

This document is important and should be read carefully. If you are in any doubt about its contents or the action to take, please consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance immediately.



**IBTC ASSET MANAGEMENT LIMITED**

RC 209744

(Member of The Nigerian Stock Exchange)

## **Offers for Subscription**

**1,000,000,000 Units of ₦1 each**

in

## **THE IBTC ETHICAL FUND**

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

ISSUING HOUSE



**INVESTMENT BANKING & TRUST COMPANY LIMITED**

RC125097

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This Prospectus and the securities which it offers have been cleared and registered by the Securities & Exchange Commission. It is a civil wrong and a criminal offence under the Investments and Securities Act 1999 to issue a Prospectus which contains false or misleading information. Clearance and registration of this Prospectus and the securities which it offers do not relieve the parties from any liability arising under the Act for false and misleading statements contained herein or for any omission of a material fact.

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This Prospectus is dated 13 January 2005

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## THE OFFER

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

This Prospectus is being issued in compliance with the provisions of the Investments and Securities Act 1999, the Rules and Regulations of the Commission and the listing requirements of The Nigerian Stock Exchange (“The Exchange”) and contains particulars in compliance with the requirements of the Commission and The Exchange, for the purpose of giving information to the public with regard to the Initial Public Offer (“IPO”) of 1,000,000,000 Units in the IBTC Ethical Fund (“the Fund”). The Fund has been authorised and registered by SEC as a Unit Trust Scheme.

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

## ABRIDGED TIMETABLE

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DATE	ACTIVITY	RESPONSIBILITY
15/11/2004	Application List opens	IBTC/ICML
13/12/2004	Application List closes	IBTC/ICML
27/12/2004	Receiving Agents make returns	IBTC/ICML/Registrars
24/01/2005	Forward allotment proposal and draft newspaper advertisement to SEC	IBTC/ICML
07/02/2005	Receive SEC authorisation of allotment	IBTC/ICML
08/02/2005	Pay net proceeds of the Offer to Intercontinental Bank Plc	IBTC/ICML
09/02/2003	Allotment announcement	IBTC/ICML
14/02/2005	Return rejected application moneys	IBTC/ICML/Registrars
28/02/2005	Distribute share certificates	Registrars
01/03/2005	Forward Declaration of Compliance to The Exchange	IBTC/ICML/Stockbrokers
03/03/2005	Listing of Intercontinental Bank Plc shares/Trading commences	IBTC/ICML/Stockbrokers

## SUMMARY OF THE OFFER

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- |   |                    |  |
|---|--------------------|--|
| 1 | The Offer          | 1,000,000,000 Units of ₦1 each in The IBTC Ethical Fund, being the IPO of Units in The Fund  |
| 2 | Nature Of The Fund | The Fund aims to achieve long-term capital appreciation of its assets by investing in a portfolio of high quality equity securities quoted on The Exchange and in other securities approved by the Commission. |

The Fund will invest in all quoted sectors of The Exchange **excluding companies in the Brewery and Tobacco sectors**. It will follow a socially responsible approach to investing and will also specifically not invest in companies operating in the production of arms, ammunition etc; the production of and dealing in narcotic drugs and psychotropic substances; gambling; and any activities which are potentially harmful to civil society. The Fund will invest a minimum of 75% of its assets in such obligations while a maximum of 25% will be invested in quality fixed income securities.

The Fund is open-ended and investors will be free to subscribe to its units through IBTC Asset Management Limited after this IPO. Thus, though the Fund has an initial target of 1,000,000,000 units, the Fund Manager will issue additional units of the Fund to subscribers on demand after this initial tranche of 1,000,000,000 units has been fully subscribed.

