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"For information concerning certain risk factors which should be considered by prospective investors, see risk factors on pages 16-18"

**YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE PROSPECTUS. BEFORE SUBSCRIBING, PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, BANKER, OR AN INDEPENDENT INVESTMENT ADVISER REGISTERED BY THE SECURITIES AND EXCHANGE COMMISSION. INVESTORS ARE ADVISED TO NOTE THAT LIABILITY FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THE PROSPECTUS IS PROVIDED IN SECTIONS 85 AND 86 OF THE INVESTMENTS AND SECURITIES ACT NO 29, 2007 (THE "ACT"). 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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## **MERISTEM FIXED INCOME FUND**

(Authorised and Registered in Nigeria as an Open-Ended Mutual Fund)

OFFER FOR SUBSCRIPTION

OF

**50,000,000 UNITS**

OF

₦ 100 EACH AT PAR

PAYABLE IN FULL ON APPLICATION

**FUND MANAGER**



RC: 764153

**Fund Commencement Date after Registration: Wednesday, November 1, 2023**

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**THIS PROSPECTUS AND THE UNITS IT OFFERS HAVE BEEN APPROVED AND REGISTERED BY SECURITIES & EXCHANGE COMMISSION. IT IS A CIVIL WRONG AND CRIMINAL OFFENCE TO ISSUE A PROSPECTUS WHICH CONTAINS FALSE OR MISLEADING INFORMATION. THE CLEARANCE AND REGISTRATION OF THIS PROSPECTUS AND THE UNITS, WHICH IT OFFERS DO NOT RELIEVE THE PARTIES FROM ANY LIABILITY ARISING UNDER THE ACT FOR FALSE AND MISLEADING STATEMENTS CONTAINED HEREIN OR FOR ANY OMISSION OF A MATERIAL FACT IN THIS PROSPECTUS.**

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**This Prospectus is dated Thursday, October 12, 2023**

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## 1. DEFINITION OF TERMS

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

Abbreviation	Definition/Explanation
"Affiliate"	means: (a) a subsidiary; (b) holding company; or (c) any other subsidiary of a holding company of one of the Parties;
"Application Form"	The form to be completed by investors subscribing to Units in the Fund on page 40 of this Prospectus
"Benchmark"	The benchmark is the 5-year Tenor FGN Bond
"Bid Price"	The price at which an investor can sell/redeem Units of the Fund on the relevant day
"Business Day"	Any day other than a Saturday, Sunday, or a public holiday declared by the Federal Government of Nigeria
"CBN"	Central Bank of Nigeria
"Custodian" or "Rand Merchant Bank Nigeria Limited" or "(RMBN)"	Rand Merchant Bank Nigeria Limited (RMBN)
"Custodial Agreement"	The agreement dated Thursday, October 12, 2023 between Meristem Wealth Management Limited, Rand Merchant Bank Nigeria Limited (RMBN), and Emerging Africa Trustees Limited.
"Directors" or "Board"	The Directors of the Fund Manager, who comprises those persons whose names are set out on pages 23 & 25 as of this document's date.
"FGN"	Federal Government of Nigeria
"Fund Manager" or "MWML" or "Meristem Wealth Management Limited"	Meristem Wealth Management Limited
"Related Party"	means either of the Trustee, Fund Manager, or Custodian of the Fund.
"Related Party Transaction"	means transaction between the Affiliates of Related Parties and the Fund Manager acting on behalf of the Fund.
"Offer for Subscription"	The Offer for subscription of 50,000,000 Units of N100.00 each at par in the Meristem Fixed Income Fund.
"Offer price"	The price an investor shall be required to pay for a Unit when subscribing to the Fund".
"Offer Size"	NGN 5,000,000,000
"ISA"	Investment and Securities Act No, 29 2007
"LFN"	Laws of the Federation of Nigeria, 2004
"NAV" or "Net Asset Value"	The total value of the Fund's underlying investment portfolio, less any fees, charges, expenses, and other liabilities accrued by the Fund.
"Open-ended Fund"	A mutual fund can create and offer additional units outside of its initial offering continuously throughout its life. Units of such a fund can also be redeemed in line with the provisions of the trust deed constituting the fund.
"Prospectus"	This Fund document which is issued in accordance with the Rules and Regulations of the Commission
"Register"	Register of Unitholders
"Registrars"	Meristem Registrars and Probate Services Limited
"SEC" or "the Commission"	Securities & Exchange Commission
"The Fund"	Fixed Income Naira Fund, authorized and registered in Nigeria as a mutual fund
"Trust Deed"	The agreement dated Thursday, October 12, 2023 (as may be amended) between the Fund Manager and Trustees, which sets out the terms and conditions of the management and administration of the Fund, extracts of which are set out on pages 29 to 36 of this Prospectus.
"Trustee" or "Emerging Africa Trustees Limited"	Emerging Africa Trustees Limited
"Units"	An Individual share in the assets of the Fund

<b>"Unitholder"</b>	Any person or corporate body entered in the Register as a holder of the Units including persons so entered as joint Unitholders
<b>"Unit Statement" or "Statement of Unitholding"</b>	The statement to be issued to Unitholders by the Registrars, on behalf of the Fund Manager, and evidencing the purchase of Units in the Fund; as well as the title to Units in the Fund
<b>"₦" or "Naira" or "NGN"</b>	The official currency of the Federal Republic of Nigeria
<b>"Valuation Day"</b>	Any Business Day on which the Offer and Bid Prices are calculated after commencement of the Fund.

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## **2. IMPORTANT NOTICE**

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The Prospectus provides relevant information about this mutual fund to enable prospective investors make informed decisions. Due care has been taken to disclose material information about the investment opportunities presented by this mutual fund and all interested investors are strongly advised to read it thoroughly. The Commission has registered the Fund to operate as a mutual 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 in the 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 Fund shall, under any circumstances, create any implication that there has been no change in the affairs of the Fund 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 on offer, investors are advised to consult an investment advisor, a broker/dealer or other investment professionals for appropriate advice.

***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.***

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**3. INDICATIVE TIMELINE**

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<b>Date</b>	<b>Activity</b>	<b>Responsibility</b>
November 1, 2023	Fund Commencement after registration	Fund Manager
January 15, 2024	Collate Application Forms (Receiving Agents' returns)	Registrars
January 16, 2024	Collection of subscription monies	Custodian
January 19, 2024	Return rejected application monies	Registrars
January 22, 2024	Distribute Statement of Unit-holdings	Registrars
January 26, 2024	Forward Subscription Report and Initial Investment Report to SEC	Fund Manager

***\*All dates provided are tentative and subject to change by the Directors of the Fund Manager.***

#### 4. SUMMARY OF THE FUND

This summary draws attention to the information contained elsewhere in the Prospectus. It does not contain all the information a prospective investor in the Fund should consider in making an investment decision. The following information should be read in conjunction with the full text of this Prospectus, from which it is derived. Investors are advised to seek information on the applicable fees and charges before investing in the Fund:

<b>1</b>	<b>FUND NAME</b>	Meristem Fixed Income Naira Fund										
<b>2</b>	<b>FUND MANAGER/ PROMOTER</b>	Meristem Wealth Management Limited (MWML)										
<b>3</b>	<b>THE OFFER</b>	50,000,000 Units of ₦100 each at par										
<b>4</b>	<b>TRUSTEE</b>	Emerging Africa Trustees Limited										
<b>5</b>	<b>CUSTODIAN</b>	Rand Merchant Bank Nigeria Limited (RMBN)										
<b>6</b>	<b>METHOD OF OFFER</b>	Offer for Subscription										
<b>7</b>	<b>UNITS OF SALE</b>	100 initial Units										
<b>8</b>	<b>MINIMUM UNITS AVAILABLE FOR SUBSCRIPTION</b>	100 initial Units										
<b>9</b>	<b>OFFER SIZE</b>	₦5,000,000,000										
<b>10</b>	<b>PAYMENT TERMS</b>	In full-on application										
<b>11</b>	<b>FUND COMMENCEMENT DATE</b>	Wednesday, November 1, 2023										
<b>12</b>	<b>NATURE OF THE FUND</b>	<p>The Fund is an open-ended mutual fund that seeks to provide Investors with income generation, liquidity, and diversification while providing a competitive return on investment. The Fund will be invested in short to long-term fixed-income securities that are denominated in Naira.</p> <p>The Fund is targeted at investors who seek Naira-denominated fixed-income securities.</p> <p>The Fund Manager shall, with the Trustee's consent, invest in any of the following asset classes in accordance with the maximum limits specified in the table below.</p> <table border="0"> <thead> <tr> <th><b>Asset Allocation</b></th> <th><b>Range</b></th> </tr> </thead> <tbody> <tr> <td>Fixed Income Instruments with a tenor of more than 365 days (FGN Bonds, Corporate Bonds, State Bonds)</td> <td>70% - 100%</td> </tr> <tr> <td colspan="2">***Allocations to Corporate Bonds and State Bonds shall not exceed 20% of total allocations to Fixed income instruments.</td> </tr> <tr> <td>Short Term Instruments (T-bills, Commercial papers, Bankers' acceptance, Bank placement etc.)</td> <td>10% - 30%</td> </tr> <tr> <td>Cash</td> <td>0% - 5%</td> </tr> </tbody> </table>	<b>Asset Allocation</b>	<b>Range</b>	Fixed Income Instruments with a tenor of more than 365 days (FGN Bonds, Corporate Bonds, State Bonds)	70% - 100%	***Allocations to Corporate Bonds and State Bonds shall not exceed 20% of total allocations to Fixed income instruments.		Short Term Instruments (T-bills, Commercial papers, Bankers' acceptance, Bank placement etc.)	10% - 30%	Cash	0% - 5%
<b>Asset Allocation</b>	<b>Range</b>											
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Short Term Instruments (T-bills, Commercial papers, Bankers' acceptance, Bank placement etc.)	10% - 30%											
Cash	0% - 5%											

13	<b>INVESTMENT OBJECTIVES</b>	<p>The Fund seeks to help achieve the Fund Manager’s strategic objective of meeting its client’s needs as it provides an opportunity for investors seeking income generation whilst providing liquidity and diversification. The Fund also seeks to assist investors who may not be able to invest in various individual fixed-income securities due to expertise or the minimum tradeable size constraints to achieve their long-term investment goals by investing along the fixed-income yield curve in a manner that manages reinvestment risk, provides income and generates a competitive return.</p> <p>Proceeds of the Fund issue will be invested in short to long-term fixed-income instruments and the investment policy shall be as stated in the Trust Deed of the Fund.</p>
14	<b>BENCHMARK INFORMATION</b>	The benchmark is a 5-year Tenor FGN Bond
15	<b>INCOME AND DISTRIBUTION</b>	<p>The amount to be distributed as return to Unitholders shall be 75% of the net income that has accrued to the Fund during a Financial Year (the “return”). The Manager shall distribute the returns amongst the Unitholders in accordance with their respective holdings of the Units Bi-annually. Each Unitholder has the option to reinvest their dividend in the Fund. The 25% of the net income that has accrued to the Fund during a Financial Year shall be automatically reinvested in the Fund amongst the Unitholders in accordance with their respective holdings of the Units.</p>
16	<b>INVESTMENT STRATEGY</b>	<p>The strategy for the Fund is to achieve competitive returns by investing in high-quality fixed-income instruments across the curve. The Fund Manager will attempt to outperform the relevant benchmark by identifying high-yield investment-grade instruments in line with the asset allocation policy.</p>
17	<b>MANDATORY SUBSCRIPTION</b>	<p>In accordance with section 450 (2) of SEC Rules (as amended) the Sponsor of the Fund shall subscribe to a minimum of 5% of the registered units of the Fund at inception and these units shall be held for the life of the Fund.</p>
18	<b>MINIMUM INVESTMENT PERIOD</b>	<p>The minimum holding period for an investment in the Fund is 90 calendar days. Unitholders can redeem their Units within five (5) Business Days following receipt by the Fund Manager or any of its agents of a Redemption Notice together with the latest statement of Unitholding. Investors may redeem all or some of the Units held at any time after allotment subject to the transfer and redemption clause. However, redemptions within three (3) months of making the initial investment shall attract an early redemption fee of 20% of the accrued income.</p>
19	<b>STATUS</b>	<p>The units qualify as securities in which pension fund assets can be invested under the Pension Reform Act No. 4 of 2014 and securities in which Trustees may invest under the Trustees Investments Act (Cap T22 LFN 2004).</p>
20	<b>SPONSOR</b>	<p>The Fund is sponsored by Meristem Wealth Management Limited. Meristem Wealth Management Limited is duly registered with SEC to carry out fund and portfolio management services.</p>



