

You are advised to carefully read and understand the contents of this Shelf Prospectus. If you are in doubt about the actions to be taken, please consult your Stockbroker, Solicitor, Banker or an independent Investment Adviser registered by the Securities and Exchange Commission for guidance. Prospective Unitholders are advised to note that liability for false or misleading statements or acts made in connection with the Shelf Prospectus is provided in sections 113 and 114 of the Investments and Securities Act No.2, 2025 (the "Act"). This Shelf Prospectus has been seen and approved by the Directors of the Fund Manager / Promoter of the Fund and they jointly and individually accept full responsibility for the accuracy of all information given and confirm that, after having made inquiries which are reasonable in the circumstances, and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

Prospective purchasers of any unit trust should ensure that they fully understand the nature of the product and the extent of their exposure to risks, and that they consider the suitability of the Fund as an investment considering their own circumstances and financial position.

For information concerning certain risk factors which should be considered by prospective investors, see Risk Factors on pages 69 to 72

ARM PRIVATE DEBT FUND
(Authorised and Registered in Nigeria as a Specialised Fund)

SHELF PROSPECTUS

For the ₦200,000,000,000 Issuance Programme
For 200,000,000,000 Units (₦1 Per Unit)

FUND MANAGER:



RC: 1198280

This Shelf Prospectus and the Units which it offers have been cleared and registered by the Securities and Exchange Commission. Prospective Unitholders may confirm the clearance of this Shelf Prospectus and the registration of the securities it offers with the Securities and Exchange Commission by contacting the Commission on sec@sec.gov.ng or +234 (0)9 462 1100; +234 (0)9462 1168. The Investments and Securities Act No. 2, 2025 provides for civil and criminal liabilities for the issue of a Prospectus which contains false or misleading information. Registration of this Prospectus and the Units which it offers does not relieve the parties of any liability arising under the Act for false or misleading statements contained or for any omission of a material fact in this Prospectus.

This Shelf Prospectus is to be read and construed in conjunction with any supplement thereto and all documents which are incorporated herein, by reference and, in relation to any Tranches or Series (as defined herein) of instruments, together with any applicable Supplementary Shelf Prospectus. This Shelf Prospectus shall be read and construed on the basis that such documents are incorporated herein and form part of this Shelf Prospectus.

The registration of the Shelf Prospectus and any applicable Supplementary Prospectus thereafter does not in any way whatsoever suggest that the Securities and Exchange Commission endorses or recommends the securities or assumes responsibility for the correctness of any statement made or opinion or report expressed therein.

ISSUING HOUSES:

Lead Issuing House



RC: 1804609

Joint Issuing House



RC: 1951146

This Shelf Prospectus is dated 07 November 2025

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In this document, unless otherwise stated or clearly indicated by the context, the following words have the meanings stated opposite them.

“Advisory Board”	The Advisory Board of the Fund constituted under the Programme Trust Deed;
“Agritech”	Agricultural Technology;
“AfDB”	African Development Bank Group;
“Application Form”	The form to be completed by Unitholders subscribing for Units in the Fund;
“Auditors”	Ernst & Young (EY) Nigeria
“AuM”	Assets under Management;
“Business Day”	Any day other than a Saturday, Sunday or an official public holiday as declared by the /Federal Government of Nigeria;
“CBN”	Central Bank of Nigeria;
“CEO”	Chief Executive Officer;
“CIO”	Chief Investment Officer;
“Closed-Ended Fund”	A Fund that is unable to create and offer additional units outside of its initial offering or subsequent offerings, on a continuous basis throughout its life. Units of such a Fund cannot be redeemed from the Fund, but may be purchased and sold in the market where the Fund is listed;
“CRR”	Cash Reserve Ratio
“Custodian”	Rand Merchant Bank Nigeria Limited its successors-in-title and assigns, or such other person that may be appointed as custodian from time to time by the Fund Manager with the written approval of the SEC;
“Directors”	The Directors of the Fund Manager;
“Distributions”	The income generated by the Fund and paid (less expenses and applicable taxes) to Unitholders;
“DMB”	Deposit Money Bank;
“DFI”	Development Finance Institutions;

