

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, BANKER OR AN INDEPENDENT INVESTMENT ADVISER REGISTERED BY THE SECURITIES & EXCHANGE COMMISSION. INVESTORS ARE ADVISED TO NOTE THAT LIABILITY FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THE PROSPECTUS IS PROVIDED IN SECTIONS 85 AND 86 OF THE INVESTMENTS AND SECURITIES ACT NO. 29 2007 (THE "ACT"). THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS OF THE FUND MANAGER 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 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.

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FOR INFORMATION CONCERNING CERTAIN RISK FACTORS, WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO "RISK FACTORS" ON PAGE 20 - 21.

INITIAL PUBLIC OFFER

OF

**500,000**

**UNITS OF ₦1,000 EACH AT PAR  
PAYABLE IN FULL ON APPLICATION**

**Commencement Date [Day, Month] 2023**

**FSDH HALAL FUND**

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

**FUND MANAGER:**



**RC 434206**

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THIS PROSPECTUS AND THE UNITS WHICH IT OFFERS HAVE BEEN REGISTERED BY THE SECURITIES & EXCHANGE COMMISSION. THE INVESTMENTS AND SECURITIES ACT NO. 29 OF 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 OR FOR ANY OMISSION OF A MATERIAL FACT IN THIS PROSPECTUS.

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This prospectus is dated [14, August] 2023

Investors may confirm the clearance of the prospectus and registration of the securities with the Securities and Exchange ("SEC" or the "Commission") by contacting the Commission via [sec@sec.gov.ng](mailto:sec@sec.gov.ng) or +234(0)94621100; +234(0) 94621168.

This Prospectus will be available on the following websites from the Application List Opening Date: [www.fsdhaml.com](http://www.fsdhaml.com)

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## 1. DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the meanings respectively assigned to them:

Terms/Abbreviations	Description
“ACE”	The Advisory Committee of Experts, and may be construed as the Shari’ah Advisers
“Affiliate”	<p>means any person, natural or corporate falling within the categories of the parties listed below:</p> <p>(a) companies that share personnel of the Fund Manager who hold administrative, management and board of directors’ position in the Fund Manager, in addition to front office staff engaged in the investment management function of the Fund;</p> <p>(b) companies that share personnel of the Trustee who hold administrative, management and board of directors’ position in the Trustee;</p> <p>(c) companies that share personnel of the Custodian who hold administrative and management positions in the Custodian;</p> <p>(d) companies that are affiliates of the Fund Manager, Trustee or Custodian within the same financial group or another group;</p> <p>(e) key persons undertaking asset management, investment analysis and other key front office tasks that impact or are likely to impact the Fund;</p> <p>(f) persons capable of exerting influence on management and board of directors’ decisions in Related Parties and their Affiliates;</p> <p>(g) other collective investment schemes managed by:</p> <p>i. the Fund Manager;</p> <p>ii. an Affiliate of the Fund Manager and/or companies belonging to the same group as the Fund Manager;</p> <p>iii. an Affiliate of the Trustee and/or companies belonging to the same group as the Trustee; and</p> <p>iv. a Company whether as affiliate, subsidiary or parent of the Fund Manager, Trustee or Custodian whose securities are unlisted or listed on a recognised securities exchange;</p> <p>(h) sponsor, administrator or managers of electronic/digital platforms which serve as channel for subscription to or redemption from, of units of the Fund;</p> <p>(i) companies which share interlocking directorship with the Fund Manager, Trustee or Custodian;</p> <p>(j) companies that engage in Principal Transactions with the Fund Manager, Trustee or Custodian;</p> <p>(k) companies with at least 5% shareholding or beneficial ownership in the Fund Manager, Trustee or Custodian; and</p> <p>(l) any other person(s) identified by the Fund Manager, Trustee, the Custodian or the Commission as an Affiliate.</p>
“Application Form”	The form to be completed by investors subscribing for Units in the Fund
“Authorised Investment”	Any investment which is authorised under applicable Nigerian law and the principles of Islamic finance which the Fund may invest in
“Benchmark”	the Fund shall be benchmarked to 70% (yield on 3-year FGN Sukuk) + 30% (yield on 90-day treasury bills) which shall be the relevant benchmark for the Fund for a period of at least 5 years.
“Bid Price”	The price at which an investor can purchase or redeem units of the Fund on any relevant day
“Board of Directors”, “Board” or “Directors”	The Board of Directors of the Fund Manager, as at the date of this Prospectus, who comprise those persons whose names are set out on pages [22] to [24]
“Business Day” or “Working Day”	Any day (other than a Saturday, Sunday and public holidays declared by the FGN) on which commercial banks are open for general business in Nigeria

<b>“CAMA”</b>	Companies and Allied Matters Act 2020 as may be amended from time to time
<b>“Cash”</b>	Cheques, bank drafts, money orders, postal orders, currency notes and coins
<b>“CBN”</b>	Central Bank of Nigeria
<b>“CITA”</b>	Companies Income Tax Act Cap C21 LFN, 2004 (as amended by the Companies Income Tax (Amendment Act No. 11 of 2007) and the Finance Acts 2019, 2020 and 2021)
<b>“Charges”</b>	Any or all of the fees and expenses accruing in relation to the establishment and management of the Fund
<b>“Custodian” or “Global Investor Services”</b>	Rand Merchant Bank Nigeria Limited
<b>“Custody Agreement”</b>	The agreement dated [•] between the Fund Manager, the Custodian and the Trustee, extracts of which are set out from page [45] to [52] of this Prospectus
<b>“Deposited Property”</b>	All assets (including cash) for the time being held or deemed to be held in trust on behalf of the Fund by virtue of the Trust Deed and all amounts for the time being standing to the credit of the Designated Accounts entrusted or to be entrusted to the Custodian
<b>“Designated Account”</b>	Any account that may be opened by the Custodian pursuant to the Trust Deed
<b>“Distribution”</b>	Income earned by the Fund and paid (less expenses and applicable taxes) to Unitholders
<b>“DMO”</b>	Debt Management Office
<b>“Exchange”</b>	The FMDQ Exchange or any other exchange recognised by the SEC
<b>“FGN”</b>	Federal Government of Nigeria
<b>“FMDQ Exchange”</b>	FMDQ Exchange Limited
<b>“Fund”</b>	FSDH Halal Fund
<b>“Fund Manager” or “Sponsor” or “FSDH AM”</b>	FSDH Asset Management Limited
<b>“Holdings”</b>	All or any of a Unitholder’s investments in the Fund
<b>“Investment Committee” or “IC”</b>	The committee with a responsibility to plan, screen and make all such decision required to manage the Fund’s investment portfolio
<b>“IPO” or “Offer”</b>	The initial public offer for subscription of 500,000 Units of ₦1,000.00 each at par in the Fund
<b>“ISA”</b>	The Investment & Securities Act, No. 29, 2007
<b>“Issue Price”</b>	The price of one Unit of the Fund during the Offer Period
<b>“LFN”</b>	Laws of the Federation of Nigeria
<b>“Minimum Holding Period”</b>	The minimum holding period for an investment in the Fund during the IPO is ninety (90) days from the Allotment Date. Thereafter, there shall be a minimum holding period of not less than thirty (30) days
<b>“Minimum Investment”</b>	Means the minimum investible amount in the Fund at any point in time which shall be ₦5,000.00. Such minimum may be reviewed from time to time by the Fund Manager with the consent of the Trustee
<b>“Minimum Number of Units”</b>	Means the minimum permissible holding in the Fund and translates to an ongoing balance of 5 units based on the above Minimum Investment requirement
<b>“Naira”, “NGN” or “₦”</b>	The Nigerian Naira
<b>“NBS”</b>	National Bureau of Statistics
<b>“Net Asset Value” or “NAV”</b>	The total value of all investments, and other assets in the Fund’s portfolio, less all adjustments and/or deductions including fees, charges, expenses and other liabilities accrued by the Fund
<b>“Nigeria”</b>	The Federal Republic of Nigeria and “Nigerian” shall be construed accordingly
<b>“Offer Documents”</b>	This Prospectus and any other document approved by the Commission, which disclose relevant information in respect of the Fund as required by the ISA and the SEC Rules and Regulations for the purpose of inviting the general public to invest in the Offer

<b>“Offer”</b>	Offer for Subscription of Units in the FSDH Halal Fund
<b>“Offer Price”</b>	The price of one Unit of the Fund during the Offer Period
<b>“Open-ended Fund”</b>	A mutual fund that continuously creates and offers 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
<b>“Prospectus”</b>	This document, which is issued in accordance with the SEC Rules and Regulations
<b>“Principal Transaction”</b>	means a 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, in which the Fund Manager of an authorised Collective Investment Scheme (“CIS”) acting on behalf of the CIS enters with an Affiliate of a Related Party to a CIS
<b>“Qualification Date”</b>	A specific date at which Unitholders are qualified to receive dividend distribution or bonuses
<b>“Receiving Agents”</b>	All persons authorised to distribute application forms and receive application forms and monies from subscribers to this Offer for relay to the Fund Manager
<b>“Redemption Notice”</b>	The notice or any other agreed format which Unitholders are required to complete and lodge with the Fund Manager for the disposal of Units
<b>“Register”</b>	The record maintained by the Registrar detailing the particulars of the Unitholders and respective Units held by each Unitholder
<b>“Registrar”</b>	Any corporate that will maintain the Register and which role will be performed by the Fund Manager
<b>“Related Party”</b>	means the Fund Manager, Trustee, Custodian and an Affiliate of a Related Party.
<b>“Related Party Transaction”</b>	means transactions between Affiliates of Related Parties and the Fund Manager acting on behalf of the Fund.
<b>“SEC” or “the Commission”</b>	Securities and Exchange Commission
<b>“Shari’ah-Compliant”</b>	In relation to contracts, investments or assets, means that which complies with Islamic commercial jurisprudence on the prohibition of trade/investment/purchase of arms and ammunitions, gambling, piggery, alcohol, adult entertainment, speculative trades or excessive/unmitigated risks, interest bearing instruments and other items/trades that may be considered unlawful under Islamic commercial jurisprudence
<b>“SEC Rules and Regulations”</b>	The SEC Rules and Regulations, 2013 and any amendments and additional rules and regulations issued by the SEC pursuant to the ISA
<b>“Special Resolution”</b>	A resolution passed by not less than three-fourths of the votes cast by Unitholders that are entitled to vote in person or by proxy at a meeting of Unitholders which at least 21 (twenty-one) days’ notice specifying the intention to propose the resolution as a Special Resolution has been duly given
<b>“Trustee”</b>	STL Trustees Limited
<b>“Unitholder”</b>	Any person or company entered in the Register as a holder of the Units including persons so entered as joint Unitholders
<b>“Units”</b>	The units of the Fund
<b>“Unit Statement” or “Statement of Unitholding”</b>	The statement to be given to Unitholders by the Fund Manager within 15 (fifteen) Business Days of the purchase of Units during the Offer, indicating the number of Units purchased
<b>“Valuation Date”</b>	Means every business day in which the funds price shall be generated. For weekends and public holidays, valuation shall be run for the day preceding the next business day and the fund prices generated on that day shall be used for trading the Fund on the next business day

## **2. IMPORTANT NOTICES**

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This Prospectus has been registered as such by the SEC. No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the offering of Units of the Fund and, if given or made, such information or representations must not be relied upon as having been authorised by the Fund Manager or the Trustee.

Neither this Prospectus nor any other information supplied in connection with the Fund (i) is intended to provide the basis of any subscription or other evaluation or (ii) should be considered as a recommendation by the Fund Manager or the Trustee that any recipient of this Prospectus or any other information supplied in connection with the Offer, or the Fund should purchase the Units of the Fund. Each investor contemplating purchasing any Units should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Fund Manager.

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 Offer is correct as of any time subsequent to the date indicated in the document containing the same. The Trustee expressly does not undertake to review 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 in 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 units of the Fund 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 and sale 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.

### **2.1. Forward-Looking Notices**

Certain statements included in this Prospectus 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 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. 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.

## **2.2. 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 CBN, the DMO and the 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 as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

### 3. ABRIDGED TIMETABLE

Date	Activity	Responsibility
[•]	Launch and open for subscription	Fund Manager
[•]	Render returns	Receiving Agents
[•]	Collection of offer proceeds	Custodian
[•]	Publish allotment announcement	Fund Manager
[•]	Return Excess/Rejected Application Monies	Fund Manager
[•]	Distribute Statements of Unitholdings	Fund Manager
[•]	Submission of Scheme Launch Report within 90 days of registration	Fund Manager


*The dates given above are indicative only. The timetable has been prepared on the assumption that certain key activities including, but not limited to the receipt of regulatory approvals from the SEC for the Offer will be achieved as stated. If not, then dates surrounding key events in the timetable may be subject to adjustments without prior notice.*

#### 4. SUMMARY OF THE OFFER

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

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1.	<b>FUND NAME</b>	FSDH Halal Fund
2.	<b>FUND MANAGER</b>	FSDH Asset Management Limited
3.	<b>TRUSTEE TO THE FUND</b>	STL Trustees Limited
4.	<b>CUSTODIAN</b>	Rand Merchant Bank Nigeria Limited
5.	<b>THE OFFER</b>	500,000 Units of ₦1,000.00 each at par in the Fund
6.	<b>METHOD OF THE OFFER</b>	Offer for Subscription
7.	<b>UNITS OF SALE</b>	5 Units and multiples of 1 Unit thereafter
8.	<b>OFFER PRICE</b>	₦1,000.00
9.	<b>OFFER SIZE</b>	₦500,000,000.00
10.	<b>PAYMENT TERMS</b>	In full on application
11.	<b>LAUNCH AND OPEN FOR SUBSCRIPTION</b>	
12.	<b>NATURE OF THE FUND</b>	<p>The Fund is an open-ended unit trust scheme that will invest in Shari’ah-compliant fixed income securities and investment products that are permissible under Shari’ah principles. Any un-invested cash will be held in non-interest-bearing accounts or near cash Islamic-compliant deposits.</p> <p>The Fund has an initial target of 500,000 Units which is being offered via the IPO. However, subject to the approval of the Commission, the Fund Manager will issue additional registered Units of the Fund to subscribers - on demand - after this initial tranche of 500,000 Units has been fully subscribed.</p>
13.	<b>INVESTMENT OBJECTIVE</b>	The Fund aims to provide investors with long-term income generation and stable cash distributions through exposure to Shari’ah-compliant fixed income securities, contracts, and investment products. It also provides portfolio managers and investors access to diversify their income stream and portfolio whilst providing for long-term capital appreciation.

- 14. INCOME DISTRIBUTIONS** The Fund will seek to distribute, semi-annually in arrears, the net income to Unitholders in line with existing regulations, subject to profits realized. The income of the Fund, net of expenses, to be distributed periodically will be determined by the Fund Manager in the best interest of the Unitholders. All Unitholders as at the Qualification Date will be entitled to a share of the Fund's distributions. However, Unitholders reserve the option to either receive the distribution in their designated account or re-invest same in the Fund.
- 15. QUOTATION** No application has been made to any Exchange for the listing of the Fund. However, the Fund Manager may upon the successful launching and opening of the Fund for subscription, or at a later date, may seek a Memorandum Listing of the Fund on an Exchange.
- 16. BENCHMARK** The Fund shall be benchmarked to 70% (yield on 3-year FGN Sukuk) + 30% (yield on 90-day treasury bills) which shall be the relevant benchmark for the Fund for a period of at least 5 years.
- 17. STATUS** The Units qualify as securities in which Pension Fund Assets can be invested under the Pension Reform Act No. 4 of 2014, and securities in which Trustees may invest under the Trustees Investments Act Cap T22 LFN 2004.
- 18. MINIMUM HOLDING PERIOD** The minimum holding period for an investment in the Fund during the IPO is ninety (90) calendar days from the Allotment Date. Thereafter, there shall be minimum holding period of thirty (30) days.
- 19. TRANSFER AND REDEMPTION** The Fund Manager will not transfer or redeem Units without a duly completed redemption form, for the whole or any part thereof. Units purchased in the name of an investor who is under 18 years may be redeemed or transferred by such investor upon attaining the age of 18 years, provided that such investor produces a duly completed redemption form, a valid means of identification and any other KYC requirements of the Fund Manager.
- Unitholders can redeem their Units within five (5) Business Days following receipt by the Fund Manager or any of its agents of a duly completed redemption form. Investors may redeem all or some of the Units held at any time after allotment, following the Minimum Holding Period.
- Units may be redeemed on any Business Day, provided that the duly completed redemption form is lodged with the Fund Manager. The applicable redemption price shall be the Bid Price published by the Fund Manager on the day of the lodgment of the redemption documents. For redemption notices received after 4.00pm, the redemption price for the following Business Day shall apply. Redemptions will be paid within five (5) Business Days of receipt of the relevant valid redemption documents by the Fund Manager.
- The Minimum Investment value at any point is ~~₦~~5,000.00 or such other minimum investment value advised by the Fund Manager, subject to the written consent of the Trustee. Where a partial redemption will result in less than the Minimum Investment value, the Unitholder will be required to redeem all the Units held. Where there is a partial redemption, the Unitholder's statement will be updated to reflect the new number of Units held following such partial redemption.
- Redemption done prior to the Minimum Holding Period will attract the penalty fee of 20% of interest earned.
- 20. FEES AND OTHER EXPENSES** The fees and Offer expenses payable in respect of the Fund are detailed below:

