
YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE PROSPECTUS. BEFORE SUBSCRIBING, PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, BANKER OR AN INDEPENDENT INVESTMENT ADVISER REGISTERED BY THE SECURITIES AND EXCHANGE COMMISSION. THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS OF THE FUND MANAGER AND/OR PROMOTERS OF THE UNIT TRUST AND THEY JOINTLY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF ALL INFORMATION GIVEN AND CONFIRM THAT, AFTER HAVING MADE ALL ENQUIRIES, OMISSION 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 PAGE 27

DLM FIXED INCOME FUND ("DLM FIF")

(AUTHORIZED AND REGISTERED IN NIGERIA AS A UNIT TRUST SCHEME)

OFFER FOR SUBSCRIPTION
OF
5,000,000 UNITS OF ₦1,000.00 EACH ISSUED AT PAR

PAYABLE IN FULL ON APPLICATION

FUND MANAGER



RC 350764

COMMENCEMENT DATE: 28 APRIL 2021

AN APPLICATION HAS BEEN MADE TO REGISTER THIS PROSPECTUS AND THE UNITS WHICH IT OFFERS WITH THE SECURITIES AND EXCHANGE COMMISSION. THE INVESTMENT AND SECURITIES ACT 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.

INVESTORS MAY CONFIRM THE CLEARANCE OF THE PROSPECTUS AND REGISTRATION OF THE SECURITIES WITH THE SECURITIES AND EXCHANGE COMMISSION BY CONTACTING THE COMMISSION ON SEC@SEC.GOV.NG OR +234(0)94621100; +234(0) 94621168

THIS PROSPECTUS IS DATED 23 APRIL 2021

TABLE OF CONTENTS

Definition of Terms	3
Importance Notice	7
Abridged Timetable	9
Corporate Directory of the Fund Manager	10
Professional Parties to the Fund	11
The Fund	12
Summary of the Fund	13
Nigeria: General Overview	15
Information on the DLM Fixed Income Fund	22
A Brief on the Fund.....	22
Investment Objective and Policy.....	22
Target Investors.....	22
Investment Management/Strategy.....	22
Asset Allocation.....	23
Investment Incentives.....	23
Investment Discretion.....	23
Investment Guidelines And Restrictions.....	24
Subscriptions to the Fund.....	24
Distribution Options And Payment.....	24
Corporate Governance.....	25
Minimum Investment Period.....	25
Redemption of Units.....	25
Statement of Unit-Holdings.....	25
Transfer and Transmission of Units.....	26
Fees, Charges & Expenses of the Fund.....	26
Valuation of Assets and Declaration of Net Asset Value.....	26
Risk Factors.....	27
Information on the Fund Manager, Trustee and Custodian	29
The Fund Manager.....	29
The Trustee.....	38
The Custodian.....	41
Statutory and General Information	43
Procedure for Application and Allotment	72
Application Form	74

DEFINITION OF TERMS

“Affiliate”	means, having regard to a related party, any person, natural or corporate falling within the categories of the persons defined in CIS Rules December 2019
“Application Form”	means the form to be completed in order to apply for subscription to the Fund
“Benchmark”	means a recognized index appropriate for the investment strategy of the Fund, which shall be the yield on 5-year FGN Bond relevant for a period not less than 5 years
“Bid Price”	means the price, computed in accordance with the formula specified by the Fund Manager in accordance with SEC Rules, at which an investor may sell or redeem Units of the Fund at a stated point in time
“Business Day” or “Working Day”	means any Monday through Friday excluding days designated by the Federal Government of Nigeria as a public holiday
“CBN”	means Central Bank of Nigeria
“CCI”	means Certificate of Capital Importation
“Commencement Date”	means the date the Fund is opened for subscription as approved by the Commission;
“Custodian”	means United Bank for Africa Plc (UBA Plc) (Global Investor Services Division), or such other entity appointed by the Fund Manager with the prior approval of the Trustee and the Commission to hold and protect the assets of a collective investment scheme and duly licensed by the Commission as a custodian
“Custody Account”	means an account held by the Custodian into which all cash collections received will directly be deposited
“Custody Agreement”	means the agreement between DLM Asset Management Limited, United Bank for Africa Plc (UBA Plc) (Global Investor Services Division) and UTL Trust Management Services Limited
“Directors or Board”	means the directors of the Fund Manager who comprises those persons whose names are set out on pages 32 to 33 of this Prospectus
“Distribution Account”	means an Account held by the Custodian into which all interest earned is received and paid to the investors.
“Distribution”	means the distribution of income proceeds made semi-annually to Unitholders out of the profits of the Fund in any Financial Year

either in cash or in any other form that may be agreed by the Trustee and the Fund Manager

“DLMAM”	means DLM Asset Management Limited
“FGN”	means Federal Government of Nigeria
“FMDQ”	means FMDQ OTC Securities Exchange PLC
“Fund”	means DLM Fixed Income Fund by DLM Asset Management Limited
“Fund Manager”	means DLM Asset Management Limited
“ISA”	means Investments and Securities Act No. 29, 2007
“Initial Registered Units”	means 5,000,000 Units of ₦1,000 each issued at Par
“Investment Committee”	means the Investment Committee constituted under clause 39 of the Trust Deed
“LFN”	means Laws of the Federation of Nigeria
“Naira” or “₦”	means the Nigerian Naira, the official currency of the Federal Republic of Nigeria
“Net Asset Value” or “NAV”	means the value of all the assets of the Fund less liabilities attributable to the Fund;
“NEFT”	means National Electronic Funds Transfer
“NIBSS”	means Nigeria Inter-Bank Settlement System Plc
“NSE”	means Nigerian Stock Exchange
“Offer Price”	means the price at which a Unit of the Fund will be sold to the investing public on the relevant day
“Open-ended Fund”	means a fund that continuously creates additional units separate from its initial offering throughout its life. Investors can redeem Units of such a fund in line with the provisions of the Trust Deed constituting the Fund.
“Parties”	means professionals engaged; whose roles will ensure the success of the Placement
“Principal Transaction”	means transaction which, singularly or in aggregate of over a 12-month period equals five percent (5%) or more of the Fund’s net asset value (NAV), in which the Fund Manager enters with an affiliate of a related party as defined in CIS Rules December 2019.

“Prospectus”	means this document, which is issued in accordance with the provisions of the ISA and the rules and regulations of the SEC and which discloses important information about the Fund
“Register”	means the register of Unitholders to be maintained by the Registrars on behalf of the Fund Manager
“Registrar”	means Meristem Registrars & Probate Services Ltd or such other registrars as may be appointed by the Fund Manager
“Receiving Agent”	means a person or institution authorised to act on behalf of the Fund Manager for purposes of receiving application for subscriptions to the Fund
“Related Party”	means, in relation to the Fund, the Trustee, the Fund Manager and the Custodian, a party who directly or indirectly through one or more intermediaries’ controls, is controlled by, or is under common control with such entity which may include its holding company, its subsidiaries and the subsidiaries of its holding company;
“Related Party Transaction”	means transactions between the affiliates of Related Party and the Fund Manager
“SEC” or “the Commission”	means Securities and Exchange Commission
“Sponsor” or “Promoter”	means DLM Asset Management Limited
“Trust Deed”	means the trust deed constituting the Fund and any document supplemental thereto or executed in pursuance thereof, a summary of which is set out on pages 44 to 64 of this document.
“Trustee”	means UTL Trust Management Services Limited, their successors or such other replacement trustee or trustees as may be appointed in accordance with the provisions of this Trust Deed and the SEC Rules.
“Units”	means the units of the Fund.
“Unitholder”	means person(s) for the time being entered in the Register as beneficiaries of the Fund under the Trust Deed.
“VAT”	means Value Added Tax as provided for in the in the Value Added Tax Cap V1, LFN 2004 (as amended by the Value Added Tax (Amendment) Act No. 12 of 2017
“Valuation Day”	means any working day on which the Offer Price and Bid Prices are calculated after the conclusion of the initial offering
“WHT”	means Withholding Tax as provided for in section 78(2) of company income tax act, CAP C21, LFN 2004 and Section 70(2) of the Personal Income tax Act Cap P8, LFN 2004.

“Yield”

means cumulatively, the rate of income generated from a Unit in the form of dividends (dividend yield), or effective rate of interest paid from the Assets of the Fund.

IMPORTANCE NOTICE

An application has been made to register this Prospectus with the SEC. No person has been authorized by any of the Fund Manager or the Trustee to give any information, or to make any representation in connection with the Fund other than those contained in this Prospectus, and, if given or made, such information or representations must not be relied upon as having been authorized by the Fund Manager or the Trustee. Neither this Prospectus nor any other information supplied in connection with the Fund is intended to provide the basis of any subscription or evaluation with respect to the Fund or should be considered as a purchase recommendation by the Fund Manager or the Trustee to any recipient of this Prospectus or any other information supplied in connection with the Fund or the Units of the Fund. Each person contemplating purchasing of Units of the Fund should make his/her own independent investigation of the financial condition, affairs, and skill set of Fund Manager, as well as its own appraisal of the credit worthiness of the Fund.

This Prospectus includes information given in compliance with the SEC Rules and Regulation. The directors of the Fund Manager accept full responsibility for the information contained in this Prospectus and confirms, having made reasonable enquiry that to the best of its knowledge and belief there are no material facts, the omission of which, would make any statements within the Prospectus misleading. The SEC takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of this document.

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Units shall in any circumstances imply that the information contained herein concerning the Fund Manager is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Fund is correct as of any time subsequent to the date indicated in the document containing the same. The Trustee has an oversight responsibility over the financial condition or affairs of the Fund Manager throughout the life of the Fund or to advise any investor in the Fund of any information coming to their attention.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Units in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Units may be restricted by law to certain jurisdictions.

The Fund Manager and the Trustee do not represent that this Prospectus may be lawfully distributed, or that any Units may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Fund Manager or the Trustee which is intended to permit a public offering of the Fund or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Unit may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or the Units may come must inform themselves about and observe any such restrictions on the distribution of this Prospectus and the offering, sale and trading of the Units.

In making an investment decision, investors must rely on their own independent examination of the Fund Manager and the terms of the Units being offered, including the merits and risks involved. None of the Fund Manager or the Trustee makes any representation to any investor regarding the legality of its investment under any applicable laws. Any investor should be able to bear the economic risk of an investment in the Fund for an indefinite period of time.

FORWARD LOOKING STATEMENTS

Certain statements included herein may constitute forward-looking statements that involve a number of risks and uncertainties. Such forward-looking statements can be identified by the use of forward looking terminology such as “estimates”, “believes”, “expects”, “may”, “are expected to”, “intends”, “will”, “will continue”, “should”, “would be”, “seeks”, “approximately”, or “anticipates”, or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, plans or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the Fund Manager’s intentions, beliefs or current expectations concerning, amongst other things, the Fund’s results of operations, financial condition, liquidity, prospects, growth, strategies and the markets in which it operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Prospective investors should be aware that forward-looking statements are not guarantees of future performance and that the Fund’s actual results of operations, financial condition and liquidity and the development of the market in which it invests may and will differ materially from those made in or suggested by the forward-looking statements contained in this Prospectus. Such forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realised.

The Fund Manager is not obliged to, and does not intend to, update or revise any forward-looking statements made in this Prospectus whether as a result of new information, future events or otherwise that occur subsequent to the date of this Prospectus. All subsequent written or oral forward-looking statements attributed to the Fund Manager, or persons acting on the Fund Manager’s behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Prospectus. A prospective subscriber to the Fund should not place undue reliance on these forward-looking statements.

PRESENTATION OF INFORMATION

Third Party Information

The Fund Manager has obtained certain statistical and market information that is presented in this Prospectus on such topics as the Nigerian economic landscape and related subjects from certain government and other third-party sources described herein. The Fund Manager has accurately reproduced such information and, so far as the Fund Manager is aware and is able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Nevertheless, prospective investors are advised to consider this data with caution. Prospective investors should note that some of the Fund Manager’s estimates are based on such third-party information. The Fund Manager has not independently verified the figures, market data or other information on which third parties have based their studies. Certain statistical information reported herein has been derived from official publications of, and information supplied by, a number of Government agencies and ministries, including the Central Bank of Nigeria (“CBN”), the Nigerian Debt Management Office (“DMO”) and the Nigerian National Bureau of Statistics (“NBS”). Official data published by the Nigerian government may be substantially less complete or researched than those of more developed countries. Nigeria has attempted to address some inadequacies in its national statistics through the adoption of the Statistics Act of 2007, which established the National Statistical System and created the NBS (which came into existence as a result of the merger of the Federal Office of Statistics and the National Data Bank) as its coordinator.

Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

ABRIDGED TIMETABLE

Date	Activity	Responsibility
April 23, 2021	Hold signing ceremony	Fund Manager/All Parties
April 27, 2021	File executed Fund documents with the SEC	Fund Manager
April 28, 2021	Commencement Date	Fund Manager
[•]	Receiving Agents makes returns	Fund Manager
[•]	Collection of subscription monies	Custodian
[•]	Return rejected application monies	Registrars/Fund Manager
[•]	Distribution of Unit Statements	Registrars
[•]	List on the FMDQ OTC Securities Exchange/Nigeria Stock Exchange	Stockbroker
[•]	Forward Scheme Post Registration Report to the SEC	Fund Manager

CORPORATE DIRECTORY OF THE FUND MANAGER

FUND MANAGER/ SPONSOR

DLM ASSET MANAGEMENT LIMITED

Lagos Office

66 - 68 Alexander Avenue

Ikoyi

Lagos, Nigeria

Tel: +234015151115

+234 015151116

Abuja Office

Left Wing, 2nd Floor Nikon Plaza

242 Muhammadu Buhari Way

Central Business District

Abuja

Tel: +234 9 292 0816

Email: am@dml.group

Website: www.dml.group

DIRECTORS OF THE FUND MANAGER

Mr. Sonnie Ayere

66 - 68 Alexander Avenue

Ikoyi

Lagos, Nigeria

Mr. Kennedy Ighodaro

66 - 68 Alexander Avenue

Ikoyi

Lagos, Nigeria

Mr. Malcolm Gilroy

66 - 68 Alexander Avenue

Ikoyi

Lagos, Nigeria

PRINCIPAL OFFICERS OF THE FUND MANAGER

- Mr. Akintunde Adekunle
- Mr. Abdulmuttalib Garba
- Mr. Ohiani Idawu
- Mrs. Tosin Alabi
- Mr. Alex Ibhade

INVESTMENT COMMITTEE MEMBERS

- **Mr. Akintunde Adekunle** (*Representative of Fund Manager, DLM Asset Management Limited*)
- **Mr. Sonnie Ayere** (*Representative of Fund Manager, DLM Asset Management Limited*)
- **Mrs. Taiwo Sonola** (*Representative of Custodian, UBA Plc*)
- **Mr. Ekom Umossogh** (*Representative of Trustee, UTL Trust Management Services Limited*)
- **Mr. Eguarekhide Longe** (*Independent Member*)

PROFESSIONAL PARTIES TO THE FUND

TRUSTEE TO THE FUND	UTL TRUST MANAGEMENT SERVICES LIMITED 47 Marina, ED Building Lagos Island Lagos, Nigeria
CUSTODIAN TO THE FUND	UNITED BANK FOR AFRICA PLC (UBA PLC) UBA House 57 Marina Rd, Lagos Island Lagos, Nigeria
REGISTRAR TO THE FUND	MERISTEM REGISTRARS & PROBATE SERVICES LTD 213 Herbert Macaulay Way Yaba Lagos, Nigeria
TRANSACTION COUNSEL	G. ELIAS & CO. 6 Broad Street Lagos Island Lagos, Nigeria
STOCKBROKERS TO THE FUND	DLM SECURITIES LIMITED 66 - 68 Alexander Avenue Ikoyi Lagos, Nigeria

THE FUND

A COPY OF THIS PROSPECTUS TOGETHER WITH THE DOCUMENTS SPECIFIED HEREIN, HAVING BEEN AGREED TO BY THE SPONSOR AND APPROVED BY THE TRUSTEE, HAS BEEN DELIVERED TO THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION") FOR REGISTRATION.

THIS PROSPECTUS IS BEING ISSUED IN COMPLIANCE WITH THE PROVISIONS OF THE INVESTMENTS AND SECURITIES ACT NO 29 2007, AND THE RULES AND REGULATIONS OF THE COMMISSION FOR THE PURPOSE OF GIVING INFORMATION TO THE PUBLIC WITH REGARDS TO THE OFFER FOR SUBSCRIPTION OF UNITS IN THE SCHEME.

THE DIRECTORS OF THE FUND MANAGER COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION GIVEN AND CONFIRM; HAVING MADE REASONABLE ENQUIRIES THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO MATERIAL FACTS, THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT CONTAINED THEREIN MISLEADING.



OFFER FOR SUBSCRIPTION

AND IS AUTHORIZED TO RECEIVE APPLICATIONS FOR

UP TO 5,000,000 UNITS OF ₦1,000.00 EACH AT PAR

IN THE

DLM FIXED INCOME FUND

(AUTHORIZED AND REGISTERED IN NIGERIA AS A UNIT TRUST SCHEME)

PAYABLE IN FULL ON APPLICATION

COMMENCEMENT DATE: 28 APRIL 2021

SUMMARY OF THE FUND

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

Fund Manager/Sponsor	DLM Asset Management Limited
Trustee	UTL Trust Management Services Limited
Custodian	United Bank for Africa Plc (UBA Plc)
Initial Registered Units	5,000,000 Units of ₦1,000.00 each issued at Par
Value of Initial Registered Units	₦5,000,000,000 (Five Billion Naira)
Method of offer	Offer for Subscription
Nature of the Fund	<p>The Fund is classified as an Open-ended Unit Trust Scheme. The Fund aims to generate income as well as preserve investor capital by investing in a diversified portfolio of high-quality fixed income securities; including Federal Government bonds, State government bonds, corporate bonds and other debt instruments. The Fund shall also invest a portion of its assets in quality money market instruments.</p> <p>Investors will be free to subscribe to the Units through the Fund Manager or any other agent approved by the Fund Manager after this Initial Registered Units.</p> <p>The Fund has an initial target of 5,000,000 Units. However, the Fund Manager will issue additional Units of the Fund to subscribers on demand after the Initial Registered Units have been fully subscribed.</p>
Investment Objectives	The primary objective of the Fund is to achieve competitive returns on its assets with minimal risk as capital preservation and income generation are its focus.
Currency of the Fund	Nigerian Naira (₦)
Target Investors	The Fund is aimed at investors who require liquidity and have a low risk appetite. It is also targeted at investors who wish to benefit from prevailing and historically high interest rates in Nigeria in an optimal manner. The Fund is open to both Retail and Institutional Investors
Offer Price	₦1,000.00 per Unit
Units of Sale	500 units and multiples of 100 units thereafter
Payment Terms	Payable in full on application
Mandatory Subscription	In accordance with section 450 (2) of SEC Rules, the Sponsor of the Fund shall subscribe to a minimum of 5% of the registered units of the Fund at inception and these units shall be held for the life of the Fund.
Commencement Date	April 28, 2021

Minimum Investment Period	The minimum investment holding period is 90 calendar days from the date of subscription. Unitholders will be eligible to withdraw their investment after the minimum investment period.
Redemption	<p>Unit holders are entitled to redeem all the Units held by them at the Bid Price on any Business Day, provided redemption documents are received in accordance with the instructions specified by the Fund Manager from time to time. Redemption shall be effected within five (5) Business Days following the receipt of the redemption notice by the Fund Manager.</p> <p>Where the number of Units after redemption falls below the minimum permissible holding, the Fund Manager may advise the Unitholder to redeem all his units. No additional Charges will be required on redemption. However, Units redeemed before the expiration of the Minimum Investment Period (90 days) will attract a fee of 0.75% on the income accrued on such investment.</p>
Dividends, Distribution and Re-Investment Options	The Fund shall pay dividend semi-annually on each financial year to eligible Unitholders. Such Unitholders may decide to receive cash via electronic transfer or for such dividend to be re-invested in additional units of the Fund at the Offer Price on such distribution day.
Status	The initial Units of the Fund offered for subscription shall rank pari-passu with other future Units to be offered.
Issue of Further Units	The Fund will continuously create additional units separate from its initial offering throughout its life. Any additional units created by the Fund Manager shall be registered with the Commission before further issuance. Investors can subscribe to the Units of the Fund from the Fund Manager or any of its designated receiving agents or through any medium that may be approved and provided by the Fund manager from time to time.
Listing	No application has been made to the Council of the NSE or FMDQ (or any other authorized exchange) for the admission to list the Units being offered for subscription. However, the Fund Manager shall seek a memorandum listing of the Fund on the NSE and/or the FMDQ (or any other authorized exchange) on a later date.
Oversubscription	In the event of an oversubscription, additional units of the Fund will be registered with SEC.
Investment Risks	The risks associated with investing in the Fund are set out on the section labelled "Risk Factors" on page 27 of this Prospectus.
Fund Benchmark	The Fund Benchmark is a recognized index appropriate for the investment strategy of the Fund, which shall be the yield on 5-year FGN Bond relevant for a period not less than 5 years
Governing Law	The Laws of the Federal Republic of Nigeria

NIGERIA: GENERAL OVERVIEW

The global economic outlook has been revised downwards from the estimates in January 2020 largely due to collapse in consumption driven by a number of factors including the global coronavirus pandemic, trade tensions between the US and China; weak business confidence; and BREXIT. In April, the IMF underscored the high level of uncertainty around its outlook, noting that a longer, deeper crisis could result in a contraction of 6% for 2020 and 0% growth in 2021. In the Euro area, growth is projected to fall by around 8.20%, larger-than-anticipated falls in activity in France, Italy and Spain amid lockdowns that were more stringent than those in some other countries.

