

You are advised to read and understand the contents of this Prospectus. If in doubt, please consult your Stockbroker, Solicitor, Banker or an independent Investment Adviser registered by the Securities and Exchange Commission. Investors are advised to note that liability for false or misleading statements or acts made in connection with the Prospectus is provided in sections 85 and 86 of the Investments and Securities Act No 29, 2007 (the "Act"). This Prospectus has been seen and approved by the Directors of the Fund Manager/Promoter of the Unit Trust and they jointly and individually accept full responsibility for the accuracy of all information given and confirm that, after having made inquiries which are reasonable in the circumstances, and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

For Information concerning certain risk factors which should be considered by prospective investors, see Risk Factors on pages 23 to 24

## SIAML PENSION ETF 40

(Authorised and Registered in Nigeria as an Exchange Traded Fund)

### INITIAL PUBLIC OFFERING

OF

₦1,000,000,000

COMPRISING

10,000,000 UNITS OF ₦100 EACH  
ISSUED AT PAR

PAYABLE IN FULL ON APPLICATION

**FUND MANAGER:**



**ISSUING HOUSE:**



Application List Opens: Monday, 26 September 2016

Application List Closes: Wednesday, 02 November 2016

This Prospectus and the Units which it offers have been registered by the Securities & Exchange Commission. The Investments and Securities Act No 29 2007 provides for civil and criminal liabilities for the issue of a Prospectus which contains false or misleading information. Registration of this Prospectus and the Units which it offers does not relieve the parties of any liability arising under the Act for false or misleading statements contained or for any omission of a material fact in this Prospectus. The valuation approved or accepted by the Commission shall only be utilised for the purpose of the proposal submitted to and approved by it and shall not be considered as an endorsement by the Commission of the value of the subject assets for any other purposes.

This Prospectus is dated Tuesday, 06 September 2016

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## DEFINITIONS

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<b>“Application Form”</b>	The form to be completed by investors subscribing for Units in the Fund contained on page 57 of this document
<b>“Authorised Dealer”</b>	Stanbic IBTC Stockbrokers Limited
<b>“Business Day”</b>	Any day other than a Saturday, Sunday or an official public holiday as declared by the Federal Government of Nigeria
<b>“Cap Factor” or “Capping Factor”</b>	Adjusts the market capitalisation of each security in the index to ensure its weight does not exceed or fall below stipulated limits
<b>“CBN”</b>	Central Bank of Nigeria
<b>“CCI”</b>	Certificate of Capital Importation
<b>“Creation Units”</b>	The amount specified in this Prospectus as the number of Units of the Fund to be issued in exchange for a basket of underlying shares and/or cash, being 10,000 Units
<b>“CSCS”</b>	Central Securities Clearing Systems Plc
<b>“Custodian”</b>	Standard Chartered Bank Nigeria Limited
<b>“Daily Official List”</b>	The daily official list of The NSE which provides information, on a daily basis, on transactions that take place on the floor of The NSE
<b>“ETF”</b>	Exchange Traded Fund
<b>“Free Float Factor”</b>	Adjusts the market capitalisation by taking into account the number of shares available for trading, as opposed to the total shares outstanding
<b>“FGN”</b>	Federal Government of Nigeria
<b>“the Fund”</b>	SIAML Pension ETF 40
<b>“Fund Manager”</b>	Stanbic IBTC Asset Management Limited
<b>“IPO” or “the Offer”</b>	Initial Public Offering of 10,000,000 units of ₦100 each at par in the SIAML Pension ETF 40
<b>“Issuing House”</b>	Stanbic IBTC Capital Limited
<b>“ISA”</b>	Investments and Securities Act No 29 2007
<b>“LFN”</b>	Laws of the Federation of Nigeria
<b>“NAV”</b>	Net Asset Value
<b>“NEFT”</b>	NIBSS Electronic Funds Transfer
<b>“PenCom”</b>	National Pension Commission

## DEFINITIONS

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<b>“PFA”</b>	Pension Fund Administrator
<b>“Prospectus”</b>	This Offer document which is issued in accordance with the Rules and Regulations of the Commission
<b>“Redemption Units”</b>	The amount specified in this Prospectus as the number of Units of the Fund to be redeemed in exchange for a basket of underlying shares and/or cash, being 10,000 Units
<b>“Registrars” or “Transfer Agent”</b>	First Registrars and Investors Services Limited
<b>“SIAML”</b>	Stanbic IBTC Asset Management Limited
<b>“SEC” or “the Commission”</b>	Securities & Exchange Commission
<b>“Receiving Bank” or “Stanbic IBTC Bank” or “the Bank”</b>	Stanbic IBTC Bank PLC
<b>“the NSE Pension Index” or “Underlying Index”</b>	An index that tracks the performance of the top 40 companies in terms of market capitalisation, liquidity and other factors (i.e. taxable profits, dividend payment, free float, sector and individual stock weighting) as specified by PenCom
<b>“Tracking Error”</b>	The divergence of the Fund’s performance from that of the Underlying Index
<b>“Trustee”</b>	FBN Trustees Limited
<b>“The NSE” or “The Exchange”</b>	The Nigerian Stock Exchange
<b>“Units”</b>	The units of the Fund
<b>“Unit holder”</b>	Any person or company entered in the Register as a holder of the Units including persons so entered as joint Unit holders
<b>“WDAS”</b>	Wholesale Dutch Auction System

## ABRIDGED TIMETABLE

Date	Activity	Responsibility
26 Sept 2016	Application List opens	Issuing House
02 Nov 2016	Application List closes	Issuing House
16 Nov 2016	Receiving Agents make returns	Issuing House / Registrars
30 Nov 2016	Forward Allotment Proposal to SEC	Issuing House
09 Dec 2016	Receive SEC authorisation of allotment	Issuing House
12 Dec 2016	Pay net Offer proceeds to the Custodian	Receiving Bank
12 Dec 2016	Allotment announcement	Issuing House
12 Dec 2016	Return rejected application monies	Issuing House / Registrars
23 Dec 2016	Distribute Share Certificate/ Credit CSCS accounts	Registrars
30 Dec 2016	List the Fund on the Official List of The Exchange	Stockbrokers
09 Jan 2017	Forward report on completion of Offer to SEC	Issuing House

\* All dates provided are subject to change by the Issuing House in consultation with the Directors of the Fund Manager and subject to obtaining the necessary regulatory approvals.

## SUMMARY OF THE OFFER

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The following information should be read in conjunction with the full text of this Prospectus, from which it is derived. Investors are advised to seek information on the fees and charges before investing in the Fund:

- |                                 |  |
|---------------------------------|--|
| <b>1. FUND MANAGER/PROMOTER</b> | Stanbic IBTC Asset Management Limited  |
| <b>2. ISSUING HOUSE</b>         | Stanbic IBTC Capital Limited   |
| <b>3. THE OFFER</b>             | 10,000,000 Units of ₦100 each at par in the Fund   |
| <b>4. OFFER SIZE</b>            | ₦1,000,000,000   |
| <b>5. METHOD OF OFFER</b>       | Offer for Subscription   |
| <b>6. OFFER PRICE</b>           | ₦100 per Unit  |
| <b>7. UNITS OF SALE</b>         | 10,000 Units and multiples of 10,000 Units thereafter  |
| <b>8. PAYMENT TERMS</b>         | In full on application   |
| <b>9. OPENING DATE</b>          | Monday, 26 September 2016  |
| <b>10. CLOSING DATE</b>         | Wednesday, 02 November 2016  |
| <b>11. NATURE OF THE FUND</b>   | <p>The SIAML Pension ETF 40 is an open ended Exchange Traded Fund which is registered with SEC. The objective of the Fund is to replicate as closely as possible, before fees and expenses, the total return of The NSE Pension Index. The Fund will invest its assets fully in the same securities that comprise the NSE Pension Index and in proportions equal to their weightings in the said index.</p> <p>Units can be created or redeemed through the Authorised Dealer or directly by the investor in Creation Units or Redemption Units of 10,000 Units respectively.</p> <p>The Units of the Fund will be traded on the floor of The NSE. Secondary market trading factors will influence the Unit price of the Fund and cause deviations between the Unit price and the NAV per Unit of the Fund.</p>                                      |
| <b>12. INVESTMENT OBJECTIVE</b> | <p>The Fund aims to provide investors with returns that mirror the return of the Underlying Index, net of transaction costs. The Underlying Index comprise the most liquid public quoted companies on The NSE that meet the regulatory requirements of PenCom for investing pension assets.</p>  |
| <b>13. INVESTMENT STRATEGY</b>  | <p>The Fund will utilise a passive or indexing strategy to achieve the same risk and return profile of the Underlying Index. The Fund Manager will not try to out-perform the Underlying Index or the broader market. The Fund will comprise nearly all the securities of the Underlying Index in the same or close to the same weighting as in the Underlying Index.</p> <p>The use of an indexing investment approach may eliminate some of the risks of active management such as poor stock selection, but may be subject to other risks such as the Fund Manager being unable to take defensive positions in declining markets.</p> <p>Under certain circumstances, it may not be possible or practical to purchase all of the securities in the same weighting as the Underlying Index. Such circumstances include but are not limited to:</p> |

## SUMMARY OF THE OFFER

- Where there are practical difficulties or substantial costs involved in compiling a portfolio of equity securities to follow the Underlying Index; and
- Instances in which a security in the Underlying Index becomes temporarily illiquid or unavailable.

There is no guarantee or assurance of exact or identical replication at any time, of the performance of the NSE Pension Index.

### 14. INCOME AND DISTRIBUTIONS

The Fund expects to pay out substantially all of its net income to its Unit holders every quarter. The income of the Fund, net of expenses, will be passed on to Unit holders as distributions at the end of each quarter. All Unit holders in the Fund will be entitled to a share of the Fund's distributions.

The Fund Manager reserves the option to automatically re-invest cash distributions into the Fund and issue additional units to Unit holders subject to their qualification on the record/closure date.

### 15. CREATION AND REDEMPTION OF UNITS

Creation or redemption of Units of the Fund will only be done in creation sizes (i.e., 10,000 Units). Requests can be made through the Authorised Dealer or directly by the investor.

Units of the Fund can be created or redeemed in-kind (i.e. the creation and/or redemption of Units in exchange for the securities of the Underlying Index), cash or a combination of in-kind and cash. The Authorised Dealer may elect to effect a creation request received from a prospective investor via a particular method (i.e. in-kind, cash or a combination of both).

Units of the Fund will be redeemed based on the Net Asset Value as determined after receipt of a redemption request by the Fund Manager and/or the Authorised Dealer. The Fund will not create or redeem Units less than a Creation Unit or Redemption Unit respectively.

### 16. CREATION UNIT

10,000 Units

### 17. REDEMPTION UNIT

10,000 Units

### 18. FORECAST OFFER STATISTICS (EXTRACTED FROM REPORTING ACCOUNTANTS' REPORT)

Year Ending 31 Dec	2016	2017	2018	2019	2020
	₹'m	₹'m	₹'m	₹'m	₹'m
Opening Net asset value	1,000	1,005	1,137	1,245	1,300
Gross profit	35	151	162	117	190
Fees and expenses	8	13	14	15	16
Closing Net asset value	1,005	1,137	1,245	1,310	1,441

## SUMMARY OF THE OFFER

### 19. FEES AND OTHER EXPENSES

<b>Fund Manager</b>	An annual management fee of 0.5% of the Net Asset Value of the Fund, payable quarterly in arrears
<b>Trustees</b>	An annual fee of 0.0375% of the Net Asset Value of the Fund, payable annually in arrears
<b>Registrars /Transfer Agent</b>	Annual fee to be paid based on volume
<b>Custodian</b>	An annual fee of 0.05% of the Net Asset Value, payable quarterly in arrears
<b>Offer Expenses</b>	The costs, charges and expenses of and incidental to the Offer including fees payable to the Securities & Exchange Commission, The Nigerian Stock Exchange, Central Securities Clearing System Plc and professional parties, brokerage, printing and distribution expenses, estimated at about ₦28,669,715 (2.87% of the Offer size), will be borne by the Fund and offset against the Offer proceeds. All future costs and expenses of maintaining the Fund shall be deducted from the income generated by the Fund

### 20. MANDATORY SUBSCRIPTION

In accordance with Rule 450(2) of SEC Rules and Regulations, which requires promoters of authorised schemes in Nigeria to subscribe to a minimum of 5% of the initial issue of such schemes, Stanbic IBTC Asset Management will subscribe to 5% of the Offer size.

### 21. UNDERWRITING

At the instance of the Fund Manager, the Offer will not be underwritten.

### 22. QUOTATION

An application has been made to The Council of The Exchange for the admission of 10,000,000 Units of the Fund to its Daily Official List. At the end of the Offer, the Units of the Fund will be tradable on the floor of The Exchange.

### 23. STATUS

The Units qualify as securities in which Pension Fund Assets can be invested under the Pension Reform Act No. 4 of 2014, and securities in which Trustees may invest under the Trustees Investments Act Cap T22 LFN 2004.

### 24. OVERSUBSCRIPTION

In the event of oversubscription, additional units of the Fund will be registered with SEC.

### 25. RISKS

An investment in the Fund involves various risks. Investors in the Fund should be willing to accept a high degree of volatility in the price of the Units. Therefore, investors should carefully consider the risks which are set out on pages 23 and 24 of this Prospectus before investing in the Fund.



## SUMMARY OF THE OFFER

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### 26. TRACKING ERROR

The performance of the Fund and the Underlying Index may vary somewhat due to factors including but not limited to transaction costs, corporate actions (such as mergers and spin offs), differences in timing of the accrual of dividends, the Fund's holding of cash and differences between the composition of the Fund's portfolio and the Underlying Index. These performances are usually measured in terms of Tracking Error.

The following strategies will be employed by the Fund Manager to minimise Tracking Error:

1. Closely approximating the Underlying Index even as the market capitalization of individual securities change in value;
2. Rebalance the composition of the Fund in line with the rebalancing of the Underlying Index. The NSE will make available the rebalancing schedule to market participants in advance before the Underlying Index is rebalanced, at the beginning of each year;
3. Minimise the Fund's holding of cash by:
  - i. Adopting in-kind subscription and redemption process; and
  - ii. Applying any dividend received into the Fund in purchasing additional units at the end of every quarter or distributing same to unit holders.

### 27. COMPOSITION OF THE UNDERLYING INDEX

Information on the composition of the Underlying Index would be published daily on the Fund Manager's website.

### 28. INDEX LICENCE AGREEMENT

The Fund Manager has been granted a license by The NSE, the index provider, to use the Underlying Index and its trademarks for the creation, issuance, operation, listing, management, marketing, promotion and sale of the Fund.

### 29. E-ALLOCATION

The CSCS accounts of successful subscribers will be credited not later than 15 business days from allotment. Investors are thereby advised to state the name of their respective stockbrokers and their CHN Numbers in the relevant spaces on the Application Form.

## THE OFFER

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

This Prospectus is being issued in compliance with the provisions of the Investments and Securities Act No 29 2007, the Rules and Regulations of the Commission, and contains particulars in compliance with the requirements of the Commission for the purpose of giving information to the public with regard to the Initial Public Offering of 10,000,000 Units of the Fund by Stanbic IBTC Capital Limited. The Fund has been authorised and registered by SEC as an Exchange Traded Fund. An application has been made to The Council of The Exchange for the admission of the 10,000,000 Units being offered for subscription to its Daily Official List.

The Directors of the Fund Manager collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no material facts the omission of which would make any statement herein misleading.

The valuation approved or accepted by the Commission shall only be utilised for the purpose of the proposal submitted to and approved by it and shall not be considered as an endorsement by the Commission of the value of the subject assets for any other purposes.

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### **STANBIC IBTC CAPITAL LIMITED**

RC 1031358

ON BEHALF OF

### **STANBIC IBTC ASSET MANAGEMENT LIMITED**

RC 209744

OFFERS FOR SUBSCRIPTION  
AND IS AUTHORISED TO RECEIVE APPLICATIONS FOR

**10,000,000 UNITS OF ₦100 EACH AT PAR**

IN THE

## **SIAML PENSION ETF 40**

(Authorised and Registered in Nigeria as an Exchange Traded Fund)

Payable in full on Application

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The Application List for the Units now being offered will open on Monday, 26 September 2016 and close on Wednesday, 02 November 2016

## CORPORATE DIRECTORY OF THE FUND MANAGER

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### **FUND MANAGER:**

Stanbic IBTC Asset Management Limited  
The Wealth House  
Plot 1678 Olakunle Bakare Close  
Off Sanusi Fafunwa Street  
Victoria Island  
Lagos  
Tel: +234 1 280 1266  
Fax: +234 1 271 6021  
Email: [assetmanagement@stanbicibtc.com](mailto:assetmanagement@stanbicibtc.com)  
Web: [www.stanbicibtcassetmanagement.com](http://www.stanbicibtcassetmanagement.com)

### Abuja Office

Pated Marble Plaza  
Plot 1049 Ahmadu Bello Way  
Garki Area 11  
Abuja  
Tel: +234 (0) 816 376 0460  
Email: [iamlabujastaff@stanbicibtc.com](mailto:iamlabujastaff@stanbicibtc.com)

### Port Harcourt Office

234 Aba Road  
Port Harcourt  
Rivers State  
Port Harcourt  
Tel: +234 (0) 706 593 8647/ (0) 813 964 8144  
Email: [iamlphstaff@stanbicibtc.com](mailto:iamlphstaff@stanbicibtc.com)

### **DIRECTORS:**

Mrs Sola David-Borha (**Chairman**)  
I.B.T.C. Place  
Walter Carrington Crescent  
Victoria Island  
Lagos

Mrs Bunmi Dayo-Olagunju (**Managing**)  
The Wealth House  
Plot 1678 Olakunle Bakare Close  
Off Sanusi Fafunwa Street  
Victoria Island  
Lagos

Mr Shuaib Audu (**Executive**)  
The Wealth House  
Plot 1678 Olakunle Bakare Close  
Off Sanusi Fafunwa Street  
Victoria Island  
Lagos

Mrs Ifeoma Esiri  
The Wealth House  
Plot 1678 Olakunle Bakare Close  
Off Sanusi Fafunwa Street  
Victoria Island  
Lagos

Mr Eric Fajemisin  
The Wealth House  
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Off Sanusi Fafunwa Street  
Victoria Island  
Lagos

Mr Babalola Obilana  
The Wealth House  
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Off Sanusi Fafunwa Street  
Victoria Island  
Lagos

Ms. Angela Omo-Dare  
I.B.T.C. Place  
Walter Carrington Crescent  
Victoria Island  
Lagos

Mr Akeem Oyewale  
I.B.T.C. Place  
Walter Carrington Crescent  
Victoria Island  
Lagos

Mr Olumide Oyetan  
The Wealth House  
Plot 1678 Olakunle Bakare Close  
Off Sanusi Fafunwa Street  
Victoria Island  
Lagos

### **COMPANY SECRETARY:**

Mr Chidi Okezie  
I.B.T.C. Place  
Walter Carrington Crescent  
Victoria Island  
Lagos

### **INVESTMENT COMMITTEE:**

Mrs Bunmi Dayo-Olagunju  
Mr Shuaib Audu  
Mr Efe Omoduemu  
Mr Samuel Kuye (independent member)  
Mr Jide Allo  
Mr Amedu Braimoh

Profiles of the Directors and Principal Officers and Financial Information on the Fund Manager are provided on pages 31 to 33.