<b>Offer Expenses</b>	The Fund shall bear all charges and fees (including VAT where relevant) for establishing the Fund, including regulatory fees payable to the SEC, professional fees payable to the transaction parties, brokerage commission, printing, distribution and other related administrative expenses, amounting to and estimated at ₦5,000,000.00 representing 1.00% of the Offer Size. These costs shall be borne by the Fund.
<b>Fund Management Fees</b>	An annual management fee of 1.5% of the Net Asset Value of the Fund, accruable daily and payable quarterly in arrears. The Fund Manager shall be entitled to an incentive fee of not more than 20% of the total annualized returns above the Fund benchmark and the high watermark. The Management Fee and incentive fee where applicable shall be borne by the Fund.
<b>Operating Expenses</b>	All operating expenses including charges and expenses incurred in connection with the management of the Fund plus annual fees payable to the Trustee, Auditors, Custodian, Registrar and Sharia Adviser shall not exceed 3.5% of the NAV of the Fund per annum

- 21. MANDATORY SUBSCRIPTION** In accordance with Rule 450(2) of SEC Rules and Regulations which requires promoters of authorized schemes in Nigeria to subscribe to a minimum of 5% of the initial issue of such schemes, FSDH Asset Management Limited will subscribe to 5% of the Offer size and will hold such units for the life of the Fund.
- 22. OVERSUBSCRIPTION** In the event of oversubscription, additional Units of the Fund will be registered with the SEC.
- 23. RISKS** An investment in the Fund involves various risks. Investors in the Fund should be willing to accept a high degree of volatility in the price of the Units. Consequently, it is important to have a complete understanding of the investment strategies and underlying products from which the Fund derives its value, to evaluate the risks. These risks are carefully outlined in full on pages **20 to 21** of this Prospectus.
- 24. UNIT STATEMENTS** Unitholders will be issued with electronic statements which shall constitute evidence of title to the number of Units specified on such statements.
- 25. GOVERNING LAW** The Offer Documents will be governed by and construed in accordance with the laws of the Federal Republic of Nigeria.
- 26. PURIFICATION OF TAINTED INCOME** Despite the screening process, there may be instances where some tainted income enters the fund due to inadvertent investments or unexpected circumstances. In such cases, the tainted income needs to be purified. The purification process involves donating the tainted portion of the income to charitable causes upon review by the Trustee and the Fund Manager.



## 5. THE DIRECTORS OF THE FUND MANAGER AND OTHER CORPORATE INFORMATION

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### 1. DIRECTORS OF THE FUND MANAGER:

**Folashade Laoye – Chairman**

UAC House, 4th Floor  
1-5 Odunlami Street  
Lagos Island, Lagos

**Toyin Owolabi – Managing Director**

UAC House, 4th Floor  
1-5 Odunlami Street  
Lagos Island, Lagos

**Folashade Ogunde – Director**

UAC House, 4th Floor  
1-5 Odunlami Street  
Lagos Island, Lagos

**Yasmin Belo-Osagie – Director**

UAC House, 4th Floor  
1-5 Odunlami Street  
Lagos Island, Lagos

**Kelechi Okoro – Director**

UAC House, 4th Floor  
1-5 Odunlami Street  
Lagos Island, Lagos

**Wambui Kinya – Director**

UAC House, 4th Floor  
1-5 Odunlami Street  
Lagos Island, Lagos

**Bukola Smith – Director**

UAC House, 4th Floor  
1-5 Odunlami Street  
Lagos Island, Lagos

### 2. INVESTMENT COMMITTEE MEMBERS

Toyin Owolabi  
Taofik Oyeniya  
Adedayo Bello  
Akin Oni (Trustee's Representative)  
Usman Balogun (Independent Member)

### 3. FUND MANAGER'S ADDRESS

**FSDH Asset Management Limited**

**Corporate Headquarters:**

UAC House, 4th Floor  
1-5 Odunlami Street  
Lagos Island, Lagos  
Telephone: +234-1-2809740-1  
Website: <http://www.fsdhaml.com>

## 6. THE OFFER

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A copy of this Prospectus together with the documents specified herein, having been approved by the Trustee and has been delivered to the SEC for registration.

This Prospectus is issued in compliance with the provisions of the ISA and the SEC Rules and Regulations and contains particulars in compliance with the requirements of the Commission for the purpose of giving information to the public with regards to the Initial Public Offer of 500,000 of the Fund by FSDH Asset Management Limited. The Fund has been authorised and registered by SEC as a Unit Trust Scheme. No application has been made to any Exchange for the listing of the Fund. However, the Fund Manager may upon a successful launching and opening of the Fund, or at a later date, may seek a Memorandum Listing of the Fund on an Exchange.

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

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## FSDH ASSET MANAGEMENT LIMITED



RC 434206

OFFERS FOR SUBSCRIPTION AND IS AUTHORISED TO RECEIVE APPLICATIONS FOR THE  
INITIAL PUBLIC OFFERING OF

**500,000 UNITS OF ₦1,000.00 EACH AT PAR IN**

**THE**

**FSDH HALAL FUND**

(Authorised and Registered in Nigeria as Unit Trust Scheme)

Payable in full on Application

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The Application List for the Units now being offered will launch and open on [•]

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## 7. FUND MANAGER, TRUSTEE AND OTHER PARTIES TO THE OFFER

THE FUND MANAGER		
<b>FSDH Asset Management Limited</b> UAC House, 4th Floor 1-5 Odunlami Street Lagos Island Lagos		
DIRECTORS AND COMPANY SECRETARY OF THE FUND MANAGER		
<b>Folashade Laoye</b> <b>Chairman</b> UAC House, 4th Floor 1-5 Odunlami Street Lagos Island Lagos	<b>Toyin Owolabi</b> <b>Managing Director</b> UAC House, 4th Floor 1-5 Odunlami Street Lagos Island Lagos	<b>Folashade Ogunde</b> <b>Director</b> UAC House, 4th Floor 1-5 Odunlami Street Lagos Island Lagos
<b>Yasmin Belo-Osagie</b> <b>Director</b> UAC House, 4th Floor 1-5 Odunlami Street Lagos Island Lagos	<b>Kelechi Okoro</b> <b>Director</b> UAC House, 4th Floor 1-5 Odunlami Street Lagos Island Lagos	<b>Wambui Kinya</b> <b>Director</b> UAC House, 4th Floor 1-5 Odunlami Street Lagos Island Lagos
<b>Bukola Smith</b> <b>Director</b> UAC House, 4th Floor 1-5 Odunlami Street Lagos Island Lagos	<b>Victor Thompson</b> <b>Company Secretary</b> UAC House, 4th Floor 1-5 Odunlami Street Lagos Island Lagos	
PROFESSIONAL PARTIES		
<b>STL Trustees Limited</b> <b>Trustee</b> Plot 183 Moshood Olugbani Street Victoria Island Lagos	<b>Udo Udoma &amp; Belo-Osagie</b> <b>Solicitor</b> St Nicholas House 10th, 12th & 13th Floors Catholic Mission Street Lagos	
<b>Rand Merchant Bank Nigeria Limited</b> <b>Custodian</b> East Tower, 3rd Floor 17 Ozumba Mbadiwe Victoria Island Lagos	<b>Trustbanc Arthur Limited</b> <b>Shari'ah Adviser</b> 163, Sinari Daranijo Street Off Ligali Ayorinde Victoria Island Lagos	

## **8. INFORMATION ON THE FSDH HALAL FUND**

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### **8.1. The Fund**

The FSDH Halal Fund is authorised and registered in Nigeria as a Unit Trust Scheme under Section 160 of the ISA. The Fund is governed by a Trust Deed with STL Trustees Limited as Trustee. 500,000 Units are being offered for subscription at the launch of the Fund at ₦1,000.00 per unit and a minimum subscription of ₦5,000.00 (i.e., 5 units). Upon successful launch and opening of the Fund, the net proceeds and the resultant investments will constitute the Fund and will be held in trust for the beneficial interest of the Unit Holders.

The assets of the Fund shall be held by the Custodian for the benefit of the Unitholders. The Fund Manager shall make all required regulatory filings with the SEC in accordance with the SEC Rules and Regulations. The Fund will bear all expenses incurred by it.

The Fund is open ended, and, throughout the life of the Fund, additional Units of the Fund will be issued on demand after subscription of the initial ₦500 million public offering.

Unitholders can obtain relevant information regarding the Fund by sending their request to [amcustomercare@fsdhgroup.com](mailto:amcustomercare@fsdhgroup.com).

### **8.2. Objectives of the Fund**

The Fund aims to provide investors with long-term income generation and stable cash distributions through exposure to Shari'ah-compliant fixed income securities, contracts, and investment products. It also provides portfolio managers and investors access to diversify their income stream and portfolio whilst providing for long-term capital appreciation.

### **8.3. Operation of the Fund**

The Fund will be managed by the Fund Manager with the responsibility of handling the day-to-day operations of the Fund. The main objective of the Fund Manager will be to aim to provide investors with long-term income generation and stable cash distributions through exposure to Shari'ah-compliant fixed income securities, contracts, and investment products. In addition, the Fund Manager will seek to produce regular and stable cash flow/income distributions to Unitholders, minimise risks and achieve long term growth.

The assets of the Fund including cash will be held by a Custodian who will also be responsible for effecting the sales, purchase and settlement of transactions on the Fund's assets. The Custodian's activities on the Fund's assets shall be at the instruction of the Fund Manager and in compliance with the terms of the Custodial Agreement and Trust Deed.

The Fund's operation shall also be subject to the oversight of a Trustee, who shall monitor the activities of both the Fund Manager and the Custodian on behalf of and in the interest of Unitholders. The Trustee shall see to the compliance of the Fund with the provisions of the Trustee Investments Act, the Investments and Securities Act and the Trust Deed by the Fund Manager.

### **8.4. Target Investors**

The Fund is targeted primarily at investors who may have medium-to-long term investment horizon with due consideration for their belief in Shari'ah principles and are seeking higher returns than typical Shari'ah term deposits, but averse to the risks associated with equity investments. These investors include:

- Institutional investors such as Pension Fund Administrators, insurance companies, corporate entities, public sector agencies and other asset managers who seek to diversify their portfolio holdings and earn attractive returns; and
- Retail investors (with a bias for ethical investments or Shari'ah investments based on their beliefs).

### **8.5. Investment Policy**

The Fund's investment approach concentrates on the fundamentals of the Shari'ah law, principles and investment philosophy with the key criteria being the provision of long-term income generation and capital preservation through investment in only Shari'ah compliant products and contracts.

The Fund Manager's investment strategy will focus on avenues to enhance current yield whilst still ensuring capital appreciation. The Fund Manager will aim to achieve the following strategies to produce higher returns and capital appreciation:

- Thorough diligence in selection of Shari'ah compliant products that are relatively stable and will deliver the competitive returns
- Through investments in high potential Shari'ah compliant fixed term investments and Shari'ah structured contracts amongst other Investment options
- Operate a model of internal and external fund management by partnering with highly reputable and rated institutions

The Fund Manager leverages on extensive research resources to find investment opportunities and monitor its holdings.

The Fund's investment objective will be achieved through a combination of various investments in Shari'ah-compliant fixed income securities and investment products that are recognized by the Commission and permissible under Shari'ah principles, in varying proportions.

Shari'ah principles generally preclude investments in businesses that deal in alcohol, adult entertainment, gambling, piggery, as well as investments in interest bearing debt obligations or businesses that earn interest as their primary source of income and anything else which it deems "Haram" (unlawful). The Fund Manager will focus on sectors such as Health Care, Education, Finance (Lease), Agriculture, Real Estate and Transportation and other sectors deemed beneficial to the society.

#### **8.6. Asset Classes and Allocation**

The Fund shall invest in Shari'ah-compliant fixed income instruments. The permissible asset classes within the Fund are as follows:

##### **a. Sukuk**

These are certificates of equal value representing undivided shares in the ownership of tangible assets, usufruct or special investment activity. The holder of the certificate is entitled to receive periodic returns from the underlying asset. Some of the Sukuk, among others to be considered by the Fund will be in the following forms:

- Ijara:** A contract for the lease of certain compliant assets to customers
- Mudaraba:** A contract where one party provides the capital (capital provider / Rab al-Mal) for the other (entrepreneur / Mudarib) to work with on the condition that the profit will be shared between them according to a pre-agreed ratio while loss to be borne by capital provider.
- Musharaka:** A financing contract for a business venture where profits derived from the venture will be distributed based on a pre-agreed profit-sharing ratio, however a loss will be shared on the basis of equity participation.
- Murabaha:** This is the sale of goods at the purchase price plus a margin of profit agreed upon by the parties concerned.

##### **b. Shari'ah-Compliant Fixed Term Investments**

This represents fixed term investments with tenors of more than 365 days that adhere to Shari'ah principles. The Fund will also invest in asset-backed transactions such as real estate, lease contracts, cost-plus financing and other similar transactions.

### c. Cash and Other Fixed Income Contracts

The Fund will invest in Shari'ah-Compliant contracts with tenors less than 365 days that adhere to Shari'ah principles. Any un-invested cash will be held in noninterest-bearing accounts or near cash Islamic compliant deposits.

The table below highlights the proposed asset allocation within the Fund:

Asset Class	Allocation Range	Target Weight
Nigerian Sovereign and Sub-sovereign Sukuk	0 – 90%	60%
Other Fixed Income Contracts (including Ijarah, Murabaha, Musharaka, Mudarabah and other Contracts Approved by the ACE)	0 – 50%	10%
Naira-Denominated Shari'ah-compliant Sukuk Issued by a Nigerian issuer	0 – 50%	10%
Shari'ah-compliant Fixed Term Investment	0 – 50%	10%
Other Shari'ah-compliant Mutual Funds	0 – 5%	5%
Cash and Cash Equivalents	0 – 5%	5%
<b>Total</b>		<b>100%</b>

### 8.7. Conflict of Interest

A conflict of interest arises when the Fund Manager has interests that could, or reasonably be perceived to, improperly influence the activities of the Fund, as well as the Fund Manager's performance of official duties or responsibilities, contractual obligations or compliance with applicable laws and regulations.

The Fund Manager shall take all reasonable efforts to resolve conflicts of interest; however, where such a conflict is unavoidable, the Fund Manager shall seek to address it on an arm's-length basis and make proper disclosures.

### 8.8. Investment Incentive

The Fund offers an opportunity to achieve stable and consistent returns while complying with Shari'ah beliefs. The following highlights the broad benefits of investing in the Fund:

#### a. Liquidity

The Fund shall be structured as an open-ended fund thereby providing flexibility for investors to invest in or exit from the Fund at any time and without restrictions, save for the Minimum Holding Period. The Fund's liquidity will also be augmented by the maintenance of a proportion of the Fund's asset in cash and near cash instruments.

#### b. Competitive and Steady Return

The Fund will be actively managed by seasoned professionals who seek to optimise returns, Islamic finance segment of the local financial markets, as well as maintain a high distribution ratio. Distribution would be made semi-annually to Unitholders in the Fund and Unitholders may elect to reinvest their returns to improve their investment yield.

#### c. Accessibility

The Minimum Investment amount of ₦5,000.00 in the Fund provides individual investors with access to securities which typically they would otherwise not have access to due to high minimum entry amounts. The open-ended nature and minimal documentation framework also ensure that investors are able to subscribe at any time.

#### d. Diversification

Investing in the Fund provides an opportunity for investors to diversify their product portfolios and investments into alternative finance vehicles presented in Shari’ah-compliant fixed income securities and investment products.

#### **e. Capital Preservation**

The Fund Manager will invest in instruments with low risk profile, to ensure the capital preservation. The Fund Manager is also bound by the ethics of Shari’ah principles and the Trust Deed framework to ensure Unitholders’ investments are not exposed to undue risks.

### **8.9. Investment Management**

The Fund will be actively managed by a team of analysts and portfolio managers of the Fund Manager. The investment process will be overseen by the Investment Committee composed of representatives of the Fund Manager, a representative of the Trustee and a Shari’ah Adviser which will be approved by both the Fund Manager and the Trustee. All investment and divestment decisions shall be made by the Fund Manager in consultation with the Investment Committee within the guidelines of the Trust Deed.

### **8.10. Investing in the Fund**

Investors can subscribe to the Offer by completing the Application Form on page [57] of this Prospectus and following the instructions thereon.

Upon conclusion of the Offer, investors can invest in or dispose Units of the Fund by obtaining a purchase order form (for investment) or redemption form (for disposal) directly from the Fund Manager. The purchase order form and redemption form may be downloaded from FSDH Asset Management Limited’s website, <http://fsdhaml.com/>. Completed forms should be returned to the Fund Manager in accordance with the instructions specified on the relevant form.