- |   |                        |  |
|---|------------------------|--|
| 3 | Offer Price            | ₦1.00 per Unit. US Dollar subscriptions will be processed at the applicable foreign exchange rate as determined at the auction of the Central Bank of Nigeria (“CBN”) as conducted from time to time.  |
| 4 | Minimum Subscription   | 50,000 Units (or its equivalent in US Dollars).  |
| 5 | Payment Terms          | In full on application   |
| 6 | Preferential Allotment | 10% of the IPO has been allotted to IBTC Ventures Limited. This is in compliance with current regulations issued by the Commission that promoters of unit trust schemes in Nigeria subscribe to a minimum of 10% of the initial issue of such schemes. IBTC Ventures Limited is a wholly owned subsidiary of Investment Banking & Trust Company Limited (“IBTC”), the Fund’s promoter. |



## SUMMARY OF THE OFFER

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7	Supplementary Allotment	In the event of over subscription, additional units of the Fund will be issued to subscribers																					
8	Redemption	On the last day of each week. Minimum permissible holdings after redemption is 50,000 units or such balance as adviosed by the Manager from time to time.																					
9	Fund Manager	IBTC Asset Management Limited																					
10	Issuing House	Investment Banking & Trust Company Limited																					
11	Trustees To The Fund	HNB Trustees Limited																					
12	Registrars	First Registrars Nigeria Limited																					
13	Forecast Offer Statistics	<table> <tr> <th>Year Ended 31 December</th><th>2005</th><th>2006</th></tr> <tr> <td></td><th>N'000</th><th>N'000</th></tr> <tr> <td>Total Investment Income</td><td></td><td></td></tr> <tr> <td>Profit before taxation</td><td></td><td></td></tr> <tr> <td>Profit after taxation</td><td></td><td></td></tr> <tr> <td>Distribution</td><td></td><td></td></tr> <tr> <td>Net assets</td><td></td><td></td></tr> </table>	Year Ended 31 December	2005	2006		N'000	N'000	Total Investment Income			Profit before taxation			Profit after taxation			Distribution			Net assets		
Year Ended 31 December	2005	2006																					
	N'000	N'000																					
Total Investment Income																							
Profit before taxation																							
Profit after taxation																							
Distribution																							
Net assets																							

## **MANAGER, TRUSTEES AND OTHER PARTIES TO THE OFFER**

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<b>Manager</b>	IBTC Asset Management Limited
<b>Registered Office</b>	I.B.T.C. Place Walter Carrington Crescent Victoria Island Lagos
<b>Directors Of The Manager</b>	Mr Atedo N.A. Peterside O O N (Chariman) I.B.T.C. Place Walter Carrington Crescent Victoria Island Lagos  Mrs Olusola Adejoke David-Borha I.B.T.C. Place Walter Carrington Crescent Victoria Island Lagos  Mr Olayinka Omotoso Sanni (Managing) I.B.T.C. Place Walter Carrington Crescent Victoria Island Lagos
<b>Company Secretary/Legal Adviser</b>	Ms Angela Olabisi Omo-Dare I.B.T.C. Place Walter Carrington Crescent Victoria Island Lagos
<b>Issuing House</b>	Investment Banking & Trust Company Limited I.B.T.C. Place Walter Carrington Crescent Victoria Island Lagos

## **MANAGER, TRUSTEES AND OTHER PARTIES TO THE OFFER**

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<b>Trustees To The Fund</b>	HNB Trustees Limited 163/165 Broad Street Old Niger House (1 <sup>st</sup> Floor) Lagos
<b>Stockbrokers To The Offer</b>	IBTC Asset Management Limited I.B.T.C. Place Walter Carrington Crescent Victoria Island Lagos
<b>Auditors To The Fund</b>	PricewaterhouseCoopers Plot 252E Muri Okunola Street Off Ajose Adeogun Street Victoria Island Lagos
<b>Registrars To The Offer</b>	First Registrars Nigeria Limited Plot 2 Abebe Village Road Iganmu Lagos
<b>Receiving Banker</b>	Investment Banking & Trust Company Limited I.B.T.C. Place Walter Carrington Crescent Victoria Island Lagos



## **INFORMATION ON THE IBTC ETHICAL FUND**

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### **The Fund**

The IBTC Ethical Fund (“The Fund”) is authorised and registered in Nigeria as a Unit Trust Scheme under section 576 of the Companies and Allied Matters Act (Cap 59) Laws of the Federation of Nigeria, 1990. The Fund is governed by a Trust Deed with HNB Trustees Limited as Trustees. 1,000,000,000 units will be offered for subscription at the launch of The Fund.

