

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE PROSPECTUS. If in doubt, please consult your Stockbroker, Solicitor, Banker or an Independent Investment Adviser.

This Prospectus has been seen and approved by the Directors of FBN Capital Limited 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.



RC 446599

## OFFER FOR SUBSCRIPTION

OF

**50,000,000 Units**  
of ₦ 100.00 each

**AT PAR**

IN THE

# FBN HERITAGE FUND

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

**Payable in Full on Application**

ISSUING HOUSE



Guaranty Trust Bank plc  
RC 152321

**Application List Opens: XXXXXXXXXX, 2007**

**Application List Closes: XXXXXXXXXX, 2007**

This Prospectus and the Units which it offers have been registered by the Securities & Exchange Commission. The Investments and Securities Act CAP I24 LFN 2004 provides for civil and criminal liabilities for the issue of a Prospectus, which contains false or misleading information. Registration of this Prospectus and the Units, which it offers, does not relieve the parties of any liability arising under the Act for false or misleading statements contained or for any omission of a material fact in any Prospectus.

This Prospectus is dated XXXXXX, 2007

# TABLE OF CONTENTS

	<b>PAGE</b>
<b>1. INDICATIVE TIMETABLE</b>	<b>3</b>
<b>2. DEFINITION OF TERMS</b>	<b>4</b>
<b>3. SUMMARY OF THE OFFER</b>	<b>6</b>
<b>4. THE OFFER</b>	<b>8</b>
<b>5. CORPORATE DIRECTORY OF THE FUND MANAGER</b>	<b>9</b>
<b>6. THE TRUSTEE AND OTHER PROFESSIONAL PARTIES TO THE OFFER</b>	<b>10</b>
<b>7. INFORMATION ON THE FBN HERITAGE FUND</b>	<b>13</b>
7.1 Particulars of the Fund	13
7.2 Investment Objective	13
7.3 Investment Philosophy	13
7.4 Investment Incentives	14
7.5 Target Investors	14
7.6 Subscription to the Fund	14
7.7 Income and Distribution	15
7.8 Investment Discretion	15
7.9 Investment Restrictions	15
7.10 Transfer and Redemption of Units	15
7.11 Fund Statements/Certificates	16
7.12 Unitholders' Meetings & Voting Rights	16
7.13 Valuation of the Units	16
7.14 Risk Factors	17
<b>8. FINANCIAL FORECAST</b>	<b>18</b>
8.1 Letter from the Reporting Accountants	20
8.2 Memorandum on the Profit Forecast for the seven months ending 31 March 2008 and years ending 31 March 2009 and 2010	21
8.3 Bases and Assumptions Underlying the Profit Forecast	21
8.4 Statement of Proposed Significant Accounting Policies	22
8.5 Profit Forecast for the seven months ending 31 March 2008 and years ending 31 March 2009 and 2010	23
8.6 Forecast Balance Sheet for the seven months ending 31 March 2008 and years ending 31 March 2009 and 2010	23
8.7 Forecast Cashflow Statement for the seven months ending 31 March 2008 and years ending 31 March 2009 and 2010	24
8.8 Forecast Yield for the seven months ending 31 March 2008 and years ending 31 March 2009 and 2010	25
8.9 Notes on the Profit Forecast	25
8.10 Letter from the Issuing House	26
<b>9. FINANCIAL SUMMARY</b>	<b>27</b>
9.1 FBN Capital Limited – Statement of Affairs for the year ended 31 March, 2006	27
9.2 First Bank of Nigeria Plc – Five Year Financial Summary	28
<b>10. INFORMATION ON THE FUND MANAGER AND TRUSTEE</b>	<b>30</b>
10.1 FBN Capital Limited - Fund Manager	30
10.2 Directors of the Fund Manager	31
10.3 Management of the Fund	32
10.5 Leadway Trustees Limited – Trustee to the Fund	33
10.6 The Fund Investment Committee	34
<b>11. STATUTORY AND GENERAL INFORMATION</b>	<b>35</b>
11.1 Extracts from the Trust Deed	35
11.2 Indebtedness	44
11.3 Claims & Litigation	44
11.4 Costs & Expenses	44
11.5 Consents	44
11.6 Material Contracts	44
11.7 Relationship Between the Issuer and its Advisers	44
11.8 Documents Available for Inspection	45
<b>12. NIGERIA</b>	<b>46</b>
12.1 Country Profile	46
12.2 The Nigerian Economy	47
12.3 The Nigerian Capital Market	49
<b>PROCEDURE FOR APPLICATION AND ALLOTMENT</b>	<b>52</b>
<b>RECEIVING AGENTS</b>	<b>54</b>
<b>APPLICATION FORM</b>	<b>55</b>
<b>INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM</b>	<b>56</b>



## INDICATIVE TIMETABLE

<b>Date</b>	<b>Activity</b>	<b>Responsibility</b>
	Application List opens	GTBank
	Application List closes	GTBank
	Receiving Agents make returns	GTBank/Registrars
	Forward allotment proposal and draft newspaper advertisement to SEC	GTBank
	Receive SEC clearance of Allotment Proposal	GTBank
	Pay net proceeds of the Offer to FBN Capital Limited	GTBank
	Publish Allotment Announcement	GTBank
	Dispatch rejected/surplus application monies (if any)	GTBank/Registrars
	Distribution of Unit Certificates	Registrars
	Forward Declaration of Compliance to The Exchange	Stockbrokers
	Listing of The FBN Heritage Fund	GTBank/ Stockbrokers

*This timetable has been prepared on the basis of our estimation of the regulatory periods for obtaining various approvals. It may therefore change without prior notice.*



## DEFINITION OF TERMS

In this document, unless otherwise stated or clearly indicated by the context, the words in the first column have meanings stated opposite them:

<b>“Allotment Date”</b>	The date of the SEC clearance of the basis of allotment in connection with this Offering
<b>“Application Form”</b>	The application form attached hereto
<b>“Bid Price”</b>	The price at which an investor can sell/redeem units of the Fund at a stated point in time.
<b>“Business Day”</b>	Monday through Friday excluding days designated by the Federal Government of Nigeria as a public holiday
<b>“CBN”</b>	Central Bank of Nigeria
<b>“CCI”</b>	Certificate of Capital Importation
<b>“CSCS”</b>	Central Securities Clearing System Limited
<b>“Deposited Property”</b>	Assets (including cash) held or deemed to be held on trust for the Fund and all Net Income Proceeds realised by the Fund which are yet to be invested or distributed excluding any sums or investments which are for the time being standing to the credit of the Distribution Account.
<b>“Directors”</b>	The Directors of the Fund Manager, who comprise those persons whose names are set out on page 8 of this document
<b>“First Bank”</b>	First Bank of Nigeria Plc
<b>“FGN”</b>	Federal Government of Nigeria
<b>“Fund” or “FHF”</b>	FBN Heritage Fund
<b>“Fund Manager” or “Manager”</b>	or FBN Capital Limited (“FBN Capital” or “Company”)
<b>“GTBank” or “Issuing House”</b>	Guaranty Trust Bank plc
<b>“IPO”</b>	Initial Public Offering
<b>“ISA”</b>	Investments & Securities Act, Cap I24, LFN 2004
<b>“LFN”</b>	Laws of the Federation of Nigeria
<b>“NAV”</b>	Net Asset Value, which means the product of the Offer price and the total number of units in the Fund on any Valuation Date.
<b>“NSE ASI”</b>	The Nigerian Stock Exchange All-Share Index
<b>“Offer”</b>	The offer of units of the Fund to the general public during the Offer Period
<b>“Offer Period”</b>	The period between the opening and the closing dates of Application List as approved by the Commission
<b>“Offer Price”</b>	The price an investor will pay for one unit when subscribing to the Fund after the initial subscription period
<b>“Open-ended Fund”</b>	This refers to a mutual fund that can create, offer and redeem additional units outside of its initial offering on a continuous basis throughout the life of the Fund.
<b>“Payment Date”</b>	The date on which distributable income from the Fund shall be paid into the accounts of Unitholders and that being not less than five (5) working days after the Record Dates
<b>“PFA (s)”</b>	Pension Fund Administrator (s) duly licensed by the National Pension Commission
<b>“PFC (s)”</b>	Pension Fund Custodian(s) duly licensed by the National Pension Commission



## DEFINITION OF TERMS (contd.)

<b>“Receiving Agents”</b>	All Banks, Issuing Houses or Stockbrokers authorised to distribute prospectuses and receive application monies from the general public for onward dispatch to the Issuing House and Registrar to the Offer.
<b>“Receiving Banks”</b>	First Bank of Nigeria Plc and Guaranty Trust Bank plc, the banks designated to receive subscription monies for the Offer pending clearance of the basis of allotment by the SEC
<b>“SEC” or “Commission”</b>	Securities & Exchange Commission
<b>“The Exchange” or “The NSE”</b>	The Nigerian Stock Exchange
<b>“Trustee”</b>	Leadway Trustees Limited
<b>“Trustee Act”</b>	Trustee Investments Act Cap T22 Laws of the Federation of Nigeria 2004
<b>“Trust Deed”</b>	The Deed dated <b>XXXXXX 2007</b> between the Fund Manager and Trustee governing the Fund
<b>“Unit(s)”</b>	A unit created and issued and represents one undivided share in the assets of the Fund
<b>“Unitholder”</b>	Any holder of the units of the Fund
<b>“Valuation Date”</b>	The last business day of each week or such other date (s) when the valuation of the Units will be carried out as the Fund Manager shall at its discretion determine from time to time
<b>“WDAS”</b>	Wholesale Dutch Auction System - a retail auction used by the CBN to sell official foreign exchange to end-users



## SUMMARY OF THE OFFER

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

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

- 1. FUND MANAGER** FBN Capital Limited
- 2. ISSUING HOUSE** Guaranty Trust Bank plc
- 3. TRUSTEE TO THE FUND** Leadway Trustees Limited
- 4. THE OFFER** 50,000,000 Units of ₦100 each in the Fund
- 5. METHOD OF OFFER** Offer for Subscription, being the initial public offering of Units in the Fund
- 6. NATURE OF THE FUND**

The Fund aims to achieve long-term capital appreciation of its assets by investing in a diversified portfolio comprising of high quality equity securities quoted on The Exchange as well as fixed income, money market instruments, real estate and other securities approved by the SEC and the Trustees.

The Fund is balanced in its asset allocation structure and will invest between the ranges of 50-65% in quoted securities; 15-25% in quality fixed income securities; 5-10% in money market instruments and maximum of 5% in real estate investments.

The Fund is open-ended and investors will be free to subscribe to its units through FBN Capital Limited or any other Agents approved by the Fund Manager after the IPO. Therefore, although the Fund has an initial target size of 50,000,000 Units, the Fund Manager will issue additional Units of the Fund to subscribers on demand after the initial tranche of 50,000,000 Units has been fully subscribed, subject to the Commission's approval of the additional units.
- 7. UNITS OF SALE** 500 Units and multiples of 10 Units thereafter.
- 8. OFFER PRICE** ₦100.00 per Unit

US Dollar subscriptions will be processed at the applicable foreign exchange rate determined at the auction of the CBN as conducted from time to time.
- 9. OFFER SIZE** ₦5,000,000,000
- 10. PAYMENT TERMS** In full on application.
- 11. PREFERENTIAL ALLOTMENT** 10% of the Offer has been allotted to FBN Capital Limited. This preferential allotment is in compliance with current regulations issued by the Commission that promoters of unit trust schemes in Nigeria subscribe to a minimum of 10% of the initial issue of such schemes.
- 12. UNDERWRITING** 30% of the Offer has been underwritten by First Bank of Nigeria Plc on a standby basis
- 13. OPENING DATE** xxxxx, 2007
- 14. CLOSING DATE** xxxx, 2007



## SUMMARY OF THE OFFER (contd.)

### 15. REDEMPTION

On any working day of the week. Redemptions will be paid within 5 Business Days after the relevant redemption documents have been filed with the Fund Manager. Minimum permissible holding after redemption is 500 Units or such balance as advised by the Manager from time to time.

### 16. FORECAST OFFER STATISTICS (Extracted from the Reporting Accountants' Report)

	<b>7 months ending</b>	<b>Year ending</b>	
	<b>31 March</b>	<b>31 March</b>	
	<b>2008</b>	<b>2009</b>	<b>2010</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Net Asset Value, beginning of year	4,750,500	5,312,878	6,775,170
Undistributed net income	283,890	414,468	477,070
Additional subscriptions in the year	-	400,000	500,000
Unrealised capital gain	308,488	647,825	1,021,335
Net Asset Value, end of year	5,312,878	6,775,170	8,773,335
Increase in Net Asset Value	592,378	1,462,292	1,998,165
<b>Return on Investment</b>	<b>22%</b>	<b>28%</b>	<b>29%</b>

### 17. QUOTATION

An application has been made to The Exchange for the admission of the 50,000,000 Units now being offered for subscription to its Memorandum List.

### 18. STATUS

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



## THE OFFER

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

This Prospectus is being issued in compliance with the provisions of the Investments and Securities Act Cap I24 Laws of the Federation of Nigeria 2004 and the Rules and Regulations of the Commission and the listing requirements of The Exchange and contains particulars in compliance with the requirements of the Commission and The Exchange, for the purpose of giving information to the public with regard to the Offer for Subscription of 50,000,000 Units in the Fund by Guaranty Trust Bank plc. The Fund has been authorised and registered by SEC as a Unit Trust Scheme. An application has been made to The Council of The Exchange for the admission of the 50,000,000 Units now being offered for subscription to its Memorandum List.

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



Guaranty Trust Bank plc  
RC 152321

on behalf of



RC 446599

### **Offers for Subscription**

and is authorised to receive applications for

**50,000,000 units of ₦ 100.00 each**

in

## **FBN HERITAGE FUND**

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

**At Par**

Payable in Full on Application

The Application List for the Units now being offered will open on xxxx 2007 and close on xxxx, 2007.



## CORPORATE DIRECTORY OF THE FUND MANAGER

### FUND MANAGER:

#### **FBN Capital Limited (RC: 446599)**

16, Keffi Street  
S.W. Ikoyi  
Lagos  
Telephone: +234 1 2707180-9  
Facsimile: +234 1 2690819  
Website: www.fbncapital.com

### DIRECTORS OF THE FUND MANAGER:

#### **Chief Oluwole A. Adeosun** (*Chairman*)

16, Keffi Street  
S.W. Ikoyi  
Lagos

#### **Bayo Adeleke** (*Managing Director/Chief Executive*)

16, Keffi Street  
S.W. Ikoyi  
Lagos

#### **Kofo Majekodunmi** (*Executive*)

16, Keffi Street  
S.W. Ikoyi  
Lagos

#### **Taiwo Okeowo** (*Executive*)

16, Keffi Street  
S.W. Ikoyi  
Lagos

#### **Bola Adesola**

16, Keffi Street  
S.W. Ikoyi  
Lagos

#### **Lamido Sanusi**

16, Keffi Street  
S.W. Ikoyi  
Lagos

#### **Udo Udo-Aka, MON**

16, Keffi Street  
S.W. Ikoyi  
Lagos

### COMPANY SECRETARY:

#### **Akinola Marinho**

16, Keffi Street  
S.W. Ikoyi  
Lagos

### AUDITORS TO THE FUND MANAGER:

#### **KPMG Professional Services**

22A, Gerrard Road  
Ikoyi  
Lagos



## CORPORATE DIRECTORY OF THE FUND MANAGER (contd.)

### PRINCIPAL OFFICERS OF THE FUND MANAGER:

Bayo Adeleke - *Managing Director & Chief Executive*  
Kofo Majekodunmi – *Executive Director (Investment Management)*  
Taiwo Okeowo – *Executive Director (Corporate Finance)*  
Abiodun Akinjayeju – *General Manager*  
Nicholas Nneji - *Lead Portfolio Manager*  
Dare Olagoke – *Head, Operations & Enterprise Management*  
Bisi Oni - *Head, Research*  
Ruqaya Nasir-Usman – *Abuja Liaison Manager*  
Osaze Ize-Iyamu – *Asset Manager*

### MEMBERS OF THE INVESTMENT COMMITTEE:

Bayo Adeleke  
Kofo Majekodunmi  
Taiwo Okeowo  
Nicholas Nneji  
Osaze Ize-Iyamu  
Mr Ayo Wuraola (*Independent Member*)



## THE TRUSTEE AND OTHER PROFESSIONAL PARTIES TO THE OFFER

<b>TRUSTEE TO THE FUND:</b>	<b>Leadway Trustees Limited</b> 121/123, Funso Williams Avenue Iponri Lagos
<b>ISSUING HOUSE:</b>	<b>Guaranty Trust Bank plc</b> Plural House Plot 1669, Oyin Jolayemi Street Victoria Island Lagos
<b>SOLICITORS TO THE TRUSTEE:</b>	<b>Giwa Osagie &amp; Co.</b> 4, Lalupon Close S.W. Ikoyi, Lagos
<b>SOLICITORS TO THE OFFER:</b>	<b>G. Elias &amp; Co.</b> NCR Building (6 <sup>th</sup> Floor) 6, Broad Street Lagos
<b>AUDITORS TO THE FUND:</b>	<b>KPMG Professional Services</b> 22A, Gerrard Road Ikoyi Lagos
<b>REPORTING ACCOUNTANTS:</b>	<b>Akintola Williams Deloitte</b> 235 Ikorodu Road Ilupeju Lagos
<b>REGISTRARS TO THE OFFER:</b>	<b>First Registrars Nigeria Limited</b> Plot 2 Abebe Village Road Iganmu Lagos
<b>STOCKBROKERS TO THE OFFER:</b>	<b>Premium Securities Limited</b> 16, Keffi Street S.W. Ikoyi Lagos
	<b>Camry Securities Limited</b> Wesley House Annex 21/22 Marina Lagos
	<b>Cashcraft Asset Management Limited</b> Foreshore Towers ( Floor) 2A Osborne Road Ikoyi Lagos
	<b>Finmal Finance Services Limited</b> 10, Ijora Causeway Ijora Lagos



**Futureview Financial Services Limited**

161D Afu Taylor Close  
Off Idejo Street  
Victoria Island,  
Lagos

**MBC Securities Limited**

South Atlantic Tower (1<sup>st</sup> Floor)  
Victoria Island  
Lagos

**PSL Limited**

Cathedral House (3<sup>rd</sup> Floor)  
2, Odunlami Street  
Lagos

**RECEIVING BANKS:**

**First Bank of Nigeria Plc**

Samuel Asabia House  
35 Marina  
Lagos

**Guaranty Trust Bank plc**

Plural House  
Plot 1669 Oyin Jolayemi Street  
Victoria Island  
Lagos

**UNDERWRITER:**

**First Bank of Nigeria Plc**

Samuel Asabia House  
35 Marina  
Lagos



## INFORMATION ON THE FBN HERITAGE FUND

### 1. PARTICULARS OF THE FUND

The FBN Heritage Fund is authorised and registered in Nigeria as a Unit Trust Scheme under Section 125 of the ISA. The Fund is governed by a Trust Deed with Leadway Trustees Limited as Trustees. 50,000,000 Units are being offered for subscription at the launch of the Fund.