<b>21</b>	<b>SELLING RESTRICTIONS</b>	Under no circumstance shall this prospectus constitute an offer to sell or the solicitation of an offer to buy the Units in any jurisdiction in which such offer, solicitation, or sale would be unlawful, nor shall there be any transaction regarding any of these Units in any jurisdiction in which such transaction would be unlawful.	
<b>22</b>	<b>OVERSUBSCRIPTION</b>	In the event of oversubscription, additional Units of the Fund will be registered with the SEC and allotted to subscribers.	
<b>23</b>	<b>RISKS</b>	An investment in the Fund involves various risks. Investors in the Fund should be willing to accept some degree of volatility in the price of the Fund. Consequently, it is important to have a complete understanding of the investment strategies and underlying products from which the Fund derives its value to evaluate the risks. These risks are outlined on pages 16,17 and 18 of this Prospectus.	
<b>24</b>	<b>STATEMENT OF UNITHOLDING</b>	Unitholders will be issued with Unit Statements, which shall constitute the evidence of their title to the number of Units specified on such statements.	
<b>25</b>	<b>TARGET INVESTORS</b>	Investment in the Funds is open to individuals (Retail and High net worth), and institutional investors.	
<b>26</b>	<b>QUOTATION</b>	The Fund will not be listed on any exchange.	
<b>27</b>	<b>FEES AND OTHER EXPENSES</b>	Fund Manager	An annual management fee of 1.5% of the Net Asset Value of the Fund.
		Others	Other recurring expenses of the Fund include fees payable to the Trustee, Custodian, Registrars, and Auditor.
		Other Expenses	<p>The initial costs of setting up the Fund will be charged against the total Offer proceeds. These costs include regulatory and professional expenses, printing, advertisement &amp; publicity as well as brokerage commissions. The Offer expenses shall not exceed N50,000,000 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.</p> <p>The total expenses of the Fund (including the annual management fee) but excluding incentive fees shall not exceed 3.5% of the net asset value of the Fund per annum.</p>

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## 5. THE OFFER

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A copy of this Prospectus and the documents specified herein have been approved by the Trustee prior to being delivered to the SEC for registration.

This Prospectus is being issued in compliance with the provisions of the Investment and Securities Act (No 29, 2007) and the Rules & Regulations of the Commission. The Prospectus contains particulars in compliance with the requirements of the Commission, for purposes of giving information in respect of the Offer for Subscription of 50,000,000 Units of the Fund at NGN100 per unit by Meristem Wealth Management Limited. The Fund is authorized and registered by SEC as an open-ended mutual fund.

The Directors of the Fund Manager collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus. The Directors have taken reasonable care to ensure the facts contained herein are true and accurate in all respects, and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no material facts, the omission of which would make any statement contained herein misleading or untrue.

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RC: 764153

## **OFFER FOR SUBSCRIPTION**

OF

**50,000,000 UNITS**

OF

₦100 EACH AT PAR

IN THE

## **MERISTEM FIXED INCOME FUND**

(Authorised and Registered in Nigeria as an Open-Ended Mutual Fund)

PAYABLE IN FULL ON APPLICATION

**Fund Commencement Date after Registration: Wednesday, November 1, 2023**

**6. CORPORATE DIRECTORY OF THE FUND MANAGER**

<b>FUND MANAGER:</b>	<b>MERISTEM WEALTH MANAGEMENT LIMITED</b> 20A, Gerrard Road Ikoyi Lagos. Telephone:01-4488260 Email: <a href="mailto:crmwealth@meristemng.com">crmwealth@meristemng.com</a> Website: <a href="http://www.meristemwealth.com">www.meristemwealth.com</a>
<b>DIRECTORS TO THE FUND MANAGER:</b>	<b>CHIEF MICHAEL ADE OJO, OON (Chairman) – NON - EXECUTIVE DIRECTOR</b> 20A, Gerrard Road Ikoyi Lagos.
	<b>COL. AS KELE (RTD.) – NON-EXECUTIVE DIRECTOR</b> 20A, Gerrard Road Ikoyi Lagos.
	<b>OLUSEGUN OLUSANYA – NON-EXECUTIVE DIRECTOR</b> 20A, Gerrard Road Ikoyi Lagos.
	<b>SYLVERIUS I.C OKOLI – NON-EXECUTIVE DIRECTOR</b> 20A, Gerrard Road Ikoyi Lagos.
	<b>SULAIMAN ADEDOKUN, CFA – MANAGING DIRECTOR</b> 20A, Gerrard Road Ikoyi Lagos.
	<b>WOLE ABEGUNDE – EXECUTIVE DIRECTOR</b> 20A, Gerrard Road Ikoyi Lagos.
<b>COMPANY SECRETARY:</b>	<b>MWML Nominee Limited</b> 20A, Gerrard Road Ikoyi Lagos.
<b>PRINCIPAL OFFICERS OF THE FUND:</b>	Sulaiman Adedokun, CFA Taiwo Yusuf, CFA Okiemute Sagua Cassandra Eromosele, CFA
<b>MEMBERS OF THE FUND INVESTMENT COMMITTEE:</b>	Representatives of the Fund Manager: -Sulaiman Adedokun, CFA -Taiwo Yusuf, CFA -Okiemute Sagua -Cassandra Eromosele, CFA -Femi Ilori  Ola Oladele, CFA (Independent member) Representative of the Trustees - Felicia Sonubi

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**7. PROFESSIONAL PARTIES TO THE OFFER**

<b>TRUSTEE TO THE FUND:</b>	<b>EMERGING AFRICA TRUSTEES LIMITED</b> 13 Maitama Sule Street, Off Raymond Njoku, South-West Ikoyi, Lagos.
<b>CUSTODIAN TO THE FUND:</b>	<b>RAND MERCHANT BANK NIGERIA LIMITED</b> 3 <sup>rd</sup> Floor Wings East Tower 17a Ozumba Mbadiwe Street, Victoria Island, Lagos Nigeria.
<b>REGISTRARS:</b>	<b>MERISTEM REGISTRARS &amp; PROBATE SERVICES LTD</b> 213, Herbert Macaulay, Yaba, Lagos
<b>SOLICITORS TO THE FUND:</b>	<b>DEALHQ PARTNERS</b> 3b Dr Omon Ebhomenye St, Lekki Phase 1, Lagos, Nigeria.

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## **8. MERISTEM FIXED INCOME FUND**

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### **8.1 PARTICULARS OF THE FUND**

The Meristem Fixed Income Fund is an open-ended mutual fund and proceeds of the issue shall be invested in naira-denominated Fixed Income Securities issued by the Federal Government of Nigeria (FGN), Nigerian Top Tier Banks, and other qualifying Corporates whose securities are registered with the Commission as may be determined by the investment committee.

### **8.2 OBJECTIVES OF THE FUND**

The objective of the Fund is to provide an investment vehicle that will enable the Unitholders of the Fund earn stable income over the long term, by investing in a diversified portfolio of predominantly fixed-income instruments. The Fund seeks to help achieve the Fund Manager's strategic objective of meeting its client's needs as it provides an opportunity for investors seeking income generation whilst providing liquidity and diversification. The Fund also seeks to assist investors who may not be able to invest in various individual fixed-income securities due to expertise or the minimum tradeable size constraints to achieve their long-term investment goals by investing along the fixed-income yield curve in a manner that manages reinvestment risk, provides income and generates a competitive return.

### **8.3 TARGET INVESTORS**

Investment in the Fund is open to individuals (Retail and High net worth), and institutional investors.

### **8.4 INVESTMENT STRATEGY**

The strategy for the Fund is to achieve competitive returns by investing in high-quality fixed-income instruments across the curve. The Fund Manager will attempt to outperform the relevant benchmark by identifying high-yield investment-grade instruments in line with the asset allocation policy.

The Fund Manager shall not alter the Investment Policy of the Fund without the sanction of the Unitholders, the Trustee, and the Commission, and such sanction shall not be unreasonably withheld by the Trustee.

The table below highlights the proposed asset allocation within the Fund.

<b>Asset Allocation</b>	<b>Range</b>
Fixed Income Instruments with a tenor of more than 365 days (FGN Bonds, Corporate Bonds, State Bonds)	70% - 100%
Short Term Instruments (T-bills, Commercial papers, Bankers' acceptance, Bank placement etc.)	10% - 30%
Cash	0% - 5%

\*\*\*Allocations to Corporate Bonds and State Bonds shall not exceed 20% of total allocations to Fixed income instruments.

### **8.5 INVESTMENT MANAGEMENT COMMITTEE**

The Investment Management of the Fund will be undertaken by the Fund Manager, Meristem Wealth Management Limited. The members of the Investment Committee of the Fund Manager are as follows:

- a. Representatives of the Fund Manager
  - Sulaiman Adedokun, CFA
  - Taiwo Yusuf, CFA
  - Okiemute Sagua
  - Cassandra Eromosele, CFA
  - Femi Ilori
- b. Ola Oladele CFA (Independent member)
- c. Representative of the Trustees – Felicia Sonubi

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## **8. MERISTEM FIXED INCOME FUND**

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### **8.6 MINIMUM INVESTMENT PERIOD**

The minimum holding period for an investment in the Fund is 90 days. Unitholders can redeem their Units within five (5) Business Days following receipt by the Fund Manager or any of its agents of a Redemption Notice together with the latest statement of Unitholding. Unitholder may redeem all or some of the Units held at any time after allotment subject to the transfer and redemption clause. However, redemptions within three (3) months of making the initial investment shall attract an early redemption fee of 20% of the accrued income.

### **8.7 INVESTING IN THE FUND**

Investors can subscribe to the Fund by completing the Application Form on page 46 of this prospectus. Investors can invest in or dispose of Units of the Fund as indicated below:

- a) By obtaining a Purchase Order Form or Redemption Form directly from the Fund Manager, or any other agent(s) duly appointed by the Fund Manager.
- b) Completed forms should be returned to the office of the Fund Manager in accordance with the instructions specified on the relevant form.

### **8.8 TRANSFER AND REDEMPTION**

Unitholders can redeem their holdings after an initial holding period of 90 calendar days. Redemption requests made within three (3) months of subscription would attract an early redemption fee of 20% of the investor's accrued income. Redemption payments will normally be made five (5) Business Days after the relevant Valuation Day at the prevailing Net Asset Value following the date of receipt of the redemption notice. Redemption forms are available upon request from the Fund Manager or the Trustee.

The minimum initial holding in the Fund is 100 Units. Where a partial redemption will result in less than the minimum holding, the Unitholder will be required to redeem all the Units held. Where there is a partial redemption, a statement of unit-holding will be issued for the new number of units held following such partial redemption.

Every Unitholder shall be entitled to transfer their Units through the Fund Manager in accordance with the provisions of the Trust Deed. In the case of the death of a Unitholder, the legal representative of such deceased may apply to have the Units transferred to the deceased's nominee. Such application shall be accompanied by the Statement of unit-holding relating to such Units, which must be surrendered before any transfer or redemption whether for the whole or any part thereof can be registered. Units purchased 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 Unit Statement and a valid means of identification.

### **8.9 VALUATION OF THE UNITS**

The valuation of the Units shall be done at the close of each Business Day or such other period which the Fund Manager may advise from time to time, based on the formula approved by the SEC from time to time. The current formula approved by the Commission is as follows:

#### **COMPUTATION OF BID PRICE**

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

1. Fixed-income investments
2. Other investments (with disclosures)
3. Cash and bank
4. Less payables (if any, with disclosures)

**Less expenses (as applicable):**

1. Auditor's fee
2. Custodian's fee
3. Fund manager's fee
4. Trustee's fee
5. Registrar's fee
6. Other allowable fees and expenses (with disclosures)

**Net asset value after fees**

**Less charges:**

1. Stamp duties (0.0075 x Quoted ordinary shares)
2. Brokerage fees (0.003 x Quoted ordinary shares)
3. Securities Exchange (sell only) (0.003 x Quoted ordinary shares)
4. CSCS (sell only) (0.0075 x Quoted ordinary shares)

**Bid Value at Valuation Date:**

Bid Price = Bid Value at Valuation Date / Number of Outstanding Units

**COMPUTATION OF OFFER PRICE**

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

1. Fixed-income investments
2. Other investments (with disclosures)
3. Cash and bank
4. Less payables (if any, with disclosures)

**Less expenses (as applicable):**

1. Auditor's fee
2. Custodian's fee
3. Fund manager's fee
4. Trustee's fee
5. Registrar's fee
6. Other allowable fees and expenses (with disclosures)

**Net asset value after fees**

**Add charges:**

1. Stamp duties (0.0075 x Quoted ordinary shares)
2. Brokerage fees (0.003 x Quoted ordinary shares)
3. SEC (buy only) (0.003 x Quoted ordinary shares)

**Offer Value at Valuation Date:**

Offer Price = Offer Value at Valuation Date / Number of Outstanding Units



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## **8. MERISTEM FIXED INCOME FUND**

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### **8.10 INCOME AND DISTRIBUTION**

The amount to be distributed as return to Unitholders shall be 75% of the net income that has accrued to the Fund during a Financial Year (the "return"). The Manager shall distribute the returns amongst the Unitholders in accordance with their respective holdings of the Units Bi-annually. Each Unitholder has the option to reinvest their returns in the Fund. The 20% of the net income that has accrued to the Fund during a Financial Year shall be automatically reinvested in the Fund amongst the Unitholders in accordance with their respective holdings of the Units. However, Unitholders may opt to either receive the distribution in cash or in re-invest in additional units of the Fund, in line with the provisions of the Trust Deed.