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

The offer price of The Fund when it was launched in 1997 was N1 per unit. This second tranche is offering 1,000,000,000 units at prices that would be market determined on a daily basis, based on a formula approved by the Commission, and advised by the Manager.

### **Investment Policy**

The Fund seeks to achieve its stated objective of long term capital appreciation of its assets by investing a minimum of 75% of its assets in selected equities of Nigerian quoted companies and other investments approved by the Commission, as appropriate opportunities arise. The Trust Deed allows a maximum of 25% of The Fund’s total assets to be invested in money market instruments.

### **Investment Incentives**

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

### **Target Investors**

The Fund is aimed at direct investors and also at prospective life assurance policy holders, who will access The Fund through life assurance policies issued by participating insurance companies selected by the Fund Manager. AIICO Insurance Plc currently offers policy to unit holders in this regard. The issuance of a life assurance policy by a participating insurance company is subject to a satisfactory medical history as determined by the insurance company.



The Fund is open to individuals (including minors) and to associations, pension funds, companies, and societies, irrespective of nationality. The Fund welcomes participation from both foreign and non-

## **INFORMATION ON THE IBTC ETHICAL FUND**

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resident investors and the Fund Manager will assist non-resident investors to facilitate the remittance of the net proceeds arising from a foreign currency investment in The Fund when divesting.

### **Subscription to The Fund**

Units of the Fund can be purchased exclusively from the Fund Manager. Subscription to the Fund may be made directly to the Manager at IBTC offices in Lagos, Port Harcourt or Abuja. A Purchase Order Form is at the end of this prospectus and can also be used for investing directly into The Fund. Such completed forms should be returned to any of IBTC's offices with the draft of the amount you are investing, for further processing by the Fund Manager.

Subscribers can also invest through 180 United Parcel Service ("UPS") offices through out Nigeria, which hold application forms and offer free shipment of applications to IBTC. Subscribers through UPS offices should return the completed form and draft to the UPS office where they obtained the form, and it will be delivered free of charge to the Fund Manager for processing.

Investors can also buy into The Fund by downloading an application form from IBTC's website [www.ibtclagos.com](http://www.ibtclagos.com) and faxing the completed form to IBTC's office in Lagos (+234 1 2626541/2). The downloaded and duly completed form should then be sent to our Lagos office address as indicated on the form. Payments for units of The Fund can be made by a bank draft made payable in Lagos or via a wire transfer made in line with instructions on the application form. Subscription to The Fund may be made directly or through a life assurance policy with AIICO (or any other insurance company subsequently approved by The Fund Manager).

### **Direct Investors (Foreign Currency)**

The applicable price for foreign currency subscribers (Nigerians and/or foreigners) shall be calculated at the autonomous exchange rate advised by the Manager. Foreign currency subscribers are not eligible to subscribe to The Fund through the life assurance option. Foreign currency subscribers are requested to fill in the "Direct Applicants (Foreign Currency)" application form and follow the instructions at the back of the form.

Certificates of Capital Importation ("CCI") will be issued by IBTC to foreign currency subscribers within 48 hours of the receipt of payment. CCIs are required to enable subsequent repatriation, in a freely convertible currency, of proceeds from redemption of Units or from any distribution of The Fund's income that the Fund Manager may undertake.

### **Policyholders**

Naira investors may also subscribe to the Fund through a single premium, unit-linked life 10-year assurance policy. Policy Contracts will be executed with AIICO or any other participating insurance company subsequently approved by the Fund Manager. Prospective



## **INFORMATION ON THE IBTC ETHICAL FUND**

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Policyholders should complete Sections I and II of the “Prospective Policyholders” application form at the end of this document in accordance with the instructions at the back of that form. Life assurance policy applications will be subject to a satisfactory medical history.