### **8.11. Transfer and Redemption**

The Fund Manager will not transfer or redeem Units without a duly completed redemption form, for the whole or any part thereof. Units purchased in the name of an investor who is under 18 years may be redeemed or transferred by such investor upon attaining the age of 18 years, provided that such investor produces a duly completed redemption form and a valid means of identification.

Unitholders can redeem their Units within five (5) business days following receipt by the Manager and any of its agents of a duly completed redemption form. Investors may redeem all or some of the Units held after the Minimum Holding Period.

Units may be redeemed on any Business Day, provided that the duly completed redemption form is lodged with the Fund Manager. The applicable redemption price shall be the Bid Price published by the Fund Manager on the day of the lodgment of the redemption documents. For redemption notices received after 10.00 am, the redemption price for the following business day shall apply. Redemptions will be paid within five (5) business days of receipt of the relevant valid redemption documents by the Fund Manager.

The Minimum Investment value at any point is ~~KES~~ KES 5,000.00 or such other minimum investment value advised by the Fund Manager, subject to the written consent of the Trustee. Where a partial redemption will result in less than the Minimum Investment value, the Unitholder will be required to redeem all the Units held. Where there is a partial redemption, the Unitholder’s statement will be updated to reflect the new number of Units held following such partial redemption.

### **8.12. Valuation of the Units**

The bid and offer prices of units shall be based on the net asset value of the Fund calculated on a daily basis by the Fund Manager. The Fund Manager will advise the Bid and Offer prices of the Fund after the valuation. The current formula

approved by SEC is provided below:

<b>COMPUTATION OF BID PRICE</b>	#	#
<b>Add securities /investments (as applicable):</b>		
Treasury Bills		x
Fixed Term Deposits		x
Commercial Paper and Other Money Market Instruments Cash and bank		x
Dividend/income		x
Less payables (if any, with disclosures)		x
<b>Net asset before fees</b>	<b>X</b>	
<b>Less expenses (as applicable)</b>		
Auditor's fees	x	
Custodian's fee	x	
Fund manager's fee	x	
Trustee's fee	x	
Registrar's fee	x	
Other allowable fees and expenses (with disclosure)	x	
<b>Total fee</b>	<b>X</b>	
<b>Net asset value after fees X</b>		
<b>Less charges</b>		
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)

**BID VALUE AT VALUATION DATE X**

Bid Price = Bid Value at Valuation / Number of Outstanding units

<b>COMPUTATION OF OFFER PRICE</b>	#	#
<b>Add securities /investments (as applicable):</b>		
Treasury Bills		x
Fixed Term Deposits		x
Commercial Paper and Other Money Market Instruments		x
Cash and bank		x
Dividend/income		x
Less payables (if any, with disclosures)		(x)
<b>Net asset before fees</b>	<b>X</b>	
<b>Less expenses (as applicable)</b>		
Auditor's fees	x	
Custodian's fee	x	
Fund manager's fee	x	
Trustee's fee	x	
Registrar's fee	x	
Other allowable fees and expenses (with disclosure)	x	
<b>Total fee</b>	<b>X</b>	
<b>Net asset value after fees</b>		
		<b>X</b>

## Add charges

Stamp duty	(0.0075 x Quoted ordinary shares) (x)_
Brokerage fees	(0.003 x Quoted ordinary shares) (x)
SEC (buy only)	(0.003 x Quoted ordinary shares) shares) (x)

**OFFER VALUE AT VALUATION DATE** **X**

**Offer Price = Offer Value at Valuation Date/ Number of Outstanding units**

### 8.13. Publication of the NAV of the Fund

The Fund Manager will report the Fund NAV daily to the SEC and the Fund Managers Association of Nigeria; thus, the NAV may be accessed on either body's website on a quarterly and weekly basis, respectively. The information to be provided on the website is for information purposes only and shall not constitute an invitation to subscribe for Units of the Fund at Net Asset Value.

### 8.14. Income and Distribution

The Fund will invest primarily in Shari'ah-compliant fixed income securities and investment products and consequently, distribute net income to Unitholders in line with existing regulations subject to profits realised. The amount to be distributed periodically (paid semiannually in arrears) would however be determined by the Fund Manager in the best interest of Unitholders.

All Unitholders as at the Qualification Date will be entitled to a share of the Fund's distributions. However, Unitholders reserve the option to either receive the distribution in their designated account or re-invest same in the Fund.

### 8.15. Unit Statements

The Unitholders will be issued with Unit Statements, which shall constitute evidence of title to the number of Units specified on such statements. The Statement may be issued manually or electronically based on the Unitholder's subscribed mode of interaction with the Fund.

### 8.16. Fees and Offer Expenses

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

<b>Offer Expenses</b>	The Fund shall bear all charges and fees (including VAT where relevant) for establishing the Fund, including regulatory fees payable to the SEC, professional fees payable to the transaction parties, brokerage commission, printing, distribution and other related administrative expenses, amounting to and estimated at ₦5,000,000.00 representing 1.00% of the Offer Size. These costs shall be borne by
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	the Fund.
<b>Fund Management Fees</b>	An annual management fee of 1.5% of the Net Asset Value of the Fund, accruable daily and payable quarterly in arrears. The Fund Manager shall be entitled to an incentive fee of not more than 20% of the total annualized returns above the Fund benchmark and the high watermark. The Management Fee and incentive fee where applicable shall be borne by the Fund.
<b>Operating Expenses</b>	All operating expenses including charges and expenses incurred in connection with the management of the Fund plus annual fees payable to the Trustee, Auditors, Custodian, Registrar and Sharia Adviser shall not exceed 3.5% of the NAV of the Fund per annum

### 8.17. Risk Factors

The Fund Manager will exercise all reasonable caution in investing monies mobilised by the Fund. However, it should be noted that all investments carry an element of risk. While there are a number of factors that may affect the performance of any given asset class, a summary of the major risks that can significantly affect the Fund's performance, and should therefore be considered when investing in the Fund, are listed below:

#### a. Market Risk

Market risk is the risk of decline in the Fund NAV due to fluctuation in market prices of the underlying securities which the Fund is invested in. Market prices are influenced by such factors as prevailing rates of the CBN, conventional banks and the capital markets. Based on the target asset allocation (see page 17), the Fund will be largely exposed to fixed income instruments which, when held to maturity, are unaffected by price volatility. Thus, the Fund value is not expected to experience severe volatility except in periods of critical market downturn. The Fund will also, to a lesser extent, be exposed to foreign exchange risk where funds are invested in dollar-denominated securities. Thus, any gain in the local currency will reduce the Naira value of income received and may impact income distribution since the Fund is denominated in Naira. Although the Fund Manager is committed to delivering competitive returns to investors, there is generally no guarantee that it will be able to achieve its desired performance at all times.

Although it is difficult to predict with accuracy changes in economic or market conditions and to anticipate the effects that such changes could have on the performance of the Fund, the Fund Manager will continue to employ robust risk practices to ensure that all funds raised from Unitholders are utilized after undertaking careful due diligence.

#### b. Credit Risk

This is the risk that issuers of the underlying securities may be unable to pay the returns and/or the principal invested due to cash flow constraints or challenged business operations. Occasionally, issuers may delay in making payments, due to several issues, some of which might be beyond their control. However, where this delay is extended beyond any prescribed grace period, the issuer is said to have defaulted on their obligations and this can adversely impact portfolio value for the Fund.

The Fund Manager will continue to identify and monitor its credit exposures for the Fund. The Fund Manager dedicates considerable resources to gaining a clear and accurate understanding of the credit profile of issuers and credit risk of the underlying securities and ensuring that these credit risks are well managed.

#### c. Operational Risk

The operations of the Fund, as with any other business, is exposed to various factors including environment, personnel, technology and systems which impact its operations. Although the Fund Manager upholds Business Continuity Management practices, it remains exposed to any unforeseen disruptions to its operations.

To monitor and control its operational risks, the Fund Manager maintains an overall framework that includes strong

oversight and governance, comprehensive policies and processes, and consistent practices across its operational processes intended to provide a sound and well controlled operational environment.

**d. Regulatory Risk**

The fund management business is subject to the regulations of the SEC and can be indirectly impacted by the activities of other regulators such as the CBN whose rate policies may affect the securities which the Fund is invested in. The Fund also runs the risk of sanctions or fines if it breaches regulatory guidelines with both cost and reputational consequences. There is also the risk that possible amendments to the local legislation (including tax legislation), may cause additional expenses for the Fund.

The Fund Manager continues to stay abreast of changes and development in its industry, including those initiated by the SEC and CBN, and ensures compliance with any directives given by its regulators.

**e. Liquidity Risk**

Liquidity risk is the risk that some securities will not be easily converted to cash when required without incurring higher costs, which will impact the Fund's NAV. The higher the proportion of investment in corporate securities, the higher the liquidity risk since corporate securities are generally less frequently traded. Liquidity risk is amplified where the Fund Manager receives sudden and high volumes of redemption requests which surpass incremental subscription and/or cash in asset class allocation.

In addition to its experience in managing liquidity risks, the Fund Manager continues to adopt a robust liquidity risk management process which helps to identify, measure and manage its exposure to liquidity risk.

**f. Shari'ah Non-Compliance Risk**

The Fund is fundamentally a Shari'ah-compliant Fund and is required to maintain and periodically report its compliance with the SEC. A compliance risk may arise where the Fund Manager deviates from the approved investment principles of the Fund. To ensure that the Fund's investment activities are aligned with Islamic finance principles, investment activities will be vetted by the ACE. Nonetheless, although the Fund Manager intends to observe Shari'ah principles at all times, there may be circumstances when an investment may become non-compliant perhaps due to change in certain business segments of the issuer of a security or other extrinsic factors.

The Shari'ah Advisers coupled with very experienced ACE members will be consistently used to ensure products, propositions, processes, systems and selling styles are fully compliant with Shari'ah principles within the realm of global best practice.

## 9. INFORMATION ON THE FUND MANAGER AND TRUSTEE

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### 9.1. The Fund Manager

FSDH Asset Management Limited (“FSDH AM”) is a wholly owned subsidiary of FSDH Holding Company Limited and one of Nigeria's leading asset management and financial advisory firm. FSDH AM is registered with the Securities and Exchange Commission to provide financial advisory and fund management services. FSDH AM commenced offering asset management services in 1997, as a department in First Securities Discount House Limited, now FSDH Merchant Bank Limited. On 8<sup>th</sup> November 2021, this department was incorporated with the Corporate Affairs Commission to become a full-fledged company. FSDH AM was registered with the Securities and Exchange Commission on the 22<sup>nd</sup> of July 2003. The company's objective as an investment manager is to achieve consistent long-term growth for clients' funds while effectively managing the balance between risk and returns.

FSDH AM product offerings are:

- a. SEC registered collective investment schemes;
- b. Segregated & pooled portfolios and structured products;
- c. Employee savings, gratuity and severance schemes;
- d. Endowment funds.

The SEC. regulates the activities of FSDH AM. The governing rules and regulations include the ISA, SEC Rules, the NSE Rules, the CAMA and the Money Laundering (Prohibition) Act 2011 (as amended).

#### 9.1.1. Directors of the Fund Manager

FSDH AM's strategic direction is driven by a board of six (6) directors who are highly experienced professional.

##### **Folashade Laoye - Chairman**

Folashade Laoye is a graduate of University of Lagos (BSc Accounting, 1990) and qualified as an Associate member of the Institute of Chartered Accountants of England and Wales in 1995 and the Institute of Chartered Accountants of Nigeria in 1997. She trained with Coopers & Lybrand, UK (now PricewaterhouseCoopers) from 1991 to 1995 and worked with the Corporate Finance Unit of First Securities Discount House (“FSDH”) from 1995 to 1997. She holds a Master of Business Administration from Harvard Business School. She has been instrumental in charting the growth strategy of Hygeia for several years. She serves as the Chairman of the FSDH Asset Management Limited Board of Directors.

##### **Toyin Owolabi – Managing Director**

Toyin Owolabi has over 20 years of banking experience and was the Group Head of Financial Institutions of FSDH Merchant Bank Limited where he was responsible for developing and managing the relationship with all non-bank financial institutions and other institutional clients. Before joining FSDH Merchant Bank, he worked at FCMB and at different times oversaw Financial Institutions, Correspondent Banking and Structured Funding. He was also the Head of treasury at IMB international Bank. His educational background includes a bachelor's degree in Agriculture from the University of Ilorin in 1992 and an MBA from Business School Netherlands in 2017. He has attended numerous local and international courses and in addition to financial institutions, was responsible for wealth management and correspondent banking at FSDH Merchant Bank.

##### **Folashade Ogunde – Director**

Folashade Ogunde graduated with a B.Sc. (Hons) degree in Economics from the University of Ife (1984) (now Obafemi Awolowo University, Ile-Ife). She is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) (2005) and an associate member of the International Facility Management Association (IFMA) (2015). She started her professional

career with the firm of Deloitte Haskins & Sells (Chartered Accountants) (now part of Deloitte Akintola Williams) (1985 to 1990), where she gained accounting and audit experience, and had a stint in treasury management at Bancroll Savings & Loans Limited from 1993 to 1995 and International Funding Group (Nig.) Limited from 1991 to 1992 before joining UAC of Nigeria Plc in 1997. She has held such positions as Management Accountant, UAC Foods; Divisional Commercial Director, Mr. Bigg's (now UAC Restaurants), Group Treasurer, UAC of Nigeria Plc and Executive Director, Finance at UACN Property and Development Company.

#### **Yasmin Belo-Osagie - Director**

Yasmin Belo-Osagie graduated from Princeton University (2011) with a BA, in History and a minor in Finance. She attended Le Cordon Bleu (a hospitality education institution), in Paris and London. She studied at Harvard Law School and at Stanford Graduate School of Business, graduating with a JD/MBA in 2019. She is a co-founder and co-CEO of She Leads Africa, where she built a digital community of 350,000 women. She was voted by Fast Company as one of the most creative people in business in 2016, was on Forbes Africa's "Africa's 20 youngest power women" list in 2014. She worked as a Business Analyst at McKinsey & Co. a company focused primarily on developing strategies for consumer goods companies and financial institutions. Prior to joining McKinsey & Co, she interned at Fulcrum Asset Management and Metis Capital. She is currently a Board Member on the United World College Nigerian National Committee and a Consultant and Co-Producer of Minek Productions.

#### **Kelechi Okoro - Director**

Kelechi Okoro holds an MBA from Lagos Business School, and a B.Sc. in Human Physiology from the University of Ibadan in 2007. He is an Investment Manager at AFIG Funds and is responsible for sourcing, executing and managing investments for the funds under management. Prior to joining AFIG in 2013, he worked at Argentil Capital Partners where he sourced, appraised and executed opportunities in the energy and infrastructure space, with a particular focus on gas and power. He also has also worked in the Infrastructure and Natural Resources Group of the International Finance Corporation and at ARM Investment Managers.

#### **Wambui Kinya - Director**

Wambui Kinya has over 20 years of experience in the professional services (digital, mobile marketing, and technology consulting) industry, aligning business and technology strategies, and building and leading technology organizations to deliver cutting-edge digital solutions. She currently serves as Regional Managing Director, EMEA for Elephant Ventures, a technology innovation professional services and venture firm. Prior to Elephant Ventures, she was Chief Strategy Officer and later, Vice President of Client Engineering at Andela. While serving as CSO at Andela, she initiated a capacity-building partnership between Andela and technology companies, Google, Facebook, and Microsoft, which has raised over \$1 million and has successfully trained 80,000 software developers across 50 African countries. She was formerly Group Managing Director, Pan Africa, and South America, for global technology consulting firm ThoughtWorks, and has held positions with Praekelt Consulting, IBM Global Business Services and Digitas (Publicis Groupe). In addition to serving on Medic's Board. She is a graduate of Economics Computer Science from the Principia College, Elmhurst, IL, USA in the year 1998. She is currently a non-executive board member of Mozilla Foundation. Based in Nairobi, Wambui is Medic's first Kenya-based Board member.

#### **Bukola Smith - Director**

Bukola Smith has over 29 years of progressive experience in the banking industry with a track record of strategic execution and leadership. She holds an MBA from Alliance Manchester Business School, University of Manchester, United Kingdom, and a B.Sc. in Economics from the University of Lagos. She is a Fellow of the Institute of Chartered Accounts of Nigeria (ICAN), Honorary Member of the Chartered Institute of Bankers and an Associate Member, Certified Institute of Pensions (Nigeria). She currently serves as the Managing Director of FSDH Merchant Bank Limited. Before joining FSDH Merchant Bank Limited in 2021, she was the Executive Director, Business Development at First City Monument Bank and held several other leadership positions within the bank. She also worked with FSB International

Bank from 1992 to 2000 and Fidelity Bank Plc from 2000 to 2006. She currently sits on the boards of Women in Successful Careers (WISCAR), and the Toyin Oni Foundation (NGO for cancer awareness). She serves as a mentor to several young women within and outside these networks.