### **8.11 UNITHOLDERS' MEETINGS AND VOTING RIGHTS**

The Fund Manager may, with the consent or at the request of the Trustee, call a meeting of Unitholders within four (4) months of the close of a financial year to consider the accounts and other matters affecting the Fund. Also, the Trustee or the Fund Manager with the consent of the Trustee shall at the request in writing of Unitholders holding not less than twenty-five percent (25%) in value of the Units for the time being outstanding (other than Units of which the Fund Manager is the beneficial owner) convene a meeting of Unitholders, provided that the quorum shall only be formed by at least five (5) Unitholders holding not less than 25% of the issued Units in the Fund.

### **8.12 STATEMENT OF UNITHOLDING**

Unitholders will be issued with Unit Statements, which shall constitute the evidence of their title to the number of Units specified on such statements.

### **8.13 TAX CONSIDERATIONS**

The profit derived from investing in the Fund is not tax-free. Hence investors will be taxed on the profit obtained, by the tax authority. Please note that taxation-related issues are subject to changes in legislation. Investors are therefore advised to seek tax advice regarding an investment in the Fund from their professional tax advisers.

### **8.14 FEES AND EXPENSES**

The fees and Offer expenses payable in respect of the Fund are detailed below:

<b>Fund manager</b>	An annual management fee of 1.5% of the Net Asset Value of the Fund, payable quarterly in arrears.
<b>Others</b>	Other expenses include fees payable to the Trustee, Custodian, Registrars, and Auditors.
<b>Offer Expenses</b>	The initial costs of setting up the Fund will be charged against the total offer proceeds. These costs include regulatory and professional expenses, printing, advertisements & publicity as well as brokerage commissions estimated at approximately N9,662,500 representing 0.193% of the offer size. This cost will be borne by the Unitholders and offset from the Offer proceeds. All future costs and expenses of maintaining the Fund shall be deducted from the income generated by the Fund.

### **8.15 RISK FACTORS**

An investment in the Fund involves various risks. Investors in the Fund should be willing to accept some degree of volatility in the price of the fund. Consequently, it is important to have a complete understanding of the investment strategies and underlying products from which the Fund derives its value to evaluate the risks.

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## **8. MERISTEM FIXED INCOME FUND**

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Therefore, investors should carefully consider the following risks before investing in the Fund.

The Fund Manager shall adopt a robust risk management framework and shall ensure that the risk factors mentioned below are monitored regularly to minimize the potential effects on the Fund's value. The Fund Manager shall from time-to-time stress test the portfolio using various simulation scenarios to show any potential risk that could impact the Fund. The result of the test shall be reported to the Investment Committee.

### **Political risk:**

Political risk is the risk an investment's returns could suffer as a result of political changes or instability in a country. Instability affecting investment returns could stem from a change in government, legislative bodies, other foreign policymakers, or military control. Political risk becomes more of a factor as the time horizon of investment gets longer. 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 fixed-income securities.

### **Economic risk:**

Economic risk refers to the possibility that changes in macroeconomic conditions will negatively impact investment. Any change in the price or production of the country's primary and most dependent source of income(oil) will have a wide-reaching impact on all other sectors of the Nigerian economy, including the dollar-earning ability of the Federal Government of Nigeria. This will also spill into the Eurobond market which will lead to a selloff and may affect the value of the fund.

### **Currency risk:**

Movement in exchange rates could result in a devaluation of the naira, which may affect the value of the underlying assets and in turn, have a negative impact on the yields of the fund.

### **Interest Rate risk:**

This is the potential for investment losses that result from a change in interest rates which occurs when interest rates rise significantly higher than the rates on the investments resulting in lower market value. The fund's performance may be impacted by adverse movements in interest rates which can negatively impact the value of securities which the fund holds. Interest rates have the biggest effect on debt instruments as they are highly sensitive to changes in interest rates.

### **Credit risk:**

This is a risk that the issuer of a security will default or otherwise become unable to honour a financial obligation, and as a result the value of the investment could decline. The price and liquidity of a security can also be adversely affected as credit status deteriorates and the probability of default rises.

### **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.

### **Regulatory risk:**

The Fund is subject to various forms of regulations. These regulations may have an adverse effect on the Fund. These regulations may inadvertently, lead to higher cost impact on the Fund. This risk may arise from the 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.

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**8. MERISTEM FIXED INCOME FUND**

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**Investment/loss risk:**

The capital market experiences volatility and assurance of the achievement of projected returns cannot be given. However, the fund manager shall use its skills and expertise to invest the funds in safe and secured investments but does not take responsibility nor provide any assurance or guarantee that any objective or any returns would be achieved.

**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. 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.

## 9. HISTORICAL FINANCIAL INFORMATION OF THE FUND MANAGER

	10M: 2022	2021	2020	2019	2018	2017
PROFIT OR LOSS ACCOUNT		N'000	N'000	N'000	N'000	N'000
Fees	88,291,020	1,956,896	780,150	778,657	737,389	664,825
Interest Income	976,764,717	4,312,082	4,023,342	3,828,166	3,670,233	2,529,527
Other Income	1,706,419,262	369,564	402,149	111,432	440,971	15,107
Gains on Disposal	-	338,772	1,861,098	149,933	-	747,796
Trading Income/Dividend Income	518,590,489	-	-	-	-	-
<b>Total Income</b>	<b>3,290,065,489</b>	<b>6,977,314</b>	<b>7,066,739</b>	<b>4,868,188</b>	<b>4,848,593</b>	<b>3,957,255</b>
Fair Value changes on financial assets	-	-	-	7,059	-	-
Interest expense	-	(3,743,416)	(3,351,298)	(3,605,380)	(2,590,738)	(1,991,094)
Personnel Expenses	(1,144,618,523)	(463,165)	(706,368)	(489,601)	(598,847)	(526,592)
Impairment charge on Financial Assets	-	160,044	(143,217)	(157,317)	(330,850)	(81,229)
Operating expenses	(1,067,736,261)	(2,127,361)	(725,262)	(661,604)	(656,132)	(522,052)
Depreciation	(70,871,231)	(51,757)	(38,845)	(36,579)	(37,690)	(27,141)
Depreciation of right of use assets	-	(17,739)	(18,004)	(17,254)	-	-
Amortization	-	(10,837)	(10,027)	(4,710)	(6,557)	(6,418)
<b>Total Expenses</b>	<b>(2,283,226,015)</b>	<b>(6,254,231)</b>	<b>(4,993,021)</b>	<b>(4,965,386)</b>	<b>(4,220,814)</b>	<b>(3,154,526)</b>
<b>Profit/(loss) before Tax</b>	<b>1,006,839,475</b>	<b>723,083</b>	<b>2,073,718</b>	<b>(97,198)</b>	<b>627,779</b>	<b>802,729</b>
Taxation	(322,188,632)	(4,163)	(117,891)	(20,722)	(135,022)	(223,592)
<b>Profit/(loss) after Tax</b>	<b>684,650,843</b>	<b>718,920</b>	<b>1,955,827</b>	<b>(76,476)</b>	<b>762,801</b>	<b>579,137</b>

## 9. HISTORICAL FINANCIAL INFORMATION OF THE FUND MANAGER

	10M: 2022	2021	2020	2019	2018	2017
	N'000	N'000	N'000	N'000	N'000	N'000
<b>Assets</b>						
Cash and Cash Equivalents	6,857,451	8,081,627	19,900,795	4,230,361	3,415,155	7,122,692
Financial Asset at fair value through profit or loss	8,173,030	11,198,670	3,338,792	159,490	-	-
Financial assets at fair value through OCI	5,350,566	880,719	845,339	409,520	-	-
Investment Securities	58,141,207	42,084,680	34,818,709	26,259,193	23,265,524	15,874,614
Trade and other receivables	116,515	2,048,244	721,624	696,323	829,258	704,841
Loans and advances	16,170,331	12,090,496	6,776,951	5,483,354	2,500,534	2,192,994
Investment in subsidiary	509,219	509,219	509,219	509,219	509,219	509,219
Investment property	475,812	432,813	442,479	384,503	388,912	72,650
Property, Plant and Equipment	510,150	149,927	81,342	75,663	91,277	55,130
Right of use asset	-	47,090	17,739	32,237	-	-
Intangible assets	43,886	158,384	132,506	138,384	44,122	27,179
Prepayments	187,660	-	-	-	-	-
<b>Total Assets</b>	<b>96,535,827</b>	<b>77,681,869</b>	<b>67,585,495</b>	<b>38,378,247</b>	<b>31,044,001</b>	<b>26,559,319</b>
<b>Liabilities</b>						
Trade and other payables	1,666,719	1,040,291	952,140	306,548	434,632	492,026
Lease Liability	-	47,091	75,696	90,190	56,397	-
Funds under management	83,674,902	71,651,379	61,833,861	34,757,879	27,102,720	23,077,200
Loan payable to related party	-	-	366,671	335,447	299,506	295,295
Current Income tax payables	-	30,656	102,980	26,042	46,689	25,732
Deferred tax liabilities	-	-	26,492	26,492	71,629	234,554
<b>Total Liabilities</b>	<b>90,938,724</b>	<b>72,769,417</b>	<b>63,357,840</b>	<b>35,542,598</b>	<b>28,011,573</b>	<b>24,124,807</b>
<b>Equity</b>						
Share Capital	800,000	800,000	800,000	800,000	800,000	800,000
Reserves	-	342,050	376,172	(59,647)	60,656	142,084
Retained Earnings	4,797,103	3,770,402	3,051,483	2,095,296	2,171,772	1,492,428
<b>Total Equity</b>	<b>5,597,103</b>	<b>4,912,452</b>	<b>4,227,655</b>	<b>2,835,649</b>	<b>3,032,428</b>	<b>2,434,512</b>
<b>Total Equity and Liabilities</b>	<b>96,535,827</b>	<b>77,681,869</b>	<b>67,585,495</b>	<b>38,378,247</b>	<b>31,044,001</b>	<b>26,559,319</b>

## 9. HISTORICAL FINANCIAL INFORMATION OF THE FUND MANAGER

CASHFLOW STATEMENT	10M: 2022	2021	2020	2019	2018	2017
		N'000	N'000	N'000	N'000	N'000
Cashflow from operating activities						
<b>Profit/(loss) before Tax</b>	<b>1,006,839</b>	723,083	2,073,718	(97,198)	627,779	802,729
<b>Adjustment for non-cash items:</b>						
Depreciation of PPE	59,635	51,757	38,845	36,579	37,690	27,141
Depreciation of right of use assets	-	17,739	18,004	17,254	6,557	-
Amortization of intangible assets	11,236	10,837	10,027	4,710	-	6,418
Fair value through profit/(loss) financial instruments	1,444,207	(263,902)	30,296	(2,650)	32,440	-
Unrealized foreign exchange gains	-	29,394	(88,558)	7,522	(173,093)	(703,227)
Dividend Income	-	(95,390)	(3,300)	0	(29,517)	(6,980)
Changes in fair value of investment property	-	(13,412)	(56,624)	4,409	(54)	-
Interest Income	(6,018,543)	(4,312,082)	(4,023,342)	(3,818,544)	(3,670,233)	(2,529,527)
Impairment charge on financial assets	-	(160,044)	143,217	157,317	330,850	81,229
Gain/loss on sale of investments	(39,173)	(74,870)	(1,891,394)	(150,558)	-	2,000
Gain/Loss on disposal of PPE and intangibles	(1,265)	(2,020)	(6,091)	625	-	-
Interest expense	5,183,149	3,547,926	3,351,298	3,605,380	2,590,738	1,991,094
	<b>1,646,085</b>	<b>(540,984)</b>	<b>(403,544)</b>	<b>(235,154)</b>	<b>(246,843)</b>	<b>(329,123)</b>
<b>Changes in operating assets and liabilities</b>						
Trade and other receivables	(1,931,729)	(1,330,899)	87,543	231,475	(437,510)	476,241
Loans and advances	(4,079,837)	(5,313,545)	(1,261,335)	(3,070,354)	(630,277)	389,740
Lease Liabilities	-	-	3,610	-	3,433,319	10,937,744
Funds under management	(1,931,729)	66,516	26,495,444	7,632,218	(59,842)	9,501
Trade and other payables	12,023,523	9,817,518	631,244	(128,084)	-	56,397
	<b>5,726,313</b>	<b>2,698,606</b>	<b>25,552,962</b>	<b>4,430,101</b>	<b>2,058,847</b>	<b>11,540,500</b>
Income tax paid	-	-	-	-	-	-
Interest received	(852)	(102,980)	(40,953)	(6,281)	(7,499)	(20,564)
Interest paid	3,333,255	865,455	1,075,307	1,483,967	(2,555,303)	(1,959,870)
	<b>(5,183,149)</b>	<b>(4,593,422)</b>	<b>(2,723,091)</b>	<b>(3,569,439)</b>	<b>(35,435)</b>	<b>(31,224)</b>
<b>Net cash (used in)/generated from operating activities</b>	<b>3,875,567</b>	<b>(1,132,341)</b>	<b>23,864,226</b>	<b>2,338,348</b>	<b>(539,390)</b>	<b>9,528,842</b>

