

## FREQUENTLY ASKED QUESTIONS – DLM FIXED INCOME FUND

### **Question: What is the DLM Fixed Income Fund?**

**Answer:** The DLM Fixed Income Fund (“the fund”) is an actively managed open-ended unit trust scheme authorized by the Securities and Exchange Commission (SEC), whose main objective is to capital preservation and income generation.

### **2. Question: What are the benefits of Investing in the DLM Fixed Income Fund?**

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

### **3. Question: Who will manage the DLM Fixed Income Fund?**

**Answer:** The DLM Fixed Income Fund will be managed by DLM Asset Management Limited, the Asset Management unit of the DLM Capital Group. DLM Asset Management is licensed as a Portfolio/Fund Manager and Investment Advisor regulated by the Securities & Exchange Commission of Nigeria (SEC) on July 27, 2009. The fund manager has demonstrated competence in managing clients’ investment need with its range of products and services.

### **4. Question: What is the Issue Price?**

**Answer:** The Issue Price of the Fund is N1,000.00 per Unit

### **5. Question: How much can I invest in the Fund?**

**Answer:** You can invest a minimum of ₦500,000.00 into the DLM Fixed Income Fund to purchase 500 Units, while additional investments will be issued in multiples of 100 Units thereafter.

### **6. Question: What is the Minimum Holding Period for the Fund?**

**Answer:** 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

### **7. Question: How do interested investors subscribe to the Fund?**

**Answer:** Investors can subscribe to Units of the Fund from the Fund Manager or any of its designated agents/ representative or through any medium that may be approved and provided by the Fund Manager from time to time. Payment for Units for the Fund can be made by a personal or manager’s cheque or via a bank or wire transfer in accordance with instructions on the subscription form or as provided by the Fund Manager.

### **8. Question: What will I receive as evidence of my investment in the Fund?**

**Answer:** Every unit holder will be entitled to a statement of unit holding. This will be a statement evidencing ownership to the number of Units subscribed. Joint Unit Holders shall be entitled to one statement in respect of the Units held jointly which shall be delivered to the joint holder whose name first appears on the Register.

### **10. Question: What is the Fund’s Asset Allocation?**

**Answer:** The fund would invest its total assets in FGN bonds, State and Corporate bonds and Money Market Instruments with Investment Grade ratings in line with the allocation stated below:

| Proposed Asset Class | Asset Allocation Range |
|----------------------|------------------------|
|----------------------|------------------------|

|  |            |
|--|------------|
| FBN 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%   |

**11. Question: Is there a guaranteed Rate of Return on an investment in the Fund?**

**Answer:** When you invest in the DLM Fixed Income Fund, returns will be dependent upon key macro-economic indicators, interest rates of the underlying financial instruments and comparable investment returns in the market. The Fund Manager cannot influence these external factors. However, the Fund Manager will strive to maximize competitive returns to Unitholders.

**12. Question: How can I profit from my investments:**

**Answer:** DLM as the Fund Manager will distribute income (less expense) as dividends to Unit Holders on a Semi-annual basis. The Unit Holders shall have the option to be paid dividends or to reinvest their dividends in additional Units at the prevailing unit price. Unit Holders who elect to have dividends 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 dividend.

**13. Question: What is the procedure for selling or redeeming my investment?**

**Answer:** 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.

**14. Question: Can periodic contribution be made in addition to the initial investment?**

**Answer:** Yes, periodic contributions can be made. The Fund is open-ended and there is no closing date.

**15. Question: Who will monitor DLM Fixed Income Fund?**

**Answer:** The DLM Fixed Income Fund, like all Unit Trust Schemes in Nigeria will be regulated by the SEC. In addition, a Trustee, UTL Trust Management Services Limited has been appointed to act on behalf of the unit- holders, legally ensuring that the Fund is managed in the best interests of Unitholders and in accordance with the provisions of the Trust Deed.

**16. Question: Who are the trustees of the fund and what is their role?**

**Answer:** The trustee of the fund is UTL Trust Management Services Limited. The trustees have a legal duty to protect the interest of unit holders. Their activities would include ongoing supervision of compliance with the investment policies of the fund.

**17. Question: Who can invest in the DLM Fixed Income Fund?**

**Answer:** The Fund seeks to target retail investors, High Net worth Individuals (HNIs), Institutional Investors seeking a regular stream of income through low-risk investments, and optimization of return on investments in fixed income instruments.

18. Question: Where can I make naira fund contributions?

**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**

**18. Question: Where can I get the Application form?**

**Answer:** The form can be downloaded from our website at [www.dlm.group](http://www.dlm.group) , or you can obtain a copy at no cost at our office – 66-68 Alexander Avenue, Ikoyi, Lagos.

**19. Question: Can I invest for my children and can my club invest?**

**Answer:** Yes, it is possible to invest for minors, clubs, or groups.

**20. Question: I want to make modifications to the details on my personal profile.**

**Answer:** Kindly send an email to [asset@dlm.group](mailto:asset@dlm.group) and we will contact you within 24 hours.

**21. Question: I invested in the DLM Fixed Income Fund but yet to receive my certificate of investment.**

**Answer:** Please let us know by sending an email to [asset@dlm.group](mailto:asset@dlm.group)