitholders.
- 16.10 The number of Units held by a Unitholder shall be registered and recorded by the Registrar as a book entry.
- 16.11 The Registrar on instruction of the Fund Manager and/or the Trustee may close the Register upon giving a 1 week notice to the Unitholders via their registered email addresses electronically, or by publishing on the website of the Fund Manager or by publishing in a national newspaper. Such periods of closure shall not, in aggregate, exceed thirty (30) days in each year.

## **17. VOTING RIGHTS ON DEPOSITED PROPERTY**

- 17.1 All rights of voting conferred by any investments forming part of the Deposited Property shall be exercised by the Trustee in such manner as the Fund Manager may in writing direct provided that such exercise is carried out in the best interest of the Unitholders and the Trustee may refrain at its own discretion from the exercise of any voting rights and no Unitholder shall have any right to interfere or complain. Upon written request and at the expense of the Fund Manager, the Trustee shall from time to time execute and deliver or cause to be executed or delivered to the Fund Manager or its nominees such powers of attorney or proxies in such names as the Fund Manager may request authorising such attorneys and proxies to vote, consent or otherwise act in respect of all or any part of the Deposited Property.
- 17.2 The Trustee shall be entitled to exercise the said rights in what it considers to be the best interest of the Unitholders. Subject to Section 168 of the Investments and Securities Act, the Trustee shall not be under any liability or responsibility thereof in respect of the management of the investment

in question nor in respect of any vote, action or consent given or taken or not given or taken by the Trustee whether in person or by proxy and neither the Trustee, the Unitholder or any such proxy or attorney shall incur any liability or responsibility by reason of any error of law or mistake of fact or any matter or thing done or omitted or approval voted or given or withheld by the Trustee or Fund Manager or by the Unitholder and the Trustee shall be under no obligation to anyone with respect to any action taken or caused to be taken or omitted by the Trustee or by any such proxy or attorney.

17.3 The phrase "right of voting" or the word "vote" used in this Clause shall be deemed to include not only a vote at a meeting but any consent to or approval of any arrangement, scheme or resolution or any alteration in or abandonment of any rights attaching to any part of the Deposited Property and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

17.4 The Trustee shall, when necessary forward to the Fund Manager, all notices of meetings, reports, circulars and other documents of a like nature received by it or its nominee with regard to any investment in the Fund.

## **18. STATEMENT OF UNITHOLDING**

18.1 Upon the issue of Units, the Fund Manager shall notify the Unitholder of the number of Units purchased by such Unitholder in a Statement of Unitholding via electronic mail. The Statement of Unitholding shall serve as title to the units held in the Fund by such Unitholder and shall indicate the total holding of that Unitholder including any Units held prior to the issue of such Units.

18.2 Joint Unitholders shall be entitled to only one Statement of Unitholding for Units held jointly by them which Statement of Unitholding shall be issued in the names of the joint Unitholders and delivery of a Statement of Unitholding to one of the joint Unitholders shall be sufficient delivery to all such Unitholders.

18.3 For all Statement of Unitholdings that are issued, such Statement of Unitholding may be duly issued after redemption or transfer provided that the Minimum Permissible Holding is retained by a Unitholder after such redemption or transfer is made.

## **19. RIGHT OF ASSIGNMENT**

Without prejudice to the provisions of Clause 8.7 hereof, every Unitholder is entitled to assign, by way of security, all or any part of his or her investments to third parties PROVIDED THAT the Fund Manager is duly informed of such assignment so that necessary documentation can be effected to reflect the change in the Unitholders' holding in the Fund.

## **20. INCOME DISTRIBUTION/REINVESTMENT**

20.1 Annual distributions (if any) shall be made at the discretion of the Fund Manager in consultation with the Trustee. The Unitholders reserve the option to re-invest the distributions into the Fund or receive cash distributions. Where a Unitholder does not choose any of these options, the default will be for the Fund Manager to reinvest distributions for the respective Unitholder.

20.2 Distribution will be effected from the Fund's account with the Custodian directly into the Unitholders' accounts and the cost of distribution will be borne by the Fund.

## 21. INDEMNITIES, RIGHTS AND DISCRETION OF TRUSTEE AND FUND MANAGER

Without prejudice to any indemnity allowed by law or elsewhere herein given to the Trustee or to the Fund Manager, the following provisions shall apply:

- 21.1 The Trustee, the Fund Manager and the Registrar shall not be responsible for the authenticity of any form of application, endorsement or other documents affecting the title to or transmission of Units or be in any way liable for any forged or unauthorised signature on or a seal affixed to such endorsement, transfer or other document or for acting on or giving effect to any such forged or unauthorised signature or seal affixed PROVIDED that they have exercised due care and diligence in examining the signature and/or document.
- 21.2 The Trustee, the Fund Manager and the Registrar shall not incur liability in respect of any action or omission by them in good faith in reliance upon any notice, resolution, direction, consent, Statement of Unitholding, affidavit, statement, share certificate, plan or scheme of reorganisation or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.
- 21.3 Neither the Trustee nor the Fund 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 made pursuant thereto or of any decree, order or judgment of any Court or by 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) where the Trustee or Fund Manager shall be directed or requested to do or perform or to forbear from doing or performing any act or thing.
- 21.4 The Trustee and Fund Manager shall be entitled to require that the signature of any Unitholder or joint Unitholders to any document required to be signed by him under or in connection with this Deed shall be verified by a banker or broker or other responsible person or otherwise authenticated to their reasonable satisfaction.
- 21.5 The Trustee shall not by reason of its office be precluded from purchasing, holding, dealing in or disposing of Units of the Fund nor from contracting or entering any financial, banking or other transaction with the Fund Manager or any Unitholder or any company or body with an interest in any Unit(s) thereof or from being interested in any such contract or transaction or from holding any shares or any investment in any such company or body. The Trustee shall not except as otherwise herein provided be in any way liable to account either to the Fund Manager or to the Unitholders or any of them for any profits or benefits made or derived by the Trustee thereby or in connection therewith.
- 21.6 The Trustee shall not be under any obligation to appear in, prosecute or defend any action or suit in respect of the provisions hereof or in respect of the Deposited Property or any part thereof or take part in or consent to any corporate or shareholders' or stockholders' 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 expenses or liability.
- 21.7 Subject to the prior consent of the Trustee and the Commission in each case, the Fund Manager may from time to time for the account of the Fund enter into underwriting and sub-underwriting contracts in relation to the subscription or purchase of Authorised Investments upon such terms in all respects as it shall think fit (but subject always to the provisions of this Deed and so that no such contract shall relate to an investment which if acquired would constitute a holding in excess

of the limits specified in Clause 13 hereof) and all commissions or other fees received by the Fund Manager and all Authorised Investments or cash acquired pursuant to any such contract shall form part of the Deposited Property.