### 2. INVESTMENT OBJECTIVE

The primary objective of the Fund is total return through a combination of growth and income. Accordingly, the Fund aims to achieve long-term capital appreciation of its assets, through investment in a portfolio made up of high quality equity securities quoted on The Exchange and in other investments approved by the Commission. The pooling of a variety of securities and investments should minimise fluctuations in earnings. Investors will also obtain direct access to significant quantities of these shares.

The Fund seeks to achieve its stated objective of long term capital appreciation of its assets by investing in the following instruments:

- High quality quoted stocks on The NSE;
- Fixed income instruments;
- Money market instruments;
- Real estate investments and securities; and
- Other securities specified under the Trustees Act, as well as other securities approved by the Fund Manager in conjunction with the Trustee and the Commission.

**Table 1. Asset Allocation**

Asset Class	Asset Allocation %
Equity	50-65
Fixed Income	15-25
Money Market	5-10
Real Estate	0-5

The portion of the Fund's assets invested in equities and other authorised investments will vary from time to time consistent with the Fund's investment objective, changes in equity prices and interest rates and other economic and market factors.

### 3. INVESTMENT PHILOSOPHY

The following philosophy would guide the Fund's investment decisions into various asset classes highlighted above:

- (i) **Equities:**  
Sound risk management strategies and use of fundamental research analysis (using top-down asset allocation and bottom-up stock selection processes) would be adopted in making investment decisions in equities.
- (ii) **Fixed Income Securities:**  
Investments in high yielding debt instruments would be diversified to spread risk. Maturities would be staggered with adequate collateral where necessary.
- (iii) **Money Market Instruments:**  
Liquid money market assets would be maintained to accommodate potential redemption of units. Assets would be well diversified with staggered maturities.
- (iv) **Real Estate Investments:**  
A cautious approach would be adopted towards real estate investments within the first three years in order to enhance immediate yield for the Fund. However, preference would be for real estate investment instruments for improved liquidity of the investments.



### 4. INVESTMENT INCENTIVES

The Fund offers an opportunity to achieve good returns (while minimising risks), from a diversified portfolio of investments, which may not otherwise be available, in significant quantities, to individual investors. The Fund will enable investors to spread their risks over carefully chosen quoted securities which will span different sectors of the economy, primarily blue-chip equities quoted on The Exchange, and other investments approved by the Commission.

The Fund also offers an opportunity to subscribe for units on behalf of and in the name of minors. When such minors reach legal maturity (i.e. 18 years), they can either continue with the investment or redeem all of the units held in their name.

FBNC is a focused company, with a clear strategy to remain a key player in the global business environment and “to be the first choice brand”.

- FBN Capital is run by a stable and professional management team. The Company offers the security and credibility associated with the First Bank brand.
- An investment in the Fund provides the opportunity to spread investment risks over carefully selected securities.
- It guarantees good returns from holding securities from numerous issuers, which may not otherwise be available, in significant quantities, to individual investors.
- An investment in the Fund will benefit from the expertise of professional portfolio managers who would work towards meeting the Fund’s objectives.
- The Fund will ultimately offer a loyalty scheme that will reward loyal investors in addition to an incentive but optional package of group life assurance scheme.
- It affords an opportunity to receive dividends on the Fund, either in cash or scrip modes and to achieve the objective of capital appreciation on investment through capital gains, dividends, bonus issues and interest income.
- Units of the investment are tradeable on any Business Day, which provides liquidity for the Fund’s investors.

### 5. TARGET INVESTORS

The Fund is primarily aimed at investors who have a long-term investment perspective. The Fund also welcomes participation from both foreign and non-resident investors and the Fund Manager will assist non-resident investors to facilitate the remittance of the net proceeds arising from a foreign currency investment in the Fund at the point of divestment.

### 6. SUBSCRIPTION TO THE FUND

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

- a. directly to the Manager at a designated branch of First Bank. Completed Forms should be returned to any such designated branch along with a bank draft for the amount being invested.
- b. by downloading a Purchase Order Form from the Fund Manager’s website, [www.fbncapital.com](http://www.fbncapital.com). The downloaded and duly completed Form should be sent to the Fund Manager’s Lagos office address as indicated on the Form. Payment for Units of The Fund can be made by a bank draft made payable in Lagos or via a wire transfer made in line with instructions on the Form.
- c. through any other Agent(s) appointed by the Manager in the future.

Foreign currency subscriptions shall be processed at the prevailing exchange rate advised by the Manager. Foreign currency subscribers are requested to complete the Purchase Order Form and follow the instructions at the back of the Form.



## INFORMATION ON THE FBN HERITAGE FUND

CCIs will be issued to foreign currency subscribers within 24 hours of the receipt of payment. CCIs are required to enable subsequent repatriation, in a freely convertible currency, of proceeds from redemption of Units or from any distribution of the Fund's income that the Fund Manager may undertake.

### 7. INCOME AND DISTRIBUTION

The Fund will operate as a growth fund and consequently its main focus will be capital appreciation. The Manager however intends to make distributions of the Fund's income or capital gains provided the Fund makes a profit in the financial year in respect of which such distributions are made.

Unitholders may choose to take out their distributions in form of cash or to re-invest it to purchase additional Units. Unitholders are free to switch from one form of payment to the other by giving 180 days notice before close of a particular financial year.

### 8. INVESTMENT DISCRETION

Investments of the Fund will be undertaken at the discretion of the Fund Manager, subject to the policies established by the Investment Committee and in accordance with the Trust Deed. Within these limits, the Fund Manager will be responsible for all the decisions as to investment strategies, types, amounts and timing of the investments to be undertaken by the Fund.

The strategies of the Fund will be periodically reviewed and modified as market conditions warrant and as the Fund Manager deems such modifications to be in the Fund's best interest. The Fund is not to hold any investments for specific or pre-determined periods. Holding periods for the Fund's trading and investment positions will be principally dependent upon their anticipated short to long term income and capital appreciation potentials and the market conditions that may prevail over time

### 9. INVESTMENT RESTRICTIONS

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

- (i) Investments shall be made for trading purposes only and shall not be intended for the purpose of exercising control over the management or operating policies of issuers of securities held;
- (ii) The Fund may not make loans except that it may buy and hold qualifying debt instruments in accordance with its mandate;
- (iii) The Fund will not purchase securities on margin or engage in short sales of securities;
- (iv) The Fund Manager may not invest more than 10% of the Fund's total assets in any single investment;
- (v) The Fund Manager may not cause the Fund to hold more than 20% of any company's paid-up capital;
- (vi) The Fund may not invest in any in-house securities of the Fund Manager;
- (vii) No part of the Fund may be invested in any units or securities of another collective investment scheme being managed by the Fund Manager;
- (viii) The Fund Manager shall not invest in any securities that are not transferable.

### 10. TRANSFER AND REDEMPTION OF UNITS

Redemption of Units will be possible at any time after the allotment of such Units. Units redeemed within 180 days of the purchase will attract a processing fee of 1% of the value of such redemptions. This is to allow for the Offer proceeds to be fully allocated into the various asset classes.



## INFORMATION ON THE FBN HERITAGE FUND

Units may be redeemed on any Business Day, provided redemption notices are received at the offices of the Fund Manager before 5.00 pm on the Valuation Date. Notices received after 5.00 p.m. shall be treated on the following Business Day. Redemption price shall be as at the date of treatment. Selected branch offices of First Bank will also serve as collection centres of the Fund in order to enable investors purchase or redeem their Units from such locations. Unitholders are required to maintain a minimum balance of 500 Units except in event of total redemption of holdings. A new certificate will be issued for the new number of units in case of partial redemption. Under normal circumstances, the Fund will make redemption payments within 5 Business Days of receipt of the redemption notice.

Units purchased in the name of an individual under the age of 18 years may be redeemed or transferred by such individual upon attaining the age of 18 years provided that such individual produces a Fund certificate and a valid passport. Detailed transfer instructions are contained in the Trust Deed.

### 11. FUND STATEMENTS/CERTIFICATES

Unitholders will be issued with Fund Statements and/or Certificates, which shall constitute evidence of their title to the number of Units specified on such statements and/or certificates.

### 12. UNITHOLDERS' MEETINGS AND VOTING RIGHTS

The Manager shall call an Annual General Meeting of Unitholders with the consent of the Trustees not later than four months after the end of each accounting year to consider the accounts and all matters affecting the Fund. Each Unit of the Fund carries a right of one vote in all matters requiring the decision of the Unitholders. The Units confer on the Unitholders exclusive participation in the returns on the assets of The Fund and a right to receive notices to attend and vote at any general meeting of the Fund.

### 13. 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 a formula approved by SEC. The Fund Manager will advise the prices of the Fund after the valuation. The current formula approved by the Commission is as follows:

#### **Offer Price:**

1. Total market value of securities based on the Daily Official List of The Exchange at the date of valuation (lowest Market Offer Price)

#### **ADD**

2. Stamp Duties
3. Brokerage Fee
4. SEC Fee
5. Actual cost of investment in unquoted companies
6. Estimate of capital appreciation for unquoted companies
7. Uninvested cash
8. Undistributed income to date less expenses
9. Total value of money market instruments
10. Manager's initial charge.

Value per Unit = Summation of (1) minus (2-10) divided by number of Units on sale rounding off.



## INFORMATION ON THE FBN HERITAGE FUND

### **Bid Price:**

1. Total market value of securities based on the Daily Official List of The Exchange at the date of valuation (highest Market Bid Price)

#### ADD

2. Actual cost of investment in unquoted companies
3. Estimate of capital appreciation for unquoted companies
4. Uninvested cash
5. Undistributed income to date less expenses
6. Total value of money market instruments
7. Stamp Duties
8. Brokerage Fee
9. SEC Fee

The Offer Price is equivalent to the summation of (1) minus (2 to 6), less (7) minus (9) divided by number of units outstanding.

The Bid and Offer Prices per Unit shall be displayed at the Fund Manager's office and quoted on the Memorandum List of The NSE.

### **14. RISK FACTORS**

The Fund Manager will exercise all necessary caution in investing monies mobilised by the Fund. However, no guarantees can be given that the Fund's objectives will be realised. A subscription to the Fund should therefore be considered to be a calculated risk as it is subject, among other things, to the price movements of equities on the Nigerian stock market.

The Fund Manager cannot confirm that political and economic developments in Nigeria, over which the Fund has no control, will not limit the Fund's investments flexibility or its ability to attain its investment objectives. The Fund Manager has substantial knowledge of local practices and remedies that are available for alleviating a substantial portion of the risks associated with these concerns, but does not provide any guarantees.

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



## FINANCIAL FORECAST

### 1. LETTER FROM THE REPORTING ACCOUNTANTS

The following is a copy of the letter on the Financial Forecast by Akintola Williams Deloitte (Chartered Accountants), the Reporting Accountants to the Offer:

**Deloitte.**

Akintola Williams Deloitte  
Chartered Accountants  
235, Ikorodu Road, Ilupeju  
P. O. Box 965  
Lagos, Nigeria

Tel: +234 1 4930720-4  
Fax: +234 1 4970023  
[www.deloitte.com](http://www.deloitte.com)

31 May 2007

The Directors  
FBN Capital Limited  
16, Keffi Street  
South West Ikoyi  
Lagos

and

The Directors  
Guaranty Trust Bank Plc  
Plural House  
Plot 1669, Oyin Jolayemi Street  
Victoria Island  
Lagos

Gentlemen,

We have reviewed the accounting policies and calculations for the profit forecast of FBN Heritage Fund (the "Fund") for the seven months ending 31 March 2008 and years ending 31 March 2009 and 2010. The Fund Manager, FBN Capital Limited, is solely responsible for the profit forecast including the assumptions set out on pages 17 to 18 on which the profit forecast is based.

In our opinion, the profit forecast, so far as the accounting policies and calculations are concerned, has been properly compiled based on the assumptions and is presented on a basis consistent with the accounting policies of the Fund Manager.

Yours faithfully,

Chartered Accountants  
(Reporting Accountants)



**MEMORANDUM ON THE PROFIT FORECAST OF FBN HERITAGE FUND FOR THE SEVEN MONTHS ENDING 31 MARCH 2008 AND YEARS ENDING 31 MARCH 2009 AND 2010.****1. INTRODUCTION**

This memorandum has been prepared to summarise the information available to the Fund Manager, FBN Capital Limited and their basic assumptions at the time of their forecast of the profits before taxation for the seven months ending 31 March 2008 and years ending 31 March 2009 and 2010.

**2. FORECAST**

The Fund Manager is of the opinion that subject to unforeseen circumstances and based on the assumptions stated below, the profit before taxation for the seven months ending 31 March 2008 and years ending 31 March 2009 and 2010 will be ₦283.89 million, ₦414.47 million and ₦477.07 million respectively. The forecast has been arrived at on the following assumptions:

**3. BASES AND ASSUMPTIONS**

The following are the bases and principal assumptions underlying the profit forecast for the seven months ending 31 March 2008 and years ending 31 March 2009 and 2010.

**3.1 Bases**

The profit forecast for the seven months ending 31 March 2008 and years ending 31 March 2009 and 2010 have been prepared under the historical cost convention and in accordance with the Fund Manager's normal accounting policies.

**3.2 Assumptions**

- (i) Based on the projected level of operations, the gross income of the Fund for the seven months ending 31 March 2008 and years ending 31 March 2009 and 2010 will be approximately ₦401.16 million, ₦551.88 million and ₦611.00 million respectively.
- (ii) The Fund will be set- up in the 2007/2008 financial year as a fund with a size of ₦5 billion.
- (iii) The net proceeds of the offer are expected to be received in August 2007.
- (iv) The Fund will be allocated and invested within the first three years of operations before venturing into real estate investments as follows:

	<b>Range</b>
Quoted securities	- 50 -65%
Fixed income securities	- 15 -25%
Money Market/liquid instruments	- 5- 10%
- (v) Quoted securities investment will be made in carefully selected quoted securities on the Nigerian Stock Exchange. An average price appreciation of 15%, 10% and 10% are assumed for the first three years after investment.
- (vi) Dividend growth rate is projected at 10% annually for the three- year forecast period using dividend paid by the selected quoted companies for the year ended in 2005/2006 as a base.
- (vii) During each year, a minimum of 40% of the quoted securities portfolio is expected to be traded actively in 2008, 2009 and 2010, with a margin of 15% expected on the traded volume for each of the years.
- (viii) Return on money market instruments is projected at 12%, 10% and 10% respectively for 2008, 2009 and 2010.