“Edtech”	Educational Technology;
“EFinA”	Enhancing Financial Innovation and Access;
“ESG”	Environmental, Social and Governance;
“Exchange”	any Securities Exchange in Nigeria registered by the SEC for the purpose of listing Units of the Fund;
“FGN”	Federal Government of Nigeria;
“FMT”	Fund Management Team;
“Fintech”	Financial Technology;
“GDP”	Gross Domestic Product;
“GFC”	2008 Global Financial Crisis;
“Fund Manager”	ARM Investment Managers Limited
“Fund”	ARM Private Debt Fund;
“High Net Worth Investor”	As defined in the SEC Rules and Regulations;
“IMF”	International Monetary Fund;
“ISA”	Investments and Securities Act No. 2, 2025 as may be amended from time to time;
“Issuing House(s)”	Vetiva Advisory Services Limited and Asset & Resource Management (ARM) Capital Limited;
“Initial Offer”	The initial offer for subscription for Units of the Fund, pursuant to the Series 1 Supplementary Prospectus under this Shelf Prospectus;
“Investee Company”	A company or firm in which the Fund has directly invested in;
“Investment”	the deployment of the Fund in line with the Investment Policy to generate returns for Unitholders;
“Investment Committee” or “IC”	The team constituted to review and approve opportunities presented by the FMT;
“Investment Policy”	As defined in Clause 15 of the Summary of Programme below;
“Key Persons”	CEO and the CIO of the Fund Manager;

"LFN"	Laws of the Federation of Nigeria;
"MDA"	Multilateral Development Agencies;
"Memorandum Listing"	listing the Units on the Exchange for the purpose of providing information about the Fund, and not for trading.
"Minimum Unitholding"	Minimum unitholding is 10 million units;
"MPC"	Monetary Policy Committee;
"MPR"	Monetary Policy Rate;
"MSME"	Micro, Small and Medium Enterprises;
"Naira" or "₦" or "NGN"	The Nigerian Naira, the official currency of the Federal Republic of Nigeria;
"NAV"	Net Asset Value;
"NAFEM"	The Nigerian Foreign Exchange Market;
"NBS"	National Bureau of Statistics;
"Offer"	The Initial Offer for subscription of Units in the Fund pursuant to the Programme;
"Programme"	The ₦200,000,000,000 (Two Hundred Billion Naira) issuance programme established pursuant to the ARM Private Debt Fund, as described in this Shelf Prospectus and each subsequently updated Shelf Prospectus pursuant to which the Fund Manager may issue several separate Series or Tranches of Units of the Fund from time to time with varying terms and conditions; provided however that the aggregate face value of the issued Units does not exceed ₦200,000,000,000 (Two Hundred Billion Naira);
"Programme Amount"	The maximum aggregate amount of all Units outstanding that may be issued under the Programme, being an amount not exceeding ₦200,000,000,000 (Two Hundred Billion Naira);
"PwC"	PricewaterhouseCoopers;
"Qualification Date"	A specific date at which Unitholders are qualified to receive Distributions or Bonuses;
"Qualified Institutional Investor"	As defined in the SEC Rules and Regulation;

"Register"	The record of Unitholders maintained by the Registrar which includes the particulars of the Unitholders and respective units held by each Unitholder;
"Registrars"	Meristem Registrars and Probate Services Limited;
"Rules and Regulations of the Commission"	The rules and regulations of the Commission issued pursuant to the ISA from time to time;
"Rules on Funds"	The rules issued by the SEC for the establishment and regulation of collective investment schemes, as may be amended, updated and modified from time to time;
"SBLC"	Standby Letter of Credit;
"SDG"	Sustainable Development Goals;
"SEC" or "the Commission"	Securities and Exchange Commission;
"Series"	Tranche of Units, together with any further Tranche or Tranches of Units which are expressed to be consolidated and form a single Series;
"Shelf Prospectus" or "Prospectus"	This document dated 07 November, 2025 and as may be amended from time-to-time, in accordance with the provisions of the ISA and the Rules and Regulations of the Commission, and which discloses relevant information about the Fund and an Offer;
"SME"	Small and Medium Enterprises;
"SPV"	Special Purpose Vehicle;
"SSA"	Sub-Saharan Africa;
"Supplementary Prospectus" or "Supplementary Shelf Prospectus"	The document(s) to be issued pursuant to the Shelf Prospectus, which shall provide the final terms and conditions of a specific Series or Tranche of Units of the Fund issued under the Programme and read in conjunction with the Shelf Prospectus;
"Target Investors"	Includes Qualified Institutional Investors and High Net Worth Individuals as defined by the SEC, to whom the Fund Manager may propose that offers for subscription of Units in the Fund be made to;
"Target Sectors"	The Fund shall adopt a sector-agnostic approach but exclude some companies (with business performance strongly correlated with climatic conditions) in industries such as primary agriculture and those with highly volatile cash flows;