For a given investment amount, the number of Units issued to the policyholder will be net of insurance expenses, and will differ for each individual depending on the sex, age and the sum assured (full details are available in the contract to be executed with AIICO). In the event of the Policyholder’s death before the expiration of the policy, the beneficiary of the policy will be entitled to the higher of the Net Asset Value of the Units held or the sum assured. Upon expiration of the policy, the policyholder will receive the Net Asset Value of the Units held.

Subscribers to policies with a sum assured in excess of a certain amount may be required to undergo a medical examination. The amount will depend on the number of subscribers to the policy and on the average sum assured, but will be about N1, 500,000.00

### **Income and Distribution**

The Fund Manager may make distributions of The Fund’s income or capital gains, as may be appropriate from time to time. However, the Fund Manager reserves the right to make such distributions, if deemed appropriate. Redemption of Units will be possible at any time after the allotment of such Units. Upon early redemption, Policyholders will receive the value of their Units, subject to the terms of the contract executed with AIICO or any other participating insurance company.

### **Risk Factors**

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

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

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



## **Fund Certificates**

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

## **INFORMATION ON THE IBTC ETHICAL FUND**

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### **Unitholders' Meetings and Voting Rights**

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

### **Valuation of The Units**

The valuation of the Units shall be calculated at the close of each business day, based on a formula approved by the Securities & Exchange Commission from time to time. The Fund Manager will advise the prices of The Fund after the daily valuation.

### **Transfer and Redemption of Units**

The Fund Manager will not transfer or redeem Units without the production of a Fund Certificate relating to such Units, which must be surrendered before any transfer or redemption whether for the whole or any par thereof can be registered. Units purchased in the name of an individual under the age of 18 years may be redeemed or transferred by such individual upon attaining the age of 18 years provided that such individual produces a Fund Certificate and a valid passport. Policyholders must also surrender their Policy Contract and may be subject to any restriction specified in the contract executed with AIICO (or any other participating insurance company subsequently appointed by the Fund Manager). Detailed transfer instructions are provided in the Trust Deed.

Subscribers may redeem all or some of the Units held at any time after allotment. However, all the units held by a Unitholder must be redeemed if the redemption of the desired number of Units would result in a holding of less than the minimum permissible holding of ₦50,000 worth of units. Policyholders may suffer some loss on early redemption (i.e. before the expiration of the policy contract) owing to the up-front insurance expenses they would have incurred and a normal processing fee. Where a Policyholder redeems all or part of his Units within the tenor of the life assurance policy, the policy contract will be revoked. Policyholders who desire only a partial redemption of their Units may however continue to hold the balance of their Units as direct subscribers, upon completion of the Transfer of Status form. Both Policyholders and direct subscribers must surrender their certificates before



redemption can be effected. A new certificate will be issued for the new number of Units held in the case of partial redemption.

Units may be redeemed each week, provided that the Fund Certificates, Policy Contracts (where applicable), Redemption Notices and (where appropriate) Transfer of Status form are lodged with the Fund Manager on the Valuation Day. The applicable redemption price shall be the Bid Price displayed at the Fund Manager's office on the day of the lodgement of the redemption documents. For Redemption notices received after 5.00 p.m on the Valuation Day, the redemption price of the following working day shall apply. Under normal circumstances, The Fund will make redemption payments within 5 working days of the lodgement date.

## **INFORMATION ON THE IBTC ETHICAL FUND**

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### **The Nigerian Stock Market - A Modern and Active Stock Market**

The Securities & Exchange Commission of Nigeria ("SEC" or "The Commission" and The Nigerian Stock Exchange are the two major regulatory bodies in the Nigeria capital market. The Commission was established in 1979 to perform two broad tasks – investor protection and capital market development. It delegated the pricing function for security issues to issuing houses in 1993. The Nigerian Stock Exchange, a purely private sector initiative incorporated as limited by guarantee in 1960, began operations in 1961 with 19 securities worth N80 million. It is registered with SEC and is currently the only stock exchange in the country. At 30 September 2004, The Exchange has eight branches/trading floors located in Abuja, Lagos, Ibadan, Kaduna, Kano, Onitsha Port Harcourt and Yola, although over 95% of all trades take place on the Lagos floor. There are 273 listed securities (17 Government Stocks, 52 Industrial Loan/Debenture/Preference Stocks and 204 Equity/Ordinary Shares) and over 200 dealing members (stockbrokers). Total market capitalization on the same date was approximately N1.69 trillion or just over US\$12.7 billion. Total volume of shares traded in the year to that date was 14.08 billion (valued at N178.38 billion), equivalent to a turnover ratio of less than 1%. The top six quoted stocks on the NSE had an average market capitalization in excess of US \$1.3 billion and together constituted about 53.1% of market capitalization.