## FINANCIAL FORECAST (contd.)

- (ix) The Manager's fees are based on 1% of the Fund's net asset value before distribution to unit holders while the estimates for Trustees fees are based on current market trends.
- (x) There will be no significant changes in Federal Government's monetary and fiscal policies that will adversely affect the operations of the Fund.
- (xi) There will be no material changes in the accounting policies currently being adopted by the Fund Manager.
- (xii) Operating results of the Fund shall not be affected by major national industrial disputes in the country.
- (xiii) Due to increased awareness by the investing public after the yield resulting from the 2008 investments, it is expected that there will be inflow of new funds amounting to ₦400 million and ₦500 million in 2009 and 2010 respectively.
- (xiv) All charges for establishing the Fund, including fees payable to the SEC, The NSE, professional parties, brokerage commission, printing, advertising and distribution and other related expenses, estimated at 4.31% of the issue proceeds, plus additional 1.28% for Value Added Tax and underwriting commission, all amounting to ₦279.5 million, are payable by the Fund and deductible from the amount raised by the Fund. This will be amortised over a period of 5 years.
- (xv) The rates of exchange for the Naira will not on the average vary materially from the rates used in the preparation of the forecast, that is, between ₦127 - ₦130 per US dollar.
- (xvi) There will be improvement in the capital market operations, in terms of profitability and market capitalisation over the forecast period.

#### 4. STATEMENT OF PROPOSED SIGNIFICANT ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied in the preparation of the forecast is set out below:

(i) **Basis of accounting**

The financial statements are prepared under the historical cost convention as modified by periodic revaluation of trading securities.

(ii) **Income recognition**

**Dividend**

Dividend is regarded as earned when the quoted price of the related security is adjusted to reflect the value of the dividend and is stated gross of withholding tax. Scrip dividend is recognised on the basis of the market value of the shares on the date they are quoted ex-dividend.

**Interest**

Interest income is recognised on an accrual basis.

**Gains from securities trading income**

Realised gains and losses from trading and holding of trading securities are reported in net trading income.



## FINANCIAL FORECAST (contd.)

### 5. PROFIT FORECAST FOR THE SEVEN MONTHS ENDING 31 MARCH 2008 AND YEARS ENDING 31 MARCH 2009 AND 2010.

The Directors of the Fund Manager are of the opinion that subject to unforeseen circumstances and based on the assumptions stated on pages 17 to 18, the profit for seven months ending 31 March 2008 and years ending 31 March 2009 and 2010 will be in the order of:

	Notes	7 mths ending 31 March 2008 N'000	<.....Year ending.....> 31 March 2009 N'000	2010 N'000
<b>Income</b>				
Dividend income	9.2.2	83,060	92,216	101,438
Realised gain from securities trading	9.2.3	203,602	246,462	271,358
Fixed interest income securities	9.3	81,450	127,993	132,000
Money market income	9.4	33,044	75,025	106,205
<b>Gross Income</b>		<b>401,155</b>	<b>541,876</b>	<b>611,001</b>
<b>Operating expenses</b>				
Portfolio expenses	9.5.2	6,200	8,400	10,600
Management fees	9.5.3	53,665	61,608	65,431
Other expenses	9.5.4	1,500	1,500	2,000
Issue expenses	9.5.5	55,900	55,900	55,900
		117,265	127,408	133,931
Profit before taxation		283,890	414,468	477,070
Taxation		(28,389)	(41,447)	(47,707)
<b>Profit after taxation</b>		<b>255,501</b>	<b>373,021</b>	<b>429,363</b>
<b>Forecast ratios</b>				
Forecast earnings (N) per units of N100		6	8	10
Forecast price/earnings ratio at offer price		17	12	10
Forecast earnings yield at offer price (%)		6	8	10

### 6 BALANCE SHEET AS AT 31 MARCH

	2008 N'000	2009 N'000	2010 N'000
Capitalised Issue Expenses	223,600	167,700	111,800
<b>Current Assets</b>			
Quoted equity securities	3,393,367	4,182,704	5,055,974
Fixed income securities	1,163,571	1,200,000	1,200,000
Money market instruments	472,050	752,050	1,062,050
Debtors and prepayments	8,306	9,222	10,144
Bank and cash balances	331,484	434,507	656,555
<b>Net current assets</b>	<b>5,368,778</b>	<b>6,578,482</b>	<b>7,984,723</b>
<b>Net Assets</b>	<b>5,592,378</b>	<b>6,746,182</b>	<b>8,096,523</b>
<b>Financed by</b>			
Members' Capital Account	5,000,000	5,400,000	5,900,000
Unrealised capital gains on investments	308,488	647,825	1,021,095
Revenue reserve	283,890	698,358	1,175,428
	<b>5,592,378</b>	<b>6,746,182</b>	<b>8,096,523</b>



## FINANCIAL FORECAST (contd.)

### 7. CASH FLOWS STATEMENT FOR THE SEVEN MONTHS ENDING 31 MARCH 2008 AND YEARS ENDING 31 MARCH 2009 AND 2010

	7 mths ending 31 March 2008 N'000	<.....Year ending.....> 2009 N'000	31 March 2010 N'000
<i>Cash flows from operating activities</i>			
Dividend Income	83,060	92,216	101,438
Net gain from disposed equities	203,602	246,462	271,358
Fixed interest income securities	81,450	127,993	132,000
Money market income	33,044	75,205	106,205
Portfolio expenses	(6,200)	(8,400)	(10,600)
Audit fees	(1,500)	(1,500)	(2,000)
Issue cost	(279,500)	-	-
Management fees	(53,665)	(61,608)	(65,431)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>60,290</b>	<b>470,368</b>	<b>532,970</b>
<i>Cash flows from investing activities</i>			
Debtors and prepayments	(8,306)	(916)	(922)
Purchase of equity securities	(3,084,879)	(450,000)	(500,000)
Purchase of fixed income securities	(1,163,571)	(36,429)	-
Purchase of money market instruments	(472,050)	(280,000)	(310,000)
Net cash used in investing activities	(4,728,806)	(767,345)	(810,922)
<i>Cash flows from financing activities</i>			
Proceeds from issue	5,000,000	-	-
Additional inflow	-	400,000	500,000
<b>Net cash used in financing activities</b>	<b>5,000,000</b>	<b>400,000</b>	<b>500,000</b>
Net increase in cash and cash equivalents	331,484	103,023	222,048
Opening cash and cash equivalents	-	331,484	434,507
Closing cash and cash equivalents	<b>331,484</b>	<b>434,507</b>	<b>656,555</b>



## FINANCIAL FORECAST (contd.)

### 8. FORECAST YIELD FOR THE SEVEN MONTHS ENDING 31 MARCH 2008 & YEARS ENDING 31 MARCH 2009 AND 2010.

	2008	2009	2010
	N'000	N'000	N'000
Net Asset Value, Beginning of Year	4,720,500	5,312,878	6,775,170
Undistributed Net Income	283,890	414,468	477,070
Additional Subscriptions in the Year	-	400,000	500,000
Unrealised Capital Gains	308,488	647,825	1,021,095
Net Asset Value, End of Year	<u>5,312,878</u>	<u>6,775,170</u>	<u>8,773,335</u>
Increase in Net Asset Value	<u>592,378</u>	<u>1,462,292</u>	<u>1,998,165</u>
Return on Investment	<u>22%</u>	<u>28%</u>	<u>29%</u>

**Note:**

Net asset value at the beginning of the year is obtained by deducting the estimated offer expenses of ₦297,500,000 from the expected proceeds of ₦5,000,000,000.

The results shown for 2008 is only for seven months as against 2009 and 2010 that are for 12 months.



## FINANCIAL FORECAST (contd.)

### 9. NOTES ON THE PROFIT FORECAST

#### 9.1 Income

This is made up of the following:

	<.....Forecast.....>		
	2008	2009	2010
	N'000	N'000	N'000
Dividend income(Note 9.2.2)	83,060	92,216	101,438
Realised gains from securities trading(Note 9.2.3)	203,602	246,462	271,358
Fixed interest income securities(Note 9.3)	81,450	127,993	132,000
Money market income(Note 9.4)	33,044	75,205	106,205
	401,155	541,876	611,001

#### 9.2 The Fund

9.2.1 During the period of the offer, a total amount of ₦5,000,000,000 is expected to be realised. Initial offer expenses of ₦297,500,000 will be incurred thereby leaving an amount of ₦4,720,500,000 available for investment. The Fund Manager has projected that the net proceeds will be invested as follows:

	%	2008 N'000
Quoted equities	50 - 65	3,084,879
Fixed interest income securities	15 - 25	1,163,571
Money market instruments	5 - 10	472,050
		4,720,500

#### 9.2.2 Dividend income

The Fund will invest in carefully selected quoted securities on The Nigerian Stock Exchange. A five-year average volume was calculated for each of the selected equities and dividend paid as at year ended 2005/2006 was applied to obtain the expected dividend for 2008. The Fund Manager has projected that dividend growth rate over the 2005/2006 dividend paid will be 10% annually for the forecast period. Therefore, dividend income will be ₦83.06 million, ₦92.22 million and ₦101.44 million for 2008, 2009 and 2010 respectively.

#### 9.2.3 Realised gains from securities trading

The Net Asset Value at the end of 2008, 2009 and 2010 is projected at ₦5.31 billion, ₦6.78 billion and ₦8.77 billion respectively. The Fund Manager has also projected that a minimum of 40% of the quoted securities portfolio will be actively traded during each year. Realised gain from securities traded is expected to yield 15% on the traded volume for each of the years. Thus, realised gain on traded portfolio is projected at ₦203.60 million, ₦246.46 million and ₦271.36 million for 2008, 2009 and 2010 respectively.

#### 9.3 Fixed income securities

The Fund Manager has projected a range of 15% -25% for investment in fixed income securities. Therefore, the balance available for investment in fixed income securities has been projected at ₦1.16 billion, ₦1.16 billion and ₦1.20 billion in 2008, 2009 and 2010 respectively. This is expected to yield 12%, 10% and 10% respectively on the amount invested for years 2008, 2009 and 2010 respectively. Thus, income on fixed interest securities is projected at ₦81.45 million, ₦127.99 million and ₦132.00 million for 2008, 2009 and 2010 respectively.



## FINANCIAL FORECAST (contd.)

### 9.4 Money market income

The Fund Manager has projected a range of range of 5% - 10% for investment in money market instruments. Therefore, the balance available for investment in money market instruments has been projected at ₦472.05 million, ₦752.05 million and ₦1.06 billion in 2008, 2009 and 2010 respectively. This is expected to yield 12%, 10% and 10% respectively on the amount invested for years 2008, 2009 and 2010 respectively. Thus, return on money market instruments is projected at ₦33.04 million, ₦75.21 million and ₦106.21 million for 2008, 2009 and 2010 respectively.

### 9.5 Operating Expenses

This is made up of:

	<.....Forecast.....>		
	2008	2009	2010
	₦'000	₦'000	₦'000
Portfolio expenses (Note 9.5.2)	6,200	8,400	10,600
Management fees (Note 9.5.3)	53,665	61,608	65,431
Other expenses (Note 9.5.4)	1,500	1,500	2,000
Issue expenses (Note 9.5.5)	55,900	55,900	55,900
	117,265	127,408	133,931

#### 9.5.2 Portfolio Expenses

Portfolio expenses are made up of Trustees' fees and other charges. Trustees' fees are estimated at ₦1 million, ₦2 million and ₦3 million for 2008, 2009 and 2010 respectively. The estimate is made based on current trends in the industry and current negotiations with third parties. The balance is made up of other charges, which represents expenses such as solicitors' fees, SEC annual supervision fee and other administrative charges that might be incurred by the Fund Manager.

#### 9.5.3 Management Fees

Manager's fees are based on 1% of the Net Asset Value of the Fund at the respective balance sheet dates before distribution to the Unitholders as follows:

	Net asset value before distribution	Management fees
	₦'000	₦'000
2008	5,028,988	50,290
2009	6,360,703	63,607
2010	8,296,265	82,963

#### 9.5.4 Other Expenses

This is the amount estimated to be paid as auditors' fees for the respective period.

#### 9.5.5 Issue Expenses

Issue expenses are estimated at 5.95% of the proceeds of the offer. This is projected to be ₦297.5 million and will be amortised over five years.



**10. LETTER FROM THE ISSUING HOUSE**

The following is a copy of the letter from the Issuing House on the Financial Forecast:

**Guaranty Trust Bank plc**  
RC 152321

Plural House, Plot 1669 Oyin Jolayemi Street,  
P.O Box 75455, Victoria Island, Lagos State.  
Tel: 01-2714580-9, 2622650-64  
Fax: 01-2622699, 2622706  
[www.gtbp.com](http://www.gtbp.com)



[Date]

The Directors  
FBN Capital Limited  
16, Keffi Road  
South West Ikoyi  
Lagos

Dear Sirs,

**OFFER FOR SUBSCRIPTION OF 50,000,000 UNITS OF ₦100 EACH AT PAR IN THE FBN HERITAGE FUND**

We write further to the Prospectus issued in respect of the Offer for Subscription of 50,000,000 Units in the FBN Heritage Fund (the "Fund"), the draft of which we have had the privilege of reviewing. The Prospectus contains financial forecasts of the Fund for the seven months ending 31 March 2008 and the years ending 2009 and 2010.

We have discussed the bases and assumptions upon which the forecasts were made with you and with Akintola Williams Deloitte, the Reporting Accountants. We have also considered the letter dated 15 May 2007 from the Reporting Accountants regarding the accounting bases and calculations upon which the forecasts were compiled.

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

Yours faithfully,

**Tayo Aderinokun M F R**  
**Managing Director/Chief Executive**



## FINANCIAL SUMMARY

### 1. FBN CAPITAL LIMITED

#### Statement of Affairs

As at	31/03/06
	₦
<b>ASSETS</b>	
Cash and bank balances	109,391,252
Short term deposits	309,667,220
Investments	1,119,724,580
Prepayments	8,524,305
Preliminary Expenses	37,575,849
Fixed assets	72,730,610
<b>Total Assets</b>	<b>1,657,613,816</b>
<b>LIABILITIES</b>	
Due to the holding company	44,882,896
Other liabilities	104,964,509
Pre-operating income	207,766,411
	<b>357,613,816</b>
<b>CAPITAL</b>	
Share Capital	200,000,000
Share Premium	1,000,000,000
<b>Shareholders' funds</b>	<b>1,657,613,816</b>
<b>Total Assets</b>	<b>1,657,613,816</b>



## FIVE-YEAR FINANCIAL SUMMARY

The information in this section has been derived substantially from publicly available information such as the Prospectus issued by First Bank of Nigeria Plc in May, 2007. The Issuing House has accurately reproduced the financial information and, so far as the Issuing House is aware and is able to ascertain no facts have been omitted that would render the reproduced information inaccurate or misleading. The Issuing House has relied on the accuracy of this information without independent verification.

### 2. FIRST BANK OF NIGERIA PLC

#### Group Balance Sheet for Five Years Ended March 31<sup>st</sup>, 2006 and the nine months ended 31 December, 2006

	As At			As at 31 March		
	Dec 2006 N'million	2006 N'million	2005 N'million	2004 N'million	2003 N'million	2002 N'million
<b>ASSETS</b>						
Cash and short-term funds	60,940	50,992	32,856	24,098	21,445	18,066
Due from banks and other						
Financial institutions	185,542	169,580	129,281	124,591	185,291	121,768
Bills discounted	77,421	108,316	105,624	98,848	106,242	63,679
Investments	112,400	60,875	21,651	17,458	2,952	2,668
Loans and advances	253,649	177,303	123,739	83,500	60,439	66,384
Advances under finance lease	2,799	1,701	1,283	-	-	-
Other Assets	31,464	31,851	43,716	24,307	22,193	9,156
Equipment on lease	-	-	-	1,316	1,434	676
Fixed Assets	15,883	14,222	12,689	10,093	9,087	8,196
<b>TOTAL ASSETS</b>	<b>740,098</b>	<b>614,840</b>	<b>470,839</b>	<b>384,211</b>	<b>409,083</b>	<b>290,593</b>
<b>Liabilities</b>						
Deposits and current accounts	553,154	448,915	331,806	225,412	204,128	178,492
Due to Other Banks	5,471	323	390	30,079	60,117	111
Taxation Payable	7,286	5,142	4,758	4,700	3,599	1,499
Deferred Tax	3,486	2,746	2,089	1,625	1,241	722
Dividend Payable		5,238	6,325	5,429	3,811	2,642
Other liabilities	93,918	90,183	75,666	74,655	108,307	86,925
<b>Total Liabilities</b>	<b>663,315</b>	<b>552,547</b>	<b>421,034</b>	<b>341,900</b>	<b>381,203</b>	<b>270,391</b>
<b>Equity</b>						
Share capital	5,238	2,619	1,976	1,751	1,270	1,016
Share Premium	10,756	11,203	10,076	9,856	2,169	2,169
Statutory Reserve	13,175	11,358	8,950	7,063	5,399	3,815
Exchange Difference Reserve	3,928	3,343	3,957	3,874	2,836	2,055
General Reserve	33,153	21,805	15,358	12,485	10,132	6,449
Bonus Issue Reserve	-	2,619	494	219	254	254
Reserve for small/medium scale industries	8,154	6,967	5,536	3,978	2,567	1,188
Core Capital	74,404	59,914	46,347	39,226	24,627	16,946
Fixed assets revaluation reserve	2,379	2,379	2,379	2,379	2,379	2,379
Shareholders' funds	76,783	62,293	48,726	41,605	27,006	19,325
Minority interest	-	-	1,079	706	874	877
	76,783	62,293	49,805	42,311	27,880	20,202
<b>Liabilities and Equities</b>	<b>740,098</b>	<b>614,840</b>	<b>470,839</b>	<b>384,211</b>	<b>409,083</b>	<b>290,593</b>
Acceptances and Guarantees	141,495	115,961	83,407	57,647	55,763	80,316