Definitions

"The Fund"	ARM Private Debt Fund;
"Tranche"	In relation to any particular Series, all Units which are identical in all respects;
"Trust Deed" or "Programme Trust Deed"	The Programme Trust Deed constituting the Fund and any document supplemental thereto or executed in pursuance thereof;
"Trustees"	STL Trustees Limited, Leadway Trustees Limited or such other Trustee appointed to act in that capacity;
"UNESCO"	United Nations Educational, Scientific and Cultural Organization;
"Units"	The Units of the Fund;
"Unitholder"	Any person or company entered in the Register as a holder of the Units including persons so entered as joint Unitholders;
"Unit Statement" or "Statement of Unitholding"	The statement to be given to Unitholders by Registrars, indicating the number of Units purchased in the Fund and this shall serve as evidence of their interest in the Fund;
"Validity Period"	A period expiring three (3) years from the date of SEC approval of this Shelf Prospectus, during which, Units of the Fund may be issued under the Programme;

This Shelf Prospectus has been prepared on behalf of ARM Investment Managers Limited in connection with its ₦200,000,000,000 (Two Hundred Billion Naira) ARM Private Debt Fund for the purpose of giving information to prospective Unitholders in the Fund described herein. The Commission has cleared and registered this Shelf Prospectus.

The Directors of the Fund Manager accept full responsibility for the information contained in this Shelf Prospectus. The Directors confirm (having taken all reasonable care to ensure that is the case) that the information contained in this Shelf Prospectus is in accordance with the Rules and Regulations of the Commission.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Shelf Prospectus or any other information supplied in connection with the Programme and, if given or made, such information must not be relied upon as having been authorised by the Fund Manager or the Trustees.

Neither this Shelf 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, the Issuing House or the Trustees that any recipient of this Shelf Prospectus or any other information supplied in connection with an Offer or the Fund, should purchase Units of the Fund.

Each prospective Unitholder contemplating purchasing any Units of the Fund should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Fund Manager. This Shelf Prospectus does not constitute an offer or invitation by or on behalf of the Fund Manager, the Issuing House or the Trustees to any person to subscribe for or to purchase Units of the Fund.

Neither the delivery of this Shelf 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 an Offer under the Programme continues to remain correct as of any time subsequent to the date indicated in the document containing the same.

The Issuing House 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 prospective Unitholder in the Fund of any information coming to their attention. The Issuing House has not separately verified the information contained in this Shelf Prospectus and accordingly no representation, warranty or undertaking, express or implied, is made and to the fullest extent permitted by law, no responsibility or liability is accepted whether in contract or otherwise by the Issuing House as to the accuracy or completeness of the information contained in this Shelf Prospectus or any other information supplied in connection with the Units of the Fund or their distribution. Each person receiving this Shelf Prospectus acknowledges that such person has not relied on the Issuing House, or any person affiliated with any of them in connection with its investigation of the accuracy of this Shelf Prospectus or such information for its investment decision.

The receipt of this Shelf Prospectus or any information contained in it or supplied with it or subsequently communicated to any person does not constitute investment advice from the Issuing House to any prospective Unitholder. Prospective Unitholders should make their own independent assessment of the merits or otherwise of subscribing for the Units of the Fund offered herein and should take their own professional advice in connection with any prospective investment by them.

The distribution of this Shelf Prospectus and the offer or sale of Units may be restricted by law in

certain jurisdictions other than in which the Fund is registered. Persons into whose possession this Shelf Prospectus or any Units of the Fund may come, must inform themselves about and observe any such restrictions on the distribution of this Shelf Prospectus and the offering, sale of the Units of the Fund. None of the Fund Manager, Trustees or the Issuing House, represent that this Shelf Prospectus may be lawfully distributed, or that any Unit(s) of the Fund 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 assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Fund Manager, Issuing House or the Trustees, which would permit a public offering of any Unit of the Fund or distribution of this Shelf Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Unit(s) of the Fund may be offered or sold, directly or indirectly, and neither this Shelf 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 law and regulations.