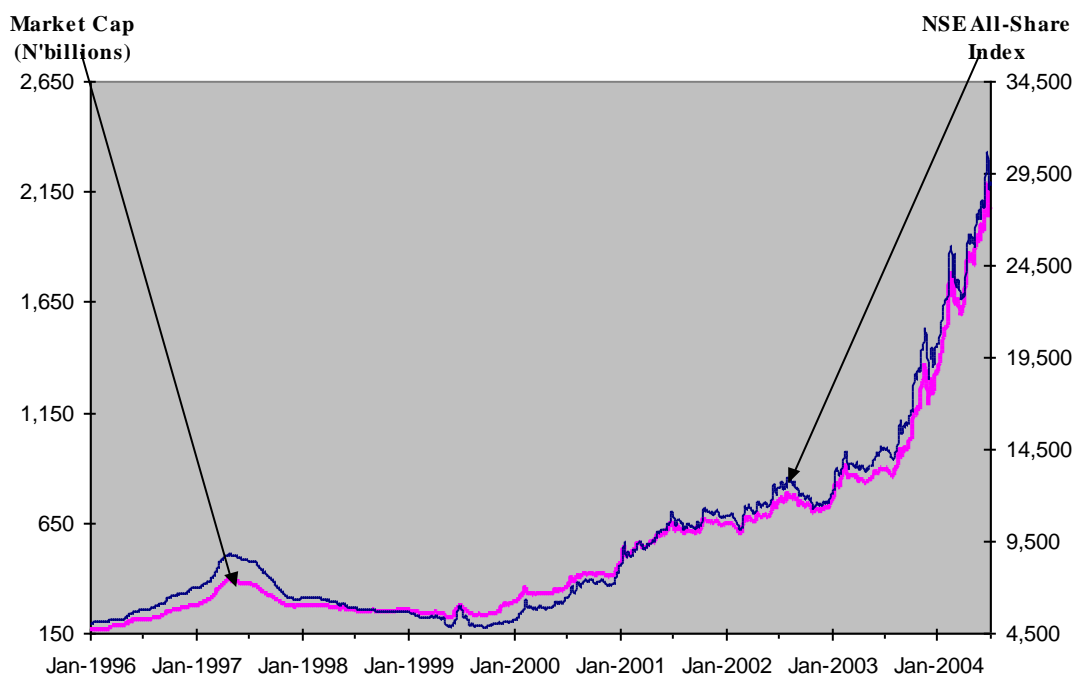
The Nigerian stock market operates at two broad levels: the primary market for new issues and the secondary market which provides an avenue for the active trading of securities issued on the primary market. SEC, the apex regulatory body in the capital market, regulates both markets. As at 31 December 2003, SEC-registered market operators included over 300 broker/dealers, 35 issuing houses, 25 registrars, a clearing/depository company, a custodian and two exchanges. The two registered exchanges are the Nigerian Stock Exchange headquartered in Lagos and the proposed Abuja Commodities Exchange.

The Nigeria Stock Market has undergone considerable growth in the last decade, as a direct result of a number of economic policies put in place in the last few years. The first major boost came in 1988 when the Federal Government embarked on the privatization of public enterprises through the Technical Committee on Privatization and Commercialisation (now the Bureau of Public Enterprises). This exercise resulted in an increase in the volume of



shares traded in both the primary and secondary markets. The Exchange's All-Share Index closed at 20,128.94 by 2003 year end, up from 12,137.72 (65 %) in 2002 . This represents an increase of 92% in dollar terms. Between 1<sup>st</sup> January 2004 and 30 September 2004, the index had grown by about 12.97%.