Emerging markets are a mixed bag; how hard they will be hit will depend largely on capital flows, level of dependence on commodities, macroeconomic policy, stimulus package roll-out and the degree of trade and investments protectionism. While monetary policymakers continue to ramp up their actions, financial conditions continue to tighten for most markets. Currently, the negative effects of the virus are particularly strong in Asia, Europe and North America. While the adverse consequences of these developments for other countries are significant, including demand for imported goods and services, a recession is unavoidable in other big economies due to spillover effects.

Emerging Markets (EM) excluding China are expected to fall by 4.5% in 2020, reflecting the deterioration in the health crisis in many of the largest EMs, including in Brazil, India and Russia. The biggest forecast cut was to India where growth is now anticipated at 5% decline in the current financial year, in contrast to an earlier forecast of growth of 0.8%. India has had a very stringent lockdown policy that has lasted a lot longer than initially expected and incoming economic activity data has been spectacularly weak. Infections accelerated sharply in Brazil and Russia from mid-April and with their GDP is now expected to fall by 6% in Brazil (revised from -4%) and by 5% in Russia (-3.3%) this year.

Oil prices plunged to 18-year low as global crude demand collapse

A rapid build-up of oil stocks is starting to saturate available storage capacity, pushing down oil prices. As at 18th March 2020, U.S. crude prices slumped below \$23 a barrel - lowest level in eighteen years, while global crude sank near \$26 per barrel, as investors continue to re-set prices in the wake of airline travel restrictions, collapsing China demand and a new market share battle between Russia and Saudi Arabia. The total cost of oil production in different countries varies considerably. Clearly, with Saudi Arabia boasting the lowest oil production costs (c.\$9 - total cash cost per barrel) in the world, countries with higher costs of production have been severely impacted by the downturn. The impacts will also be felt throughout oil's global supply chains and ripple into other parts of the energy sector. Notably, the outbreak of COVID-19 and failed agreement on oil production cuts has forced OPEC into a downward review of global oil demand growth to 0.99 million barrels per day (bpd) in 2020. As the world grapples with the health threat posed by the novel coronavirus, the secondary threats of the coronavirus including economic and financial consequences have come into clear view and could trigger business and sovereign debt crises.

The domestic economy

With c.200 million people and annual population growth rate of c.2.6%, Nigeria is the most populous country in the Africa continent and accounts for c.50% of West Africa's population. Nigeria has a maximum crude oil production capacity of 2.5 million barrels per day and has consistently ranked as Africa's largest producer and eleventh largest in the world. Nigeria's petroleum industry is the largest in Africa with proven oil and gas reserves of 36.97 billion barrels and 200.79 trillion cubic feet respectively. The country's economy is driven largely by its heavy dependence on oil earnings, growing SMEs activities and a traditional subsistent agricultural economy.

The pace in the Nigerian economy remained soft in 2020 amid COVID-19 pandemic and medium-term outlook hangs on a framework of a coordinated policy outline. The outbreak of coronavirus in Nigeria has

prompted the Federal Government to enforce containment measures such as business and border closures, albeit on a smaller scale, resulting in considerable domestic economic disruption and uncertainties. The Central Bank of Nigeria (CBN) and the fiscal authorities have rolled out policy measures to help alleviate the negative impact of COVID-19 pandemic on the economy. These measures include: 1) reduction of interest rate on its intervention loans from 9% to 5%; 2) floating of a new N50 billion fund for NIRSAL Microfinance Bank for on-lending to small and medium enterprises; 3) naira devaluation at the Investors & Exporters (I&E), Bureau De Change (BDC), and official markets; 4) One-year extension of moratorium on intervention loans; 5) downward review of the 2020 fiscal budget; 6) direction of all Oil companies and all related companies (oil services) to sell FX to CBN instead of Nigerian National Petroleum Commission (NNPC); 7) suspension of foreign exchange sales to members of the Association of Bureau De Change Operators of Nigeria, to check speculative demand for foreign currencies. The CBN also announced a N1.1 trillion stimulus to support local manufacturing companies and boost import substitution as well as credit support intervention for the health sector. The N50 billion credit facility stimulus package aims to cushion the effects of COVID-19 on households and MSMEs, it aims to support households and MSMEs whose economic activities have been disrupted by COVID-19 pandemic and stimulate credit to MSMEs to expand their productive capacity through equipment upgrade, research and development. While the stimulus package is a step in the right direction, in the short term, investors still have to contend with other fundamental macroeconomic issues such as the implications of lower crude oil price on FAAC, exchange rate depreciation, depletion of foreign reserves, inflationary pressures, stock market slump and general investors' sentiments.

The economy recorded a growth of 2.27% to ₦145.64 trillion in 2019, from 1.90% or ₦129.11 trillion recorded in 2018. The performance was supported by strong growth in services and agriculture sectors which recorded a growth of 2.22% and 2.31% respectively. Industry GDP growth moderated to 2.31% year-on-year in 2019 but remained significantly stronger than the 0.95% year-on-year growth reported in 2018. The growth in industry mirrored production-induced growth in oil GDP in 2019. As at Q3 2019, the Federal Government's actual aggregate revenue was ₦4.25 trillion, which is 81% of the pro-rata target (and 52% more than Q3 '18). This includes: Oil Revenue of ₦1.44 trillion; Company Income Tax (CIT) of ₦595.27 billion; Value-Added Tax (VAT) of ₦81.36 billion; and Customs Collections of ₦184.10 billion. Drawings from the Special Accounts also accounted for a significant share of the revenues within the period. Of the total budgeted expenditure of ₦8.92 trillion, ₦5.81 trillion was spent as at 30th September, 2019 against the prorated expenditure budget of ₦6.69 trillion, representing 86.9% performance.

Over the last decade, several initiatives have been put in place to improve the country's macroeconomic management and international image such as tighter monetary policy and financial sector reforms. Borrowings to fund gaps in government revenue has become the norm in Nigeria and external risks stem from the fact that external debt has risen sharply by \$20.75 billion from \$6.92 billion in June 30, 2013 to \$27.67 billion as of December 31, 2019. Debt to GDP ratio at 19% in 2019 is conservative by international standards but appear susceptible to revenue shocks especially during lower crude oil prices.

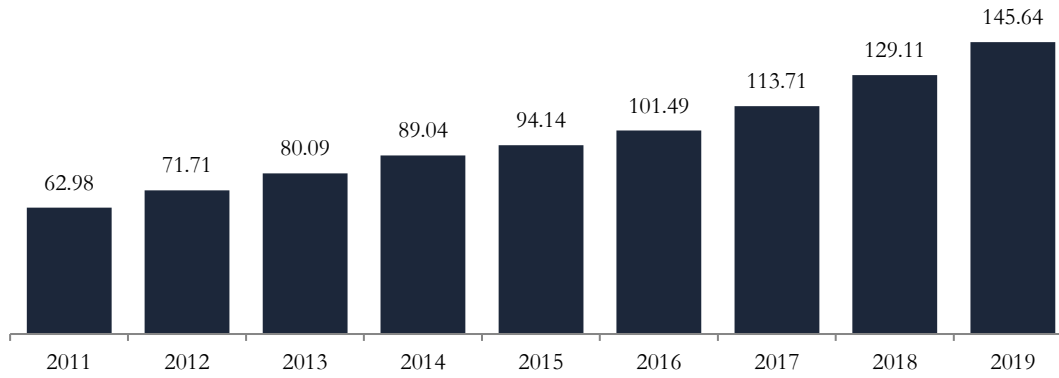
Table 1: Macroeconomic Indicators

Indicators	
GDP (₦'tr), 2019	145.64
GDP (US\$'Bn), 2019	404.55
GDP Growth Rate (%)	2.27%
Population, Mn	200
GDP Per Capita (US\$)	2,087.62
External Reserves (US\$'Bn) (June 04, 2020)	36.56
Domestic Debt, (₦'Tr) (December. 31, 2019)	18.38
External Debt (₦' Tr) (December. 31, 2019)	27.67
Debt/Gdp (%), December. 2019	19.00

Monetary Policy Rate (%) (May 2020)	12.50
Inflation (%), April, 2020	12.34
Inflation (%), 12-Mth. Av.	11.71

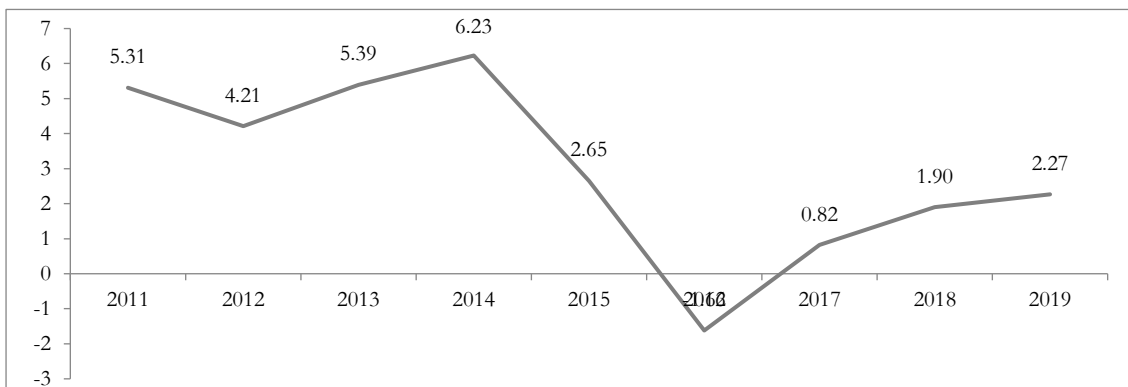
Source: National Bureau of Statistics, Debt Management Office, DLM Research

Figure 1: Nigeria's GDP (₦'Tr)



Source: National Bureau of Statistics

Figure 2: Nigeria's Nominal GDP Growth % (2011 – 2019)



Source: National Bureau of Statistics

Business Environment

Nigeria is one of the preferred investment destinations in Africa though it remains less attractive to investors than its African peers, such as Tanzania, Kenya, Ghana, and South Africa. The key challenges holding Nigeria back are its infrastructure deficit, high interest rate environment, social unrest, potential and inadequate power supply amongst other consideration. Nigeria only generates an average of 3,500MW daily, creating a deficit of 94,500MW. The low power supply, coupled with a large population, makes electricity costly. This translates to a higher operating cost for businesses as electricity is a major component of total operating expenses. A favourable business environment will lead to the start-up of new businesses and the expansion of existing ones across different sectors of the economy which would boost the economy's total out-put as the confidence of investors and business owners are usually strengthened by a thriving economy. Nigeria ranks 146 in 2019 World Bank ease of doing business out of 190 nations considered in the report.

The World Bank ranking is a step back from the 2018 ranking which placed Nigeria at 145th position out of 190 countries, with the nation moving up by 24 points from the 169th position on the 2017 ranking. According to the World Bank, Nigeria has made starting a business easier with the introduction of an online platform to pay stamp

duties, leading to a reduction in the time to start a business from 19 to 11 days. The World Economic Forum in its 2018 Global Competitiveness Index, ranked Nigeria 115 out of 140 countries, representing a downgrade from its 2017/2018 ranking of 112 out of 135 countries. However, Nigeria improved in four of twelve ranking pillars such as Infrastructure, Health, Business Dynamism, and Innovation Capability. This highlights the need for improvement in key areas such as Institutions, ICT adoption, macroeconomic environment, labour market, financial market amongst others. This provides unique insight into the drivers of productivity and prosperity of the nation's economy going forward.

Fiscal Policy and Government Debt

The Federal Government of Nigeria adopted an expansionary fiscal policy in 2018 and implemented a Fiscal Policy Measures (FPM) effective 27th July 2018, which replaced the 2016 FPM. The 2018 FPM is aimed at encouraging investment in certain critical industries, stimulate local production and discourage consumption of certain items, generate jobs and broaden wealth-creating opportunities to achieve inclusive growth. The Federal government's principal source of raising domestic capital includes treasury bills and issuance of Federal government bonds which now account for over 65% of domestic debt stocks. The nation's total domestic debts rose from ₦3.2 trillion in December 2009 to ₦18.38trillion as at 31 December 2019. Total public debt as at December 2019 stood at ₦27.40trillion (\$84.05billion), decomposed into ₦21.01trillion (\$66.89bn –FGN only), and ₦5.60trillion (\$17.16bn – States and FCT). Progress was made towards achieving the target debt stock mix of 60% (Domestic) and 40% (External).

The Debt Management Office announced plans to issue a 30-year Federal Government of Nigeria Bonds (FGN Bonds) for the first time which was intended to meet the needs of annuity funds and other long-term investors while also developing the domestic capital market and reducing the re-financing risk of the Federal government. The current debt dynamics show the increasing strain on government revenues to meet its growing obligations. The rise in the nation's domestic debt stock was as a result of the need for the government to provide long term funding for its planned infrastructure developments and budgetary allocations. However, there is a need to adopt a cautious approach towards borrowing through improved fiscal prudence and ensuring that all debts are channeled towards specific investments in infrastructure that support the creation of employment opportunities, economic growth and ease of re-payment. Overall, Nigeria has one of the lowest debt-to GDP ratio which stands at c.19% below the globally acceptable benchmark of c.30% of GDP for frontier markets.

National Budget

On 17 December 2019, the President signed the 2020 appropriation bill of ₦10.60billion into law. The 2020 National Budget seeks to continue the reflationary & consolidation policies of the 2018 and 2017 Budgets respectively. The 2020 Budget proposal was initially based on the Oil price benchmark of \$57 per barrel; Oil production of c.2.18 million barrels per day, including condensates; and exchange rate of ₦305/\$. The Nigerian government announced some significant changes to the 2020 budget as measures to contain the effect of the outbreak of coronavirus on the nation's economy with a cut in the oil price benchmark to \$28 per barrel, oil production to 1.8 million barrel per day, and an exchange rate of ₦360/\$1. The approved revised budget of ₦10.52 trillion, is lower than the ₦10.60trillion initially approved in December 2019.

The aggregate revenue available to fund the 2020 budget is projected at ₦8.42 trillion (3.2% or ₦263.94 billion more than the Executive proposal, and 10.9% more than 2019 Budget of ₦7.59 trillion). Aggregate capital expenditure of ₦2.78 trillion is 26.2% of total expenditure; and 12.6% less than 2019. At ₦2.45 trillion, debt service is 23.2% of total expenditure, and 14.5% higher than 2019. Overall budget deficit is ₦2.175 trillion for 2020. This represents 1.52% of GDP, which is within the threshold stipulated in the Fiscal Responsibility Act (FRA) 2007. The deficit is expected to be financed by a combination of domestic and foreign borrowing (domestic sources ₦744.99 bn; foreign sources ₦850bn; Multi-lateral / bi-lateral loan ₦328.12bn), indicating a gradual shift

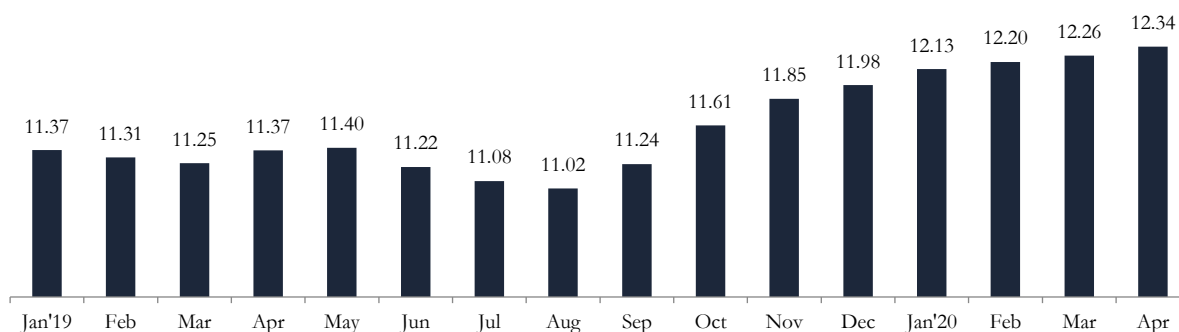
away from commercial to more concessionary financing. Total revenue consists of oil revenue projected at ₦2.73 trillion while non-oil revenue is estimated at ₦1.81 trillion.

Monetary Policy and Inflation

The Central Bank of Nigeria relaxed its tight monetary policy stance in May 2020 in a bid to stimulate the economy. In the pursuit of that objective, the Bank adjusted the Monetary Policy Rate (MPR) by 50bps to 12.50% after having held the rate at 13.50% since March 2019. However, the Cash Reserve Ratio (CRR) and Liquidity Ratio were retained at 27.50% and 30% respectively. The decision of the CBN to reduce the Monetary Policy Rate was informed by the impact of the Covid-19 pandemic on the economy, increased inflationary pressure, restrictions in international trade among other considerations. Subsequent to the decline in oil price and the attendant depreciation of the Naira, meeting demand for foreign exchange, and making sure that it gets to the end-users at the fixed rate has been one of the toughest tests for the Central Bank of Nigeria (CBN) in recent times. However, the gradual increase in oil prices and Federal government external commercial borrowings will help to increase foreign currency inflows into the Nigerian economy.

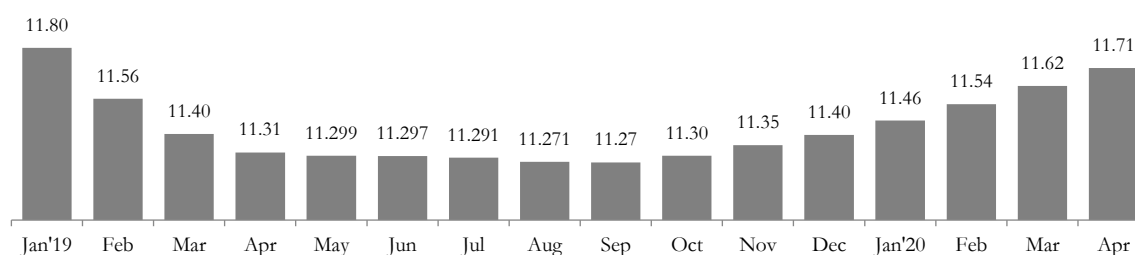
Nigeria’s headline inflation rate increased by 12.34% (year-on-year) in April 2020 from 12.26% recorded in March 2020. On a month-on-month basis, the Headline index increased by 1.02% in April 2020, representing 0.18 percentage rate higher than the rate recorded in March 2020 of 0.84%. Increases were recorded in all Classification of Individual Consumption by Purpose (COICOP) divisions that yielded the Headline index. The urban index rose by 1.06% in April 2020, up by 0.18 from 0.88% recorded in March 2020, while the rural index also rose by 0.98% in April 2020, up by 0.18 from the rate recorded in March 2020 (0.80) percent. The composite food index rose by 15.03% in April 2020 compared to 14.98% in March. This rise in the food index was caused by increases in prices of potatoes, yam and other tubers as well as bread and cereals, fish, oils and fats, meat, fruits and vegetables.