## FIVE-YEAR FINANCIAL SUMMARY (contd.)

### 2. FIRST BANK OF NIGERIA PLC

#### Group Profit and Loss Account

	31 March					
	Dec 2006 N'million	2006 N'million	2005 N'million	2004 N'million	2003 N'million	2002 N'million
Gross earnings	63,709	71,143	57,255	51,318	50,597	46,267
Interest income	36,611	40,743	36,455	33,301	36,799	33,760
Interest expense	(12,529)	(10,040)	(8,555)	(6,573)	(6,593)	(4,649)
Net interest income	24,082	30,703	27,900	26,728	30,206	29,111
Other banking income	27,098	26,697	20,800	18,017	13,798	12,507
Operating expenses	(30,384)	(35,285)	(29,461)	(26,937)	(25,274)	(18,587)
Bad and doubtful expense	(2,002)	(3,985)	(2,431)	(2,955)	(4,310)	(6,164)
Profit on ordinary activities	18,794	18,130	16,808	14,853	14,420	16,867
Exceptional item	-	3,703	-	-	-	(10,694)
Profit before Taxation after exceptional item	18,794	21,833	16,808	14,853	14,420	6,173
Current taxation	(3,681)	(3,720)	(3,110)	(2,977)	(2,903)	(1,143)
Deferred Taxation	(740)	(730)	(464)	(384)	(520)	(253)
Profit after taxation	14,373	17,383	13,234	11,492	10,997	4,777
Minority interest	-	-	(184)	135	(78)	(188)
<b>Profit attributable to ordinary shareholders</b>	<b>14,373</b>	<b>17,383</b>	<b>13,050</b>	<b>11,627</b>	<b>10,919</b>	<b>4,589</b>
<b>Appropriations</b>						
Transfer to statutory reserves	1,817	2,408	1,887	1,664	1,584	680
Transfer to SSI reserve	1,187	1,605	1,558	1,411	1,379	543
Dividend	-	5,238	6,325	5,429	3,811	2,642
General Reserve	11,369	4,164	3,280	3,114	4,158	723
Transfer to general reserve	<b>14,373</b>	<b>13,415</b>	<b>13,050</b>	<b>11,618</b>	<b>10,932</b>	<b>4,588</b>
Earnings per share:						
-Actual (Naira)	1.37	3.33	3.35	3.99	4.30	2.35
-Adjusted (Naira)	1.37	1.66	1.25	1.11	1.04	0.46
Dividend per share (Naira)	-	1.00	1.60	1.55	1.50	1.30



## INFORMATION ON THE FUND MANAGER AND TRUSTEE

### 1. FBN CAPITAL LIMITED – FUND MANAGER

#### **Brief Profile**

The Fund Manager is the wholly owned investment banking subsidiary of First Bank of Nigeria Plc; the biggest and most profitable financial institution in Nigeria. The Company, which is duly registered as an Issuing House, Investment Adviser and Portfolio/Fund Manager by the SEC, was a result of the 2005 combination of the investment banking businesses of the former FBN (Merchant Bankers) Limited; MBC International Bank Limited and the Corporate Finance Group of First Bank Plc.

Leveraging on its parent's considerable financial capacity and the respective antecedents and excellent track record of each of its predecessors, FBN Capital has rapidly gained market leadership in deal origination, execution and distribution through its service offerings in corporate finance, financial advisory services, mergers, acquisitions and divestitures, project finance and structured finance. The Company delivers strong underwriting capabilities and solution-based, premium investment banking services to its institutional investors, corporate organisations as well as federal, state and local government clients.

FBN Capital has developed a reputation of integrity, innovation, strong client focus, and reputation for providing honest, straightforward advice. These principles, combined with its transaction experience and passion for excellence constitute the nucleus for its enduring success.

#### **Directors of the Fund Manager**

The Board of Directors of the Fund Manager is currently constituted as follows:

**Chief Oluwole A. Adeosun, O O N** is the Chairman of FBN Capital. Chief Adeosun was at different times, the Managing Director/Chief Executive of NAL Merchant Bank Plc (now part of Sterling Bank Plc) and First Bank of Nigeria Plc. He is also a past president of the Institute of Chartered Accountants of Nigeria and Nigerian-American Chamber of Commerce. The recipient of a national award; Officer of the Order of the Niger (OON), Chief Adeosun has served the country with distinction as the Federal Minister for Communications and Aviation during the military administration of General Babangida. In 2006, he was appointed as the Chairman of the National Pension Commission, the regulatory agency for the pension industry. He is currently the principal consultant at Oluwole Adeosun and Associates (Management Consultants) and Chairman, Royal Trust Securities Limited.

**Bayo Adeleke** resumed as Managing Director of FBN Capital in January 2006. He was a former senior executive of Citibank Nigeria and United Bank for Africa Plc. He joined First Bank in 2001 and was the Managing Director of FBN (Merchant Bankers) Limited from 2004 until its acquisition by First Bank in December 2005. Bayo has over 23 years experience in Money Markets, Capital Markets and Financial Advisory Services both in the public and private sectors. He is a graduate of Political Science from the University of Ibadan (1979) and has an MBA from American Graduate School of International Management (Thunderbird), USA (1982).

**Kofo Majekodunmi (Executive Director – Investment Management)** has over fifteen years experience in various aspects of banking, especially in Treasury, Corporate Banking, Domestic and Foreign Banking Operations. Before joining MBC International Bank Limited in 1989, he was with Continental Merchant Bank Limited. He is a graduate of Law from the London School of Economics and Political Science (1987) and holds a Masters degree in Business Administration from Lagos Business School (1998).

**Taiwo Okeowo (Executive Director, Corporate Finance and Advisory Services)** joined FBN Capital in 2006 from First Bank where he was Head, Corporate Finance Group. A seasoned professional with over 19 years in investment banking, Taiwo was a pioneer staff of Investment Banking & Trust Company Plc (now IBTC-Chartered Plc) and has considerable experience in project finance, mergers, acquisitions, restructuring, and securities underwriting. He advised on the two largest non-oil transactions to date in Nigeria namely the US\$1.2bn acquisition of Vee Networks Limited (Nigeria's second largest mobile operator) by MTC/Celtel and the US\$480m project financing of Obajana Cement Plc (the largest, wholly indigenous cement manufacturing company in sub-saharan Africa). He has a first degree in Computer Science and a Sloan Masters (M.Sc. Management) from the London Business School. He is also a Fellow of the Institute of Chartered Accountants of Nigeria.



## INFORMATION ON THE FUND MANAGER AND TRUSTEE (contd.)

**Bola Adesola (Non-Executive Director)** - A seasoned financial services expert, Bola was until her latest appointment as Executive Director, Corporate Banking of First Bank of Nigeria Plc, the Managing Director/Chief Executive of Kakawa Discount House Limited, a company she successfully repositioned from an essentially mono-product profile into a multi product enterprise.

An innovative, energetic and visionary leader, Bola comes on the Board of FBN Capital Limited with over 17 quality years of banking experience and exposure in the local and international scenes. She spent nine years in Citibank Nigeria (Nigeria International Bank Limited, a member of Citigroup). She was also part of the start-up team for Citibank, Tanzania, Dar es Salaam where she served as pioneer Treasurer. Called to the Nigerian Bar in 1985, Bola holds a law degree from the University of Buckingham, United Kingdom and has attended numerous industry-related and personal development courses in Nigeria and abroad.

An honorary member of the Chartered Institute of Bankers, Nigeria, Bola has served in various capacities in the development of the Nigerian Money Market, the Interbank Settlement Systems and the Discount House sub-sector. She is currently a member of the Governing Council, Development Policy Council, Ibadan and the Nigeria Economic Summit Group, amongst others. She is an Executive Director of First Bank.

**Lamido Sanusi (Non-Executive Director)** - Lamido was General Manager at the United Bank for Africa Plc (UBA), where he anchored the transformation of the previous Credit Risk Management Division into an Enterprise-Risk Management Division and spearheaded UBA's Basel 2 focus by establishing the framework, policies, processes and systems necessary for compliance with the guidelines of the new capital accord.

Lamido graduated with a Bachelor of Science degree in Economics from Ahmadu Bello University (ABU), Zaria, Kaduna, Nigeria, in 1981 and started his working career in academics, teaching undergraduate Economics at ABU (1983-1985). He then proceeded to a banking career, first with ICON Limited (Merchant Bankers), where he gained wide experience in Issuing House activities, Financial Advisory Services, Privatisation, Debt-Conversion and Credit and Marketing over a period of seven years. He joined UBA as a Principal Manager and rose to the position of Deputy General Manager (January 2002) and General Manager (March 2005). He is an Executive Director of First Bank.

**Udo Udo-Aka, MON (Non-Executive Director)** obtained a Bachelor of Science degree (Finance and Banking) in 1966 and MBA (International Business) 1966, both at the University of Oregon, United States of America and later, he bagged a Ph.D. degree in Business Administration from the University of Nebraska, Lincoln, USA in 1970. He held responsible positions in several reputable companies and was Associate Professor and Professor in different educational bodies both in the country and abroad. He is a Fellow of International Education, Leadership Development Programme, California, USA, Nigerian Marketing Association and Institute of Personnel Management of Nigeria. Dr. Udo-Aka published several books including *The Role of Money and Capital Markets in Economic Development: An Analysis of The Nigerian Experience (1970)* and *Management for a Dynamic Economy (1980)*. He is a Non-Executive Director of First Bank.

**Akinola Marinho (Company Secretary)**. Akinola was appointed Company Secretary/Legal Adviser in March 2007. He obtained his Bachelor of Arts (Honours) in Law and Politics from the University of Keele, England in 1994. He further obtained a Diploma in Legal Practice in 1996 from the University of Bristol, England. He is a solicitor of the Supreme Court of England and Wales. He has worked for a number of years in London; at Freshfields Bruckhaus Deringer, the global law firm between 1998 and 2000 and at Dorsey & Whitney, an American law firm, between 2000 and 2002. His practice areas were private Mergers & Acquisitions, Venture Capital, Private Equity and Capital Markets. In 2003, he obtained an LLM in Banking and Finance from the University of London, England.

### Management of the Fund

The Fund's portfolio will be managed within the Fund Manager's Funds Management Department while the following individuals shall have primary responsibility for the Fund's day-to-day operations:

**Nicholas Nneji (Lead Portfolio Manager)** - As the Lead Portfolio Manager, Nicholas will have direct oversight for all aspects of the Fund's investment portfolio and the implementation of its asset allocation framework, including but not limited to, purchases and sales of individual securities, portfolio construction techniques and portfolio risk assessments.

Nicholas is an Assistant Vice President in the Funds Management Department of FBN Capital; responsible for initiating mutual funds investment products as well as developing and managing other investment management products to meet individual clients' objectives.



## INFORMATION ON THE FUND MANAGER AND TRUSTEE (contd.)

He has over 16 years of professional experience spanning Audit, Treasury Management, Operations, Financial Control, Corporate Finance and Funds Management. He joined FBN (Merchant Bankers) Limited, in 1992 (now part of FBN Capital Limited), having previously worked with Afribank Nigeria Plc. Nicholas is a graduate of Accountancy from the Abia State University, holds an MBA degree from the University of Lagos, a Fellow of the Institute of Chartered Accountants of Nigeria and an Associate member of the Chartered Institute of Taxation. He has attended various training courses/seminars and management development programs both locally and abroad.

**Osaze Ize-Iyamu (Portfolio Manager)** - Osaze is the Asset Manager responsible for managing proprietary and clients' portfolios at FBN Capital Limited. His background is in Industrial Mathematics/Stockbroking and he has 15 years of professional experience. His experience includes overseeing assets under management of over ₦3billion for a licensed PFA, capital raising exercises for public and private companies, valuation and pricing of bonds and equities. He also has hands-on experience in privatisation advisory assignments, restructuring and stockbroking activities. He is a chartered stockbroker and possesses an MBA from the University of Lagos, Nigeria.

The core portfolio management team is assisted by other experienced professionals, who will provide administrative and research support and make strategic recommendations with respect to the Fund's portfolio.

**Oludare Olagoke** - Oludare is a 1991 computer science graduate and obtained an MBA (2001) from the Obafemi Awolowo University, Ile-Ife, Nigeria. He is an Associate Chartered Accountant, a member of Information Systems & Control Association, Illinois, United States of America and a Certified Information System Auditor (CISA). Oludare started off as a programmer with International Cards Limited, Ibadan and also has a brief stint with Industrial General Insurance Plc (IGI). He was in the Information Technology Department of Lead Bank Plc between 1993 and 2000 where he rose to head the department in 1997. In 2000, he moved to head the Information Systems Department of FBN (Merchant Bankers) Limited (now part of FBN Capital Limited) and was there until 2005. While in FBN (Merchant Bankers) Limited, Oludare introduced far-reaching operational changes and anchored a successful Business Process Re-Engineering and Automation project.

He is an experienced Business and Operational Solution provider, a Financial & Systems Control specialist and skilled in Change Management & Business Process Re-Engineering. He is a highly creative and result-oriented professional. He has attended top-level management courses both in Nigeria and abroad.

**Bisi Oni** - Bisi is an economic analyst and investment adviser. He graduated from the University of Lagos where he obtained his first and second degrees in Economics in 1988 and 1991 respectively. He was the best graduating student and an award winner of the professional examinations of the Chartered Institute of Stockbrokers of Nigeria (CIS) and the Chartered Institute of Bankers of Nigeria (CIBN). He is also an Associate of the Certified Pension Institute of Nigeria.

An experienced corporate strategist with a strong bias for research, Bisi was at various times the Head, Economic Research and Financial Advisory at Financial Derivatives Company Limited and later, Head, Corporate Planning at FBN (Merchant Bankers) Limited (now part of FBN Capital Limited). Bisi has a passion for excellence and continuous improvement. He has attended top-level management conferences both in Nigeria and abroad. A consummate investment analyst and writer, Bisi is also a Fellow of the London-based Leadership for Environment and Development (LEAD).

**Ruqaya Nasir- Usman** - Ruqaya is a 1987 graduate of Business Administration with specialisation in Finance from Ahmadu Bello University, Zaria, Nigeria. With over nineteen years' post-qualification experience, Ruqaya commenced her banking career with NAL Bank Plc (now in the Sterling Bank Plc). Over the course of the eight years she spent in NAL Bank Plc, she worked in several key areas such as Lending, Capital Market and Public Sector Group among others.

She joined FBN (Merchant Bankers) Limited (now part of FBN Capital Limited) in 1998 and has been instrumental in various privatisation and landmark capital raising mandates handled by FBNMB. She currently has responsibilities for capital raising activities, public sector, regulatory issues, business development and relationship management. Ruqaya is an Associate of the Chartered Institute of Stockbrokers.

## 2. LEADWAY TRUSTEES LIMITED – TRUSTEE TO THE FUND

**Leadway Trustees Limited** was incorporated in 1995 and registered in 2000 by the SEC to execute trusts of any kind, under the aegis of the ISA. The primary aim of the Company is to undertake trusteeship services for the benefit of individuals and organizations.



## INFORMATION ON THE FUND MANAGER AND TRUSTEE (contd.)

The Company is a wholly owned subsidiary of Leadway Assurance Company Limited, with reporting line to the Investment Department of the parent company. Leadway Trustees has a growing client base for which it currently provides a variety of functions including the management of Dividend Dissolution Trusts, Security Trusts, Employee Housing Schemes and a variety of personal estates trusts. The company's systems are characterised by real-time, on-line, multi-site features that enable its employees capture and integrate the multiplicity of transactions that are the requirements for effective execution of the trusteeship function. The company undertakes general investment activities and is able to finance and/or invest in a wide variety of transactions where management finds it expedient to do so.

### **Mr. Oye Hassan-Odukale, MFR (Chairman)**

Mr. Odukale is a Member of the Federal Republic of Nigeria. He is currently serving on the Executive Committee of the African Insurance Organisation and is the immediate past Chairman of the Nigerian Insurers Association. He is a product of Mayflower School, Ikenne ogun State and a graduate of the university of Houston, Texas, USA from where he obtained Bachelor and Master Degrees in Business Administration, specializing in Finance. He started his career in insurance with SCIB & Company Insurance Brokers (then an affiliate of Sedgwicks Insurance Brokers) in 1980 and is presently the Managing Director and Chief Executive Officer of Leadway Assurance Company Limited.

He is a Munich Re scholar, being the First West African recipient of the Munich Re Insurance Fellowship at Georgia State University. He has done extensive research on Computerisation of Insurance Business. Mr. Oye Hassan-Odukale is on the board of a number of reputable companies. He also served on the Federal Government of Nigeria's Committee for the review of Insurance Laws.