In making an investment decision, prospective Unitholders 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, the Issuing House or the Trustees makes any representation to any prospective Unitholder regarding the legality of its investment under any applicable laws. Any prospective Unitholder should be able to bear the economic risk of an investment in the Fund for an indefinite period of time.

Presentation of information

Third-party information

The Fund Manager has obtained certain statistical and market information that is presented in this Shelf 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 Unitholders are advised to consider this data with caution. Market studies are often based on information or assumptions that may not be accurate or appropriate, and their methodology is inherently predictive and speculative.

Prospective Unitholders should note that some of the Fund Manager's estimates are based on such third-party information. Neither the Fund Manager nor the Issuing House has 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, several Government agencies and ministries, including the CBN and the NBS. Official data published by the Nigerian government may be substantially less complete or researched than those of more developed countries.

Rounding

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

Forward-Looking Statements

Certain statements included herein may constitute forward-looking statements that involve a number of risks and uncertainties. Such forward-looking statements can be identified by the use of forward-looking terminology such as “estimates”, “believes”, “expects”, “may”, “are expected to”, “intends”, “will”, “will continue”, “should”, “would be”, “seeks”, “approximately”, or “anticipates”, or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, plans or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Shelf 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.

Furthermore, any projections or estimates in this Prospectus or other estimates of returns or performance, are “forward- looking statements” and are based upon certain assumptions that may change. Due to various risks and uncertainties including those set forth under the Risk Factors, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements.

The forward-looking statements included in this Prospectus involve subjective judgement and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, the Trustees and Fund Manager. Actual future events may vary materially from the forward-looking statements and the assumption on which those statements are based. Given these uncertainties, prospective Unitholders are cautioned to not place undue reliance on such forward-looking statements.

Prospective Unitholders 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 markets in which it operates may differ materially from those made in or suggested by the forward-looking statements contained in this Shelf 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 realized.

The Fund Manager does not undertake any obligation to update or revise any forward-looking statements made in this Shelf 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 Shelf Prospectus. A prospective subscriber to the Fund should not place undue reliance on these forward-looking statements.

Following the publication of this Shelf Prospectus, a Supplementary Prospectus will be issued in relation to each Offer of Units that are to be offered for subscription under the Programme. Each applicable Supplementary Prospectus will be approved by the SEC.

Statements contained in the relevant Supplementary Prospectus shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Shelf Prospectus. Any statements so modified shall not, except as modified or superseded, constitute a part of the Shelf Prospectus.

The Fund Manager declares that, to the best of its knowledge and honest belief, no material facts have been omitted from, and there are no material misstatements in, this Shelf Prospectus, which would make any statement contained herein misleading or untrue. The Fund Manager, in the event of any significant change, material mistake or inaccuracy relating to information included in this Shelf Prospectus which can affect the assessment of the Units by prospective Unitholders, shall prepare a Supplementary Shelf Prospectus or publish a new Shelf Prospectus for use in connection with any subsequent Offer under the Programme, which shall be subject to the SEC's approval.

Head Office and Registered Address:

Address: 1 Mekunwen Road,
Off Oyinkan Abayomi Drive
Lagos, Nigeria.

Telephone: +234 703 361 3382

Email: IMGroup@arm.com.ng

Website: [//www.arm.com.ng/investment-managers/](http://www.arm.com.ng/investment-managers/)

The addresses of ARM Investment Managers Limited's other business locations are as follows:

Abuja

129 Adetokunbo Ademola Crescent
Wuse II, Abuja.

Port Harcourt

12 Circular Road Presidential Estate II,
Off GRA Junction.

Onitsha

60A Old Market Road Onitsha,
Anambra.

Summary of the Programme

Hereunder is a summary of the principal terms and conditions for any investment in the Fund. This summary does not claim to be complete and is taken from and qualified in its entirety by the remainder of this Shelf Prospectus and, in relation to the terms and conditions of any Offer and the applicable Supplementary Prospectus.