Figure 3: Nigeria’s Headline Inflation Rate (%); Jan. 2019 – Apr. 2020



Source: NBS, DLM Research

Figure 4: Nigeria: Average Annual Headline Inflation, Jan. 2019 – Apr. 2020

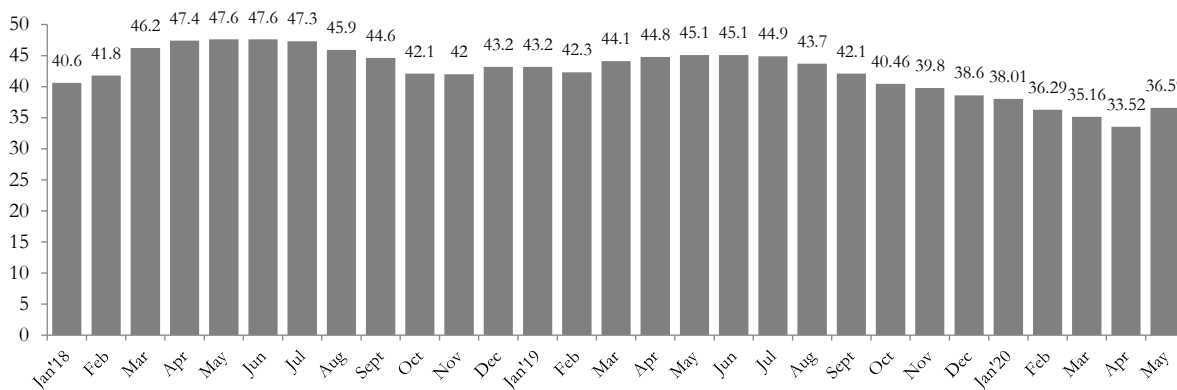


Source: CBN, NBS, DLM Research

External Reserves

Oil has remained the major source of Nigeria’s foreign exchange earnings, accounting for over 90% of its foreign exchange. This explains the vulnerability observed in its capital account as a result of the fluctuations in crude oil prices. Nigeria’s External reserves have recovered significantly from \$23billion in October 2016. While the reliance on crude oil exposes the domestic economy to external shock, this support the need to diversify the nation’s foreign earning sources. Nigeria’s external reserves averaged \$11,450.90billion from 1960 until 2018, reaching an all-time high of \$62,081.86billion in September 2008 and a record low of \$63.22million in June 1968. As at 29 May 2020, the nation’s external reserves stood at \$36.59billion, a decrease of 5.18% from the \$38.60billion recorded as at 31 December 2019. This is despite the sharp decline in the country’s import bill, as a direct result of the June 2015 CBN’s policy to restrict FX access to items which could be produced locally: the “41-items policy”. Despite the initial pushbacks against this policy, it has no doubt heralded significant benefits for the country’s \$50.5 billion reserve and above Egypt’s \$38 billion as of end-February 2018. The current level of reserves is adequate to meet the nation’s import bill for over 14 months reflecting a healthy import cover and putting Nigeria in a relatively favourable position. However, the sustainability of the reserves which is largely affected by adverse movement of oil prices in the international markets and oil production levels remains a challenge for the CBN as it continues to intervene in the FX market. Higher oil prices, increased foreign portfolio inflows and less CBN interventions in the foreign exchange market are key factors likely to spur reserve accretion.

Figure 5: CBN Foreign Reserves, 2018 – May 2020 (\$'bn)



Source: CBN, DLM Research

Capital Importation

Capital importation into Nigeria stood at \$3.80bn as at Q4 2019. This represents a decline of 32.42% when compared to the Q3 2019, and a 77.67% increase when compared to the Q4 2018. The bulk of FPI inflow was channeled into money market instruments (78.71%).

As at Full Year 2019, the total value of capital importation into Nigeria stood at \$23.99 billion, representing an increase of 42.69% compared to FY 2018. The largest amount of capital importation by type was received through Portfolio investment, which accounted for 68.22% (\$16.37bn) of total capital importation.

Table 2: Capital Importation

Capital Importation	Total 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Total 2019
Foreign Direct Investment	1,194.67	247.37	223.14	206.58	257.25	934.34
<i>Equity</i>	<i>1,189.03</i>	<i>246.67</i>	<i>223.14</i>	<i>202.88</i>	<i>249.55</i>	<i>922.24</i>
<i>Other Capital</i>	<i>5.64</i>	<i>0.70</i>	<i>-</i>	<i>3.70</i>	<i>7.7</i>	<i>12.10</i>
Portfolio Investment	11,802.27	7,106.16	4,348.67	3,027.05	1,883.58	16,365.46
<i>Equity</i>	<i>2,362.73</i>	<i>656.23</i>	<i>497.62</i>	<i>385.69</i>	<i>353.65</i>	<i>1,893.19</i>
<i>Bonds</i>	<i>966.82</i>	<i>567.15</i>	<i>316.28</i>	<i>91.60</i>	<i>47.36</i>	<i>1,022.39</i>
<i>Money Market Instruments</i>	<i>8,472.72</i>	<i>5,882.78</i>	<i>3,534.77</i>	<i>2,549.76</i>	<i>1,482.57</i>	<i>13,449.88</i>
Other Investment	3,815.53	1,154.95	1,480.50	2,393.25	1,661.55	6,690.25
<i>Trade Credits</i>	<i>6.92</i>	<i>-</i>	<i>0.11</i>	<i>-</i>	<i>-</i>	<i>0.11</i>
<i>Loans</i>	<i>3,522.83</i>	<i>755.94</i>	<i>1,067.02</i>	<i>1,774.88</i>	<i>1,480.94</i>	<i>5,078.78</i>
<i>Currency Deposits</i>	<i>1.03</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2.96</i>	<i>2.96</i>
<i>Other Claims</i>	<i>284.75</i>	<i>399.01</i>	<i>413.37</i>	<i>618.37</i>	<i>177.65</i>	<i>1,608.40</i>
Total	16,812.47	8,508.48	6,052.31	5,626.88	3,802.38	23,990.05

INFORMATION ON THE DLM FIXED INCOME FUND

A BRIEF ON THE FUND

The DLM Fixed Income Fund is structured as an Open-ended Scheme and duly authorized and registered in Nigeria as a Unit Trust Scheme under Section 160 of the ISA. The Fund is constituted by a Trust Deed in favour of UTL Trust Management Services Limited as Trustee. 5,000,000 Units are being offered for subscription at the launch of the Fund. The Fund aims to pool together investors' funds and to achieve as high a level of return as is consistent with its stated objectives.

The primary objective of the Fund is capital preservation and income generation. The Fund aims to achieve its investment objective by investing in a diversified portfolio of high-quality fixed income securities. The Fund shall also invest a portion of its assets in quality money market instruments.

INVESTMENT OBJECTIVE AND POLICY

The investment objectives of the DLM Fixed Income Fund are capital preservation and income generation.

The Fund will invest at least 70% of its assets in high quality fixed income securities including government bonds, corporate bonds and other debt instruments with a term to maturity not less than 365 days, while a maximum of 30% will be invested in quality money market instruments including Treasury Bills, Banker's Acceptances, Commercial Papers, Promissory Notes, Certificates of Deposit and Fixed Deposits with banks rated investment grade and above in Nigeria.

To ensure sound investment selection, portfolio and risk management practices, the Fund will adopt a portfolio strategy that will largely depend on fundamental and technical analysis in order to properly assess the inherent risks within the context of the Fund profile. In order to accomplish the objectives of the Fund, the Fund Manager will rely on its team of experienced personnel.

The Investment Policy of the Fund adheres to asset selection and allocation geared towards achieving the investment objectives of the Fund. Material changes to the Fund's investment objective would only be made subject to the prior approval of Unitholders.

TARGET INVESTORS

The Fund is open to both Retail and Institutional Investors. The Fund is targeted at:

- Investors with low to medium risk appetite and who do not want any exposure to equities
- Investors who require liquidity
- Investors who want little volatility or price fluctuation
- Investors who wish to benefit from attractive returns earned by the pooling together of funds to obtain better bargaining power
- Investors who wish to reduce concentration risk by diversifying their investments

INVESTMENT MANAGEMENT/STRATEGY

The Fund will choose from the range of permissible investments in order to constitute a portfolio which offers the ideal mix of low risk and competitive return. The composition of the portfolio depends on the market expectations of the Fund Manager.

The Fund Manager shall adopt a mix of bottom-up and top-down approaches in its research and analysis of the universe of permissible debt and money market instruments to invest the Fund's assets in. The top-down approach

will consider the macro economic environment prevailing at any point in time and assess risk and return from a macro perspective using historic data to analyse global, national, industry and sector relevant metrics. The bottom-up approach will be used in assessing the impact of individual securities to the Fund risk and return objectives. It will adopt a forward-looking methodology to security selection.

The Investment Committee will be responsible for determining the Investment Policy of the Fund and the asset allocation range in accordance with prevailing market conditions.

ASSET ALLOCATION

The Fund will invest its assets in high quality debt instruments and money market instruments

The permissible asset classes within the Fund are as follows:

- Fixed Income Instruments – Federal, State Government and Corporate Bonds and other fixed income instruments; and
- Money Market Instruments – This includes treasury bills, Bankers’ Acceptances, negotiable certificates of deposit, other Money Market Funds and other instruments introduced and approved by the Central Bank of Nigeria from time to time and as permissible.

Subject to the provisions of the Trust Deed, the Investment Committee will set asset allocation guidelines for the Fund from time to time. The Fund Manager shall aim to maintain the following Asset Allocation for the Fund under normal market conditions:

Proposed Instruments	Asset Allocation (%)
FGN Bonds	30 – 100
State Government Bonds	20 – 80
Corporate Bonds	20 – 70
Other Debt Instruments (Short-term notes, CPs)	20 – 70
Money Market Instruments	10 – 30
Cash	0 – 05

However, in certain circumstances, where the Investment Committee shall consider and declare market conditions to be abnormal and/or extreme, thus potentially prejudicial to Unitholders’ interests, the Fund may deviate from the stipulated bands, until such time as the Investment Committee no longer considers market conditions to be extreme.

INVESTMENT INCENTIVES

The Fund will utilise the market bargaining power obtained from pooling of funds to enable investors to enjoy competitive returns at minimal risk. The Fund will also give investors access to liquidity, diversification, and professional portfolio management.

INVESTMENT DISCRETION

The Fund Manager will exercise its discretion on investment of the Fund pursuant to the Trust Deed, policies instituted by the Investment Committee and in accordance with the Investment and Securities Act 2007 and Rules and Regulations of the SEC as prescribed from time to time. Within these bounds, the Fund Manager will be

responsible for all the decisions as to the investment strategies, assets, size and timing of the investment the Fund seeks to make.

INVESTMENT GUIDELINES AND RESTRICTIONS

The Fund Manager shall strictly adhere to the investment objective of the Fund by investing only in such instruments that are permissible in accordance with SEC Rules, allowable under the Trust Deed and authorised by the Investment Committee. The Fund Manager is guided by certain restrictions as stated in the Trust Deed, the main provisions of which are summarised from pages 44 to 64 of this Prospectus.

The following restrictions will however, apply:

- Investments shall not be made for exercising control over the management or operating policies of issuers of securities held.
- The Fund may not make loans except that it may buy and hold qualifying debt instruments in accordance with its mandate.

SUBSCRIPTIONS TO THE FUND

The Fund shall be open for subscription throughout its life. Units shall be created and offered at the Offer Price on the day the Fund Manager receives the request of subscription. The Offer Price shall be determined by the NAV at the close of business every day.

Prospective Unitholders can subscribe to the Fund from the Fund Manager or its designated agents which the Fund Manager may from time to time provide.

DISTRIBUTION OPTIONS AND PAYMENT

Unitholders may elect to receive Distributions either by bank transfer or reinvestment of such Distributions by purchasing additional Units in accordance with the provisions of the Trust Deed. Unitholders may indicate their desired Distribution option at the point of subscription to Units of the Fund on either the Application Form or subscription form as prescribed by the Fund Manager from time to time. The Distribution options available to Unitholders are described below:

- **Reinvestment Option:** Under this option, distributions are to be automatically reinvested in additional Units of the Fund at the Offer Price on the day of the reinvestment. Where an investor reinvested in additional units, a new statement shall be issued to reflect his/her new holding.
- **Bank Transfer Option:** A Unitholder who selects this option will be paid any Distributions applicable to the Units held by electronic transfer directly into the Unitholder's bank account as indicated by the Unitholder on the Application/subsription Form of the Fund.

Unitholders may change their Distribution option by written notice to the Fund Manager at any time and not later than 10 (ten) working days before a distribution payment date.

FOREIGN CURRENCY INVESTORS

Foreign currency investments shall be converted to Naira at the prevailing interbank exchange rate on the day of subscription. Foreign currency subscribers will be requested to complete an application form and the bank where the designated account opened by the Custodian is domiciled shall issue CCIs to such foreign currency subscribers upon receipt of payment. The CCI should be kept by the foreign currency subscriber as it will be required for a

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.

CORPORATE GOVERNANCE

The Fund shall have an Investment Committee ("Committee") which shall be primarily responsible for the establishment of investment and risk management policies of the Fund. The Committee will also have oversight over all investment activities of the Fund, consistent with the provisions of the Trust Deed and in accordance with the SEC Rules and Regulations. The Investment Committee shall at every point in time have a minimum of 3 (three) members comprising a representative of the Trustee, a representative of the Fund Manager and at least 1 (one) independent member with no affiliation to either the Fund Manager, the Trustee, or the Custodian. The members must have relevant qualifications and experience in investment and financial matters.

The Committee shall be responsible for setting guidelines and risk limits for investment of Fund assets subject to the provisions of the Trust Deed, SEC rules, the ISA and any regulatory constraints to which the Fund is subject. In the event of differences amongst the respective provisions of the Committee's guidelines, the Trust Deed and any applicable regulatory requirements, the most restrictive provision will apply. The Committee will receive and consider periodic reports including compliance and risk reports relating to the Fund's activities.

The Committee will meet at least quarterly to set investment policies, determine overall investment strategy and to consider asset allocation and portfolio reporting. The Committee will also set and monitor investment guidelines including investment concentration and risk limits. In addition, the annual reports and accounts of the Fund will be reviewed by the Committee. The audited accounts of the Fund will be published and distributed to all Unitholders annually. Monthly and other periodic reports on the activities of the Fund will be filed with the Commission and the Trustee in accordance with the SEC Rules and Regulations. Please see pages 35 to 36 for profiles of members of the Fund Investment Committee.

MINIMUM INVESTMENT PERIOD

The minimum investment holding period is 90 days from the date of subscription. Unitholders will be eligible to withdraw their investment after the minimum investment period at no additional charge.

REDEMPTION OF UNITS

Unit holders are entitled to redeem all the Units held by them at the Bid Price on any Business Day, provided redemption documents are received in accordance with the instructions specified by the Fund Manager from time to time. Redemption shall be effected within five (5) Business Days following the receipt of the redemption notice by the Fund Manager.

Where the number of Units after redemption falls below the minimum permissible holding, the Fund Manager may advise the Unitholder to redeem all his units. No additional Charges will be required on redemption. However, Units redeemed before the expiration of the Minimum Investment Period (90 days) will attract a fee of 0.75% on the income accrued on such investment.

STATEMENT OF UNIT-HOLDINGS

A Unitholder shall be issued with an electronic Statement of Unitholding, via e-mail, evidencing its ownership of the Units of the Fund unless the Unitholder elects to receive a physical Statement of Unitholding. Joint Unitholders shall be entitled to only one electronic Statement of Unitholding for Units held jointly by them. Where a statement of unitholding is issued to the joint Unitholders, it shall be issued in the names of the joint Unitholders and delivery of a Statement of Unitholding to one of the joint Unitholders shall be sufficient delivery to all such Unitholders

TRANSFER AND TRANSMISSION OF UNITS

Every Unitholder shall be entitled to transfer any or all of the Units held by him through the Fund Manager upon the execution by the transferor and the transferee and the delivery to the Fund Manager of such transfer instrument as may be prescribed by the Fund Manager from time to time. Provided, however, that no transfer of part of a holding of Units shall be registered if in consequence thereof either the transferor or the transferee would hold less than the minimum number of units as determined by the Fund Manager.

FEES, CHARGES & EXPENSES OF THE FUND

a. FEES

The breakdown of the fees payable are as follows:

Management Fee	An annual Management Fee of 1.50% of the Net Asset Value which is payable semi-annually in arrears
Trustee	An annual fee of 0.15% of the Net Asset Value which is payable semi-annually in arrear
Custodian	An annual fee of 0.04% of the Net Asset Value which is payable semi-annually in arrears
Incentive fee	20% of the excess returns above the total annualized returns of the Fund Benchmark
Issue expenses	The costs, charges and expenses of, and incidental to, the Initial Registered Units including fees payable to the Securities & Exchange Commission, professional parties, brokerage commission and printing and distribution expenses are estimated at 0.98% (₦49,000,000) of the gross proceeds which will be borne by the Fund.

b. OPERATING EXPENSES

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 and this could entail payments to DLM Asset Management Limited and other Parties in respect of specific services provided for the Fund.

The total operating expenses to be borne by the Fund (including the annual management fee but excluding the incentive fee) will be met from the Deposited Property and shall not exceed 3.50% of the Fund's Net Asset Value per annum or as may be approved by the Commission from time to time.

VALUATION OF ASSETS AND DECLARATION OF NET ASSET VALUE

The valuation of the units shall be done at the close of each Business Day in accordance with the formula provided in Schedule VI of the SEC Consolidated Rules.

Add securities /investments (as applicable):

Quoted equities	x
Fixed income investments	x
Other investments (with disclosures)	x
Cash and bank	x
Dividend/income	x
Less payables (if any, with disclosures)	(x)

Net asset before fees		X
<u>Less expenses (as applicable):</u>		
Auditor's fee	(x)	
Custodian's fee	(x)	
Fund manager's fee	(x)	
Trustee's fee	(x)	
Registrar's fee	(x)	
Other allowable fees and expenses (with disclosures)	(x)	
Total fees		(X)
Net asset value after fees		X
<u>Less charges:</u>		
Stamp duty (0.0075 x Quoted ordinary shares)	(x)	
Brokerage fees (0.003 x Quoted ordinary shares)	(x)	
Securities Exchange (sell only) (0.003 x Quoted ordinary shares)	(x)	
CSCS (sell only) (0.0075 x Quoted ordinary shares)	(x)	(X)
Bid Value at Valuation Date		X
Bid Price =	Bid Value at Valuation Date /	
	Number of Outstanding Units	

RISK FACTORS

The Fund Manager will exercise all necessary caution in investing monies mobilised by the Fund. However, no guarantees can be given that the Fund's objectives will be realised. A subscription to the Fund should therefore be a calculated risk as it is subject, amongst other things, to rate changes in the Nigerian debt market.

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 might also be subject to currency fluctuations and exchange control regulations in the jurisdiction of which they are citizens, residents or domiciled and in which they conduct business. They are advised to consult their own professional advisers, in those regards.

The following specific risk factors should be considered when deciding whether to invest in the Fund:

a. Market Risk

This is the risk of a downturn in any sector of the market, which may lead to loss of investor confidence in the fixed income securities. If the Fund is invested in any of the fixed securities market, the value of such a fund will likely reduce in the sector invested as the value of the investments it contains goes down.

b. Business Risk

This is the risk of a reduction in asset value as a result of unexpected changes in the operating dynamics of immediate business environment in which the fund exists. Investments in Funds are subject to market fluctuations and other risks inherent to investing in debt securities and other financial instruments. The price of the securities can go down as well as up. An investor may not get back the amount he has invested.

c. Liquidity Risk

Liquidity risk exists when some of the Funds' investments may be difficult to sell due to unforeseen economic or market conditions, such as the deterioration in the creditworthiness of an issuer. In case of

a large redemption request, the Funds may consequently not be able to sell certain assets to meet the redemption requirement or may not be able to sell certain assets at levels close to current valuation price.

d. Interest Rate Risk

This is the risk that fluctuations in interest rates might adversely affect the value of the assets to be invested in.

e. Credit Risk

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

INFORMATION ON THE FUND MANAGER, TRUSTEE AND CUSTODIAN

THE FUND MANAGER

PROFILE

DLM Asset Management Limited (“**DLMAM**” or the “**Fund Manager**”) is a limited liability company incorporated in Nigeria on February 16, 1999 as Access Investment and Securities Limited under the Companies and Allied Matters Act (“**CAMA**”).