### **Mr. Babatunde Hassan-Odukale**

**Babatunde** is a graduate of the University of London and City University, London. He holds a Bachelors Degree in Pure Mathematics and a Postgraduate Diploma in Actuarial Science. He is a member of the Royal Society of Mathematics and Institute of Actuaries. He is on board of directors of various blue-chip companies, which include Stanbic Bank Nigeria Limited and Union Assurance Limited (a subsidiary of Union Bank of Nigeria)

### **Mr. Tunde Hassan-Odukale**

**Tunde** has a strong bias for Information Technology and is head of the Company's Strategic IT Planning Committee. He is currently the Executive Director with responsibility for Investments, Operations and Systems of Leadway Assurance Company Limited.

### **Mrs. Fehintola Odukale-Obatusin**

**Fehintola** is a graduate of Ahmadu Bello University, Zaria from where she obtained a Bachelor degree in English Language. She is also an alumnus of the School of Basic Studies, Zaria. She has had working experience with NICON Insurance Corporation (NICON Insurance Plc) and Leadway Assurance Company Limited. She is currently the Managing Director of Pebbles International Limited - a promotional items company and gift center and Housewares Limited - a consumer products retail outlet.

### **Mr. Muftau Olakunle Oyegunle**

**Mr. Oyegunle** graduated from the University of Ibadan with a Bachelor degree in Sociology. He is Deputy General Manager in charge of Leadway Assurance's Northern Underwriting Operations. Mr. Oyegunle is a Fellow of Chartered insurance Institute, London and has extensive experience in insurance underwriting. Apart from his formal training, he has attended several courses and seminars including the Advanced Courses in General Insurance Organised by the Swiss Insurance Training Institute.

### **Mr. Ayo Wuraola (Chief Operating Officer)**

Mr. Wuraola was educated at King's College, Lagos and at the University of Ilorin, Ilorin, Kwara State, Nigeria where he obtained Bachelors and Masters degrees in English and Business Administration in 1984 and 1996 respectively. He qualified as a Dealing Clerk of The NSE in 1993 and is an Associate of the Chartered Institute of Stockbrokers. Prior to joining Leadway Trustees in April 2004, he was Principal Manager and Head, Investment Management/Trust Resources at UBA Capital & Trust Limited (formerly UBA Trustees Limited). Mr. Wuraola, with primary responsibility for the management of Leadway Trustees Limited, draws on the strength of expertise of Leadway Assurance Company Limited gained in over three decades of operation in the insurance industry.



## INFORMATION ON THE FUND MANAGER AND TRUSTEE (contd.)

### Mr. Akin Abiodun

Mr. Abiodun graduated from the University of Lagos with a Bachelor degree in Business Administration. He is an Associate of the Institute of Chartered Accountants of Nigeria and the Chartered Institute of Taxation of Nigeria. He joined the services of Leadway Assurance Company Limited in 1990 and has served in various departments including Accounts and Investments. He has extensive experience in General Investments, Pension Funds and Structured Portfolio Management. Apart from his formal training, he has attended several courses and seminars and is an alumnus of the Lagos Business School.

Mr. Abiodun provides investments and portfolio management support for Leadway Trustees Limited.

### 3. THE FUND INVESTMENT COMMITTEE

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

The membership of the Investment Committee is as follows:

Mr. Adebayo Adeleke – MD & CEO – Chairman  
Mr. Kofo Majekodunmi – ED IM  
Mr. Taiwo Okeowo – ED CF & FA  
Mr. Nicholas Nneji  
Mr. Osaze Ize-Iyamu  
Mr. Ayo Wuraola (Independent Member)

The profiles of each member of the Investment Committee are on pages 29 to 33 of this Prospectus.



## STATUTORY & GENERAL INFORMATION

### 1. Extracts from the Trust Deed

Below are relevant extracts from the Fund's Trust Deed:

#### 1. DEFINITIONS AND INTERPRETATION

- 1.5 “**Authorised Investment**” means any investment which is authorised by this Trust Deed or any applicable law in force from time to time selected by the Fund Manager and listed, quoted or dealt on any Securities Exchange;
- 1.17 “**Deposited Property**” means the Fund consisting of all assets, including cash for the time being held or deemed to be held by virtue of this Trust Deed;

#### 2. DECLARATION OF TRUST

It is hereby declared that an open-ended collective investment scheme in the form of a Trust in the name and title of “FBN Heritage Fund” is hereby created and the Fund Manager is hereby appointed to establish, manage, operate and administer the Trust and the Trustee is hereby nominated, constituted and appointed as the Trustee of the Trust Fund. The Fund Manager and the Trustee hereby agree to such appointments and further declare that:

- 2.1 the Trustee shall hold and stand possessed of the Fund Property that may from time to time be vested in the Trustee on trust for the benefit of the Unit-Holders ranking *pari passu* according to the number of Units held by each Unit-Holder;
- 2.2 the Fund Property shall be held by the Trustee as “The Trustees of the FBN Heritage Fund”;
- 2.3 the Fund Manager shall establish, manage, operate and administer the Fund on the terms and conditions contained in this Trust Deed and any conditions that approved by the Trustee or as may be imposed by the Commission from time to time; and
- 2.4 the Fund Property shall be invested from time to time by the Fund Manager at the direction of the Trustee in accordance with the terms and conditions contained in this Trust Deed.

#### 3. THE TRUST DEED BINDING ON ALL PARTIES

The provisions of this Trust Deed and of any duly executed Deed Supplemental hereto shall be binding on the Trustee, the Fund Manager and the Unit-Holders and all persons claiming through them respectively as if such person had been party to this Trust Deed.

#### 4. NATURE AND TYPE OF THE INVESTMENT FUND

- 4.1 FBN Heritage Fund is an open-ended collective investment scheme that enables the Unit-Holders to invest in a diversified portfolio of assets including but not limited to those set out in clause 8.1 hereof.
- 4.2 The fundamental objective of the Fund is to provide its Unit-Holders with growth on their capital over the long term and to provide income to subscribers. The Fund would seek to strike a balance between the Unit-Holder's objectives of capital growth, risk tolerance and return expectation.
- 4.3 The minimum investment in the Fund by one or joint Unit-Holder[s] is ₦50,000.00.

#### 5. OFFERS OF UNITS

- 5.1 The initial offer of Units in the Fund to the public shall be of 50,000,000.



5.2 Subsequent offers of Units in the Fund to the public may be made of such a number of Units of such value not exceeding the Authorised Units as the Fund Manager may resolve with the approval of the Commission from time to time.

5.6.2 receive dividends

as provided more specifically in clauses 7.5, 26 and 38.

## **6. RIGHTS OF UNIT-HOLDERS**

6.1 No Unit-Holder shall be liable to make any further payments to the Trustee or the Fund Manager after he has paid the Offer Price of the Units in accordance with Clause 14 of this Trust Deed, and no further liability shall be imposed on any Unit-Holder in respect of Units held by him.

6.2 The Unit-Holders shall not have or acquire any right against the Fund Manager or the Trustee in respect of the Units held by them save such rights as are expressly conferred upon them by this Trust Deed or any deed supplemental hereto or any legislation, regulations or court order.

6.3 The Fund Property shall be held as a single common Fund and no Unit thereof shall confer any interest or share in any particular part of the Fund Property. Thus, all Units and fractions represent an undivided share in the Fund and shall rank *pari passu* according to the number of Units held by each Unit-Holder, including as to the rights of the Unit-Holders in the Net Assets, earnings and the receipt of dividends and distributions. Each Unit-Holder has a beneficial interest in the Trust proportionate to the Units held by such Unit-Holder and shall have such rights as are set out in this Trust Deed and the Prospectus.

6.4 No person has a right to be recognised as a Unit-Holder unless he has been registered as such.

6.5 The Fund Manager shall be treated for all the purposes of this Trust Deed as the Unit-Holder of each Unit during such times as neither the Fund Manager nor any other person shall be registered or entitled to be registered as the Unit-Holder but nothing herein contained shall prevent the Fund Manager from subscribing for and becoming the Holder of Units.

6.6 The Unit-Holders shall have a right to:

6.6.1 mortgage, pledge, charge or otherwise use their Unit-Holdings as security for any debt, loan or obligation entered into by them;

6.6.2 convene meetings; and

6.6.3 receive dividends.

## **7. CONSTITUTION AND TRUST OF FUND PROPERTY**

7.1 All property other than cash which ought to, in accordance with the provisions of this Trust Deed, form part of the Fund Property shall forthwith after receipt by the Fund Manager be vested in the Trustee. The Trust shall be held as a single common fund and no Unit shall confer any interest or share in any particular part of the Fund Property.

7.2 The Trustee shall at all times retain in its possession (or in the possession of such third parties as it may, with the consent of the Fund Manager, appoint as their agents in that behalf) in safe custody all the investments and all documents of title or value connected therewith actually received by the Trustee or its nominees approved by the Commission or such agents and shall be responsible for the safe custody and so far as practicable the realisation of the income proceeds in respect of such part of the investments as may be within it or its nominee's or agent's control.

7.3 The Trustee shall whenever it becomes necessary to enforce the terms of this Trust Deed act within 30 days and shall inform the Commission of any breach of the terms and conditions of the Trust Deed not later than 10 Business Days after the breach.



**8. INVESTMENT OF FUND PROPERTY AND ACCOUNTS OF THE FUND**

- 8.1 The Fund shall be constituted from the proceeds of sale of Units in the Fund.
- 8.2 The Fund Manager shall not open or operate any bank accounts for the Fund except with the Trustee’s approval.
- 8.3 Any accounts opened pursuant to clause 8.2 herein shall be managed by the Fund Manager and the Fund Manager shall on the one hand, supply the Commission and the Trustee with reports thereon and a valuation of the investments held by the Fund on a quarterly basis and on the other hand, supply the said reports and valuation to the Unit-Holders once every year.
- 8.4 The asset allocation policy of the Fund to be computed at prevailing market values from time to time, shall be as follows:

<u>Asset Class</u>	<u>Asset Allocation</u>
8.4.1 Equities	50 - 65%
8.4.2 Fixed Income Securities	15 - 25%
8.4.3 Money market Instruments	5 - 10%
8.4.4 Real estate and other investments	0- 5%

- 8.5 Except for the benefit of the Unit-Holders and with the prior written approval of the Trustee, the Fund Manager shall not cause any investment to be made or enter into any transaction capable of resulting in all or any part of the Fund Property being mortgaged, pledged, charged or in any other way being offered as security in any form, neither shall the Fund Manager borrow or obtain any credit for the purpose of financing the Fund’s investments. PROVIDED THAT a Unit-Holder may use his Holdings as security for any transaction entered into.
- 8.6 Notwithstanding anything said to the contrary either herein or in any other document, the Fund Manager shall be entitled to subscribe to Units of the Fund.

**12. REALISATION OF INVESTMENT**

Any monies accruing from disposed investments of the Fund shall be treated as realized investments. The Fund Manager shall have the discretion subject to the agreed investment guidelines to reinvest any realized investment comprised in the Fund Property in other approved investments at any time PROVIDED ALWAYS THAT the Fund Manager complies with the principles of diligence and prudence in exercising this discretion and in accordance with Section 136 of the ISA.

**13. CHANGE OF INVESTMENTS**

- 13.1 It shall not be necessary for either the Fund Manager or the Trustee to effect any change of investments by reason of any appreciation in the value or the aggregate of the value of any investments in any one company or body or of any security or any depreciation in the value or the aggregate of the value of any investments causing the limits referred to in clause 11.1.3 to be exceeded nor by reason of the said limits being exceeded as a result of either:
  - 13.1.1 the receipt by the Trustee or its nominees of any rights, bonuses or benefits in the nature of capital;
  - 13.1.2 any scheme of arrangement for amalgamation, reconstruction conversion or exchange; or
  - 13.1.3 any repayment or redemption (including in the case of debentures or debenture stock following the purchase thereof by that company or body).



13.2 The Fund Manager shall not purchase any additional investments which would result in any of the said limits being exceeded. If at any time the Fund Manager determines to sell any investments for the purpose of a reduction of the Fund, it shall before selling any other investment sell so much of the investment or investments in respect of which any of the said limits may be exceeded as is necessary to effect the reduction.

#### **14. ACQUISITION AND DISPOSAL OF UNITS AND NEW UNITS**

14.1 In the Initial Subscription Period, the Units of the Fund shall be issued at the Offer Price of ₦100.00 per unit or the equivalent amount in foreign currency and subscription of the Units by local or foreign currency subscribers during the said period shall be in the manner stated in the Prospectus and shall be subject to the minimum subscription of 500 Units and in multiples of 10 units thereafter;

14.2 The Fund Manager shall in accordance with the Rules of the Commission, make available for the subscription of the Promoters not less than 10% of the Units on offer during the Initial Subscription Period.

14.3 Subject to the provisions of this Trust Deed, the Fund Manager shall commence the issuance of New Units at the Offer Price after the clearance of the basis of allotment by the Commission and the issue of the New Units shall be on an on-going basis, subject to the following conditions:

14.3.1 existing Unit-Holders shall subscribe to a minimum of 500 Units for the initial application for New Units and thereafter in multiples of 10 Units;

14.3.2 new investors (subscribing after the Initial Subscription period) shall subscribe to a minimum of 500 Units and thereafter in multiples of 10 Units; and

14.3.3 all foreign currency subscribers shall subscribe to a minimum of 500 Units and thereafter in multiples of 10 Units;

PROVIDED however that the Fund Manager may in its discretion stipulate such other minimum number of units as it may from time to time prescribe in writing subject to the approval of the Trustee.

14.4 Without prejudice to the provisions of this Trust Deed, the Fund Manager shall effect the issue of New Units for cash or in total or partial exchange for Authorised Investments and such cash or Authorised Investments received shall be vested in the Trustee; and

14.5 On a monthly basis or at such intervals as the Trustee may from time to time request, the Fund Manager shall furnish the Trustee with a statement of all issues and sale(s) of Units, specifying the price(s) at which such Units were sold or issued PROVIDED ALWAYS that the Fund Manager shall furnish such other information that may be necessary to enable the Trustee establish the value of the Fund Property at the date specified by any such request of the Trustee.

#### **15. REDEMPTION OF UNITS**

15.1 Except as provided herein there is no restriction on Unit-Holders' access to their investment proceeds by way of redemption of Units. Unit-Holders can redeem their Units in the Fund by giving a Redemption Notice to the Fund Manager through the designated Receiving Agents. The form of Redemption Notice shall be as set out in the Third Schedule hereof. Redemption shall be effected at the Bid Price as of the Business Day immediately following the receipt of the Redemption Notice by the Fund Manager. No additional charges will be required on redemption except for Units redeemed within 180 days from date of allotment in which case, a processing fee of 1% of the redemption value will be charged. Unit-Holders seeking to redeem only a part of their holding would be required to maintain a minimum on-going investment of 500 Units Holdings in the Fund or such other minimum number of units as may from time to time be prescribed in writing by the Fund Manager with the approval of the Trustee except in the event of total redemption of Holdings. Cheques in respect of each redemption shall be submitted with the Redemption Notice or be ready for collection within 5 Business Days of the receipt of the Unit Certificates and the Redemption Notice.



- 15.2 Units may be redeemed on any Business Day provided Redemption Notices are received before 5.00 p.m. on the valuation day. Notices received after 5.00 p.m. shall be treated the following business day. Redemption price shall be as at the date of treatment. Under normal circumstances, the Fund will make redemption payments within 5 Business Days of receipt of the Redemption Notice.
- 15.3 No Unit-Holder shall be entitled to partially redeem his Unit-Holding where such redemption would result in his holding being reduced to less than the minimum number of Units and sub-clauses 15.4 - 15.6 are to be read and construed subject thereto.
- 15.4 Where only part of the Units comprised in a Certificate are to be redeemed, the Unit-Holder(s) shall pay to the Fund Manager the stamp duty (if any) arising upon the issue of a balance Certificate and thereupon the Fund Manager shall procure a balance Certificate from the Registrar to be issued free of charge for the balance of the Units comprised in the Certificate.
- 15.5 The Fund Manager may at its option, dispense with the production of any Certificate which shall have become lost, stolen or destroyed upon compliance by the Unit-Holder with the like requirements to those arising in the case of an application by him for the replacement thereof. Where realisation is to be effected by cancellation of Units, the Fund Manager shall proceed to effect any sales necessary to provide the cash required and shall notify the Registrar that the said Units are to be redeemed and cancelled in accordance with the provisions of this clause and shall deliver to the Registrar for cancellation the Certificate covering the said Units and in such event the Fund shall be reduced by the cancellation of the said Units and the Fund Manager may receive reimbursements out of the Fund Property in respect of the cancellation of the Units as indicated in clause 25 hereof.
- 15.6 The Fund Manager shall be entitled to endorse and sign on the appropriate Certificate in respect of any Units to be redeemed, such statement as may be necessary or desirable as evidence that the Unit-Holder no longer has any interest in the said Units. PROVIDED that in either event the Fund Manager shall within a reasonable period thereafter furnish to the Registrar the authority under which they acted but the Registrar shall not be concerned to require the endorsement of any such statement and shall be entitled to cancel the Certificate upon compliance with the procedure in this clause.
- 15.7 Unless specifically requested by the Unit-Holder or former Unit-Holder concerned so to do, the Registrar shall be under no obligation to check the calculation of the amount payable in connection with any purchase or cancellation of Units pursuant to this clause but shall be entitled to require the Fund Manager and or the Trustee to justify the same.
- 15.8 In no event shall the Trustee be bound to make any payment to the Fund Manager or any Unit-Holder except out of the Fund Property held by it for that purpose under the provisions of this Trust Deed.
- 15.9 Units redeemed by the Fund Manager may be re-sold.