Words and expressions defined in the Shelf Prospectus shall have the same meaning in this summary. The following information should be read in conjunction with the full text of this Shelf Prospectus, from which it is derived. Prospective Unitholders are advised to seek information on the fees and charges before investing in the Fund:

- | | |
|-----------------------------------|---|
| 1. Fund Manager/Promoter: | ARM Investment Managers Limited |
| 2. Lead Issuing House: | - Vetiva Advisory Services Limited |
| Joint Issuing House: | - Asset & Resource Management Capital Limited |
| 3. Trustees: | STL Trustees Limited and Leadway Trustees Limited |
| 4. Custodian: | Rand Merchant Bank Nigeria Limited |
| 5. Programme Description: | <p>A programme for the issuance of Units of the ARM Private Debt Fund, a closed-ended Fund, under which Units will be issued from time to time.</p> <p>No Units under this Programme shall be offered on the basis of this Shelf Prospectus or any Supplementary Prospectus after the expiration of the Validity Period or any other validity period as stipulated by the SEC from time to time, unless the Validity Period is renewed by the SEC.</p> <p>The Units under this Programme shall be constituted by the Programme Trust Deed and the applicable Series Trust Deed undertaking. A Series Trust Deed undertaking will be issued in respect of each Series.</p> |
| 6. Programme Size: | Up to ₦200,000,000,000 (Two Hundred Billion Naira) |
| 7. Par Value of Each Unit: | ₦1.00 |

- 8. Method of Offer:** Units under this Programme may be issued to Target Investors via offer for subscription, private placement or any other methods, as specified in the applicable Supplementary Prospectus approved by the SEC.
- 9. Issuing in Series and Tranches:** The Units under this Programme will be issued in Series, and each Series may comprise one or more Tranches issued on different dates. Details of the terms specific to each Series and Tranche will be specified in the applicable Supplementary Prospectus.
- 10. Offer Price:** Units under this Programme may be offered at par or at any value determined by the Fund Manager. The Offer Price of a specific Series or Tranche shall be stated in the applicable Supplementary Prospectus.
- 11. Currency:** The Units of the Fund shall be denominated in Nigerian Naira (₦). Foreign currency subscription will be processed at the applicable foreign exchange rate at the time of subscription.
- 12. Listing:** Listing of each Series or Tranche shall be by Memorandum Listing on the Exchange for the purpose of providing information about the Fund to Target Investors.
- 13. Nature of the Fund:** The Fund shall be closed-ended. Units under the Programme will be issued to Target investors periodically in Series or Tranches based on the pipeline of opportunities, preferences of the Unitholders and required investment size/ticket. Each Series or Tranche will have its own tenor which shall not exceed the life of the entire Fund. The tenor for each Series or Tranche shall be determined by the Fund Manager and specified in the applicable Supplementary Prospectus for the Units being issued, and which shall be approved by the Commission.
- Unless otherwise stated in the applicable Supplementary Prospectus of a Series or

Tranche, the Fund will use the net proceeds from each Offer under the Programme for providing corporate debt to SMEs which are market leaders with a strong track record, overseeing impact-focused projects. The investments by the Fund in opportunities will be delivered using a broad range of investment structures and options such as direct lending (secured/unsecured senior debt), mezzanine and convertible debt, or other unique debt structures. The Supplementary Prospectus for each Series or Tranche will specify details of the use of proceeds of that Series or Tranche.

14. Target Rate of Return:

The Fund's investment portfolio will target a yield above the comparable FGN Bond benchmark as may be provided in the applicable Supplementary Prospectus.

15. Investment Policy:

The Fund is committed to investing in debt instruments within the capital structure of target Small and Medium Enterprises (SMEs) and Special Purpose Vehicles (SPVs) established by other companies in selected sectors. These debt investments will be structured in various forms, including:

- Senior debt;
- Mezzanine debt; and
- Other debt structures that align with the Fund objectives.

The tenor of any debt investment will not exceed the duration of the applicable series under the Programme. Additionally, for liquidity management purposes, the Fund may allocate capital to Money Market instruments.

Investment Strategy

The Fund's strategy is centered on deploying capital as debt to corporate entities operating in Target Sectors.

The deployed capital will be structured to ensure that funded businesses generate sufficient returns, covering both principal and interest obligations, which will ultimately support investor distributions.