The name of the company was changed on May 30, 2014 following its acquisition by the DLM Capital Group (“**DLM Group**”). DLMAM is a duly licensed as Portfolio/Fund Manager and Investment Advisor regulated by the Securities & Exchange Commission of Nigeria (SEC) on July 27, 2009. The company is an Indirect wholly owned subsidiary of the DLM Group.

Objectives of DLMAM

- Build solid fund(s) management capability by utilising in-house research and best-in-class portfolio management techniques.
- Develop white label funds for smaller banks with little fund management capacity.
- Create a suite of Nigerian capital market indexes.
- Build local index funds.
- Partner with international asset managers to provide international fund service to high net-worth individuals and institutional buyers like pension funds and insurance companies.
- Where appropriate, acquire existing funds under management from other managers.
- Set-up, structure and invest in investment vehicles.

DLMAM’s business serves two key types of clients:

1. Individual Clients: This cuts across all strata of the society from low income earners, upwardly mobile executives and high net worth individuals (HNIs); and
2. Institutional Clients: including small and medium scale enterprises, corporations and federal and state departments, and agencies.

Investment Principles

- i. *Capital Preservation*: the primary investment principle of DLMAM is to guard against the depletion of capital invested by adopting investment strategies to create, accumulate and preserve wealth.
- ii. *Security*: based on best investment strategies and assessment of risks, DLMAM strives to ensure that clients’ funds are invested in assets that provide the most appropriate level of security for the client’s risk profile.
- iii. *Liquidity*: In view of today’s ever-changing economic and financial landscape, and recognising the impact of these on clients’ portfolios, DLMAM pays attention to the ease of investing into and divesting from an asset or asset class, particularly in emerging and frontier markets, given the fact that the market in such environments are not more susceptible to shocks.
- iv. *Sustainable Returns*: Whilst DLMAM employs the best-in-class combination of people and technology to achieve optimal returns on clients’ portfolios, the company endeavours to ensure that the returns they deliver are above designated benchmarks and, more importantly, sustainable.
- v. *Performance Transparency*: To demonstrate commitment to achieving the company’s investment objective, DLMAM shares portfolio performance, and appropriate benchmarks, with the utmost transparency

- vi. *Fundamental Research*: all investment decisions made in DLMAM are based on through investment analysis and research prepared by a team of analysts with reliable knowledge and insight regarding the domestic financial markets.

Investment Philosophy

DLMAM Investment Philosophy is customer focused, the company's team of experienced Investment professionals are available to help guide its clients to an investment decision based on its client's needs and the company's core Investment Principles as follows:

- Investment Goal
- Investment Horizon
- Risk Tolerance
- Core Research

Leveraging on its in-depth research capabilities on the domestic and global financial markets, and risk management strategy, all driven by a robust technological deployment, the company is able to deliver risk adjusted returns by beating set benchmarks.

Approach

DLMAM's bespoke investment scheme; High Interest Investment Plan (HIIP) employs a tactical asset allocation strategy and together with its securities trading desk expertise, consistently achieve competitive returns.

Track Record

Following the effective commencement of business in February 2014, the Company has recorded remarkable growth in its assets under management ("AuM") both for individual and institutional clients. Following the acquisition of AISL, through innovation, the new management of DLMAM has been able to restructure and refocus the new company to achieve this significant increase in AuM. This growth was achieved on the back of the Company's key ethics i.e. Trust, Integrity, Performance.

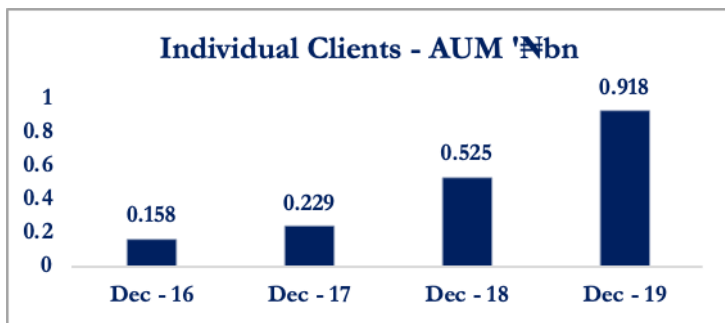
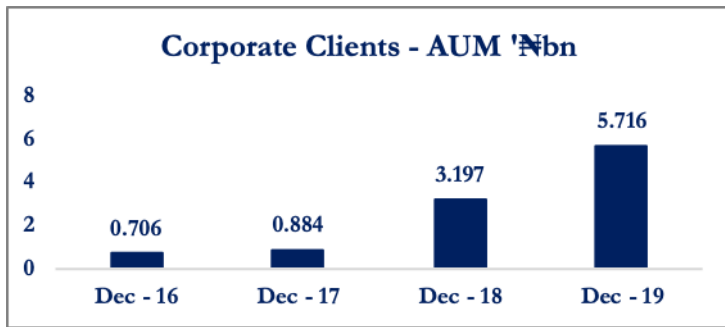
DLMAM has successfully executed the following mandates:

- Fund Manager to Cash Collections on the FMBN Series 2 (₦6 Billion) and Series 3 (₦24.56 Billion) bonds;
- Fund Manager to Akwa-Ibom Corporation (AKICORP) (₦2 Billion)
- Over 400 retail clients with AUM of over (₦600 Million)
- Fund Manager for DLM Trust Company (₦1.5 Billion)

As at December 31, 2019 the Company's Asset under management was approximately **₦6.63 billion** broken down as follows:

- Individual clients – c. ₦918.54million
- Institutional clients – c. ₦5.71billion

DLM Asset Management has grown its Assets Under Management c.6 times, from c. ₦865million in December 2016 to c.₦6.63billion by December 2019.



Investment Research

DLMAM has an experienced research team and uses its expertise to provide coverage to the company's diverse client base. The scope of research reports produced by its research team are as follows:

1. Fixed Income
 - a. Historical FGN Bonds & Yields
 - b. Implied FGN Yields
 - c. Outstanding FGN Bonds by Volume & TTM
 - d. FGN Bond Market Capitalisation
 - e. Treasury Bills Auction Results
 - f. Open-Market Operations (OMO) Auction results
 - g. Daily Benchmark T.bills Discounts & Yields
 - h. Outstanding T.Bills & Market capitalisation
 - i. Corporate & Sub-national bonds
 - j. FGN & Corporate Eurobonds
2. Money Market & FX
 - a. Banks & Discount Houses Balances With CBN
 - b. wDAS/rDAS Auction Summary
3. Economy
 - a. GDP Report
 - b. Inflation Report
 - c. Budget Analysis
4. Equities
 - a. Banking, Cement, Consumer Goods, Breweries, Oil & Gas, Construction, and Agriculture
 - b. Daily Equity Market Brief
 - c. Weekly Stock Recommendations

DIRECTORS

Sonnie Ayere

Director

Sonnie Ayere has over 27 years of solid corporate and structured finance, corporate banking and asset management experience working with the following institutions in London – HSBC Bank, NatWest Bank, The Sumitomo Mitsui Bank, Bank of Montreal (BMO)-Nesbitt Burns (the investment banking arm of the Bank of Montreal), the International Finance Corporation (IFC) - World Bank Group - based in Washington D.C. and then Johannesburg, South Africa, the United Bank of Africa Group (“UBA”)Plc. in Lagos, Nigeria and finally founded DLM.

Following a successful career in corporate banking and later corporate finance at HSBC, NatWest and The Sumitomo Mitsui bank, Mr. Ayere joined BMO Nesbitt Burns and worked as part of the team responsible for setting up a US\$20bn Fixed Income Structured Investment Vehicle (“SIV”) and worked as an analyst / investment manager in charge of investing in complex asset backed securities, mortgage backed securities, corporate bonds, bank subordinated debt to include asset and other types of swaps etc. He then joined the IFC in Washington and held the position of senior investment officer responsible for structured finance for Africa and Co-Head – Financial Markets Business Development – Sub Saharan Africa (Anglophone and Lusophone Countries); thereafter, he joined UBA Group as the Pioneer Managing Director/CEO of UBA Global Markets (“UBAGM”), the investment banking subsidiary of United Bank for Africa from August 2005 to January 2009.

Mr. Ayere then went on to establish DLM in early 2009. He possesses extensive cognate experience in fixed income capital markets; as such has played a pivotal role in originating and executing several notable transactions in securitisations, and other various structured finance related transactions internationally and in Nigeria. Mr. Ayere is a member of the Nigerian Bond Steering Committee, SEC committee on Market structure & reforms, the Steering Committee for the review of the Foreclosure and Securitization Law of Nigeria, the Central Bank of Nigeria (“CBN”) FSS2020 Technical Steering Committee. He obtained his first degree in Financial Economics from the University of Dundee, Scotland in 1993. He is an Alumni of Cass Business School London (MBA), 1996 and London Business School, 1996. Mr Ayere is also registered with the UK Financial services authority (FCA) and was conferred with an Honorary Doctorate Degree in Science (DSc) from the European-American University in 2009.

Kennedy Ighodaro

Director

Kennedy Ighodaro has over 27 years work experience spanning eight years of venture capital operations, over ten years in the banking industry and the rest in the manufacturing and service-oriented industries. Prior to joining DLMAM, he was the Country Manager of West Africa Venture fund (WAVF LLC), Sierra Leone for over four and half years. WAVF LLC was established by the International Finance Corporation (IFC), the development arm of the World Bank Group to deliver risk capital (private equity/venture capital) and technical assistance services to small and medium enterprises (SMEs) in two post-war countries of Sierra Leone and Liberia.

Prior to this, he was Chief Finance Officer and General Manager at Armored Technologies & Systems Limited (AT&S) on secondment from Unique Venture Capital Management Company Limited. Before he joined the venture capital industry, he had over a decade experience in the banking industry with Fidelity Bank Plc; Commercial Bank (Credit Lyonnais Nigeria) Limited and the mortgage finance sub-sector. He held various positions in the banks including Branch Manager, Group Head, Banking Operations and Head, International Operations & Correspondent Banking etc.

He commenced his working career with 7 UP Bottling Company Plc, Ijora Lagos in the Internal Audit department from where he joined the Mortgage finance industry.

He has the following Qualifications:

HND, Accountancy, Yaba College of Technology, 1989; BSc. Finance & Banking from University of Port-Harcourt, 2010; MB, University of Lagos, 2002; Fellow Chartered Accountant (FCA), Institute of Chartered Accountants of Nigeria (ICAN); Member, Chartered Institute of Bankers of Nigeria (CIBN); Member, Nigerian Institute of Management (MNIM).

Malcolm Gilroy

Director

Malcolm Gilroy has had an extensive career in global capital markets. He has held senior management positions on both the buy side and sell side of the debt and equity markets. He has also been retained as a consultant to many major corporations and in 2004 was retained by IFC (World Bank Group) to advise the Nigerian government on measures to be taken to rejuvenate the Nigerian bond market. Many of the suggestions provided mypharmacyexpert.com by IFC in this exercise were incorporated into the regulations that guided the establishment of the FGN Primary Dealer Market Maker trading initiative in 2006.

Mr. Gilroy was the Global Head of Sales & Trading for DLM. Prior to this he was the Head of Wealth Management for Afrinvest West Africa. Previous experience in Nigeria includes being Managing Director of FDHL a consulting company in Lagos, (where clients included the Central Bank of Nigeria, the SEC and Debt Management Office); The Head of Global Wealth Management for UBA Capital in Lagos Nigeria. As such the UBA Stockbrokers; UBA Asset Management and UBA Insurance Brokerage subsidiaries reported to him, in addition to the Asset Management and Wealth Management businesses housed in London. Prior to this he was the Global Head of Sales & Trading & Deputy Managing Director for UBA Global Markets. Before coming to Nigeria, Mr. Gilroy was the President and CEO of Cambrian Capital Management Ltd. in Canada.

As an Investment Counsel he has managed global bond; equity; balanced; managed futures and option writing mandates for clients such as Shell Canada Pension; Colleges of Arts and Technology Pension Fund; Atlas Funds (sub of Merrill Lynch, Canada) and Croft Funds, in Toronto.

Malcolm moved to the buy side of the investment business in 1993, after a career of 20 years on the sell side where he served as the Senior Vice President and Treasurer of UBS Canada; Head of Fixed Income for First Boston Canada and Executive Director and Head of Investment Banking for First Chicago, Canada. He was instrumental in the formation of the interest rate and currency swap markets of Canada and has run both fixed income and foreign exchange departments for a number of international banks. Mr. Gilroy has served on many industry committees including the Canada Foreign Exchange Committee, at the invitation of the Bank of Canada; the Toronto CFA Society – Fixed Income Committee and the Toronto CFA Society – Wealth Management Committee.

He holds a Bsc degree in Business Science from the University of Cape Town, 1969. He is a Fellow of the Canadian Securities Institute F.C.S.I, Investmnets and Securities.

PRINCIPAL OFFICERS OF THE FUND MANAGER

The Fund Management Team will be led by Akintunde Adekunle as the Chief Executive Officer of the Fund Manager.

Akintunde Adekunle

Chief Executive Officer

Mr. Akintunde Adekunle serves as the Chief Executive Officer of the Fund. He is an experienced investment management professional with over thirteen years' experience in Asset management.

Until recently, he was the fund Manager at Nestle Nig. Trust (CPFA) Ltd. At Nestle, he was responsible for analyzing various investment instruments and making recommendations to both Management and Board

Investment Committees while ensuring strict compliance with both internal and regulatory policies. He managed funds with an AUM of over ₦30billion. He also developed a Cash flow management template that optimised the use of available funds for investments increasing ROI by 66.57%.

Prior to this, he was the Head of Investments at IEI Anchor Pension Managers Ltd and before that he was the Head, Treasury & Investments at Union Assurance Company Plc (now Allianz Nig. Insurance). He also has experience as an Investment Manager, Fund Management Executive and Treasury Officer

He has attended several trainings and conferences such as Nigeria Infrastructure Financing & Investment Conference; Professional Pension Fund Management Techniques; Technical Analysis for Traders & Investment Analysts; Risk in Financial Services etc. He holds a post-graduate degree in Finance & Investment Management from the University of Hertfordshire, 2009; and a BSc. Economics from the Ogun State University, 2003.

Abdulmuttalib Garba

Chief Investment Officer

Abdulmuttalib's career spans 14 years starting with investment product sales with ARM Investment Managers in 2005. Later, he worked at CSL Securities for sell-side equity research; and was a portfolio manager at its subsidiary, FCMB Asset Management where he developed and managed structured, investment products, a listed mutual fund, discretionary accounts. He also worked as the Principal Investment Officer with Mainstreet Trustee and Asset Management. He joined DLM in 2012 as Investment Executive.

Vastly experienced with the Nigerian financial market, he brings his wealth in investment themes, product development, investment processes and asset classes within Nigeria. He has also consulted on venture capital, infrastructure credit risk and advisory roles.

He holds a Bachelors' degree in Agricultural Engineering from University of Maiduguri, 2003; Member, CQF Alumni Certificate in Quantitative Finance.

Alex Ibhade

Head, Research

Alex Ibhade is currently the Head of Research at DLM Capital Group. He holds a Bachelors' degree in economics from the University of Ado-Ekiti, Nigeria, 2004 (now Ekiti State University), and a Masters' degree in Investment Banking from the University of Salford, Manchester, United Kingdom, 2009.

With over seven years' experience, much of Alex's career revolved around investment banking and research. Alex formulate opinions on public and private companies in various sectors through valuation and industry specific research. Alex's work has been acknowledged by various Nigerian dailies, international investors and available on Bloomberg and Reuters for investment decision.

Prior to working at DLM Capital Group, Alex worked as a Research Analyst at LeadCapital covering periodic economic review, equity cover on selected companies and occasional equity market analysis on CNBC Africa.

Ohiani Idawu

Chief Risk Officer

Ohiani is a Certified Fraud Examiner, Certified Risk practitioner and SEC (Nigeria) Registered Compliance Officer with over a decade career experience in areas of fraud, risk, internal audit, control and compliance. He has hands-on experience leading GRC transformation, driving growth and delivering value across the financial services industry.

As Consultant for two leading International firms, he was involved in championing and implementing cross-border Compliance Regulations across various businesses, while also establishing the Compliance Directorates of two investment banks in Nigeria.

Ohiani was Member of Executive Council and Publicity Secretary of the Risk Management Association of Nigeria and served as Chairman, Research and Development for the SEC Committee of Chief Compliance Officers of Capital Market Operators in Nigeria. At DLM Asset Management Limited, he leads the Compliance role for the Asset Management Business.

He holds an BSC degree in Accounting from University of Benin, Nigeria, 2006 and MBA in Finance, Obafemi Awolowo University, 2012

Tosin Alabi
Head, Legal

Tosin was called to the Nigerian Bar in 2013 after obtaining an LL.M in Corporate and Commercial Law from Queen Mary University, 2012; LL.B. from the University of Leicester in the United Kingdom, 2011 and a BA in Economics from McMaster University, Ontario, Canada, 2009. She started her professional career in legal practice, and has over the years developed competence in providing legal and regulatory support and transactional advice to businesses in the financial sector.

Tosin has exceptional interest and expertise in providing strategic advice to participants in structured finance transactions and has worked with clients to develop practical and innovative funding solutions for public and private organizations with complex funding needs across various sectors in Nigeria.

Prior to joining DLM Capital Group, Tosin was the Head of the Solicitors Department and Team Lead of the Capital Market and Structured Finance practice group of Perchstone&Graeys, a leading commercial law firm in Lagos, Nigeria, where she was responsible for leading the teams that provide advice to domestic and international clients on Finance and Corporate Commercial issues.

INVESTMENT COMMITTEE FOR THE FUND

The Investment Committee will advise and guide the Fund Manager on its investment strategies and policies in order to ensure that its activities conform with the Fund’s established investment objectives and in the overall interests of the Unitholders. In addition, the Investment Committee will pay special regard to the SEC guidelines regarding restriction on investments as prescribed from time to time. The Investment Committee will also review the portfolio periodically in order to assess liquidity positions and evaluate the risk parameters and will, from time to time, rebalance the portfolio.

The membership of the Investment Committee of the Fund is as follows:

S/N	MEMBERS
1.	Mr. Akintunde Adekunle (<i>Representative of the Fund Manager, DLM Asset Management Limited</i>)
2.	Mr. Sonnie Ayere (<i>Representative of the Fund Manager, DLM Asset Management Limited</i>)
3.	Mrs. Taiwo Sonola (<i>Representative of the Custodian, UBA Plc</i>)
4.	Mr. Ekom Umosoh (<i>Representative of the Trustee, UTL Trust Management Services Limited</i>)
5.	Mr. Eguarekhide Longe (<i>Independent Member</i>)

Akintunde Adekunle
 (Profile provided above)

Sonnie Ayere

(Profile provided above)

Ekom Umosoh – Representative of the Trustee

Ekom is a versatile and sound Corporate Solicitor with over twenty-five years post qualification experience in litigation, banking and financial law. Ekom holds a LL.B. Degree from the University of Uyo (1991) and a B.L. award from the Nigerian Law School (1992).

Prior to joining Union Trustee Limited, he was a Legal practitioner with Messrs Udom and Udom (SAN) and later the Managing Partner of Ace Partners. Ekom has attended various local and international training programs, notably in the areas of Estate Planning and Probate Practice, Mastering Public Private Partnership and the Euro-Money Training on Advanced Project Finance, amongst others. He is a member of the Society of Trust and Estate Practitioners (STEP).