**16. TRANSFER OF UNITS**

- 6.1 Every Unit-Holder shall be entitled to transfer the Units or any of the Units held by him by an instrument in writing in the form set out in the Fourth Schedule hereof (or in such other form as the Trustee may from time to time approve) PROVIDED that no transfer of part of a holding of Units shall be registered if in consequence thereof either the transferor or the transferee would be the holder of a number less than the minimum number of Units.
- 16.2 Units shall only be transferred in multiples of 500 or such number of Units as may for the time being generally or otherwise, be prescribed in writing by the Fund Manager with the approval of the Trustee.
- 16.3 Every instrument of transfer must be signed by the transferor and the transferee and subject to the provisions of sub-clause 16.7 the transferor shall be deemed to remain the Unit-Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof. The instrument of transfer need not be a deed.
- 16.4 Every instrument of transfer must be duly stamped and lodged with the Manager for transmission to the Registrar accompanied by any necessary declarations or other documents that may be required in consequence of any regulation or legislation for the time being in force and the Certificate or Certificates relating to the Units to be transferred and such other evidence as the Registrar may require to prove the title of the transferor or his right to transfer the Units and thereupon the Registrar shall register the transferee as



Holder of the Units referred to in such instrument of transfer and shall issue to such transferee a new Certificate representing the Units so transferred. The Registrar may dispense with the production of any Certificate which shall have become lost stolen or destroyed upon compliance by the transferor with the like requirements to those arising in the case of an application by him for the replacement thereof.

- 16.5 All instruments of transfer which shall be registered may be retained by the Registrar or by the Fund Manager on their behalf.
- 16.6 A fee not exceeding ₦100 or such other amount as the Fund Manager and the Registrar may from time to time agree may be charged by the Registrar for the registration of each transfer and the issue of a new Certificate in the name of the transferee and a balance Certificate (if necessary) in the name of the transferor and such fee must if required by the Trustee be paid before the registration of the transfer.
- 16.7 In the case of a transfer in favour of the Fund Manager, the Registrar shall upon registration thereof, cancel the Certificate or Certificates in respect of the Units transferred and remove the name of the Unit-Holder from the Register in respect of such Units but the name of the Fund Manager need not be entered in the Register as the Unit-Holder of such Units nor a Certificate issued therefor. Such removal shall not be treated for any purposes of this Trust Deed as a Cancellation of the Units or as withdrawing the same from issue.
- 16.8 A receipt signed or purported to be signed by the Unit-Holder in respect of any monies payable in respect of the Units represented by any Certificate shall be a good discharge to the Trustee and the Fund Manager and if several persons are registered as Joint Unit-Holders or in consequence of the death or bankruptcy of a Unit-Holder, are entitled so to be registered any one of them may give an effectual receipt for any such monies.

## **17. SUPPLEMENTAL POWERS OF TRUSTEE**

- 17.1 With respect to the Fund Property, the Trustee shall have all the rights and powers conferred upon a Trustee by the Trustee Act 1893 and other relevant laws as though the same were expressly set out herein.
- 17.2 The powers hereby conferred on the Trustee shall be in addition to any powers which may from time to time be vested in the Trustee by general law or as holder of the Fund Property in so far as the same does not and shall not conflict with the rights and powers vested on the Fund Manager by virtue of this Trust Deed. The Trustee in the exercise of the powers and discretion vested in it by this Trust Deed shall comply with the provisions of the ISA, all regulations, rules and guidelines made pursuant thereto.

## **19. REGISTRATION OF UNITHOLDERS**

- 19.1 A Register of Unit-Holders shall be kept by the Registrar.
- 19.2 The Register shall contain the names and addresses of Unit-Holders, the number of Units held, the nominal value, the date of purchase, the certificate number and any other information that may be deemed necessary by the Fund Manager. Where there are joint Unit-Holders, their respective names and addresses may be inserted provided that not more than 2 Unit-Holders shall be entered in the Register in respect of any one Unit Holding.
- 19.3 Any change of name or address on the part of any Unit-Holder shall forthwith be notified in writing to the Registrar who on being satisfied 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.
- 19.4 A Unit-Holder shall be entitled during business hours to inspect the Register at no cost, upon giving at least one Business Day's prior written notice to the Registrar. PROVIDED ALWAYS that for the purposes of this sub-clause, the production of a legible copy of the contents of the Register shall be satisfactory proof of the contents where such Register is maintained in or by some mechanical or electronic systems.



- 19.5 The Register shall be conclusive evidence of the persons entitled to the Units represented by Certificates entered therein. Any person claiming to be interested in any Units or the dividends on them may protect his interest, by serving on the Fund Manager a notice and an affidavit of interest. The Registrar shall thereafter cause to be entered in the Register the existence of such notice and shall not register or make a payment or return[s] in respect of the Units covered by the notice, save as herein otherwise provided for or as ordered by a competent court or as required by applicable statute and the Registrar shall not be bound to recognise the rights attaching to or incidental to the notice.
- 19.6 A body corporate may be registered as a Unit-Holder or one of joint Unit-Holders.
- 19.7 In the event of the death of a Unit-Holder only the legally appointed executors or administrators of the estate of the deceased Unit-Holder (not being one of joint Unit-Holders) or the surviving Unit-Holder(s) of joint Unit-Holders shall be recognized by the Registrar as having any title to or interest in the deceased Unit-Holder's Units.
- 19.8 Any person becoming legally entitled to any Units in consequence of the death or bankruptcy or dissolution or winding up of any Unit-Holder or upon a declaration that a Unit-Holder is a lunatic shall upon producing such evidence to the satisfaction of the Registrar substantiating his claim and on delivering up the Certificate(s) of the deceased bankrupt or lunatic Unit-Holder 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 Certificate(s) issued accordingly. If the person so becoming entitled shall elect to be registered himself or if he shall elect to have some other persons nominated by him, he shall deliver or send to the Registrar notice in writing in a form to be prescribed by the Registrar and signed by such person stating that he so elects to be registered and he shall testify his election by transfer if the death, bankruptcy, lunacy, dissolution or winding up of the Unit-Holder had not occurred and the notice or transfer were a transfer executed by such Unit-Holder.
- 19.9 Any person becoming entitled to Units in consequence of the death or bankruptcy or dissolution or winding up of a Unit-Holder shall once he has offered 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 such Units. However, such person shall not be entitled to all the other rights of a Unit-Holder until he shall have been registered in respect of the Unit(s).
- 19.10 The number of Units held by a Unit-Holder shall be registered and recorded by the Registrar as a book entry.

**20. ISSUE OF CERTIFICATES**

Certificates may be issued in any denomination provided that a person shall not be registered in respect of less than 500 Units or any other number of Units as may otherwise be prescribed by the Fund Manager.

**21. FORM OF CERTIFICATES**

- 21.1 A Certificate shall specify the serial number thereof and the number of Units represented thereby and shall be in such form as prescribed in the Second Schedule hereof or such other form as the Trustee and Fund Manager may agree.
- 21.2 Every Certificate shall be signed by the Trustee and the Fund Manager who shall affix their respective seals thereon. Any signatures effected on behalf of the Trustee and the Fund Manager may be affixed lithographically or by such other mechanical means as may be approved by the Trustee and the Fund Manager.
- 21.3 No Certificate requested in respect of any Unit shall be issued or be valid until so signed. In the event that the Trustee shall cease to be Trustee of the Fund or where a person whose signature shall appear on any Certificate shall die or shall cease to be an official so authorised after the said Certificate shall have been issued, such certificate shall be as valid and binding as though the Trustee had continued to be the Trustee or the person whose signature so appeared had continued to be an official so authorised up to the date of the Unit-Holder's receipt of such Certificate.



**23. CANCELLATION BY THE REGISTRAR**

If any purchaser of Units from the Fund Manager or subscriber for Units (whether as principal or agent) shall make default in paying the purchase price or subscription moneys or any part thereof the Registrar may on such evidence being furnished to it by the Fund Manager as it shall in its entire discretion deem sufficient, and on delivery up to them of any Certificate which may have been delivered in respect of the Units contracted to be purchased or subscribed thereupon, cancel such Certificate and make or procure any necessary deletion or alteration in the Register and thereafter in the case of Units contracted to be purchased the Fund Manager shall be entitled to the Units in respect of which the defaulting Unit-Holder has been removed from the Register until the same is sold by it to a purchaser and another Certificate issued in respect thereof or such Units have been cancelled and in the case of Units contracted to be subscribed the same shall be deemed never to have been issued and such part of the subscription moneys as shall have been paid to the Trustee in respect thereof shall be repaid to the Fund Manager who after deduction of the Trustee and the Fund Manager's expenses in respect of the issue in default shall account to the defaulting Unit-Holder for any of such subscription moneys as were provided by him.

**24. CANCELLATION BY THE FUND MANAGER**

24.1 The Fund Manager shall have the right, by notice in writing delivered to the Registrar, to effect reductions of the Fund by the surrender of Certificates to the Registrar for the cancellation of some or all of the Units represented thereby or by requiring the Registrar to cancel Units in respect of which no Certificate is outstanding. Such notice shall state the number of Units to be cancelled and the amount payable to the Fund Manager in respect thereof. Before exercising such right, it shall be the duty of the Fund Manager to ensure that the Fund Property includes (or will upon the completion of the sale of Investments agreed to be sold include) cash sufficient to pay the amount payable to the Fund Manager upon such reduction. In respect of any such cancellation of Units, the Fund Manager shall be entitled to receive out of the Fund Property such a sum as the Fund Manager may consider represents the appropriate allowance for Charges in respect of the Units cancelled.

24.2 Any amount payable to the Fund Manager under the foregoing provisions of this clause may be paid before or shall be payable on or as soon as practicable after the termination of the usual period for the realisation of investments on the Exchange on which the Units are listed against surrender to the Registrar of the Certificate (if any) to be cancelled or against delivery to the Trustee of particulars of Units to be cancelled in respect of which no Certificate is outstanding. Upon such payment and surrender the Units in question shall be deemed to have been cancelled and withdrawn from issue. Any moratorium which may at any time be applied to payments in respect of transactions on the Exchange shall apply equally to the payment of any such amount.

24.3 The Registrar shall be under no obligation to check the calculation of the amount payable to the Fund Manager but shall be entitled if it so desires to require the Fund Manager to justify the same.

**25. PREPARATION OF CERTIFICATES, CHEQUES AND WARRANTS ETC.**

25.1 It shall be the duty of the Registrar to prepare all certificates and to prepare and pay all cheques and warrants.

25.2 The Fund Manager shall prepare all notices, accounts, summaries, declarations, offers or statements which the provisions herein contained require to be prepared, issued, served or sent.

**26. VOTING RIGHTS ON FUND PROPERTY**

26.1 All rights of voting conferred by any investments forming part of the Fund Property shall be exercised in such manner as the Fund Manager may in writing direct and the Fund Manager may refrain at its own discretion from the exercise of its voting rights and no Unit-Holder or the Trustee shall have any right to interfere or complain except in cases where a breach of a specific clause of this Trust Deed or of any applicable law is manifest. The Trustee shall upon written request by and at the expense of the Fund Manager from time to time execute and deliver or cause to be executed



## STATUTORY & GENERAL INFORMATION (contd.)

or delivered to the Fund Manager or its nominees such powers of attorney or proxies in such name or names as the Fund Manager may request authorising such attorneys and proxies to vote, consent or otherwise act in respect of all or any part of the Fund Property.

- 26.2 The Fund Manager shall be entitled to exercise the said rights in what it considers to be the best interest of the Unit-Holders but subject to Section 133 of the ISA. Neither the Fund Manager nor the Trustee shall be under any liability or responsibility therefore in respect of the management of the investment in question or in respect of any vote, action or consent given or taken or not given or taken by the Fund Manager whether in person or by proxy and neither the Trustee nor the Fund Manager nor the Unit-Holder or any such proxy or attorney shall incur any liability or responsibility by reason of any error of law or mistake of fact or any matter or thing done or omitted, approved, voted or given or withheld by the Trustee or Fund Manager or by the Unit-Holder by reason of any error of law or mistake of fact or any matter or thing done, omitted or approved, voted or given or withheld by the Trustee or deed and the Trustee shall be under no obligation to anyone with respect of any action taken or caused to be taken or omitted by the Fund Manager or by any such proxy or attorney.
- 26.3 The phrase “right of vote” or the word “vote” used in this clause shall be deemed to include not only a vote at a meeting but any consent to or approval of any arrangement scheme or resolution or any alteration in or abandonment of any rights attaching to any part of the Fund Property and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.
- 26.4 The Trustee shall without delay forward to the Fund Manager all notices of meetings, reports, circulars and other documents of a like nature received by it or its nominee as a registered Unit-Holder of any investment.

### 27. DISTRIBUTION OF INCOME/REINVESTMENT

- 27.1 The income of the Fund less any sums properly chargeable on or deductible therefrom (“Net Income”) may either be reinvested in the Fund or distributed to the Unit-Holders in such form, manner and amount and for such periods and at such times as the Fund Manager may recommend through its Board of Directors and in accordance with any applicable law and the rules of the Exchange on which the Units are listed.
- 27.2 Within 90 days after the end of each Financial Year, subject to the approval of the Annual General Meeting of the Unit-Holders, the Fund Manager shall effect the distribution of not less than 10% of the Net Income realized by the Fund during the preceding Financial Year.
- 27.3 Where in the opinion of the Fund Manager, the Fund has realised such profits as to allow any surplus income to be distributed in the interim in addition to the distribution under clause 27.2, the Fund Manger may, subject to the approval of the Trustee, pay to the Unit-Holders such interim dividends as appear to be justified by the profits of the Fund.
- 27.4 The Unit-Holders shall have the option of receiving their dividends in cash or re-investing the whole or a portion thereof in additional Units of the Fund. PROVIDED that such election by the Unit-Holders shall have been made at the point of purchase or subscription to the Units. The Unit-Holders may, however, by written instruction to the Fund Manager issued within a minimum notice period of 60 days before the date fixed for payment change any earlier instruction or election with regard to the payment.



## STATUTORY & GENERAL INFORMATION (contd.)

### 2. **Indebtedness**

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

### 3. **Claims and Litigation**

In its ordinary course of business, the Fund Manager is currently involved in one suit pending against it for the sum of ₦250 million. The Solicitors to the Offer are of the opinion that the contingent liability that may arise from the case is not likely to exceed the sum of ₦250 million. The Directors of the Fund Manager are also of the opinion that the case is not likely to have any material adverse effect on the Company or the Offer and are not aware of any pending and/or threatened claims and litigation save for the foregoing.

### 4. **Costs and Expenses**

All charges for establishing the Fund, including fees payable to the SEC, The NSE, professional parties, brokerage commission, printing, advertising and distribution and other related expenses, estimated at 4.31% of the issue proceeds, plus additional 1.28% for Value Added Tax and underwriting commission, all amounting to ₦279.5 million, are payable by the Fund and deductible from the amount raised by the Fund. This will be amortised over a period of 5 years.

### 5. **Relationship between the Issuer and its Advisers**

The Fund Manager and the Trustees do not have any common shareholder and neither is a subsidiary or holding company of the other. They do not have common Directors. The Fund Manager is a wholly owned subsidiary of the Underwriter. There is no other shareholding relationship between the Issuer and its advisers.

### 6. **Material Contracts**

1. A Trust Deed dated xxx, 2007 between FBN Capital Limited and Leadway Trustees Limited under which the Fund was constituted.
2. A Vending Agreement dated xxx 2007 under the terms of which Guaranty Trust Bank plc has agreed to offer 50,000,000 Units of ₦100 each of the FBN Heritage Fund.
3. An Underwriting Agreement dated xxx 2007 under the terms of which First Bank of Nigeria Plc has agreed to underwrite 30% of the IPO of the Fund on a standby basis.

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

### 7. **Consents**

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

<b>Fund Manager</b>	FBN Capital Limited
<b>Directors of the Fund Manager</b>	Chief Oluwole A. Adeosun, OON ( <i>Chairman</i> ) Bayo Adeleke ( <i>Managing Director/Chief Executive</i> ) Kofo Majekodunmi ( <i>Executive</i> ) Taiwo Okeowo ( <i>Executive</i> ) Bola Adesola Lamido Sanusi Udo Udo-Aka, MON
<b>Company Secretary/Legal Adviser</b>	Akinola Marinho
<b>Issuing House</b>	Guaranty Trust Bank plc
<b>Trustees to the Fund</b>	Leadway Trustees Limited
<b>Reporting Accountants</b>	Akintola Williams Deloitte
<b>Registrars to the Offer</b>	First Registrars Nigeria Limited
<b>Solicitors to the Offer</b>	G. Elias & Co.
<b>Solicitors to the Trustees</b>	Giwa Osagie & Co.