The Fund's strategy will cover the following areas:

- Targeted Origination to SMEs, blue-chip and PE sponsored companies, amongst others
- Investment Appraisal & due diligence
- Investment Approval by the IC
- Post Approval documentation & Investments
- Collections, Management, Recoveries & Exits

Capital Allocation Structure

- Senior Debt – Minimum of 80% of the raised capital
- Subordinated Debt – Maximum of 20%
- Money Market Instruments – 0% to 20%
- Cash Reserves – 0% to 5%

Investments will only be directed toward sectors that align with the Fund's risk appetite and investment criteria. High-risk opportunities that do not meet these standards will not be pursued.

Risk Management & Security Structure

Each debt investment must demonstrate an appropriate risk-return profile and be supported by a robust security framework. The accepted security structures include, but are not limited to:

- Cash collateral (local or foreign currency)
- Bank Guarantees & Standby Letters of Credit (SBLCs)
- Mortgage Debentures
- Debentures over Fixed and Floating Assets

- Share Charges
- Parental, Corporate, and Personal Guarantees
- Other approved security structures endorsed by the Investment Committee.

Additionally, security enhancements such as guarantees will be a key factor in investment decision-making.

Corporate debt financing will only be extended to commercially viable businesses with an established track record and led by experienced and credible management teams.

Investee companies must also comply with the Fund's ESG policy and/or standards as may be communicated from time to time, and will be monitored for ongoing compliance.

To manage risks effectively, the Fund will:

- Implement Appropriate Conditions, both precedent to and post deployment, to guide the behavior of investee companies
- Use risk triggers to monitor portfolio performance
- Allocate a portion of Fund's capital to opportunistic investments, such as short-term Money Market placements before full deployment into corporate debt

Some of the funds could be used for opportunistic investments, including initial investment of capital in money market instruments pending when they are deployed as corporate debts.

The overarching criteria and consideration for accepting any investment by the Fund shall be the ability of each investment to meet interest and capital repayment

expectations at maturity, in addition to generating enough returns for the Fund to meet its objective.

Target sectors

A key goal of the Fund is to support economic development in Nigeria by financing corporate entities with impact-driven projects. The Fund shall adopt a sector-agnostic approach but exclude some companies (with business performance strongly correlated with climatic conditions) in industries such as primary agriculture and those with highly volatile cash flows.

Priority will be given to established businesses that have a history of profitability and experienced management teams.

Additional investment policies

- Debt Pricing – The Fund may apply a fixed or floating interest rate, with adjustments based on market conditions and changes in investee company risk profiles
- Portfolio Diversification – Investments will be spread across multiple sectors to reduce market risk exposure and manage concentration risk
- Efficient Capital Management – As part of the Fund's overall risk management framework, the Fund shall ensure optimal risk asset portfolio and timely return on investments:
 - Clearly defined, robust and rigorous investment appraisal and approval processes
 - Leveraging technology to enhance operational efficiencies
 - Continuous monitoring of all investments through onsite and offsite assessments

- Comprehensive due diligence, utilizing both internal and external resources
 - Prioritization of security structures and downside protection in investment decisions.
 - Strict adherence to the Fund's investment objectives, with Investment Committee oversight.
 - Use of acceptable collateral and credit enhancements to secure investments. Where necessary, and subject to the concurrence of the Trustees, the Fund shall agree to the setting up of security trust to hold the collateral to an investment
 - Integration of ESG metrics in investment terms, with defined compliance triggers
- Investment Participation – The Fund may engage in bilateral debt investments or co-invest with other lenders, provided such transactions receive Investment Committee approval and align with the Fund's policies.

Investment Performance and Return Generation

Each investment must meet interest and capital repayment obligations at maturity while delivering adequate returns to sustain the Fund's investor distributions.

Returns will be generated through:

- Returns from debt investments
- Income from Money Market Instruments

Periodic distributions, at least semi-annually, will be made to Unitholders after deducting permissible expenses.

16. Investment Restrictions and Limits

The Fund's investments and activities will be subject to investment restrictions within

the overall prescribed limits as defined in the Rules of the Commission from time to time.

These restrictions will also align with the terms outlined in the Programme Trust Deed, Series Trust Deed, and Supplementary Prospectus for any specific offering, as approved by the Trustees and the SEC.