- 21.8 Save for instances where the Trustee has been grossly negligent, the Trustee shall not be liable to account to any Unitholder or otherwise for any payment made or suffered by the Trustee in good faith to any duly empowered fiscal authority of Nigeria or elsewhere for taxes or other charges in any way arising out of or relating to any transactions under these presents notwithstanding that any such payments need not have been made or suffered.
- 21.9 The Trustee shall not be under any liability on account of anything done or suffered by them in good faith in accordance with or in pursuance of any request, notice, direction or advice of the Fund Manager. Whenever a notice or other communication is to be given by the Fund Manager to the Trustee, the latter accepts as sufficient evidence thereof, a document signed on behalf of the Fund Manager by any person whose signature the Trustee is for the time being authorised in writing by the Fund Manager to accept.
- 21.10 The Trustee shall as regards all the powers and discretion vested in it by these presents have absolute and uncontrolled discretion as to the exercise or non-exercise thereof, and in the absence of fraud or negligence the Trustee shall not in any way be responsible for any loss, costs or damages that may result from the exercise or non-exercise thereof.
- 21.11 The Trustee may act upon the advice of or statement or information obtained from stockbrokers, accountants, lawyers, bankers or other persons believed by the Trustee in good faith to be experts in the matters on which they have been consulted whether instructed by the Trustee or Fund Manager 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.
- 21.12 The Trustee shall be responsible for the acts of its duly appointed lawyer, banker, accountant, broker or any other agent acting on the instruction of the Trustee within the course and scope of its appointment. However, where the Trustee is held liable for the acts of any of its agents as provided above, the Trustee will be entitled to be indemnified by such agent.
- 21.13 The Fund Manager shall in no way be liable to make any payment hereunder to any person except out of the monies of the Fund set aside for that purpose.
- 21.14 If for any reason it becomes impossible or impracticable to carry out any of the provisions of these presents, neither the Fund Manager nor the Trustee shall be under any liability thereby. Neither shall incur liability for any error of law in the absence of fraud or negligence in connection with any matter or thing done or suffered to be done or omitted to be done by them in good faith hereunder PROVIDED ALWAYS THAT nothing in this section may be construed as exempting the Trustee from, or indemnifying the Trustee against, liability for breach of trust arising from any fraudulent or negligent act or omission on its part or any other breach of duty hereunder.
- 21.15 The Fund Manager shall not be under any liability except such liability as may be expressly assumed by it under this Deed or imposed by law nor shall the Fund Manager (save as herein otherwise appears) be liable for any act or omission of the Trustee or for anything except its own breach of duty hereunder.
- 21.16 In no event shall the Custodian be bound to make any payment to any person except out of the monies of the Fund held by it for that purpose under the provisions of this Deed.
- 21.17 The Trustee shall not be responsible for acting upon any resolution passed at a Meeting of the

Unitholders in respect of which minutes shall have been made and signed even though it may be subsequently found that there was some defect in the constitution of the Meeting or the passing of the resolution or that for any reason the resolution was not binding upon all the Unitholders PROVIDED HOWEVER THAT nothing in this Clause shall be construed to relieve the Trustee from an obligation to exercise due care and diligence in carrying out its obligation as trustee or to relieve the Trustee from liability for any breach of trust.

- 21.18 With the exception of the selection of investments and except as otherwise set out herein, the Trustee covenants that effective control over the affairs of the Fund shall be vested in the Trustee and will be independently exercised by the Trustee on behalf of the Unitholders.
- 21.19 The Trustee undertakes to notify the Commission of any proposed change in the management of the Fund during the entire period of existence of the Fund.
- 21.20 Subject to the provisions of this Deed, the selection of all investments whether partly paid or not and the retention of cash shall, in all respects, be the sole responsibility of the Fund Manager who shall exercise due diligence and prudence in its selection process having due regard to the Investment Strategy of the Fund in such selection. Such investment shall be finalized by the Fund Manager with the consent of the Trustee.
- 21.21 The Fund Manager shall be entitled subject to the consent of the Trustee to delegate to any person, firm or corporation upon such terms and conditions as it may think fit, all or any of their powers and discretion in relation to the selection, acquisition, holding and realisation of investments and the application of any monies forming part of the Deposited Property PROVIDED THAT the Fund Manager shall remain liable hereunder for any act or omission of any such person, firm or corporation in relation to the exercise or non-exercise of any powers or discretion so delegated as if the same were an act or omission of the Fund Manager.
- 21.22 Nothing herein shall prevent the Trustee or its Affiliate from contracting or entering into any financial, banking or other transactions with the Fund Manager or its Affiliate or any Unitholder or any company or body whose shares or securities form part of the Deposited Property or from being interested in any such contract or transaction. The Trustee and any such Affiliate shall not be liable to account to the Fund Manager or the Unitholders or any of them for any profit or benefit made or derived from or in connection with any such transactions.

## 22 **DUTIES AND FUNCTIONS OF THE TRUSTEE AND FUND MANAGER**

### 22.1 Duties of the Trustee

The Trustee shall:

- 22.1.1 ensure that the basis on which the sale, issue, repurchase or cancellation, as case may be, of participatory interests effected by or on behalf of the Fund is carried out in accordance with the Investments and Securities Act, the SEC Rules and Regulations, and this Deed;
- 22.1.2 ensure that the selling or repurchase price or participatory interests is calculated in accordance with the Investments and Securities Act, the SEC Rules and Regulations, and this Trust Deed;
- 22.1.3 ascertain that the Fund Manager complies with the provisions of Investments and Securities Act, SEC Rules and Regulations, Custody Agreement and this Trust Deed;



- 22.1.4 verify that, in transactions involving the Deposited Property any consideration is remitted to it within time limits which are acceptable market practice in the context of a particular transaction;
- 22.1.5 verify that the income accruals of the Fund are applied in accordance with the Investments and Securities Act, SEC Rules and Regulations, Custody Agreement and this Trust Deed;
- 22.1.6 enquire into and prepare a report on the administration of the Fund by the Fund 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 Investments and Securities Act, SEC Rules and Regulations, Custody Agreement and this Trust Deed;
- 22.1.7 if the Fund Manager does not comply with the provisions referred to in Clause 22.1.6 of this Trust Deed, state the reason for the non-compliance and outline the steps taken by the Fund Manager to rectify the situation;
- 22.1.8 send the report referred to in Clause 22.1.6 of this Trust Deed to the Commission and to the Fund Manager in good time to enable the Fund Manager include a copy of the report in the annual report of the Fund;
- 22.1.9 ensure that there is legal separation of Deposited Property and that the legal entitlement of investors to such Deposited Property is assured;
- 22.1.10 ensure that appropriate internal control system are maintained and that records clearly identify the nature and value of all Deposited Property, the ownership of each asset and the place where documents of title pertaining to each asset are kept;
- 22.1.11 report any breach of the terms of this Trust Deed by the Fund Manager to the Commission within ten (10) working days after the Trustee becomes aware of such breach;
- 22.1.12 satisfy itself by exercising due diligence that every income statement, balance sheet or other return prepared by the Fund Manager in terms of Section 169 of the Investments and Securities Act fairly represents the assets and liabilities, as well as the income, or every portfolio of the Fund administered by the Fund Manager;
- 22.1.13 ascertain that the monthly and other periodic returns/reports relating to the Fund is sent by the Fund Manager to the Commission;
- 22.1.14 ascertain the profitability rationale for investment decision-making of the Fund Manager;
- 22.1.15 monitor the Register of the Unitholders and the activities of the Fund Manager and Custodian on behalf, and in the interest, of the Unitholders;

- 22.1.16 ensure that the Custodian takes into custody all of the assets of the Fund and hold same in trust on behalf of Unitholders in accordance with this Trust Deed and the Custody Agreement;
  - 22.1.17 take all steps and execute all documents which are necessary to secure acquisition or disposals properly made by the Fund Manager in accordance with the Trust Deed and the Custody Agreement;
  - 22.1.18 exercise any right of voting conferred on it as the registered holder of any investment and/or forward to the Fund Manager within a reasonable time all notices of meetings, reports, circulars, proxy solicitations and any other document of a like nature for necessary action;
  - 22.1.19 ensure that the Fund is managed by the Fund Manager in accordance with the Investment and Securities Act, the SEC Rules and Regulations and this Deed;
  - 22.1.20 act at all times in the interest of and for the benefit of Unitholders.
  - 22.1.21 Ensure that the Fund is managed by the Fund Manager in accordance with the prescribed investment limits.
- 22.2 The Trustee may request that every director or employee of the Fund Manager shall submit to the Trustee any book or document or information relating to the administration of the Fund by the Fund Manager which is in its possession or at its disposal, and which the Trustee may consider necessary to perform its functions and no person shall interfere with the performance by the Trustee of its functions in accordance with the Investments and Securities Act.