## STATUTORY & GENERAL INFORMATION (contd.)

<b>Stockbrokers to the Offer</b>	Premium Securities Limited Camry Securities Limited Cashcraft Asset Management Limited Finmal Finance Services Limited Futureview Financial Services Limited MBC Securities Limited PSL Limited
<b>Receiving Banks</b>	First Bank of Nigeria Plc Guaranty Trust Bank Plc
<b>Underwriter</b>	First Bank of Nigeria Plc

### 8. Documents Available for Inspection

Copies of the following documents may be inspected at the offices of Guaranty Trust Bank plc, Plural House, Plot 1669, Oyin Jolayemi Street, Victoria Island, Lagos, during normal working hours on any Business Day.

1. Certificate of Incorporation of the Fund Manager;
2. Certificate of Incorporation of the Trustees;
3. Memorandum and Articles of Association of the Fund Manager;
4. Memorandum and Articles of Association of the Trustees;
5. The Prospectus issued in respect of the Offer;
6. The Report of Akintola Williams Deloitte, Reporting Accountants, on the Financial Forecasts for the seven months ending 31 March 2008 and the years ending 31 March 2009 and 2010;
7. The Resolution of the Board of Directors of the Fund Manager authorising the creation of the Fund and the issuance of 50,000,000 Units of the Fund.
8. The material contracts referred to in 6 above.
9. The written consents referred to in 7 above.



## **1. COUNTRY PROFILE**

### **Introduction**

With a gross domestic product (GDP) of USD13.5 billion in 2005, and approximately USD 132 billion in 2006, the Federal Republic of Nigeria is the largest economy in the West African Sub-Region. It is a country rich in natural resources and as well as being one of the world's largest oil and gas producers. It is also a significant exporter of cocoa and rubber.

Due in part to Nigeria's multi-ethnic and multi-religious population, the country has experienced numerous political changes since independence in 1960. Widespread poverty, environmental issues and ethnic and religious tensions are largely due to the mismanagement of the economy that occurred during successive military dictatorships since 1966. In 1999, following many years of military rule, a new constitution was adopted, and a peaceful transition to civilian government was completed under the leadership of the first democratically elected civilian President, Olusegun Obasanjo.

Since 1999, the Nigerian government has attempted, with some success, to reconstruct Nigeria's political institutions, improve its international image, reform the economy and manage its oil wealth. As a result, real GDP in Nigeria grew by 10.4 per cent, in 2003, by 6.4 per cent, in 2004, by 6.2 per cent, in 2005 and by 5.6 per cent in 2006. Further, the Economist Intelligence Unit forecasts that overall consumer price inflation for 2007 will slow to an average of 10.9 per cent, in comparison to an average of 15.0 per cent, in 2004 and 17.9 per cent, in 2005.

While the present government is committed to continuing its reforms, Nigeria continues to face complex challenges including, most notably, the sporadic violence in the Niger Delta, religious and ethnic tensions in the central and northern parts of the country. Although there was some violence connected with the April 2007 presidential elections, where Mr. Yar'Adua, emerged as the victor, it is likely that he will maintain the existing policy environment as he is a member of political party already in power.

### **Area and Population**

Nigeria is situated in the West African sub region and is bordered to the north by the Republics of Niger and Chad and to the west by the Republic of Benin. It shares the eastern borders with the Republic of Cameroon right down to the shores of the Atlantic Ocean forming the southern limits of the Nigerian Territory. The capital, Abuja, is located in central Nigeria, but Lagos, which is situated in the south west, is the principal commercial centre and main port in the country. The provisional results from the national census conducted in March of 2006 estimated that the population is just over 140 million people, making Nigeria the most populous country in Africa.

The country covers an area of 923,768 square kilometres. Topography and vegetation vary considerably, and includes swamps and tropical rain forests in the south, and savannah and open woodland in the central part of the country. The northern part of the country borders the Sahara Desert.

The official language in Nigeria is English. There are three main indigenous languages spoken by the three predominant ethnic groups in the country. These ethnic groups are the Yorubas in the west, Hausa-Fulani in the North and the Igbos in the East. There is also a vernacular known as "broken/ pidgin English" which is spoken and understood by almost all Nigerians. It is a Nigerian adaptation of the English language. There also exist numerous other ethnic groups' languages including Urhobo, Efik, Ijaw, and Kanuri and over 374 dialects within the ethnic groups.

According to the World Bank's World Development Indicators, Nigeria currently ranks 158 out of 177 countries in terms of overall development, with an adult literacy rate of 66.8 per cent, and an average life expectancy of 43 years.

Elections in February 1999 ushered in the democratic rule after several years of military dictatorship, with the assumption of office of the Obasanjo Administration. After peaceful elections in April 2003, he was re-elected for a second and final 4-year term. In the 2003 elections, President Obasanjo's ruling party, the People's Democratic Party (the "PDP"), increased its majority and control across all tiers of government. President Obasanjo's administration was committed to improving governance and promoting economic stability through the end of his term. Elections in April 2007 ushered in President Umaru Musa Yar'Adua, who also a member of the PDP. The new President has stated his commitment to continuing the reforms instituted by the Obasanjo Administration.



Economic reform was one of the hallmarks of the Obasanjo-led administration. A key aspect of this economic reform agenda is the privatisation of public enterprises. This policy has led to the privatisation of a number of enterprises engaged in different sectors of the economy including the agriculture, oil & gas, ports, telecoms, banking and insurance sectors. The current Government also seems committed to the economic reform agenda, and is also seeking to commercialise significant sectors of the economy such as the airports, railways and steel mills.

The Obasanjo reform agenda also led to the introduction of a poverty reduction strategy, the National Economic Empowerment and Development Strategy (NEEDS). The NEEDS is a domestically designed and run programme modelled on the International Monetary Fund's (IMF) Poverty Reduction and Growth Facility for fiscal and monetary management. The State Economic Empowerment and Development Strategy (SEEDS) was developed to complement NEEDS at the state level.

Inclusive in the reform agenda was the introduction in 2004 of a bank consolidation programme which increased the minimum capital base for banks from ₦2 billion to ₦25 billion by the end of 2005. The purpose for the increase was to help achieve a diversified, stable financial sector that would ensure the safety of deposits, while at the same time contributing more to economic development via intermediation.

The consolidation exercise has generated a total of USD3 billion in new investments. The impact of consolidation was noted by the World Bank in its report dated 20 September 2006 (Report Number 36483-NG) wherein it commented that the larger banks created via consolidation are likely to continue the trend in the decline of interest rates. It also stated that consolidation has brought about a flight to quality among depositors thus leaving a number of the larger, more stable banks highly liquid. The banks which hold a high level of liquid assets also charge significantly lower interest rates on their loan products.

The 2007 Budget was passed by the National Assembly with only minor changes and little political wrangling.

### Constitution

Nigeria is a federation made up of three tiers of government - Federal, State and local governments. The Constitution of the Federal Republic of Nigeria (the "Constitution") was adopted in May 1999. It was modelled on the United States constitution and it provides for a tripartite structure of government in which power is divided between the executive, legislative and judicial branches. It establishes and sets out the powers and functions of the President (executive), the National Assembly (legislative) and an independent judicial system (judiciary).

The Constitution also establishes the election tribunals and authorises the National Assembly to constitute other tribunals as may be required. The more prominent of these special "courts" are the Investment Securities Tribunal, which handles disputes in relation to capital market activities, and the National Industrial Court, which deals with labour matters.

## 2. THE NIGERIAN ECONOMY

### Overview

Nigeria remains a low-income country, with GDP per capita estimated at just USD819 in 2006, Nigeria has suffered from chronic underinvestment in basic infrastructure and human resources, impeding economic diversification. Financial dependence on oil revenues, together with poor quality and corrupt fiscal management led to considerable budget deficits in periods when oil prices were low, resulting in an unsustainable debt burden that further impedes the possibility of spending on the country's development.

The present Nigerian government has recognised these challenges, and in 2004 initiated a wide range of reforms under NEEDS have received the blessing of the IMF, which carries out quarterly staff visits and makes bi-annual staff reports for the Executive Board of the IMF. The programme targets a number of key areas including:

- public service reforms aimed at strengthening transparency, governance, institutions and public expenditure management;
- developing the non-oil sector by way of privatisation, banking system reform, broad economic liberalisation and investment in economic infrastructure; and
- enhancing social services delivery through strengthening infrastructure and the rule of law.

### Budget and Fiscal Policy

Notable progress has been made in budgetary management, saving windfall oil revenue and pushing through radical restructuring of the banking sector.

Another key area of improvement in fiscal management, and a centerpiece of macroeconomic policy improvements by the Obasanjo administration is the introduction of an oil-price based fiscal rule (OPFR) since the 2004 budget. OPFR is designed to link government spending to a notion of a long-run oil price, and consequentially de-linking government spending from current oil revenues. The budget reference price per barrel for oil was USD25 in 2004, USD20 in 2005, and USD35 in 2006, compared with the realized prices of USD38.5 in 2004, USD55.3 in 2005, and the average price of USD68 in 2006. The budget reference price per barrel was raised in the 2007 Budget to USD40.

The implementation of the OPFR represents a major departure from Nigeria's history of highly pro-cyclical fiscal policy. The statutory limit on Federal Government's overdraft account with the CBN has also been reduced from 12.5 per cent, to 5 per cent, of current projected revenue. Since the move to the WDAS in February 2006, the functioning of the foreign exchange markets has improved and, for the first time, the official and parallel rates have, more or less, converged. If the OPFR is maintained, it is assumed that Nigeria will be able to survive a sizeable negative oil shock of at least five years' duration without requiring dramatic fiscal adjustment and with only modest debt accumulation.

### External Debt

With the return of civilian rule in 1999, the Government launched a bid for debt relief, but as Nigeria is an oil rich nation, it did not qualify for the IMF and World Bank's heavily indebted poor countries (HIPC) debt relief programme. Nigeria continued intensive negotiations with the Paris Club creditors and at the G8 summit in the summer of 2005, it was announced that Nigeria was successful in negotiating a special debt reduction deal. The repayment plan saw Nigeria pay the Paris Club group of creditors USD12.4 billion in exchange for the remainder of its official debt, USD30.9 billion, being written off.

Following the success of the Paris Club repayment, Nigeria's immediate past Finance Minister, Mrs. Esther Nenadi Usman, announced in July 2006 the intention to work towards the restructuring of Nigeria's debt of USD2.5bn owed to the London Club of Creditors (the remaining USD2.5bn being owed to the African Development Bank). The London Club debt was fully liquidated in the first quarter of 2007.

### Sovereign Credit Rating

In the first quarter of 2006, two leading international rating agencies, Fitch Ratings and Standard and Poor's assigned a "BB-" rating to long-term debt issued by the Federal Government, with an Outlook of 'Stable'. This was the first time the country will receive any rating, and it is believed that if the current economic programme is sustained into the foreseeable future the country's rating, and in turn foreign investments, will improve significantly.

### Economic Outlook

The Nigerian economy is dominated by oil, with its contribution to the country's GDP rising from 29 per cent, in 1980 to 52 per cent, in 2005. Oil and gas contributes about 99 per cent, of the country's exports and account for about 85 per cent, of government revenue. Nigerian oil and gas is an integral component of the U.S. and European energy supply chain. About 11 per cent, of U.S. crude oil imports amounting to 1,060 mbpd originated from Nigeria in 2006YTD. The country also exported 375 mbpd of crude oil to Europe in the period, and as of 2005 was the second largest LNG supplier to Europe, with 25 per cent, of all European LNG originating from Nigeria. Oil and gas are thus key cash generators for the Nigerian economy, and two legs of the tripod enlarging Nigeria's budget surplus well beyond that of any other African nation.

The Non-oil GDP has grown at an annual average rate of 5.8 per cent. In the past two years, non-oil growth accelerated, reaching 7.4 per cent, in 2004, 8.2 per cent, in 2005 and the data for the first half of 2006 suggests non-oil growth will reach about 8.9 per cent, for the year although overall growth is likely to fall to about 5.6 per cent, because of sporadic disruption in oil production in the Niger Delta.

Key macroeconomic balances have also improved. The overall fiscal balance strengthened from a surplus of 6 per cent, of GDP in 2000 to 9.9 per cent, of GDP in 2005. The external current account balance has improved from a deficit of 12.6 per cent, in 1999 to a surplus of 27.4 per cent, of non-oil GDP in 2005.



## NIGERIA – COUNTRY PROFILE (contd.)

Nigeria's non-oil economy is essentially a domestic economy, producing to supply domestic demand. Activity in the sector is narrowly focused on and driven by markets for food and beverages. The productivity and competitiveness of the sector have been declining over the years, as evidenced by consistently declining total factor productivity. The 2006 World Economic Forum (WEF) Report ranks Nigeria 88 out of 117 countries on its Global Competitiveness Indicators. Nigeria's manufacturing sector has shrunk from 8.4 per cent, in 1980 to 4.6 per cent, in 2005, and it ranked as number 83 out of 117 countries on the UNIDO Competitive Performance Index. However, with the new appetite for real sector financing in Nigeria, by institutions such as the Bank there has been a resurgence, of late, in manufacturing activities in the country.

The service sector accounts for about 20 per cent, of Nigeria's GDP compared with 60 - 65 per cent, for major regional service hubs in Africa. The ongoing privatisation and commercialisation of state-owned enterprises in Nigeria, including telecommunication and power services providers, play a significant role in the diversification and growth of the country's economy.

### Gross Domestic Product

According to data in the CBN Annual Report and Statement of Accounts for 2005, real GDP grew by 6.2 per cent, in 2005 (measured by 1990 prices), compared with 6.5 per cent, in 2004.

The following table sets forth certain information on Nigeria's GDP for the periods indicated:

	2001 <sup>1</sup>	2002 <sup>1</sup>	2003 <sup>1</sup>	2004 <sup>1</sup>	2005 <sup>2</sup>
<b>GDP AT MARKET PRICE (₦ BILLION) .....</b>	<b>5,339</b>	<b>5,632</b>	<b>7,533</b>	<b>9,575</b>	<b>11,785</b>
<b>GDP (USD BILLION) .....</b>	<b>48.0</b>	<b>46.7</b>	<b>58.3</b>	<b>72.1</b>	<b>89.8</b>
<b>REAL GDP GROWTH (PER CENT.) .....</b>	<b>4.4</b>	<b>3.8</b>	<b>10.4</b>	<b>6.4</b>	<b>6.2<sup>3</sup></b>
<b>POPULATION (M) .....</b>	<b>126.6<sup>2</sup></b>	<b>129.9<sup>2</sup></b>	<b>133.2<sup>2</sup></b>	<b>136.5<sup>2</sup></b>	<b>139.8</b>

1. Actual.
2. Economist Intelligence Unit estimates.
3. Provisional estimate from Central Bank of Nigeria.

Source: Economist Intelligence Unit Limited 2006

Meanwhile, provisional data from the CBN used by its Monetary Policy Committee (MPC) indicate that year-on-year real GDP growth slowed to 2.7 per cent, in the first quarter of 2006, from 6.9 per cent, in the same period in 2005. As in recent years, the main sectors driving growth were telecommunications, solid minerals, manufacturing, and agriculture. The primary reason for the slowed growth has been the subdued growth in the oil sector, largely due to unrest in the Niger Delta, which is the centre of Nigeria's oil industry and where production has been disrupted.

### 3. THE NIGERIAN CAPITAL MARKET

#### The Nigerian Securities and Exchange Commission

The Nigerian Securities and Exchange Commission ("SEC") was formally created by the provisions of the Securities and Exchange Commission Decree No. 71 of 1979 to replace the Capital Issues Commission, which had until then operated as a unit of the Central Bank of Nigeria.

The SEC is the apex regulatory organisation of the Nigerian Capital Market Commission. The functions of the SEC are set out in the Investments and Securities Act Cap 45 of 1999 which repealed the Securities and Exchange Commission Decree of 1979 (as amended in 1988).

In general, the SEC provides oversight of the capital market with the objective of ensuring that the integrity of the market is maintained, investors are adequately protected, development of the capital market and other surveillance functions.



### The Nigerian Stock Exchange

The Nigerian Stock Exchange was established in 1960 as the Lagos Stock Exchange (“LSE”), and commenced trading in 1961, with 19 securities. In December 1977, the LSE became known as The Nigerian Stock Exchange (“The NSE” or “The Exchange”), with eight (8) branches (each with a trading floor<sup>1</sup>) established in major cities<sup>2</sup> of the country, in addition to the Lagos floor. Pursuant to Government’s indigenisation policy in 1973 and 1978, the number of entities listed on The Exchange had increased over six fold by 1980. The NSE, an Affiliate Member of the World Federation of Exchanges, is a self-regulatory organisation, under the supervisory oversight of the SEC.