## PROFESSIONAL PARTIES TO THE OFFER

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**ISSUING HOUSE:**

Stanbic IBTC Capital Limited  
I.B.T.C. Place  
Walter Carrington Crescent  
Victoria Island  
Lagos

**TRUSTEES:**

FBN Trustees Limited  
16-18 Keffi Street  
Off Awolowo Road  
South West Ikoyi  
Lagos

**STOCKBROKER TO THE OFFER AND AUTHORISED DEALER**

Stanbic IBTC Stockbrokers Limited  
I.B.T.C. Place  
Walter Carrington Crescent  
Victoria Island  
Lagos

**REGISTRARS/TRANSFER AGENT TO THE OFFER:**

First Registrars and Investors Services Limited  
Plot 2 Abebe Village Road  
Iganmu  
Lagos

**REPORTING ACCOUNTANTS:**

KPMG Professional Services  
KPMG Tower  
Bishop Aboyade Cole Street  
Victoria Island  
Lagos

**SOLICITORS TO THE OFFER:**

Akin Delano Legal Practitioners  
21 Military Street  
Onikan  
Lagos

**CUSTODIAN:**

Standard Chartered Bank Nigeria Limited  
142 Ahmadu Bello Way  
Victoria Island  
Lagos

**RECEIVING BANK:**

Stanbic IBTC Bank PLC  
I.B.T.C. Place  
Walter Carrington Crescent  
Victoria Island  
Lagos

# OVERVIEW OF EXCHANGE TRADED FUNDS

## WHAT IS AN EXCHANGE TRADED FUND?

An ETF is a security that tracks an underlying index, commodity or asset class as closely as possible. Its primary objective is to replicate the performance of the underlying index/asset before fees and taxes, through passive investment management.

It is a unique investment instrument that combines some of the features of individual stocks with the features of a mutual fund. Like a mutual fund, ETFs give investors access to a basket of securities; unlike mutual funds, ETFs can be bought or sold on the trading floor of The Exchange. In this regard, ETFs combine the diversification benefits of funds with the trading flexibility of single stocks.

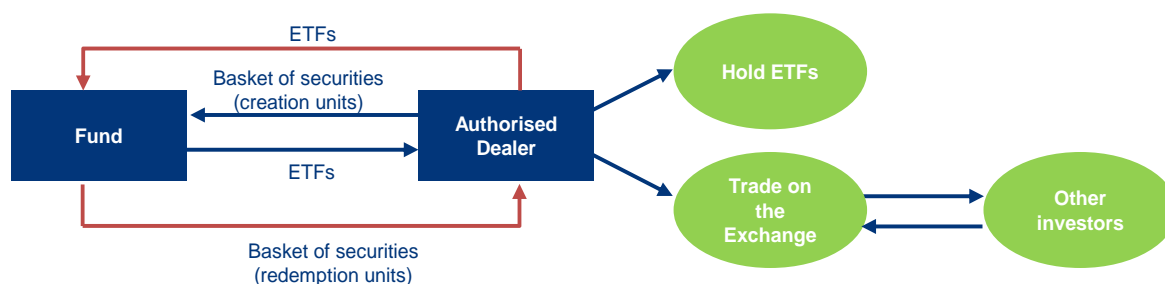
## HOW DOES AN ETF WORK?

ETFs operate in both the primary market and secondary market like any other investment instrument. In the primary market, the fund manager/sponsor determines the investment objective of the fund, as well as the index or underlying assets to track and the method of tracking. For example, an ETF may track The NSE All-Share Index or The NSE 30 Index.

An authorised dealer, who is a large stockbroker that has entered into relevant agreements with the ETF fund manager, can buy or sell units of the ETF from the fund manager, through creation or redemption units respectively. For creation units, the fund manager receives a basket of securities that corresponds to the portfolio holdings for the particular ETF (i.e. “in-kind” creation), cash or a combination of both. It is noteworthy that the redemption process is the creation process in reverse.

In the secondary market, authorized dealers may wish to hold the ETF units for the long-term, but usually trade on the open market, using their ability to exchange creation units with their underlying securities to provide liquidity of the ETF units and help ensure that their intraday market price approximates the net asset value of the underlying assets. Other investors, such as individuals using a stockbroker, trade ETFs on the secondary market.

### Structuring and Trading ETF units



## WHY ETFs?

ETFs can be acquired, held and sold at a reasonable cost, providing low cost exposure to specific sectors and allowing for several benefits, such as:

- **Diversification and Risk Management:** ETFs covers major indexes, sectors and asset classes, providing low cost diversification with a single trade. By combining the broad exposure benefits of index trackers with the trading flexibility of single stocks, ETFs provide diverse exposure to a chosen asset class at a low cost.
- **Flexibility:** ETFs enjoy flexibility compared to mutual funds as they can be traded intraday. Furthermore, ETF investors are able to adjust an investment portfolio faster by investing or reducing exposure from a whole asset class in one trade.

## OVERVIEW OF EXCHANGE TRADED FUNDS

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- **Passive Management:** ETFs are managed passively as they are designed to track underlying indexes. Adjustments to the composition of ETFs are made when there are changes to the composition to the underlying index; requiring ETFs to make minimal adjustments periodically. The passive management style also mitigates the risk of active stock picking in decision making for managed funds. Additionally, as ETFs track an index whose composition is widely published, the exposure to those assets is known.
- **Cost effective:** ETF investors trade through their brokerage accounts, incurring only transaction costs associated with the trade, and less administrative costs than actively managed funds.
- **Liquidity:** The primary ETF market offers liquidity through its ability to create or redeem ETFs to meet investor demand. The secondary market offers the immediate liquidity of the basket of issued and tradable securities. This enables investors to get into and out of investment positions with minimum risk and expense.

Overall, an ETF is a versatile tool for portfolios, allowing for its use as a long-term investment instrument for asset allocation purposes, or to be traded frequently for strategic market timing investment purposes.

### 1. PARTICULARS OF THE FUND

The SIAML Pension ETF 40 is authorised and registered in Nigeria as an Exchange Traded Fund under Section 160 of the ISA. The Fund is governed by a Trust Deed with FBN Trustees Nigeria Limited as Trustees. 10,000,000 Units are being offered for subscription at the launch of the Fund.

The Fund is open ended and an application has been made to The Council of The Exchange for the admission of the 10,000,000 Units being offered for subscription to its Daily Official List. At the conclusion of the Offer, investors will be free to trade existing units of the Fund through a stockbroker. Additionally, the Fund will issue new units or redeem units of the Fund only in Creation or Redemption Units through the Authorised Dealer.

### 2. OBJECTIVES OF THE FUND

The objective is primarily to design an instrument of choice for PFAs, life assurance companies, institutional, retail investors as well as foreign portfolio managers who desire an exposure to PFA investible equities on The NSE, with minimal liquidity/exit risk. Consequently, the Fund will invest in the securities that comprise the Underlying Index, i.e. the NSE Pension Index.

The Fund will replicate as closely as possible, before fees and expenses, the net return of the Underlying Index and will be rebalanced as often as the Underlying Index is rebalanced.

### 3. OVERVIEW OF THE NSE PENSION INDEX

The NSE Pension Index is a market capitalisation weighted index that is compiled by The Nigerian Stock Exchange and is designed to track the top 40 companies on The NSE in terms of market capitalisation, liquidity and PFA investment eligibility. As at 31 December 2015, The NSE Pension Index constituted 40.18% of The NSE All Share Index.

Index values are calculated daily as follows: 
$$\frac{\text{Current adjusted market value}}{\text{Base market value}}$$

Where current adjusted market value = Closing market price x Number of listed shares x capping factor x free float factor

The capping factor is applied to ensure the weight of each security in the index does not exceed or fall below the PenCom stipulated limit for portfolios.

The weighting of each security in the Underlying Index is determined by the size of its market capitalisation, adjusted for its capping factor, relative to the adjusted market capitalisations of the other securities represented in the index.

The index includes the securities of companies from a broad range of industries including financial services, petroleum marketing, consumer goods and industrials. Its constituents are reviewed, re-weighted and changed every year, typically at the beginning of the year. The constituents are changed (i.e. added or deleted) based on their capitalisation, liquidity and free float factor in the previous twelve (12) months.

In order not to skew the performance of the index to predominant sectors such as the banking sector and to provide a legitimate benchmark for the PFA-eligible domestic equity universe, the upper limit of the weight of each sector in the index is capped at 45% and the lower limit is set at 2%. Additionally, no individual listed equity can have a weighting of more than 4.5% in line with PenCom investment guidelines for pension assets.

## INFORMATION ON THE SIAML PENSION ETF 40

As at 31 December 2015, the NSE Pension Index included the following securities of companies with a market capitalisation range of between approximately ₦2,897 billion and ₦17 billion and a weighted average market capitalisation of ₦9 billion.

S/N	Company	Sector	Market Capitalization (₦)	Index Weight (%)	Capping factor
1	Dangote Cement Plc	Industrial	2,896,886,258,850	4.50%	0.01
2	Nigerian Breweries Plc	Consumer Goods	1,078,357,720,768	4.50%	0.12
3	Nestle Nigeria Plc	Consumer Goods	681,684,376,720	4.50%	0.21
4	Guaranty Trust Bank plc	Financial services	535,058,838,292	4.50%	0.65
5	Zenith Bank Plc	Financial services	441,120,737,693	4.50%	0.76
6	Lafarge Africa Plc	Industrial	440,914,495,208	4.50%	0.16
7	Forte Oil Plc	Oil and Gas	429,818,763,990	4.50%	0.32
8	FBN Holdings Plc	Financial services	184,142,852,023	4.50%	2.31
9	Guinness Nigeria Plc	Consumer Goods	181,308,937,835	4.50%	0.88
10	Stanbic IBTC Holdings PLC	Financial services	165,300,000,000	4.50%	0.94
11	Unilever Nigeria Plc	Consumer Goods	163,627,562,813	4.50%	0.59
12	Access Bank Plc	Financial services	140,300,662,410	4.11%	1.56
13	United Bank for Africa Plc	Financial services	122,624,798,968	3.92%	2.47
14	SevenUp Bottling Company Plc	Consumer Goods	116,587,446,066	3.60%	0.65
15	Seplat Petroleum Development Company Plc	Oil and Gas	114,379,245,883	3.53%	0.57
16	PZ Cussons Nigeria Plc	Consumer Goods	102,041,260,057	3.30%	0.75
17	Dangote Sugar Refinery Plc	Consumer Goods	72,360,000,000	2.24%	0.67
18	Oando Plc	Oil and Gas	71,004,251,475	2.20%	1.06
19	Transnational Corporation of Nigeria Plc	Conglomerates	58,855,916,086	1.73%	1.39
20	Mobil Oil Nigeria Plc	Oil and Gas	57,695,241,920	1.59%	1.00
21	Julius Berger Nigeria Plc	Industrial	55,440,000,000	2.19%	1.26
22	Flour Mills of Nigeria Plc	Consumer Goods	54,584,133,490	1.68%	1.17
23	Diamond Bank Plc	Financial services	53,268,894,626	1.74%	1.34
24	Sterling Bank Plc	Financial services	52,686,465,171	1.60%	1.36
25	International Breweries Plc	Consumer Goods	52,675,045,987	1.62%	0.61
26	Total Nigeria Plc	Oil and Gas	49,913,105,257	1.52%	0.95
27	Fidelity Bank Plc	Financial services	43,462,195,535	1.30%	2.27
28	UACN Property Development Company Plc	Conglomerates	39,857,936,030	1.20%	2.45
29	GlaxoSmithKline Consumer Nigeria Plc	Health Care	38,854,027,095	2.19%	1.84
30	FCMB Group Plc	Financial services	33,466,581,174	1.07%	1.32
31	Presco Plc	Agriculture	33,000,000,000	1.21%	1.13
32	Cadbury Nigeria Plc	Consumer Goods	32,211,164,986	1.05%	1.02
33	Okomu Oil Palm Company Plc	Agriculture	28,903,473,000	0.98%	0.98
34	Mansard Insurance plc	Financial services	28,245,000,000	0.87%	0.39
35	Beta Glass Company Plc	Industrial	26,723,503,400	0.79%	0.59
36	Chemical and Allied Products Plc	Industrial	26,320,000,000	0.81%	1.23
37	Custodian & Allied Insurance Plc	Financial services	24,115,643,200	0.74%	1.48
38	Skye Bank Plc	Financial services	21,930,876,228	0.63%	2.02
39	NASCON Allied Industries Plc	Consumer Goods	18,943,484,403	0.56%	0.86
40	Conoil Plc	Oil and Gas	17,168,375,375	0.56%	0.64
	<b>TOTAL</b>		<b>8,785,839,272,014</b>		



### 4. WHY INVEST IN THE SIAML PENSION ETF 40?

The Regulation on Investment of Pension Fund Assets (the “PenCom Regulations”), issued by PenCom in 2012, forms the basis of the constitution of the NSE Pension Index, which is the Underlying Index for the Fund. The PenCom Regulations seek to enable Pension Fund Administrators meet their obligations to pension fund beneficiaries through stipulations on allowable instruments and the quality of allowable instruments, amongst other requirements. The PenCom Regulations mitigate reckless risk-taking, ensure the discharge of responsible fiduciary duty and the maintenance of fair returns on pension funds.

The SIAML Pension ETF 40 is a low cost, effective and simple way for PFAs, institutional and retail investors to invest in equities that meet these set guidelines. Furthermore, the Fund will be a dynamic investment alternative for PFAs, as it allows them to outsource beta strategies at minimal cost through the Fund, while focusing on generating alphas from their stock selection and rotation strategies. Also, for other institutional and retail investors who desire exposure to the Underlying Index and lack the requisite capacity, the Fund provides a cost effective method of replicating the risk and return profile of the Underlying Index.

The Securities and Exchange Commission will be responsible for oversight of the Fund. The Fund Manager has been granted a license by The NSE to use the Underlying Index and its trademarks for the creation, issuance, operation, listing, management, marketing, promotion and sale of the Fund.

### 5. METHODOLOGY FOR SCREENING SECURITIES IN THE NSE PENSION INDEX

The Underlying Index has been designed to take into consideration provisions of the PenCom Regulations. The Underlying index is a total return index so it can accurately measure equity portfolio performance (dividends, price change and realized gains).

The following are the specific requirements:

- i. No sector can have a weighting of more than 45%;
- ii. No individual listed equity can have a weighting of more than 4.5%;
- iii. No individual sector will have a weighting less than 2%;
- iv. Companies included in the index must have a free float of at least 5%; and
- v. The number of stocks in the index is fixed at 40 and the stocks are selected based on their market capitalisation.

### 6. INVESTMENT STRATEGY

The Fund aims to achieve its objective by using a passive or index strategy approach to replicate the investment performance of the Underlying Index. This involves investing in all the securities of the Underlying Index in the same proportions as the Underlying Index. The Fund Manager will not try to beat the Underlying Index or outperform the market.

The use of an indexing investment approach may eliminate some of the risks of active management such as poor stock selection. However, the performance of the Fund is limited by the performance of the Underlying Index. Furthermore, the Fund Manager will not have the flexibility to take defensive positions in declining markets.

The Fund will invest 100% of its total assets in securities that comprise the Fund’s Underlying Index except where the total value of the Fund includes cash items such as dividend distribution from the securities in the Underlying Index.

Under certain circumstances, it may not be possible or practical to purchase all of the securities in the same weighting as the Underlying Index. These include:

- Where there are practical difficulties or substantial costs involved in compiling a portfolio of equity securities to follow the Underlying Index; and
- Instances in which a security in the Underlying Index becomes temporarily illiquid or unavailable.

In these circumstances, the Fund may utilize a representative sampling strategy. This involves holding a sample of securities with similar fundamental and liquidity characteristics, market capitalization and industry weightings as the Underlying Index. The Fund Manager may also elect to purchase securities not in the Underlying Index, which the Fund Manager believes are appropriate to substitute for certain securities which are in the Underlying Index. The Fund may sell securities that are represented in the Underlying Index in anticipation of their removal from the Underlying Index.

The Fund Manager may also utilize various combinations of other available investment techniques in seeking to replicate as closely as possible, before fees and expenses, the price performance of the Underlying Index.

There is no guarantee or assurance of exact or identical replication at any time of the performance of the NSE Pension Index.

### 7. INVESTMENT HIGHLIGHTS

#### ***Diversification and Risk Management***

ETFs are designed to replicate indexes, sectors or asset classes, allowing investors easily create diversified portfolios to meet asset allocation or tactical investing objectives. The SIAML Pension ETF 40 replicates the NSE Pension Index, allowing for an efficient exposure to the entire index, as opposed to investing in each individual stock. At any time during the trading day, an investor can execute a single ETF trade in the Fund and immediately obtain broad exposure to the group of securities in the Underlying Index which span across different sectors.

The Fund embodies a specific investment strategy, which is to replicate the NSE Pension Index. As such, investors wanting a specific risk exposure, in order to manage overall portfolio risk exposures, can do so through the ETF at a lower cost.

#### ***Cost Efficiency***

Investing in the Fund will reduce the complexities and associated costs and risks of investing directly in underlying shares. Investing in the Fund represents an efficient means of acquiring all of the securities included in the NSE Pension Index, compared to investing in each individual stock. Additionally, compared to mutual funds, the Fund will not charge a fee when an investor acquires or divests its units since such a transaction will happen on the floor of The Exchange. This will help minimise transaction costs for investors.