### **22.3 Duties of the Fund Manager**

The Fund Manager shall:

- 22.3.1 select and manage the portfolio of investment of the Fund in accordance with this Trust Deed;
- 22.3.2 redeem and issue Units of the Fund;
- 22.3.3 maintain, or cause to be maintained, a schedule of Unitholders;
- 22.3.4 prepare periodic accounting records of the Fund in accordance with the Investment and Securities Act and the SEC Rules and Regulations;
- 22.3.5 keep books of the Fund (excluding documents relating to investments of the Fund).
- 22.3.6 file monthly and other periodic returns /reports with the Commission and the Trustees, as may be required under applicable law;

- 22.3.7 organise Meetings of the Fund;
- 22.3.8 represent the interest of the Fund;
- 22.3.9 comply with the Investments and Securities Act, SEC Rules and Regulations and this Trust Deed;
- 22.3.10 avoid conflict of interests between it and the Unitholders;
- 22.3.11 disclose interests of its directors and management to the Unitholders
- 22.3.12 maintain adequate financial resources to meet its commitments to manage the risks to which the Fund is exposed;
- 22.3.13 organise and control the Fund in a reasonable and responsible manner expected of a Fund Manager;
- 22.3.14 keep proper records in relation to the Fund;
- 22.3.15 employ adequately trained staff and ensure that they are properly supervised;
- 22.3.16 establish well defined compliance procedures; and,
- 22.3.17 promote investor education.

## **23 FUND MANAGER AND TRUSTEE ACTING FOR OTHER TRUSTS**

- 23.1. The Fund Manager and Trustee shall be entitled whether in conjunction or separately to establish and act as Fund Manager or Trustee for other trusts separate and distinct from this Trust.
- 23.2. However, neither the Manager nor any of its subsidiaries nor its holding Company nor any persons engaged in the management of the Fund manage shall carry out transactions for themselves or himself or make a profit for themselves or himself from transactions in any assets held under this Trust.

## **24 REMUNERATION AND FEES**

- 24.1 The remuneration of the Fund Manager and all other administrative fees shall accrue on a daily basis and shall be payable in United States Dollars. At the end of each quarter or as the case may be, all such sums as have accrued shall be paid to the Fund Manager and the respective service providers.
- 24.2 The Auditors' fees shall be due for payment upon the completion of the audit of the accounts of the Fund and shall be paid from the Cash Account of the Fund.
- 24.3 The total expenses of the Fund (including the annual management fees) but excluding the

incentive fees shall not exceed 3.5% of the Net Asset Value of the Fund per annum or such percentage as the Commission may prescribe from time to time.

#### ***Payments to the Trustee***

- 24.4 The Fund Manager shall on behalf of the Fund pay the Trustee all travelling and other costs, charges and expenses that the Trustee shall reasonably incur in connection with the execution of the Trust hereof and in the exercise of the powers and discretion hereby vested in it.
- 24.5 All such costs, expenses, charges or remuneration due to the Trustee shall be payable upon demand PROVIDED THAT the Trustee provides the Fund Manager with invoices/receipts for all expenses incurred.
- 24.6 The Fund Manager shall, on behalf of the Fund pay the Trustee an annual trustee fee of 0.10% of the Net Asset Value of the Fund. The Trustee's remuneration shall be payable in United States Dollars quarterly in arrears and shall accrue on a daily basis.

#### ***Management, Advisory & Administrative Expenses***

- 24.7 The Fund will pay the Fund Manager 1.50 % of the Net Asset Value of the Fund per annum, payable in United States Dollars quarterly in arrears representing the remuneration due to the Fund Manager for the management, advisory and administrative roles involved in the day to day management of the Fund.
- 24.8 The Fund Manager may charge an incentive fee where the Fund outperforms its Benchmark. The incentive fee shall be chargeable on the total annualized returns above the Benchmark and up to 20% of the excess returns; PROVIDED THAT:
- 24.8.1 the Fund's stated benchmark shall be reflective of the nature of the Fund and its underlying instruments;
- 24.8.2 where the Fund underperforms its Benchmark, the management fee charged shall decrease by the same percentage by which the Fund underperformed;
- 24.8.3 the Fund's performance must have reached a high-water mark. A high-water mark is reached when the Fund's value (per unit basis) exceeds its highest historical record.

#### ***Payments to the Custodian***

- 24.9 The Fund Manager shall, on behalf of the Fund, pay the Custodian all sums owing to the Custodian in accordance with the Custody Agreement.

### **25 CONDITIONS FOR EFFECTING TRANSACTIONS OR DEALINGS**

Notwithstanding anything herein contained, neither the Trustee nor the Fund Manager and/or any other party shall be required to effect any transaction or dealing with any Unitholder or with any part of the investments of the Deposited Property on behalf of or for the benefit of or at the request of any Unitholder unless such Unitholder shall first have paid to the Trustee, the Fund Manager or such other party to its or their satisfaction as the case may be such amount sufficient to cover 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, the Fund Manager or such other party shall be entitled

to as it or they may think fit 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 Unit or otherwise however hereunder.

## **26 VARIATION OF PAR VALUE OF UNITS**

Subject to the approval of the Trustee and the prior consent of the Commission, the Fund Manager shall have the right by notice to the Unitholders to vary the par value of the Units and in consequence thereof to effect reductions or increases in the number of Outstanding Units of the Fund. Such notice shall state the number of Units to be cancelled or created and the new par value of the Units.

## **27 COVENANTS BY THE FUND MANAGER**

The Fund Manager hereby covenants with the Trustee as follows:

- 27.1 To carry on and conduct the business of the Fund in a proper and efficient manner, and in particular to diligently and expeditiously carry out the purpose for which the units are issued.
- 27.2 It shall not make a profit for itself from transactions in any Deposited Property.
- 27.3 To keep proper books of accounts for the Fund in English Language and therein make true and proper entries of all affairs and procure that the same shall with advance written notice of at least 48 hours at all reasonable times during business hours be open for inspection by the Trustees.
- 27.4 It shall not borrow money on behalf of the Fund for the purpose of acquiring securities or other property for the Fund.
- 27.5 It shall not lend money that is subject to the trust of the Fund to any person to enable him to purchase Units of the Fund.
- 27.6 Subject to Clause 5.9 above, it shall not mortgage, charge or impose any other encumbrance on any securities or other property subject to the trust of the Fund.
- 27.7 It shall not engage in any transactions with respect to or for the Fund that are not, in its opinion, in the best interests of Unitholders and of the Fund.
- 27.8 It shall not deviate from or alter the Investment Strategy of the Fund without due recourse to the provisions of this Deed and the law and without the prior approval of the Trustee and the Commission regarding the same.
- 27.9 It shall exercise due prudence in all its dealings with the monies of the Fund.
- 27.10 To give to the Trustees such information requested in writing as to all matters relating to the affairs or business of the Fund which they shall reasonably require and furnish to the Trustees, not later than four months (or such extended period

not exceeding a further three months as the Commission may in exceptional circumstances allow) after the end of the period to which such accounts relate, two copies of every balance sheet, and profit and loss account of the Fund certified by the Auditors.

- 27.11 To at all times act with prudence and honesty in relation to all moneys and accounts kept for the purpose of the Fund; to at all times act in a businesslike fashion in the interest of the Unitholders.
- 27.12 It shall give written notice to the Commission of any proposal to alter the Deed or replace the Trustee as required by Section 187 of the Investments and Securities Act.