Tradable instruments on the NSE include Equities and Bonds (Government and Corporate). Equities are categorized into first tier securities, which include but are not limited to shares of companies engaged in the Agriculture & Agro-Allied, Banking, Breweries, Conglomerate, Food Beverages & Tobacco, Insurance and Petroleum Marketing sectors of the economy and second tier securities, which comprise “Emerging Markets”. Qualified Nigerian stock broking firms are registered by the Exchange as “Dealing Members”. Following the liberalisation of Nigeria’s foreign investment climate in 1999<sup>3</sup>, foreigners can also participate in the Nigerian capital market as investors and operators (upon due registration of a Nigerian company).

In 1992, The NSE established a subsidiary company, the Central Securities and Clearing System Limited (“CSCS”) to undertake clearing, settlement, delivery and custodial services for quoted securities. The CSCS settles transactions within “T+3” days, and also serves as a central depository for share certificates of companies quoted on the NSE. The NSE has been operating an Automated Trading System since 27 April 1999.

Following the de-regulation of the Nigerian capital market in 1993, prices of newly issued shares are principally determined by issuing houses and stock brokers, subject to approval by the SEC and NSE; whilst prices of already quoted shares are determined by market forces of demand and supply.

On 24 March 2005, with a view to protecting investors from unethical conduct by stockbrokers, (particularly, the unauthorised sale of and or other dealings in investors’ shares), The NSE launched a communication device known as “Trade Alert”. This device transmits via SMS to an investor’s mobile telephone, dealings in the investor’s shares, and thereby enables such an investor to either confirm or void the transaction. Trade Alert also provides market information to investors.

As at [12 June] 2007, the equities of the two hundred and two companies listed on the NSE closed at an aggregate market capitalisation of circa. ₦7 trillion<sup>4</sup>. Approximately, 50% of this capitalisation is accounted for by the Banking sector whilst the Petroleum Marketing, Food, Beverages and Tobacco and Conglomerates sectors are also quite active.

The index for charting the market capitalisation is known as the “All Share Index”<sup>5</sup>. The liquidity or otherwise of equities on The Exchange depends to a large extent on the company’s performance as equities of high performing companies are very liquid and usually record gains on The Exchange.

The quoted prices of Nigerian securities are published daily on the NSE’s website and in national newspapers. Quoted companies’ patterns of return on investments are not uniform as some companies declare both interim and final dividends whilst others declare only a final dividend. Yet still, some companies issue bonus shares in addition to paying dividends whilst others neither declare dividend nor issue bonus shares, sometimes for several consecutive years.

The NSE also has a Memorandum Quotation List for mutual funds, whose quoted prices are determined not by market forces but by applying certain computation formulae set by the SEC. The Exchange now also has a “foreign listing” sub-sector, following the admission of Ecobank Transnational Incorporated on to the NSE’s Daily Official List on 11 September 2006.

<sup>1</sup> However, only the Lagos floor of the Exchange is active.

<sup>2</sup> Kaduna, Port Harcourt, Kano, Onitsha, Ibadan, Abuja, Yola and Benin. The Abuja branch is a Securities and Commodity Exchange set up for trading in agro-allied commodities.

<sup>3</sup> The Nigerian Investments Promotion Commission Act No. 16 of 1995 (NIPC Act) and the Foreign Exchange (Monitoring & Miscellaneous Provisions) Act No. 17 of 1995 were enacted in this regard.

<sup>4</sup> Current exchange rate is approximately ₦130.5:USD1.

<sup>5</sup> Only ordinary shares are included in the computation of the All Share Index, which is value-weighted and computed daily.



### **The Bond Market**

The Nigerian Bond Market comprises bonds issued by the Federal Government, State Governments, financial institutions and other public companies. The Federal Government of Nigeria (“FGN”), with a view to raising the huge capital required to accelerate economic growth and development has, through the Debt Management Office floated over thirty six Bonds, from 2003 to date. Buoyed by their recent impressive performance, the FGN Bonds have been structured on short term basis, with maturity periods, starting from three years. The success of the FGN Bonds has also been attributed in part to their good sovereign ratings by Fitch Ratings. The said Bonds were rated “BB” in 2007; which was an improvement on the “BB-“ rating in 2006. On 1 July 2006, the FGN registered ten Nigerian banks and five discount houses as “Primary Dealers & Market Makers” – “PDMMs”, who are the only organisations authorised to handle transactions in the Bond Market, Over-the-Counter. Five additional banks were appointed as PDMMs in May 2007. State governments also issue bonds to finance their capital projects but these have not performed as well as the FGN Bonds.

### **Derivatives**

There are currently no derivatives in the Nigerian capital market. However, the NSE is in the process of introducing derivatives and it is expected that the first of such securities will be “Asset Backed Securities”, “Exchange Traded Funds” and “Real Estate Investment Trusts”.



## PROCEDURE FOR APPLICATION AND ALLOTMENT

### 1. APPLICATION

- 1.1 The general investing public is hereby invited to apply for Units of the Fund through any of the Receiving Agents listed in this document.
- 1.2 Applications for units must be made in accordance with the instructions set out at the back of the Application Form attached hereto. Care must be taken to follow these instructions, as applications which do not comply will be rejected.
- 1.3 The Application List for the Units now being offered will open on [xxx, 2007] and close on [xxx, 2007]. Applications must be for a minimum of 500 Units and in multiples of 10 Units thereafter. The number of Units for which an application is made and the value of the cheque or bank draft attached should be entered in the boxes provided.
- 1.4 A single applicant should sign the declaration and write his/her full names, address, daytime telephone number and mobile telephone number in item “1” 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. Item “2” should be used by joint applicants. A corporate applicant should affix its seal in the box provided and state its Incorporation (RC) Registration Number.
- 1.5 Each application should be forwarded together with the cheque or bank draft for the full amount of the purchase price to any of the Receiving Agents listed in this document. Applications must be accompanied by a cheque or bank draft made payable to the Receiving Agent to whom the application is submitted, for the full amount payable on application. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed “**FBN HERITAGE FUND**” with the name, address and daytime telephone number of the applicant written on the back. All bank commissions and transfer charges must be prepaid by the applicant. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected and returned through the post at the applicant’s risk.
- 1.6 Foreign currency subscribers are advised to contact First Bank Plc or Guaranty Trust Bank Plc for the applicable US Dollar exchange rate on the day the remittance is being effected. Payments can be made in either US Dollars, Euros or Great Britain Pounds to the correspondent banks of the Receiving Banks as detailed below:

#### First Bank of Nigeria Plc

	USD TRANSFER	GBP TRANSFER	EURO TRANSFER
<b>Bank</b>	Standard Chartered Bank, New York	FBN Bank (UK) Limited, London	WESTLB, DUSSELDORF, GERMANY
<b>Account No.</b>	3582-059969-001	100396-GBP-CLBANK-03	11208
<b>Swift Code</b>	SCBLU33	FBN IGB2L	WELADED
<b>Sort Code</b>	Not Applicable	405204	Not Applicable
<b>Iban</b>	Not Applicable	Not Applicable	DE 12 3005 0000 0000 0112 08
<b>Account Name</b>	First Bank of Nigeria Plc	First Bank of Nigeria Plc	First Bank of Nigeria Plc

#### Guaranty Trust Bank Plc

	USD TRANSFER	GBP TRANSFER	EURO TRANSFER
<b>Bank</b>	Citibank New York	Australia and New Zealand Bank London	Australia and New Zealand Bank
<b>Account No.</b>	36129295	664276-GBP-001	664276-EUR-001
<b>Swift Code</b>	CITIUS33	ANZBGB2L	ANZBGB2L
<b>Sort Code</b>	Not Applicable	20 32 53	20 32 53
<b>Iban</b>	Not Applicable	GB 56 ANZB 203253 00664276	GB 56 ANZB 203253 00664276
<b>Aba No</b>	21000089	Not Applicable	Not Applicable
<b>Account Name</b>	Guaranty Trust Bank Plc	Guaranty Trust Bank Plc	Guaranty Trust Bank Plc



## PROCEDURE FOR APPLICATION AND ALLOTMENT (contd.)

### 2. ALLOTMENT

Guaranty Trust Bank plc and the Directors of the Fund Manager reserve the right to accept or reject any application in whole or in part. All irregular or suspected multiple applications will be rejected. In the event of an over subscription, additional units of the Fund will be allotted subject to the Commission's approval of the additional units.

### 3. APPLICATION MONIES

All application monies will be retained in a separate bank account by the Receiving Banks pending allotment. If any application is not accepted, a crossed cheque for the full amount paid will be returned by registered post within 5 working days of allotment. A Fund Statement and/or Certificate will be sent by registered post not later than 15 Business Days from the date of allotment.



## RECEIVING AGENTS

Application Forms may be obtained free of charge from any of the following Receiving Agents registered as capital market operators by SEC, to whom brokerage will be paid at the rate of ₦.75 per ₦100 worth of units allotted in respect of applications bearing their official stamps.

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

BANKS		
Access Bank Plc Afribank Nigeria Plc Equitorial Trust Bank Plc Diamond Bank Plc Ecobank Nigeria Plc Fidelity Bank Plc First Bank of Nigeria Plc First City Monument Bank Plc First Inland Bank Plc	Guaranty Trust Bank Plc IBTC Chartered Bank Plc. Intercontinental Bank Plc Nigerian International Bank Limited Oceanic Bank International Plc PlatinumHabib Bank Plc Skye Bank Plc Spring Bank Plc Stanbic Bank Nigeria Limited	Standard Chartered Bank Nigeria Limited Sterling Bank Plc Union Bank of Nigeria Plc United Bank for Africa Plc Unity Bank Plc Wema Bank Plc Zenith Bank Plc
STOCKBROKERS		
Adamawa Securities Limited AMYN Investments Limited Anchoria Investments & Securities Limited APT Securities Limited Bacad Finance & Investment Company Limited Best Link Investment Limited Best Worth Assets & Trust Limited BFCL Assets & Investments Limited BGL Securities Limited BIC Securities Limited BSD Securities Limited Capital Assets Limited Capital Bancorp Limited Cashville Investment & Securities Limited Center Point Investment Limited Capital Trust Brokers Limited Century Securities Limited Cashcraft Asset Mgt. Limited Chapel Hill Advisory Partners City-code Trust & Investment Company Limited Clearview Investments Company Limited Crossworld Securities Limited CSL Stockbrokers Limited Dakal Services Limited Davandy Finance & Securities Limited De-Canon Investments Limited De-Lords Securities Limited Dependable Securities Limited Dolbic Finance Limited Dominion Trust Limited Dynamic Portfolio Limited EBN Securities Limited Emerging Capital Limited EMI Capital resources Limited Empire Securities Limited Enterprise Stockbrokers Plc Epic Investments Limited Equator Stockbrokers Limited ESL Securities Limited Eurocomm Securities Limited Excel Securities Limited Express Portfolio Services Limited F & C Securities Limited Fidelity Finance Co. Limited Financial Trust Co. Limited Finmal Finance Co. Limited First Alstates Securities Limited First Equity Securities Limited First Stockbrokers Limited FIS Securities Limited Fitco Securities Limited Forte Assets Management Limited Folu Securities Limited Forthright Securities Limited Fountain Securities Limited Future Asset Management Limited	Floodgate Finance & Securities Limited Future View Securities Limited Genesis Securities & Investment Limited Global Asset Management Limited Global Investment & Securities Limited Golden Securities Limited Great Africa Securities Limited Greenwich Trust Limited GTI Capital Limited Hamilton Hammer & Company Limited Heartbeat Investment Limited Hedge Securities & Investment Company Limited HP Securities Limited Horizon Stockbrokers Limited IBN Securities Limited IBTC Asset Management Limited ICON Stockbrokers Limited IMB Morgan Plc Independent Securities Limited Intercontinental Securities Limited Indemnity Finance Limited International Capital Securities Limited International Standard Securities Limited Interstate Securities Limited Investor Trust Company Limited  Kinley Securities Limited Lakeworth Investment & Securities Limited LB Securities Limited Lead Investment Limited Lion Stockbrokers Limited LMB Stockbrokers Limited Lynac Securities Limited M & F Investment Limited Maclaize Trust & Securities Limited Magnatis Finance Company Limited Mainland Trust Limited Maninvest Asset Management Limited Marina Securities Limited Maxifund Investment & Securities Limited MBL Financial Services Limited Mega Equities Limited Meristem Securities Limited Midas Stockbrokers Limited Mission Securities Limited Molten Trust Limited Newdevco Finance Securities Limited Nigerian Stockbrokers Limited OMF Securities & Finance Limited Optimus Finance & Securities Limited Options Securities Limited Partnership investment Company Limited Perfecta Investment Trust Limited Platinum Capital Limited Pilot Securities Limited Premium Securities Limited	Profound Securities Limited P.S.I. Securities Limited Pyramid Securities Limited Resort Sec. & Trust Limited Reward Investment & Securities Limited Santrust Securities Limited Securities Solutions Limited Securities Swaps Limited Shalom Investments & Securities Limited Sigma Securities Limited Shelong Securities Limited Sigma Securities Limited Signet Investment & Securities Limited Smadac Securities Limited Solid-Rock Securities & Investment Limited Source Finance & Trust Company Limited Springboard Trust & Investment Limited Spring Trust & Securities Limited Stanbic Securities Limited Stanwal Securities Limited  Summa Guaranty Company Limited Summit Finance Company Limited Support Services Limited Tiddo Securities Limited Tomil Trust Limited Tradelink Securities Limited Trust and Financial Services Limited Trusthouse Investments Limited TRW Stockbrokers Limited Unex Securities & Investment Limited Union Stockbrokers Limited Valmon Securities Limited Valueline Sec & Investment Limited Vetiva Capital Management Limited Vision Trust & Inv. Limited Wall Street Trust Company Limited Zenith Securities Limited



# APPLICATION FORM

Application List Opens  
xx  
xx 2007



Offer for Subscription of  
**50,000,000 Units of ₦100 each**  
at par in

**THE FBN HERITAGE FUND**  
(Authorised and Registered in Nigeria as a Unit Trust Scheme)

Payable in Full on Application

Issuing House



Guaranty Trust Bank plc

Application List Closes  
xx  
xx 2007

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

**DECLARATION**

- I/We attach the amount payable in full on application for the number of Units indicated in the FBN Heritage Fund at ₦100.00 per Unit.
- 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 dated **xxx 2007** and subject to the Trust Deed of the FBN Heritage Fund.
- I/We authorise you to send a Unit Statement and/or Certificate and/or a cheque for any amount overpaid, by registered post at my/our risk to the address first given below and to procure registration in my/our name as the holder(s) of such number of Units or such smaller number, as aforesaid.
- I/We declare that I/we have read a copy of the Prospectus dated **xxxxx 2007** issued by Guaranty Trust Bank plc on behalf of FBN Capital Limited.

<b>GUIDE TO APPLICATION</b>	
Number of Units applied for 500 minimum Subsequent multiples of 10	Amount Payable ₦50,000.00 ₦5,000.00

Date  /  /  2 0 0 7

**CONTROL NO: (REGISTRAR'S USE ONLY)**

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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PLEASE COMPLETE IN CAPITAL LETTERS AND IN BLACK INK

Number of Units applied for										Value of Units applied for/Amount Paid									
										N									
<b>INDIVIDUAL/CORPORATE APPLICANT</b>																			
Title:		Mr	Mrs	Miss	Others (please specify)														
Surname/Company Name																			
Other Names (for individual applicants only)																			
Full Postal Address																			
City										State									
Daytime Telephone Number										Mobile (GSM) Telephone Number									
Next of Kin																			
<b>JOINT APPLICANT</b>																			
Title:		Mr	Mrs	Miss	Others (please specify)														
Surname																			
Other Names																			
Name of Bank/Branch:										Account Number:									

Signature or Thumbprint	Signature or Thumbprint	Company Seal/Incorporation Number (Corporate Applicant)									
First Registrars Nigeria Limited		Stamp of Receiving Agent									

## APPLICATION FORM

1. Applications must be made only on the Application Form, or photocopies, or scanned copies of the Application Form.
2. The Application List for the Units will be open to prospective investors for the duration specified in the Prospectus.
3. Applications must be for a minimum of 500 Units. Applications for more than 500 Units must be in multiples of 10. The number of Units for which an application is made and the value and details of the cheque or bank draft attached should be entered in the boxes provided.
4. The Application Form when completed should be lodged with any of the Receiving Agents listed in this document. Applications must be accompanied by a cheque or bank draft made payable to the Receiving Agent to whom the application is submitted, for the full amount payable on application. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "**FBN HERITAGE FUND**" with the name, address and daytime telephone number of the applicant written on the back. All bank commissions and transfer charges must be prepaid by the applicant. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected.
6. First Bank and GTBank will issue CCIs to foreign currency subscribers. CCIs are required to enable subsequent repatriation, in a freely convertible currency, of the dividends from or proceeds of any future sale of the Units acquired in this IPO.
7. An application for a minor must include the full names and date of birth of the minor, as well as the full names and address of the adult making the application on his/her behalf.
8. Joint applicants must all sign the Application Form.
9. An application from a corporate body must bear the corporate body's common seal and be completed under the hand of a duly authorised official.
10. The applicant should not print his signature. If he is unable to sign in the normal manner he should be treated for the purpose of this Offer as an illiterate and his right thumbprint should be clearly impressed on the Application Form.

APPLICATION FORM

FBN HERITAGE FUND