#### ***Liquidity***

The Fund will provide investors with access to the largest, most actively traded and PFA investible publicly quoted companies on The NSE. Units of the Fund may be purchased or sold directly on The NSE through a licensed stockbroker.

### 8. INVESTING IN THE FUND

There are two ways by which investors can invest or dispose of Units in the Fund:

- **Buying or selling on the secondary market of The NSE**  
This option is applicable to all classes of investors. The secondary market price of Units may trade at a premium or discount to the Net Asset Value of the Fund, subject to forces of demand and supply.
- **Creation and redemption of Units on the primary market**  
Creation and redemption of Units in the Fund can only be made through the Authorised Dealer in Creation Units or Redemption Units respectively. A minimum of 10,000 Units of the Fund form a Creation Unit or Redemption Unit. Units of the Fund can be created or redeemed in-kind (i.e. the creation of Units in exchange for the underlying securities), cash or a combination of in-kind and cash.

The process for creation and redemption of Units in the Fund are as follows:

### **Creation of Units**

Applications for the creation of Units of the Fund can be made through the Authorised Dealer. Request for creation of units can also be made directly to the Fund Manager by the investor.

Units of the Fund will be continuously offered through the Authorised Dealer who may apply for the purpose of holding in its own account or for the account of its clients, by submitting a creation request to the Fund Manager. The Authorised Dealer may, in its absolute discretion, elect to effect a creation request received from its clients in any particular method (i.e. in-kind, cash or a combination of both).

The Authorised Dealer may submit creation requests to the Fund Manager following receipt of creation requests from clients or where it wishes to create units of the Fund for its own account. To be effective, the creation request must be in accordance with the Trust Deed and the Authorised Dealer Agreement and must specify the number of units to be created. The creation request must be sent on or before 12.00 noon on the trade date. The trade date is the date on which the transaction is deemed to have taken place and on which the constituents and trade value of the basket is determined.

The Authorised Dealer reserves the right to suspend, acting in good faith, any creation request received from a client under exceptional circumstances, including without limitation, the following circumstances:

- Where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspended market misconduct or the suspension of dealing in relation to any of the securities in the Underlying Index;
- Where such creation would constitute a concentration risk (i.e. investor holding more than 25% of the Fund units);
- Where the in-kind securities are different from the underlying securities;
- Where the creation request is not in an acceptable form;
- Where acceptance of the creation request or any security in connection with such creation request will render the Authorised Dealer in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Authorised Dealer and/or any of its connected persons; and
- Circumstances outside the control of the Authorised Dealer make it for all practicable purposes impossible to process the creation request.

Where the Fund Manager accepts a creation request in respect of the Fund from the Authorised Dealer, it shall instruct the Transfer Agent to effect in accordance with the operating guidelines and Trust Deed:

- the creation of the units in exchange for either a transfer of securities, or cash or a combination of both (at the discretion of the Authorised Dealer); and
- the issue of Units to the Authorised Dealer.

The creation and issue of units pursuant to the creation request shall be effected on the day on which the creation request is received (or deemed received) and accepted in accordance with the operating guidelines, and the Fund register will be updated on the settlement day (i.e. three (3) working days following receipt and acceptance of a creation request).

### Redemption of Units

Applications for redemption of units for the Fund can be made through the Authorised Dealer in Redemption Units. Request for redemption of units can also be made directly to the Fund Manager by the investor. The Authorised Dealer may redeem Units for its own account or for the account of its clients by submitting a redemption request to the Fund Manager. Units of the Fund will be redeemed based on the Net Asset Value as determined after receipt of a redemption request by the Authorised Dealer.

The Authorised Dealer may, in its absolute discretion, elect to effect a redemption request received from its clients in any particular method (i.e. in-kind, cash or a combination of both). The Fund Manager nonetheless reserves the right to require a redemption request to be effected in a particular method. Specifically, the Fund Manager has the right to instruct the Custodian to deliver cash equivalent of any security in connection with a redemption request to the Authorised Dealer if:

- such security is unlikely to be available for delivery or available in sufficient quantity for delivery in connection with the redemption request; or
- the Authorised Dealer is restricted by regulation or otherwise from transacting in that security.

The Authorised Dealer may from time to time submit redemption requests to the Fund Manager following receipt of redemption requests from clients or where it wishes to redeem Units of the Fund for its own account. To be effective, a redemption request must be submitted by the Authorised Dealer in accordance with the Trust Deed and the Authorised Dealer Agreement and must specify the number of Units to be redeemed. The redemption request must be sent on or before 12.00 noon on the trade date. The trade date is the date on which the transaction is deemed to have taken place and on which the basket constituents and trade value are determined.

The Authorised Dealer reserves the right to suspend any redemption request received from a client under exceptional circumstances, including without limitation the following circumstances:

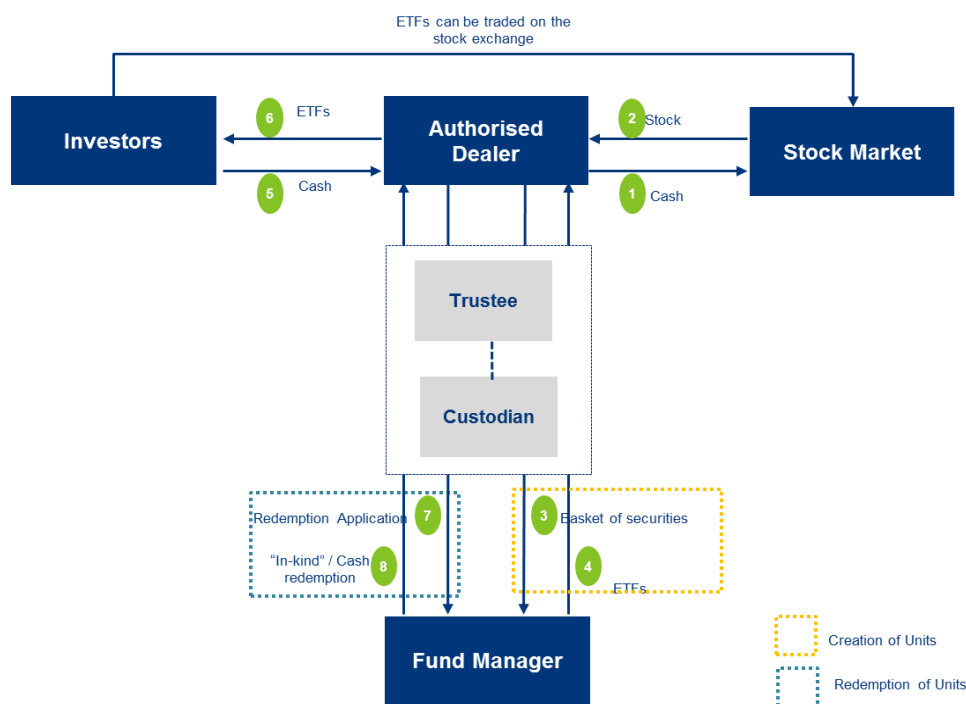
- Where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspended market misconduct or the suspension of dealing in relation to any of the securities in the Underlying Index;
- Where acceptance of the redemption request would render the Authorised Dealer in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Authorised Dealer and/or any of its connected persons; or
- Where circumstances outside the control of the Authorised Dealer make it for all practicable purposes impossible to process the redemption request.

Where the Fund Manager accepts a redemption request in respect of the Fund from the Authorised Dealer, it shall instruct the Transfer Agent to effect the redemption and cancellation of the relevant units and require the Custodian to transfer to the Authorised Dealer the securities or cash or a combination of both in accordance with the Trust Deed.

The Authorised Dealer will then transfer the relevant securities, or cash or a combination of both to the client(s) where the redemption request was submitted by the Authorised Dealer for the account of its client(s). Otherwise, the Authorised Dealer will hold the basket of securities and/or cash in its account.

Any accepted redemption request will be effected on the settlement day (i.e. three (3) working days following receipt of a redemption request) provided that a redemption request duly signed by the Authorised Dealer (to the satisfaction of the Fund Manager and the Trustee) has been received.

## Process flow for creation and redemption of units



## 9. VALUATION OF THE UNITS

The Fund will use a stable Net Asset Value basis which will be calculated by making all permissible deductions (such as transaction cost and fees) from the value of the assets held by the Fund. This is determined with reference to the market value of the underlying securities, which takes into account both income received by the Fund and amounts which the Authorised Dealer must pay the Fund Manager on the creation of new securities to afford them equal participation in the income which has accrued in the portfolio. The NAV per security is calculated by dividing the NAV of the portfolio by the number of the outstanding units in the Fund, generally expressed in Naira. This information is determined at close of trade on each Business Day.

$$\text{NAV} = \frac{\text{Current Value of the Fund's Net Asset} + \text{Cash}}{\text{Total number of Units in issue}}$$

Where,

$$\text{Current Value of the Fund's Net Asset} = \text{Value of all securities} - \text{Liabilities}$$

The Fund's pricing will be provided using live data from The NSE. Thus, based on live data from The NSE, prices for all the constituent securities are fed into a pricing matrix which includes the management fees and adjustable spreads (i.e. bids and offer spreads) to generate the continuous prices for the Fund.

In times of severe market disruption or low trading volume in the Fund's Units, this spread between the bid and offer prices can increase significantly. It is anticipated that the Units will trade in the secondary market at prices that may differ, to varying degrees, from the NAV of the Units especially during periods of extreme market movements or volatility.

### 10. PUBLICATION OF THE NAV OF THE FUND

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

### 11. TARGET INVESTORS

The Fund is aimed primarily at:

- PFAs, asset managers, insurance companies, other institutional investors as well as foreign portfolio investors and individuals with an appetite for Nigerian equities and looking to achieve a level of diversification in line with the Underlying Index that would otherwise be time consuming and expensive to attain;
- Small to medium size investors looking to avoid complexities, associated costs and risks of replicating the Underlying Index; and
- Investors who require liquidity and wish to reduce concentration risk whilst having an exposure to the Underlying Index.

### 12. FOREIGN CURRENCY INVESTORS

Foreign currency subscriptions will be processed at the autonomous exchange rate (the rate at which foreign exchange is sold to end-users by the CBN through selected authorised dealers at market determined exchange rate ) i.e. ₦/\$, advised by Stanbic IBTC Bank PLC on the date of receipt of foreign currency. Foreign currency subscribers are requested to complete the Application Form and follow the instructions at the back of the Form.

Certificates of Capital Importation (CCIs) will be issued by Stanbic IBTC Bank to foreign currency subscribers within 24 hours of the receipt of payment. Such CCIs should be kept by foreign currency subscribers as they will be required for a subsequent repatriation of any surplus/return monies based on the applicable exchange rate on the conversion date as well as a repatriation, in a freely convertible currency, of proceeds from a sale of Units or from any distribution of the Fund's income that the Fund Manager may undertake.

### 13. INCOME AND DISTRIBUTION

The Fund is expected to earn income in form of dividends from securities held. The Fund expects to pay out substantially all of its net income to its Unit holders. The income of the Fund, net of expenses, will be passed on to Unit holders as distributions at the end of each quarter. All Unit holders in the Fund will be entitled to a share of the Fund's distributions.

However, the Fund Manager reserves the option of automatically re-investing cash distributions into the Fund and issuing additional units to Unit holders.

### 14. UNIT HOLDERS' MEETINGS AND VOTING RIGHTS

The Trustee or the Fund Manager shall convene a meeting of Unit holders at the request in writing of Unit holders holding not less than 25% of the Units then outstanding. Any resolution put to vote shall, except a poll is demanded, be decided on a show of hands and each Unit holder shall have one vote. Where a poll is demanded, each Unit holder shall have one vote for every Unit held by him.

### 15. E-ALLOCATION

The CSCS accounts of successful Unit holders will be credited not later than fifteen (15) days from allotment. Investors are thereby advised to state the name of their respective stockbrokers and their CHN Numbers in the relevant spaces on the Application Form.

### 16. FEES AND OFFER EXPENSES

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

<b>Fund Manager</b>	An annual management fee of 0.5% of the Net Asset Value of the Fund, payable quarterly in arrears
<b>Trustees</b>	An annual fee of 0.0375% of the Net Asset Value, payable annually in arrears
<b>Registrars/Transfer Agent</b>	An annual fee to be paid based on volume
<b>Custodian</b>	An annual fee of 0.05% of the Net Asset Value, payable quarterly in arrears
<b>Offer expenses</b>	The costs, charges and expenses of and incidental to the Offer including fees payable to the Securities & Exchange Commission, The Nigerian Stock Exchange, Central Securities Clearing System Plc and professional parties, brokerage, printing and distribution expenses, estimated at about ₦28,669,715 (2.87% of the Offer size), will be borne by the Fund and offset against the Offer proceeds. All future costs and expenses of maintaining the Fund shall be deducted from the income generated by the Fund.

### 17. RISK FACTORS

An investment in the Fund involves various risks. Investors in the Fund should be willing to accept a high degree of volatility in the price of the Units and the possibility of significant losses. Therefore, investors should carefully consider the following risks before investing in the Fund.

#### **Market Risk:**

The Fund is subject to normal market fluctuations and risks related to investing in equities in general or particular industries represented in the market. The value of a share may decline due to general market conditions, political or economic trends or events that are not specifically related to an issuer of a security. During a general downturn in the equities markets, multiple asset classes may be negatively affected which may cause the Unit prices to fluctuate over time.

In addition, general movements in the local and international markets and factors that affect broad investor sentiments and investor climate could affect the level of trading and therefore the market price of the Units. These risks are generally applicable to any investment in listed securities and investors should be aware that the Unit price can move upwards or downwards.

#### **Trading Risk:**

The Fund may face various market trading risks, including a lack of an active market for the Units, losses from trading in secondary markets and disruptions in the creation or redemption of the Units. Any of these factors may lead to the Units trading at a premium or discount to its Net Asset Value.

#### **Liquidity Risk:**

Although there is an authorised dealer in respect of the Fund, there can be no certainty that a liquid market in the Units will develop.

### **Index Tracking Risk:**

The Fund's return may not match the return of the Underlying Index for a number of reasons. For example, the Fund incurs a number of operating expenses not applicable to the Underlying Index and incurs costs associated with buying and selling securities, especially when rebalancing the Fund's securities holdings to reflect changes in the composition of the Underlying Index. Because the Fund bears the costs and risks associated with buying and selling securities, while such costs and risks are not factored into the return of the Underlying Index, the Fund's return may deviate from the return of the Underlying Index.

In addition, the Fund may not be able to invest in certain securities included in the Underlying Index, or invest in them in the exact proportions in which they are represented in the Underlying Index, due to legal restrictions or a lack of liquidity on The Exchange.

### **Economic and Political Risk:**

The performance of the Fund may be affected by changes in economic environment and market conditions, political developments or changes in government policies, growth rate and allocation of resources, changes in legislation and regulatory requirements.

### **Concentration Risk:**

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the companies in the Underlying Index are concentrated in a particular sector or sectors or industry or group of industries. The securities of many or all of the companies in the same sector or industry may decline in value due to developments adversely affecting such sector or industry.

To the extent that the Fund's investments are concentrated in a particular sector or industry, the Fund will be susceptible to loss due to adverse occurrences affecting that sector or industry. By concentrating its assets in a particular sector or sectors or industry or group of industries, the Fund is subject to the risk that economic, political or other conditions that have a negative effect on that sector or industry will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

### **Absence of Prior Active Market:**

The Fund is newly set up and has no operating history. While the Fund's Units are expected to be listed on The NSE, there can be no assurance that an active trading market for the Units will develop or be maintained.

### **Asset Class Risk:**

The Fund is limited to equities only; specifically, listed, large capitalised, liquid equities that meet the regulatory guidelines for investing pension assets. The performance of the Fund will depend to a large extent on the performance of large capitalised stocks in the Nigerian public equity universe and the performance of individual securities in relation to their weight in the Fund. The Fund Manager has limited flexibility to invest outside the scope of the stipulated securities for the Fund should the asset class perform poorly.

### **Portfolio Turnover Risk:**

The Fund will be rebalanced at the beginning of each year, or at such other intervals, in line with The NSE's rebalancing of the NSE Pension Index, to track the Underlying Index. The Underlying Index is currently reviewed annually on the first Business Day in January, and its constituents are changed (i.e. added or deleted) based on their market capitalization, liquidity in the previous twelve (12) months and Free Float Factor. This inevitable rebalancing would incur expenses due to portfolio turnover.



# FINANCIAL FORECAST

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## 1. LETTER FROM THE REPORTING ACCOUNTANTS

The following is a copy of the letter on the Fund's profit forecasts by KPMG Professional Services, the Reporting Accountants to the Offer:



**KPMG Advisory Services**  
KPMG Tower  
Bishop Aboyade Cole Street  
Victoria Island  
PMB 40014, Falomo  
Lagos

Telephone 234 (1) 271 8955  
234 (1) 271 8599  
Fax 234 (1) 271 0540  
Internet [www.kpmg.com/ng](http://www.kpmg.com/ng)

Managing Director/CEO  
Stanbic IBTC Asset Management Limited  
The Wealth House  
Plot 1678 Olakunle Bakare Close  
Off Sanusi Fafunwa VI Lagos  
Victoria Island  
Lagos

25 January 2016

Dear Sirs

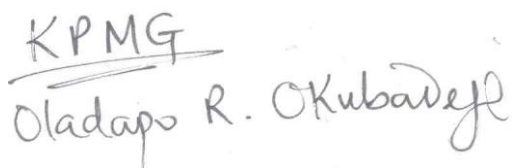
### Report on the Profit Forecasts

We have examined the accompanying profit and balance sheet forecasts of SIAML Pension ETF 40 ("the Fund") for the years ending 31 December 2016, 2017, 2018, 2019 and 2020 in accordance with the International Standard on Assurance Engagements (ISAE 3400) applicable to the examination of prospective financial information. The Directors of Stanbic IBTC Asset Management Limited ("the Company") are solely responsible for the forecast including the assumptions set out on pages 28 and 29 on which it is based.

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the forecast. Furthermore, in our opinion, the forecast is properly compiled on the basis of the assumptions made by the Directors and is prepared on a basis consistent with accounting policies to be normally adopted by the Fund. Actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation may be material.

Finally, we emphasise that the forecast information is not intended to, and does not, provide all the information and disclosures necessary to give a fair presentation of the results of the operations of the Fund in accordance with International Financial Reporting Standards applicable in Nigeria, the Companies and Allied Matters Act of Nigeria and the Investments and Securities Act, 2007.