## **28 REMOVAL, RETIREMENT AND APPOINTMENT OF FUND MANAGER**

- 28.1 In the event of the Fund Manager desiring to retire, the Trustee shall use its best endeavours to replace the Fund Manager in accordance with the provisions of this Trust Deed as the case may be. If within three (3) months of notice by the Fund Manager seeking to retire and no suitable replacement is identified, the Trustee may terminate the Fund by giving three (3) months' notice to this effect to the Unitholders, the Fund Manager and the Commission.
- 28.2 The Fund Manager shall be subject to removal by notice in writing given by the Trustee in any of the following circumstances PROVIDED THAT in every case the proposed removal has been approved by the Commission:
- 28.2.1 if the Fund Manager goes into liquidation (except for a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of its assets; or
- 28.2.2 if the Trustee certifies and provides evidence to the satisfaction of the Commission to the effect that the Fund Manager has been fraudulent or has acted with gross misconduct in its management of the Fund or if in the opinion of the Trustee, the Fund Manager has become incapable of performing or has in fact failed to perform its duties satisfactorily or has done any other thing which in the opinion of the Trustee is calculated to bring the Trust into disrepute or to be harmful to the best interests of the Unitholders.
- 28.2.3 Where the license of the Fund Manager is suspended or withdrawn by the Commission.
- 28.3 In any of the cases, the Fund Manager shall upon notice by the Trustee immediately cease to be the manager of the Fund and the Trustee shall by writing under its seal subject to approval by the Commission appoint some other qualified corporation to be the manager of the Fund. Such corporation shall enter such Deed or Deeds as the Trustee may advise are necessary or desirable to be entered by such corporation in order to secure the due performance of its duties as manager, which Deed or Deeds shall if so required by the retiring manager provided that the Fund shall as soon as practicable cease to use the phrase "**Vetiva USD Fixed Income Fund**" in its name and that neither the Trustee nor the new manager shall hold themselves out as being connected with the retiring manager in any way and furthermore shall provide that the manager to be appointed hereunder shall purchase from the retiring manager the minimum regulatory Units of 5% of the initial authorized units of Fund as the case may be of which it is a Unitholder or deemed to be a Unitholder at the Fund's prevailing offer price.

## **29 REMOVAL, RETIREMENT AND APPOINTMENT OF TRUSTEE**

- 29.1 In the event of the Trustee desiring to retire as Trustee it shall give not less than three (3) months' notice in writing to the Fund Manager and the Commission of its desire to retire, and the Fund Manager shall use its best endeavours to appoint a new Trustee within three (3) months of notice to both the Commission and the Fund Manager by the Trustee of its intention to retire. The new Trustee shall be an incorporated company registered with the Commission and approved by a majority of the Unitholders. If no new Trustee can be identified within that period the Fund Manager may terminate the Fund.
- 29.2 The Trustee shall be subject to removal as Trustee immediately by notice in writing from the Fund Manager in any of the following circumstances PROVIDED THAT in either case, the proposed removal has been approved by the Commission:
- 29.2.1 if the Unitholders holding not less than 75% (seventy five percent) of the Units outstanding deliver to the Fund Manager a request in writing that the Trustee should retire;
- 29.2.2 if the Trustee goes into liquidation (except for a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Fund Manager) or if a receiver is appointed over any of its assets;
- 29.2.3 if in the opinion of the Fund Manager, the Trustee shall be incapable of performing or shall have in fact failed to perform its duties satisfactorily or shall have done any other thing which is calculated to bring the Fund into disrepute or be harmful to the best interests of the Unitholders or is a breach of the Trustee's fiduciary duties to the Fund. Upon removal of the Trustee as Trustee to the Fund, the Fund Manager shall by writing under its seal subject to the approval of the Commission appoint some other qualified corporation to be the Trustee and such corporation shall enter such Deed or Deeds as the Fund Manager deems it necessary or desirable to be entered by such corporation in order to secure the due performance of its duties as Trustee;
- 29.2.4 Where the license of the Trustee is suspended or withdrawn by the Commission;
- 29.3 The new Trustee taking the place of the Trustee retiring pursuant to Clause 29.1 or removed pursuant to Clause 29.2 above shall sign a Deed of Accession in the terms set out in the Fifth Schedule.
- 29.4 Where the Trustee retires pursuant to Clause 29.1, or the appointment of the Trustee is terminated pursuant to Clause 29.2, the Trustee shall within 7 (seven) days submit a report to the Commission stating the following:
- 29.4.1 the assets and liabilities of the Fund;
- 29.4.2 whether any irregularity or undesirable practice has taken place or is taking place in the conduct of the affairs of any of the Fund which has caused or is likely to cause financial loss to investors in the Fund;
- 29.4.3 particulars of any such irregularity or undesirable practice; and



29.4.4 the reason, if known, for the retirement or the termination of the appointment.

### **30 PREPARATION/REVIEW OF UNITHOLDERS REGISTER/STATEMENTS, AND INCOME DISTRIBUTIONS ETC.**

- 30.1 It shall be the duty of the Registrar to prepare or review the Register of Unitholders to determine unitholders entitled to Distributions and payment shall be effected directly by the Custodian.
- 30.2 The Fund Manager shall prepare all notices, accounts, offers or statements which the provisions of this Trust Deed require to be prepared, issued, served or sent.

### **31 AUDITING OF THE FUND'S ACCOUNTS**

- 31.1 At least once in every financial year, the Fund Manager shall cause to be audited and certified by the Auditors the accounts relating to the management of the Fund. The audited accounts shall be signed by the Fund Manager and the Trustee.
- 31.2 The Fund's accounts shall be audited annually by an auditor and published on the Fund Manager's website and in at least two (2) national newspapers within three (3) months after each financial year and evidence of such publications as well as the certified financial statement shall be forwarded to the Commission. Electronic copies of the audited financials shall be made available to Unitholders while the hard copies shall be made available to Unitholders for inspection during the usual business hours of the Fund Manager and the Trustee at their respective head offices.
- 31.3 Notwithstanding Clause 31.2, the first account of the Fund following the Fund's registration may be submitted to the Commission within a period not exceeding 18 months after the registration of the Fund.

### **32 AUDITOR**

- 32.1 The Auditor shall be appointed by the Fund Manager in consultation with the Trustee. The Auditor shall be a person who is qualified for appointment as an auditor of a Company under Section 403 of CAMA and 184(1) of the ISA and shall be duly registered with the Commission.
- 32.2 Within thirty (30) days of the date of appointment of the Auditor, the Fund Manager shall apply to the Commission for approval of the appointment of the Auditor; and the Commission may at any time withdraw its approval of the appointment of an Auditor.
- 32.3 Any Auditor appointed may be removed by the Fund Manager in consultation with the Trustee by notice thereof to the Auditor.
- 32.4 The remuneration of the Auditor shall be fixed by the Fund Manager.
- 32.5 The Auditor of the Fund may resign its office by serving a notice in writing to that effect at the registered office of the Fund Manager and any such notice shall operate to determine its office on the date on which notice is received or on such later date as may be specified therein.

- 32.6 The Auditor's notice of resignation shall not be effective unless it contains either:
- 32.6.1 a statement to the effect that there are no circumstances connected with its resignation which they consider should be brought to the notice of the Unitholders of the Fund and the Commission; or
  - 32.6.2 a statement setting out the circumstances connected with its resignation which they consider should be brought to the notice of the Unitholders of the Fund and the Commission.
- 32.7 Where a notice under this Clause is served at the Fund Manager's registered office, the Fund Manager shall within fourteen (14) days send a copy of the notice to the Trustee.
- 32.8 The Fund Manager shall inform the Commission of the removal or resignation of the Auditors.
- 32.9 The Auditors shall have the following obligations amongst others
- 32.9.1 audit the financial statements of the Fund at the end of its financial year in accordance with the approved accounting standards, the Investments and Securities Act and the provisions of this Trust Deed.
  - 32.9.2 Report to the Fund Manager, any irregularity or undesirable practice in the administration of the Fund which has come to his notice in the ordinary course of fulfilling its audit obligations or performing other functions under this Trust Deed, the Investments and securities Act and the SEC Rules and Regulations.
  - 32.9.3 Submit a copy of the report in Clause 32.9.2 to the Commission if it has reasonable cause to believe that such report is or might be of material significance to the Commission.