### *Performance of the Nigerian Stock Exchange, Jan 1996 – June 2004*



Source: IBTC Asset Management Limited

demonstrates the high level of investor confidence in the management of The Fund and the growth opportunities offered by investments in the capital market in general.

Indeed, it is this impressive growth of The Fund that has necessitated a decision of the Manager to apply to the Commission for an increase in the number of units of The Fund from the initial 1,000,000,000

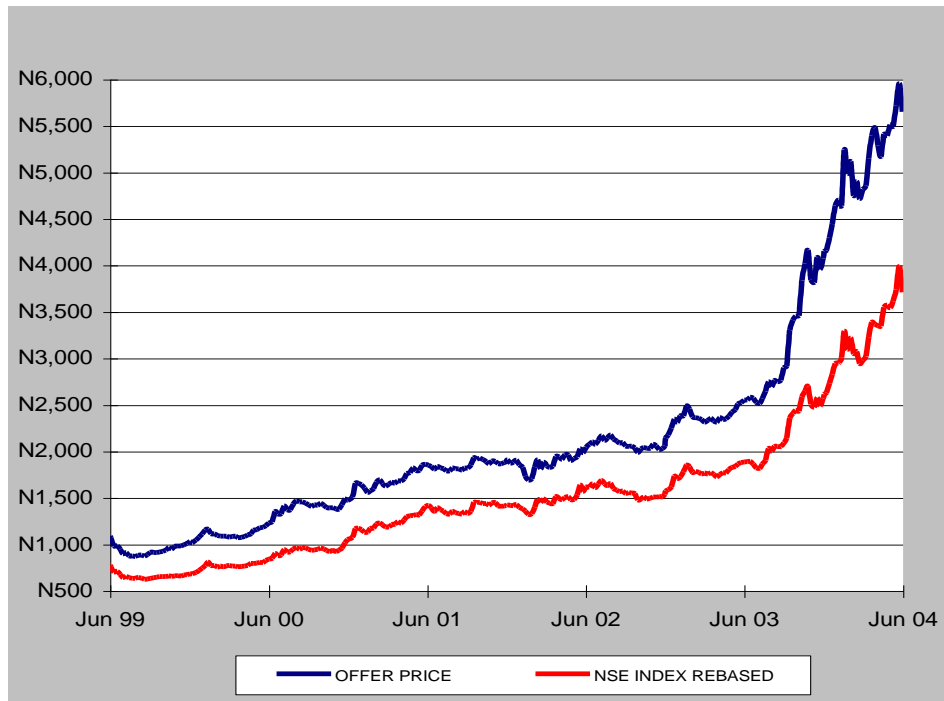
units approved in 1997, as the first tranche has been fully subscribed. Given the open ended nature of The Fund, this second tranche of 1,000,000,000 units is being offered to the investing public, institutional investors and individuals alike, both foreign and local, in order to give them an opportunity to invest in the burgeoning capital market of Nigeria.

The IBTC Fund is an actively managed fund and its manager will continue to seek opportunities in the growth sectors of the economy to deliver reasonable long-term returns to Unitholders.

### **The IBTC Fund Performance Compared with the All Share Index**







## INFORMATION ON THE FUND MANAGER AND TRUSTEES

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### The Fund Manager

IBTC Asset Management Limited (“IBTC Asset Management”), is a wholly-owned subsidiary of Investment Banking & Trust Company Limited (“IBTC”). IBTC is Nigeria’s pre-eminent investment banking institution, with expertise in such areas as corporate finance, financial advisory services, mergers, acquisitions and divestitures, project finance and trade finance. IBTC Asset Management is registered by the SEC as a Portfolio Manager, Investment Adviser and Broker/Dealer and was licensed in 1997 by The Exchange, to deal in securities quoted on *The Exchange*. IBTC Asset Management has quickly established itself as a leading asset management company and wholesale stockbroking house in the Nigerian stock market. IAML also acts as a promoter and manager of unit trusts and funds.