<b>Cashflow from investing activities</b>						
Interest received	-	-	-	-	4,242,038	2,529,526
Dividend received	360,223	95,390	3,300	-	29,517	6,980
Purchase of PPE and intangibles	(1,265,000)	(120,341)	(53,973)	(137,063)	-	(6,310)
Purchase of Intangible assets	-	-	-	-	(73,836)	(4,904)
Proceed from disposal of PPE and intangibles	(114,498)	1,980	7,884	16,500	-	(265,388)
Purchase of investment property	-	-	-	-	(50,130)	39,000
Purchase of financial instruments	(54,337,466)	(31,444,973)	(50,523,240)	(25,974,844)	(12,604,036)	(11,914,758)
Proceeds from disposal of financial instruments	50,256,999	20,738,794	43,333,300	24,578,203	5,134,228	<b>1,743,798</b>
<b>Net cash (used in)/generated from investing activities</b>	<b>(5,099,742)</b>	<b>(10,729,150)</b>	<b>(7,232,729)</b>	<b>(1,517,204)</b>	<b>(3,345,719)</b>	<b>(7,872,056)</b>
<b>Cashflow from financing activities</b>						
Finance Lease payments	-	(17,739)	(20,203)	(13,208)	-	-
Dividend paid	-	-	(1,000,000)	-	-	-
<b>Net cash (used in) financing activities</b>	<b>-</b>	<b>(17,739)</b>	<b>(1,020,203)</b>	<b>(13,208)</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1,224,175)</b>	<b>(11,879,231)</b>	<b>15,611,294</b>	<b>807,936</b>	<b>(3,885,109)</b>	<b>1,656,786</b>
Cash and Cash equivalent at beginning of the year	8,081,627	19,900,795	4,230,361	3,415,155	7,122,692	4,762,678
Impact of exchange rate changes on cash and cash exchanges	-	(60,062)	(59,140)	(7,270)	(177,573)	(703,227)
<b>Cash and Cash equivalent at end of the year</b>	<b>6,857,451</b>	<b>8,081,627</b>	<b>19,900,795</b>	<b>4,230,361</b>	<b>3,415,155</b>	<b>7,122,692</b>

## 10. INFORMATION ON THE FUND MANAGER AND THE TRUSTEES

### 10.1 BRIEF PROFILE OF THE FUND MANAGER

Meristem Wealth Management Limited is a wholly owned subsidiary of Meristem Securities Limited. The company was incorporated on the 1st of August 2008 with a fully paid-up capital of N500 million and registered as Portfolio/Fund Managers with SEC in 2017.

The company's business is all about wealth management for both high-net-worth individuals and corporate organizations. Wealth Management is a comprehensive financial plan that is targeted towards high-net-worth individuals and their families for the purpose of helping them achieve their life goals of wealth preservation, wealth growth and enhancement, as well as a smooth transfer of their wealth. It involves estate planning, investment management, insurance advice/planning, tax planning etc.

Meristem Wealth Management has evolved over the years as a household name in investment portfolio management in Nigeria. The Company has a variety of portfolios developed for retail and semi-retail clients. Each portfolio is designed to meet the investment objectives of specific groups of people while affording them the primary objective of quality returns on sums invested.

The fund Manager has successfully managed the following funds:

Name of Fund	Year Commenced	Aggregate Value		
		Quoted Equities	Money Markets	Others
<b>MERISTEM MONEY MARKET FUND</b>	<b>2015</b>	<b>-</b>	<b>3,138,977,121.92</b>	<b>67,565,996.64</b>
<b>MERISTEM EQUITY MARKET FUND</b>	<b>2015</b>	<b>312,041,093.45</b>	<b>44,077,748.28</b>	<b>37,478,607.73</b>
<b>MER-VALUE ETF</b>	<b>2020</b>	<b>351,609,837.28</b>	<b>-</b>	<b>694,600.09</b>
<b>MER-GROWTH ETF</b>	<b>2020</b>	<b>249,996,516.52</b>	<b>-</b>	<b>609,936.41</b>

### 10.2 DIRECTORS OF THE FUND MANAGER

#### CHIEF MICHAEL ADE OJO (OON) - Chairman

Chief Michael Ade Ojo, a successful serial entrepreneur and philanthropist of repute, is the Chairman of MWML and a Director at Meristem Securities Limited. He studied Business Administration at the University of Nigeria, Nsukka and graduated in June (1965). On leaving the University, he worked with various multinationals including C.F.A.O and the then British Petroleum.

Chief Michael Ade Ojo is an industrialist of high repute. He is Chairman of Toyota Nigeria Limited as well as Chairman and Founder of Elizade Nigeria Limited, a leading Auto Company in the country.

To his many achievements, his past and present directorships include; Chairman Custodian and Allied Plc, Director National Bank of Nigeria, Deputy Chairman, Lagos Chamber of Commerce, Chairman, Baun Limited, Chairman Imperial Telecommunications Limited, Chairman Moorhouse Sofitel Company Limited and Chairman of Crown Drinks Limited.

#### MR. OLUSEGUN OLUSANYA – NON-Executive Director

Mr. Olusegun Olusanya is an accomplished public official, banker and businessman. He held various top management positions in the banking industry; He was an Executive Director of Union Bank of Nigeria Plc (1993-1999) as well as in the then Afribank Nigeria Plc. He was also on the Board of former Benue Cement Company Plc. He obtained an Accounting certification (ACCA) from Leeds College of Commerce (1965-1967) and Masters in Economics and Finance (1972) from London School of Economics.



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## **10. INFORMATION ON THE FUND MANAGER AND THE TRUSTEES**

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Olusegun Olusanya is an astute professional, he is an Associate member of the Chartered Institute of Taxation of Nigeria, Associate member Institute of Chartered Accountants of Nigeria, and a Fellow of Chartered Certified and Corporate Accountants. To his many feats, his past/current directorship include Chairman of S&D Group of companies, Chairman of UBN Property Limited, Vice Chairman, Industrial Products International, Vice Chairman, Meristem Securities Limited, Director Triple Gee Plc, Director Dominion Trust Limited and Director Ekocorp Plc.

### **A.S. KELE - Non-Executive Director**

A.S. Kele is distinguished military personnel and a passionate business and strategy expert. During his time in the military, he held several Training Commands and Staff appointments at various levels of the Military. He is a fellow of National Defence College and holds a Masters' Degree in Strategic Studies (2009). He is a former diplomat, in the following capacity as Nigeria's Defence Adviser to Chad, Niger Republic, Sudan, Algeria, Morocco, Libya and Egypt. He also held appointments at the United Nations

Mission in Kuwait, a diplomatic role in Baghdad (Iraq) and several extra-regimental appointments within the country.

### **CHIEF SYLVERIUS I.C. OKOLI - Non-Executive Director**

Chief S. Okoli is a distinguished industrialist with an excellent record of corporate administration. He holds a Bachelor's Degree in Civil Engineering from the University of London (1964) and He is currently the Chairman of West Africa Bitumen Emulsion Co. Limited, Paints and Coating Manufacturers Nigeria Plc and Safecon Sierra Leone Limited (former Shell Sierra Leone). He is a former Director of a number of Shell companies in Africa and had previously held various top management positions in the oil and gas sector including being the Managing Director of Shell Sierra Leone and the National Oil & Chemical Marketing Plc (now Conoil Plc). He is currently the Chairman of Meristem Registrars Limited and a Director of Meristem Securities Limited. He has an educational background in Civil Engineering and business management.

### **MR. OLUWOLE ABEGUNDE – Non-Executive Director**

Oluwole Abegunde is a vastly experienced expert, with core competence in financial services and markets, manufacturing, brand Management and banking. He has handled responsibilities in credit appraisal, fund management, brand management, stockbroking, and capital market operations.

In his years of experience, he held various leadership positions such as General Manager of Investment Centre Limited a subsidiary of Broad Bank Limited, Managing Director Meristem Stockbrokers, and currently he is the Group Managing Director Meristem Securities Limited, which is the holding company for all the Meristem enterprises.

He obtained a bachelor's degree in Agricultural Science from the University of Ibadan (1987) and an MBA (1990). He is an Associate of the Chartered Institute of Stockbrokers (ACS) and an authorised Dealing Clerk of The Nigerian Stock Exchange.

### **MR. SULAIMAN ADEDOKUN, CFA - Managing Director**

Sulaiman started his career with Security Swaps Limited and later moved to Nigerian Stockbrokers Limited (a subsidiary of then NAL Bank Plc.) from where he joined Meristem Securities Limited. He pioneered the establishment of MWML and currently manages the wealth management firm.

Sulaiman is a CFA Charter holder (2013) and a member of the CFA institute and society of Nigeria and a seasoned accountant with wealth of experience spanning across the various sectors of the capital market. He holds a Higher National Diploma in Accounting from a Ondo State Polytechnic, Owo in 1995 and a Bachelor's Degree in Banking and Finance from Olabisi Onabanjo University, Ago-Iwoye in 2002. He is an Associate member of the Institute of Chartered Accountants of Nigeria (ICAN) in 1998, Chartered Institute

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## **10. INFORMATION ON THE FUND MANAGER AND THE TRUSTEES**

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of Taxation of Nigeria (CITN) in 2000 and Chartered Institute of Stockbrokers (CIS) in 2002. He is also an authorized dealing clerk on the floor of The Nigerian Stock Exchange (NSE) effective from 2003.

Sulaiman has attended several trainings in Nigeria and Overseas including Practical Portfolio Management for Equities and Bonds, Beaufort Institute of Business Training (PTY) Ltd., South Africa; Certificate in Financial Asset Management and Engineering (CFAME) in Lausanne, Switzerland. He also attended a General Management Program course (GMP 10, 2011) at the Harvard Business School, USA and Risk Management for Corporate Leaders (December 2013). He is an alumnus of Harvard Business School.

### **10.3 BRIEF PROFILE OF THE TRUSTEES**

The Emerging Africa Trustees Limited (the Trustee) is the Trust Subsidiary of the Emerging Africa Group. The Group commenced business in 2011 as a Private Trust Company, managing the assets of select investors. Between January 2018 and March 2019, Emerging Africa Trustees Limited, EAC Advisory Limited, and Emerging Africa Asset Management Limited were set up as Trustee, Issuing House & Underwriter, and Fund/Portfolio Manager respectively. Emerging Africa Trust holds the Trustee License from the Securities and Exchange Commission in 2018 and is an Accredited Trustee of the Lagos Commodities & Futures Exchange.

Emerging Africa Trustee's service offering cuts across Public and Corporate Bonds, Debenture and Security Trusts, Collective Investment Schemes, Wealth Management, and Private Trust transactions. As transaction parties in Collective Investment Scheme Transactions, Emerging Africa Trustees participate in pre-issue meetings and oversee the preparation/perfection of the Trust Deed and other security documents, work with the Issuer and other professional Parties to achieve timely registration, protect the interest of Investors in a fair and professional manner, convene meetings of unitholders as may be required and in line with the provisions of the Trust Deed, and ultimately oversee the successful implementation of the Fund, thereby enhancing the credibility of the transaction and providing comfort to the Issuer.

Emerging Africa Trustees possesses a strong track record and experience in capital markets, trusteeship, and wealth management, with a seasoned and dedicated Board of industry leaders with diverse experience in public and private sector institutions.