Yours faithfully

  
KPMG  
Oladapo R. Okubadejo

## FINANCIAL FORECAST

### 2. PROFIT FORECAST

The Fund Manager estimates that, in the absence of unforeseen circumstances and based on the assumptions contained on pages 28 – 29, the Fund's profit forecast for each years of 2016, 2017, 2018, 2019 and 2020 will be shown as below.

	2016	2017	2018	2019	2020
	N'm	N'm	N'm	N'm	N'm
<b>Revenue</b>					
Dividend Income	10.0	50.1	51.3	56.5	62.1
Unrealized Gain/Loss	24.5	100.5	110.5	60.8	127.6
<b>Gross Profit</b>	<b>34.5</b>	<b>150.6</b>	<b>161.8</b>	<b>117.3</b>	<b>189.7</b>
<b>Expenses/ Income</b>					
Corporate expenses:					
Cost of offer					
-Administration (@N100 per investor)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
-Management fees (@ 0.50% of NAV)	(2.5)	(5.5)	(6.1)	(6.4)	(7.0)
-Custodian (@0.03% of NAV)	(0.3)	(0.6)	(0.6)	(0.6)	(0.7)
- Trustees Fees	(0.3)	(0.8)	(0.9)	(1.0)	(1.1)
-Auditors Remuneration	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)
-Index Licensing Fee	(3.2)	(3.6)	(3.9)	(4.1)	(4.5)
- Brokerage % AUM	(1.0)	(1.1)	(1.2)	(1.3)	(1.4)
	<b>(8.4)</b>	<b>(12.7)</b>	<b>(13.8)</b>	<b>(14.5)</b>	<b>(15.8)</b>
<b>Profit before tax</b>	<b>26.1</b>	<b>137.9</b>	<b>148.0</b>	<b>102.8</b>	<b>173.9</b>
<b>Tax expense</b>					
Tax on dividend received	(1.0)	(5.0)	(5.1)	(5.7)	(6.2)
Tax on dividend paid to unit holders	-	(0.1)	(3.2)	(2.9)	(3.4)
	<b>(1.0)</b>	<b>(5.1)</b>	<b>(8.3)</b>	<b>(8.6)</b>	<b>(9.6)</b>
<b>Profit for the year</b>	<b>25.1</b>	<b>132.8</b>	<b>139.7</b>	<b>94.2</b>	<b>164.3</b>
<b>Appropriation</b>					
Retained earnings b/f	-	25.1	157.3	264.6	329.7
Profit for the year	25.1	132.8	139.7	94.2	164.3
Dividend declared during the year	-	(0.6)	(32.4)	(29.1)	(33.4)
<b>Retained earnings c/f</b>	<b>25.1</b>	<b>157.3</b>	<b>264.6</b>	<b>329.7</b>	<b>460.6</b>

## FINANCIAL FORECAST

### 3. BALANCE SHEET FORECAST

The Fund Manager estimates that, in the absence of unforeseen circumstances and based on the assumptions contained on pages 28 – 29, the Fund's balance sheet for each year of 2016, 2017, 2018, 2019 and 2020 will be shown as below.

	2016	2017	2018	2019	2020
	N'm	N'm	N'm	N'm	N'm
<b>Assets</b>					
Financial assets	1,004.5	1,105.0	1,215.4	1,276.2	1,403.8
Cash	0.6	32.4	29.2	33.5	36.8
<b>Total Assets</b>	<b>1,005.1</b>	<b>1,137.3</b>	<b>1,244.6</b>	<b>1,309.7</b>	<b>1,440.6</b>
<b>Liabilities</b>					
Accrued expenses	-	-	-	-	-
Total Current liabilities	-	-	-	-	-
<b>Net Asset</b>	<b>1,005.1</b>	<b>1,137.3</b>	<b>1,244.6</b>	<b>1,309.7</b>	<b>1,440.6</b>
<b>Financed By:</b>					
Unit Holders' Interest	1,000.0	1,005.1	1,137.3	1,244.6	1,299.7
Pre-offer expenses	(20.0)	-	-	-	-
Retained Earnings	25.1	132.2	107.3	65.1	130.9
	<b>1,005.1</b>	<b>1,137.3</b>	<b>1,244.6</b>	<b>1,309.7</b>	<b>1,440.6</b>
Number of Unit Holders	1,000	1,050	1,103	1,158	1,216

## FINANCIAL FORECAST

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### 4. BASIS AND ASSUMPTIONS USED IN THE PROFIT FORECASTS

#### **Basis and Assumptions used in the Profit Forecasts for the years ending 31 December 2016 – 31 December 2020**

##### **Basis**

The profit forecasts for the years ending 31 December 2016, 2017, 2018, 2019 and 2020 have been prepared on a basis consistent with the accounting policies normally adopted by the Fund Manager.

##### **General Assumptions**

1. The Company will be successful at raising the required fund of ₦1 billion which will replicate the performance of the NSE Pension Index through a passive or index strategy approach to be employed by the Fund Manager.
2. There will be no material changes in the accounting policies to be adopted by the Fund.
3. The quality of the Fund Manager, Trustees and Registrars shall be enhanced or sustained during the forecast period, and any changes in the Fund's operating structure will not adversely affect the forecast results.
4. There will be no significant changes in the Federal Government's monetary and fiscal policies that will adversely affect the activities of the Fund; neither will there be any drastic change in the political and economic environment in general, and the financial services sector and capital market in particular, that will adversely affect activities of the Fund.
5. The Fund shall enjoy the goodwill and confidence of its potential customers during the forecast period.
6. Dividend income will average 5.1% of the market value of equity securities in the Fund's portfolio.
7. Capital appreciation on securities in the Fund's portfolio is projected to be 5%, 10%, 10%, 5% and 10% over the forecast period (2016-2020).
8. FY2016 dividend income and capital appreciation have been pro-rated to reflect the expectation that the Fund will not be fully operational until June 2016.
9. The Fund will not be subject to capital gains tax as all share transaction on Nigerian Stock Exchange are exempted from Capital Gains tax
10. 10,000,000 units of the Fund will be fully subscribed within the initial subscription period under the terms and conditions of the offer. Number of unit holders will grow by 5% annually.
11. Each unit of the Fund shall be issued at the par value of ₦100.
12. The minimum units available for subscription is 10,000 units.
13. The Fund will bear the cost of acquiring, valuing and disposing of investments. All administrative, custodial, research and other related expenses to be incurred in the day-to-day operation of the Fund will also be payable by the Fund.
14. The net return is inclusive of all costs involved in tracking the NSE Pension Index. This cost cannot be pre-determined, and as such, has not been included in the determination of forecast returns to unit holders.

## **FINANCIAL FORECAST**

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### **Accounting Policies**

The Fund's accounting policies are presented below:

#### **Basis of Accounting**

The financial statements are prepared under the historical cost convention except for certain trading securities that are carried at market value and comply with all International Financial Reporting Standard issued to date by the International Accounting Standard Board.

#### **Income recognition**

Dividend income on equity investments that are traded on the Nigerian Stock Exchange are stated gross of withholding tax on the date the share is quoted "ex-div".

Equity returns from price appreciation are recognised in the income statement in the year they are assumed to be earned.

#### **Expenses**

Payment for Management fees and other operating expenses are recognised on cash basis.

#### **Portfolio Valuation**

Equity investments are marked-to-market and carried at the closing market value on the balance sheet date.

#### **Cash and cash equivalent**

Cash and short term funds shall comprise of cash balances on hand, cash deposited with local banks and placements secured with treasury bills under open buy back agreement.

## FINANCIAL FORECAST

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### 5. LETTER FROM THE ISSUING HOUSE

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

The Board of Directors  
Stanbic IBTC Asset Management Limited  
The Wealth House  
Plot 1678 Olakunle Bakare Close  
Off Sanusi Fafunwa Street  
Victoria Island  
Lagos

26 January 2016

Dear Sirs

#### **Offer for Subscription of 10,000,000 Units in the SIAML Pension ETF 40**

We write further to the Prospectus issued in respect of the Offer for Subscription of 10,000,000 Units in the SIAML Pension ETF 40 (the "Fund"), the draft of which we have had the privilege of reviewing. The Prospectus contains financial forecasts of the Fund for the years ending 31 December 2016 to 2020.

We have discussed the bases and assumptions upon which the forecasts were made with you and with KPMG Professional Services, the Reporting Accountants. We have also considered the letter dated 25 January 2016 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 KPMG Professional Services, 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



Funso Akere  
Authorised Signatory



Oyinda Akinyemi  
Authorised Signatory

### 1. THE FUND MANAGER

#### Profile

Stanbic IBTC Asset Management Limited is the wholly owned asset management subsidiary of Stanbic IBTC Holdings PLC, a member of the Standard Bank Group, the largest banking group in Africa. Incorporated in 1992, SIAML is licensed as a Fund Manager and Investment Adviser and has grown to become a leading asset manager in Nigeria with several billions of Naira in funds under management for high net-worth individuals and institutions with assets under management in excess of ₦165.9 billion (US\$ 885 million) as at 31 December 2015.

SIAML is also a trusted investment manager and advisor to segregated portfolios for government entities and quasi government agencies, gratuity plans, Non-Governmental Organisations, endowments and employee savings schemes, corporates and ultra-high net worth individuals.

SIAML offers its numerous clients products and services ranging from traditional asset classes (i.e. equities, fixed income securities and mutual funds) to alternative investment options such as unquoted equities and private equity opportunities. It manages Stanbic IBTC Nigerian Equity Fund, its flagship fund as well as the Stanbic IBTC Ethical Fund, Stanbic IBTC Guaranteed Investment Fund, Stanbic IBTC Money Market Fund, Stanbic IBTC Bond Fund and Stanbic IBTC Balanced Fund.

SIAML boasts of an impressive track record of sustainable long-term competitive returns, while managing risk effectively to generate performance consistent with its clients' objective(s). The company provides convenient service to its customers through offices in Lagos, Abuja and Port Harcourt; and all branches of Stanbic IBTC Bank nationwide. With a passion for excellence, the company is committed to offering its customers quality service with real time online access to account information, dedicated relationship management and personalized client services.

Stanbic IBTC Asset Management Limited is well capitalized and continues to leverage on its strong heritage as a member of the Standard Bank Group to deliver unparalleled value to its customers.

#### Board of Directors

##### Sola David-Borha - Chairman

Sola is the Chief Executive of Stanbic IBTC Holdings PLC, a full spectrum financial services institution. Previously, she was the Chief Executive of Stanbic IBTC Bank PLC. Prior to that, she was the Deputy CEO of the Bank (Feb 2008 – 2010), and also Head of Investment Banking Coverage for Africa (excluding South Africa) June 2010 – May 2011. She was Acting Managing Director of IBTC Chartered Bank PLC (October 2007 – January 2008), Executive Director Corporate and Investment Banking (2006 – 2010), and Executive Director Corporate Banking (1994 – 2005).

She is an honorary Senior Member of the Institute of Bankers of Nigeria and Vice Chairman of the Nigeria Economic Summit Group. She is a Board Member of the CBN Practice License Board, CR Services Credit Bureau PLC, University of Ibadan School of Business and Nigeria Private Sector Health Alliance.

Sola holds an MBA degree from Manchester Business School, United Kingdom (1984). Her executive educational experience includes the Advanced Management Programme of the Harvard Business School.

##### Bunmi Dayo-Olagunju – Chief Executive

Bunmi is the Chief Executive of Stanbic IBTC Asset Management Limited. She holds a Bachelor of Science Degree in Accounting from the University of Lagos (1998) and is a Fellow of the Institute of Chartered Accountants of Nigeria (2011). She has over sixteen years post qualification experience spanning Banking and Finance, Asset Management, Pension Fund Administration and Management.

## INFORMATION ON THE FUND MANAGER AND TRUSTEE

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She was the Group Financial Controller of Investment Banking and Trust Company PLC (2003 – 2005) and Group Head; Budgets and Budgetary Controls at IBTC Chartered Bank PLC (now Stanbic IBTC Bank PLC) between 2006 and 2007. She also previously served on the Board of Stanbic IBTC Asset Management Limited between January and June 2008 and was the Head of the Benefits Administration Department of Stanbic IBTC Pension Managers Limited until her appointment as the Chief Executive of SIAML.

### **Shuaib Audu – Executive Director**

Mr Audu holds an MBA (2014) from the University of Oxford (St. Hugh's College), UK. He also holds a BA (Hons) in Business Economics (2001) and an MSc. in International Securities, Investment & Banking (2002) from the ISMA Centre (now ICMA Centre), Henley Business School, University of Reading, United Kingdom.

Mr Audu has over 10 years extensive Investment Banking experience in Treasury/Global Markets, Venture Capital, Proprietary and Principal Investments; and Investment Management expertise in both the pension and non-pension businesses, and was the immediate-past head of the investment management division of the company with broad responsibilities for formulating and executing investment strategies for the several portfolios managed by Stanbic IBTC Asset Management. Mr Audu is also a Director of Stanbic IBTC Investments Limited and Stanbic IBTC Ventures Limited.

### **Babalola Obilana – Executive Director**

Babalola holds a B.Sc in Actuarial Science from the University of Lagos (1989), an MBA from Obafemi Awolowo University (2000). He also has many years of experience in Financial Markets having worked in Express Discount House and ARM Pensions. His experience also covers the pension industry where he grew a retail customer base business from start up to over 180,000 pension clients across the country and successfully managed strong relationships with both public and private sector institutions with pension fund assets over N50 Billion.

Prior to his appointment to the Board, He served as the Head of the Business Development division of SIAML where he was responsible for the embedment of the culture of cross sell across units within Stanbic IBTC Bank PLC and the Wealth Group; thereby promoted the full suites of the Groups' products and services amongst its clients.

### **Ifeoma Esiri – Non Executive Director**

Ifeoma is a legal practitioner with over 25 years' experience. She is currently the Managing Partner of the law firm of Lilian Esiri and Co., which focuses on Capital Market activities, Mergers and Acquisition, as well as Corporate and Commercial Law. She is also a Non-Executive Director of Stanbic IBTC Bank PLC and Stanbic IBTC Holdings PLC and holds an LLB (1973) and LLM (1976) from the London School of Economics & Political Science.

### **Eric Fajemisin – Non-Executive Director**

Eric is the Chief Executive of Stanbic IBTC Pension Managers Limited and the Head of the Wealth Group. He holds a Bachelor's degree in Politics-Philosophy-Economics from the University of Ife (1987), as well as a Masters of Business Administration (MBA) from the University of Lagos (1996). He is a Fellow of both the Institute of Chartered Accountants of Nigeria and the Chartered Institute of Taxation of Nigeria. He has over 27 years' experience in banking and financial services, spanning Investment Banking, Multilateral Sector Financing, Debt Syndication, Equity Placement, Financial Advisory, and Pension Fund Portfolio Management. Mr Fajemisin is also a Non-Executive Director on the Board of Stanbic IBTC Trustees Limited.

### **Angela Omo-Dare – Non Executive Director**

Angela is the Head of Legal Services at Stanbic IBTC Holdings PLC. The broad spectrum of advice she offers on the various activities undertaken by the Bank and its subsidiaries, is crucial to the smooth execution of the specialized and complex transactions often handled by Stanbic IBTC Holdings PLC. She also assists in ensuring that the Stanbic IBTC Group complies with legal and regulatory requirements.



## INFORMATION ON THE FUND MANAGER AND TRUSTEE

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### **Akeem Oyewale – Non Executive Director**

Akeem is an Executive Director, Stanbic IBTC Nominees Limited and Director of Equities Brokerage in the Standard Bank Group. He holds an MBA from Manchester Business School, United Kingdom (2008) and a B.Sc (Hons) degree in Accounting from the University of Lagos (1998). He is a Fellow of both the Institute of Chartered Accountants of Nigeria and the Chartered Institute of Stockbrokers, and also an Associate of the Chartered Institute of Taxation of Nigeria and the Chartered Institute of Bankers of Nigeria. He is an Arthur Andersen scholar.

He has close to 15 years extensive Investment Banking experience and a vast experience in Credit/Marketing and Trade Finance, which involves structuring short and medium term facilities. He also managed the Stanbic IBTC Nigerian Equity Fund, Nigeria's largest mutual fund and was responsible for the launch of the Stanbic IBTC Ethical Fund.

Previously the CEO of Stanbic IBTC Asset Management Limited, Mr. Oyewale was nominated as "Young Manager of the Year in Nigeria" at the prestigious ThisDay Annual Awards 2006. Mr Oyewale was also the pioneer CEO of Stanbic IBTC Stockbrokers Limited from 2009 to 2012.

### **Olumide Oyetan – Non Executive Director**

Mr Oyetan was first appointed to the Board of Stanbic IBTC Asset Management Limited in April 2008 and subsequently as the Chief Executive until July 2015. He holds a Bachelor's degree in Economics, Politics and Government from the University of Kent, Canterbury, United Kingdom (1998) as well as a Master's degree in Financial and Commercial Regulation from the London School of Economic and Political Science (2007). He was previously Head of Investment Management Division at Stanbic IBTC Pension Managers Limited where he oversaw various Investment portfolios. Olumide now serves as a Non-Executive Director on the Board of Stanbic IBTC Asset Management Limited.

### **Management**

#### **Jide Allo – Senior Portfolio Manager**

Jide Allo is a thoroughbred financial expert with over a decade's experience in investment banking. He has extensive experience in international banking, stockbroking, investment management, research and risk management having been involved in developing and implementing investment and portfolio risk management strategies of privately and publicly managed funds since 2006. Prior to June 2015, he was the Senior Portfolio Manager responsible for the portfolios of all the company's private and institutional clients whose needs are often sophisticated. He currently oversees the team responsible for acquisition of Financial Institutions & Professional Services clients within the Business Development Division of the company.

He holds a bachelor's degree in Accounting from the University of Ilorin and an Executive Master's in Business Administration from Lagos Business School. He is also a Chartered Accountant.

#### **Efe Omoduemuke – Head, Equity Funds**

Efe Omoduemuke is a Fund Manager and is responsible for managing the Equity Biased Funds of Stanbic IBTC Asset Management Limited. Efe has over five years of equity analysis and fund management experience both in private and publicly traded companies. He also has considerable experience in Audit and Investigation and Accounting.