Taiwo Sonola – Representative of the Custodian

Taiwo has several years' experience in Treasury marketing and Relationship Management. She started her career as a counsel at S.M. Olakunrin & Co. in 1993. Later that year, She moved to Strachan Partners (formerly known as J.B. Majiyagbe & Co) also as a counsel and in 1994, she became a Legal Officer at A.G. Leventis Nigeria Plc where she assisted the company secretary in the management of the company's legal/company secretarial matters.

In 2001, Taiwo started her journey into the financial sector with the then Magnum Trust Bank, (now Sterling Bank) as a Client Relationship Officer and in 2007, she moved to UBA Trustee Limited in 2007 as Assistant Vice President, Trust Services. Later that year, Taiwo rose to become the Head, Business Development & Relationship Management, UBA Global Investor Services (GIS) at the United Bank for Africa (UBA) Plc, the role she has actively played until February 2013 when she became the Head, Global Investor Services till date.

She is a member of the Nigerian Bar Association, the Acting President of the Association of Assets Custodians of Nigeria and sits on the Board of Trustee of the FMDQ Investor Protection Fund.

Eguarekhide Longe – Independent Member

Eguarekhide has over 20 years' experience working in the Capital Market, spanning Stock broking, Asset Management and Investment Banking. He has hands-on and senior management experience in setting up processes, developing operations/systems, strategy and business and product development. He is the Managing Director of AIICO Pension Managers Limited. Prior to this, Eguarekhide worked at Diamond Capital & Financial Markets Limited (subsidiary of Diamond Bank PLC) as the Head of the Asset Management division. He was also for three years the MD/CEO of Kakawa Asset Management Limited from 2005-2008.

He has held senior management positions in leading Dealing member firms of the Nigerian Stock Exchange and worked in Pension Management and Venture Capital environments at Shell Trustee Nigeria Limited (now Shell Closed Pension Fund Administrators) and First Funds Limited, respectively. He is the Chairman of PFI Capital Ltd.

Eguarekhide holds a B.Sc. in Political Science University of Ibadan, Nigeria (1986) and an MBA IESE Business School University of Navarra, Barcelona, Spain (2002). He is a Fellow of the Chartered Institute of Stockbrokers of Nigeria. He was appointed Managing Director/CEO of AIICO Pension Managers in November 2011.

FINANCIAL SUMMARY OF THE FUND MANAGER

<u>STATEMENT OF FINANCIAL POSITION</u>					
Financial Period Ended 31, December	2019 Mgt ₱	2018 ₱	2017 ₱	2016 ₱	2015 ₱
<u>Assets</u>					
Non-Current Assets	451,520,256	407,001,852	410,015,055	420,129,878	430,244,700
Current Assets	6,402,909,555	3,869,018,583	474,978,003	286,665,559	59,525,106
Total Assets	6,854,429,811	4,276,020,435	884,993,058	706,795,437	489,769,806
<u>Liabilities</u>					
Total Liabilities	6,465,985,745	3,917,959,347	553,277,371	363,982,434	131,999,308
<u>Equity</u>					
Total Equity	388,444,066	358,061,088	331,715,687	342,813,003	357,770,498
Total Equity and Liabilities	6,854,429,811	4,276,020,435	884,993,058	706,795,437	489,769,806
<u>PROFIT AND LOSS ACCOUNT</u>					
Financial Period Ended 31, December	2019 Mgt ₱	2018 ₱	2017 ₱	2016 ₱	2015 ₱
Gross Earnings	521,044,393	228,464,712	49,865,373	47,407,355	11,714,720
Profit Before Tax	32,988,201	24,289,137	(10,551,090)	(14,457,493)	(45,193,340)
Taxation	(2,605,221)	(2,583,953)	(396,227)	(650,002)	(756,224)
Profit After Tax	30,382,979	21,705,184	(10,947,317)	(15,107,495)	(45,949,564)

THE TRUSTEE

PROFILE

UTL Trust Management Services Limited (formerly Union Trustee Limited) has over five decades of consistent professional expertise and experience in diverse kinds of Trust transactions. Incorporated in 1966 as a subsidiary of Barclays Bank (Nigeria) Limited, UTL commenced its operations as a Nominee company.

Today, UTL is engaged in the business of Public, Corporate and Private Trusteeship as well as Fund/Portfolio Management with excellent record of service delivery. The company was licensed by the Securities and Exchange Commission (SEC) as a Trustee on June 4, 1992.

SERVICE OFFERINGS

- Bond Trusteeship
- Portfolio/Fund Management
- Trust of Consortium Finance
- Property Management
- Nominee Services
- Custodian Trusteeship
- Estate Planning/Wills
- Administration

TRANSACTION EXPERIENCE – COLLECTIVE INVESTMENT SCHEMES

- Trustee – UBA ₦1 Billion Bond Fund
- Trustee – UBA ₦1 Billion Equity Fund
- Trustee – UBA ₦1 Billion Balanced Fund
- Trustee – UBA ₦1 Billion Money Market Fund
- Trustee – Union Trustee Ltd. ₦4 Billion Mixed Fund
- Trustee – Vetiva ₦4 Billion ETF Index Fund
- Trustee – Vetiva Griffin 30 Exchange Traded Fund
- Trustee – Vetiva Banking Exchange Traded Fund
- Trustee – Vetiva Consumer Goods Exchange Traded Fund
- Trustee – Vetiva S&P Sovereign Exchange Traded Fund

DIRECTORS AND MANAGEMENT TEAM

Dr. Shamsudden Usman, CON, OFR Chairman

He is a Nigerian economist and banker. He is currently the CEO of SUSMAN & Associates, an economic, financial and management consulting firm headquartered in Nigeria.

Dr. Usman was the Minister of National Planning of Nigeria (January 2009 to September 2013) and Finance Minister of Nigeria (June 2007 to January 2009). Dr. Usman has had a varied working experience, including serving as MD/CEO, NAL Merchant Bank and Deputy Governor, Central Bank of Nigeria. He was appointed a Director of the Company on 9th of March, 2015.

Olufunke Aiyepola (Mrs)**Managing Director/CEO**

She is the MD/CEO of UTL Trust Management Services Limited. She studied Law at the University of Ife (now Obafemi Awolowo University) before proceeding to the Nigerian Law School. She holds an MBA from the Pan African University. She has thirty (30) years of Banking/Trusteeship experience, having worked in the Legal Department of Union Bank of Nigeria Plc and as Head of Trust services, Union Trustee Ltd.

Mrs. Aiyepola has attended various professional courses locally and abroad, some of which include, Entrepreneurship, International Financial Law, Law and Practice of Banking, Building New Businesses in Established Institutions.

She was a Director of UBN Insurance Brokers Limited, EX OFFICIO of the Association of Corporate Trustee and is a Council Member of the Association of Investment Advisers and Portfolio Managers.

Olaide Omotoro**Head, Corporate Services/CFO**

Olaide is a highly creative and growth oriented professional with extraordinary multitasking and learning skills. She has over 18 years of cognate and broad professional experience spanning various functions such as Audit & Internal Control, Financial Management, Treasury, Corporate Finance and Tax Management in various establishments. She holds a BSc degree in Accounting from Ogun State University and an MBA (Finance) from the University of Lagos. She is an Alumna of Stern School of Business (NYU). Prior to joining Union Trustee Limited, she was the Group Executive, Integration at Greenwich Trust Limited and has worked in GTL Registrar as the Divisional Head Finance & Management Services/Group CFO (Formerly Union Registrars Ltd).

She is a fellow of Institute of Chartered Accountants of Nigeria (FCA) and an Associate member of the following professional bodies: Chartered Institute of Taxation of Nigeria, Chartered Institute of Stockbrokers, Chartered Institute of Securities and Investments (UK).

Ekom Umossoh**Head, Trust Services**

Ekom is a versatile and sound Corporate Solicitor with over twenty five years post qualification experience in litigation, banking and financial law. Ekom holds a LL.B. Degree from the University of Uyo (1991) and a B.L. award from the Nigerian Law School (1992).

Prior to joining Union Trustee Limited, he was a Legal practitioner with Messrs Udom and Udom (SAN) and later the Managing Partner of Ace Partners. Ekom has attended various local and international training programs, notably in the areas of Estate Planning and Probate Practice, Mastering Public Private Partnership and the Euro-Money Training on Advanced Project Finance, amongst others. He is a member of the Society of Trust and Estate Practitioners (STEP).

Taye Adelanwa**Head, Investments**

Taye is a Chartered Accountant with over sixteen years post qualification experience. She holds a Management and Accounting degree from Obafemi Awolowo University.

Her working experience spans several areas of Finance from Budgeting, Financial Accounting, Joint Venture Support, Tax, Financial Analysis, Sox, Credit Risk Administration and Investments. She has vast experience working with several local firms and a Multinational company (Chevron Nigeria Ltd).

Monisola Folorunsho**Head, Compliance**

Monisola holds an HND in Banking and Finance from Kwara State Polytechnic, Ilorin, MBA (International Business) from Lincoln University, Oakland and is an Enterprise Risk Management Certified Professional.

Monisola has over 20 years' experience which spans Audit, Administration, Compliance and Relationship Management, having worked as an Audit staff in the firm of Olabisi Fayombo & Co. (Chartered Accountants) and as a Finance & Admin Officer of UTB Trustee Limited from where her services were transferred to Union Trustee Limited in 2006.

THE CUSTODIAN

PROFILE

United Bank for Africa (UBA) Plc was licensed by the Commission to operate as a receiving bank, underwriter, custodian and securities lending agent on November 15, 2017. UBA Global Investor Services (UBA GIS), a division (not subsidiary) of the UBA Plc, was set up in September 2007 to process securities trades, safe-keep financial assets and service associated portfolios.

UBA GIS is backed by the full sovereignty and credit of Africa's Global Bank – UBA Plc. The Company is regulated by the Securities and Exchange Commission (SEC), the Central Bank of Nigeria and as well a licensed custodian on the NASD Plc OTC platform.

UBA GIS is a sub-regional service provider offering custody in Nigeria and the 8 francophone countries namely: Niger, Mali, Togo, Benin, Senegal, Burkina Faso, Guinea Bissau and Cote D'Ivoire.

UBA GIS is managed by a team comprising of Custody Operations, Investor Services, Corporate Actions and Reconciliation. The team is collectively responsible for the long-term success of this Division. The team's role is to provide entrepreneurial leadership of within a framework of prudent and effective controls.

SERVICE OFFERINGS

UBA GIS offers a full range of safe-keeping, asset registration, trade settlements, valuation and reporting services for investment assets and are able to provide transparency, independent reporting, and risk management services in respect of assets within its custody. In addition, they provide multi-market and multi-fund custody services under a common custody agreement and with a single account opening process.

Its core services include;

Safe custody: Offering centralized safekeeping of both electronic and physical securities, to enable a more efficient securities management. Cost reduction is available on graduated scale based on size of assets. While dematerialized assets are held via both entry records, physical instruments are kept in safe vaults backed by comprehensive vault procedures.

Securities verification and settlement: Prompt settlement of trades in respect of investments. Their securities process allows the use of multiple Brokers/Managers.

Asset registration: Client's holdings are duly registered and reflected in segregated accounts with the CSD according to the rules and procedures.

Corporate actions: GIS monitors, collects, report on and pays dividends, interest income and bonuses to clients and also advise clients appropriately on rights issue. They pro-actively extract clients' dividend and entitlements and follow through until actual collection, while maintaining electronic records of outstanding corporate entitlements and monitor till full collection. They utilize second level supervision and call overs to ensure corporate actions are not missed.

Portfolio valuation: They deploy superior technology and provide daily valuation of Clients' funds holdings on a daily basis with the current market price and send valuation report as frequently as may be required in line with Service Level Agreements.

Client reporting – cash/securities: They provide a consolidated report of all securities and cash positions either by mail/fax/SWIFT and tailor the composition and frequency to Clients' requirement.

Other Services Include:

Cash management services: Taking advantage of cost efficiencies on a wide range of accounts by collecting dividends and interest payments, depositing or remitting income as directed and automatically investing available cash in a money market fund to ensure competitive rate of return.

Euroclear account services: Its Euroclear securities and clearance settlement system allows Clients clear and settle transactions with counterparties in a large number of internationally traded securities.

Back office administration: Offer a comprehensive back office administration service that enables Clients verify, match, authorize and effect settlements on their behalf, on schedule and confirm obligations in full compliance with Service Level Agreements.

Credit Lines: UBA provides credit to clients upon request and subject to terms and conditions to be agreed.

Tax Reclaim: This is provided on a best effort basis

STATUTORY AND GENERAL INFORMATION

AUTHORIZATION

The establishment of the Fund and the issuance of the Units pursuant to the Offer for Subscription are duly and properly authorised by a resolution passed on by the Board of Directors of the Fund Manager

INDEBTEDNESS

As at the date of this Prospectus, the Fund Manager has no material indebtedness or obligations, except in the ordinary course of business.

CLAIMS & LITIGATION

As at the date of this Prospectus, the Fund Manager is not involved in any litigation which may be material to the offering.

COSTS & 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 0.98% (N49,000,000) of the gross Fund proceeds. This cost will be borne by the Unitholders and written off in the first year of the Fund.

MATERIAL CONTRACTS

The following agreements have been entered into and are considered material to this Fund:

- A Trust Deed dated April 23, 2021 between DLM Asset Management Limited and UTL Trust Management Services Limited under which the Fund was constituted;
- A Custody Agreement dated April 23, 2021 between DLM Asset Management Limited, United Bank for Africa Plc (Global Investor Services) and UTL Trust Management Services Limited

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

RELATIONSHIP BETWEEN THE FUND MANAGER AND THE CUSTODIAN

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

RELATIONSHIP BETWEEN THE FUND MANAGER AND THE TRUSTEE

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

EXTRACTS FROM THE TRUST DEED

Below are the relevant extracts from the Trust Deed:

2. DECLARATION OF TRUST

- 2.1 It is hereby declared that an open-ended collective investment scheme in the form of a Trust with the name “**DLM FIXED INCOME FUND**” is hereby created and the Fund Manager is hereby appointed to establish and manage the Fund and the Trustee are hereby appointed as the Trustee of the Fund.
- 2.2 The Fund shall be launched and become operative on the Commencement Date.
- 2.3 The Trustee hereby declare themselves as Trustee for the Unitholders with effect from the Commencement Date to hold in trust the Deposited Property, and the benefit of the covenants and other obligations on the part of the Fund Manager herein contained, in trust for the Unitholders, subject to the terms of this Deed.
- 2.4 The Fund Manager and the Trustee hereby agree to such appointments and further declare that:
 - 2.4.1 Fund assets may from time to time be vested in the Trustee in trust for the benefit of the Unitholders ranking *pari passu* according to the number of Units held by each Unitholder;
 - 2.4.2 The Fund’s Deposited Property shall be held in the name of the Trustee as “UTL TRUST/DLM FIXED INCOME FUND”;
 - 2.4.3 The Fund Manager shall establish, manage, operate and administer the Fund on the terms and conditions contained in this Trust Deed and any conditions approved by the Trustee or as may be imposed by the Commission from time to time; and
 - 2.4.4 The Fund’s Deposited Property shall be invested from time to time by the Fund Manager in accordance with the terms and conditions contained in this Trust Deed.

4. DESCRIPTION AND OBJECTIVE OF THE FUND

- 4.1 The DLM FIXED INCOME FUND is an actively managed open-ended unit trust scheme that will invest in fixed income securities and money market instruments that qualify as Authorized Investments.
- 4.2 The investment objective and policy of the Fund is as set out in the Fifth Schedule of this Deed. The Investment objective and policy of the Fund shall not be altered without the prior approval of the Trustee and the Commission.

5. RIGHTS OF UNITHOLDERS

- 5.1 No Unitholder shall be liable to make any further payments to the Trustee or the Fund Manager after he/it has paid the Subscription Price of the Units as the case may be, in accordance with Clause 7 of this Trust Deed, and no further liability shall be imposed on any Unitholder in respect of Units held by him.

- 5.2 The Unitholders shall not have or acquire any right against the Fund Manager or the Trustee in respect of Units save such as are expressly conferred upon them by this Deed or by any laws regulating this Deed or court orders.
- 5.3 No person shall be recognized as a Unitholder except in respect of Units registered in his name.
- 5.4 Each Unitholder has a beneficial interest in the Trust proportionate to the Units held by such Unitholder and shall have such rights as are set out in this Trust Deed and the Prospectus.
- 5.5 The Fund Manager shall not be treated for the purposes of this Deed as the Unitholder of each Unit during such time that neither the Fund Manager nor any other person is registered as the Unitholder but nothing herein contained shall prevent the Fund Manager from subscribing for and becoming a registered holder of the Units in the Fund.
- 5.6 All Investments shall be held as a single common investment to the Fund and no Unit thereof shall confer any exclusive interest or share in any particular part of the Investment.
- 5.7 The Unitholders shall have a right to:
- 5.7.1 mortgage, pledge, charge or otherwise use their Unitholding as security for any debt, loan or obligation entered into by them;
 - 5.7.2 subject to the provision of this Deed, convene a meeting of Unitholders where such holding is not less than 25% of the value of the Issued Unit of the Fund;
 - 5.7.3 receive Distributions; and
 - 5.7.4 request for and receive a Statement of Unitholding.
- 5.8 The ownership of the Deposited Property of the Fund is vested in the Trustee and, subject to the terms of this Trust Deed, the right to conduct the affairs of the Fund will be exercised independently by the Trustee on behalf of the Unitholders. The Unitholders of the Fund shall have no interest other than the beneficial interest provided for in this Trust Deed and no Unit of the Fund shall confer any interest or share in any particular part of the Deposited Property of the Fund. The Unitholders shall have no right to call for any partition or division of any portion of the property of the Fund nor shall they be called upon to share or assume any losses of the Fund or suffer any assessment or further payments to the Fund or the Trustee of any kind by virtue of their ownership of Units of the Fund.
- 5.9 A Unitholder shall have the right to share in the assets of the Fund proportionate to the number of Units held by him in the Fund.
- 5.10 A Unitholder shall have the right to receive the notice of meetings of Unitholders and attend such meetings either in person or by proxy.
- 5.11 A Unitholders shall be eligible to redeem all, or parts of the Units held by them at the Bid Price on any Business Day after the Minimum Investment Period without additional charges. Units redeemed before the expiration of the Minimum Investment Period will attract a fee of 0.75% on the income accrued on such investment. Redemptions shall be effected at the Bid Price within five (5) Business Days after the relevant documents have been submitted to the Fund Manager or to any of its authorised agents.

6. CONSTITUTION OF THE FUND

- 6.1 The Fund shall be constituted out of the sale of Units in the Fund and the Deposited Property.
- 6.2 The cash proceeds from the sale of the Units and any other property at all times will be vested in the Trustee and shall constitute the Fund after deduction of or provisions for any applicable charges by the Fund Manager and be maintained in a Designated Account opened and operated by the Custodian. The account shall be designated as the “UTL TRUST/DLM FIXED INCOME FUND”.
- 6.3 The Custodian will oversee and control the Designated Accounts of the Fund in consultation with the Fund Manager and the Trustee. The Custodian shall provide the Fund Manager and the Trustee with monthly and quarterly reports on the Designated Accounts as well as monthly and quarterly valuations of the Investments.
- 6.4 The Trustee shall have all additional rights and powers conferred upon trustees by the Trustee Act.
- 6.5 All stamp duty and all other taxes and any applicable charges payable on this Deed or upon the constitution of new Units shall be payable out of the Designated Account.
- 6.6 The powers conferred on the Trustee by this Deed shall be exercised in addition to any powers which may from time to time be vested in it by general law or as holder of the Fund in so far as it does not and shall not conflict with the rights and powers vested in the Fund Manager by virtue of this Deed. The Trustee in the exercise of powers and discretions vested in it by this Deed shall comply with the provisions of the ISA, and all SEC Rules and regulations made pursuant to it.
- 6.7 The Fund Manager shall not borrow upon the Investment of the Fund nor on behalf of the Fund or Unitholders and no part of the Deposited Property shall be lent out by the Fund Manager.
- 6.8 The Fund Manager shall supply the Commission and the Trustee with monthly and quarterly reports thereon and at such period as may be required by the Commission.