### **10.4 DIRECTORS OF THE TRUSTEES**

#### **MALLAM MOHAMMED BINTUBE – Chairman**

Mallam Mohammed Mustapha Bintube is a banker with decades of expertise in banking and finance. He has served as a Director on the Boards of many notable Nigerian companies including: Nigeria Re-insurance Corporation, Hogg Robinson Ltd, Nigeria Life and Pension Consultants and Nidogas Company Limited. He was appointed to the Board of the Nigerian Communications Commission by President Goodluck Jonathan in 2010. He is an alumnus of Wharton Business School (USA), Columbia Business School (USA) and INSEAD (France). He holds a bachelor's degree in business administration (1981) from Ahmadu Bello University, Zaria and an Advanced Diploma (1989) in Banking from Finafrica Institute, Milan (Italy).

#### **FELICIA SONUBI - Managing Director**

Felicia has over 30 years of experience in Corporate Legal Advisory and Trusteeship. In the course of her career in the Trust Industry, she was the Managing Director/CEO of two other Trust companies. She cut her teeth in Corporate Legal Practice at various levels in the Legal Department of Union Bank of Nigeria Plc after being called to the Nigerian Bar. Mrs. Sonubi holds a Barrister-at-law (B.L) from the Nigerian Law School (1991), and an LL.B from the University of Jos (1990).

#### **TOYIN F. SANNI – Non-executive Director**

Toyin Sanni is an Investment Banker, Lawyer, Chartered Secretary, Stockbroker, and Author with over 30 years of experience in Investment banking, Law, and Finance. She retired in 2018 as Group CEO of United Capital Plc. She is a multiple award-winning leader (including the FORBES/CNBC AFRICA AABLA Business

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## **10. INFORMATION ON THE FUND MANAGER AND THE TRUSTEES**

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Woman of the Year, 2017, Pearl CEO of the Year 2017 amongst others) and an icon in the Nigerian financial services industry. She has served on market committees & boards eg. National Bond Steering Committee, the West African Capital Markets Integration Technical Committee, CMC Rules Committee etc. Prior to her appointment as Group Chief Executive Officer of United Capital, Toyin was Managing Director/Chief Executive Officer of UBA Trustees & Global Investor Services for 8 years during which she grew the Trust business from startup to a clear market leader. She also established and grew UBA's domestic custody business to top 3 industry position. She holds an LL.B from the University of Ife, Ile-Ife (1984), and an LL.M. from the University of Lagos (1998).

### **OLUSEGUN SANNI – Non-executive Director**

Mr. Segun Sanni is a proven leader and well-rounded and experienced capital market operator and banker with a Masters' degree in Economics and another in Banking and Finance. He chalked up a total of twenty-eight (28) years of banking and capital markets experience without any blemish, loss or claims despite administering assets worth several billions of US Dollars at different times in his career. Segun was a General Manager at Stanbic IBTC Nigeria and a Director with the Standard Bank of South Africa Group. His banking experience spans Cash Management, Branch Management, and Investment Management at African International Bank, Oceanic Bank, Stanlib Financial Services, and Stanbic IBTC Bank where he served for 12 years as Head, Investor (Custody) Services and Managing Director, Stanbic IBTC Nominees Ltd. He is credited with having turned around the Custody Business of the Bank from a small struggling business to an overwhelming market leader with assets exceeding N3 trillion at its peak. He undertook several international strategic leadership training, including the Harvard Business School Authentic Leadership programme in 2014. Mr. Sanni holds a BSc. in Economics from the University of Ilorin (1984), an MSc in Banking and Finance from the University of Ibadan (1998) and an MSc in Economics from the University of Lagos (2002)

### **MARY UDUK – Non-executive director**

Ms. Mary Uduk is a Capital Market Specialist, an Investment Advisor, with over 30 years of experience as a Regulator, culminating as Acting Director General of the Securities and Exchange Commission ("SEC") Nigeria, where she provided leadership across all functions and operations of the SEC Nigeria. During her tenure as Acting Director-General of SEC Nigeria, she represented the Commission on various Committees, both within and outside the country, including the International Organisation of Securities Commission (IOSCO) Board and the Africa/Middle East Regional Committee (AMERC). She was also a Member of the Committee that facilitated the floatation of the first Nigerian Sovereign Bond. She led the SEC Nigeria as the first Regulator to participate in the flagship Pan African Programme of FSD Africa to strengthen the institutional capacity of the Commission.

She holds an MBA from Business School Netherlands (2011) and a Bachelor of Science (Hons.) in Business Administration from Ahmadu Bello University (ABU), Zaria (1983) She is a Fellow of the Chartered Institute of Bankers (CIBN), the Chartered Institute of Stockbrokers (CIS), and a Fellow of the Institute of Capital Market Registrars (ICMR). She is a Trained Management Consultant, certified by the Centre for Management Development (CMD), and is currently attending the Senior Executive Course (SEC) at the National Institute for Policy and Strategic Studies (NIPSS).

## **10.5 INVESTMENT COMMITTEE OF THE FUND**

The Fund shall have an Investment Committee that will be responsible for the decisions regarding the primary and substantive investment activities of the Fund. The Investment Committee will provide robust advice and guidance to the Fund Manager on its investment strategies and policies in order to ensure that its activities are in line with the Fund's established investment objectives and for the overall benefit of the unitholders.

The Investment Committee will also ensure that the Fund Manager's activities with respect to the Fund are in line with the SEC's guidelines regarding permissible investments as well as investment restrictions as prescribed from time to time. The Investment Committee shall meet quarterly and conduct a review of the portfolio to assess its liquidity position, evaluate its risk parameters, and will, from time to time, rebalance the portfolio.

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## 10. INFORMATION ON THE FUND MANAGER AND THE TRUSTEES

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The proposed members of the Investment Committee collectively have vast experience in structuring and executing investment mandates in emerging and frontier markets. The Investment Committee shall be comprised of not less than three persons who are knowledgeable in investment and financial matters, one of whom shall be independent.

The members of the Investment Committee will include:

- i. **Sulaiman Adedokun, CFA:** Sulaiman Adedokun CFA Sulaiman started his career with Security Swaps Limited and later moved to Nigerian Stockbrokers Limited (a subsidiary of NAL Bank Plc.) from where he joined Meristem Securities Limited. He pioneered the establishment of Meristem Wealth Management Ltd, a wholly owned subsidiary of Meristem Securities Ltd, and currently manages the Wealth Management Firm. Sulaiman is a CFA Charter holder and a member of the CFA Institute and Society of Nigeria and a seasoned accountant with wealth of experience spanning across the various sectors of the capital market. He holds degrees both in Accounting and Banking and Finance. He is an associate member of The Institute of Chartered Accountants of Nigeria (ICAN), Chartered Institute of Taxation of Nigeria (CITN) and Chartered Institute of Stockbrokers (CIS). He is also an authorized dealing clerk on the floor of The Nigerian Stock Exchange (NGX). Sulaiman has attended several trainings in Nigeria and Oversees including Practical Portfolio Management for Equities and Bonds, Beaufort Institute of Business Training (PTY) Ltd., South Africa; Certificate in Financial Asset Management and Engineering (CFAME) in Lausanne, Switzerland. He also attended a General Management Program course (GMP 10,2011) at the prestigious Harvard Business School, USA and Risk Management for Corporate Leaders (December 2013). He is an alumnus of Harvard Business School (HBS).
- ii. **Taiwo Yusuf, CFA:** has varied experience in research, asset management, credit structuring and project management garnered from investment and commercial banking. He is currently the Head of Asset Management at Meristem Wealth Management Limited with mandate on discretionary, proprietary and advisory portfolios invested across asset classes. He is the Administrator of the CBN's Power Sector Intervention Facility. He is a CFA Charter holder and a member of both the CFA Institute and Chartered Institute of Stockbrokers. He has also strategic training programs at the Lagos Business School and internationally.
- iii. **Okiemute Sagua:** is the Treasurer at Meristem Wealth Management Limited and the secondary portfolio manager for the Fixed Income Naira fund. She has over 13years' of experience in the financial services industry across various Treasury functions. Mrs Sagua was an FX-FI dealer and ALM Manager in Zenith Bank Plc prior to joining MWML in June 2021. She holds a B.Sc. in Accounting from the University of Lagos and is a member of the Association of Chartered Certified Accountants (ACCA) and the Institute of Chartered Accountants of Nigeria (ICAN).
- iv. **Cassandra Eromosele, CFA:** is the secondary portfolio manager of the Eurobond Fund. She has over five years of experience in the financial services industry as a Fixed income trader and Asset and Liability Manager. Ms Eromosele holds a Bachelor of Science degree in Accounting from Bells University of Technology, Ogun State. She is an associate of the Institute of Chartered Accountants of Nigeria (ICAN). Ms Cassandra Eromosele is a CFA Charter holder.
- v. **Femi Ilori:** Femi is an experienced capital market operator. He has over the years demonstrated strong competencies in the execution of varied capital market transactions including Mergers & Acquisition, Equities Issuance, Mutual Funds Issuance, and Corporate Debenture. He obtained a B.Sc. degree in Finance (Second Class Upper Division) and MBA from the University of Lagos, Akoka. He is a member of the Compliance Institute, Nigeria (CIN) and currently the Chief Compliance Officer of Meristem Securities Limited, overseeing the regulatory and compliance functions for the Meristem Group.
- vi. **Ola Oladele, CFA (Independent Member):** Ola is a BSc Accounting graduate of the University of Lagos Nigeria. She is also a CFA Charter holder and member of the CFA Society Nigeria. In 2008, she started her career in Treasury as a Naira dealer at Kakawa Discount House where she

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**10. INFORMATION ON THE FUND MANAGER AND THE TRUSTEES**

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subsequently moved to trading money market and fixed income securities. After Kakawa's evolution into FBNQuest Merchant Bank, Ola was responsible for managing the balance sheet and liquidity of the Bank. In 2017, she moved on to Parthian Partners Limited – a fixed income interdealer brokerage firm- as Executive management with both market and operational oversight of the business. Asides building her career in finance Ola is actively engaged in financial education on both individual and organizational level. She is the founder of Oleroladele.com- a social enterprise focused on bridging the pervasive financial education gap amongst individuals. She is also on the faculty of Tekedia Mini MBA and Joseph Business School Lagos. Her thoughts on personal finance, investing and the economy have been featured on both local and foreign traditional and electronic media.

- vii. **FELICIA SONUBI (Managing Director): Representative of the Trustees:** Felicia has over 30 years of experience in Corporate Legal Advisory and Trusteeship. In the course of her career in the Trust Industry, she was the Managing Director/CEO of two other Trust companies. She cut her teeth in Corporate Legal Practice at various levels in the Legal Department of Union Bank of Nigeria Plc after being called to the Nigerian Bar.

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## **11. STATUTORY AND GENERAL INFORMATION**

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### **11.1 EXTRACTS FROM THE TRUST DEED**

#### **THE TRUST DEED**

The provisions of this Trust Deed hereto shall be binding on the Trustee, the Fund Manager and the Unitholders, and all persons claiming through them as if they had each personally executed this Trust Deed.

### **3. CONSTITUTION AND ADMINISTRATION OF THE FUND**

- 3.1 Following the Initial Public Offer, the Fund shall be constituted from the proceeds of the issue of Units in the Fund under the Initial Public Offer.
- 3.2 The effective control of the Fund is vested in and will be exercised independently by the Trustee on behalf of the Unitholders. The Fund Manager shall make investments in line with the Investment Policy and shall apprise the Trustee, and the Investment Committee of any investment made by the Fund.
- 3.3 The Custodian shall maintain two (2) accounts with the Bank which shall be designated the "Fund Trading Account" and the "Fund Expense Account" respectively.
- 3.4 The Custodian shall be responsible for the payment, out of the Fund, of all expenses incurred or to be incurred from time to time in connection with the management or trusteeship of the Fund including but not limited to the fees payable to the Commission and Professional Advisers, and all such other reasonable expenses to be incurred by or on behalf of the Fund; PROVIDED THAT all the Fund's expenses including the annual Management Fee and excluding the Manager's incentive fee in any given year shall not exceed 3.5% of the Net Asset Value of the Fund.
- 3.5 All cash proceeds of the issue of Units shall be paid into the Fund Trading Account or such other designated cash account with the Custodian.
- 3.6 A portion of such proceeds will from time to time, as hereinafter provided for, be paid from the Fund Trading Account into the Fund Expense Account or such other designated cash account pursuant to Clause 3.3 above to be used for the payment of charges incidental to the administration of the Fund.
- 3.7 The Designated Accounts shall be operated by the Custodian, provided that the Custodian shall obtain the prior consent of the Fund Manager to make payments, such consent not to be unreasonably withheld. The Fund Manager shall provide to the Commission and the Trustee monthly and quarterly reports in respect of the Designated Accounts as well as a quarterly valuation of all investments held by the Fund.
- 3.8 All investments shall be made with monies drawn from the Fund Trading Account and such investments shall be in the name of Emerging Africa Trustees Limited/ Meristem Fixed Income Fund.
- 3.9 Monies paid for subscription to Units in the Fund shall be placed with the Custodian pursuant to Clause 5 hereof and shall be paid into the Fund Trading Account and shall form part of the Assets.
- 3.10 All stamp duty and other charges payable in respect of this Deed or upon the constitution of the new Units of same shall be payable out of the Fund Expense Account.
- 3.11 The Fund Manager shall not borrow against the investments of the Fund nor on behalf of the Fund or the Unitholders and no monies shall be lent out of the investments of the Fund. Provided that nothing in this clause 3.11 shall be deemed to prevent the Manager from making any Authorised Investment.
- 3.12 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.
- 3.13 The Fund Manager, as promoter of the Fund, shall subscribe to a minimum of 5% of the Initial Public Offer of Units which shall be held throughout the life cycle of the Fund.
- 3.14 There shall be appointed for the Fund; a Custodian to provide custodial services in relation to the Assets, and on the terms and subject to the conditions contained in the Custodial Agreement to be agreed between the Custodian, the Manager, and the Trustee, such appointment being conditional upon the issue of the units and taking effect only upon and from the closing date.