Prior to joining SIAML, Efe was in charge of the Private Equity desk at the Stanbic IBTC Bank PLC, managing the Bank's Small and Medium Enterprise Fund worth over USD 20 million. Efe holds a BSc (Hons) in Accounting from Babcock University (2003) and a Masters degree in Financial Analysis and Fund Management from the University of Exeter (2009). He is a Chartered Accountant, a Chartered Stockbroker as well as a Chartered Financial Analyst.

## INFORMATION ON THE FUND MANAGER AND TRUSTEE

### Profit and Loss Accounts of the Fund Manager

	2015 (9 months Management Account)	2014	2013	2012	2011
	N'000	N'000	N'000	N'000	N'000
Gross earnings	2,340	2,424	2,792	2,188	1,904
<b>Profit before tax</b>	1,331	1,263	1,426	1,119	985
Taxation	(335)	(447)	(413)	30	(312)
Profit after taxation	674	816	1,013	1,149	673
Earnings per share (kobo)	67	82	101	115	67

### Balance Sheet of the Fund Manager

	2015 (9 months Management Account)	2014	2013	2012	2011
	N'000	N'000	N'000	N'000	N'000
<b>Assets</b>					
Cash and cash equivalents	1,336	2,292	379	1,216	172
Financial assets	2,097	1,363	2,911	1,831	2,755
Trade receivables	742	599	919	817	520
Amounts due from group companies	-	10	33	24	3
Intangible assets	-	-	-	-	-
Property and equipment	49	46	43	54	54
Deferred tax assets	-	35	-	-	-
<b>Total Assets</b>	<b>4,223</b>	<b>2,292</b>	<b>379</b>	<b>3,942</b>	<b>3,504</b>
<b>Liabilities</b>					
Trade and other payables	643	666	756	507	418
Taxation	343	383	413	318	661
Deferred tax liability	-	-	12	17	18
<b>Total Liabilities</b>	<b>986</b>	<b>1,049</b>	<b>1,181</b>	<b>842</b>	<b>1,095</b>
<b>Net Assets</b>	<b>3,237</b>	<b>3,296</b>	<b>3,104</b>	<b>3,100</b>	<b>2,409</b>
<b>Capital and Reserves</b>					
Share capital	1,000	1,000	1,000	1,000	1,000
Reserves	2,237	2,296	2,104	1,409	1,189
<b>Shareholders' funds</b>	<b>3,237</b>	<b>3,296</b>	<b>3,104</b>	<b>3,100</b>	<b>2,409</b>

### 2. THE TRUSTEES

#### Profile

FBN Trustees Limited ("FBN Trustees") is a Trusteeship Company and member of the FBN Holdings Group. FBN Trustees was incorporated on August 8, 1979 and has been actively involved in the business of Trusteeship for 35 years. The company is licensed and regulated by the Securities and Exchange Commission to provide trusteeship services.

Over the years, FBN Trustees has gained tremendous leadership status as a Trusteeship Company offering innovative trust products and services to clients within and outside Nigeria. The combination of brand strength, intellectual capacity, innovation and character continues to stand FBN Trustees out as an industry leader.

#### Board of Directors

**Mr Taiwo Okeowo** is the Chairman of FBN Trustees. He joined FBN Capital Limited in 2006 from First Bank of Nigeria Plc where he was the Head of the Corporate Finance Group. He holds a Bachelor of Science Degree in Computer Science with from University of Ibadan (1981) and an MSc in Management from London Business School (2001).

Mr Okeowo is a seasoned professional with over 23 years' experience in Investment Banking. He held principal responsibility for the advisory business of FBN Capital covering Debt and Equity Capital Markets and the Financial Advisory practice before being appointed Deputy Managing Director.

He was a pioneer staff of IBTC Chartered Bank Limited (now Stanbic IBTC Bank 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\$1.2 billion acquisition of V-Mobile by MTC/Celtel, and the US\$480 million project financing of Obajana Cement.

**Mr Adekunle Awojobi** is the Managing Director of FBN Trustees Nigeria Ltd. He is a Fellow of the Institute of Chartered Accountants of Nigeria, Associate Nigeria Institute of Management, Associate Certified Fraud examiner and Member Institute of Internal Auditors. He also holds a Bachelor of Science Degree in Economics with First Class Honours from Olabisi Onabanjo University (formerly known as Ogun State University), Ago-Iwoye, Ogun State (1989).

He joined FBN Trustees in 1992 as Manager, Operations Department and was later promoted to Senior Manager, Operations. He was then moved to head the Capital Markets and Projects Unit of the Investment Department. In February 2007, he was appointed Head, Operations & IT and promoted to Assistant General Manager. He became the Managing Director in 2013. Prior to joining FBN Trustees Nigeria Ltd Limited, he was an Audit senior with KPMG Audit (1996 - 1997); Internal Auditor CarnaudMetalbox (Now Nampak) Nigeria Plc (2000 - 2002).

Kunle has attended various courses including Bond & Fixed Income Academy (UK), Fundamentals of Real Estate Finance Programme (UK); Corporate Finance Programme (Lagos) and The Bond Programme (Lagos) all organized by Euromoney. He also attended trustees Essentials Course by the Associate Pension Fund and Investment Managers, United Kingdom.

**Mr Patrick Mgbenwelu** is a Director and Head of Project and Structured Finance at FBN Capital Limited. Until his appointment in December 2011, he worked with Stanbic IBTC Bank PLC where he was a Director within the Standard Bank Group leading the deal team in originating, structuring and closing of project financings in Nigeria.

Patrick has over 20 years' banking experience, with a primary focus on financial advisory, structuring, debt arranging/lending and closing of PPP/project finance transactions in the United Kingdom, Portugal, Saudi Arabia, Qatar, Oman, Kuwait, U.A.E, other GCC countries, and most recently in Nigeria. In the course of his career, Patrick worked on PPPs/project financings in excess of US\$72 billion, and was involved in a number of notable transactions at

## INFORMATION ON THE FUND MANAGER AND TRUSTEE

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Stanbic IBTC such as FHN 26 Reserve Base Lending, Lagos State Blue Line Railway Project, Lagos State Lekki-Epe International Airport and financial adviser to NNPC on their Greenfield Refinery projects.

### Management

The management team of FBN Trustees is made up of the following experienced professionals:

**Mr Adekunle Awojobi** is currently the Managing Director of FBN Trustees. He is a Fellow of the Institute of Chartered Accountants of Nigeria, Associate Nigeria Institute of Management, Associate Certified Fraud examiner and Member Institute of Internal Auditors. He also holds a Bachelor of Science Degree in Economics with First Class Honours from Olabisi Onabanjo University (formerly known as Ogun State University), Ago-Iwoye, Ogun State (1989).

He joined FBN Trustees in 1992 as Manager, Operations Department and was later promoted to Senior Manager, Operations. He was then moved to head the Capital Markets and Projects Unit of the Investment Department. In February 2007, he was appointed Head, Operations & IT and promoted to Assistant General Manager. He became the Managing Director in 2013. Prior to joining FBN Trustees Nigeria Ltd Limited, he was an Audit senior with KPMG Audit (1996 - 1997); Internal Auditor CarnaudMetalbox (Now Nampak) Nigeria Plc (2000 – 2002)

Kunle has attended various courses including Bond & Fixed Income Academy (UK), Fundamentals of Real Estate Finance Programme (UK); Corporate Finance Programme (Lagos) and The Bond Programme (Lagos) all organized by Euromoney. He also attended Trustees Essentials Course by the Associate Pension Fund and Investment Managers, United Kingdom.

**Mr Babajide Fetuga** is an Associate Director and Head of Business Development. He is a seasoned sales and marketing professional and a graduate of the department of Economics from the University of Ibadan (1997). His work experience spans over 10 years cutting across the banking and financial services and telecommunication industries.

Prior to joining FBN Trustees, he worked with Celtel Nigeria (now Airtel Nigeria) as the regional corporate sales manager covering the whole of the South-South region, holding briefs for the company with large corporates like Schlumberger, Halliburton, Shell Petroleum Development Company etc.

His experience in banking was gained from Ecobank Nigeria Plc where his career began. He also had brief stints at Capital Bank International (formerly known as Commercial Bank Credit Lyonnais) and also Standard Chartered Bank Limited. He has vast experience in retail and commercial banking as well as branch development.

He has gained in-depth knowledge in Sales & Marketing from attending and participating in courses such as Marketing for Results (Lagos Business School), Face to Face selling skills (MacTay Resources), Establishment of Leadership Position (Financial Derivatives Company) and a host of other courses both local and regional.

**Mr Frederick Obodozie** is the Head, Corporate Trust Services. He is a Law graduate of University of Lagos. He further obtained a Barrister at Law degree from Nigerian Law School, Lagos in 2003.

He started his career with Ajumogobia and Okeke in 2003 where he worked for four years as an Associate, Counsel & Solicitor. While at Ajumogobia & Okeke, he actively participated in several major transactions. Frederick joined First Trustees in 2007 and worked for about two years as the Unit head, Corporate Trust Unit. Frederick and his team members have been able to close big ticket transactions relating to syndicated lending and a few corporate bond issues.

Frederick has attended various courses including "The role of Trustee in different financial products" by Euromoney Training EMEA. He is currently pursuing an MBA from the University of Wales, United Kingdom.

## INFORMATION ON THE FUND MANAGER AND TRUSTEE

### Profit and Loss Accounts of the Trustees

	2015 (9 months management account)	2014	2013	2012	2011
	N'000	N'000	N'000	N'000	N'000
Gross earnings	1,302,460	3,105,801	3,611,158	5,085,827	4,025,026
<b>Profit before tax</b>	1,027,262	1,721,355	678,986	1,365,254	(4,321,121)
Taxation	(397,416)	(781,992)	578,643	824,700	581,610
Profit after taxation	629,845	939,362	1,257,629	2,189,954	(3,739,511)
Earnings per share (kobo)	20	29	126	219	(374)

### Balance sheet of the Trustees

	2015 (9 months manageme nt account)	2014	2013	2012	2011
	N'000	N'000	N'000	N'000	N'000
<b>ASSETS</b>					
Cash and bank balances	100	166,757	336,825	184,030	39,702
Due from Financial Institutions	2,269,902	2,260,646	3,939,844	13,169,364	11,182,480
Debt securities	--	--	--	--	80,296
Available for sale financial instruments	5,058,139	5,196,844	7,467,696	6,758,107	8,342,599
Loans and receivables	-	428,902	287,737	260,533	1,714,013
Prepayments and other assets	1,682,038	6,549	8,324	18,079	7,391,302
Deferred tax asset	1,045,784	1,045,784	1,751,876	1,161,348	260,384
Property and equipment	33,603	24,343	42,209	36,227	40,239
<b>TOTAL ASSETS</b>		9,129,827	13,834,510	21,587,688	28,970,719
<b>EQUITY AND LIABILITIES</b>					
<b>LIABILITIES</b>					
Due to clients	--	--	282,446	12,320,869	15,438,096
5% convertible loan Stock	--	--	7,913,309	6,553,731	5,427,741
Accruals deferred income & other liabilities	3,107,475	4,060,020	6,754,979	6,556,769	12,728,830
Tax payable	24,929,706	100,918	57,370	71,796	6,405
<b>TOTAL LIABILITIES</b>	3,132,404	4,160,938	15,008,104	25,503,165	33,601,071
<b>EQUITY</b>					
Ordinary share capital	3,152,891	3,152,891	1,000,000	1,000,000	1,000,000
Retained earnings	2,462,577	208,857	(19,171,884)	(20,429,513)	(22,619,467)
Other equity	1,341,693	--	14,975,184	14,975,184	14,975,184
Fair value reserve	--	1,607,141	2,023,106	538,852	2,013,931
<b>TOTAL EQUITY</b>	<b>(6,957,162)</b>	<b>(3,915,477)</b>	<b>(1,173,594)</b>	<b>(3,915,477)</b>	<b>(4,630,352)</b>
<b>TOTAL LIABILITIES AND EQUITIES</b>	<b>10,089,567</b>	<b>9,129,889</b>	<b>13,834,510</b>	<b>21,587,688</b>	<b>28,970,719</b>

### 3. INVESTMENT COMMITTEE MEMBERS

#### **Bunmi Dayo-Olagunju – Chief Executive, SIAML**

Bunmi is the Chief Executive of Stanbic IBTC Asset Management Limited. She holds a Bachelor of Science Degree in Accounting from the University of Lagos (1998) and is a Fellow of the Institute of Chartered Accountants of Nigeria (2011). She has over sixteen years post qualification experience spanning Banking and Finance, Asset Management, Pension Fund Administration and Management

She was the Group Financial Controller of Investment Banking and Trust Company PLC (2003 – 2005) and Group Head; Budgets and Budgetary Controls at IBTC Chartered Bank PLC (now Stanbic IBTC Bank PLC) between 2006 and 2007. She also previously served on the Board of Stanbic IBTC Asset Management Limited between January and June 2008 and was the Head of the Benefits Administration Department of Stanbic IBTC Pension Managers Limited until her appointment as the Chief Executive of SIAML.

#### **Shuaib Audu – Executive Director, SIAML**

Mr. Audu holds an MBA (2014) from the University of Oxford (St. Hugh's College), UK. He also holds a BA (Hons) in Business Economics (2001) and an MSc. in International Securities, Investment & Banking (2002) from the ISMA Centre (now ICMA Centre), Henley Business School, University of Reading, United Kingdom.

Mr Audu has over 10 years extensive Investment Banking experience in Treasury/Global Markets, Venture Capital, Proprietary and Principal Investments; and Investment Management expertise in both the pension and non-pension businesses, and was the immediate-past head of the investment management division of the company with broad responsibilities for formulating and executing investment strategies for the several portfolios managed by Stanbic IBTC Asset Management. Mr Audu is also a Director of Stanbic IBTC Investments Limited and Stanbic IBTC Ventures Limited.

#### **Efe Omoduemuke – Head, Equity Funds, SIAML**

Efe Omoduemuke is a Fund Manager and is responsible for managing the Equity Biased Funds of Stanbic IBTC Asset Management Limited. Efe has over five years of equity analysis and fund management experience both in private and publicly traded companies. He also has considerable experience in Audit and Investigation and Accounting.

Prior to joining SIAML, Efe was in charge of the Private Equity desk at the Stanbic IBTC Bank Plc, managing the Bank's Small and Medium Enterprise Fund worth over USD 20 million. Efe holds a BSc (Hons) in Accounting from Babcock University (2003) and a Masters degree in Financial Analysis and Fund Management from the University of Exeter (2009). He is a Chartered Accountant, a Chartered Stockbroker as well as a Chartered Financial Analyst.

#### **Mr Samuel Kuye – Independent Member**

Mr Kuye is a Fellow of the Institute of Chartered Accountants of Nigeria, and an Associate member of the Nigerian Institute of Management. He has a wide in-depth international experience and knowledge in many areas of Financial Management and Control of Operations. He worked at the Nestle Group's headquarters in Switzerland as Controller, responsible for 6 countries in Asia (Philippines, Malaysia, Thailand, Indonesia, Vietnam and Singapore). Before moving to Switzerland, he was the Assistant Group Controller of the Nestle Group for Southern African Region. He was also responsible for the management of the Company's Pension Fund. He retired as Finance & Control Director and Chief Financial Officer of the Nestle Group for Turkey.

### **Jide Allo – Senior Portfolio Manager**

Jide Allo is a thoroughbred financial expert with over a decade's experience in investment banking. He has extensive experience in international banking, stockbroking, investment management, research and risk management having been involved in developing and implementing investment and portfolio risk management strategies of privately and publicly managed funds since 2006. Prior to June 2015, he was the Senior Portfolio Manager responsible for the portfolios of all the company's private and institutional clients whose needs are often sophisticated. He currently oversees the team responsible for acquisition of Financial Institutions & Professional Services clients within the Business Development Division of the company.

He holds a bachelor's degree in Accounting from the University of Ilorin (2002) and an Executive Master's in Business Administration from Lagos Business School (2012). He is also a Chartered Accountant.

### **Amedu Braimoh – Trust Accountant, FBN Trustees**

Amedu holds a HND in Accountancy from the Kwara State Polytechnic, Ilorin. He is an Associate Member of the Institute of Chartered Accountant of Nigeria (ICAN), Nigeria Institute of Strategic Management (NISM) and an Associate Certified Member of the Chartered Institute of Taxation of Nigeria (CITN). He also holds a Master of Business Administration (MBA) from the Lagos State University (LASU).

Before joining FBN Trustees Limited in 2008, Amedu worked with the firm of J.O. Adidi & Co. (Chartered Accountant) as an Audit Supervisor between 2005 and 2008. Since joining FBN Trustees, Amedu has been involved in the preparation and review of reports and financial statements for mutual funds and bonds transaction. He has represented FBN Trustees on Investment Committee for various mutual funds in which the company acts as Trustee.

He has participated in a number of training and seminars such as Financial Euromoney Training in London, Private Wealth Management training in Switzerland and Workshop on International Financial Reporting Standards just to mention a few.

## STATUTORY AND GENERAL INFORMATION

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### 1. EXTRACTS FROM THE TRUST DEED

Below are the relevant clauses (c) extracted from the Fund's Trust Deed:

#### 4. The Trust Deed

The provisions of this Trust Deed shall be binding on the Trustee, the Manager and Unitholders and on all persons claiming through them respectively as if such persons were parties to the Trust Deed.

#### 5. Nature and Type of the Fund

5.1 The SIAML PENSION ETF 40 is an exchange traded fund to be listed and traded on the NSE and designed to enable Unitholders obtain market exposure to the Constituent Companies comprised in the NSE Pension Index and to substantially replicate the price and yield performance of the NSE Pension Index.

5.2 The investment objective of the ETF is to track the NSE Pension Index.

5.3 The portfolio of securities consisting of the securities of the Constituent Companies in the NSE Pension Index (in substantially the same weightings as the Index) will be held by the Fund.

#### 6. Initial Subscription

6.1 Initial subscription shall be ₦1,000,000.00 (One Million Naira Only) subject to a minimum subscription of 10,000 Units and multiples of 10,000 Units for subsequent subscriptions. The subscriptions shall be either through an 'in-kind' basis i.e. Subscribers will exchange shares of companies comprised in the NSE Pension Index for Units of the ETF; or via cash payments which will be executed through the appointed broker; or a combination of in-kind and cash.