### **9.1.2. The Fund Investment Committee**

The Investment Committee which has a minimum of five (5) members, has supervisory oversight over the activities of the Fund Manager. The Investment Committee will provide robust advice and guidance to the Fund Manager on its investment strategies and policies in order to ensure that its activities are in line with the Fund's established investment objectives and for the overall benefit of the Unitholders. The Investment Committee will also ensure that the Fund Manager's activities with respect to the Fund are in line with the SEC's guidelines regarding permissible investments as well as investment restrictions as prescribed from time to time. The Investment Committee will conduct a periodic review of the portfolio to assess its liquidity position, evaluate its risk parameters and will, from time to time, rebalance the portfolio.

The Investment Committee has a minimum of five (5) members and is constituted as follows:

#### **Toyin Owolabi**

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#### **Taofik Oyeniyi**

Taofik Oyeniyi is a Chartered Accountant (ACA) and Finance professional with over two decades post graduate experience in the financial service industry. He has diverse competences ranging from Treasury and Money Market Activities, Fund Management, Balance Sheet and Liquidity Management, Business Development, Credit Analysis and Structuring. He started his banking career at Equity Bank Ltd (Now Access Bank) in 1997 after a brief stint in an investment boutique. He worked variously as Operations Officer (1997-1998), Business Development and Credit Officer (1998-2001), Local Currency and Forex Dealer (2001-2003), Head Local Currency Dealing and Asset and Liability Management (2003 -2005) in the Treasury and Investment Banking Division of the Bank. He also worked as the Regional Head of Treasury and Financial Institution at Intercontinental Bank (Now Access Bank) between 2005 and 2009 before joining Skye High Bureau De Change and Financial Services in 2010 as Executive Partner Treasury and Money Market. He has an HND and BSc in Business Administration. He also has an MBA (Finance Major) from Obafemi Awolowo University, Ile-Ife. He has attended various Finance and Treasury Management trainings as well as Leadership trainings both Local and International. He has passed the CFA level 3 exam and is an Associate Member of the Chartered Institute of Bankers of Nigeria having passed the qualifying examination in 1996.

#### **Adedayo Bello**

Adedayo Bello has over 11 years of experience within the Financial Institution especially the Capital Market space. Prior to joining the FSDH Asset Management Limited, he had worked in various capacities with AIICO Capital Limited as Team Lead, Compliance unit, Team Lead, Investment Operations, Member, Reconciliation Team. Also, prior to joining AIICO Capital Limited, he worked with United Capital Securities Limited (formerly UBA Capital Securities Limited) in the Operations and Resolution departments, Reconciliation unit, Sales unit, and Compliance unit. He is a SEC accredited Compliance Professional (Sponsored Individual) who holds a bachelor's degree in Geology from University of Ado-Ekiti in Ekiti State and master's degrees in Exploration Geophysics from Federal University of Technology, Akure. He has attended various trainings and courses in Compliance and he is the Data Protection Officer (DPO) for FSDH Asset Management Limited.

#### **Akin Oni (Trustee's Representative)**

Akin Oni is an Alumnus of the Lagos Business School Senior Management Programme (2019). He holds a Bachelor's

Degree in Law (LL.B) (1997) and a Master's degree in Law (LL.M) (2000) both from the Obafemi Awolowo University, Ile Ife. He has several years of experience in private legal practice and as in-house counsel to corporate organizations. He worked with Standard Alliance Insurance Plc before joining STL Trustees Limited. Akin has exceptional flair for securitization, project finance and structuring specialized transactions.

### **Usman Balogun (Independent Member)**

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## **9.2. The Trustee**

STL Trustees Limited ("STL Trustees" or "STL") was incorporated in 1991 and is licensed and authorized by the SEC to carry out the dual functions of Trusteeship and Funds/Portfolio Management. STL is managed by a team of highly skilled professionals in all areas relevant to its functions and has over the past two decades built an outstanding track record and pedigree and is currently a leading player in the trusteeship industry in Nigeria with business size in excess of ₦2 trillion.

STL undertakes a critical and independent role in many collective investment schemes, corporate finance, investment banking and asset management transactions. As part of its corporate trust services, it renders trusteeship services to Issuers of debt instruments such as the federal/state governments, government parastatals, and corporate entities.

The core areas of STL Trustees' business under the aforementioned transactions include Trusteeship of mutual funds, debenture trust issues under consortium finance/loan syndications, project finance and structured finance; funds/portfolio management, real estate trusts, custodial services, company secretarial services, special purpose vehicle trusts as well as private trust/estate planning.

STL Trustees is overseen by a board of directors consisting of seasoned professionals of impeccable character and who have established themselves in their various areas of professional endeavors.

### **9.2.1. Directors of the Trustee**

#### **Afolabi Caxton-Martins - Director**

Afolabi Caxton-Martins is a Founding Partner at the law firm of Adepotun, Caxton-Martins, Agbor & Segun (ACAS). He holds a Bachelor of Law degree (LL. B) from the University of London (1983). He is a fellow of the Chartered Institute of Arbitrators (FCIArb), a member of the Nigerian Bar Association (NBA) (1985) and the International Bar Association (IBA). He specializes in international commercial mergers and acquisitions, corporate finance and international commercial arbitration.

#### **Connie Ogundare - Director**

Connie Ogundare holds a Bachelor of Science degree (BSc) in Major Chemistry and Minor Psychology from the Marymount College Tarrytown, New York, USA (1990) as well as Bachelor of Science (BSc) degree in Pharmacy (1994) and a Master of Science (MSc) in Clinical Pharmacy (1997) from the St. John University, New York, USA. She has over two decades of working experience in the United States of America and Nigeria spanning clinical pharmacy, real estate, investment banking and consultancy. She is currently the Managing Director of Business Objects Limited, and a partner in JASTCO Mayfair International Property Management LLC and CSS Corporate Solution LLC (both located in New York, USA). She is also on the Board Fadco Investment Limited.

#### **Chioma Jennifer Okee-Aguguo - Director**

Chioma Jennifer Okee-Aguguo holds a Bachelor of Law degree (LLB) (1987) from the Abia State University and a Master of Law degree (LLM) (1990) from the University of Lagos with emphasis in Corporate and Commercial Law, Secured

Credit transactions and International Economic Law. She had a stint at Steelways Limited (1991) before joining Midas Bank which later merged with other banks to become FCMB in 1992. She rose to become the Company Secretary/Legal Adviser and served in that capacity from 1997 to 2006. She was appointed as the Head, Legal Department of Bank PHB in 2006 and in 2010 she left for private law practice in the Firm of Associated Attorneys where she is a Partner till date.

#### **Temitope Oshikoya - Director**

Temitope Oshikoya is a seasoned economist, chartered accountant and banker. A commonwealth scholar, he holds PhD Economics from McMaster University, Ontario 1988; MBA, Finance & Strategy from the University of Liverpool 2010 and a BSc First Class Honours Degree in Economics from Ahmadu Bello University, Zaria 1983. He is a member of Association of Chartered Certified Accountant (ACCA, UK) 2004, Certified Management Accountant, (CMA, USA) 2010, and Fellow Chartered Institute of Bankers (FCIB, England and Nigeria). He has over two decades of professional and leadership experience in the private sector, public sector, consulting, and academia, at both national and international levels including as Director General, West African Monetary Institute, Senior Adviser to Group CEO at Ecobank Transnational Incorporated, Chief Economist at Africa Finance Corporation, a Director at the African Development Bank, and a consultant to the World Bank amongst other Institutions.

#### **Oluwatobi Edun - Director**

Oluwatobi Edun is a Partner at Agrolay Ventures, an avid financial advisor and investor in Africa's real sector. He was a Technical Adviser to the Commissioner for Finance in Lagos State from 2015-2016 where he advised on fiscal policy and debt management. He assisted on re-engineering the State's debt portfolio as well as various policy initiatives aimed at boosting government revenues to fund capital projects. He worked as an Associate at Travant Capital, an Investment Advisory Firm. He has also held investment banking roles at Renaissance Capital and Standard Bank. He holds an MA (Cantab) from the University of Cambridge 2010.

#### **Funmi Ekundayo - Director**

Funmi Ekundayo is an alumna of the prestigious Harvard Business School (General Management Programme) and a member of the Institute of Chartered Secretaries & Administrators United Kingdom, (ACIS) (2005). She holds a Bachelor of Law degree (LLB) (1995) and Master of Laws degree from the University of Lagos (LLM) (1998). A member of the Nigerian Bar Association, Funmi is also a Fellow of the Institute of Chartered Secretaries & Administrators of Nigeria (FCIS) and a Member of the Governing Council of the Institute. She is also the Immediate Past President of the Association of Corporate Trustees of Nigeria. She joined STL Trustees (Formerly Skye Trustees Limited) as an Assistant General Manager, Business Development, from where she rose to become the MD/CEO of the Company. Funmi has distinguished herself in her area of core competence as a seasoned trust specialist engaging in the structuring of complex corporate finance, legal and trust instruments.

### **9.3. The Shari'ah Adviser**

TrustBanc Arthur Limited was incorporated on the 6<sup>th</sup> October 2020 as a licensed asset management company and an indigenous non-interest financial investment company with a diverse portfolio in non-Interest (Islamic) Investments, driven by sound business strategy, innovation, and technology. This makes the company a top-notch integral non-Interest financial institution in all ramifications. TrustBanc Arthur Limited operates as a division under TrustBanc Asset Management Limited.

#### **9.3.1. Directors of the Shari'ah Adviser**

##### **Abubakar Jimoh – Chairman**

Abubakar Jimoh is a hands-on leader who is currently the Group CEO of TrustBanc Financial Group. Prior to this he held the position of Managing Director/Chief Executive Officer at Coronation Merchant Bank for nine (9) years. He has worked for over 30 years in treasury, credit risk management and project management capacities. He was a pioneer

staff member of Express Discount Limited, where he rose to the level of Head of Trading before relocating to Canada in 1998. He held various positions at RBC Financial Group (Royal Bank of Canada) between 1999 and 2005. He proceeded to work at African Development Bank (AfDB), where he rose to the position of Divisional Chief and was in charge of Private Sector Portfolio Management. Additionally, He served as GM and Divisional Head, Balance Sheet Management, Market Risk and Investor Relations at UBA Group prior to his career at ADH.

#### **Basheer Oshodi – Managing Director**

Basheer Oshodi has over 22-years' work experience in banking, real-estate and academia. He is a co-founder of TrustBanc Arthur. He is presently developing a Shariah-compliant real estate fund in the UK and was Group Head, Non-Interest Banking at Sterling Bank where he set up the non-interest banking window since 2013. He was a member of the Non-Interest Finance Working Group – sponsored by EFINA (DFID programme) and was a member of SEC Alternative Finance Market Master Plan Committee. He was Head, Non-Interest Finance and Head, Research at EFINA. He was Head, Islamic Banking Risk & Compliance at Stanbic IBTC Bank (a member of Standard Bank Group) and set up the non-interest banking window in 2009. He also initiated products compliant with non-interest finance principles for Stanbic IBTC Asset Management Limited. He has completed a Post-Graduate Diploma in Global Business at Said Business School, University of Oxford; the Executive Programme in International Housing Finance at Wharton, University of Pennsylvania, USA; and Digital Business Strategy at Columbia University, USA. He holds a PhD in integral economic development and Islamic finance from DaVinci Institute for Technology Management – South Africa in conjunction with Trans4m Center for Integral Development, Geneva.

#### **Usman Balogun – Executive Director**

Usman Balogun is an executive Director and co-founder of TrustBanc Arthur. Prior to taking his current role, he worked as Head Mass Market (retail sales) and Ag. Head Non-Interest Banking at Keystone Bank Limited where he was responsible for setting up the Non-Interest Banking window for the Bank. He has over 13 years' experience in the financial services industry covering products, retail, research and non-interest banking. He also works as the research officer at Finance Accreditation Agency Malaysia (under Central Bank Malaysia) between 2015 and 2017. His early banking career started with Stanbic IBTC Bank. He has published various articles in reputable journals covering Islamic Finance, Entrepreneurship, Accreditation and Business management. He has also attended and presented several papers in different conferences on Islamic finance and entrepreneurship. He obtained a Bachelor of Science Education in Chemistry from Usmanu Danfodio University, Sokoto and Post Graduate Diploma in Management from same institution. He obtained a Masters' Degree in Management from the International Islamic University Malaysia, and a PhD in Economics and Muamalat Administration from University Sains Islam Malaysia.

#### **9.3.2. The Advisory Committee of Experts (ACE)**

The ACE is comprised of certified Shari'ah Advisers who will provide expert advice and guidance on the suitability of any proposed investment(s) with regards to its compliance with relevant Shari'ah laws and requirements. The Shari'ah Advisers will also conduct periodic review of the asset portfolio to satisfy compliance on a continuous basis. Members of the ACE include:

#### **Sheikh Abubakar Muhammad Musa – Chairman**

Shaikh Abubakar is an AAOIFI Certified Shariah Advisor and Auditor with over a decade experience in Islamic financial services. He holds a Master's degree in Islamic Finance from INCEIF University, Kuala Lumpur and an LLB degree in Islamic Law from Al -Imam University Riyadh, Kingdom of Saudi Arabia. He has been involved in product development, Shariah research and approval of Islamic banking products for different clients. His work covers retail banking, corporate banking and project finance.

#### **Ibraheem, Lateef Onireti – Member**

Lateef Onireti Ibraheem is a prominent Islamic scholar with vast knowledge of Arabic, Islamic Studies and Jurisprudent. He was formally the representative of the Faculty of Arts on the Senate of the University of Ilorin, Ilorin (Unilorin). Before then he was Ag. HOD, Department of Arabic, the University of Ilorin from 2016 to 2018. He was also an Assistant Director, Advancement Centre (AC), 2013 and 2016 Assistant Director, Centre for International Education, University of Ilorin, between 2008 and 2013. He is also the Mufti (Grand Jurist) of Ojoku Town, Kwara State and Chief Imam, Badruddinl- Islami Assalat Circle Central Mosque, Danialu, Ilorin, Nigeria.

#### **Ridwanulah Jamiu Kayode – Member**

Ridwanulah Jamiu Kayode is an Islamic scholar of diverse disciplines with about 15 books to his credit. He consults on Islamic finance and Islamic estate planning. He had a stint at the Dutse Community Law Center under the Jigawa State Ministry of Justice. Ridwanullah bagged an LL.M degree in Common and Shariah Law from the University of Ilorin, a master in law from the Bayero University, Kano. He is currently a Ph.D. researcher at Lagos State University. Above all, he is, by Allah’s mercy, a Hafidh – who has the entire Qur’an by heart. Ridwanullah Jamiu is the Chief Imam of Lekki Central Mosque, Lekki Phase I, Lagos.

### **9.3.3. The Management Team**

#### **Basheer Oshodi – Managing Director**

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#### **Usman Balogun – Executive Director**

*See page 27 for profile*

#### **Alamutu Azeez – Head, Non-interest Projects**

Alamutu Azeez is the Head of Non-interest Projects and is responsible for overseeing all non-interest projects across all investments and asset classes. With over a decade of cogent experience in the real estate sector, Azeez has been involved in the conceptualization and implementation of several multi-billion Naira projects across the country.

#### **Monsur Olowoyo – Operations Lead**

Monsur Olowoyo is the Operations Lead of TrustBanc Arthur. He has over five years of experience in audit, telecommunications, and oil & gas. He holds B.Sc. in Economics and Education from University of Uyo and M.Sc. in Financial Engineering from WorldQuant University, United States of America. He bagged his Diploma in Islamic Finance and Banking from Islamic Research and Training Institute (IRTI, India). He is currently undergoing a program in Advanced Diploma in Islamic Banking and FinTech with International Institute of Islamic Economics and Finance (IISEF, UK).

#### **Ajani Ibrahim Tunde – Chief Compliance Officer**

Ajani Ibrahim Tunde is the Chief Compliance Officer (CCO) of TrustBanc Arthur, a seasoned accountant with over 5 years’ experience in Accounts and Finance. He holds a B.Sc. in Accounting from Lagos State University and M.Sc. in Islamic Finance and Banking from University Utara Malaysia (UUM), Malaysia. He is an Associate Member of the Institute of Chartered Accountant of Nigeria, an affiliate member of the Association of Certified Chartered Accountants (ACCA), UK. He is also Certified Quality Management System Executive (CQMSE) and holds a certificate of Financial Modelling,

#### **Fatimah Kassim-Hassan – Legal Officer**

Fatimah Kassim-Hassan currently serves as the Legal Officer of TrustBanc Arthur Limited, where she advises on optimal legal structures for various non-interest projects and financings undertaken by the company, as well as designing

relevant legal documentation and risk mitigants required for such transactions. She holds a Bachelor of Laws in Islamic and Common Law from the Lagos State University and has been called to Nigerian Bar.

## 10. STATUTORY AND GENERAL INFORMATION

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### 10.1. Authorisation

The establishment of the Fund and the issuance of the Units pursuant to the IPO are authorised by a resolution of the Board of Directors of FSDH Asset Management Limited passed on [2<sup>nd</sup> August 2022]. The Fund is also authorised and registered in Nigeria as a Collective Investment Scheme by the SEC in accordance with Section 160 of the ISA.

### 10.2. Extracts from the Trust Deed

#### 2. THE TRUST DEED

The provisions of this Trust Deed and of any duly executed supplemental trust deed or deed of variation shall be binding on the Trustee, the Manager, the Unitholders and on all persons claiming through them respectively as if such persons were parties to this Trust Deed or such supplemental deed or deed of variation.