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## **12. STATUTORY AND GENERAL INFORMATION**

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### **4. DESCRIPTION AND OBJECTIVE OF THE FUND**

- 4.1 The Fund is an actively managed open-ended Fund that predominantly invests in naira-denominated fixed-income securities issued by the Federal and state governments of Nigeria and other Corporate Bonds whose securities are registered with the Commission.
- 4.2 The objective of the Fund is to provide an investment vehicle that will enable the Unitholders of the Fund earn stable income over the long-term, by investing in a diversified portfolio of predominantly fixed income instruments.
- 4.3 The Fund will aim to make distributions of 75% of the net annual return.

### **5. SALE AND ISSUE OF UNITS**

- 5.1 The Fund Manager shall issue 50,000,000 (Fifty Million) Units of the Fund by way of Initial Public Offer to the public at a price of f N100 (One Hundred Naira) per Unit.
- 5.2 The Minimum investment a Unitholder(s) may make in the Fund is in respect of 100 (One hundred) Units of the Fund at a price of N100 (One Hundred Naira) per Unit. Thereafter, additional Units in the Fund shall be issued in multiples of 50 Units and shall be subscribed for in those multiples.
- 5.3 The units issued pursuant to the Initial Public Offer shall rank pari passu in all respects and shall represent an undivided part of the Assets.
- 5.4 The Units offered under the Initial Public Offer shall be payable at par in full upon application.
- 5.5 Any Units not subscribed for shall be held by the Fund Manager and shall be available for purchase in accordance with Clause 5.6 below.
- 5.6 Units held by the Fund Manager pursuant to Clause 5.5 may be purchased from the Fund Manager at the prevailing Offer Price.
- 5.7 Subject to the approval of the Trustee, and the prior registration with the Commission, the Fund Manager may make subsequent offer of Units in the Fund to the public of such number and of such value as the Fund Manager may from time to time determine; PROVIDED THAT any new Units so issued, shall rank pari passu in all respects with the units issued pursuant to this Trust Deed and shall represent an undivided part of the Assets.
- 5.8 Any person seeking to subscribe for Units in the Fund may do so at the Offer Price and shall complete and deliver to the Fund Manager an application form in the form prescribed by the Fund Manager.
- 5.9 Any person seeking to subscribe to Units of the Fund shall forward, credit, or transfer to the Custodian payment for the Unit(s), the consideration (which may be Cash or non-Cash consideration in a form acceptable to the Manager) in respect of the Units applied for. The Manager may, in its discretion, accept an application for Units that is not accompanied by the required consideration, provided that consideration is received by the Custodian or by the Manager for payment to the Custodian, before the Manager gives effect to the application.
- 5.10 The obligation of the Fund Manager to any Unitholder shall be discharged on a pro rata basis in accordance with the number of Units redeemed by such Unitholder in accordance with the provisions of Clause 9 or any other provision of this Trust Deed.

### **7. RIGHTS OF UNITHOLDERS**

- 7.1 The Unitholders 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 the terms of this Deed or by Relevant Regulation or any order of Court.
- 7.2 The Assets shall be held as a single common fund and no Unit thereof shall confer any interest or share in any particular part of the Assets.
- 7.3 Each Unitholder shall have the right to (i) share in the Assets of the Fund proportionate to the number of Units held by them and; (ii) receive Distribution and all other rights which attach and accrue to the Units, pursuant to the provisions of this Deed.

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## **11. STATUTORY AND GENERAL INFORMATION**

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- 7.4 Each Unitholder shall be entitled (upon making a demand in writing to the Fund Manager) to receive a Statement of Unitholding in accordance with Clause 20.
- 7.5 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.
- 7.6 Unitholders having not less than 25% in value of the issued units may, in writing, request the Trustee or the Manager to convene a meeting of Unitholders, provided that the quorum shall only be formed by at least five (5) Unitholders holding not less than 25% of the issued Units in the Fund.
- 7.7 All Unitholders shall have the right to pledge, charge and mortgage or otherwise use their Units to secure a debt, loan or an obligation provided that they shall in any such case, notify the Fund Manager and the Trustee in writing of the pledge, charge, mortgage, obligation, as well as discharge of such pledge, charge, mortgage or obligation. Neither the Fund Manager nor the Trustee shall be held responsible for a failure to honour the terms of such pledge, charge, mortgage or obligation.

## **9. REDEMPTION OF UNITS**

- 9.1 The Manager shall not suspend the right or postpone the date of redemption of Units by a Unitholder other than a suspension or postponement occurring during public holidays or emergencies or whenever the Commission permits it.
- 9.2 All redemptions of Units 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, the Fund Manager shall redeem Units from the Unitholders at the Bid Price against a payment out of the Fund, Provided always that the Manager shall have the right to charge a redemption fee of 20% of investor's accrued income where the redemptions are being made within three (3) months of allotment of the Units to a Unitholder.
- 9.4 Notwithstanding anything contained in this Clause 9, a Unitholder shall not be entitled to redeem only part of his holding of Units if such redemption would result in his holding being reduced to less than the Minimum Unitholding as defined in this Deed. In such an instance, the Unitholder shall be mandated to redeem all Units.
- 9.5 Unitholders may redeem their Units upon the service of the Unitholder's Statement of Unitholding and a Redemption Notice on the Fund Manager or any of its agents, PROVIDED that:
  - a. the form of Redemption Notice shall be as set out in the Third Schedule hereto;
  - b. redemption shall be effected at the Bid Price subject to Clause 9.3;
  - c. Unitholders seeking to redeem only a part of their holding shall be required to maintain a minimum investment of 100 (One Hundred) Units in the Fund.
  - d. In the event that such redemption would result in the Unitholder's holding falling below the minimum investment requirement for the Fund; the Unitholder shall be mandated to redeem its entire holding in Fund.
  - e. payments in respect of each redemption shall be made via electronic transfer to be effected by the Manager within 5 (five) Business Days of receipt of the Unitholders' Statements of Unitholding and Redemption Notice.
- 9.6 The Trustee shall ensure that the amount payable in connection with any redemption, purchase, or cancellation of Units pursuant to this clause is calculated in accordance with the provisions of the Investments and Securities Act, SEC Rules, and this Deed.
- 9.7 In no event shall the Custodian be bound to make any payment to the Fund Manager or any Unitholder except out of the Assets held by it for that purpose under the provisions of this Deed.
- 9.8 The Manager shall be entitled in the name and on behalf of the Unitholder to execute an instrument of transfer in respect of any Units to be redeemed hereunder by purchase by the Manager and to endorse and sign on the appropriate Statement of Unitholding in respect of the Units to be redeemed, such statement as may be necessary or desirable as



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evidence that the Unitholder no longer has any interest in the said Units PROVIDED that in either event the Manager shall within a reasonable period thereafter furnish to the Trustee the authority under which it acted.

**12. INVESTMENT POLICY**

- 12.1 It shall be the duty of the Fund Manager to identify and evaluate investment opportunities for the Fund and to determine appropriate securities in which to invest the Fund. The Fund Manager shall implement the Fund's investment portfolio invested in accordance with the Investment Policy in the Fifth Schedule to this Deed, provided always that a minimum of 70% of the Fund shall be allocated to bonds or other debt instruments with a term to maturity of not less than 365 days.
- 12.2 The Fund Manager shall not alter the Investment Policy of the Fund without the sanction of the Unitholders, the Trustee, and the Commission, and such sanction shall not be unreasonably withheld by the Trustee.
- 12.3 The investment policy as detailed in the Fifth Schedule hereof shall, subject to the approval of the Commission, remain in application for a period not less than Five (5) years.

**18. REGISTRATION OF UNITHOLDERS**

- 18.1 A register of unitholders shall be kept by the Registrar.
- 18.2 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 number (if issued), Unitholders account number, and any other information that may be deemed necessary by the Manager.
- 18.3 The Registrar shall immediately be notified by the Manager or Trustee 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.
- 18.4 All Unitholders shall be entitled during business hours to freely inspect the Register.
- 18.5 The Register shall be conclusive evidence of the persons entitled to the Units represented by the Statement of Unitholding entered therein. Any person claiming to be interested in any Units or the dividends on them may protect their interest by serving on the 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 or transfer nor shall the Custodian make payment or return(s) in respect of the relevant Units contrary to the terms of the notice until the expiration of 48 (forty-eight) days' notice to the claimant of the proposed transfer or payment.
- 18.6 A body corporate may be registered as a Unitholder or one of joint Unitholders.
- 18.7 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 recognized by the Registrar as having any title to or interest in the Units of the deceased Unitholder.
- 18.8 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(s) of Unitholding 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(s) of Unitholding issued accordingly.

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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, shall testify 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.

- 18.9 Any person becoming entitled to Units in consequence of the death or bankruptcy or in the case of a body corporate, 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 he shall have been registered in respect of the Units.
- 18.10 The number of Units held by a Unitholder shall be registered and recorded by the Registrar as a book entry.
- 18.11 No fee shall be charged in respect of registration of any grant of probate, letters of administration, Power of Attorney, certificates of marriage or death, orders of court, deeds, dissolutions, or other documents affecting the transmission or distribution in respect of any units.
- 18.12 Notwithstanding any other provision of this Deed, the Registrar in keeping the Register shall act solely as agent for the Trustee as required by the foregoing provisions of this clause and the Trustee shall have same responsibility towards Unitholders as if the Register were kept by it.

**23. INCOME DISTRIBUTION/REINVESTMENT**

- 23.1 For the duration of the Fund, 75% of the annual net income of the Fund shall be distributed to the Unitholders in such form, manner, and amount as the Manager and Trustee may agree, in line with the provisions of this Deed and subject to applicable law and regulations. 25% of the annual net income of the Fund shall be reinvested in the Fund.
- 23.2 The Fund's main focus will be income generation, and the Fund will make Distributions from net income to investors twice a year.
- 23.3 Unitholders can elect to receive Distributions in cash or in new Units. This election shall be made by Unitholders at the time the Units are subscribed for or purchased and may be changed by written notice to the Manager at any time PROVIDED that it is received by the Manager not less than 14 days before the Distribution payment date. Unless an election to the contrary is made, the Manager shall act based upon the initial election of the Unitholder, i.e., to pay Distributions or reinvest the Distributions in the Fund. All payments to Unitholders shall be effected by electronic transfer to the Unitholder bank account as specified in the Register. Income will be paid out to Unit Holders that elect such option, or reinvested, net of operating expenses and fees.
- 23.4 The fund shall accrue interest on the basis of daily amortization on streams of income derived from authorized investments held at amortized cost. While the fair value (mark-to-market) method would be adopted for the securities that are actively traded. Provided that 30% of the Fund will be held in short-term instruments to cater for liquidity needs, and some instruments will be tradeable in line with market conditions if further liquidity needs arise.
- 23.5 Income on the Fund will be computed based on income less operating expenses and fees accrued on a daily basis on the principal amount invested.
- 23.6 Unitholders who elect to have their Distribution reinvested in new Units shall be entitled to such number of new Units that shall be equal in value to the amount they otherwise would have received in cash as a Distribution. The Manager shall issue a Statement of Unitholding evidencing the number of new Units allotted to such Unitholders pursuant to this clause.