### **33 DURATION AND TERMINATION OF THE TRUST**

- 33.1 The Trust constituted by this Deed shall be for a period of 99 (Ninety-Nine) years subject only to the provisions for termination as are herein contained and may be renewed upon reaching its duration on the mutual consent of the Fund Manager and the Trustee in writing subject to the approval of the Commission.
- 33.2 The Trustee or Fund Manager may terminate the Trust by issuing no less than six (6) months' notice thereof in writing to the other as well as to the Unitholders of the Fund and the Commission.
- 33.3 The Trust may be terminated upon notice by the Trustee in writing to the Fund Manager, Unitholders of the Fund and the Commission if the Trust becomes illegal or if in the opinion of the Trustee it is impracticable or inadvisable to continue the Trust.
- 33.4 The Trust may at any time be terminated by a Special Resolution of the Unitholders at a meeting of the Fund duly convened and held in accordance with the provisions herein contained in respect of the Fund regarding meetings and such termination shall take effect no less than six (6) months from the date on which the said Special Resolution is passed or on such later date (if any) as the said Special Resolution may provide.
- 33.5 The Trust may be duly terminated by the Commission where any of the activities of the Trust is outside the ambit of permissible activities as provided for by the Investments and Securities

Act, any relevant regulations enacted thereunder and/or any other applicable laws or where the Commission's approval of the Fund is withdrawn.

- 33.6 The Fund Manager may, by notice to the Commission, Unitholders and the Trustee terminate the Fund if in the opinion of the Fund Manager the value of the Deposited Property is insufficient to justify the continued operation of the Fund or if, due to a change in law or other circumstance deemed appropriate by the Fund Manager, the continued operation of the Fund is no longer justified.

#### **34 PROCEDURE AFTER TERMINATION OF THE TRUST**

Upon the Trust terminated, the Trustee shall proceed as follows:

- 34.1 procure the sale of all investments remaining as part of the Deposited Property of the Fund and pay therefrom all liabilities properly payable. Such sale shall be carried out in such manner and within such period after the termination of the Trust as the Trustee deems fit; and
- 34.2 distribute or effect the distribution to the Unitholders in proportion to their Units, all net cash proceeds derived from the realisation of the Deposited Property available for the purpose of such distribution. Every such distribution shall be made on condition of lodging such form of request for payment and receipt that the Trustee may in its absolute discretion require PROVIDED THAT the Trustee shall be entitled to retain out of any monies in its hands as part of the Deposited Property, a provision for all costs, charges, expenses, claims and demands reasonably incurred or made by the Trustee in connection with or arising out of the termination of this Trust and out of the monies so retained to be indemnified against any such costs, charges, expenses, claims and demands.
- 34.3 In addition to the foregoing, do the acts prescribed in Rule 453 of the SEC Rules and Regulations, as may be amended from time to time.

#### **35 MEETINGS**

- 35.1 The Fund Manager would convene a General Meeting of the Unitholders every 3 years with the consent, of the Trustee, to consider the accounts and other matters affecting the Fund. While an Extra Ordinary General Meeting of the Unitholders may be convened with the consent, or at the request, of the Trustee, as the need arises in each financial year.
- 35.2 The provisions of the Fourth Schedule to this Deed shall have effect as if the same were included herein and shall apply to meetings of the Fund in so far as that Schedule does not conflict with any applicable law.

#### **36 CIRCULARS AND ADVERTISEMENTS**

- 36.1 No advertisement circular or other document of that nature containing any statement with reference to the issue price of Units or containing any invitation to buy Units shall be issued by or on behalf of the Fund Manager unless such documents also contain a statement with respect to the yield from the Units.
- 36.2 No advertisement circular or other document of that nature containing any statement with respect to the issue price of Units or the payments of other benefits received or likely to be received by Unitholders or containing any invitation to buy Units shall be issued by or on behalf of the Fund Manager until the Trustee has had a reasonable opportunity to consider the terms of the document. No such document shall be issued if within ten (10) days after the document

first comes under the Trustee's consideration the Trustee notifies its disapproval of the terms thereof in writing to the Fund Manager. All such documents shall also be subject to the approval of the Commission before they are issued.

- 36.3 In all letters, circulars, advertisements or other publications referring to the issue or sale of Units, reference shall be made to the Trustee only in terms previously consented to by the Trustee and the Commission.

### **37 NOTICES**

- 37.1 All notices or other documents directed to be given or sent by the Trustee or the Fund Manager to a Unitholder shall (unless the Trustee or the Fund Manager otherwise directs in writing) be sent by post, fax, electronic mail or courier to him at his address as appearing in the Register. Any notice shall be deemed to have been received by the Unitholder on the same day as shown on the notice if sent by fax or on the 3<sup>rd</sup> day following the day on which the notice was sent by post or courier or on the same day if sent by via electronic mail.
- 37.2 A notice required to be given to the Trustee or the Fund Manager shall be sent to the registered office of the Trustee or the Fund Manager as the case may be, or any other address or contact details for notices given by them.

### **38 PAYMENT**

- 38.1 Any monies payable by the Trustee or by the Fund Manager to a Unitholder or former Unitholder under the provisions of these presents shall be paid by electronic money transfer (e-distribution) to the nominated account of such Unitholder as the case may be. Where an authority in writing shall have been received by the Trustee or Fund Manager from the Unitholder or former Unitholder in such form and signed or sealed in such manner as the Trustee or Fund Manager shall direct, authorising the Trustee or Fund Manager to pay any monies due to him by e-distribution or any other mode of payment to a bank, agent or nominee, the Custodian with the instruction of the Fund Manager shall pay the monies payable to the Unitholder as the case may be in the same manner and with the same effect as hereinbefore provided as if such banker, agent or nominee were the Unitholder and such payment shall be a good discharge of the Trustee and Fund Manager.
- 38.2 Without prejudice to the application of Clause 38.1 above, a receipt signed by a Unitholder or former Unitholder for any monies payable in respect of Units held or formerly held by him shall be a good discharge to the Trustee and Fund Manager.

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## **12. EXTRACTS FROM THE CUSTODY AGREEMENT**

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### **2. Appointment and Role of the Custodian**

- 2.1 Subject to the terms and conditions of this Agreement, the Fund Manager, with the Trustees' approval, hereby appoints the Custodian and the Custodian hereby accepts the said appointment, to do the following:
- (a) The settlement of Securities issued by entities in the Federal Republic of Nigeria from time to time and to hold the same on behalf of the Fund upon terms and conditions hereof.
  - (b) Custody of all the Deposited Property from time to time on behalf of Unit holders.
  - (c) To ensure that the Deposited Property held by it pursuant to this Agreement are at all times immediately identifiable by third parties as custody assets of the Fund by the inclusion of such words in the title to sufficiently describe same as such.
  - (d) The collection of dividends, interests, and principal amounts due for redemption on due dates.
  - (e) The exercise or sale of subscription rights and attending to other related corporate actions, provided that, it shall be liable to the Trustee and the Fund Manager in full for any losses incurred due to its failure to carry out its obligation in relation to any corporate action affecting all or any part of the Deposited Property covered by this Agreement.
  - (f) Transaction processing/settlement, monthly and quarterly reporting of status of Fund's assets to the Fund Manager, Trustee and the Commission.
  - (g) Carry out monitoring, oversight, administrative and other functions required in accordance with the terms and conditions of this Agreement.
  - (h) Act independently of the Fund Manager and the Trustee in the management of the Fund and solely in the interest of the Unit Holders in the Fund and of the Fund itself.
  - (i) Be accountable to the Fund Manager, the Trustee and the Commission in the performance of its obligations herein and such other functions it may reasonably be expected to perform pursuant to upholding the best interest of Unit Holders and the Fund.
  - (j) The Custodian's role includes all the obligations as provided in Rule 456 SEC Rules and Regulations.

### **3. Role of the Fund Manager**

- 3.1 The Fund Manager is the investment manager whose role is to administer the Deposited Property by doing the following:
- (a) Make investment decisions in relation to the Deposited Property.
  - (b) Keep proper books of account and prepare financial statements.
  - (c) Ensure that appropriate internal controls are established for the Fund.
  - (d) Maintain adequate financial resources to meet its commitments and manage the risks thereon.