By virtue of a Management and Technical Services Agreement between IBTC Asset Management and IBTC, IBTC Asset Management draws on the institutional expertise of IBTC’s management team. The team possesses considerable financial market experience that is being used for the general benefit of The Fund.

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

**Mr Atedo N. A. Peterside, OON** is the Chairman of IBTC Asset Management. He has been the Chief Executive Officer of IBTC since inception. The recipient of a national award; Officer of the Order of the Niger (OON), Mr Peterside is a highly experienced investment banker and a regular commentator on the economy. He is a Director of the Nigerian-Economic Summit Group, a think-tank which seeks to promote dialogue between the private and public sectors on economic policy with a view to strengthening policy formation. Mr Peterside holds an M.Sc Economics degree from The London School of Economics and Political Science. His executive educational experience is wide and varied and includes the Owner/President Management Program of the Harvard Business School. He is also a fellow of the Chartered Institute of Bankers of Nigeria and a member of the Council of the Chartered Institute of Stockbrokers. He was the Chairman of the Committee on Corporate Governance of public companies in Nigeria. This Committee was set up by the Securities & Exchange Commission and crafted a Code of Best Practices for Public Companies operating in Nigeria. He is also a member of the Young Presidents’ Organisation.

**Mr. Yinka Sanni** is the Chief Executive of IBTC Asset Management Limited, the Bank’s wholly owned stockbroking and asset management subsidiary. He holds an MBA degree from Obafemi Awolowo University, Ile-Ife and is a Chartered Stockbroker. He has extensive experience in asset management and stockbroking and has been involved in a number of landmark capital market transactions. IBTC Asset Management is one of the largest stockbroking houses in Nigeria, by transaction value, and executes sizeable trades on behalf of local and international institutional investors as well as high net worth individuals.

**Mrs Sola David-Borha** is a Director of IBTC Asset Management and also the Executive Director of the IBTC. She joined the Board of IBTC in November 1994. Her responsibilities involve overseeing Corporate Banking, which includes Project Finance and Trade Finance. She also supervises Treasury and Financial Services while also having direct responsibility



for overseeing IBTC's correspondent banking relationships, the Administration Department and the Banks' Information Technology

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

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strategy. Mrs David-Borha holds an MBA degree from Manchester Business School, United Kingdom. Her executive educational experience includes the Advanced Management Programme of the Harvard Business School. She is also a member of the Nigerian Economic Summit Group.

**Ms Angela Omo-Dare** is IBTC Asset Management's Company Secretary and Legal Adviser. She holds an LLM degree from The London School of Economics & Political Science. Ms Omo-Dare offers a broad spectrum of advice on all activities undertaken by the Bank. This is crucial to the smooth execution of the specialised and complex transactions often handled by IBTC and helps to ensure the Bank's strict compliance with legal and regulatory requirements. Ms Omo – Dare also oversees the Personnel Department of the Bank.

### **The Trustees**

HNB Trustees Limited ("HTL") was incorporated on 29 June 1992 as a private limited liability company, and commenced operations in June 1995. A subsidiary of Habib Nigeria Bank Limited, HTL's authorised share capital in N10m.

The Board of Directors of HTL is currently constituted as follows:

- |   |                           |                   |
|---|---------------------------|-------------------|
| 1 | Mr Akin Kekere-Ekun       | Chairman          |
| 2 | Mr Oladipo Akintonde      | Managing Director |
| 3 | Mr Bawo Charles Omagbitse | Director          |
| 4 | Mr Suleiman M. Gachi      | Director          |
| 5 | Mr Umar S. Fagge          | Director          |
| 6 | Mr Zakari Mohammed Sada   | Director          |

## STATUTORY AND GENERAL INFORMATION

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### **Indebtedness**

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

### **Claims and Litigation**

As at the date of this prospectus, the Manager is not aware of any claims or litigation pending or threatened against it.