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- 23.7 The Registrar shall, when making every allocation, issue to each Unitholder or in the case of Joint Unitholders to that one who is first named on the Register, a certificate in a form acceptable to the tax authorities showing what part of the amount allocated in respect of the Distribution period represents income and the amount of withholding tax (if any) which has been deducted and containing a declaration to the effect that all withholding tax payable in respect of such part has been deducted and either had been or will be remitted.

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

- 33.1 The Trust constituted by this Deed shall be for a period of 99 years subject only to the provisions for termination as are herein contained.
- 33.2 The Trustee or Fund Manager shall have absolute discretion to terminate the Trust by issuing no less than six (6) months' notice thereof in writing to the other as well as to the Unitholders and the Commission.
- 33.3 The Trust may be terminated with the approval of the Trustee upon not less than six (6) months' notice in writing by the Trustee to the Fund Manager, Unitholders and the Commission upon occurrence of any of the following events:
- 33.3.1 if the Fund Manager shall go 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 if it shall cease to carry on business; or
- 33.3.2 if in the opinion of the Trustee, the Fund Manager shall be incapable of performing or shall in fact fail to perform its duties satisfactorily or shall do 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; or
- 33.3.3 if the Trust shall cease to be predominantly a fixed income Fund or in the event of it becoming 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 duly convened and held in accordance with the provisions herein contained regarding Meetings and such termination shall take effect no less than 6 (six) 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 the Fund Manager reasonably believes, having had due regard to the prevailing circumstances and the purposes for which the Fund was established, that the investment objective of the scheme can no longer be reasonably achieved or that in the opinion of the Fund Manager the value of the Fund's assets 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.
- 33.7 In the event of termination, the liquidation of the Fund and redemption of the Unitholders' Units will be satisfied solely out of the assets of the Fund without recourse to the assets of the Fund Manager.

**39. COPIES OF TRUST DEED TO BE MADE AVAILABLE**

- 39.1 A copy of this Trust Deed and of any Deed supplemental hereto shall, at all times, during usual business hours be made available by the Fund Manager and the Trustee at their respective head offices for inspection by Unitholders and any Unitholder shall be entitled to receive from the Manager a copy of such Deed(s) as aforesaid on production of his Statement(s) of Unitholding and making payment to the Fund Manager of the prescribed amount for each copy of the document.
- 39.2 The Trustee shall keep an original copy of the Trust Deed.

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## **11. STATUTORY AND GENERAL INFORMATION**

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### **41. MODIFICATION OF THE TRUST DEED(S)**

- 41.1 The Trustee and Fund Manager shall be entitled by supplemental deed to consolidate, modify, alter or add to the provisions of this Deed in such manner and to such extent as they may consider necessary or expedient having regard to any issues that they may consider relevant PROVIDED that the Trustee shall certify in writing that in its opinion such consolidation, modification, alteration or addition does not prejudice the interests of the Unitholders and that it is its opinion that such consolidation, modification, alteration or addition does not operate to release the Trustee or Manager from any responsibility to the Unitholders. No such consolidation, modification, alteration or addition shall be made without the sanction of a Special Resolution passed at a Meeting of Unitholders duly convened and held. No such consolidation, modification, alteration or addition shall impose any further payment on the Unitholder in respect of his Units or any liability in respect thereof.
- 41.2 Notwithstanding the above, the Fund Manager and the Trustee shall seek the approval of the Commission for any proposed modification to this Deed by service of notice. Such proposed change shall not be given effect until the proposed change has been approved by the Commission.

### **45. DISPUTE RESOLUTION**

- 45.1 Whenever a dispute arises between the parties, the Commission shall be notified within five (5) working days.
- 45.2 A maximum period of ten (10) working days will be allowed for the parties to resolve the dispute themselves or to appoint arbitrators. In the event that parties are unable to settle the dispute amicably within ten (10) days, the dispute shall be submitted to arbitration.
- 45.3 The arbitration panel shall consist of three (3) arbitrators, one appointed by each party, and the third who shall preside over the Panel shall be appointed by the two (2) arbitrators appointed by the parties. Where the two (2) appointed Arbitrators are unable to agree on the choice of the third arbitrator within two (2) working days of their own independent appointments, the choice of such arbitrator shall be referred to the President of the Chartered Institute of Arbitrators Nigeria at the request of any of the parties to this agreement.
- 45.4 The arbitrators shall have a maximum period of ten (10) Business Days to resolve the dispute after the exchange of pleadings and the final arbitral award shall have a binding on the parties. Provided that in the event the dispute is not resolved within the stipulated period, the matter shall be referred to the Commission for resolution.
- 45.5 Any party aggrieved by the decision of the SEC may refer the matter to the Investments and Securities Tribunal (I.S.T) established in accordance with the provisions of the Investments and Securities Act, for resolution.
- 45.6 Each party shall bear its own costs and expenses in relation to the arbitral proceedings unless the arbitral award states otherwise.
- 45.7 Arbitration pursuant to this agreement shall be in accordance with the Arbitration and Conciliation Act CAP A18, Laws of the Federation of Nigeria 2004 and the place of arbitration shall be Lagos, Nigeria or such other venue as the Parties may agree to in writing.

### **48. CONFLICT OF INTEREST**

- 48.1 The Fund Manager shall disclose to the Trustee and the Commission (within 24 hours of becoming aware of same), whenever a Conflict of Interest arises or where it is reasonable to assume that a potential conflict may exist or arise.
- 48.2 The Fund Manager shall ensure that any business transacted between the Fund and an Affiliate shall be at arm's length and shall be on terms (cost, price,) which are in the interest of the Fund and reflective of prevailing market conditions.
- 48.3 The Fund Manager shall disclose to the Trustee and Commission any service contract between a Related Party and an Affiliate which poses an actual or potential Conflict of Interest for the Fund or its Unitholders.

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**11. STATUTORY AND GENERAL INFORMATION**

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- 48.4 The Fund Manager having obtained the consent of the Trustee, shall disclose to the Commission any purchase of securities on behalf of the Fund in which its Affiliate acts as Issuing House or Underwriter demonstrating how the Fund Manager and Trustees have ensured that:
  - 48.4.1 the transaction is in the best interest of the Fund and the Unitholders;
  - 48.4.2 the transaction has been carried out at arm's length;
  - 48.4.3 full disclosure on cost and terms of the transaction has been made to the Commission;
- 48.5 The Fund manager shall be required to obtain the prior written consent of the Trustee in respect of:
  - 48.5.1 Principal Transactions where the Fund Manager or Affiliate is counter party or vendor. In which case, the Trustee shall only consent after having assured itself that the cost, terms, and conditions of the transaction are carried out at better terms and price than prevailing market conditions;
  - 48.5.2 Principal Transactions for sales or purchase of securities in the secondary market;
  - 48.5.3 Where an Affiliate of a Related Party acts as broker or intermediary for such sale or purchase. In which case, the trustee shall only consent after having assured itself that the cost of the transaction is comparable to the highest and lowest price of similar transactions in the market for that day.

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## **11. STATUTORY AND GENERAL INFORMATION**

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### **11.2 EXTRACTS FROM THE CUSTODY AGREEMENT**

#### **6. SCOPE OF CUSTODIAN'S RESPONSIBILITY**

- 6.1 The Custodian will have no duty or obligation to take or omit to take any action as to the Property except in accordance with any Authorised Instruction, and as expressly stated in this Agreement.
- 6.2 The Custodian will use reasonable care in performing the Services and safe keep the Securities with the same degree of care as is to be expected from a person engaging in the custody business in the applicable jurisdiction and in accordance with Relevant Regulation and the Rules.
- 6.3. The Custodian shall arrange and maintain insurance against fraud committed by its employees. The Custodian will not exercise any voting rights, attend meetings or take other Corporate Actions as to the Securities except in accordance with Authorised Instructions. Upon a request of an Authorised Instruction, the Custodian will forward to the Trustee or Manager, proxy and other voting forms, required to enable the Trustee or Manager or their nominees to exercise those rights.
- 6.4. The Custodian shall be liable for any loss or prejudice suffered by the Manager, the Fund or Unitholders (represented by the Trustee) due to fraud by the Custodian's, and/or its Agent's, willful default or negligence including the unjustifiable failure to perform its obligations under this agreement.
- 6.5 The Custodian shall procure that all Fund assets in its custody are adequately insured against fire, theft, natural disaster and similar risks. Additionally, the Custodian shall procure a fidelity guarantee insurance of sufficient cover against any actual or potential risks, loss or damage to Fund assets which may arise from acts of dishonesty or fraud.
- 6.6 The Custodian will notify the Manager and the Trustee of any Corporate Action on receipt of the requisite information by the Custodian's Securities Services department in its capacity as custodian.
- 6.7 Notices about Corporate Actions sent to the Manager and the Trustees may have been obtained from sources or contain information from sources which the Custodian does not control and may have been translated or summarised. The Custodian has no duty to verify the information contained in the notices or the accuracy of any translation or summary, and therefore cannot guarantee its accuracy or completeness. However, where the Custodian provides translation services in connection with the notices, the Custodian will have liability arising from the provision of those Services, including the accuracy of any translation.
- 6.8 When the Custodian receives notice of a Corporate Action requiring discretionary action by the beneficial owner of the Securities which bears an expiration date, the Custodian will endeavour to utilise all reasonable means to obtain Authorised Instructions but if Authorised Instructions are not received in time or actual notice of the Corporate Action is received too late to seek Authorised Instructions, the Custodian will not take any action as to that Corporate Action. The Custodian will be entitled to consider any Authorised Instruction in relation to a Corporate Action and any information provided in connection therewith as the Manager and Trustee's confirmation that they do not contravene any law or Rule or restriction or exclusion relating to the Corporate Action.
- 6.9 The Manager shall be responsible for reviewing any Corporate Action notices/offer documents, and the Custodian does not represent that the Manager and/or the Trustees are eligible for the offer or that any Authorised Instruction electing to participate will be acted upon or accepted by the issuer or its agents. The Custodian is not responsible for the contents, sufficiency and/or accuracy of any Corporate Action document received from the issuer or a third party, or the result of any application.
- 6.10 The Manager/ Fund is not entitled to any fraction or other entitlement arising from the Custodian holding Securities in omnibus accounts which is not directly referable solely to the Securities held, and those fractions or entitlements will be at the Custodian's disposal.
- 6.11 The Custodian will keep or cause to be kept books and records for the Fund (which may be electronic records) as may be necessary to give a complete record of all Property the

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**11. STATUTORY AND GENERAL INFORMATION**

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- Custodian holds and transactions carried out for the Manager. The Custodian will, on the Manager's written request, allow the Manager/Fund's auditors reasonable access to the Custodian's books and records regarding the Property, Custody and Cash Accounts as is reasonably required.
- 6.12 The Custodian will not be liable for any Loss suffered in connection with making payments in relation to any capital "call-up" or contribution, in each case in respect of any partly paid Securities.
- 6.13 The Manager will be responsible for all filings, tax returns and reports on any transactions undertaken or settled according to this Agreement which must be made to any relevant authority and for the payment of all unpaid calls, Taxes (including any value added tax), imposts, levies or duties, or any other liability or payment arising out of or in connection with the Property.
- 6.14 The Custodian is not acting under this Agreement as tax adviser, manager or investment adviser to the Manager, the Trustee or the Fund and the Manager remains responsible at all times for the selection, acquisition and disposal of the Securities.
- 6.15 Without prejudice to the duty of the Custodian to act with reasonable care and skill, the Custodian is not under any duty to question Authorised Instructions including, where the Custodian or any Affiliate may be in possession of information tending to show that Authorised Instructions may not be in the best interest of any person.
- 6.16 Any information the Custodian provides to the Manager in any way may have been obtained from third party sources and may not have been independently verified by the Custodian. It is intended for general information purposes only. It does not constitute investment, legal, tax or other advice. The Manager should perform its own independent verification, evaluation and analysis of such information and consult its own professional advisers before relying on it. The Custodian do not give any representation or warranty as to, or (to the extent permitted by law) accept any responsibility or liability for, the accuracy, completeness, reliability or up-to-date nature of the information. The Custodian and their respective directors, officers and employees accordingly disclaim any liability whether arising in tort or contract or otherwise which the Custodian may otherwise have in respect of any loss the Manager, Trustees or Fund may suffer from the use of or reliance on such information.
- 6.17 The Parties agree and acknowledge that where the Custodian provides estimated market values of Securities (the "Valuation Information") in connection with the calculation of the fees payable under this Agreement, and which may appear in the Custodian's statements or reports to the Manager, the Custodian does not make any representation or warranty as to its accuracy, completeness, correctness or reliability. The Manager shall not disclose the Valuation Information to any third party, except its professional advisers, or affiliates for whom it is necessary that the Valuation Information be disclosed, or as required by Relevant Regulation and shall bear any loss suffered by it because of the use of, reliance on or disclosure of the Valuation Information. The Parties further acknowledge and agree that the Custodian will assign estimated market values based on (a) a third-party vendor pricing feed where available to the Custodian; (b) the most recent acquisition price for that unlisted Securities as recorded on the Custodian's books; or (c) where appropriate and exercising reasonable discretion, a nominal value.
- 6.18 The Manager agrees and acknowledges that in respect of Physical Securities, the Custodian does not have to undertake any check for any legal and/or other defects (including, but not limited to defects of title), the Custodian will perform only visual checks against the Manager's settlement Authorised Instructions and will not be responsible for any kind of verification of the authenticity, or validation of any document of title.
- 6.19 The Custodian shall ensure the provision of a framework for the protection of the Securities held under custody and ensure that the Securities are placed under adequate systems to safeguard against damage, misappropriation or other loss.
- 6.20 The Custodian shall file a report to the Manager and the Trustee within five (5) Business Days of becoming insolvent.