### **4. Compliance with Relevant Regulation**

Holding of Securities by the Custodian or any Securities Depository or Agent shall be subject to Relevant Regulation and reasonably accepted practices. In the event of conflicting regulations with the terms hereof, the Relevant Regulation shall prevail. The Custodian may take or omit to take any action it deems in its

absolute discretion fit in order to ensure compliance with any Relevant Regulation and neither the Custodian nor any of its associates, directors, officers, agents, delegates or employees shall be liable in respect thereof.

## 5. **The Account(s) and Record Keeping.**

5.1 The Custodian shall maintain the following Designated Accounts and books for the Fund: -

- (a) A **Securities Account** for all securities from time to time received by the Custodian which have been designated for such Securities Account. Each Securities Account will be titled "STL TRUSTEES/VETIVA USD FIXED INCOME FUND Securities Account".
- (b) A **Cash Account** shall be designated to receive all sums due to the Fund and shall be titled "STL TRUSTEES/VETIVA USD FIXED INCOME FUND Cash Account".
- (c) Ensure that applicable accounting standards are maintained in preparation of the Fund's books.
- (d) Ensure the financial statements are prepared on a going concern basis.

5.2 The Custodian shall hold the Deposited Property in the Designated Accounts on behalf of the Fund and shall not open any other bank accounts for the Fund without the Fund Manager and Trustee's approval.

5.3 The Deposited Property held in the Designated Accounts shall be clearly recorded on the books of the Custodian as belonging to the Fund.

5.4 The Custodian shall maintain adequate and proper books of accounts and records that include but are not limited to the following:

- (a) Custody register: a register in the name of each scheme/fund to which it acts as custodian;
- (b) Investment register: a register shall be maintained to record all investments effected and settled on behalf of the Fund; and
- (c) Income collection register: a register shall be maintained to record income received in relation to the Fund's investments, which shall be categorised under income types (i.e. dividends, interest etc).

## 5.5 **Registration of Securities**

- (a) The Custodian shall arrange for the registration of Securities on behalf of the Trustee/Fund. The Custodian shall conduct regular registry inspections, at least quarterly, to confirm that the records of each registrar are identical to those of the Custodian, in respect of the Securities held in the Designated Accounts.
- (b) The Custodian shall be responsible for obtaining the consent of each registrar to conduct such inspection and shall provide a report of such inspection to the Trustee and the Fund Manager. In addition, the Custodian shall advise the Trustee and Fund Manager immediately upon discovery of any discrepancies between the records of a registrar and the Custodian's records regarding any Securities.
- (c) The Custodian agrees to maintain those Securities capable of physical delivery in safekeeping at its registered offices or such other offices as the Custodian may occupy at any time hereafter subject to providing the Trustee and the Fund Manager with adequate notice thereof.
- (d) The Cash Account shall be a sub-account within the Custodian's own United States Dollar/Euro/Naira bank account for the purpose of receiving and distributing dividends and interest payments and other income, payments, proceeds of sale, redemption monies, or cash equivalent associated with the Fund's Securities. The Custodian shall use its reasonable efforts to procure the receipt by it of the relevant evidence as soon as practicable, whereupon the Custodian shall procure the remittance of such monies to the Cash Account in the name of the Fund or as otherwise instructed by the Fund Manager.
- (e) The Custodian may treat Securities as fungible and therefore identification of the specific Securities held by the Custodian on behalf of the Fund for a particular Unit Holder may not be possible. The

Custodian shall, however, maintain a complete record of the number and type of Securities in the Fund.

- (f) The Custodian shall maintain records of the details of the Deposited Property, including date and amount, of debits and credits to the Designated Accounts. The records shall include, but not limited to, information on the number and type of Deposited Property
- 5.6 The Custodian shall provide the Trustee and the Fund Manager with a confirmation of every change in the proportion of Deposited Property since the last date of such confirmation.
- 5.7 The Custodian shall render the relevant reports in line with Rule 456(g) SEC Rules and Regulations.

## 6. **Use of Securities Depositories and Agents**

- 6.1 The Custodian may upon giving the Fund Manager prior written notice and furnishing details of the contemplated transaction thereof engage the services of a Securities Depository to hold the Securities or any part thereof deposited in the Designated Accounts. Provided that, the Fund Manager may generally object to the use of any Securities Depository or Agent which it has reason to believe may not uphold the fundamental objective of this Agreement. Provided further that, the Custodian shall not, without the prior written approval of the Trustee and Fund Manager, deposit Securities in any Securities Depository incorporated under the laws of the Federal Republic of Nigeria and all investment shall be made in securities issued by a Nigerian issuer.
- 6.2 If the Custodian deposits the Securities or any part thereof in a Securities Depository, the Custodian shall identify the Securities so deposited on the Custodian's books as belonging to the Fund and shall require that such Securities Depository identifies the Securities so deposited on its books as belonging to the Fund.

## 7. **Authorised Signatories**

- 7.1 Upon the execution of this Agreement, the Fund Manager and Trustee shall supply to the Custodian a list of persons who are authorised to give instructions in respect of the Designated Accounts ("**Authorised Signatories**"), operated by the Custodian and the said persons' specimen signatures.
- 7.2 The Fund Manager and Trustee shall promptly notify the Custodian of any changes that may be made to the persons authorised under Clause 7.1 above and shall in the case of new signatories provide duly completed specimen signature cards in respect thereof.

## 8. **Actions upon Authorised Instructions**

- 8.1 Upon the receipt of Authorised Instructions (as hereinafter defined) the Custodian is authorised to sell, assign, transfer, deliver or exchange, or to receive or purchase for the Designated Accounts, Securities, but only as provided in such Authorised Instructions.
- 8.2 Notwithstanding anything herein to the contrary, the Custodian shall not be responsible for the performance of such duties as are set forth in this Agreement or contained in Authorised Instructions given to the Custodian which are contrary to Relevant Regulation. The Custodian shall promptly notify the Fund Manager if it cannot comply with Authorised Instructions.
- 8.3 For the purposes of this Agreement, Authorised Instructions means:
  - (a) Instructions issued by the Authorised Signatories to the Custodian by SWIFT;
  - (b) Instructions issued by the Authorised Signatories to the Custodian via electronic mail;



- (c) Instructions issued by the Authorised Signatories in writing;
  - (d) Tested telex instruction of the Authorised Signatories;
  - (e) Other forms of instruction issued by the Authorised Signatories in computer readable form as shall be customarily utilised for the transmission of like information and acceptable to the Custodian; and
  - (f) Such other forms of communication issued by the Authorised Signatories as may from time to time be agreed upon by the Parties.
- 8.4 Subject to Clause 7 hereof, the Custodian shall undertake to examine carefully the signatures of the authorised signatories to confirm the validity of the instruction received but shall not be bound to make any further examination with respect to identity.
- 8.5 Authorised Instructions shall continue in full force and effect until cancelled or superseded.
- 8.6 The Fund Manager shall be responsible for safeguarding any testkey, identification code or other security devices, which the Custodian may make available to the Fund Manager.
- 8.7 The Custodian shall only act upon written authorised instructions given by the Authorised Signatories.
- 8.8 If an Authorised Instruction is incomplete, unclear, ambiguous, and/or in conflict with another Authorised Instruction, the Custodian must request for resolution, where the Authorised Signatories are unable to provide clarification within four (4) hours, the Custodian may in its discretion and in good faith act upon what it reasonably believes such Authorised Instructions to be or refuse to act on any such Authorised Instruction until any incompleteness, unclearness, ambiguity or conflict has been resolved to its reasonable satisfaction.
- 8.9 Any Authorised Instruction validly given by the Authorised Signatories in accordance with this Agreement and received by the Custodian in such manner that it is reasonable to believe that it is authentic (notwithstanding any error in the transmission thereof), shall, as against the Fund Manager and in favour of the Custodian be conclusively deemed to be a valid Authorised Instruction from the Fund Manager to the Custodian provided however that the Custodian may in its reasonable discretion decline to act upon any Authorised Instruction where the Custodian has reasonable grounds for concluding that the same have not been accurately transmitted or are not genuine. The Fund Manager is responsible for any loss, claim or expense incurred by the Custodian for following or attempting to follow the Authorised Instruction, if there are grounds to conclude that same was validly issued by the Authorised Signatories.