Any modifications to the investment restrictions—provided they comply with SEC regulations but differ from the contents of the applicable Programme Trust Deed and/or Series Trust Deed—will require approval from the SEC, Trustees and the Advisory Board, which represents the interests of the Unitholders.

Permissible Investments

The Fund's investment scope is strictly limited to:

- a. Senior debt
- b. Subordinated debt, including Mezzanine and Convertible Debt
- c. Other structured debt instruments of companies and/or SPVs
- d. Money Market Instruments for short-term capital deployment before full deployment of capital and for its liquidity management

The Fund shall not invest in:

- a) Equities or Equity Instruments;
- b) Any unlisted security of the Fund Manager or its associates or any related group company;
- c) Privately placed listed securities issued by the Fund Manager or its associates;
- d) Securities issued by entities within the same corporate group exceeding 20% of the Fund's Total Asset Value; and

- e) Any listed securities of the Fund Manager, Custodian, or Trustees, or any instruments issued by their associates and affiliates.

Capital Allocation Guidelines

- i. A minimum of 80% of the Fund's Net Asset Value (NAV) will be allocated to commercially viable companies and projects in Nigeria;
- ii. Between 0% and 20% of the Fund's capital may be allocated to Money Market Instruments;
- iii. 0% to 5% of the Fund's capital will be held as Cash;
- iv. At least 80% of funds raised per Series or Tranche will be allocated to Senior Debt and collateralized instruments;
- v. Up to 20% of assets may be allocated to unsecured debt, subordinated secured debt, or opportunistic investments that align with the Fund's investment objectives;

The Value of the Fund's Investment in:

- a) Working capital loans, subordinated loans, preferred shares, or warrants shall not exceed 20%.
- b) With the exception of treasury bills, money market instruments issued by any single issuer shall not constitute more than 20% of the Fund's Net Asset Value.
- c) Fixed deposits with any single institution shall not constitute more than 5% of the Fund's Net Asset Value.

Exposure Limits & Risk Controls

- i. The maximum exposure to any single sector is capped at 20% of the total size of the Series or Tranche. Any deviations require SEC approval;

- ii. The maximum exposure to a single obligor is limited to 20% of the total size of the Series or Tranche. Any deviations require SEC approval;
- iii. Provided that where the Fund invests in securities of entities within the same corporate group, the limit would be 20% of the Fund's Total Asset Value;
- iv. The Fund may temporarily invest up to 100% of net proceeds from a Series Offer in Money Market Instruments (including Fixed Deposits) for a period of up to 180 days, with a maximum exposure of 20% of the Fund's NAV per financial institution; and
- v. The Fund may allocate up to 100% of net proceeds to short-term government securities (e.g., Treasury Bills) for up to 180 days.

Investment Focus

The Fund's primary objective is to invest in corporate entities that demonstrate the capacity to generate stable, periodic returns, ensuring consistent distributions to Unitholders.

Additionally, investments in greenfield projects may be considered, subject to conditions approved by the Investment Committee.

17. Issuance of Units:

The Fund may issue Units from time-to-time, under different Series, as determined by the Fund Manager, and subject to the Programme size and the approval of the SEC.

18. Income and Distributions:

The Fund will seek to distribute up to 90% of the net income to Unitholders in line with existing regulations, subject to income realised. The income of the Fund, net of all applicable expenses, to be distributed semi-annually and 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.

19. Status of the Units of the Fund:

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

20. Fees and Other Expenses:

All expenses in connection with operating and maintaining the Fund, including fees payable to the Fund Manager, Registrars, Custodian, Trustees, Solicitors, Advert, Printing and Audit expenses, amongst others, shall be deducted from the income generated by the Fund.

Offer-related Expenses

The costs, charges and expenses incidental to an Offer, including fees payable to SEC and professional parties, Brokerage, Printing and Distribution expenses, is capped at a maximum of 1.65% of the gross proceeds of the relevant Offer. The costs will be borne by the Fund and will be offset from the proceeds of the relevant Offer.

Total Expense Ratio

The total expenses of each Series or Tranche under the Fund shall not exceed 3.5% of the Net Asset Value of the Series or Tranche, per annum.