7. SALE AND ISSUANCE OF UNITS

- 7.1 The Fund Manager shall issue 5,000,000 Units of the Fund at the Subscription Price to the general public.
- 7.2 The minimum investment in the Fund that one or joint Unitholder(s) may make pursuant to the Fund is 500 Units ₦1,000 per Unit and additional Units shall be issued in multiples of 100 and shall be payable in full upon subscription.
- 7.3 The Fund Manager shall in accordance with the SEC Rules 465(aa) subscribe to a minimum of five percent (5%) of the registered Units of the Fund at inception and such Units shall be held throughout the life of the Fund.
- 7.4 Subsequent to the Initial Registered Units, the Fund Manager shall have the power to create additional Units which shall be purchased at the Subscription Price and registered with the SEC. Any new Unit issued pursuant to this clause shall rank *pari passu* with the Units issued pursuant to this Deed and shall represent an undivided part of the Deposited Property.
- 7.5 The Fund shall be domiciled in Nigeria and shall be denominated in Nigerian Naira.

14. RESTRICTIONS ON INVESTMENTS

- 14.1 The Fund Manager shall adhere to the investment objective and policy set out in the Fifth Schedule to this Deed, the SEC Rules and any directives of the Trust Deed in respect of investment and the Fund Manager shall not invest:
- 14.1.1 with a view to seek to take legal or management control of the entities in which the Investments are made;
 - 14.1.2 less than 70% of its Net Asset Value in fixed income securities with a term to maturity of at least 365 days;
 - 14.1.3 other than federal government bonds, more than 30% of its Net Asset Value in bonds issued by any single issuer or one group of companies;
 - 14.1.4 more than 20% of its Net Asset Value in fixed deposits with any single institution;
 - 14.1.5 more than 30% in aggregate, or 5% per fund, of its Net Asset Value in authorised collective investment scheme;
 - 14.1.6 more than 10% of its Net Asset Value in an eligible issuer/financial institution, except the Federal Government of Nigeria and other issuers whose securities are backed by the full faith and credit of the Federal Government of Nigeria;
 - 14.1.7 other than treasury bills, more than 20% of its Net Asset Value in money market instruments issued by any single issuer;
 - 14.1.8 more than 5% of its Net Asset Value in equity securities issued by a single company or in the case of a company with a market capitalization of ₦50,000,000,000 (Fifty Billion Naira), 10% of its Net Asset Value; and
 - 14.1.9 more than 10% of the outstanding securities of a single issuer.
- 14.2 Neither a Related Party nor its Affiliates shall deal as principals in any sale of the Fund's underlying assets.
- 14.3 The Fund Manager shall not invest in any securities that are not transferable.
- 14.4 No part of the Fund shall be invested in any units or securities of Related Parties and their Affiliates except as otherwise permitted by the Commission or under the SEC Rules.
- 14.5 The Fund shall not purchase securities on margin or engage in short sales of securities.
- 14.6 Subject to compliance with the requirements of the SEC Rules, any service or transaction undertaken by the Fund Manager on behalf of the Fund with an Affiliate of a Related Party shall be done at arm's length and at terms based on cost, price and prevailing market conditions in the interest of the Fund.

17. REGISTRATION OF UNITHOLDERS

The following provisions shall have effect with regard to the registration of Unitholders:

- 17.1 A Register of Unitholders shall be kept by the Registrar in a form and manner approved by the Fund Manager and the Trustee (and so that the provisions set out in the Second Schedule hereto shall be observed) and there shall be entered in the Register:
- 17.1.1 The names and addresses of the Unitholders;
- 17.1.2 The number of Units held by each Unitholder and the nominal value of the Units;
- 17.1.3 The date on which the name of every such Unitholder was entered in respect of the Units standing in his or its name and, where he or it became the holder by virtue of an assignment, a sufficient reference to enable the name and address of the assignor to be identified; and
- 17.1.4 The date on which any assignment is registered and the name and address of the assignee.
- 17.2 A corporate body may be registered as a Unitholder or as a joint Unitholder.
- 17.3 Where there are joint Holders, their respective names and addresses may be inserted provided that no more than four (4) joint Holders shall be entered in the Register in respect of any holding of Units.
- 17.4 Any change of name or address on the part of any Unitholder shall forthwith be notified in writing to the Registrar who on being satisfied thereof and on compliance with all such formalities as it may require shall alter the Register accordingly.
- 17.5 Any Unitholder or his or its nominee shall be entitled at all reasonable times during business hours to inspect the Register.
- 17.6 The Register shall be conclusive evidence as to the persons respectively entitled to the Units.
- 17.7 In the event of the death of a Unitholder, only the legally appointed executors or administrators of the estate of the deceased Unitholder (not being one of joint Unitholders) or the surviving Unitholder(s) of joint Unitholders shall be recognized by the Registrar as having any title to or interest in the Units of the deceased Unitholder.
- 17.8 Any person becoming legally entitled to any Units in consequence of the death or bankruptcy or dissolution or winding-up of any Unitholder or upon the order of a court or upon a declaration that a Unitholder is a lunatic or the survivor of joint Unitholders shall, upon producing such evidence to the satisfaction of Registrar or Fund Manager that substantiates his claim and upon delivering up such evidence of the deceased, bankrupt or lunatic Unitholder or resolution of dissolution or winding up to the Registrar for cancellation, be entitled to elect either to be registered as the holder of such Units and to have a new Statement of Unitholding issued in his name or in the name of such other person (as the case may be). If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Fund Manager a notice in writing in a form to be prescribed by the Fund Manager or Registrar signed by him stating that he so elects. If he shall elect to have some other person nominated by him registered, he shall testify his election by executing to such other person an assignment of such Units. All the provisions of this Deed relating to transfers of Units shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy or dissolution or winding-up of the Unitholder had not occurred and the notice or transfer were a transfer executed by such Unitholder.

- 17.9 A person becoming entitled to Units in consequence of the death or bankruptcy or dissolution or winding-up of a Unitholder or the survivor of joint Unitholders shall be entitled to receive Distributions and may give a discharge for all moneys payable in respect of the Units, but he shall not be entitled to the rights of a Unitholder with regard to the receipt of notices of or attendance or voting at any meetings of Unitholders as holder of such Units until he shall have been registered as a Unitholder in respect of such Units.
- 17.10 No fee shall be charged in respect of the registration of any probate letters of administration, power of attorney, certificate of marriage or death, Order of the Court, deed poll, resolution or other document affecting the transmission of any Units or distribution in respect thereof.
- 17.11 The Fund Manager may, upon giving 7 (seven) working days notice to the Unitholders by advertisement in a widely circulated daily newspaper, its website or by email notification to the Unitholders, instruct the Registrar to close the Register, and such periods of closure shall not, in aggregate, exceed 30 (thirty) working days in each year.

19. RIGHT OF ASSIGNMENT OF UNITS

Every Unitholder is entitled to assign, by way of security or otherwise, all or any part of his or her investments to third parties provided that the Fund Manager or Registrar is, within three (3) days of the assignment informed of such an assignment so that necessary steps may be taken to reflect the change in the Unitholder's holding in the Fund.

20. INCOME DISTRIBUTION

- 20.1 The Fund Manager shall make Distributions from the Net Income of the Fund on a semi-annually basis to the Unitholders, in line with the provisions of this Deed and subject to the applicable laws, and the SEC Rules.
- 20.2 The Unitholders shall have the option to elect to be paid their Distributions by electronic transfer or to reinvest their Distributions in new Units at the Subscription Price. Unless Unitholders indicate otherwise, their Distributions shall by default be transferred to their bank account at the relevant time.
- 20.3 Unitholders who elect to have their Distributions reinvested in new Units shall be entitled to an issue of Units that shall be equal in value to the amount they otherwise would have received in cash as their relevant Distribution.

21. APPOINTMENT, REMOVAL AND RETIREMENT OF AUDITOR

- 21.1 The auditor to the Fund shall be such firm of auditors as may be appointed from time to time by the Fund Manager with the approval of the Trustee or by Special Resolution passed at a meeting of Unitholders held in accordance with the provisions of the First Schedule to this Deed. Any Auditor appointed by the Fund Manager shall be a person or company who is qualified for appointment as an auditor of a company under section 358 of CAMA and registered by the Commission.
- 21.2 The Fund Manager shall within thirty (30) days from the date of the appointment of the Auditor apply to the Commission for the approval of such appointment except for the first Auditor appointed as at the Commencement Date.

- 21.3 Any Auditor appointed may be removed if, the Fund Manager with the approval of the Trustee decide to do so by giving seven (7) days' notice thereof to the Auditor.
- 21.4 The Fund Manager shall accordingly inform the Commission upon such removal of the Auditor as required under section 184 of the ISA.
- 21.5 The remuneration of the Auditor shall be fixed by the Fund Manager.
- 21.6 An Auditor of the Fund may resign his office by serving one month notice in writing to that effect at the registered office of the Trustee and Fund Manager and any such notice shall be deemed to have been received on the date it was so served or on such later date as may be specified therein.
- 21.7 An Auditor's notice of resignation shall not be effective unless it contains either:
- 21.7.1 a statement to the effect that there are no circumstances connected with his resignation which he considers should be brought to the notice of the Unitholders; or
- 21.7.2 a statement setting out circumstances connected with his resignation which he considers should be brought to the notice of the Unitholders.
- 21.8 Where a notice under this section is served at the Trustee's registered offices, the Trustee shall within seven (7) days send a copy of the notice to the Fund Manager.

26. POWERS, RIGHTS, RESPONSIBILITIES AND INDEMNITIES OF THE TRUSTEE AND FUND MANAGER

Save for the provisions of Section 168 of the ISA, and without prejudice to any indemnity allowed by law or elsewhere herein given to the Trustee or to the Fund Manager, the following provisions shall apply in addition to any other powers, duties and indemnities that may be given or excluded by law:

26.1 Powers, Rights, Responsibilities, and Indemnities of the Trustee

- 26.1.1 The Trustee shall not be responsible for the authenticity of any signature on or any seal affixed to any endorsement on any Statement of Unitholding or to any transfer or form of application or endorsement or other document affecting the title to or transmission of Units or securities or be in anyway liable for any forged or unauthorized signature on or a seal affixed to such endorsement transfer or other document or for acting on or giving effect to any such forged or unauthorized signature or seal; PROVIDED that they have exercised due care and diligence in examining the signature and/or document.
- 26.1.2 The Trustee shall not incur liability in respect of any action taken or liability or expense suffered by it in good faith in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganization or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.
- 26.1.3 The Trustee shall not incur liability to the Unitholders for doing or failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any Court, or by reason of any request, announcement or similar action (whether of binding legal effect or not) which may

be taken or made by any person or body acting with or purporting to exercise the authority of any Government (whether legally or otherwise), the Trustee shall be directed or requested to do or perform or to forbear from doing or performing.

- 26.1.4 The Trustee shall be entitled to require that the signature of any Unitholder or joint Unitholder to any document required to be signed by him under or in connection with this Deed shall be verified by broker or other responsible person or otherwise authenticated to its or their reasonable satisfaction.
- 26.1.5 The Trustee, or its Affiliates, shall not by reason of its office be precluded from purchasing, holding, dealing in or disposing of Units or entering into other commercial transactions with the Fund Manager, a company affiliated with the Fund Manager or any Unitholder or any company or body with an interest in any Unit(s) or from holding any shares or any investment in any such company or body. The Trustee shall not except as otherwise herein provided be in anyway liable to account either to the Fund Manager or to the Unitholders or any of them for any profits or benefits made or derived by the Trustee thereby or in connection therewith.
- 26.1.6 Where the Trustee has an obligation under the SEC Rules or ISA to appear in person to prosecute or defend any action or suit in respect of the provisions hereof or in respect of the Fund's Deposited Property or any part thereof or take part in or consent to any corporate or shareholders' or stockholders' action which in its opinion might involve it in any expense or liability, the Fund Manager and Unitholders shall indemnify the Trustee out of the Fund against any such expense or liability.
- 26.1.7 Save for instances where the Trustee has been negligent, the Trustee shall not be liable to account to any Unitholder or otherwise for any payment made or suffered by the Trustee in good faith to any duly empowered fiscal authority of Nigeria or elsewhere for taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under these presents notwithstanding that any such payments ought not to be or need not have been made or suffered.
- 26.1.8 The Trustee shall not be under any liability on account of anything done or suffered by it in good faith in accordance with or in pursuance of any request, notice, direction or advice of the Fund Manager. Whenever any request notice or other communication is to be given by the Fund Manager to the Trustee, the latter may accept as sufficient evidence thereof a document signed on behalf of the Fund Manager by any two persons whose signatures the Trustee is for the time being authorized in writing by the Fund Manager to accept.
- 26.1.9 The Trustee shall as regard all the powers and discretions vested in it by these presents, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and in the absence of fraud or negligence the Trustee shall not be in any way be responsible for any loss, costs or damages that may result from the exercise or non-exercise thereof.
- 26.1.10 The Trustee may act upon the advice of or information obtained from legal practitioners whether instructed by them or by the Fund Manager and they may also act upon statements of or information or advice obtained from the Fund Manager or any bankers, accountants, brokers, legal practitioners and other persons believed by the Trustee in good faith to be expert in relation to the matters upon which they are consulted and the Trustee shall not be liable for anything done or omitted or suffered to be done by it in reliance upon such advice, statement or information.

- 26.1.11 The Trustee shall not be responsible for any misconduct, mistake, oversight, error of judgement or want of prudence on the part of the Fund Manager. The Trustee shall not be responsible for any misconduct, mistake, oversight, error of judgement or want of prudence on the part of any attorney, banker, accountant, broker, legal practitioner, or adviser of the Trustee but the provisions of this sub-clause shall not apply in respect of misconduct, mistake, oversight, error of judgement or want of prudence on the part of any agent who is keeping the Register under the control of the Trustee under the provisions of Clause 17 hereof PROVIDED HOWEVER that the Trustee shall be entitled to be indemnified by such agent.
- 26.1.12 The Trustee will be liable for the breach of its duties where it fails to carry out its responsibilities under this Deed or report breach of terms of this Deed to SEC.
- 26.1.13 The Trustee shall (subject as hereinafter provided) be entitled to destroy all instructions of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all Statements of Unitholding which have been cancelled at any time after the expiration of three years from the date of cancellation thereof and all statements of the Register and other records and documents relating to the Trust at any time after the expiration of six years from the date of cancellation thereof and from the termination of the Trust. The Trustee shall be under no liability whatsoever in consequence thereof and (unless the contrary be proved) every instrument of transfer so destroyed shall be deemed to have been a valid and effective instrument duly and properly registered by the Trustee and every Statement of Unitholding so destroyed shall be deemed to have been a valid Statement of Unitholding duly and properly cancelled.

PROVIDED always that:

- 26.1.13.1 the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- 26.1.13.2 nothing in this sub-clause shall be construed as imposing upon the Trustee any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of sub-paragraph (i) above are not fulfilled;
- 26.1.13.3 references herein to the destruction of any document include references to the disposal thereof in any manner.
- 26.1.14 If for any reason it becomes impossible or impracticable to carry out any of the provisions of this Deed, the Trustee shall not be under any liability therefore or thereby, and shall not incur liability by reason of any error of law or in the absence of fraud or negligence, any matter or thing done or suffered to be done or omitted to be done by it in good faith hereunder. PROVIDED ALWAYS that nothing in this clause shall be construed as exempting the Trustee from or indemnifying the Trustee against liability for breach of trust where having agreed to the provisions of this Deed conferring on the Trustee any powers, authorities or discretions, the Trustee fail to exercise the degree of care and diligence required of them as Trustee.
- 26.1.15 Under no circumstances shall the Trustee be bound to make any payment to any person except out of the funds held by it for that purpose under the provisions of this Deed.

- 26.1.16 The Trustee shall not be responsible for acting upon any resolution passed at a Meeting of the Unitholders in respect of which minutes shall have been made and signed even though it may be subsequently found that there was some defect in the constitution of the Meeting or the passing of the resolution or that for any reason the resolution was not binding upon all the Unitholders PROVIDED HOWEVER that nothing in this sub-clause shall be construed to relieve the Trustee from an obligation to exercise due care and diligence in carrying out its obligation as Trustee or to relieve the Trustee from liability for any breach of trust.
- 26.1.17 The Trustee undertakes to notify the Commission of any proposed change in the management of the Fund during the entire period of existence of the Fund.

26.2 Powers, Rights, Responsibilities, and Indemnities of the Fund Manager

- 26.2.1 The Fund Manager shall not be responsible for the authenticity of any signature on or any seal affixed to any endorsement on any Statement of Unitholding or to any transfer or form of application or endorsement or other document affecting the title to or transmission of Units or securities or be in anyway liable for any forged or unauthorized signature on or a seal affixed to such endorsement transfer or other document or for acting on or giving effect to any such forged or unauthorized signature or seal; PROVIDED that it have exercised due care and diligence in examining the signature and/or document.
- 26.2.2 The Fund Manager not shall incur liability in respect of any action taken or liability or expense suffered by it in good faith in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganization or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.
- 26.2.3 The Fund Manager shall not incur liability to the Unitholders for doing or failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any Court, or by reason of any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any Government (whether legally or otherwise), the Fund Manager shall be directed or requested to do or perform or to forbear from doing or performing.
- 26.2.4 The Fund Manager shall be entitled to require that the signature of any Unitholder or joint Unitholder to any document required to be signed by him under or in connection with this Deed shall be verified by a banker or broker or other responsible person or otherwise authenticated to its or their reasonable satisfaction.
- 26.2.5 Subject to the SEC Rules, the ISA and the investment objective and policy, the Fund Manager shall have absolute and uncontrolled discretion regarding security selection, purchase, sale, exchange or alteration of any Investment and the Trustee shall not, in any circumstances be responsible for any loss howsoever arising from the exercise of such discretion by the Fund Manager. Provided that the Fund Manager does not breach the provisions of the Fifth Schedule of this Deed.
- 26.2.6 The Fund Manager shall in no way be liable to make any payment hereunder to any person or entity except out of the monies of the Fund set aside for that purpose.

26.2.7 The Fund Manager and/or Registrar shall (subject as hereinafter provided) be entitled to destroy all instructions of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all Statements of Unitholding which have been cancelled at any time after the expiration of three years from the date of cancellation thereof and all statements of the Register and other records and documents relating to the Trust at any time after the expiration of six years from the date of cancellation thereof and from the termination of the Trust. The Fund Manager, and/or Registrar shall be under no liability whatsoever in consequence thereof and (unless the contrary be proved) every instrument of transfer so destroyed shall be deemed to have been a valid and effective instrument duly and properly registered by the Trustee and every Statement of Unitholding so destroyed shall be deemed to have been a valid Statement of Unitholding duly and properly cancelled.

PROVIDED always that:

26.2.7.1 the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;

26.2.7.2 nothing in this sub-clause shall be construed as imposing upon the Fund Manager and/or Registrar any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of sub-paragraph (i) above are not fulfilled;

26.2.7.3 references herein to the destruction of any document include references to the disposal thereof in any manner.

26.2.8 If for any reason it becomes impossible or impracticable to carry out any of the provisions of this Deed, the Fund Manager shall not be under any liability therefore or thereby, and shall not incur liability by reason of any error of law or in the absence of fraud or negligence, any matter or thing done or suffered to be done or omitted to be done by it in good faith hereunder.

26.2.9 The Fund Manager shall be entitled, subject to the consent of the Trustee, to delegate to any person, firm or corporation upon such terms and conditions as it may think fit, all or any of its powers and discretion in relation to the selection, acquisition, holding and realisation of investments and the application of any monies forming part of the Deposited Property PROVIDED THAT the Fund Manager shall remain liable hereunder for any act or omission of any such person, firm or corporation in relation to the exercise or non-exercise of any powers or discretion so delegated as if the same were an act or omission of the Fund Manager.

26.2.10 The Fund Manager shall not be under any liability except such liability as may be expressly assumed by it under this Deed or imposed by law nor shall the Fund Manager (save as herein otherwise appears) be liable for any act or omission of the Trustee or for anything except its own breach of duty hereunder.

26.3 Powers, Rights, Responsibilities, and Indemnities of the Registrar

26.3.1 The Registrar shall not be responsible for the authenticity of any signature on or any seal affixed to any endorsement on any Statement of Unitholding or to any transfer or form of application or endorsement or other document affecting the title to or transmission of Units or securities or be in anyway liable for any forged or unauthorized signature on or a seal

affixed to such endorsement transfer or other document or for acting on or giving effect to any such forged or unauthorized signature or seal; PROVIDED that it has exercised due care and diligence in examining the signature and/or document.