## 9. **Actions without Authorised Instructions**

- 9.1 Unless the Custodian receives Authorised Instructions from the Authorised Signatories to the contrary, the Custodian is authorised to: -
- (a) Exchange Securities when the exchange is purely ministerial (including, without limitation, the exchange of interim receipts or temporary Securities for Securities in definitive form and the exchange of warrants, or other documents of entitlement to Securities, for the Securities themselves);
  - (b) Surrender Securities at maturity or when called for redemption upon receiving payment therefore;
  - (c) Take non-discretionary action on mandatory corporate actions; and
  - (d) In general, attend to all non-discretionary details in connection with the custody, sale, purchase, transfer, and other dealings with the Property.

## 10. **Settlement**

- 10.1 In accordance with Authorised Instructions and subject to the receipt by the Custodian of any outstanding fees, costs or expenses in connection with this Agreement the Custodian will arrange for the settlement of the sale or other disposition of any security for the Designated Accounts and for the purchase of any securities for the Designated Accounts (which securities, when so purchased, will form part of the Securities) which have been executed by the Trustee.
- 10.2 Instructions shall be given to the Custodian for the settlement of any Securities transactions within a reasonable time and in any case not less than two (2) Business Days' notice shall be given to the Custodian for the withdrawal of the Securities from the Designated Accounts or from any Securities Depository.

## 11. **Scope of Custodian's Responsibility**

- 11.1 The Custodian shall be under no duty to take or omit to take any action with respect to the Property or otherwise except in accordance with the terms of this Agreement.
- 11.2 The Custodian will exercise reasonable care and diligence in performing its obligations under this Agreement acting in the best interest of Unit Holders and the Fund.
- 11.3 The Custodian shall maintain adequate insurance policies covering any loss or damage to the Deposited Property whilst under its possession. Provided that, prior to the full execution of this Agreement, it furnishes the Fund Manager with evidence of a guarantee or other insurance policies covering the full value of the Deposited Property to be transferred to the Custodian.
- 11.4 The Custodian shall have a duty to make reasonable enquiries as to safekeeping arrangements, collection thereof, delivery and/or transfer procedures of any Securities Depository or Agent that it may appoint to act in any capacity in relation to the Deposited Property.
- 11.5 The Custodian shall have no duty of supervision or monitoring of any Securities Depository or Agent other than to perform reasonable due diligence as to their selection as herein provided. However, the Custodian shall take all reasonable steps to ensure that, insofar as the acts and omissions of such Securities Depository or Agent affects the safekeeping and other custody roles regarding all or any part of the Deposited Property, the Agent or Securities Depository shall act in the best interest of Unit Holders and the Fund.
- 11.6 The Custodian will use its best endeavours to obtain double tax treaty exemption certificates or otherwise provide tax reclamation services.

## 12. **Reporting**

The Custodian shall provide the Fund Manager and the Trustee with monthly and quarterly reports, transaction advices and/or statements of accounts relating to the Deposited Property, the dates and depth of reporting level of which shall be as expressly agreed in writing between the Custodian and the Fund Manager from time to time. In the absence of the filing with the Custodian by the Fund Manager of exceptions or objections to any information, report statement, confirmation, note or other document within twenty-one (21) days of the date of receipt thereof, the Custodian shall have no responsibility for any errors or omissions therein and the Fund Manager shall be deemed to have approved the contents thereof and accepted responsibility for all of its obligations appearing therein.

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## **13. OTHER STATUTORY & GENERAL INFORMATION**

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### **13.1 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 the 11<sup>th</sup> of June 2024, by the Board of Directors of the Fund Manager. The Fund is also authorised and registered in Nigeria as a Collective Investment Scheme by the SEC in accordance with Section 160 of the Investment Securities Act.

### **13.2 INDEBTEDNESS**

As at the date of this Prospectus, the Fund Manager has no outstanding debentures, mortgages, loans, charges or similar indebtedness. The solicitor to the Fund Manager is not aware of any pending claim or litigation against Vetiva Fund Managers Limited which may be material to the offering.

### **13.3 CLAIMS AND LITIGATION OF THE FUND MANAGER**

Vetiva Fund Managers Limited has no pending claim nor litigation.

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

As at the date of the Prospectus, the Fund Manager and the Trustee do not have any common shareholder, and neither is a subsidiary or holding company of the other. They do not have common Directors.

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

As at the date of the Prospectus, the Fund Manager and the Custodian do not have any common shareholder, and neither is a subsidiary or holding company of the other. They do not have common Directors.

### **13.6 COSTS AND EXPENSES**

The costs, charges and expenses of and incidental to the registration of the Fund, including fees payable to the SEC, professional parties, brokerage, printing and distribution expenses, shall not exceed 1% of the gross Offer proceeds and are payable by the Fund and deductible from the monies raised by the Fund.

### **13.7 MATERIAL CONTRACTS**

The following contracts have been entered into and are considered material to this Offer.

- a. A Custody Agreement dated \_\_\_\_\_ 2025 between The Fund Manager, The Custodian and The Trustee pursuant to which the Fund Manager has appointed UBA Global Investor Services 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.
- b. A Trust Deed dated \_\_\_\_\_ of \_\_\_\_\_ 2025 between The Fund Manager and The Trustee under which the Fund was constituted.

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

## 13.8 CONSENTS

The following have given and have not withdrawn their consents to the Prospectus and to have their names mentioned in the form and context in which they appear therein:

<b>The Fund Manager</b>	Vetiva Fund Managers Limited
<b>Directors of the Fund Manager</b>	Mr. Chuka Eseka (Chairman) Mr. Damilola Ajayi (Non-Executive Director) Mrs. Oyelade Eigbe (Managing Director/CEO) Mr. Abiodun Adeniran (Non-Executive Director) Mr. Olutade Olaegbe (Non-Executive Director) Mrs. Adeola Ajibade (Independent Non-Executive Director)
<b>Company Secretary</b>	ALP Nominees Limited
<b>Trustee to the Fund</b>	STL Trustees Limited
<b>Custodian</b>	UBA Plc (Global Investor Services Division)
<b>Registrars</b>	First Registrars and Investors Services
<b>Solicitors</b>	ALP Nominees Limited

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## 14. DOCUMENTS AVAILABLE FOR INSPECTION

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Copies of the following documents may be inspected at the office of Vetiva Fund Managers Limited, Plot 266B, Kofo Abayomi Street, Victoria Island, Lagos, during normal business hours on any working day (except public holidays).

- a. Certificate of Incorporation of the Fund Manager and the Trustee.
- b. Memorandum and Articles of Association of the Fund Manager and the Trustee
- c. The resolution passed on the 11<sup>th</sup> of June 2024 of the Board of Directors of the Fund Manager authorising the creation of the Fund and the issuance of 500,000 Units of the Fund.
- d. The Audited Accounts of Vetiva Fund Managers Limited for the year ended December 31, 2020 to the year ended December 31, 2023
- e. The duly executed Prospectus, trust deed and custody agreement issued in respect of the Offer.
- f. Solicitors' Opinion on Claims and Litigations involving the Fund Manager.
- g. The written consents of all the Directors of the Fund Manager and all Professional Parties.
- h. The SEC letter authorizing the Fund and registering the Units being offered.