6.2 The subscription price for the 'Securities for Units' basis during the initial subscription in respect of a Creation Unit of SIAML Pension ETF 40 Index Securities shall be determined by the prices of the Basket of Shares on the date of delivery. In addition to the delivery of the Basket of Shares, an applicant would be required to pay the applicable transaction fees in cash to the Manager.

#### 7. Offer of Units

7.1 The Manager shall subscribe to a minimum of 5% of the initial subscription of Units and shall hold such Units throughout the existence of the ETF.

7.2 Offers of Units in the ETF may be made to the public or to a select investor group and the offer may be made of such a number of Units of such value as determined by the Manager.

7.3 Members of the public wishing to purchase or dispose of their Units in the ETF may do so through a trader on the NSE. The Units will be purchased or disposed on a best effort basis by the trader and the purchaser shall be notified of the success rate of the purchase or disposal at the close of trading, by the Manager for orders above 100,000 Units or by the Authorised Dealer based on the bid and offer prices displayed. The Authorised Dealer may elect to create or dispose of units of the ETF on a real-time basis when the securities lending framework goes live in the Nigerian Market.



### **8. Financial Year**

The financial year of the ETF shall be from January to December of every year.

### **9. Appointment of a Custodian**

The Trustee and Manager shall jointly appoint a Custodian to provide custodial services to the ETF.

### **12. Rights of Unitholders**

- 12.1 The Unitholders shall not have or acquire any right against the Manager or the Trustee in respect of their investments except such rights as are expressly conferred upon them by this Deed or by any law, subsidiary legislation, regulation or any order of Court.
- 12.2 The Underlying Portfolio shall be held as a single common fund and no Unit of the ETF shall confer on any Unitholder thereof any interest or share in any particular part of the Underlying Portfolio.
- 12.3 A Unitholder shall be able to sell Units in the secondary market through a trader on the NSE and shall also have the right to take delivery of the prescribed number of Baskets on any Trading Day.
- 12.4 Unitholders may be paid distributions quarterly from the income of the ETF, if any, subject to the recommendation of the Manager. However, the Fund Manager reserves the option of re-investing the dividends into the ETF and issuing the additional Units to investors.
- 12.5 A Unitholder shall have the right to pledge, charge, mortgage, or otherwise offer his Units to secure a debt, a loan or an obligation and in any such case shall immediately notify the Manager of the pledge, charge, mortgage or obligation.

### **13 Delivery Rights**

- 13.1 In addition to being able to sell the Units on the NSE, Unitholders of Creation Units of the ETF will be entitled to take delivery of the prescribed number of Baskets on any Trading Day.
- 13.2 In the unlikely event that the Manager will not be able to meet the delivery obligations attaching to any Delivery Notice received by it, the Manager shall be entitled to place a moratorium on the exercise by the Unitholders of the delivery rights attached to issued Units PROVIDED THAT the approval of the Trustee is obtained.
- 13.3 The Manager shall not, in any given year, suspend the right to exercise such delivery rights for more than ninety (90) Trading Days in the aggregate. It is anticipated that such a moratorium will not affect the tradability of the Units in the ordinary course of trading on the NSE.
- 13.4 As at the date of setting up the Trust, for every Creation Unit in respect of which a Unitholder exercises delivery rights, the Unitholder shall be entitled to take delivery of the applicable Basket of Shares.
- 13.5 In addition to the delivery of one or more Baskets of Shares, a Unitholder exercising his Delivery Rights shall be entitled to receive from the Fund within five (5) Business Days an amount in cash representing a proportionate interest in any Distribution

## STATUTORY AND GENERAL INFORMATION

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Amount which may be attributed to the Creation Unit(s) in respect of which the Unitholder is exercising his Delivery Rights.

- 13.6 The Units comprising the Creation Unit in respect of which a Unitholder exercises his Delivery Rights shall be cancelled against delivery of the prescribed number of Baskets (together with the appropriate cash amount) to that Unitholder. The Delivery Right attaching to Units may only be exercised in respect of one or more whole Creation Units.
- 13.7 A transaction fee as published on the Manager's website will be payable by a Unitholder exercising his Delivery Rights.
- 13.8 A Unitholder may exercise his Delivery Rights in respect of one or more whole Creation Units on any Trading Day by forwarding a properly completed delivery notice to his Stockbroker, the Authorised Dealer or the Manager.
- 13.9 Delivery notices received during NSE trading hours on any Trading Day will, if accepted, be dealt with using the composition of a Basket of Shares representing the NSE Pension Index at close of business on the previous Trading Day.
- 13.10 If a delivery notice is received after close of trading on the relevant Trading Day, the delivery notice will automatically be deemed as submitted for acceptance on the next succeeding Trading Day. If a delivery notice is accepted, the relevant Unitholder will receive confirmation of such acceptance before close of business on the Trading Day on which the delivery notice is received.
- 13.11 The Unitholder shall also receive a confirmation of the number of shares of each of the Constituent Companies comprising the Baskets to be delivered to that Unitholder, the amount of cash (if any) which will be paid to it (after taking into account any stamp duty charges incurred in relation to the Basket or Baskets and any transaction fee which may be charged, all of which will be for the account of the Unitholder) and details of the account into which such payment shall be made. The cost of any settlement by electronic bank transfer will be passed on to the Unitholder.

### **14 Transfer of Units**

- 14.1 Every Unitholder shall be entitled to transfer the Units held by him upon the execution by the transferor and the transferee and the delivery to the Manager of such transfer instrument as may be prescribed by the Manager and Transfer Agent from time to time.
- 14.2 The Transferor shall be deemed to remain the holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof. The instrument of transfer need not be a deed.
- 14.3 Every instrument of transfer must be duly stamped and lodged with the Manager for transmission to the Transfer Agent 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 relating to the Units to be transferred and or such other evidence as the Transfer Agent may require to prove the title of the transferor or his right to transfer the Units and thereupon the Transfer Agent shall register the transferee as Unitholder of the Units referred to in such instrument of transfer and shall credit the CSCS account of the Transferee.

## STATUTORY AND GENERAL INFORMATION

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- 14.4 All instruments of transfer that shall be registered may be retained by the Manager or by the Transfer Agent on its behalf.
- 14.5 A reasonable fee of such amount as the Manager and the Trustee may from time to time agree may be charged by the Manager upon any transfer of Units. Where the transfer relates to part of the Units of a Holder, the Transfer Agent shall (subject to Clause 14.3) credit the CSCS account of the Transferee with the number of Units transferred to it.
- 14.6 A receipt signed by the Unitholder in respect of any monies payable or a Basket receivable in respect of the Units or a Creation Unit represented by any suitable electronic confirmation shall be a good discharge to the Trustee and the Manager and if several persons are registered as joint Unitholders or in consequence of the death of a Unitholder, are entitled so to be registered, any one of them may give an effectual receipt for any such monies.

### **15 Investment Policy**

- 15.1 Subject to the provisions of this Trust Deed, the ETF will substantially replicate the price and yield performance of the NSE Pension Index (as far as it is practicable) by holding a portfolio of securities that substantially represent all of the component securities of the NSE Pension Index in substantially the same weighting as the NSE Pension Index.
- 15.2 The financial condition of any Constituent Company will not result in the elimination of its securities from the ETF's portfolio unless the securities of such company are removed from the NSE Pension Index.
- 15.3 The Manager shall not alter the Investment Policy of the ETF without the consent of the Trustee and the prior approval of the Commission.
- 15.4 In the event of a change in the Investment Policy and objectives of the ETF, reasonable notice will be given by the Manager to Unitholders to enable Unitholders elect whether to request delivery of the prescribed number of Baskets of Shares of the Constituent Companies.

### **16 Realisation of Investment**

Any monies accruing from investments of the ETF shall be treated as realised investments. The Manager shall have the discretion to invest any income derived from the ETF at any time PROVIDED ALWAYS THAT the Manager acts with diligence and prudence in exercising this discretion.

### **17 Investment Restrictions and Risk Management**

- 17.1 The investment objective of the ETF being to track the NSE Pension Index, it is anticipated that ancillary liquid assets will not form a substantial part of the ETF's assets (subject to a maximum of 2% of the total portfolio value). Provided that any liquid assets held by the ETF may be invested by the Manager as provided in Clause 11.1 above or held as cash on call.
- 17.2 Save pursuant to an offer made jointly to all Unitholders of units of another authorised Unit Trust Scheme (as defined by Section 152 of the Investments and Securities Act), for the exchange of such units or cash or other property represented thereby for the Units of the ETF, neither the Manager nor the Trustee and their respective affiliates shall deal as principals in the sale of the investments of the Trust for account of the ETF or vest Authorised Investments in the Trustee upon the issue of Units and the Trustee

## STATUTORY AND GENERAL INFORMATION

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and the Manager shall (without incurring any liability for failure to do so) use their best endeavours to procure that no such sale or dealing or vesting shall be made by any directors of the Trustee or the Manager in any associate.

- 17.3 The restriction imposed by Clause 17.2 shall not apply to any sale or dealing or vesting in connection with the provision of the initial portfolio of investments by the Manager, or any sale or dealing or vesting made by the Authorised Dealer.

### **20 Registration of Unitholders**

- 20.1 A Register of Unitholders shall be kept by the Transfer Agent in such form and manner as the Trustee may from time to time direct including in an electronic form.
- 20.2 The Register shall contain the names of Unitholders, the respective number of Units held, the nominal value of the Units, the date of purchase and any other information that may be deemed necessary by the Manager and the Trustee.
- 20.3 A Unitholder shall notify the Transfer Agent immediately in writing of any change of name or address of such Unitholder and upon the Transfer Agent's satisfaction thereof and in compliance with all such formalities as it may require, the Transfer Agent shall cause the Register to be altered or the change to be registered accordingly.
- 20.4 The Register shall be conclusive evidence of the persons entitled to the Units stated in it and no notice of any trust, express, implied or constructive shall be entered upon the Register in respect of any such Units. PROVIDED that any person claiming to be interested in any Units or the dividends on them may protect his interest by serving on the Manager a notice and an affidavit of interest whereupon the Transfer Agent shall cause to be entered on the Register the existence of such notice and shall not register, transfer or make a payment or return(s) in respect of the relevant Units contrary to the terms of the notice until the expiration of thirty (30) days' notice to the claimant of the proposed transfer or payment.
- 20.5 A body corporate may be registered as a Unitholder or one of joint Unitholders.
- 20.6 In the event of the death of a Unitholder, only the legally appointed executors or administrators of the estate of the deceased Unitholder (not being one of joint Unitholders) or, in the case of joint Unitholders, the surviving Unitholder(s) of the joint Unitholders shall be recognised by the Transfer Agent as having any title to or interest in the Units of the deceased Unitholder.
- 20.7 Any person becoming legally entitled to any Units in consequence of the death or bankruptcy or dissolution or winding up of any Unitholder or upon the order of a Court or upon a declaration that a Unitholder is a lunatic shall upon producing such evidence to the satisfaction of the Transfer Agent substantiating his claim 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 their CSCS account credited accordingly. If the person becoming so entitled shall elect to be registered himself he shall deliver or send to the Transfer Agent a duly signed written notice in a form to be prescribed by the Transfer Agent stating that he elects to be so registered, or if he shall elect to have some other person nominated by him shall testify such election as if the death, bankruptcy or lunacy or the dissolution or winding up of the Unitholder had not occurred and the notice or transfer were a transfer executed by such Unitholder.

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20.8 The number of Units held by a Unitholder shall be registered and recorded by the Transfer Agent as a book entry.

20.9 The Manager may, upon giving notice to the Unitholders by advertisement in one or more of the following: a daily newspaper, its website or by e-mail notification to Unitholders close the Register, such periods of closure shall not, in aggregate, exceed sixty (60) days in each financial year.

### **21 Voting Rights on Underlying Portfolio**

21.1 All rights of voting conferred by any investments forming part of the Underlying Portfolio shall be exercised by the Trustee in the best interest of the Unitholders. Upon written request and at the expense of the Manager, the Trustee shall from time to time execute and deliver or cause to be executed or delivered to the Manager or its nominees such powers of attorney or proxies in such names as the Manager may request authorising such attorneys and proxies to vote, consent or otherwise act in respect of all or any part of the Underlying Portfolio.

21.2 The Trustee shall be entitled to exercise the said rights in what it considers to be the best interest of the Unitholders. Subject to Section 168 of the Investments and Securities Act, neither the Trustee or the Manager shall be under any liability or responsibility thereof in respect of the management of the investment in question nor in respect of any vote, action or consent given or taken or not given or taken by the Trustee whether in person or by proxy and neither the Trustee, the Manager or the Unitholder or any such proxy or attorney shall incur any liability or responsibility by reason of any error of law or mistake of fact or any matter or thing done or omitted or approval voted or given or withheld by the Trustee and the Trustee shall be under no obligation to anyone with respect to any action taken or caused to be taken or omitted by the Trustee or the Manager or by any such proxy or attorney.

21.3 The phrase “right of voting” or the word “vote” used in this Clause shall be deemed to include not only a vote at a meeting but any consent to or approval of any arrangement, scheme or resolution or any alteration in or abandonment of any rights attaching to any part of the Underlying Portfolio 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.

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

### **22 Evidence of Unitholding**

22.1 Unitholders will have their CSCS accounts credited with the number of Units held by them.

22.2 Joint Holders shall provide a Joint CSCS account into which Units shall be credited.

22.3 Unitholders shall be notified of their initial holding by an electronic email, text message or any other electronic form of communication. Unitholders shall also be able to view their holdings at any particular time by logging on to their CSCS Accounts.

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### 24 Income Distribution

- 24.1 The Manager may make quarterly distributions of any net income. All distributions will be paid out of the ETF's income (whether received in the form of dividends, profits or otherwise) net of expenses.
- 24.2 Distribution will be effected by the Transfer Agent and the cost of distribution will be borne by the ETF.
- 24.3 The Fund Manager also reserves the rights to have dividends re-invested in the ETF and issue additional Units to investors.

### 34. Removal, Retirement and Appointment of Manager

- 34.1 In the event of the Manager desiring to retire, the Trustee shall use its best endeavours to replace the Manager in accordance with the provisions of this Trust Deed. If within the six (6) months' notice by the Manager seeking to retire no suitable replacement is identified, the Trustee may terminate the Trust by giving six (6) months' notice to the Unitholders, the Manager and the Commission.
- 34.2 The Manager shall be subject to removal by notice in writing given by the Trustee in any of the following circumstances PROVIDED THAT in every case the proposed removal has been approved by the Commission or one (1) month has passed since notice was served on the Commission without the Commission having notified the Trustee that the proposed removal is not approved before service on the Manager:
- 34.2.1 If Unitholders holding not less than 75% of the Units outstanding of the ETF deliver to the Trustee a request in writing that the Manager should retire; or
- 34.2.2 if the Manager goes into liquidation (except for a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of its assets or if it shall cease to carry on business; or
- 34.2.3 if the Trustee certifies and provides evidence to the satisfaction of the Commission to the effect that the Manager has been fraudulent or has acted with gross misconduct in its management of the ETF or if in the opinion of the Trustee, the Manager has become incapable of performing or has in fact failed to perform its duties satisfactorily or has done any other thing which in the opinion of the Trustee is calculated to bring the Trust into disrepute or to be harmful to the best interests of the Unitholders.
- 34.3 In any of the cases, the Manager shall upon notice by the Trustee immediately cease to be the manager of the ETF and the Trustee shall by writing under its seal subject to approval by the Commission appoint some other qualified Fund Manager to be the manager of the ETF. Such Fund Manager shall enter such Deed or Deeds as the Trustee may advise are necessary or desirable to secure the due performance of its duties as manager, which Deed or Deeds shall if so required by the retiring manager PROVIDED THAT the ETF shall as soon as practicable cease to use the phrase "**SIAML PENSION ETF 40**" in its name and that neither the Trustee nor the new manager shall hold themselves out as being connected with the retiring Manager in any way.

### 35. Removal, Retirement and Appointment of Trustee

- 35.1 In the event of the Trustee desiring to retire, it shall give not less than six (6) months' notice in writing to the Manager and the Commission of its desire to retire, and the Manager shall use its best endeavours to appoint a new trustee to the ETF within the six (6) months' notice period given by the Trustee. The new Trustee shall be an incorporated company registered with the Commission. If no new Trustee can be identified within that period the Manager may terminate the Trust.
- 35.2 The Trustee may be removed by notice in writing from the Manager in any of the following circumstances PROVIDED THAT in either case the Manager and/or the Trustee shall first notify the Commission and give reasons for the withdrawal or removal as well as the suitability of the new trustee to be appointed and the notice of proposed removal shall be approved by the Commission. The approval of the Commission shall be deemed after the expiration of one (1) month of service of notice on the Commission without the Commission having notified the Manager that the proposed removal is not approved:
- 35.2.1 if Unitholders holding not less than 75% of the Units outstanding of the ETF deliver to the Manager a request in writing that the Trustee should retire;
- 35.2.2 if the Trustee goes into liquidation (except for a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Manager) or if a receiver is appointed over any of its assets;
- 35.2.3 if in the opinion of the Manager, which opinion is confirmed by Unitholders holding a simple majority of the Units outstanding attending the meeting in person or by proxy, the Trustee has become incapable of performing or has in fact failed to perform its duties satisfactorily or has done any other thing which is calculated to bring the ETF into disrepute or be harmful to the best interests of the Unitholders or is a breach of the Trustees fiduciary duties to the ETF. Upon removal of the Trustee, the Manager shall by writing under its seal subject to the approval of the Commission appoint some other qualified corporation to be the trustee and such corporation shall enter such Deed or Deeds as the Manager deems necessary or desirable to secure the due performance of its duties as trustee.
- 35.2.4 if in the opinion of the Manager, the Trustee fails to discharge its duties efficiently and professionally or has proven to be incapable of performing its duties satisfactorily.
- 35.3 The new Trustee taking the place of the Trustee retiring pursuant to Clause 35.1 or removed pursuant to Clause 35.2 above shall sign a Deed of Accession in terms set out in the Third Schedule.
- 35.4 Where the Trustee retires pursuant to Clause 35.1 or where the appointment of the Trustee is terminated pursuant to Clause 35.2, the Trustee shall within seven (7) days submit a report to the Commission stating the following:
- a) the assets and liabilities of the ETF;
  - b) whether any irregularity or undesirable practice has taken place or is taking place in the conduct of the affairs of the ETF which has caused or is likely to cause financial loss to investors in the ETF;

## STATUTORY AND GENERAL INFORMATION

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- c) particulars of any such irregularity or undesirable practice; and
- d) the reason, if known, for the termination of the appointment.