- 26.3.2 The Registrar shall not incur liability in respect of any action taken or liability or expense suffered by it in good faith in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganization or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.
- 26.3.3 The Registrar shall be entitled to require that the signature of any Unitholder or joint Unitholder to any document required to be signed by him under or in connection with this Deed shall be verified by a banker or broker or other responsible person or otherwise authenticated to its reasonable satisfaction.

27. DUTIES OF THE TRUSTEE AND THE FUND MANAGER

27.1 Duties of the Trustee

The Trustee shall:

- 26.3.4 ensure that the basis on which the sale, issue, repurchase or cancellation, as the case may be, of the Units effected by or on behalf of the Fund is carried out in accordance with the ISA, SEC Rules and this Deed;
- 26.3.5 ensure that the selling or repurchase price or participatory interests is calculated in accordance with the ISA, SEC Rules and this Trust Deed;
- 26.3.6 carry out the instructions of the Fund Manager unless they are inconsistent with the ISA, SEC Rules or this Trust Deed;
- 26.3.7 verify that, in transactions involving the assets of the Fund any consideration is remitted to it within time limits which are acceptable market practice in the context of a particular transaction;
- 26.3.8 verify that the income accruals of the Fund are applied in accordance with the ISA, SEC Rules and this Trust Deed;
- 26.3.9 enquire into and prepare a report on the administration of the Fund by the Fund Manager during each annual accounting period, in which it shall be stated whether the Fund has been administered in accordance with the provisions of the ISA, SEC Rules and this Trust Deed;
- 26.3.10 if the Fund Manager does not comply with the limitations and provisions referred to in Clause 27.1.6 of this Deed, state the reason for the non-compliance and outline the steps taken by the Fund Manager to rectify the situation;
- 26.3.11 send the report referred to in Clause 27.1.6 of this Deed to the Commission and to the Fund Manager in good time to enable the Fund Manager include a copy of the report in its annual report;
- 26.3.12 ensure that there is legal separation of assets held in trust and that the legal entitlement of investors to such assets is assured;

- 26.3.13 ensure appropriate internal control system are maintained and that records clearly identify the nature and value of all assets held in trust, the ownership of each asset and the place where documents of title pertaining to each asset are kept;
- 26.3.14 whenever it becomes necessary for the Trustee to enforce the terms and conditions of this Deed, the Trustee shall do so within 10 (ten) Business Days and shall inform the Commission not later than 10 (ten) working days after the breach;
- 26.3.15 satisfy itself that that every income statement, balance sheet or other return prepared by the Fund Manager in terms of section 169 of the ISA fairly represents the assets and liabilities, as well as the income and distribution or income, or every portfolio of the Fund administered by the Fund Manager;
- 26.3.16 ascertain that the monthly, quarterly and other periodic returns/reports relating to the Fund are sent by the Fund Manager to the Commission;
- 26.3.17 ascertain the investment rationale for investment decision-making of the Fund Manager;
- 26.3.18 monitor the Register of the Unitholders; and
- 26.3.19 generally monitor the activities of the Fund Manager on behalf of and in the interest of the Unitholders.

The Trustee may request that every director or employee of the Fund Manager shall submit to the Trustee any book or document or information relating to the administration of the Fund by the Fund Manager which is in its possession or at its disposal, and which the Trustee may consider necessary to perform their functions and no person shall interfere with the performance by the Trustee of their functions under the ISA.

27.2 Duties of the Fund Manager

The Fund Manager shall have the following duties:

- 26.3.20 selection and management of the portfolio of investment in accordance with this Deed;
- 26.3.21 redemption and issue of Units of the Fund;
- 26.3.22 maintenance of a schedule of Unitholders;
- 26.3.23 preparation of periodic accounting records of the Fund in accordance with the ISA and the SEC Rules;
- 26.3.24 keeping of books of the Fund (excluding books or documents relating to investments of the Fund);
- 26.3.25 filing monthly and other periodic returns/reports with the Commission, the Trustee, the Registrars and the Unitholders;
- 26.3.26 organise the meetings of the Fund;
- 26.3.27 representing the interest of the Fund in both the national and the global market;
- 26.3.28 complying with the ISA, SEC Rules and this Deed;
- 26.3.29 disclosure of the interests of its directors and management to the Unitholders;
- 26.3.30 maintenance of adequate financial resources to meet its commitments to manage the risks to which the Fund is exposed;
- 26.3.31 organise and control the Fund in a reasonable and responsible manner expected of a Fund Manager;

- 26.3.32 keeping proper records in relation to the Fund;
- 26.3.33 employment of adequately trained staff for the operation of the Fund; and
- 26.3.34 establishing well defined compliance procedures.

28. FEES AND CHARGES

The Trust shall bear the following fees, charges and expenses.

28.1 Remuneration of Manager, the Trustee and the Custodian:

28.1.1 The remuneration of the Fund Manager, the Trustee and the Custodian shall accrue daily. The respective fees shall be as follows:

28.1.1.1 an annual management fee of 1.50% of the Net Asset Value per annum which shall be accrued daily and payable semi-annually in arrears and subject to increase upon mutual agreement between the Fund Manager and the Trustee; and

28.1.1.2 the Fund Manager shall be entitled to an incentive fee which shall not exceed 20% of the excess returns above the total annualized returns of the Fund's benchmark. Provided that the Fund Manager shall only be entitled to an incentive fee where the performance of the Fund has reached a high-water mark as defined under CIS Rules December 2019

28.1.2 The remuneration of the Trustee shall be an annual fee of 0.15% per annum of the Net Asset Value per annum which shall accrue daily and payable semi-annually in arrears.

28.1.3 The Custodian shall be entitled to an annual fee of 0.04%, which shall accrue daily and be payable semi-annually in arrears:

28.2 All such pre-agreed costs, expenses, charges or remuneration due to the Trustee shall be payable upon demand. However, the Trustee shall provide the Fund Manager with invoices/receipts for all expenses incurred.

28.3 The Fund Manager shall, on behalf of the Fund, pay the Trustee, Custodian, Registrar, other duly appointed parties including the Fund Manager all sums owing in respect of its remuneration cost stated in clause 27.1.1 above and all allowable expenses incurred on behalf of the Fund.

28.4 In consideration of the foregoing neither the Trustee nor the Fund Manager shall except with the approval of the Commission make any further charge against the Unitholders or against any distribution for their services or for their normal expenses hereunder with the exception of the Charges or fees expressly authorized by this Deed.

28.5 Allocation of Expenses

28.5.1 The initial cost of establishing the Fund (including professional parties' fees) shall not exceed 1% of the Fund size or such other percentage as may be approved by the SEC and will be offset from the proceeds of the Fund.

28.5.2 The total expenses to be borne by the Fund (including the annual management fee but excluding the incentive fee) will be met from the Deposited Property and shall not exceed 3.5% of the Fund's Net Asset Value per annum or as may be approved by the Commission from time to time.

31. REMOVAL OF FUND MANAGER AND APPOINTMENT OF NEW FUND MANAGER

31.1 Subject to the approval of the Commission, the Fund Manager may be removed by notice in writing given by the Trustee to the Fund Manager in any of the following circumstances:

31.1.1 If a special resolution be passed at a duly convened meeting of Unitholders in the manner hereinafter provided removing the Fund Manager, or if the Holders of at least 75% value of the Registered Units (excluding the Unitholding of the Fund Manager) request the Trustee in writing that the Fund Manager be removed;

31.1.2 If the Fund Manager goes into liquidation (except a voluntary liquidation for the purpose of amalgamation or reconstruction on terms previously approved in writing by the Trustee) or if a Receiver shall be appointed over any assets of the Fund Manager or any part thereof and the appointment of the Receiver is not discharged or set aside with 60 Business Days of the appointment;

31.1.3 If the licence of the Fund Manager is suspended or withdrawn by the Commission; or

31.1.4 If the Trustee certify and provide evidence to the satisfaction of the Commission to the effect that the Fund Manager has been fraudulent or has acted with gross misconduct in its management of the Fund and it is in the best interests of the Unitholders that the Fund Manager should be removed, and notifies the Fund Manager in writing accordingly, PROVIDED always that if the Fund Manager shall be dissatisfied with the opinion of the Trustee under this sub-clause the matter shall be referred to the Commission

31.2 In any of the cases enumerated in clause 30.1 above, the Fund Manager shall, upon receiving notice from the Trustee, cease to be the Fund Manager; and the Trustee shall, in writing under its seal, subject to the approval of the Commission, appoint some other qualified person to be the Fund Manager (the "New Fund Manager"). Such New Fund Manager shall enter into such deed(s) as the Trustee may advise are necessary or desirable to be entered by the New Fund Manager which deed(s) shall, if so required by the outgoing Fund Manager, provide that neither the Trustee nor the New Fund Manager shall hold themselves out as being connected with the outgoing Fund Manager in any way and furthermore provide that the New Fund Manager shall hold the mandatory 5% minimum subscription.

32. VOLUNTARY RETIREMENT OF FUND MANAGER

32.1 In the event of the Fund Manager desiring to retire, the Trustee shall use its best endeavours to find a new Fund Manager, which shall be, approved by the Trustee and the SEC and shall enter into such deed or deeds as mentioned in the preceding Clause.

32.2 Where no suitable replacement for the Fund Manager has been identified within six (6) months of a notice by the Fund Manager seeking to retire, the Trustee may terminate the Trust and liquidate the Fund by six (6) months written notice to this effect issued to the Unitholders, the Fund Manager and the Commission.

33. RETIREMENT OR REMOVAL OF TRUSTEE AND APPOINTMENT OF NEW TRUSTEE

33.1 In the event of any of the Trustee desiring to retire:

33.1.1 the Trustee shall first give the Fund Manager and the Commission not less than three (3) months' prior written notice of its intention to so retire, giving reasons for the withdrawal; and

33.1.2 the Fund Manager shall use its best endeavours to find a new Trustee within the notice period furnished by the Trustee in accordance with clause 32.1.1. Any new trustee so appointed shall be a company permitted by statute to act as a trustee of an authorized unit trust scheme and shall be registered with the Commission and approved by a majority of the Unitholders.

33.1.3 If no new trustee can be identified within that notice period, the Fund Manager may terminate the Trust.

33.2 The Trustee shall be subject to removal by notice in writing from the Fund Manager in any of the following circumstances provided that in any case, the proposed removal has been approved by SEC or one (1) month has passed since the notice was served on SEC without SEC having notified the Fund Manager that the proposed removal is not approved, before service on the Trustee:

33.2.1 If a special resolution be passed at a duly convened meeting of Unitholders approving the removal of the Trustee or Unitholders holding not less than 75% of the Issued Units outstanding, deliver to the Fund Manager a request in writing that the Trustee should be removed;

33.2.2 If the Trustee go into liquidation (except for voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Fund Manager) or if a receiver is appointed over any of its assets and the appointment of the Receiver is not discharged or set aside with 60 Business Days of the appointment; or

33.2.3 If in the opinion of the Fund Manager, which opinion is confirmed by Unitholders holding a simple majority of the Issued Units outstanding attending the Meeting in person or by proxy, the Trustee are 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 Fund into disrepute or be harmful to the best interests of the Unitholders or is in breach of the Trustee's fiduciary duties to the Fund.

33.3 Upon removal of the Trustee, the Fund Manager shall by writing under its seal subject to the approval of SEC appoint some other qualified corporation to be Trustee, and such corporation shall enter such Deed as the Fund Manager deems necessary or desirable to be entered by such corporation in order to secure the due performance of its duties as Trustee.

40. INVESTMENT COMMITTEE

40.1 This Fund shall have an Investment Committee. The Investment Committee shall consist of not less than 3 persons which shall comprise of a representative of the Trustee, a representative of the Fund Manager and an independent member with no affiliation to either the Trustee, the Custodian or the Fund Manager, who shall be nominated by the Fund Manager and the Trustee.

- 40.2 The Fund Manager shall from time to time consult with the Investment Committee on its decisions to purchase, sell, or alter any Investment made by it under this Trust Deed.
- 40.3 The responsibilities of the Investment Committee shall include but not be limited to the following:
- 40.3.1 review the Investment Policy and strategies of the Fund Manager;
 - 40.3.2 decide on acquisition and realisation of investments and investment objectives of the Fund;
 - 40.3.3 take decisions on cash allocations for investment purposes;
 - 40.3.4 supervise the activities of the Fund Manager and the investment performance of the Fund's assets and investments;
 - 40.3.5 review the Fund Manager's investment decisions and ratification of such decisions as it deems appropriate; and
 - 40.3.6 ensuring an effective performance monitoring, risk management and compliance oversight of the Fund's investment operations.
- 40.4 Members of the Committee are expected to bring objectivity and independence to the Committee's function and support the actualization of the Fund's investment objective. Among other responsibilities, they will be required to review the quarterly and annual performance reports prepared by the Fund Manager and the Trustee with a view to, among others:
- 40.4.1 highlight and report on significant changes from reasonable investment return levels;
 - 40.4.2 ensure a clear understanding of the impact of external factors on the Fund's investments;
 - 40.4.3 outline areas of risk inherent within the investment strategy; and
 - 40.4.4 any issues having significance requiring a deviation from the Investment Policy.
- 40.5 The Investment Committee shall meet once in every quarter and shall have the power to hold such meetings and take such decisions through electronic means which include but are not limited to telephone and video conference calls and electronic mails.
- 40.6 The quorum for a meeting of the Investment Committee is two-thirds of its members, one of whom must be the independent member.

FIFTH SCHEDULE

THE FUND'S INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Fund are capital preservation and income generation.

The Fund aims to generate income as well as preserve investor capital by investing in a diversified portfolio of high-quality fixed income securities and money market instruments.

To ensure sound investment selection, portfolio and risk management practices, the Fund will adopt a portfolio strategy that will largely depend on fundamental and technical analysis in order to properly assess the inherent risks within the context of the Fund profile. In order to accomplish the objectives of the Fund, the Fund Manager will rely on its team of experienced personnel.

The Fund Manager shall strictly adhere to the investment policy of the Fund by investing only in such instruments that are permissible in accordance with SEC Rules, allowable under the Trust Deed and authorised by the Investment Committee.

The Investment Policy of the Fund adheres to asset selection and allocation geared towards achieving the investment objectives of the Fund. Material changes to the Fund's investment objective would only be made subject to the prior approval of Unitholders.

Eligible Instruments

1. The assets of the Fund shall be invested in high quality fixed income securities and money market instruments.
2. The permissible asset classes which the Fund may be invested in are as follows:
 - i. Fixed Income Instruments – Federal, State Government and corporate bonds and other fixed income instruments; and
 - ii. Money Market Instruments – These include treasury bills, bankers' acceptances, commercial and financial papers of companies, negotiable certificates of deposit and short-term notes issued under note issuance facilities, other money market funds and other instruments introduced and approved by the Central Bank of Nigeria from time to time and as permissible.

Asset Allocation Strategy

1. To achieve its objective and determine the appropriate portfolio mix for the Fund, the Fund Manager shall:
 - 1.1 regularly consider the following factors:
 - i. return and risk objectives of the Fund,
 - ii. statutory requirements,
 - iii. market and economic conditions and expectations,
 - iv. universe of available instrument types along with their maturities,
 - v. cash flow expectations, and
 - vi. composition of subscribers.
 - 1.2 consider the overall instrument type exposure as well as maturity exposure of eligible securities held by the Fund.

2. Consequently, the assets of the Fund shall be invested in eligible securities along the following ranges:

Proposed Instruments	Asset Allocation (%)
FGN Bonds	30 – 100
State Government Bonds	20 – 80
Corporate Bonds	20 – 70
Other Debt Instruments (Short-term notes, CPs)	20 – 70
Money Market Instruments	10 – 30
Cash	0 – 05

The Fund shall not invest less than 70% of its assets in fixed income securities with a term to maturity of less than 365 days.

3. Notwithstanding the above, the weighted average maturity of the portfolio shall not be less than 365 days.
4. It is the duty of the Fund Manager to ensure that the Fund's assets are allocated in consonance with the asset allocation strategy set out in the table above in its bid to achieve the Fund's objectives. The asset allocation strategy is based on the principle that specific asset classes have different investment characteristics and, as such, the Fund's assets must be diversified to achieve the primary objective of the Fund.

Benchmark

The Fund Benchmark is a recognized index appropriate for the investment strategy of the Fund, which shall be the yield on 5-year FGN Bond relevant for a period not less than 5 years.

SIXTH SCHEDULE

CONFLICT OF INTEREST MANAGEMENT POLICIES

Introduction

- 1.1 This policy sets out guidelines and procedures for identifying, monitoring and managing actual and potential conflicts of interest.
- 1.2 In this policy references to:
- a) "conflicts" or "conflicts of interest" include actual and/or potential conflicts of interest and/or duty;
 - b) "connected persons" are the Related Parties and their Affiliates; and
 - c) "benefit" includes any payment or material benefit (including property, loans, goods and services), other than reasonable out of pocket expenses.
- 1.3 This policy should be read in conjunction with any guidelines, policies and procedures for managing conflict of interest that may be instituted by the board of the Fund Manager. In the event of any conflict between the policies set out in this schedule and the policies of the Fund Manager, the policies of the Fund Manager shall prevail.

The purpose of this policy

- 1.4 Conflicts of interest can inhibit open discussions and may result in connected persons taking irrelevant considerations into account or making decisions that are not in the Fund's best interests. They can also damage the reputation of the Fund if it appears that the Related Parties are influenced by personal interests or loyalties. All Related Persons must therefore be alert to the possibility that they, or their Affiliates, could be affected by a conflict of interests.
- 1.5 The procedures in this policy will enable connected persons to identify and manage conflicts of interest so that they can ensure that conflicts do not prevent them from making decisions in the best interest of the Fund. The policy will also help protect both the Fund, the Related Parties and their Affiliates from any appearance of impropriety in cases where conflicts of interest arise.

Identifying conflicts of interest

- 1.6 A conflict of interest is any situation in which a connected person's direct or indirect interests could, or could be seen to, prevent them from making a decision only in the best interests of the Fund.
- 1.7 Conflicts of interest may arise:
- a) where a connected person stands to obtain a benefit from the Fund; or
 - b) where a Related Party or its Affiliate has a duty of loyalty to a third party that conflicts with their duty to the Fund.
- 1.8 When considering if they have a conflict of interest, a connected person must be aware of the following principles:
- a) a conflict of interest exists if there is a possibility that the connected person's personal interest could influence its decision-making, even if the connected person's decision-making is not in fact adversely affected by the conflict. A reasonable perception that a conflict of interest exists can be enough for a connected person to be in breach of its duties; and

- b) the interest that gives rise to a conflict may be direct or indirect and, in particular, a conflict may relate to the interests of someone who is connected to a Related Party as well as to their own personal interests.

Procedure for declaring interests

- 1.9 All Related Parties have a personal responsibility to declare any interest that might reasonably be regarded as potentially giving rise to a conflict.

Procedure for declaring interests in transactions and arrangements

- 1.10 A Related Party who has a direct or indirect interest in any proposed transaction or arrangement with the Fund must declare the nature and extent of that interest before the transaction or arrangement is entered into.
- 1.11 A declaration made under paragraph 1.10 must be made by sending written notice to the Commission and the Trustee.
- 1.12 A Related Person may give general notice that they or an Affiliate has an interest in a specified company, business or organisation and is to be regarded as interested in any transaction or arrangement with that company, business or organisation that may be entered into by or on behalf of the Fund.

Procedure for assessing conflicts

- 1.13 The way in which conflicts are dealt with will depend on the nature and extent of the conflict. The Fund Manager and the Trustee shall:
 - a) assess the nature and extent of the conflict;
 - b) assess the risk or threat to decision-making by the Related Party and/or its Affiliate;
 - c) decide whether the conflict is serious (for example, the conflict is acute or extensive, will or may be seen to prevent the Related Party and/or its Affiliate from making decisions in the best interests of the Fund, relates to a significant decision or risks significantly damaging the Fund's reputation); and
 - d) decide what steps to take to handle the conflict.