### 3. CONSTITUTION AND STRUCTURE OF THE FUND

#### 3.1. Appointment of the Trustee

STL agrees to act as the Trustee of the Fund and shall hold the same upon and subject to the provisions of this Trust Deed.

#### 3.2. Establishment of the Trust

The Fund Manager hereby establishes the Trust to be known as the FSDH Halal Fund and appoints the Trustee to act for the benefit of the Unitholders.

#### 3.3. Declaration of Trust

The Trustee hereby declares itself as Trustee for the Unitholders with effect from the date of this Deed to hold 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.

#### 3.4. Constitution of the Fund

3.4.1. The net proceeds of the Offer with all other property and assets of the Trust shall be paid directly into the Designated Accounts to be opened and managed by the Custodian in the joint names of the Trustee and the Fund. The title to such assets shall at all times be vested in the Trustee and shall constitute the Trust in the first instance.

3.4.2. The ownership of the Deposited Property shall be 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.

3.4.3. The Deposited Property of the Fund shall be held separate and distinct and shall not be co-mingled with any other fund.

#### 3.5. Division of the Fund into Units

3.5.1. The beneficial interest in the Fund shall be divided into interests of equal value referred to as "Units"; and the units thereof shall be issued at a price calculated in accordance with Clause 6.

3.5.2. The Units thereof, shall be issued only as fully paid units.

3.5.3. No Unit of the Fund thereof shall have any rights, preferences or priorities over any other Unit of the Fund.

3.5.4. The Trustee and the Fund Manager may also be Unitholders of the Fund.

#### **4. DESIGNATED ACCOUNTS**

4.1. The Custodian shall maintain and operate 2 (two) major accounts in the performance of its obligations for the Fund. The accounts shall be the “**Investment Account**” and the “**Expense Account**”.

4.2. The Designated Accounts shall include the “Expense Account” and the “Investment Account” respectively, with the Fund Manager and the Trustee as joint signatories.

4.3. All cash proceeds from the sale of Units shall be paid into the Investment Account maintained by the Custodian PROVIDED that the Fund Manager may request that the Custodian open and maintain “receive only” bank accounts in the name of the Fund and the Trustee with the Custodian into which the proceeds of the sale of Units shall be paid. The “receive only” accounts shall be utilised only for the purpose of receiving subscription payments from the public and all sums received in such accounts shall be transferred to the relevant Investment Account.

4.4. A portion of the proceeds from the Offer in the Investment Account will be paid into the Expense Account, to be used for the payment of Charges.

4.5. The Designated Accounts shall be operated by the Custodian on the instruction of the Fund Manager, who shall provide the Commission and the Trustee with quarterly reports thereon as well as a quarterly valuation of the Investments held by the Fund. In addition, the Fund Manager shall provide monthly statutory returns to the Trustees and the Commission.

4.6. All Investments shall be made with monies drawn from the Investment Account and such Investments shall be in the joint names of the Trustee and the Fund.

4.7. All stamp duty and all other duties and charges on this Trust Deed or upon the constitution of the Units, and expenses relating to the establishment of this Trust or other expenses incurred in respect of the Fund, shall be payable out of the Expense Account.

4.8. The Fund Manager and Trustee shall not mortgage, pledge, charge or otherwise provide the assets of the Fund as security for any borrowing, facility, guarantee, indemnity, lease or other contractual obligation, whether on their own behalf or on behalf of the Fund or the Unitholders and monies may not be lent out of the investments or assets of the Fund.

4.9. The Fund Manager shall at the request of a Unitholder, exchange all or a stated portion of his units in the Fund for units of any other unit trust or mutual fund in which the Fund Manager at that time acts as Fund Manager provided however that such exchange will be effected using an exchange ratio that takes account of the prevailing offer price of the units of the other unit trust or mutual fund and the prevailing bid price of the Units of the Fund being exchanged (less any statutory deductions whether in respect of tax or otherwise that may be applicable to an exchange of units).

4.10. The Fund Manager, as promoter of the Fund, shall subscribe to a minimum of 5% (five per cent) of the Units of the Fund at inception and such units shall be held throughout the life of the Fund.

#### **5. DESCRIPTION AND OBJECTIVE OF THE FUND**

5.1. The Fund is an actively managed open-ended unit trust scheme that offers Unit Holders the opportunity to invest in a diversified portfolio of Shari’ah-compliant fixed income securities and investment products including but not limited to Nigeria sovereign and sub-sovereign sukuk, Ijarah and other fixed income contracts, other Shari’ah-compliant mutual funds, , cash and cash equivalents.

5.2. The investment objective and policy of the Fund is to provide investors with long-term income generation through exposure to Shari’ah-compliant fixed income securities, contracts and other investment products.

5.3. In the event of adverse market or economic conditions, the Fund Manager, in consultation with the Investment Committee, and with the approval of SEC, may revise the Investment Policy set forth above in order to protect the value of the Fund for the benefit of Unitholders.

## **6. ISSUE AND SALES OF UNITS**

- 6.1. Upon the establishment of the Fund and its division into Units, the Net Asset Value of the Fund shall be calculated at the end of every Business Day.
- 6.2. The Fund manager shall issue 500,000 (five hundred thousand) Units of the Fund to the public at ₦1,000 per unit being the Offer Price.
- 6.3. The Minimum Holding a Unitholder or joint Unitholder(s) may have in the Fund is five (5) Units at the scheme launch at the Offer Price and at the prevailing Offer Price subsequently. Thereafter, additional Units in the Fund shall be issued in the multiples of one (1) Unit and shall be payable in full upon subscription at the Offer Price.
- 6.4. A person who wants to subscribe for Units may do so at the Offer Price of the Fund and must complete and deliver an application form to the Fund Manager in the format prescribed by the Fund Manager. Every application in whatever form shall be accompanied with the relevant evidence of payment of subscription amount to the Designated Account. All applications are subject to detailed scrutiny and verification. Applications which are incomplete, invalid or ambiguous in any respect may be rejected after reasonable review by the Fund Manager.
- 6.5. Subject to the Minimum Holding, the Fund Manager may make offers of Units in the Fund to the public of such number, and of such value, as the Fund Manager may from time to time determine, subject to the registration of such Units with the Commission. The Fund shall be open to the public for the entire period of the existence of the Fund save for the periods where the Register is closed for the purpose of making distributions to the Unitholders.
- 6.6. The Fund Manager, upon receipt of a subscription form, shall accept or reject such subscription within fourteen (14) Business Days of the closure of the Offer. Upon such acceptance or rejection, the Fund Manager will, in the case of rejection, forthwith return the subscription form and any payment made without interest thereon; and, in the case of acceptance, the Fund Manager will forthwith forward a notice to the subscriber indicating the number of Units of the Fund thereof, if any, purchased by such subscriber.
- 6.7. Any new Units issued pursuant to Clause 6.4 above, shall rank pari passu in all respects with the Units issued pursuant to this Trust Deed.

## **7. FINANCIAL YEAR**

The first Financial Year of the Fund shall commence from the date on which the Fund Manager receives the net proceeds of the Offer and shall end on 31 December of that Year. Subsequently, the Financial Year of the Fund shall commence on the first day of January and end on the last day of December of each Year.

## **8. RIGHTS OF UNITHOLDERS**

- 8.1. The Unitholders shall not have or acquire any right against the Fund Manager or the Trustee in respect of their investments except such rights as are expressly conferred upon them by this Trust Deed or by any law, subsidiary legislation, regulation or any order of court.
- 8.2. The ownership of all Property of the Fund shall be 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.
- 8.3. A Unitholder shall have the right to share in the benefits from the Deposited Property proportionate to the number of Units held by him in the Fund.
- 8.4. Only persons who have been duly registered as Unitholders shall have the right to be recognised as such.

8.5. The Fund Manager shall be treated for the purposes of this Trust Deed as the Unitholder of each Unit during such time that neither the Fund Manager nor any other person is registered or entitled to be registered as the Unitholder, but nothing herein contained shall prevent the Fund Manager and Trustee from subscribing for and becoming a registered holder of Units in the Fund.

8.6. A Unitholder shall have the right to pledge, charge, mortgage, or otherwise offer his units to secure a debt, a loan or an obligation and in any such case shall notify the Fund Manager of the pledge, charge, mortgage or obligation.

8.7. A Unitholder shall have the right to receive the notice of meetings and attend such meetings either in person or by proxy.

8.8. A Unitholder shall be entitled to receive a Statement from the Fund Manager stating the number of Units held by the Unitholders as at the date of the Statement.

#### **14. REDEMPTION OF UNITS**

14.1. Except as provided in this Trust Deed, there is no restriction on the Unitholders' access to their investment proceeds by way of redemption of Units.

14.2. All redemptions shall be made through the Fund Manager or any of its agents as may be appointed from time to time.

14.3. Subject to Clause 14.4 below, Units shall be redeemed at the Bid Price. Provided that the Unitholder wishing to redeem his Units has held such Units for a Minimum Investment Period of 90 (ninety) days from the date the Units are issued. Any redemption of Units by a Unitholder within the Minimum Investment Period shall be subject to a penalty charge of 20% on the accrued interest.

14.4. Notwithstanding anything contained in this Clause 14, a Unitholder shall not be entitled to redeem part of his holding of Units if such redemption would result in his holding being reduced to less than the Minimum Holding as determined by this Trust Deed. Provided that in such instance, the Unitholder may redeem the entirety of his Unitholding.

14.5. Unitholders can redeem their Units in the Fund within five (5) Business Days of the Fund Manager or any of its agents receiving a redemption notice provided that:

14.5.1. The form of redemption notice shall be as provided by the Fund Manager and the Fund Manager will notify the Unitholder of any deficiencies in the notice of redemption.

14.5.2. The redemption notice must be issued to the Fund Manager between the hours of 9am and 12pm on Business Days.

14.5.3. Redemption shall be effected, at the Bid Price, subject to Clause 14.3 above and Clause 14.6 below.

14.5.4. Unitholders seeking to redeem only a part of their holding shall be required to maintain the Minimum Holding as determined by the Fund Manager from time to time.

14.5.5. Payments in respect of each redemption shall be by electronic transfer sent within five (5) Business Days of receipt of the Unitholders Statement of Unitholding and redemption notice.

14.6. Where only part of the Units comprised in a redemption notice are to be redeemed, the Fund Manager shall procure the issuance of a Statement showing the balance of the Unitholder's Units.

14.7. Unless specifically requested by the Unitholder, the Trustee shall be under no obligation to check the calculation of the amount payable in connection with any purchase or cancellation of Units pursuant to this Clause 14.7 but shall be entitled at any time to require the Fund Manager to justify the same.

14.8. In no event shall the Fund Manager be bound to make any payment to any Unitholder or any other person except out of the Deposited Property held for that purpose under the provisions of this Trust Deed.

14.9. The Fund Manager shall be under no obligation to verify the identity of any Unitholder seeking to redeem the whole or part of his Units but shall be obliged to verify or check the price at which the Manager redeems the Units.

14.10. Units redeemed may be re-sold to existing or incoming Unitholders.

14.11. All Units which the Fund is required to redeem shall be deemed to be outstanding until payment for such units is made in accordance with this Clause 14.

## **15. INVESTMENT OBJECTIVES AND POLICY**

15.1. The fundamental objective of the Fund is to deliver real returns and achieve long-term income generation through exposure to Shari'ah-compliant fixed income securities, and other Shari'ah-compliant investment products.

15.2. There are some activities that are unlawful in Shari'ah in which the Fund cannot involve in. These activities include, among others, but are not limited to:

- i. Investment in riba-based transactions, conventional insurance transactions, intoxicant, gambling, pornography, haram meat etc;
- ii. Taking interest-bearing deposits or raising interest-bearing loans, and any other activity/investment declared restricted/unlawful under Shari'ah by the Investment Committee.

15.3. The Fund Manager shall not alter the Investment Policy of the Fund as set out in this Trust Deed without the consent of the Trustee and the prior approval of the SEC.

15.4. The Fund may invest in instruments issued by Affiliates of a Related Party only where the conditions provided in the SEC Rules and Regulations have been satisfied.

## **16. THE INVESTMENT COMMITTEE**

16.1. The Fund Manager shall constitute an Investment Committee for the Fund, to oversee the management of the Fund, which includes reviewing and advising the Fund Manager on proposed investments generally.

16.2. The Investment Committee shall at every point in time have a minimum of four (4) members knowledgeable in investment and financial matters 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. At least one member of the Investment Committee shall be knowledgeable in Islamic Finance.

16.3. Subject to Clause 16.1 above and Section 171 of the ISA and such other investment guidelines as the Commission may from time to time approve, the Fund Manager shall be responsible for decisions as to the purchase, selection, sale or alteration of any investments under the provisions of this Trust Deed. The investments of the Fund shall be in accordance with investment guidelines established by an Investment Committee subject to the Investment Policy as set out in this Trust Deed.

16.4. The Investment Committee shall set appropriate policies, review and assess processes and controls, which would guide investment decisions by the Fund Manager. The functions of the Investment Committee shall include, but not be limited to, the following:

- 16.4.1. reviewing the Investment Policy and strategies of the Fund Manager;
- 16.4.2. deciding on acquisition and realisation of investments and investment objectives of the Fund;
- 16.4.3. taking decisions on cash allocations for investment purposes;
- 16.4.4. review and approve all Related-Party Transactions to be entered into by the Fund;
- 16.4.5. review the Fund's compliance with its investment objectives;

- 16.4.6. supervising the activities of the Fund Manager and the investment performance of the Fund's assets and investments; and
- 16.4.7. reviewing the Fund Manager's investment decisions and ratification of such decisions as it deems appropriate.
- 16.5. The Investment Committee shall review the quarterly and annual performance reports prepared by the Fund Manager. The Investment Committee shall review such reports with a view to, among others:
- 16.5.1. highlighting and reporting on significant changes from reasonable investment return levels;
- 16.5.2. ensuring a clear understanding of the impact of external factors on the Fund's investments;
- 16.5.3. outlining areas of risk inherent within the investment strategy; and
- 16.5.4. any issues having particular significance requiring a deviation from the Investment Policy.
- 16.6. The Investment Committee shall meet at least once every three months.

## **17. REALISATION OF INVESTMENT**

- 17.1. Any Investment comprised in the Deposited Property may at any time be realised at the discretion of the Fund Manager, subject to the consent of the Trustee, either in order to invest the proceeds of such realisation in other Investments or to provide the cash required for the purpose of satisfying obligations contained in this Trust Deed or in order to retain the proceeds in cash or on deposit as aforesaid or partly one and partly another.
- 17.2. Without prejudice to the foregoing provision, Investments comprised in Deposited Property and which, at any time or for any reason ceased to be compliant with the Investment Policy, shall be realised by the Manager and the net proceeds of realisation shall be applied in accordance with the provisions of this Trust Deed, PROVIDED that the Fund Manager may postpone the realisation of any such Investment for such period as it may determine to be in the interest of the Unitholders, upon consultation with the Trustee through the Investment Committee, and shall be required to immediately realise such Investments upon the directive of the Trustee.

## **18. INVESTMENT RESTRICTIONS**

- 18.1. The powers of the Fund Manager in relation to the investment and management of the Fund's Deposited Property shall be subject to the consent of the Trustee.
- 18.2. No investment shall be made by the Fund Manager in exercise of its powers in securities according to the methodology which are not endorsed by internationally established standards board especially those issued by recognised Shari'ah bodies such as the Accounting Auditing Organizations of Islamic Financial Institutions and Organization of Islamic Countries Fiqh Academy'.
- 18.3. The Fund Manager shall not, on a single or aggregate basis, invest more than 30% of the Net Asset Value of the Fund in any one company or body or in any one security or such other limits provided by the SEC Rules from time to time.
- 18.4. No more than 10% of the Fund's total assets may be invested in any single investment except those issued by the Federal Government of Nigeria or the Central Bank of Nigeria.
- 18.5. Subject to the Investment Policy and this Trust Deed, the Fund may invest in money market instruments of a Related Party's Affiliates provided that:
- 18.5.1. The money market instruments issued by such Affiliate shall not be below investment grade rating A- and at rates and conditions better than those prevailing in the market;
- 18.5.2. The consent of the Trustee for compliance with pre-conditions for such investment has been obtained;
- 18.5.3. such investment shall not exceed 2% of 10% allowable exposure to liquid assets; and

18.5.4. the Trustee shall ensure and report to the Commission compliance with the limits set in 18.5.3 above.

18.6. Where the investment limit as prescribed in this clause is exceeded as a result of a corporate action or through an appreciation or depreciation of the Fund's Net Asset Value, the Fund Manager shall not make any further acquisition with respect to any security with which the relevant limit is breached, and the Fund Manager shall within a period of not more than three (3) months from the date of the breach take all necessary steps and actions to rectify the breach.

## **20. REGISTRATION OF UNITHOLDERS**

20.1. A Register of Unitholders shall be kept by the Fund Manager in such form and manner as the Trustee may from time to time direct, including in an electronic form.