35.5 The retiring Trustee or the removed Trustee shall, within 14 days, hand over all properties and documents of the ETF in its possession to the new trustee.

### **36. Preparation of, Cheques, Electronic-Distributions etc.**

36.1 It shall be the duty of the Transfer Agent to prepare and pay all cheques and electronic transfer of Distributions (if any).

36.2 The Manager shall prepare all notices, accounts, offers or statements which the provisions of this Trust Deed require to be prepared, issued served or sent.

### **37. Audit of the ETF's Accounts**

37.1 At least once every financial year, the Manager shall cause to be audited and certified by the Auditors, the accounts relating to the management of the ETF and a copy of the report forwarded to the Commission. The audited accounts of the ETF shall be signed by the Manager and the Trustee.

37.2 The audited accounts shall be posted on the Fund Manager's website and distributed to the Unitholders within three (3) months after approval has been received from the Commission in respect of the Accounts for each financial year.

### **38. Auditor**

38.1 The Auditor shall be appointed by the Manager in consultation with the Trustee. The Auditor shall be a person who is qualified for appointment as an auditor of a Company under Sections 184(1) and 315 of the Investments and Securities Act and Section 358 of the Companies and Allied Matters Act and shall be duly registered with the Commission.

38.2 Within thirty (30) days of the date of appointment of the Auditor, the Manager shall apply to the Commission for approval of the appointment of the Auditor; and the Commission may at any time withdraw its approval of the appointment of an Auditor.

38.3 Any Auditor appointed may be removed by the Manager in consultation with the Trustee by notice thereof to the Auditor.

38.4 The remuneration of the Auditor shall be fixed by the Manager.

38.5 The Auditor of the ETF may resign its office by serving a notice in writing to that effect at the registered office of the Manager and any such notice shall operate to determine its office on the date on which notice is received or on such later date as may be specified therein.

38.6 The Auditor's notice of resignation shall not be effective unless it contains either:

38.6.1 a statement to the effect that there are no circumstances connected with its resignation which they consider should be brought to the notice of the Unitholders of the ETF; or

38.6.2 a statement setting out the circumstances connected with its resignation which they consider should be brought to the notice of the Unitholders of the ETF.



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- 38.7 Where a notice under this Clause is served at the Manager's registered office, the Manager shall within fourteen (14) days send a copy of the notice to the Trustee.
- 38.8 The Manager shall inform the Commission of the removal or resignation of the Auditors.
- 38.9 The Auditors shall have the following obligations amongst others
- 38.9.1 audit the financial statements of the ETF at the end of its financial year in accordance with the approved accounting standards, the ISA 2007 and the provisions of this Trust Deed.
  - 38.9.2 report to the Manager, any irregularity or undesirable practice in the administration of the ETF which has come to his notice in the ordinary course of fulfilling its audit obligations or performing other functions under this Trust Deed, the Investment and Securities Act and the SEC Rules and Regulations.
  - 38.9.3 submit a copy of the report in Clause 38.9.2 to the Commission if it has reasonable cause to believe that such report is or might be of material significance to the Commission.

### **39. Duration and Termination of the Trust**

- 39.1 The Trust constituted by this Deed shall be for a period of 3 years subject only to the provisions for termination as are herein contained. The provisions of the Trust shall be automatically renewed, subsequently, every three (3) years by mutual consent of the Manager and the Trustee in writing and subject to the Commission's approval.
- 39.2 The Manager in consultation with the Trustee, shall, subject to the Commission's approval, terminate the Trust by issuing no less than six (6) months' notice thereof in writing to the other as well as to the Unitholders of the ETF.
- 39.3 The Trust may be terminated upon no less than six (6) months' notice by the Trustee in writing to the Manager, Unitholders of the ETF and the Commission if the Trust becomes illegal or if in the opinion of the Trustee it is impracticable or inadvisable to continue the Trust.
- 39.4 The Trust may at any time be terminated by a Special Resolution of the Unitholders at a meeting of the ETF duly convened and held in accordance with the provisions herein contained in respect of the ETF regarding meetings and such termination shall take effect no less than six (6) months from the date on which the said Special Resolution is passed or on such later date (if any) as the said Special Resolution may provide.
- 39.5 The Trust may be duly terminated by the Commission where any of the activities of the Trust is outside the ambit of permissible activities as provided for by the Investments and Securities Act, any relevant regulations enacted thereunder and/or any other applicable laws or where the Commission's approval of the ETF is withdrawn.
- 39.6 The Manager may, by notice to the Commission, Unitholders and the Trustee terminate the ETF if in the opinion of the Manager the value of the Underlying Portfolio is insufficient to justify the continued operation of the ETF or if, due to a change in law or other circumstance deemed appropriate by the Manager, the continued operation of the ETF is no longer justified.

### **40. Procedure after Termination of the Trust**

Upon the termination of the Trust, the Trustee shall proceed as follows:

To effect delivery of the prescribed number of Baskets represented by the number of Units of the ETF, such delivery shall be carried out in such a manner and within such a period after the termination of the Trust as the Trustee thinks advisable PROVIDED THAT where the ETF is unable to meet delivery obligations attaching to all the Units in issue at the relevant time of termination, the Manager subject to the prior approval of the Trustee and the Commission, will be entitled to place a moratorium, for not more than ninety (90) Trading Days in the aggregate, on the exercise by Unitholders of the delivery rights attached to issued the Units.

- 40.1 Every such delivery shall be made on the condition of lodging such form of delivery notice that the Trustee may in its absolute discretion require PROVIDED THAT the Manager and the Trustee shall be entitled to retain out of any monies standing to the credit of the distribution account, a provision for all costs, charges, expenses, claims and demands reasonably incurred or made by the Trustee in connection with or arising out of the termination of this Trust and out of the monies so retained to be indemnified against any such costs, charges, expenses, claims and demands.

### **41. Meetings**

- 41.1 The Manager may call a General Meeting of the Unitholders with the consent, or at the request, of the Trustee, to consider the accounts and other matters affecting the ETF.
- 41.2 The provisions of the Fourth Schedule to this Deed shall have effect as if the same were included herein and shall apply to meetings of the ETF in so far as that Schedule does not conflict with any applicable law

### **45. Copies of Trust Deed to be made available**

- 45.1 A copy of this Deed and of any Deed supplemental hereto shall, at all times, during usual business hours be made available by the Manager and the Trustee at their respective head offices for inspection by Unitholders and any Unitholder shall be entitled to receive from the Manager a copy of such Deed(s) as aforesaid on production of any document the Manager may require to ascertain ownership of Units in the Fund and making payment to the Manager of the prescribed amount for each copy of the document.
- 45.2 The Trustee shall keep a counterpart copy of the Trust Deed.

### **47. Power of Modification by Supplemental Deed**

- 47.1 The Trustee and Manager shall be entitled by supplemental deed to consolidate, modify, alter or add to the provisions of this Deed in such manner and to such extent as they may consider necessary or expedient having regard to any issues that they may consider relevant PROVIDED THAT the Trustee shall certify in writing that in its opinion such consolidation, modification, alteration or addition does not prejudice the interests of the Unitholders and that in its opinion, such consolidation, modification, alteration or addition does not operate to release the Trustee or Manager from any responsibility to the Unitholders. No such consolidation, modification, alteration or addition shall be made without the sanction of a Special Resolution passed at a Meeting of Unitholders duly convened and held. No such consolidation, modification, alteration or addition shall impose any further payment on the Unitholder in respect of

## STATUTORY AND GENERAL INFORMATION

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his Units or any liability in respect thereof, except if such a change is required by law.

PROVIDED ALWAYS THAT, notwithstanding Clause 47.1 above, the Manager and the Trustee shall seek the approval of the Commission for any proposed modification to the Trust Deed by service of notice- of such proposed change on the Commission.

Such proposed change shall not be given effect until the proposed change has been approved by the Commission or until a period of one month has elapsed since the date the notice was given to the Commission without the Commission having notified the Trustee or Manager that it does not approve the modification.

### **2. INDEBTEDNESS**

As at the date of this Prospectus, the Fund Manager has no outstanding debentures, mortgages, loans, charges or similar indebtedness. However, the Fund Manager has contingent liabilities in the ordinary course of business amounting to ₦561,416,458.49 from cases pending against the Fund Manager.

### **3. CLAIMS AND LITIGATION OF THE FUND MANAGER**

Stanbic IBTC Asset Management Limited is currently involved in seven (7) suits which were filed against it. In the opinion of the Solicitors to the Offer, the claims against Stanbic IBTC Asset Management Limited are unlikely to succeed as the company has good defences to the said suits.

### **4. COSTS AND EXPENSES**

The costs, charges and expenses of, and incidental to, the Offer including fees payable to the Securities & Exchange Commission, professional parties, brokerage commission and printing and distribution expenses are estimated at ₦28,669,715 or 2.87% of the gross Offer proceeds. This cost will be borne by the Fund and offset against the Offer proceeds.

### **5. RELATIONSHIP BETWEEN THE FUND MANAGER AND THE TRUSTEE**

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

### **6. RELATIONSHIP BETWEEN THE FUND MANAGER AND THE ISSUING HOUSE**

The Fund Manager and the Issuing House are wholly owned subsidiaries of Stanbic IBTC Holdings PLC. In addition, the Fund Manager and the Issuing House have common directors.

### **7. MATERIAL CONTRACTS**

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

- a. A Trust Deed dated 06 September 2016 between Stanbic IBTC Asset Management Limited and FBN Trustees Nigeria Limited under which the Fund was constituted;
- b. A Vending Agreement dated 06 September 2016 under the terms of which Stanbic IBTC Capital Limited has agreed to offer 10,000,000 Units of ₦100 each at par in the SIAML PENSION ETF 40;
- c. An Authorised Dealer Agreement dated 06 September 2016 between Stanbic IBTC Asset Management Limited, FBN Trustees Nigeria Limited and Stanbic IBTC Stockbrokers Limited under the terms of which Stanbic IBTC Stockbrokers Limited has agreed to act as Authorised Dealer to the Fund;
- d. An Index Licence Agreement dated 07 September 2015 between The Nigerian Stock Exchange and Stanbic IBTC Asset Management Limited;

## STATUTORY AND GENERAL INFORMATION

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- e. A Custody Agreement dated 06 September 2016 between Stanbic IBTC Asset Management Limited, Standard Chartered Bank Nigeria Limited and First Trustees Nigeria Limited.

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

### 8. CONSENTS

<b>The Fund Manager</b>	Stanbic IBTC Asset Management Limited
<b>Directors of the Fund Manager</b>	Mrs Sola David-Borha (Chairman) Mrs Bunmi Dayo-Olagunju (Managing) Mr Shuaib Audu (Executive) Mr Babalola Obilana (Executive) Mrs Ifeoma Esiri Mr Eric Fajemisin Ms Angela Omo-Dare Mr Akeem Oyewale Mr Olumide Oyetan
<b>Company Secretary</b>	Chidi Okezie
<b>Issuing House</b>	Stanbic IBTC Capital Limited
<b>Receiving Bank</b>	Stanbic IBTC Bank PLC
<b>Trustee</b>	FBN Trustees Nigeria Limited
<b>Reporting Accountant</b>	KPMG Professional Services
<b>Solicitors</b>	Akin Delano Legal Practitioners
<b>Custodian</b>	Standard Chartered Bank Nigeria Limited
<b>Registrars/Transfer Agent to the Offer</b>	First Registrars Nigeria Limited
<b>Stockbrokers and Authorised Dealer</b>	Stanbic IBTC Stockbrokers Limited

### 9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the office of Stanbic IBTC Capital Limited, I.B.T.C. Place, Walter Carrington Crescent, Victoria Island, Lagos, during normal business hours on any Business Day from Monday, 26 September 2016 to Wednesday, 02 November 2016.

- a. Certificate of Incorporation of the Fund Manager;
- b. Memorandum and Articles of Association of the Fund Manager;
- c. Certificate of Incorporation of the Trustee;
- d. Memorandum and Articles of Association of the Trustee;
- e. The Prospectus issued in respect of the Offer;
- f. The Report of KPMG Professional Services, the Reporting Accountants, on the Financial Forecasts of the Fund for the years ending 31 December 2016, 2017, 2018, 2019 and 2020;
- g. The resolution of the Board of Directors of the Fund Manager authorising the creation of the Fund and the issuance of 10,000,000 Units of the Fund;
- h. Claims and Litigation report of the Solicitors to the Offer in respect of the Fund Manager;
- i. The material contracts referred to in Section 7 on pages 51 and 52;
- j. The written consents referred to in Section 8 on page 52;
- k. The letter of approval from the Securities & Exchange Commission;
- l. The letter of approval from The Nigerian Stock Exchange.

## PROCEDURE FOR APPLICATION AND ALLOTMENT

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### 1. APPLICATION

- 1.1 The general investing public is hereby invited to apply for Units of the Fund through any branch of Stanbic IBTC Bank listed on pages 54 to 56.
- 1.2 Applications for Units must be made in accordance with the instructions set out at the back of the Application Form. Care must be taken to follow these instructions, as applications which do not comply with these instructions will be rejected.
- 1.3 The Application List for the Units now being offered will open Monday, 26 September 2016 and close Wednesday, 02 November 2016. Applications must be for a minimum of 10,000 Units (i.e. ₦1,000,000) and in subsequent multiples of 10,000 Units (i.e. ₦1,000,000) 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/its 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 RC 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 branch of Stanbic IBTC Bank listed on pages 54 to 56. Applications must be accompanied by a cheque or bank draft made payable to **“STANBIC IBTC BANK PLC”**, for the full amount payable on application. The cheque or draft must be crossed **“SIAML PENSION ETF 40”** 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.

### 2. ALLOTMENT

The Issuing House and the Directors of the Fund Manager reserve the right to accept or reject any application in whole or in part for not meeting the conditions of the Offer. The allotment proposal will be subject to the clearance of the Securities & Exchange Commission.

### 3. APPLICATION MONIES

All application monies will be retained in a separate interest yielding bank account by the Receiving Bank pending allotment. If any application is not accepted or is accepted for fewer Units than the number applied for, a crossed cheque for the full amount paid or the balance of the amount paid (as the case may be) will be returned by registered post within 5 Business Days of allotment.

The CSCS accounts of successful Unit holders will be credited not later than 15 days from the Allotment Date. Investors are thereby advised to state the name of their respective stockbrokers and their CHN Numbers in the relevant spaces on the Application Form.

## RECEIVING AGENTS

Completed Application Forms may be submitted to any of the branches of Stanbic IBTC Bank PLC listed below:

<b>ABIA STATE</b> Aba Main Branch 7 Aba-Owerri Road  Aba Market Branch 7 Duru Road Off Cemetery Road  Ariaria Market Branch 189 Faulks Road Ariaria Market Aba  Umuahia Branch 2 Market Road By Library Avenue Umuahia	Ikom Branch 28 Calabar Road  Watt Market Branch CITA House Complex 54 Bedwell Street  Uyo Branch 5B Nwaniba Road  <b>DELTA STATE</b> Airport Road, Warri Branch 23 Ogunu Airport Road Warri  Delta State Branch 206 Nnebisi Road Asaba  Warri Branch 98 Effurun – Warri Road	Gwagwalada Branch 415 Specialist Hotel Road Gwagwalada  Kubwa Branch 1/72 Gado Nasco Road Kubwa  Maitama Branch Plot 2777 Cadastral Zone A6 Maitama District  Mararaba Branch Shop No1a Kwad Shopping Complex Mararaba Gurku along Keffi  Pated Marble Branch Plot 1049 Ahmadu Bello Way Garki 11  Utako Branch Plot 37 Ekunkinam Street Utako  NNPC Branch NNPC Complex Herbert Macaulay Way	Sabon Tasha Branch 32 Kachia Road  Zaria City Branch 90 Anguwan Mallam Sule Kasuwa Zaria  <b>KOGI STATE</b> Lokoja Branch IBB Way Opposite New Specialist Hospital Lokoja  <b>KANO STATE</b> Bank Road Branch 4 Bank Road  Kano Branch 31/32 Bello Road  1 Rimi Quarters Umma Bayero Road  Sabon Gari Branch 4a Galadima Road Sabon Gari
<b>ADAMAWA STATE</b> Yola Branch 1 Muhammed Mustapha Way Jimeta, Yola  <b>AKWA IBOM STATE</b> Uyo Branch 65B Nwaniba Road Uyo  <b>ANAMBRA STATE</b> Head Bridge Branch 56 Port Harcourt Road Onitsha  Onitsha Branch 13 Bright Street Onitsha  Zik Road Branch 49 Nnamdi Azikiwe Avenue Akwa	<b>EBONYI STATE</b> Abakaliki Branch 10 Ogoja Road Abakaliki  <b>EDO STATE</b> Benin City Branch 71 Akpakpava Street  Sapele Road Branch 131A Sapele Road  New Benin Branch 136 Upper Mission Road New Benin Market  <b>ENUGU STATE</b> Enugu Branch 182 Upper Ogui Road Ebeano Housing Estate  <b>EKITI STATE</b> Ado Ekiti Branch Ado/Iyin Express (Old Secretariat)  <b>FCT (ABUJA)</b> Dei-Dei Branch Deide-Gwaga Road Deide,  Edo House Branch Plot 75 Ralph Shodeinde Street CBD  Garki Model Branch 2 Ladoke Akintola Blvd Garki II  Garki Branch (Area 3) Infinity House 11 Kaura Namoda Street  Garki Branch (Area 3) Plot 437 8 Langtang Close  Wuse 2 1387 Aminu Kano Crescent	<b>GOMBE STATE</b> Gombe Branch 1 Biu Road Gombe  <b>IMO STATE</b> Owerri Branch 8 Wethedral Road Owerri  <b>JIGAWA STATE</b> Plot 14/15 Sanni Abacha way Dutse  <b>KADUNA STATE</b> Kachia Road Mini Branch 7 Kachia Road  Kaduna Branch 14 Ahmadu Bello Way  Kaduna Central Branch 001 Bayajida Road Central Market Kaduna North  Kasuwa Barci Branch AH6 Kasuwa Barch Tudun Wada  Kawo- Mando Branch Kawo-Zaria Road Kawo Market  KRPC Kaduna Kaduna Refining & Petrochemical Company Ltd Complex  Sabongari-Zaria Branch 7A Aminu Road Sabongari Zaria	Kanti Kwari 71A Fagge ta Kudu Road  Hotoro Market Branch 4 Maiduguri Road  Sabongari – Zaria Branch 7A Aminu Road Sabongari Zaria  <b>KASTINA STATE</b> Kastina Branch Kufi House 193 IBB Way  <b>KEBBI STATE</b> Birnin-Kebbi Branch 68 Ahmadu Bello Way  <b>KWARA STATE</b> Ilorin Branch 11 Unity Road  <b>LAGOS STATE</b> Head Office Branch I.B.T.C. Place Walter Carrington Crescent Victoria Island  Idejo Branch Plot 1712 Idejo Street Victoria Island  Ajose Adeogun Branch Plot 290E Ajose Adeogun Street Victoria Island  Ahmadu Bello Way Branch Federal Palace Hotel Ahmadu Bello Way Victoria Island