When considering the conflict, the Fund Manager and the Trustee must take all relevant factors into account, make decisions only in the best interests of the Fund and always protect the Fund's reputation.

- 1.14 The conflicted Related Party must not take part in any discussion or decision about the conflict and how to handle it.

Authorised conflicts of interest

- 1.15 The duty to avoid a conflict of interest does not apply if, and to the extent that, the conflict of interest is authorised by the Commission.
- 1.16 In each case, the conditions that apply to the authorisation by the Commission must be complied with.

EXTRACTS FROM THE CUSTODY AGREEMENT

Below are the relevant extracts from the Custody Agreement

2. Appointment and Role of the Custodian

2.1 The Custodian is hereby appointed to do the following:

- (a) Open and operate separate custody account in the joint name of the Trustee and the Fund.
- (b) The settlement of Securities and to hold the same on behalf of the Trustee/Fund upon terms and conditions hereof.
- (c) Keep custody of all the Deposited Property from time to time on behalf of the Fund.
- (d) To ensure that the Deposited Property is at all times immediately identifiable by third parties as custody assets of the Fund by the inclusion of such words in the title to sufficiently describe same as such i.e. **“UTL Trust/DLM Fixed Income Fund Account”** as contained in clause 5.1 below.
- (e) The collection of dividends, interests, and principal amounts due for redemption on due date on behalf of the Fund.
- (f) To exercise or sell subscription rights and attending to other related corporate actions, provided that, it shall be liable to the Trustee/Fund in full for any losses incurred due to its failure to carry out its obligation in relation to any corporate action affecting all or any part of the funds or assets covered by this Agreement.
- (g) Transaction processing/settlement, monthly and quarterly reporting of status of the Fund’s assets to the Fund Manager, the Trustee, and the Commission.
- (h) Carry out monitoring, oversight, administrative and other functions required in accordance with the terms and conditions of this Agreement.
- (i) Act independently of the Fund Manager, Trustee and of the management of the Fund and solely in the interest of the Unitholders of the Fund.
- (j) Be accountable to the Fund Manager, the Trustee, and the Commission in the performance of its obligations herein and such other functions it may reasonably be expected to perform pursuant to upholding the best interest of Unitholders and the Fund.
- (k) Not create a charge on, or loan out, the Deposited Property.
- (l) Ensure that applicable accounting standards are maintained in preparation of the Fund’s books.
- (m) Ensure the financial statements of the Fund are prepared on a going concern basis.
- (n) The Custodian’s role includes all the obligations as provided in SEC Rules and the ISA.
- (o) To do all other things incidental and necessary to carry out its role as a Custodian.

3. Role of the Fund Manager

3.1 The Fund Manager is the investment manager whose role is to administer the Fund by doing the following:

- (a) Make investment decisions, in relation to the funds and assets under the Fund.
- (b) Keep proper books of account and prepare financial statements.

- (c) Ensure that appropriate internal controls are established for the Fund.
- (d) Maintain adequate financial resources to meet its commitments and manage the risks thereon.

4. Compliance with Relevant Regulation(s)

Holding of Securities by the Custodian or any Securities Depository or Sub-Agent will be subject to Relevant Regulation(s) and practices, including the Rules and Regulations of the Commission. To the extent that such regulations conflict with the terms hereof, the former shall prevail. The Custodian may take or omit to take any action it deems in its absolute discretion fit in order to ensure compliance with any Relevant Regulation(s) and neither the Custodian nor any of its associates, directors, officers, agents, delegates or employees shall be liable in respect thereof save in the case of gross misconduct or negligence of the Custodian or its Agents.

5. The Account(s) and Record Keeping

5.1 The Custodian shall establish and maintain the following accounts/books for the Fund:

- (a) A securities account for all securities from time to time received by the Custodian which have been designated for such Securities Account. Each Securities Account will be titled UTL Trust/DLM Fixed Income Fund” (the “Securities Account”). The Fund’s assets will be separate from that of the Custodian in line with Rule 456(b) of the Rules and Regulations of the Commission;
- (b) A Cash Account shall be designated to receive all sums due to the Fund and shall be titled “UTL Trust/ DLM Fixed Income Fund” (the “Cash Account”).

5.2 The Custodian shall hold the Property in the Accounts on behalf of the Trustee/Fund.

5.3 The Property held in the Accounts shall be clearly recorded on the books of the Custodian as belonging to the Trustee/Fund. The Custodian may treat Securities as fungible and therefore identification of the specific Securities held by the Custodian on behalf of the Trustee/Fund for a Unitholder may not be possible. Provided that the Custodian shall ensure that its assets are separate and distinct from the Fund’s Deposited Property and any other assets under its custody.

5.4 The Custodian shall also maintain a complete record of the number and type of Securities held by the Trustee/Fund for the account of the Fund.

5.5 Registration of Securities

- (a) The Custodian shall arrange for the registration of Securities on behalf of the Trustee/Fund. The Custodian shall conduct regular registry inspections, at least quarterly, to confirm that the records of each registrar are identical to those of the Custodian with respect to each Securities held for the Fund.
- (b) The Custodian shall be responsible for obtaining the consent of each registrar to conduct such inspection and shall provide a report of such inspection to the Trustee and the Fund Manager at the end of the quarter. In addition, the Custodian shall advise the Trustee and Fund Manager immediately upon discovery of any discrepancies between the records of a registrar and the Custodian’s records regarding any Securities.
- (c) The Custodian agrees to maintain those Securities in safe keeping at its registered offices or such other offices as the Custodian may occupy at any time hereafter subject to providing the Trustee and the Fund Manager with adequate notice thereof.

- (d) The Cash Account will be a sub-account within the Custodian's own Naira bank account for the purpose of receiving and distributing dividends and interest payments and other income, payments, proceeds of sale, redemption monies, or cash equivalent associated with the Trustee/Fund's Securities. The Custodian shall use its reasonable efforts to procure the receipt by it of the relevant evidence as soon as practicable, whereupon the Custodian shall procure the remittance of such monies to the Account in the name of the Trustee/Fund or as otherwise instructed by the Fund Manager.
- (e) The Custodian shall maintain records of the details of the Deposited Property, including date and amount, of debits and credits to the Deposited Property. The Custodian shall maintain a record in its own books of the Trustee/Fund and the number and type of Deposited Property for the Trustee/Fund.
- (f) The Custodian shall provide the Trustee and the Fund Manager with a confirmation of every change in the proportion of Deposited Property due to the Trustee/Fund since the last date of such confirmation.
- (g) The Custodian shall render the relevant reports in line with the Rules and Regulations of the Commission as amended from time to time.

6. Use of Securities Depositories and Agents

- 6.1 The Custodian may, with the prior written consent of the Fund Manager engage the services of a Securities Depository to hold funds and assets deposited in the Account provided that the Fund Manager may generally object to the use of any Securities Depository or agent which it has reason to believe may not uphold the fundamental objective of the Fund.
- 6.2 If the Custodian deposits Property in a Securities Depository, the Custodian shall identify the Property so deposited on the Custodian's books as belonging to the Trustee/Fund and shall require that such Securities Depository identifies the Property so deposited on its books as belonging to the Trustee/Fund.

7. Authorised Signatories

- 7.1 Upon the execution of this Agreement the Fund Manager/Trustee shall supply to the Custodian a list of persons who are authorised to give instructions in respect of the Fund's accounts, operated by the Custodian and the said persons' relative specimen signatures as well as clear signature mandates.
- 7.2 The Fund Manager and Trustee shall promptly notify the Custodian in writing of any changes that may be made to the persons authorised under Clause 7.1 above and shall in the case of new signatories provide duly completed specimen signature cards in respect thereof.

8. Actions upon Authorised Instructions

- 8.1 Upon the receipt of Authorised Instructions (as hereinafter defined) the Custodian is authorised to sell, assign, transfer, deliver or exchange, or to receive or purchase for the Accounts, Securities, but only as provided in such Authorised Instructions.
- 8.2 Notwithstanding anything herein stated to the contrary, the Custodian shall not be responsible for the performance of such duties as are set forth in this Agreement or contained in Authorised Instructions given

to the Custodian which are contrary to Relevant Regulation(s). The Custodian shall promptly notify the Fund Manager if it cannot comply with Authorised Instructions.

8.3 For the purposes of this Agreement, Authorised Instructions means:

- (a) Instructions issued by the Fund Manager to the Custodian by SWIFT;
- (b) Instructions issued by the Fund Manager to the Custodian via Electronic Mail;
- (c) Instructions issued by the Fund Manager in writing signed by such persons as are designated in writing by the Trustee;
- (d) Tested telex instruction of the Fund Manager;
- (e) Other forms of instruction issued by the Fund Manager in computer readable form as shall be customarily utilised for the transmission of like information and acceptable to the Custodian; and
- (f) Such other forms of communication issued by the Fund Manager as from time to time to be agreed upon by the Fund Manager and the Custodian.

8.4 Subject to Clause 7 hereof, the Custodian shall undertake to carefully examine the signatures of the authorised signatories but shall not be bound to make any further examination with respect to identity.

8.5 Authorised Instructions shall continue in full force and effect until cancelled or superseded by the same means by which the instruction was given or by any other means covered by clause 8.3.

8.6 The Fund Manager shall be responsible for safeguarding any testkeys, identification codes or other security devices, which the Custodian may make available to the Fund Manager.

8.7 The Custodian shall only act upon written authorised instructions given by the Fund Manager.

8.8 If an Authorised Instruction is incomplete, unclear, ambiguous, and/or in conflict with another Authorised Instruction, the Custodian must request for resolution, where the Fund Manager is unable to provide clarification within 2 hours of such request, the Custodian may in its reasonable discretion refuse to act on such Authorised Instructions until any incompleteness, unclearness, ambiguity or conflict has been resolved to its satisfaction.

8.9 Any Authorised Instructions validly given by the Fund Manager in accordance with this Agreement and received by the Custodian in such manner that it is reasonable to believe that it is authentic (notwithstanding any error in the transmission thereof), shall, as against the Fund Manager and in favour of the Custodian be conclusively deemed to be valid Authorised Instructions from the Fund Manager to the Custodian provided however that the Custodian may in its reasonable discretion decline to act upon any Authorised Instructions where the Custodian has reasonable grounds for concluding that the same have not been accurately transmitted or are not genuine. The Fund Manager is responsible for any loss, claim or expense incurred by the Custodian for following or attempting to follow the Authorised Instructions, if there are grounds to conclude that same was validly issued by the Fund Manager.

9. Actions without Authorised Instructions

9.1 Unless the Custodian receives Authorised Instructions of the Fund Manager to the contrary, the Custodian is authorised to: -

- (a) Exchange Securities when the exchange is purely ministerial (including, without limitation, the exchange of interim receipts or temporary Securities for Securities in definitive form and the exchange of warrants, or other documents of entitlement to Securities, for the Securities themselves);
- (b) Surrender Securities at maturity or when called for redemption upon receiving payment therefore within three (3) to five (5) business days or the approved time limit under the applicable Rules and Regulations;
- (c) Take non-discretionary action on mandatory corporate actions; and
- (d) In general, attend to all non-discretionary details in connection with the custody, sale, purchase, transfer, and other dealings of the Deposited Property.

11. Scope of Custodian's Responsibility

- 11.1 The Custodian shall be under no duty to take or omit to take any action with respect to the Deposited Property or otherwise except in accordance with the terms of this Agreement or in line with applicable Rules and Regulation.
- 11.2 The Custodian shall exercise the utmost care and diligence in performing its obligations under this Agreement acting in the best interest of Unitholders and the Fund.
- 11.3 The Custodian shall maintain adequate policies of insurance covering any loss or damage to the Deposited Property whilst under its possession or that of its appointed Securities Depository/Agent. Provided that prior to the full execution of this Agreement it furnishes the Fund Manager with evidence of a guarantee or other insurance policies covering the full value of all funds and assets to be transferred to the Custodian.
- 11.4 The Custodian shall have a duty to make reasonable enquiries and satisfy itself as to safekeeping arrangements, collection thereof, delivery and/or transfer procedures of any Securities Depository or Agent that it may appoint to act in any capacity in relation to the Deposited Property subject to clause 6.1.
- 11.5 Although the Custodian shall have no duty of supervision or monitoring of any Securities Depository or Agent other than to perform reasonable due diligence as to their selection as herein provided, it shall take all reasonable steps to ensure that insofar as the acts and omissions of such depository or agent affects the safekeeping and other custody roles regarding all or any part of the Deposited Property, the agent or securities depository shall act in the best interest of Unitholders and the Fund.
- 11.6 Subject to the agreement of both parties, the Custodian will use its best endeavours to obtain double tax treaty exemption certificates or otherwise provide tax reclamation services.

12. Reporting

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

15. Confidentiality

The Custodian shall not disclose to any other person apart from the Trustee and the Fund Manager any information obtained as a result of entering into this Agreement, unless required to do so by any relevant legislation, a regulatory authority or an order of court, and shall not make use of any such information in a manner which would or might have a material adverse effect on the rights and interests of the Trustee in relation to the Property or this Agreement. The Custodian shall whenever practicably inform the Trustee and the Fund Manager as soon as such request is made.

16. Right of Inspection

The books, records, documents, accounting procedures and practices of the Custodian relevant to this Agreement are subject to examination by the Trustee, the Fund Manager, or their lawful representatives during normal business hours. No notice is required to be given for such inspections.

17. Charges

The Custody Fee shall be 4bps (basis points) or 0.04% per annum of assets under custody and payable semi-annually in arrears.

CONSENTS

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

Directors of the Fund Manager:	Mr. Sonnie Ayere Mr. Kennedy Ighodaro Mr. Malcolm Gilroy
Company Secretary:	DLM Nominees
Trustee:	UTL Trust Management Services Limited
Custodian:	United Bank for Africa Plc (UBA Plc)
Transaction Counsel:	G. Elias & Co
Registrar:	Meristem Registrars & Probate Services Ltd
Stockbrokers:	DLM Securities Limited

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of the Fund Manager at its business address during normal working hours on any Business Day during the offer period:

1. Certificates of Incorporation of the Fund Manager and the Trustee;
2. Memoranda and Articles of Association of the Fund Manager and the Trustee;
3. The resolution of the Board of Directors of the Fund Manager authorizing the creation of the Fund;
4. The duly executed Prospectus issued in respect of the Fund;
5. The 5-Year audited financial summary of the Fund Manager;
6. Solicitors' Opinion on Claims and Litigations involving the Fund Manager;
7. The Material Contracts referred to above;
8. The written consents referred to above;
9. The letter of authorization of the Fund and registration of the Units by the SEC

PROCEDURE FOR APPLICATION AND ALLOTMENT

1. APPLICATION

- 1.1 Investors are hereby invited to apply for units of the Fund through the Agent(s) listed in this Prospectus.
- 1.2 Application for units of the Fund must be made in accordance with the instructions attached to the Application Form. Applications should be made only on the Application Form. Unduly completed forms may be rejected.
- 1.3 Applications must be made for a minimum of 500 units and in multiples of 100 after, as prescribed in this Prospectus.
- 1.4 Applications made on behalf of a minor must include the full names of the minor as well as the full names and contact details of the guardian or parent making such an application.
- 1.5 Joint applications must jointly sign the Application Form in wet ink.
- 1.6 Applicants are advised to make only one application in his name or in the name of a nominee. Multiple or suspected applications will be rejected.
- 1.7 An application from a corporate must bear the corporations corporate seal and be signed by an authorised official.
- 1.8 An application by an illiterate should bear his thumbprint on the Application Form and must be witnessed by an official of the Fund Manager or the Fund Manager's Agent. The Fund Manager or Agent must explain the meaning and or effect of the application to the applicant prior to accepting such application.
- 1.9 All foreign currency subscriptions should be credited to the correspondent bank accounts specified on pages 72 and 73 of this Prospectus. The bank where the designated account opened by the Custodian is domiciled must issue CCIs evidencing such foreign currency subscriptions within 24 hours of receipt of funds.
- 1.10 Applicants must provide a valid bank account details in the space provided in the Application Form.

2. ALLOTMENT

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.

3. DETAILS OF THE CUSTODY ACCOUNT

Applications in Naira should be made to the following account details:

Account Bank:	United Bank for Africa Plc
Account Name:	UTL Trust/DLM FIXED INCOME FUND
Account Number:	1023678074

Foreign currency subscribers are advised to contact the bank where the designated account opened by the Custodian is domiciled for the applicable exchange rate prevalent on the day of subscription. Applications can be made in dollars to the account details below:

Account Bank:	United Bank for Africa Plc
Account Name:	UTL Trust/DLM FIXED INCOME FUND
Account Number:	1023705534

APPLICATION FORM

**OFFER FOR SUBSCRIPTION
OF
5,000,000 UNITS OF ₦1,000.00 EACH ISSUED AT PAR**

**IN THE
DLM FIXED INCOME FUND**
(AUTHORISED AND REGISTERED IN NIGERIA AS A UNIT TRUST SCHEME)

FUND MANAGER:



**COMMENCEMENT DATE
APRIL 28, 2021**

PAYABLE IN FULL ON APPLICATION

Applications must be made in accordance with the instructions set out on the back of this application form this Prospectus. 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 professional adviser for guidance

Please complete all relevant sections of this form USING BLOCK LETTERS where applicable

												REGISTRARS USE ONLY			
<ol style="list-style-type: none"> 1. I/We hereby confirm that I am/we are qualified persons to participate in this Issue in accordance with applicable SEC Rules and Regulations. 2. I/We declare that I/We have read the Prospectus dated April 23, 2021 issued by DLM Asset Management Limited and that my/our order(s) is/are made on the terms set therein. 3. I/We irrevocably undertake to confirm my/our order(s) for the Funds' equivalent to my/our Participation Amount(s) set out below once my/our order(s) has/have been accepted. 4. I/We note that the Fund Manager are entitled in their absolute discretion to accept or reject this Order. 5. I/We agree to accept the Participation Amount as may be allocated to me/us subject 	No. of Units Applied for:														
	No. of Units Allotted:														
	Amount Paid:														
	Value of Units Allotted:														
	Amount to be Returned:														
	Cheque No.:														
Units Applied for (minimum of 500 and multiples of 100 thereafter):															
NUMBER OF UNITS															
VALUE OF UNITS															

PLEASE TURN OVER TO COMPLETE THIS FORM

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

1. Applications must be made only on this Application Form, or photocopy, downloaded or scanned copy of the Application Form.
2. Commencement Date for the Fund will be stated in the Prospectus.
3. Application must be for a minimum of 500 Units at the first instance and multiples of 100 Units thereafter. The number of Units for which an application is made and the applicable value should be entered in the boxes provided.
4. An application for a minor must include the full names and date of birth of the minor, as well as the full names and address of the adult (Parent or Guardian) making the application on such minor's behalf.
5. Joint applicants must all sign the Application Form.
6. An application from a corporate body must bear the corporate body's common seal and be completed under the hand of a duly authorized official.
7. An application by an illiterate should bear his right thumbprint on the Application Form and be witnessed by an official of the Receiving Agent 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.
8. 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 Fund as an illiterate and his right thumbprint should be clearly impressed on the Application Form.
9. Applications in Naira below ₦10 million should be forwarded together with a bank draft made payable to any of the Receiving Agent listed in this Prospectus or evidence of payment via NEFT or NIBBS into the custody account specified on 71 of this Prospectus, for the full amount of the purchase price. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "**UTL TRUST/DLM FIXED INCOME FUND**" with the name, address and daytime telephone number of the applicant written on the back. All bank commissions and transfer charges must be prepaid by the applicant. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected and returned through the post at the applicant's risk.
10. Applications in Naira above ₦10 million should be transferred via RTGS into the custody accounts specified on page 72 of this Prospectus.
11. All foreign currency subscriptions should be credited to the correspondent bank accounts specified on Page 73 of this Prospectus. The applicable Custodian will issue CCIs evidencing such foreign currency subscriptions. CCIs are required to enable subsequent repatriation, in a freely convertible currency, of the dividends from or proceeds of any future sale of the Units acquired in this offer for subscription.

<p style="text-align: center;">APPLICATION FORM</p> <p style="text-align: center;">DLM FIXED INCOME FUND</p>
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