20.2. The Register shall contain the names of Unitholders, the respective number of Units held, the nominal value of the Units, the date of purchase, and any other information that may be deemed necessary by the Fund Manager.

20.3. The Fund Manager shall immediately be notified in writing of any change of name or address on the part of any Unitholder and upon the Fund Manager's satisfaction thereof and in compliance with all such formalities as it may require shall cause the Register to be altered or the change to be registered accordingly.

20.4. All Unitholders shall be entitled during business hours to freely inspect the Register at no cost. However, a nominal fee may be payable where copies of any documents from the Register are required by the Unitholder.

20.5. The Register shall be conclusive evidence of the persons entitled to the Units. Any person claiming to be interested in any Units or the dividends on them may protect his interest by serving on the Fund Manager a notice and an affidavit of interest whereupon the Fund Manager shall register the existence of such notice and the Fund Manager shall not register, transfer or make a payment or return(s) in respect of the relevant Units contrary to the terms of the notice until the expiration of 30 (thirty) days' notice to the claimant of the proposed transfer or payment.

20.6. A body corporate may be registered as a Unitholder or one of joint Unitholders.

20.7. 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 Fund Manager as having any title to or interest in the Units of the deceased Unitholder.

20.8. 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 shall upon producing such evidence to the satisfaction of the Fund Manager substantiating his claim and on delivering such documentary evidence of the deceased, bankrupt or lunatic Unitholder or resolution of dissolution or winding up to the Fund Manager for cancellation, be entitled to elect either to be registered himself or to have some other persons nominated by him registered as entitled to such Unit(s) and to have a new Statement of Unitholding issued accordingly. If the person becoming so entitled shall elect to be registered himself, he shall deliver or send to the Fund Manager a duly signed written notice in a form to be prescribed by the Fund Manager stating that he elects to be so registered, or if he shall elect to have some other person nominated by him shall testify such election as if the death, bankruptcy or lunacy or the dissolution or winding up of the Unitholder had not occurred and the notice or transfer were a transfer executed by such Unitholder. Until such production is made, the Unitholder of record shall be deemed to be the holder of such Units for all purposes hereof and the Trustee and the Fund Manager shall not be affected by any notice of such bankruptcy, insolvency or other event, and in particular shall not be affected by reason that the Bid Price of the Units for the purposes of redemption is calculated on the day when actual redemption occurs and not on the day when notice of bankruptcy, insolvency or other event is received by the Trustee and the Fund Manager.

20.9. Any person becoming entitled to Units in consequence of the death or bankruptcy or dissolution or winding up of a Unitholder shall, once he has provided sufficient evidence of such entitlement to the Fund Manager, even if actual registration has not yet taken place, be entitled to receive and may give a discharge

for monies payable in respect of the Units. However, such person shall not be entitled to all the other rights of a Unitholder until his name is entered in the Register.

20.10. The number of Units held by a Unitholder shall be registered and recorded by the Fund Manager as a book entry.

20.11. The Fund Manager may, upon giving not less than 7 (seven) working days' notice to the Unitholders by advertisement in a widely circulated daily newspaper and its website, close the Register, and such periods of closure shall not, in aggregate, exceed 30 (thirty) working days in each year.

## **21. VOTING RIGHTS ON DEPOSITED PROPERTY**

21.1. All rights of voting conferred by any investments forming part of the Deposited Property shall be exercised by the Trustee who may delegate it to the Fund Manager in writing. The Trustee, acting in the best interest of the Fund and exercising good faith, may refrain at their own discretion from the exercise of any voting rights and no Unitholder shall have any right to interfere or complain. Upon written request and at the expense of the Fund Manager, the Trustee shall from time to time execute and deliver or cause to be executed or delivered to the Fund Manager or its nominees such powers of attorney or proxies in such name and names as the Fund Manager may request authorising such attorneys and proxies to vote, consent or otherwise act in respect of all or any part of the Deposited Property.

21.2. Upon delegation by the Trustee, the Fund Manager shall be entitled to exercise the said rights in what it considers to be the best interest of the Unitholders. Subject to section 168 of the ISA, neither the Fund Manager nor the Trustee shall be under any liability or responsibility thereof in respect of the management of the investment in question nor in respect of any vote, action or consent given or taken or not given or taken by the Fund Manager whether in person or by proxy and neither the Trustee, the Fund Manager, the Unitholder or any such proxy or attorney shall incur any liability or responsibility by reason of any error of law or mistake of fact or any matter or thing done or omitted or approval voted or given or withheld by the Trustee or Fund Manager or by the Unitholder and the Trustee shall be under no obligation to anyone with respect to any action taken or caused to be taken or omitted by the Fund Manager or by any such proxy or attorney provided that the Fund Manager and/or Trustee has/have exercised a high degree of care and diligence.

21.3. The phrase "right of voting" or the word "vote" used in this Clause shall be deemed to include not only a vote at a Meeting but any consent to or approval of any arrangement, scheme or resolution or any alteration in or abandonment of any rights attaching to any part of the Fund's assets and the right to requisition or join in a requisition to convene any Meeting or to give notice of any resolution or to circulate any statement.

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

## **22. ISSUANCE OF STATEMENTS OF UNITHOLDING**

22.1. Upon the issue of Units, the Fund Manager shall notify the Unitholder of the number of Units and fractions thereof, if any, purchased by such Unitholder by issuing a Statement of Unitholding which shall indicate the total holding of that Unitholder in respect of the Fund including any Units held prior to the issue of such Units.

22.2. A Unitholder shall be issued with the electronic Statement of Unitholding, via e-mail, evidencing its ownership of the Units of the Fund.

22.3. All Unitholders will be sent monthly statements indicating their Unitholding and any sale or purchase of Units recorded in the period covered by the Statement of Unitholding.

22.4. 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.

22.5. Notwithstanding anything contained in these presents, a Unitholder shall only be entitled to the issuance of a physical Statement of Unitholding upon an express request.

## **29. REMOVAL, RETIREMENT AND APPOINTMENT OF FUND MANAGER**

29.1. In the event of the Fund Manager desiring to retire, the Trustee shall use their best endeavours to find a new Fund Manager. If, within six (6) months of notice by the Fund Manager seeking to retire, no suitable replacement is identified, the Trustee may terminate the Trust by giving six (6) months' notice to this effect to the Unitholders, the Fund Manager and the Commission.

29.2. The Fund Manager shall be subject to removal by notice in writing given by the Trustee in any of the following circumstances, PROVIDED that in every case the proposed removal has been approved by the Commission:

29.2.1. if the Unitholders representing not less than 75% of the Units for the time being outstanding of the Fund deliver to the Trustee a request in writing that the Fund Manager should retire or;

29.2.2. if the Fund Manager goes into liquidation (except for a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of its assets; or

29.2.3. if the Trustee certifies and provides 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; or

29.2.4. if the licence of the Fund Manager is suspended or withdrawn by the Commission.

29.3. In any of the cases, the Fund Manager shall, upon notice by the Trustee, immediately cease to be the Fund Manager and the Trustee shall by writing under its seal subject to approval by the Commission appoint some other qualified corporation to be the Fund Manager. Such corporation shall enter such Deed or Deeds as the Trustee may advise is necessary or desirable to be entered by such corporation in order to secure the due performance of its duties as Fund Manager which deed or deeds shall, if so required by the retiring Fund Manager, provide that the Fund shall as soon as practicable cease to use the word "FSDH" in its name and that neither the Trustee nor the new Fund Manager shall hold themselves out as being connected with the retiring Fund Manager in any way and furthermore shall provide that the manager to be appointed hereunder shall purchase from the retiring manager all Units of which it is Unitholder or deemed to be Unitholder at the realisation price.

## **30. REMOVAL, RETIREMENT AND APPOINTMENT OF TRUSTEE**

30.1. In the event of the Trustee's desire to retire, it shall give not less than three (3) months' notice in writing to the Fund Manager of its desire to retire, and the Fund Manager shall use its best endeavours to appoint a new Trustee within three (3) months of notice to both the Commission and the Fund Manager by the Trustee of its intention to retire. The new trustee(s) shall be an incorporated company registered with the Commission and approved by a majority of the Unitholders. If no new trustee can be identified within that period, the Fund Manager may terminate the Trust.

30.2. The Trustee shall be subject to removal by notice in writing from the Fund Manager in any of the following circumstances PROVIDED THAT in either case the proposed removal has been approved by the Commission:

30.2.1. if Unitholders holding not less than 75% of the Units Outstanding of the Fund deliver to the Fund Manager a request in writing that the Trustee(s) should retire; or

30.2.2. if the Trustee(s) goes into liquidation (except for a 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; or

30.2.3. if in the opinion of the Fund Manager, which opinion is confirmed by Unitholders holding a simple majority of the Outstanding Units attending the meeting in person or by proxy, the Trustee(s) shall be incapable of performing or shall have in fact failed to perform its/ their duties satisfactorily or shall have 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 a breach of the Trustee's(s') fiduciary duties to the Fund. Upon removal of a Trustee, the Fund Manager shall by writing under its seal subject to the approval of the Commission, appoint some other qualified

entity to be the Trustee and such entity shall enter such Deed or Deeds as the Fund Manager deems it necessary or desirable to be entered by such entity in order to secure the due performance of its duties as Trustee; or

30.3. if the licence of the Trustee is suspended or withdrawn by the Commission.

30.4. The new trustee taking the place of the Trustee pursuant to Clauses 30.1 or 30.2 above shall sign a deed of accession.

30.5. Where a Trustee retires in accordance with clause 30.1 or where the appointment of the Trustee is terminated pursuant to clause 30.2, the Trustee shall within seven (7) days submit a report to the Commission stating the following:

- (a) The assets and liabilities of the Fund as at the last reporting period;
- (b) Whether any irregularity or undesirable practice has taken place or is taking place in the conduct of the affairs of the Fund which has caused or is likely to cause financial loss to investors in the Fund or harm the interest of the investors in the Fund;
- (c) Particulars of any such irregularity or undesirable practice; and
- (d) The reason, if known, for the termination of the appointment.

### **31. PREPARATION OF NOTICES AND OTHER DOCUMENTS**

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

### **32. APPOINTMENT OF SHARI'AH ADVISER**

32.1. The Fund Manager shall appoint a Shari'ah adviser who shall be a person or entity knowledgeable in Islamic finance to provide advisory services to the Fund on Shari'ah related issues.

32.2. The Shari'ah adviser shall have the following obligations amongst others:

- 32.2.1. Provide Shari'ah expertise and guidance on all matters relating to the Fund;
- 32.2.2. Provide an annual report to the Trustee certifying that the Fund is being managed in accordance with Shari'ah principles.

### **33. AUDITING OF THE FUND'S ACCOUNTS**

33.1. At least once in every financial year, the Fund Manager shall cause to be audited and certified by the Auditor the accounts relating to the management of the Fund. The audited accounts of the Fund shall be signed by the Fund Manager and the Trustee.

33.2. The initial audit and certification of the accounts relating to the management of the Fund shall be completed by the Auditor within eighteen (18) months from the date on which the Fund Manager receives the net proceeds of the Offer.

33.3. The results of the audits together with any other accounts relating to the Fund including accounts of the Fund Manager in relation to the Fund and the Trustee's report, statements of remuneration in connection therewith and performance reports shall be circulated to the Unitholders of the Fund.

33.4. A copy of the Auditor's report in respect of the Fund shall be sent by the Fund Manager to the Commission and the Trustee and shall also be uploaded on the Fund Manager's website within one (1) month following the completion of the period to which the accounts relate or as the Commission may from time to time specify.

33.5. The Fund Manager may appoint tax consultants or such other accounting or tax professionals as it may determine from time to time.

### **34. AUDITOR**

- 34.1. The Auditor shall be appointed by the Fund Manager with the approval of the Trustee. No Auditor shall be a person who is not qualified for appointment as an Auditor of a company under Section 403 of the CAMA.
- 34.2. Within 30 (thirty) days of the date of appointment of the Auditor, the Fund Manager shall apply to the Commission for approval of the appointment of the Auditor; and the Commission may at any time withdraw its approval of the appointment of an Auditor;
- 34.3. Any Auditor appointed may be removed by the Fund Manager with the approval of the Trustee by notice thereof to the Auditor.
- 34.4. Any Auditor appointed may be removed by the Trustee in agreement with the Fund Manager by notice thereof to the Auditor.
- 34.5. The remuneration of the Auditor shall be fixed by the Fund Manager and approved by the Trustee.
- 34.6. The Auditor of the Fund may resign their office by serving a notice in writing to that effect at the registered office of the Trustee and any such notice shall operate to determine their office on the date on which notice is received or on such later date as may be specified therein.
- 34.7. The Auditor's notice of resignation shall not be effective unless it contains either:
- 34.7.1.a statement to the effect that there are no circumstances connected with their resignation which they consider should be brought to the notice of the Unitholders of the Fund; or
- 34.7.2.a statement setting out the circumstances connected with their resignation which they consider should be brought to the notice of the Unitholders of the Fund.
- 34.8. Where a notice under this section is served at the Trustee's registered offices, the Trustee shall within 14 (fourteen) days of receipt of the said notice send a copy of the notice to the Fund Manager.

### **35. DURATION AND TERMINATION OF THE TRUST**

- 35.1. The Trust constituted by this Deed shall be for a period of 99 (ninety-nine) years subject only to the provisions for termination as are herein contained.
- 35.2. The Trust may be terminated upon no less than six (6) months' notice by the Trustee in writing to the Fund Manager, Unitholders of the Fund and the Commission, if the Trust becomes illegal or if in the opinion of the Trustee it is impracticable or inadvisable to continue the Trust.
- 35.3. The Trust may at any time be terminated by a resolution of the Unitholders holding not less than 75% of the Units at a joint meeting of the Fund duly convened and held in accordance with the provisions herein contained in respect of the Fund regarding meetings and such termination shall take effect no less than six (6) months from the date on which the said Special Resolution is passed or on such later date (if any) as the said Special Resolution may provide.
- 35.4. The Trust may be duly terminated by the Commission where any of the activities of the Trust is outside the ambit of permissible activities as provided for by the ISA, any relevant regulations enacted thereunder and/or any other applicable laws, the Trust ceases to be primarily a Shari'ah-compliant Fund or where the Commission's approval of the Fund is withdrawn.
- 35.5. The Fund Manager may, by notice to the Commission, Unitholders and the Trustee terminate the Fund if, in the opinion of the Fund Manager, the investment objective of the Fund is no longer achievable or the value of the Fund's assets is insufficient to justify the continued operation of the Fund or if, due to a change in law or other circumstance deemed appropriate by the Fund Manager, the continued operation of the Fund is no longer justified.
- 35.6. In the event of termination, the liquidation of the Fund and redemption of the Unitholders' Units will be satisfied solely out of the assets of the terminated Fund without recourse to the assets of any other constituent Fund or the assets of the Fund Manager.

### 36. PROCEDURE AFTER TERMINATION OF THE TRUST

Subject to the provisions of Rule 453 of the SEC Rules and Regulation, upon the Trust being terminated, the Trustee shall proceed as follows:

36.1. in conjunction with the Fund Manager, procure the sale of all investments remaining as part of the Deposited Property and pay therefrom all liabilities properly payable. Such sale shall be carried out in the best interest of the Unitholders, in such manner and within such period after the termination of the Trust as the Trustee and the Fund Manager deems fit.

36.2. distribute or effect the distribution to the Unitholders, in proportion to their Units, of all net cash proceeds derived from the realisation of the Deposited Property available for the purpose of such distribution. The Trustee may request for any additional information/document for the purpose of making such terminal distribution. **PROVIDED THAT** the Trustee shall be entitled to retain out of any monies in its hands as part of the Deposited Property a provision for all costs, charges, expenses, claims and demands incurred or made by the Trustee in connection with or arising out of the termination of this Trust and out of the monies so retained to be indemnified against any such costs, charges, expenses, claims and demands.

36.3. comply with the SEC rules in respect of report to be submitted to the Commission upon completion of the termination.

36.4. keep the unclaimed money (if any) in an interest yielding account for the purpose of meeting investor's claims.

### 39. NOTICES

39.1. All notices or other documents directed to be given or sent by the Trustee or the Fund Manager to a Unitholder shall (unless the Trustee or the Fund Manager be otherwise directed in writing) be sent by post, via the internet or courier to him/its at his/its address as appearing in the Register. Any notice shall be deemed to have been received by the Unitholder on the 3rd day following the day on which the notice was sent by post or courier, or on the same day if such notice is sent via the internet.

39.2. A notice required to be given to the Trustee or the Fund Manager shall be sent to the registered office of the Trustee or the Fund Manager as the case may be.

### 40. Distributions

40.1. The amount available for distribution in respect of any Distribution Period (semi -annually) shall be, subject as hereinafter provided, a sum equal to at least 80% of the aggregate of:

40.1.1. the income received or receivable by the Trustee during the Distribution Period;

40.1.2. the amount (if any) recovered or estimated by the Fund Manager and the Auditors to be receivable by the Fund in respect of relief from tax and double tax on income;

Less, a sum equal to the aggregate of:

40.1.3. the amount of expenses paid or estimated by the Fund Manager to be payable out of the Deposited Property pursuant to clause **Error! Reference source not found.** hereof and which, in the opinion of the Fund Manager and the Trustee after consulting the Auditors, are properly chargeable against Income Proceeds;

40.1.4. the amount (if any) paid or estimated by the Fund Manager and Auditors to be payable by the Fund in respect of tax on income other than tax already deducted in determining the amount of the income.