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## 15. PROCEDURE FOR APPLICATION AND ALLOTMENT

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The process for participating in this offering involves the key steps discussed below:

### 15.1 PROCEDURE FOR APPLICATION

1. The general investing public is hereby invited to apply for Units of the Fund through any of the Receiving Agents listed on Page 68 of this Prospectus.
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 shall be rejected.
3. The application for the Units being offered shall commence on ~~8th, January, 2024~~ ~~8th, January, 2024~~. Applications must be for a minimum of 500 Units and in multiples of 500 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 on the Application Form.
4. A single applicant should sign the declaration and write his/her full names, address, daytime telephone number and mobile telephone number in the appropriate space on the Application Form. Where the application is being made on behalf of a minor, the full names of the applicant and the minor as well as the date of birth of the minor should be provided. Item "2" should be used by joint applicants. A corporate applicant should affix its seal in the box provided and state its incorporation Registration Number (RC) or in the case of a foreign subscriber, its appropriate identification number in the jurisdiction in which it was constituted.
5. Payment must be made in Dollars.
6. Payment in respect of the application must be transferred into the designated Custody account domiciled United Bank for Africa (Global Investor Services) with the following details  
Bank Name: United Bank for Africa Plc  
Account Name: ~~UBA~~ ~~NOM~~ – STL TRUSTEES/VETIVA USD FIXED INCOME FUND  
Account Number: 3004690402
7. All bank commissions, stamp duties and transfer charges must be prepaid by the applicant.
8. The Application Form when completed should be lodged with any branch of the Fund Manager along with supporting evidence showing the transfer of funds into the Offer proceeds account.

### 15.2 ALLOTMENT OF UNITS

Vetiva Fund Managers Limited reserves the right to accept or reject any application in whole or in part for not meeting the conditions of the Offer. In the event of an over subscription, additional Units of the Fund will be allotted subject to the Securities and Exchange Commission's approval.

All application monies will be made to the Fund's custody account, pending allotment. If any application is not accepted or is accepted for fewer Units than the number applied for, the application monies in full or the surplus amounts (as the case may be) will be transferred to the account number of the affected applicants as stated on the Application Form.

Statements of Unitholdings will be sent by either registered post to the physical address provided by the subscriber on the attached Application Form or by electronic mail to the email address provided on the attached Application Form, not later than 15 Business Days from the date of allotment.

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## **16. LIST OF RECEIVING AGENTS**

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All capital market operators with current SEC registration as at the date of this Prospectus are eligible to act as Receiving Agents to the Issue.

The Fund Manager cannot accept responsibility for the conduct of any of the Receiving Agents. Investors are therefore advised to conduct their own enquiries before choosing an agent to act on their behalf. All subscription application monies must be paid directly into the designated custody account and evidence of lodgment of funds to the Receiving Agent, in the absence of a corresponding evidence of receipt into designated custody account cannot give rise to liability on the part of the Fund Manager under any circumstances.





<b>SORT CODE:</b>		<b>BVN:</b>																	
<b>INCOME DISTRIBUTION</b>																			
PLEASE TICK TO INDICATE PREFERRED OPTION:										CASH DISTRIBUTION VIA BANK TRANSFER <input type="checkbox"/>					REINVESTMENT <input type="checkbox"/>				
<b>AUTHORISATIONS</b>																			
<b>SIGNATURE</b>					<b>2ND SIGNATURE (Corporate/Joint)</b>					<b>OFFICIAL SEAL/RC. NO.</b>									
										<b>OR *THUMBPRINT* (For Illiterates only)</b>									
<b>NAME OF AUTHORISED SIGNATORY (Corporate only)</b>					<b>NAME OF AUTHORISED SIGNATORY (Corporate/Joint)</b>														
<b>DESIGNATION (Corporate only)</b>					<b>DESIGNATION (Corporate only)</b>														
<b>FORM OF ATTESTATION (COMPULSORY REQUIREMENT FOR A WITNESS OF A THUMBPRINT IMPRESSION ONLY)</b>																			
<p>I, _____ [please insert full name of person attesting] of _____ [insert address] hereby testify that the above *thumbprint* was affixed in my presence this.....day of.....201...., 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) he/she has voluntarily executed this instrument and (ii) he/she understands the contents and effect thereof.</p> <p>As witness my hand this.....day of..... 2025.</p>																			
															Witness Signature: <input type="text"/>				

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## 18. INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

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1. Applications should be made only on the Application Form or photocopy, downloaded or scanned copy of the Application Form.
2. The Application List for the Units will be open to prospective investors from date specified in the Prospectus.
3. Applications must be for a minimum of 500 Units at the first instance and multiples 500 Units thereafter. The number of Units for which applications are made and the amount of the applicable value should be entered in the boxes provided.
4. Payment must be made in Dollars.
5. The Application Form when completed should be lodged with the Fund Manager or any Receiving Agents as indicated on Page 68 of this Prospectus. Applications should be forwarded together with the evidence of payment for the full amount of the purchase price payable. All bank commissions and transfer charges must be prepaid by the applicant.
6. Payments for applications should be transferred into the designated Custody Account with details indicated on Page 67 of this Prospectus.
7. The applicant(s) should make only one application, whether in his own name or in the name of a nominee. Multiple or suspected multiple applications will be rejected.
8. Joint applicants must all sign the Application Form.
9. An application for a minor must include full names and date of birth of the minor, as well as the full names and addresses of the adult (Parent or guardian) making the application on his/her behalf.
10. An application from a group of individuals should be made in the names of those individuals with no mention of the name of the group. An application by a firm, which is not registered under the Companies and Allied Matters Act Cap C 20 LFN 2004, should be made either in the name of the proprietor or in the names of the individual partners. In neither case should the name of the firm be mentioned.
11. An application from a corporate body must bear the corporate body's common seal and be completed under the hand of a duly authorised official.
12. An application by an illiterate should bear his/her right thumbprint on the Application Form and be witnessed by an official of the Fund Manager or Receiving Agent at which the application is lodged, who must first have explained the meaning and effect of the Application Form to the illiterate in the illiterate's own language. Above the thumbprint of the illiterate, the witness must record in writing that he has given this explanation to the illiterate in a language understandable to him/her and that the illiterate appeared to have understood same before affixing his/her thumb impression.
13. The applicant should not print his/her signature. If he/she is unable to sign in the normal manner, he/she should be treated for the purpose of this Offer as an illiterate and his/her right thumbprint should be clearly impressed on the Application Form.

## 19. INVESTOR DOCUMENTATION AND PARTICULARS GRID

Reference		Yes/No	N/A
The following documents / information are required in addition to executing the duly completed application/subsription forms			
<b>A</b>	<b>Individuals</b>		
1	Personal Identity (e.g. International Passport, National ID Card, Drivers' Licence, INEC Voters Card or any other Government issued ID bearing the Unitholders name and photograph		
2	Public Utility Receipt -PHCN, NITEL, Bank Statement etc		
3	One Passport sized photograph of the signatory (ies)		
<b>B</b>	<b>Corporate Bodies/Institutional Investors</b>		
1	Copy of Certificate of Incorporation or its equivalent		
2	Copy of Memorandum and Articles of Association or its equivalent		
3	Copy of Certified True Copy of Form C07 (Particulars of Directors) or its equivalent		
4	Copy of Certified True Copy of Form C02 or its equivalent		
5	A document providing evidence of the authority of the organisation to invest in the Schemes		
6	A specimen signature list of authorised signatories		
<b>C</b>	<b>Trustees</b>		
1	Copy of Trust Deed or any other documents creating the Trust		
2	Valid Personal Identification of the each of the trustees/authorised signatories		
3	Signature mandate duly executed by the trustees/signatories		
<b>D</b>	<b>Deceased/Executorship Accounts</b>		
1	Copy of Grant of probate/ letter of administration (whichever is applicable)		
2	Valid Personal Identification of the executor/administrator=		
3	Public Utility Receipt -NEPA, NITEL, Tax Clearance etc issued within the last three months of the executor/administrator		
4	One passport sized photographs of the executor/administrator		
<b>Please list any additional information/documentation submitted</b>			
1. _____			
2. _____			
<b>The Investor Name:</b> _____			
(Signature) _____			
(Date) _____			
<b>FOR OFFICIAL USE ONLY</b>			
<b>Verified by &amp; signed off by:</b> _____			
Comments (if any): _____			
<b>Signed off by Vetiva Fund Managers Limited:</b> _____			
Comments (if any): _____			

**APPLICATION FORM**  
**VETIVA USD FIXED INCOME FUND**