### **Beneficial Interest**

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

### **Material Contracts**

- 1 A 4<sup>th</sup> supplemental Trust Deed dated 30 April 2004 between IBTC Asset Management Limited and HNB Trustees Limited under which this second tranche of 1,000,000,000 Units is being issued
- 2 A Management and Technical Services Agreement dated 12 November 1996 between IBTC Asset Management Limited and Investment Banking & Trust Company Limited

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

### **Documents Available for Inspection**

Copies of the following documents may be inspected at the offices of IBTC Asset Management Limited, I.B.T.C. Place, Walter Carrington Crescent, Victoria Island, Lagos during normal business hours on any weekday (except public holidays).

- (a) Certificate of Incorporation of the Fund Manager;
- (b) Memorandum and Articles of Association of the Fund Manager;
- (c) Memorandum and Articles of Association of the Trustees;
- (d) The Prospectus issued in respect of the Offer;
- (e) Fund Managers' Board of Directors Resolution authorising the issuance of this second tranche;
- (f) Written Consent of the Trustees to the issuance of this second tranche;
- (g) The audited financial statements of the Fund for each of the five years ended 31 December 2003;
- (h) The Material Contracts referred to above.





## THE PROFIT FORECAST

### Forecast Statement of Total Return for the years ending 31 December 2004, 2005 and 2006 based on the issuance of second tranche of 1,000,000,000 Units

The Fund Manager is of the opinion that subject to unforeseen circumstances and based on the assumptions stated on page, the profit before taxation for the three years ending 31 December 2004, 2005 and 2006 will be in the order of ₦884 million, ₦1.2 billion and ₦1.6 billion respectively.

For the year ending 31 December	2004 ₦'000	2005 ₦'000	2006 ₦'000
Trading Income	945,281	1,228,865	1,597,525
Dividend Income	273,192	355,150	461,694
Interest Income	201,820	262,366	341,076
<b>Total Investment Income</b>	<b>1,420,293</b>	<b>1,846,381</b>	<b>2,400,295</b>
Operating Expenses	535,870	643,044	771,653
Profit Before Taxation	884,423	1,203,337	1,628,642
Taxation	27,319	35,515	46,169
<b>Profit After Taxation</b>	<b>857,104</b>	<b>1,167,822</b>	<b>1,582,473</b>
Proposed Distribution	128,230	150,000	175,000
<b>Net Increase in Unit holders' Funds</b>	<b>728,874</b>	<b>1,017,822</b>	<b>1,407,473</b>
Net Assets as at 01 January	4,906,252	12,268,328	22,240,973
Increase in units creation less redemption	6,633,202	8,954,823	11,193,529
Net increase in unitholders funds from investment activities	728,874	1,017,822	1,407,473
<b>Net Assets as at 31 December</b>	<b>12,268,328</b>	<b>22,240,973</b>	<b>34,841,975</b>

## **BASES AND ASSUMPTIONS**

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The bases and principal assumptions used by the Fund Manager in the preparation of the projected financial statements are set out below:

**a. Basis of presentation**

The projected financial statements have been prepared under the historical cost convention and in accordance with The Fund's normal accounting policies.

**b. Political and economic factors**

Changes in the political and economic climate will not adversely affect the operations of The Fund and there will be no significant changes in the Federal Government monetary and fiscal policies that will adversely affect The Fund. Activities on The Exchange would be positively impacted by government policies.

**c. Trading, Dividend and Interest incomes**

The Fund will experience an average 30% increase in its investment incomes during the period.

**d. Interest expense**

The Bank's ratio of interest expense to average deposits will be 6.83% in 2005, 5.55% in 2006 and 5.12% in 2007 respectively.

**e. Fees, commission and other income**

Fees, commission and other income as a ratio of gross earnings will be an average of 47% for the forecast period

**f. Operating expenses, Manager's and Trustees fees**

Cost operating expenses would managed to increase at no more than 20%, most of which will be inflationary costs. The basis for computing the Manager's and Trustees fees would not be increased.

**g. Management**

The quality of the Fund Manager, Trustees and Registrars will be sustained during the forecast period.