40.2. At each Distribution Record Date, the amount of cash required to effect such Distribution shall be transferred from the Deposited Property to the Distribution Account.

40.3. The Registrar shall, when making every allocation, issue to each Unitholder (or in the case of joint Unitholders, to that one who is first named on the Register), a certificate in a form acceptable to the relevant

taxation authorities showing what part of the Distribution represents income and the amount of withholding tax (if any) which has been deducted, and containing a declaration to the effect that all withholding tax payable in respect of such Distribution has been deducted and either has been or will be paid.

40.4. Any monies payable by the Custodian to a Unitholder or former Unitholder under the provisions of this Trust Deed shall be paid by electronic money transfer only (e-dividend).

#### **41. PAYMENT**

41.1. Any monies payable by the Custodian to a Unitholder or former Unitholder under the provisions of these presents shall be paid by electronic money transfer (e-dividend), made payable to the nominated account or the registered address of such Unitholder as the case may be. Where an authority in writing shall have been received by the Fund Manager from the Unitholder or former Unitholder in such form and signed or sealed in such manner as the Fund Manager shall direct, authorising the Fund Manager to pay any monies due to him by electronic or any other mode of payment to a banker, agent or nominee, the Custodian as authorised by the Fund Manager shall pay the monies payable to the Unitholder as the case may be in the same manner and with the same effect as hereinbefore provided as if such banker, agent or nominee were the Unitholder and such payment shall be a good discharge of the payment obligation.

41.2. Without prejudice to the application of sub-clause 41.1 above, a receipt signed or purported to be signed by a Unitholder or former Unitholder for any monies payable in respect of Units held or formerly held by him shall be a good discharge to the Trustee and Fund Manager.

#### **42. COPIES OF TRUST DEED TO BE MADE AVAILABLE**

42.1. A copy of this Deed and of any Deed supplemental hereto shall, at all times, during usual business hours be made available by the Fund Manager and the Trustee at their respective head offices and any Unitholder shall be entitled to receive from the Fund Manager a copy of such Deed(s) as aforesaid on production of such evidence satisfactory to the Fund Manager or Trustee, including a Statement of Unitholding, and making payment to the Fund Manager of the prescribed amount for each copy of the document.

42.2. The Trustee shall keep the original of the Trust Deed.

#### **43. RECONSTRUCTION AND AMALGAMATION**

43.1. The Trust may be reconstructed or amalgamated upon the following conditions being satisfied:

43.1.1. the Fund Manager has agreed with the Fund Manager of some other trust the terms and conditions of a scheme of reconstruction and amalgamation;

43.1.2. the Trustee has not dissented to the proposed reconstruction or amalgamation;

43.1.3. the Unitholders have been informed of the particulars of the proposed reconstruction or amalgamation in a manner approved by the Trustee and a Special Resolution has been passed at a Meeting of the Unitholders approving such proposed reconstruction or amalgamation; and

43.1.4. the Fund Manager has duly notified the Commission of the proposed reconstruction and amalgamation and the Commission has approved the proposed reconstruction and amalgamation.

43.2. If the conditions provided in Clause 43.1 above have been fulfilled the proposed reconstruction or amalgamation shall take effect upon the date on which such conditions are satisfied or such later date as the Trustee may provide whereupon the terms of the Trust shall be binding upon all the Unitholders who shall be bound to give effect thereto accordingly and the Fund Manager and the Trustee shall do all such acts and things as may be necessary or requisite for the implementation thereof.

#### **44. POWER OF MODIFICATION BY SUPPLEMENTAL DEED**

44.1. The Trustee and Fund Manager shall be entitled by a supplemental deed to consolidate, modify, alter or add to the provisions of this Trust Deed in such manner and to such extent as they may consider necessary or expedient having regard to any issues that they may consider relevant PROVIDED THAT the Trustee shall certify in writing that in its opinion such consolidation, modification, alteration or addition does not operate to release

the Trustee or Fund Manager from any responsibility to the Unitholders and the Fund Manager shall notify the Unitholders of any such consolidation, modification, alteration or addition no more than two (2) weeks after the supplemental deed is signed. No such consolidation, modification, alteration or addition shall impose any further payment on the Unitholder in respect of his Units or any liability in respect thereof.

44.2. Without prejudice to the foregoing, the Trustee and the Fund Manager shall be entitled by way of a supplemental deed and with the sanction of a Special Resolution of a Meeting of Unitholders duly convened and held, to consolidate, modify, alter and add to the provisions of this Trust Deed where such consolidation, modification, alteration or addition is considered so material as to cause the objective of the Fund to be changed. No such consolidation, modification, alteration or addition shall impose any further payment on the Unitholder in respect of his Units or any liability in respect thereof.

44.3. PROVIDED ALWAYS that notwithstanding Clauses 44.1 and 44.2 above, the Fund Manager and the Trustee shall seek the approval of the Commission for any proposed modification to the Trust Deed by service of notice on the Commission.

#### **46. GOVERNING LAW**

46.1. This Deed shall be governed by and construed in all respects in accordance with the laws of the Federal Republic of Nigeria.

### **10.3. Extracts from the Custody Agreement**

#### **2. Appointment**

- 2.1. The Fund Manager hereby appoints the Custodian with the consent of the Trustee and approval of the SEC to provide the custodial services upon the terms set out in this Agreement, and the Custodian hereby accepts this appointment and agrees to provide the services set out in this Agreement subject to any requirements or restrictions imposed on the performance of such functions by Applicable Law) from the Effective Date until the date on which this Agreement terminates.
- 2.2. The Services may be provided to the Fund Manager only in its principal capacity, or to the fund only, or to both the fund manager and the fund as in the capacity indicated in Annexure A.
- 2.3. Should more than one CSD exist at any time, and it be possible to hold one or more types of Custody Securities in more than one CSD and the Custodian be willing or obligated to offer to hold Custody Securities or specific Custody Securities in more than one CSD, the Custodian will give effect to the Fund Manager's instructions in this regard, and failing instructions being given, the Custodian may elect in which CSD to hold Custody Securities. The Custodian will advise the Fund Manager of its options in terms of this clause.

#### **4. Registration of Custody Securities**

- 4.1. To the extent that CSD Rules make provision for the holding of Custody Securities in more than one type of Securities Account, and the Custodian be willing or obligated to offer to hold Custody Securities in more than one type of Securities Account, the Custodian will give effect to the Fund Manager's instructions in this regard, and failing instructions being given the Custodian may elect in which type of Securities Account to hold Custody Securities. The Custodian will advise the Fund Manager of its options in terms of this clause and, if applicable, of any loss sharing provisions in any CSD Rules where Custody Securities are held in an omnibus account.
- 4.2. To the extent that CSD Rules make provision for Custody Securities being registered in the Fund Manager's own name, or in the name of a Nominee, or otherwise, and the Custodian be willing or obliged to offer such forms of registration, the Custodian will give effect to the Fund Manager's instructions in this regard, and failing instructions being given, the Custodian may elect which form of registration to apply. The Custodian will advise the Fund Manager of its options in terms of this clause.

- 4.3. Should any change in CSD Rules make it mandatory for Custody Securities to be held in a particular type of Securities Account or registered in a particular way, as envisaged in clauses 4.1 and 4.2 the Custodian will be entitled to give effect to such amended CSD Rule, and if necessary, open and move the Custody Securities to a different type of Securities Account or change the way in which they are registered, and notify the Fund Manager thereof.
- 4.4. Should registration of Custody Securities (as envisaged in clause 4.2) be in any name other than RMBN Nominee, then the Fund Manager in respect of its Custody Securities:
  - 4.4.1. hereby authorises the Custodian to:
    - 4.4.1.1. participate in, speak and vote at any shareholders' meeting in any company in which the Fund is a shareholder from time to time as contemplated in Section 254 of the CAMA or at any meeting of holders of a particular type of Security where the Fund is the beneficial owner of such Security; and
    - 4.4.1.2. exercise such other rights and give any instructions and make any elections as may be exercised or given or made by shareholders (as defined in Section 105 of the CAMA) in the Company or by holders of the Security.
  - 4.4.2. confirms that the Custodian's appointment will remain in full force and effect until such time as the Fund Manager may, in writing, revoke it. In the event of such revocation the Fund Manager hereby instructs the Custodian to deliver a copy of the revocation instrument to any Company or issuer of Securities which the Custodian has advised of its appointment in terms of this clause;
  - 4.4.3. authorises the Custodian to provide a certified copy of this Agreement, or the relevant portions thereof to the Company or issuer and authorises the Company or issuer to accept such copy or extract for all purposes.
- 4.5. Custody Securities are deposited with the Custodian in certificated form, and such Custody Securities are capable of being dematerialised, the Custodian will be entitled to dematerialise such Custody Securities, for the cost of the Fund Manager and such Custody Securities will be registered as provided for in clauses 4.1 and 4.2 above.
- 4.6. The Custodian will, irrespective of the method of holding Custody Securities in terms of clauses 4.1 and 4.2, give effect to instructions provided to it pursuant to clause 10.2.
- 4.7. The Custodian shall maintain or procure the maintenance of such records as are appropriate with regard to all Custody Securities held or administered by the Custodian and/or RMBN Nominee in terms of this Agreement.
- 4.8. The Custodian will, on written request, consider accepting the deposit of certificated Custody Securities (being certificated Securities which are not capable of being dematerialised) and if it agrees to accept such certificated Custody Securities, they will be registered in the name of the Trustee/Fund.
- 4.9. Th The Custodian represents and warrants to the Fund Manager that RMBN Nominee has been approved as a Nominee in terms of relevant SEC Rules and that it does not conduct any business other than the business of holding Custody Securities on behalf of beneficial owners.

## **5. Account Opening**

- 5.1. The Custodian will, on written instructions from the Fund Manager, open and/or shall continue to keep open, one or more Securities Accounts and Cash Accounts in the name of the Trustee/Fund (or in such other names

authorised or instructed by the Fund Manager) in order to facilitate the processing of Securities transactions, cash transactions and bank charges. It is the sole responsibility of the Fund Manager to inform the Custodian if any account details change after being opened and to provide the Custodian with the required documentation, as applicable.

- 5.2. The legal title to the Custody Securities, whether Securities, Cash or both, and whether any such property is held by the Custodian or in a CSD, shall be clearly recorded in the Custodian's books as belonging to the Fund and in so far as the same are identifiable as belonging to the Fund, such Custody Securities shall also be physically segregated from the general assets of the Custodian, the assets of the Fund Manager in its individual capacity and the assets of the Custodian's other customers.
- 5.3. The Custodian's obligation to open accounts pursuant to Clause 5.1 is conditional upon the Custodian receiving the following information and/or documents and/or agreements in respect of the Fund Manager in form and substance acceptable to the Custodian:
  - 5.3.1. the information and documentation required to satisfy the Custodian's 'know your customer' duties in accordance with the Central Bank of Nigeria's regulations and SEC Rules;
  - 5.3.2. such further documents or certificates or agreements as the Custodian may reasonably require the Fund Manager to provide or execute (including but not limited to agreements relating to the opening and operation of Cash Accounts); and
- 5.4. Cash Accounts shall, save as otherwise agreed be subject to the Custodian's normal terms, conditions, procedures and practices in respect of cheque or demand deposit accounts.
- 5.5. The Custodian shall hold cash collected within the Cash Account or upon the Fund Manager's instructions, shall (i) remit such cash to the Fund Manager; (ii) use such cash to purchase Securities specified by the Fund Manager (but only to the extent that cash is available in the Cash Account), which securities shall be deposited in the Securities Account; or (iii) do any combination of the above.
- 5.6. Unless the Custodian receives the Fund Manager's instructions to the contrary, the Custodian is authorised to execute on behalf of and for the Cash Accounts or Security Accounts, whenever the Custodian deems it appropriate, such ownership certificates and other documents as may be required to obtain the payment of income from the Custody Securities.
- 5.7. With respect to the payment for purchases of Securities to be deposited in the Securities Account, the Fund Manager agrees and represents that funds for settlement will be deposited by the settlement date with the Custodian or at the location of settlement, in clear and available funds and in the currency of settlement.
- 5.8. The Fund Manager acknowledges that nothing in this Agreement obligates the Custodian to extend credit, grant financial accommodation or otherwise advance moneys to the Fund Manager for the purpose of making any such payments or otherwise carrying out any instructions.

## **6. Instructions and Communications**

- 6.1. All instructions and communications by the Fund Manager to the Custodian must be in writing, which includes emails, and instructions given electronically by means of the Custodian's custody online platform (where available, an online custody platform shall be provided by the Custodian and the Fund Manager may be granted access to such platform in accordance with its standard terms for using the platform).
- 6.2. All reports and communications by the Custodian to the Fund Manager will be given by email, or via an agreed internet platform.

- 6.3. Notwithstanding clauses 6.1 and 6.2, the parties agree that it is possible for communication to also take place by telephone from time to time. Where parties communicate by telephone, such conversations may be recorded and, if recorded, may be used in evidence. Neither party is under any obligation to the other to record or to retain any recordings of conversations.
- 6.4. The Custodian shall be entitled to rely on instructions, notices and other communications received from the Fund Manager which the Custodian acting in good faith and having taken due care, reasonably believes to be genuine, valid and authorised.
- 6.5. The Fund Manager confirms that it is aware of the possibility of forgeries being committed (which are more difficult to detect when instructions are given by email) and of the possibilities of errors, corruption of content and interruptions or delays in transmissions of emails. The Fund Manager, notwithstanding the foregoing, wishes the Custodian to act on instructions received by email and provided that the Custodian acts in good faith and takes due care (which includes the Custodian not being negligent or fraudulent) and reasonably believes the instructions or communications given by email to be genuine, valid and authorised, the Fund Manager waives any claim of whatsoever nature that it may have against the Custodian arising from forgeries and errors, corruption, interruptions or delays in transmission with regard to such emails.
- 6.6. The Custodian reserves the right to reject or suspend the execution of an instruction at any time if, in the Custodian's opinion, the instructions appear suspicious or unusual. Should the Custodian reject or suspend the execution of an instruction, it will contact the Fund Manager as soon as reasonably possible to verify the validity of the relevant instruction.

## **7. Reporting**

- 7.1. The Custodian will, after settlement of a transaction report to the Fund Manager the location, transfer, and holdings of, and any payment with respect to, Custody Securities. In addition, the Custodian will, from time to time, provide the Fund Manager with reports and advice in such format and by such means as may be agreed between the Custodian and the Fund Manager.
- 7.2. The Custodian will either periodically, or upon the Fund Manager's request, supply it with such statements regarding the relevant accounts as the Fund Manager may request and the Custodian is able to supply. The Fund Manager may require the Custodian to relay daily balance and transaction information on any of the accounts it holds with the Custodian. Where the Fund Manager so requires, the Custodian shall forward such information to the recipient specified by the Fund Manager and to the email addresses provided by the Fund Manager.

## **8. Settlement of Securities transactions**

- 8.1. The Custodian will settle transactions into and from the Securities Accounts and Cash Accounts identified by the Fund Manager for that purpose. The Custodian will only be obliged to settle a transaction (unless otherwise agreed) if there are sufficient Custody Securities in the relevant Securities Account and/or cash in the relevant Cash Account when settlement is due.
- 8.2. If in terms of CSD Rules, the Custodian is required to commit to settlement of a transaction on the Fund Manager's behalf, it will only do so (unless otherwise agreed) where the Fund Manager holds sufficient:
  - 8.2.1. Custody Securities in their Securities Account; and/or,
  - 8.2.2. funds in the applicable Cash Account
- 8.3. After the Custodian has committed to the settlement of a transaction and until such time that settlement has occurred, the Fund Manager may not deal with the relevant Custody Securities or withdraw from the Cash

Account the funds required to settle the committed transaction.