## RECEIVING AGENTS

<p>Adetokunbo Ademola Branch 76 Adetokunbo Ademola Street Victoria Island</p> <p>Afribank Branch Churchgate Building PC 30 Afribank Street Victoria Island</p> <p>Muri Okunola Branch Plot 226A Muri Okunola Street Victoria Island Annex</p> <p>Karimu Kotun Branch 1321 Karimu Kotun Street Victoria Island</p> <p>Federal Palace Hotel o/c Federal Palace Hotel Ahmadu Bello Way Victoria Island Lagos</p> <p>Awolowo Road Branch 85 Awolowo Road Ikoyi</p> <p>Martins Street Branch 19 Martins Street Lagos Island</p> <p>Nnamdi Azikiwe Street Branch 106 Nnamdi Azikiwe Street Lagos Island</p> <p>Lekki 1 Branch The Palms Shopping Centre</p> <p>Lekki Admiralty Branch Plot A Block 12E, Admiralty Way Lekki Phase 1</p> <p>Lekki 2 Branch Km 18 Lekki Express Way Agungi</p> <p>Ikota Lekki Branch 167-194, Block 1 Ikota Shopping Complex Ajah</p> <p>Ajah Branch Mega Wave Plaza 4A Addo Road Off Badore Road Ajah</p> <p>Oke Arin Branch 120 Alakoro Street Oke Arin Lagos Island</p> <p>Idumagbo Branch 61 Idumagbo Avenue Lagos Island</p> <p>Broad Street Branch 143/145 Broad Street Offin Apogbon</p> <p>Balogun Business Association Plaza 3a, Portion C BBA Trade Fair Complex</p>	<p>Tincan Branch 8 Apapa-Oshodi Express Way (By coconut bus stop) Apapa</p> <p>Warehouse Road Branch 10/12 Warehouse Road Apapa</p> <p>NPA Branch Account Block Nigerian Port Authority Wharf Road Apapa</p> <p>Tejuosho Branch 77 Ojuelegba Road Yaba</p> <p>Herbert Macaulay Branch 220 Herbert Macaulay Road Yaba</p> <p>Lawanson Branch 35 Lawanson Road Surulere</p> <p>Surulere Branch Block 1A Adeniran Ogunsanya Shopping Mall 84 Adeniran Ogunsanya Street</p> <p>Gbaja Market Branch 12 Gbaja Market Surulere</p> <p>Ojuwoye Branch 214 Agege Motor Road Ojuwoye Mushin</p> <p>Awolowo Model Market Branch Shop M1/M48 Awolowo Ultra-Modern Market Mushin</p> <p>Daleko Branch Bank Road Daleko Market Off Isolo Road Mushin</p> <p>Palms Avenue Branch 103 Ladipo Street Mushin</p> <p>Ajgunle Branch 11 Orodu Street Ajgunle</p> <p>Igando Branch 51 Lasu-iba Road Igando</p> <p>Alaba Branch H48/H49 Alaba International Market Ojo</p> <p>Ketu Branch B463 Ikorodu Road Ketu</p> <p>Abule Egba 633, Lagos Abeokuta Expressway, Abule Egba, Lagos</p>	<p>Ojodu Branch 102 Isheri Road Ojodu Berger</p> <p>Ogudu Road Branch 54 Ogudu Road Ojota</p> <p>Ikotun Branch 45 Idimu Road Ikotun</p> <p>Maryland Branch 10 Mobolaji Bank Anthony Way Maryland</p> <p>Allen Avenue Branch 31 Allen Avenue Ikeja</p> <p>Toyin Street Branch 36A Toyin Street Ikeja</p> <p>Opebi Branch 43 Opebi Road Ikeja</p> <p>M/M Airport Road Branch Arrival Hall Muritala Mohammed Airport Ikeja</p> <p>Oba Akran Avenue Branch 20 Oba Akran Avenue Ikeja</p> <p>Ogba Branch 32 Ijaye Road Ogba Lagos</p> <p>Alausa Branch Wapco Building Alausa</p> <p>Ikeja City Mall Shop L55, Ikeja City Mall, Alausa</p> <p>Osolo Way Branch Osolo Way (Beside Ascon Filling Station) Ajao Estate</p> <p>Shomolu Branch 22 Market Street Shomolu Lagos</p> <p>Oyingbo Branch 7 Coates Street Ebute Metta</p> <p>Oshodi Market 6-8 Brown Street Oshodi</p> <p>Agege Market 173 Old Abeokuta Road Agege</p> <p>Oko Oba Branch Abattoire Market New Oko Oba Agege</p>	<p>Trade Fair Branch Obasanjo Hall/Hall 2 ASPAMDA Plaza International Trade Fair Complex</p> <p>Yinka Folawiyo Plaza Branch 38 Warehouse Road Apapa</p> <p>Ejigbo Branch 91 Isolo-ikotun Road (Inside AP Filling Station) Ejigbo</p> <p><b>NASARAWA STATE</b> Bomma Plaza Abuja-Keffi Express Way Nyanyan</p> <p>Lafia Branch Plot 11 Jos Road Lafia</p> <p><b>NIGER STATE</b> Kontagora Branch Lagos-kaduna Road Kontagora</p> <p>Minna Branch Paiko Road Minna</p> <p>Suleja Branch Minna Road Opposite Force A Division Suleja</p> <p><b>OGUN STATE</b> Abeokuta Branch 2A Lantoro Road Isale-Ake</p> <p>Agbara Branch Agbara Estate Shopping Mall Agbara</p> <p>Ijebu Ode Branch 8 Ibadan Road Ijebu Ode</p> <p>Sango Otta Branch 101 Idiroko Otta Road</p> <p>Sango 2 KM 38 Abeokuta Express Way</p> <p>Sapon Branch 42A Isale Igbehin Abeokuta</p> <p>Shagamu Branch 167 Akarigbo Road Shagamu</p> <p><b>ONDO STATE</b> Ondo Branch 62 Yaba Road</p> <p>Akure Branch Great Nigeria Insurance House Owo/Ado Ekiti Road</p>
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## RECEIVING AGENTS

<p>OSUN STATE</p> <p>Ile-Ife Branch 5 Obalufon-Lagere Road Beside Catholic Church Lagere Junction Ile-Ife</p> <p>Ilesha Branch 198 Osogbo Road Isokun Ilesha</p> <p>Oshogbo Branch 201 Gbogun-Ibadan Road Oshogbo</p> <p>OYO STATE</p> <p>Agodi Gate Branch Inaolaji Business Complex Agodi Gate Ibadan</p> <p>Aleshinloye/Jericho Road Shop 37-39 Nigerian Army Post Service Housing Scheme Phase 2 Eleyele Road Ibadan</p> <p>Apata Branch Abeokuta-Ibadan Road Apata Ibadan</p> <p>Gbagi Branch 15 Jimoh Odutola Street Ogunpa/Dugbe Ibadan</p> <p>Ibadan Main Branch UCH- Secretariat Road Bys Total Garden Ibadan</p> <p>Iwo Road Branch Baloon House Iwo Road Ibadan</p> <p>Aje House Branch 1 Lebanon Street Dugbe</p>	<p>Ikorodu Town Branch 108 Laos Road Ikorodu</p> <p>Festac Branch 23 Road, 2nd Avenue Gacoun Shopping Plaza Festac Town</p> <p>Iyana Church Branch Ibitola Plaza Iyana Church Ibadan</p> <p>Mokola Branch 18B Oyo Road Mokola Ibadan</p> <p>New Gbagi Market Bashmur &amp; Ayimur Plaza Off Texaco Filling Station Old Ife Road Gbagi Ibadan</p> <p>Ogbomosho Branch Ogbomosho-Ilorin Road Ogbomosho</p> <p>Orita Branch 127 Orita Challenge Ibadan</p> <p>Oyo Branch Oyo-Ogbomosho Road Beside Oyo East Local Government Office Oyo town</p> <p>Ring Road Branch 1B Moshood Abiola Road Ring Road</p> <p>UI Axis Sayora Building University of Ibadan Road 2nd gate</p> <p>Ipaja Branch Ipaja Road Baruwa-Ipaja</p>	<p>Egbeda Branch 38 Shasha Road Egbeda</p> <p>Iyana Church Branch Ibitola Plaza Iyana Church Ibadan</p> <p>Saki Branch Saki West Local Government Secretariat Sango-Ajgunle Roaf Saki</p> <p>PLATEAU STATE</p> <p>Jos Branch 34 Ahmadu Bello Way Jos</p> <p>RIVERS STATE</p> <p>Artillery Branch 234 Aba Road Artillery Port Harcourt Eleme Petrochemical Branch Eleme Pretochemical PHC</p> <p>Olu Obasanjo Branch 133 Olu Obasanjo Road Port Harcourt</p> <p>P/H Airport Branch International Airport Port Harcourt</p> <p>Onne Branch Oil and Gas Free Zone Authority Federal Ocean Terminal Road Onne</p> <p>Trans Amadi Branch 7 Trans Amadi Road Port Harcourt</p> <p>Trans Amadi Branch 2 87 Trans Amadi Roaf Mother Cat Port Harcourt</p>	<p>SOKOTO STATE</p> <p>Sokoto Branch 68 Maiduguri Road Sokoto</p> <p>TARABA STATE</p> <p>Jalingo Branch 22 Hammaruwa Way Jalingo</p> <p>YOBE STATE</p> <p>Damaturu Branch 591A Njiwaji Layout Damaturu</p> <p>ZAMFARA STATE</p> <p>Gusau Branch 10 Sanni Abacha Road Gusau</p>
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# APPLICATION FORM

Application List Opens Monday September 26, 2016	 <b>Stanbic IBTC</b> Asset Management <small>RC 209744</small>	Application List Closes Wednesday November 02, 2016
<b>ISSUING HOUSE</b> <b>Stanbic IBTC</b> <small>Capital RC1031358</small>	<b>SIAML PENSION ETF 40</b> Authorised and Registered by the Securities & Exchange Commission of Nigeria as an Exchange Traded Fund PAYABLE IN FULL ON APPLICATION	<b>FUND MANAGER</b> <b>Stanbic IBTC</b> <small>Asset Management RC209744</small>
<small>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 any doubt, please consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance.</small>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <b>DECLARATION</b>  <input type="checkbox"/> I/We am/are 18 years of age or over  <input type="checkbox"/> I/We authorise you to send a cheque for any amount overpaid by Registered post to the address 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.         </div> <div style="width: 50%;"> <input type="checkbox"/> I/We attach the amount payable in full on application for the number of units in the SIAML PENSION ETF 40 shares at N100 per unit.  <input type="checkbox"/> 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 of the SIAML PENSION ETF 40.  <input type="checkbox"/> I/We declare that I/We have read a copy of the Prospectus for the Offer dated September 6, 2016 by the Issuing House on behalf of SIAML PENSION ETF 40.         </div> </div>		
<b>GUIDE TO APPLICATION</b> Number of units applied for 10,000 minimum Subsequent multiples of 10,000	Amount payable N1,000,000.00 N1,000,000.00	Date (DD/MM/YYYY) <div style="display: flex; align-items: center;"> <div style="border: 1px solid black; width: 20px; height: 20px; margin-right: 5px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; margin-right: 5px;"></div> <div style="margin: 0 5px;">/</div> <div style="border: 1px solid black; width: 20px; height: 20px; margin-right: 5px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; margin-right: 5px;"></div> <div style="margin: 0 5px;">/</div> <div style="border: 1px solid black; width: 30px; height: 20px; text-align: center; font-weight: bold;">2016</div> </div>
<div style="display: flex; justify-content: space-between;"> <div> <b>Number of Units Applied for:</b>  <div style="border: 1px solid black; width: 100px; height: 20px;"></div> </div> <div> <b>Value of units applied for / Amount Paid</b>  <div style="display: flex; align-items: center;"> <div style="border: 1px solid black; width: 20px; height: 20px; margin-right: 5px;"></div> <div style="margin: 0 5px;">N</div> <div style="border: 1px solid black; width: 100px; height: 20px;"></div> </div> </div> </div>		
<b>PLEASE COMPLETE IN BLOCK LETTERS</b>		
<b>1. INDIVIDUAL / CORPORATE APPLICANT</b>		
Surname / Company Name <span style="float: right;">Title : <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Miss</span> <div style="border: 1px solid black; width: 100%; height: 20px;"></div>		
Other Names (for individual applicant only) <div style="border: 1px solid black; width: 100%; height: 20px;"></div>		
Full Postal Address/Street Address <div style="border: 1px solid black; width: 100%; height: 20px;"></div>		
<div style="display: flex; justify-content: space-between;"> <div>           City/Town  <div style="border: 1px solid black; width: 100%; height: 20px;"></div> </div> <div>           State  <div style="border: 1px solid black; width: 100%; height: 20px;"></div> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div>           Phone Number 1  <div style="border: 1px solid black; width: 100%; height: 20px;"></div> </div> <div>           Phone Number 2  <div style="border: 1px solid black; width: 100%; height: 20px;"></div> </div> </div>		
Email Address <div style="border: 1px solid black; width: 100%; height: 20px;"></div>		
Next of Kin <div style="border: 1px solid black; width: 100%; height: 20px;"></div>		
<div style="display: flex; justify-content: space-between;"> <div>           CHIN NO (Clearing House Number)  <div style="border: 1px solid black; width: 100%; height: 20px; text-align: center; font-weight: bold;">C</div> </div> <div>           Stockbroker's Name  <div style="border: 1px solid black; width: 100%; height: 20px;"></div> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div>           Surname (in Case of a minor)  <div style="border: 1px solid black; width: 100%; height: 20px;"></div> </div> <div>           Date of Birth  <div style="border: 1px solid black; width: 100%; height: 20px;"></div> </div> </div>		
Other Names <div style="border: 1px solid black; width: 100%; height: 20px;"></div>		
<b>2. JOINT APPLICANT</b> <span style="float: right;">Title : <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Miss</span>		
Surname <div style="border: 1px solid black; width: 100%; height: 20px;"></div>		
Other Names <div style="border: 1px solid black; width: 100%; height: 20px;"></div>		
<b>3. Bank details (for E-payment):</b>		
Name of Bank <div style="border: 1px solid black; width: 100%; height: 20px;"></div>		
<div style="display: flex; justify-content: space-between;"> <div>           Branch Sort Code  <div style="border: 1px solid black; width: 100%; height: 20px;"></div> </div> <div>           (Please provide your NUBAN Account No.)  <div style="border: 1px solid black; width: 100%; height: 20px;"></div> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 30%;">           Signature  <div style="border: 1px solid black; width: 100%; height: 40px;"></div> </div> <div style="width: 30%;">           Thumbprint  <div style="border: 1px solid black; width: 100%; height: 20px;"></div> </div> <div style="width: 30%;">           Stamp of Receiving Agent  <div style="border: 1px solid black; width: 100%; height: 20px;"></div> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div>           Company Seal &amp; Incorporation Number (Corporate Applicant)  <div style="border: 1px solid black; width: 100%; height: 20px;"></div> </div> </div>		

## INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

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1. Applications should be made only on an original Application Form or a photocopy or print out of a downloaded version of the Application Form.
2. Applications must be for a minimum of 10,000 Units. Applications for more than 10,000 Units must be in multiples of 10,000. The number of Units for which an application is made and the value and details of the cheque or bank draft attached should be entered in the boxes provided.
3. The Application Form when completed should be lodged with any branch of Stanbic IBTC Bank listed on Pages 54 to 56. Applications must be accompanied by a cheque or bank draft made payable to **"STANBIC IBTC BANK PLC"**, for the full amount payable on application. The cheque or draft must be crossed **"SIAML PENSION ETF 40"** 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.
4. Any application involving payment of an amount of ₦10,000,000 (ten million Naira) and above must be transferred via NEFT into the designated Offer Proceeds account domiciled with Stanbic IBTC Bank PLC with the following details:  
**Account Name:** SIAML PENSION ETF 40  
**Account Number:** 0018495309  
**Narration:** *"[Name of Subscriber]'s investment in the SIAML PENSION ETF 40"*.
5. Foreign currency subscribers are advised to contact Stanbic IBTC Bank for the applicable US Dollar exchange rate on the day the remittance is being effected. Payment can be made in US Dollars, for credit to:  
**Stanbic IBTC Bank PLC** Account number 04433866 at Deutsche Bank Trust Company Americas, Church Street Station, New York, N.Y. 10015, USA, (Swift code: SBICNGLX) with the narrative *"[Name of Subscriber]'s investment in SIAML PENSION ETF 40"*.
6. Stanbic IBTC Bank will issue CCI's to foreign currency subscribers. CCI's 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 Initial Public Offering.
7. The applicant should make only one application, whether in his own name or in the name of a nominee. Multiple or suspected multiple applications will be rejected.
8. Joint applicants must all sign the Application Form.
9. An application by a firm which is not registered under the Companies and Allied Matters Act Cap C20 LFN 2004 should be made either in the name of the proprietor or in the names of the individual partners. In neither case should the name of the firm be mentioned.
10. 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.
11. An application by an illiterate should bear his right thumbprint on the Application Form and be witnessed by an official of the Bank branch at which the application is lodged who must have first explained the meaning and effect of the Application Form to the illiterate in his own language. Above the thumb print of the illiterate, the witness must record in writing that he has given this explanation to the illiterate in a language understandable to him and that the illiterate appeared to have understood same before affixing his thumb impression.
12. An applicant should not print his signature. If he is unable to sign in the normal manner he should be treated for the purpose of this Offer as an illiterate and his right thumbprint should be clearly impressed on the Application Form.

**Application Form**

**SIAML Pension ETF 40**