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**11. STATUTORY AND GENERAL INFORMATION**

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6.21 The Custodian shall, in the discharge of its responsibilities, observe at all times, strict compliance with the provisions of Rule 456 of the SEC Rules (as amended).

**16. INDEMNITY**

16.1 The Manager will indemnify the Custodian against:

- a. Loss brought against or incurred by the Custodian and its Affiliates/Agents in connection with the performance of the Services acting on any Authorised Instructions, this Agreement and the exercise of rights and the performance of obligations under this Agreement; and
- b. any Tax for which the Custodian or the Affiliates are or may be liable in connection with the Securities, this Agreement, the performance of the Services or acting on any Authorised Instructions (including, the delivery and/or receipt of Securities, the collection and/or realization of coupons, dividends, interest or other payment, and the receipt of or entitlement to receive any income) but this indemnity will not extend to Tax on or attributable to the Fees.

16.2. Subject to the provisions of Clause 15 above, the Custodian shall not disclaim responsibility for losses of investments due to fraud, willful default, or negligence arising from its acts or omission or those of its agents appointed by it in the course of the performing its custodial services.

**18. CONFIDENTIALITY**

18.1 Each Party will keep confidential the terms of this Agreement and will not disclose to any other person any information obtained as a result of entering into this Agreement, unless required to do so by any Relevant Regulation the Rules, a regulatory authority or an order of a court of competent jurisdiction.

18.2 The Custodian will not, in contravention of this clause, make use of any such information in a manner which would or might have a material adverse effect on the rights and interests of the Manager. The Custodian may disclose information under this clause to its officers, employees, professional advisers or consultants on a need-to-know basis. The Custodian may where it is legal or reasonable to do so, and as soon as reasonably practicable inform the Manager of the disclosure to the following where necessary to:

- a. Securities Systems or Agents to whom it is necessary to reveal the information for providing the Services;
- b. any actual or potential assignee or transferee of the Custodian's rights or obligations under any transaction between the Parties (or any of its agents or professional advisors);
- c. any rating agency, insurer or insurance broker, or direct or indirect provider of credit protection; or
- d. as required by Relevant Regulations, Rules or any Authority.

**21. REPRESENTATIONS WARRANTIES**

21.1 The Custodian hereby represents and warrants to the Manager that it is an authorized custodian registered in accordance with the Laws of the Federal Republic of Nigeria and shall adhere to any Relevant Regulation and the Rules.

21.2 In the event that the Custodian no longer qualifies as an authorised custodian, it shall immediately notify the Manager in writing or by other authorised means of such event upon receipt of which the Manager may terminate this Agreement immediately.

21.3 Any consent, authorisation or instruction required in connection with this Agreement has been provided by any relevant third party.

21.4 The Manager hereby represents and warrants to the Custodian that:

- a. it is duly incorporated, established or constituted and validly existing under the laws of Nigeria;
- b. it has obtained the necessary regulatory approvals and made the necessary filings as required by Relevant Regulation for or in connection with the execution, delivery and performance of this Agreement or other agreements, undertakings and documents relating to this Agreement;



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**11. STATUTORY AND GENERAL INFORMATION**

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- c. this Agreement constitutes its legal, valid, binding and enforceable obligations;
- d. except as disclosed to the Custodian in writing, the Fund is the beneficial owner of the Property free of any mortgage, charge, pledge, lien, right of set-off or any security interest, encumbrances and claims in favour of a third party;
- e. the Manager has full power and authority to enter into and implement this Agreement in respect of the Property and the Property are not subject to any encumbrance;
- f. neither the signing, delivery or performance of this Agreement nor any Authorised Instructions do or will contravene or constitute a default under, or cause to exceed, any of the following:
  - i. any law or Rules by which the Manager/Trustee or the Fund (including the Property) are bound or affected;
  - ii. rights of any third parties as to the Property;
- g. to the best of its knowledge, all information and documents supplied by the Manager in relation to this Agreement are true and accurate in all respects.
- h. in respect of transactions carried out in relation to the Fund, it has:
  - i. satisfactorily performed all Know Your Customer and other anti-money laundering checks in accordance with any Relevant Regulation or any Authority; and
  - ii. appropriate processes to detect and report any suspicious activity; and
  - iii. kept the information obtained in respect of the above processes up to date.

21.5 The Manager hereby undertakes to:

- a. obtain, observe and comply with all Relevant Regulation, Rules, approvals, authorisations, consents (including any exchange control consents), licences and exemptions;
- b. promptly, and in any case within 30 (thirty) days or such shorter period as required by law, inform the Custodian of any changes to the Fund or to information relating the Fund and, where applicable, provide up-to-date documents of those previously provided under this Agreement;
- c. promptly notify the Custodian of any sale of, or other transactions in or about, the Securities;
- d. not, without the prior written consent of the Custodian, such consent not to be unreasonably withheld, charge or encumber any of the Property or authorise anyone else so to charge or encumber them; and
- e. provide the Custodian with any information (which may include personal information) and documents the Custodian reasonably requests in connection with the rules and requirements of any Authority, any Rules or Relevant Regulations.

21.6 The Parties hereby declare that the provisions of this Agreement are in substantial conformity with the Investments & Securities Act, Cap. I24 Laws of the Federation of Nigeria 2007 and the Rules and Regulations of the Securities & Exchange Commission.

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## **11. STATUTORY AND GENERAL INFORMATION**

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### **11.3 INDEBTEDNESS**

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

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

As at the date of this Prospectus, the Fund Manager has no pending claim or litigation that is likely to have material adverse effect on the Fund.

### **11.5 COST AND EXPENSES**

The initial costs of setting up the Fund will be charged against the total offer proceeds. These costs include regulatory and professional expenses, printing, advertisements & publicity as well as brokerage commissions estimated at approximately N9,662,500 representing 0.193% of the offer size. This cost will be borne by the Unitholders and offset from the Offer proceeds. All future costs and expenses of maintaining the Fund shall be deducted from the income generated by the Fund.

### **11.6 MATERIAL CONTRACT(S)**

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

1. A **Trust Deed** dated Thursday, October 12, 2023, between Meristem Wealth Management Limited and Emerging Africa Trustees Limited under which the Fund was constituted, and Emerging Africa Trustees has agreed to act for the benefit of the Unitholders. Extracts of the Trust Deed are set out on pages 29 to 38.
2. A **Custodial Agreement** dated Thursday, October 12, 2023, between Rand Merchant Bank Nigeria Limited, Emerging Africa Trustees Limited, and Meristem Wealth Management Limited.

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

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

The Fund Manager and the Trustee do not have any common shareholders or directors, and neither is a subsidiary, or holding company of the other.

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

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

### **11.9 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>DIRECTORS TO THE FUND MANAGER</b>	Chief Michael Ade Ojo Col. As Kele (Rtd.) Olusegun Olusanya Sylverius I.C Okoli Sulaiman Adedokun Wole Abegunde
<b>COMPANY SECRETARY</b>	MWML Nominee Limited

<b>PRINCIPAL OFFICERS OF THE FUND</b>	Sulaiman Adedokun, CFA Taiwo Yusuf, CFA Okiemute Sagua Cassandra Eromosele, CFA
<b>TRUSTEE</b>	Emerging Africa Trustees Limited
<b>CUSTODIAN</b>	Rand Merchant Bank Nigeria Limited (RMBN)
<b>REGISTRARS</b>	Meristem Registrars & Probate Services Ltd
<b>SOLICITORS</b>	DealHQ Partners

#### **11.10 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected at the office of Meristem Wealth Management Limited, 20A, Gerrard Road, Ikoyi, Lagos, during normal business hours.

- a. Certificates of Incorporation of the Fund Manager and the Trustee.
- b. Memorandum and Articles of Association of the Fund Manager and the Trustee;
- c. The Prospectus issued in respect of the Offer;
- d. Board Resolution of the Fund Manager authorizing the creation of the Fund and the issuance of 50,000,000 Units of the Fund;
- e. The Material Contracts referred to above;
- f. The written Consents referred to above;
- g. A letter of authorization of the Fund and registration of the Units by the SEC;

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## **12. PROCEDURE FOR APPLICATION**

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### **12.1 APPLICATION**

- 1.1 The general investing public is hereby invited to apply for units of the Fund.
- 1.2 Applications for the Units must be made in accordance with the instructions set out at the back of the application form. Care must be taken to follow these instructions, as applications, which do not comply, will be rejected.
- 1.3 The Fund shall commence on Wednesday, November 1, 2023. Applications must be for an initial minimum of 100 units (i.e. ₦10,000). The number of units for which an application is made, and the value of the units applied for should be entered in the boxes provided.
- 1.4 A single applicant should sign the declaration and write his/her/its full names, address, daytime telephone number, and mobile telephone number on the application form. Where the application is being made on behalf of a child, the full names of the applicant and the child, and the date of birth of the child should be provided. A corporate applicant should affix its seal in the box provided and state its RC number.
- 1.5 Payment in respect of the application must be transferred into the designated Custody account domiciled with Rand Merchant Bank Nigeria Limited (RMBN) with the following details:  
  
**ACCOUNT NAME:** EMERGING AFRICA TRUSTEES/MERISTEM FIXED INCOME FUND  
**ACCOUNT NUMBER:** XXXXXXXX  
**NARRATION:** "[NAME OF SUBSCRIBER]'S INVESTMENT IN THE MERISTEM FIXED INCOME FUND.
- 1.6 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.

### **12.2 ALLOTMENT**

The Directors of the Fund Manager reserve 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 SEC's approval. Electronic Fund Statements would be sent to Unitholders not later than 2 weeks from the date of allotment.

### **12.3 APPLICATION MONIES**

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.

**13. APPLICATION FORM**

**FUND COMMENCEMENT**  
Wednesday, November 1, 2023



RC: 764153

**MERISTEM FIXED INCOME FUND**

OFFER FOR SUBSCRIPTION

Of

50,000,000 Units

at

₱100.00 per Unit

**Payable in full on Application**

**Important Notice:** Application must be made in accordance with the instructions set out on the back of this Application Form. If you are in doubt as to the action to take, please consult your financial adviser, stockbroker, solicitor, accountant, tax consultant, bank manager or any other professional adviser for guidance. Care must be taken to follow these instructions as applications that do not comply with the instructions will be rejected.

**DECLARATION**

- o I am/We are 18 years of age or over.
  - o I/We authorize you to send an allotment letter and/or cheque for any amount overpaid by Registered post to the address given below and to procure registration in my/our name as holder(s) of number of units or such smaller number, as aforesaid.
- o I/We attach the amount payable in full on the application for the number of units in the MERISTEM FIXED INCOME FUND of N10 per unit.
  - o I/We agree to accept the same or any smaller number of units in respect of which allotment may be made upon the terms of the Prospectus and subject to the Trust Deed of MERISTEM FIXED INCOME FUND.
  - o I/We declare that I/We have read a copy of the Prospectus for the Offer dated Thursday, October 12, 2023 by MERISTEM FIXED INCOME FUND.

**GUIDE TO APPLICATION**

<u>Number of Shares applied for</u>	<u>Amount Payable</u>
100 Minimum	₱100.00

Number of Units Applied for:

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Value of Units applied for/Amount Paid:

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PLEASE COMPLETE IN BLOCK LETTERS

**1. INDIVIDUAL / CORPORATE APPLICANT**

Surname / Company Name	Title:	<input type="checkbox"/> MR.	<input type="checkbox"/> MRS.	<input type="checkbox"/> MISS	<input type="checkbox"/> DR	<table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td> </tr> </table>																					

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Other Names (for Individual Applicants only)

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Full Postal Address/Street Address

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City/Town

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Land Phone Number

State

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Mobile (GSM) Telephone Number