- 8.4. If, notwithstanding clauses 8.1, 8.2 and 8.3, a transaction settles and a shortfall of cash or Securities in the relevant Cash Account, or Securities Account arises, the Fund Manager undertakes that it shall immediately reimburse the Custodian on demand for any shortfall in cash or deposit with the Custodian or any shortfall in Securities. Pending such shortfall in cash or Securities being made good, and without prejudice to such other rights as the Custodian may have, the Custodian shall have a right of set off and/or a lien over all Custody Securities held by the Custodian for the Fund Manager and/or all amounts held in the relevant Cash Account, effective from the moment such shortfall arises, as security for the Fund Manager's obligations to the Custodian in terms of this clause.
- 8.5. When Securities are purchased and are either physically delivered or electronically transferred within a CSD system to the Custodian for safe custody, the Custodian shall pay the amount specified in the Fund Manager's instructions upon physical receipt of the Custody Securities in negotiable order or by electronic transfer and not merely against an undertaking to physically deliver or electronically transfer the Custody Securities.
- 8.6. The Custodian's custody obligations in respect of any Custody Securities shall commence from the moment that the Custody Securities are effectively physically delivered or electronically transferred to the Custodian by the Fund Manager or on its behalf and shall cease against physical delivery or electronic transfer of the Custody Securities to the Fund Manager or to a third party as instructed by the Fund Manager.
- 8.7. No Custody Securities shall be released by the Custodian, in any manner whatsoever except as required under the laws of the Federal republic of Nigeria, or:
  - 8.7.1. upon instructions of the Fund Manager; or
  - 8.7.2. to the issuer of the Securities, unless otherwise instructed by the Fund Manager thereof:
    - 8.7.2.1. upon receipt by the Custodian of payment when such Securities are called, redeemed, retired or otherwise become payable;
    - 8.7.2.2. upon receipt of substitute Securities representing the same aggregate face value amount as the Securities being released in connection with a stock split or other similar exchange of Securities;
    - 8.7.2.3. upon receipt of payment or substitute Securities received by the Custodian in exchange or for conversion pursuant to any plan of merger, consolidation, recapitalisation, reorganisation or readjustment of the Securities, or pursuant to provisions for conversion contained in such Securities;
    - 8.7.2.4. upon receipt of new Securities and/or Cash in connection with the exercise of warrants, options, rights, or similar Securities or the surrender of interim receipts or temporary Securities for definitive Securities;

Provided that if the Custodian has advance notice of any occurrence described in: clause 8.7.2, the Custodian shall immediately inform the Fund Manager of such occurrence, and, if the Fund Manager shall not have given instructions to the Custodian at least 1 (one) day prior to the date necessary for the Custodian to take timely action, the Custodian shall make the sale or exchange called for and shall credit the Securities Account accordingly.

### **13. Fees - Cash Account**

- 13.1. Any fees, costs, commission, charges and levies relating to or in respect of Cash Accounts are payable immediately as and when they arise and shall be debited to the Cash Account identified by the Fund Manager for that purpose. The Custodian may amend any agreed fees only after the consent of the Fund Manager has been obtained upon 30 calendar days' written notice.

13.2. Interest in respect of the Cash Account shall be paid or charged at the nominal annual rate agreed between the Custodian and the Fund Manager.

#### **14. Securities Account**

14.1. Fees for the Services shall be as initially agreed in writing between the Fund Manager and the Custodian. The Custodian may amend any agreed fees only after the consent of the Fund Manager "in consultation with the three" has been obtained upon 30 calendar days' written notice.

14.2. The fees referred to in clause 14.1 do not include any levies, taxes or any reasonable out of pocket expenses which might be incurred by the Custodian and such levies, taxes or reasonable out of pocket expenses shall be for the account of the Fund Manager and debited to the Cash Accounts as and when incurred. Such levies, taxes and costs include but are not limited to all costs incurred in the conversion of Custody Securities into dematerialised form and any fees levied by a CSD.

14.3. Fees will be debited by the Custodian to the Cash Accounts identified by the Fund Manager for that purpose, on the agreed date.

14.4. All fees and tariffs will be quoted inclusive of value added tax where applicable, unless the parties agree to the contrary.

#### **17. Access and record retention**

17.1. The Custodian shall maintain or procure the maintenance of such records as are appropriate with regards to all Custody Securities and Cash held or administered by the Custodian or RMBN Nominee in terms of this Agreement, showing that the Fund Manager is the legal owner of the Custody Securities and Cash.

17.2. The Fund Manager and its auditors shall at all times during normal working hours be given reasonable access (subject to the Custodian's security procedures) to all custody related records pertaining to the Securities Accounts kept by the Custodian or RMBN Nominee for the Fund Manager. If so requested, the Custodian shall provide confirmation to the Fund Manager of the contents of such records.

#### **18. Limitation of liability**

18.1. Subject to the other provisions of this clause, the Custodian shall indemnify the Fund Manager for, and hold the Fund Manager harmless from any direct loss, damage, cost, judgment, expense which the Fund Manager incurs or for which the Custodian is otherwise liable, relating to or arising from;

18.1.1. any willful destruction or damage to the Custody Securities;

18.1.2. any breach of this Agreement by the Custodian; or

18.1.3. with respect to any losses not within the foregoing subsections 18.1.1 and 18.1.2, the Custodian will only be liable for direct damages incurred by the Fund Manager by reason of the Custodian's negligence, willful default or fraud.

18.2. The Custodian shall not be liable for any loss whatsoever incurred or suffered by the Fund Manager, its respective agents, officers or employees:

18.2.1. as a result of the failure of any of them to comply with the Applicable Laws;

18.2.2. for any negligence, default, failure or delay of a CSD, any clearing system, Securities registration body or

Securities registrar and any losses arising therefrom; or

- 18.2.3. from any tainted or fraudulent Securities which may be received by the Custodian from a CSD or any other third party, whether or not a Participant, by or on behalf of the Fund Manager (the Custodian will, however, assist in investigations when tainted or fraudulent Securities are received by it).
- 18.3. The Fund Manager agrees to indemnify and hold the Custodian, its directors, officers, employees and agents harmless against any direct costs, losses, claims or damages which they or any of them may incur or be subject to in consequence of the performance of the Services (including, but not limited to, the following of any instructions or directions given to the Custodian by or for the Fund Manager), except to the extent such cost, loss, claim or damage was incurred as a direct result of the negligence, willful default or fraud of the Custodian or any of its directors, officers, employees or agents, as the case may be, and this indemnity shall expressly inure to the benefit of any such director, officer, employee or agent, whether existing or future.
- 18.4. Neither party will under any circumstances be liable for indirect, special or consequential loss or damage of any kind whatsoever (or for any loss of profits, revenue, goodwill or anticipated savings) even if such party had been advised of the likelihood of such loss or damage and regardless of whether any claim for loss or damage is made in negligence, for breach of contract or otherwise.
- 18.5. The Custodian shall not be required to take any legal action on behalf of the Fund Manager unless it has been fully indemnified to its satisfaction.
- 18.6. In addition to any other provision hereof, the Fund Manager acknowledges and agrees that the Custodian has no responsibility for, or duty to perform any investigation as to the completeness, accuracy or sufficiency of any information provided to it by the Fund Manager hereunder and the Custodian shall not be responsible to any person whatsoever for any loss suffered or made due to the Custodian relying upon such information.

#### **19. Force Majeure**

Neither party shall be responsible for the loss of or damage to any Custody Securities or for the failure to fulfil its duties hereunder if such loss, damage or failure is caused by or is directly or indirectly due to war, pandemic, epidemic, enemy action, the act of any Authority, riot, civil disturbance, rebellion, explosion, storm, tempest, fire, strike or lock-out (except a strike or lock-out of the employees of that party) or any other occurrence or event beyond the reasonable control of that party, provided that (i) the party has taken all reasonable steps to avoid and mitigate the loss or damage and (ii) nothing in this clause shall relieve that party from any liability arising directly or indirectly in connection with any break-down or fault in its electronic or telecommunications software or hardware systems.

#### **20. Termination of Agreement**

Any party may with the prior approval of the SEC terminate this Agreement by giving not less than thirty (30) days' prior written notice to the Trustee and the other party to this Agreement. The termination of the appointment of the Custodian shall not come into effect prior to the appointment of another custodian and the conveyance of the Fund held in custody to the new custodian.

#### **33. Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the federal republic of Nigeria.

#### **10.4. Indebtedness**

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

indebtedness, except in the ordinary course of business.

#### 10.5. Claims and Litigation

There has been no litigation instituted against the Fund Manager, neither has the Fund Manager instituted any claims against any third parties.

#### 10.6. Costs and Expenses

The costs, charges and expenses of, and incidental to, the Offer including fees payable to the SEC, professional parties, brokerage commission and printing and distribution expenses estimated at ₦5,000,000.00 (or 1% of the offer size) and are payable by the Fund and deductible from the monies raised by the Fund.

#### 10.7. Relationship between the Fund Manager and the Trustee

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

#### 10.8. Relationship between the Fund Manager and the Custodian

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

#### 10.9. Material Contracts

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

- a. A Trust Deed dated [•] between FSDH Asset Management Limited and STL Trustees Limited under which the Fund was constituted and STL Trustees Limited has agreed to act for the benefit of the Unitholders;
- b. A Custody Agreement dated [•] between FSDH Asset Management Limited, Rand Merchant Bank Nigeria Limited and STL Trustees Limited pursuant to which the Fund Manager has appointed Rand Merchant Bank Nigeria Limited to act as custodian of the Fund's investments, cash and other assets and to accept responsibility for the safe custody of the Deposited Property which is delivered to and accepted by the Custodian; and

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

#### 10.10. 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 and Company Secretary of the Fund Manager		
1.	Mrs. Folashade Laoye	Chairman
2.	Mr. Toyin Owolabi	Managing Director
3.	Mrs. Folasade Ogunde	Director
4.	Ms. Yasmin Belo-Osagie	Director
5.	Mr. Kelechi Okoro	Director
6.	Ms. Wambui Kinya	Director
7.	Mrs. Bukola Smith	Director
8.	Mr. Victor Thompson	Company Secretary

**Parties to the FSDH Halal Fund**

1.	STL Trustees Limited	Trustee
2.	Rand Merchant Bank Nigeria Limited	Custodian
3.	Udo Udoma & Belo-Osagie	Solicitor
4.	Trustbanc Arthur Limited	Shari'ah Adviser
5.	FSDH Asset Management Limited	Registrar

#### 10.11. Documents Available for Inspection

Copies of the following documents may be inspected at the office of FSDH Asset Management Limited at UAC House (4th Floor), 1/5 Odunlami Street, Lagos from 8.00am to 5.00pm (West African Time) on any Business Day:

- a. The Certificate of Incorporation of the Fund Manager;
- b. The Memorandum and Articles of Association of the Fund Manager;
- c. The Certificate of Incorporation of the Trustee;
- d. The Memorandum and Articles of Association of the Trustee;
- e. The Resolution of the Board of Directors of the Fund Manager authorising the creation of the FSDH Halal Fund and the issuance of 500,000 Units of the Fund;
- f. The Prospectus issued in connection with this Offer;
- g. The Material Contracts referred to above;
- h. The Written Consents of the parties referred to above; and
- i. The Letter of approval from the SEC confirming registration of the Fund

### 13. PROCEDURE FOR APPLICATION AND ALLOTMENT

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### 13.1. Application

- a. The general public is hereby invited to apply for Units of the Fund through the Fund Manager and Receiving Agents.
- b. Applications for Units being offered must be made in accordance with the instructions set out at the back of the Application Form attached hereto. Care must be taken to follow these instructions, as applications which do not comply will be rejected.
- c. The Application List for the Units being offered will open and launch on [•]. The minimum to be applied for is indicated on the relevant application form. The number of Units and its corresponding value for which an application is made should be entered in the boxes provided.
- d. A single applicant should sign the declaration and write his/her name, address, daytime telephone number and other information as indicated in the boxes provided in the Application Form. Where the application is being made on behalf of a minor, the full names of the applicant and the minor as well as the date of birth of the minor should be provided. [Item “2”] should be used by joint applicants and [Item “3”] should be used by corporate applicants. A corporate applicant should affix its seal and state its Incorporation (RC) Number in the boxes provided.
- e. Payment in respect of the application must be transferred into the designated Offer Proceeds Account provided below:

Bank	Account Name	Account Number
FSDH Merchant Bank Limited	FSDH Halal Fund – Offer Proceeds Account	[•]

### 13.1. Allotment of Units

The Directors of the Fund Manager reserve the right to accept or reject any application in whole or in part for not meeting the conditions of the Offer.

## 11. RECEIVING AGENTS

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The Application Forms may be obtained free of charge from FSDH Asset Management Limited’s office as stated below:

**FSDH Asset Management Limited**  
UAC House, 4th Floor

1-5 Odunlami Street  
Lagos Island  
Lagos

## **12. APPLICATION FORM**

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The Application Form may be obtained free of charge from FSDH Asset Management Limited's office as stated below:

Fund Manager:



RC 434206

**OFFER FOR SUBSCRIPTION  
FOR 500,000 UNITS  
IN THE  
FSDH HALAL FUND  
(Authorised and registered in Nigeria as a Unit Trust Scheme)  
PAYABLE IN FULL ON APPLICATION**

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

MINIMUM SUBSCRIPTION SIZE	AMOUNT PAYABLE
5 Units minimum Subsequent multiples of 1 Unit	At the offer price of ₦1,000.00 per Unit

<b>NUMBER OF UNITS APPLIED FOR</b>										<p align="center"><u>DECLARATION</u></p> <p>I/We agree to accept the same or any smaller number of units in respect of which allotment may be made upon the terms of the Prospectus dated <input type="checkbox"/> and subject to the Trust Deed constituting the Fund.</p> <p>I/We authorise you to credit my/our bank account detailed below for any amount overpaid and to procure registration in my/our name as the holder(s) of such number of Units or such smaller number, as aforesaid.</p>			
<b>UNITS IN WORDS</b>													
<b>DATE (DD/MM/YYYY)</b>													
		/			/		2		0			2	
<b>CONTROL NO: (FOR FUND MANAGER'S USE ONLY)</b>													

APPLICANT'S DETAILS (INDIVIDUAL/CORPORATE/JOINT)													
<b>SURNAME/CORPORATE NAME</b>													
<b>FIRST NAME (FOR INDIVIDUALS ONLY)</b>							<b>OTHER NAMES (FOR INDIVIDUALS ONLY)</b>						
<b>JOINT APPLICANT'S FIRST NAME (IF APPLICABLE)</b>							<b>OTHER NAMES (FOR JOINT APPLICANT ONLY)</b>						
<b>SURNAME (IF APPLICANT IS A MINOR)</b>													
<b>FIRST NAME (IF APPLICANT IS A MINOR)</b>							<b>OTHER NAMES (IF APPLICANT IS A MINOR)</b>						
<b>DATE OF BIRTH OF APPLICANT (DD/MM/YYYY)</b>							<b>GENDER:    MALE    FEMALE</b>						
		/			/								
<b>ADDRESS IN FULL (PLEASE DO NOT REPEAT APPLICANT(S)' NAME. POST BOX NO. ALONE IS NOT SUFFICIENT)</b>													
<b>TEL</b>													
<b>CITY</b>				<b>STATE</b>				<b>E-MAIL</b>					
<b>CONTACT PERSON (FOR CORPORATE APPLICANT OR ADULT APPLYING ON BEHALF OF MINOR) / NEXT OF KIN (FOR INDIVIDUAL APPLICANT)</b>													
<b>CONTACT ADDRESS OF NEXT OF KIN IN FULL (POST BOX NO. ALONE IS NOT SUFFICIENT)</b>													
<b>TEL</b>													
<b>CITY</b>				<b>STATE</b>				<b>E-MAIL</b>					

DISTRIBUTION OPTION			
Please tick in the box to indicate preferred option	<input type="checkbox"/> PAY-OUT	<input type="checkbox"/> / REINVESTMENT	<input type="checkbox"/>

**BANK ACCOUNT DETAILS FOR E-DISTRIBUTIONS (Please refer to instructions)**

Bank Account No.:										
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Account Name: \_\_\_\_\_

Bank Name: \_\_\_\_\_ Bank Branch: \_\_\_\_\_

State: \_\_\_\_\_ Sort Code: \_\_\_\_\_

Account Type: Savings Current Others (please specify) \_\_\_\_\_

**AUTHORISATIONS:**

SIGNATURE	2ND SIGNATURE (Corporate/Joint)	OFFICIAL SEAL and RC. NO.
		<b>OR *THUMBPRINT* (For Illiterates only)</b>
<b>NAME OF AUTHORISED SIGNATORY (Corporate only)</b>	<b>NAME OF AUTHORISED SIGNATORY (Corporate/Joint)</b>	
<b>DESIGNATION (Corporate only)</b>	<b>DESIGNATION (Corporate only)</b>	

Please note that by signing this Application Form, the Investors also give the Important Declarations set out in the instructions section of the Application Form.

I/We hereby apply for the allotment / purchase of Units of the Fund, as indicated in this form and confirm that I/we have read, understood and are bound by the terms and conditions of this Application Form, including the Important Declarations in the instructions to the Application Form, the contents of the Prospectus for the Offer, and am/are fully capable of assessing and bearing the risks involved in purchasing the Units, and agree to abide by the terms, conditions, rules and regulations of the Scheme.

I /We hereby authorise FSDH Asset Management Limited and its agents to disclose personal data / details of my investment to anyone as may be necessary or expedient for the purposes of administration of investments in the Units of the Fund.

**FORM OF ATTESTATION (Compulsory requirement for a witness of a thumbprint impression only)**

I, \_\_\_\_\_ [please insert full name of person attesting] of \_\_\_\_\_

[insert address] hereby testify that the above \*thumbprint\* was affixed in my presence this \_\_\_\_\_ day of \_\_\_\_\_ 2023., and is the true right thumbprint of [insert name of person executing] \_\_\_\_\_ who has acknowledged to me after due explanation of the Application Form in the language understandable to him that (i) he/she has voluntarily executed this instrument and (ii) he/she understands the contents and effect thereof.

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

Witness Signature