21. Mandatory Subscription:

In accordance with the SEC Rules and Regulations which requires the Fund Manager operating in Nigeria to subscribe to a minimum of 3% of the units of the Fund, ARM Investment Managers Limited will subscribe to a minimum of 3% of the Offer size per Series or Tranche.

22. Risks:

An investment in the Fund involves various risks which may or may not occur. 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 69 to 72 of this Shelf Prospectus.

23. Unit Statements:

Unitholders will be issued with electronic statements which shall constitute evidence of title to the number of Units specified on such statements.

The Shelf Programme

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

This Shelf Prospectus is being issued in compliance with the provisions of the ISA, the Rules and Regulations of the Commission, and contains particulars in compliance with the requirements of the Commission for the purpose of giving information to prospective Unitholders in respect of the ARM Private Debt Fund Programme by ARM Investment Managers Limited. The Fund has been authorised and registered by SEC as a Unit Trust Scheme. The Fund Manager on successful completion of an Offer, or at a later date, may seek a Memorandum Listing of the Units under such Series or Tranche on an Exchange.

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

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

Lead Issuing House
Vetiva Advisory Services Limited



RC 1804609

Joint Issuing House
Asset & Resource Management Capital Limited



RC 1951146

On Behalf Of

ARM Investment Managers Limited



RC 1198280

IS AUTHORISED TO ISSUE THIS SHELF PROSPECTUS IN RESPECT OF THE

₦200 BILLION ARM PRIVATE DEBT FUND

(Authorised and Registered in Nigeria as a Specialised Fund)

The Shelf Prospectus contains:

1. On pages 69 to 72, the risk factors that are related to an investment in the Fund.

Validity Period of the Shelf Prospectus and Delivery of Documents:

This Shelf Prospectus has been registered with the SEC and is valid for a period of 3 (three) years from the date of this Shelf Prospectus. No Units will be issued or allotted on the basis of this Shelf Prospectus read together with any Supplementary Prospectus later than 3 (three) years after the issue date indicated on the cover of this Shelf Prospectus. This Shelf Prospectus can be obtained from the website of the Fund Manager, offices of the Commission, the Fund Manager and the Issuing House, throughout the period during which it remains valid.

The Directors, Company Secretary and Investment Committee

The Directors of ARM Investment Managers Limited:

Dr. Oladimeji Alo – Chairman (Independent)

1 Mekunwen Road,
Off Oyinkan Abayomi Drive
Lagos, Nigeria.

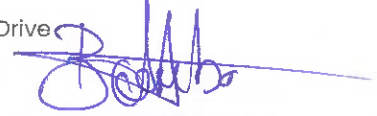
Mounir Bouba



Mr. Abayomi Sanni – Independent Non-Executive Director

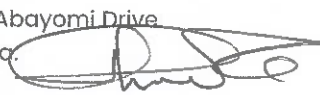
1 Mekunwen Road,
Off Oyinkan Abayomi Drive
Lagos, Nigeria.

Mounir Bouba



Wale Odutola – Non-Executive Director

1 Mekunwen Road,
Off Oyinkan Abayomi Drive
Lagos, Nigeria.



Kai Orga – Managing Director

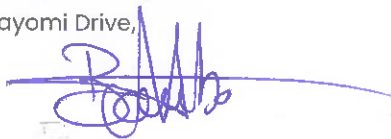
1 Mekunwen Road,
Off Oyinkan Abayomi Drive
Lagos, Nigeria.

Mounir Bouba



Mounir Bouba – Executive Director

1 Mekunwen Road,
Off Oyinkan Abayomi Drive,
Lagos, Nigeria.



Babatunde Lemo – Non-Executive Director

1 Mekunwen Road,
Off Oyinkan Abayomi Drive,
Lagos, Nigeria.

Mounir Bouba



Company Secretary

DCSL Corporate Services Limited
235, Ikorodu Road, Ilupeju,
Lagos, Nigeria

DCSL CORPORATE SERVICES LTD.
COMPANY SECRETARIES
Elizabeth Noss

Investment Committee

- Adedeji Opeola – Fund Manager Representation
- Mrs. Funmi Ekundayo – Trustee Representation
- At least 3 (three) independent members who shall not be employees of the Fund Manager, not related to the Trustees and Custodian and who shall be knowledgeable in finance and investment matters.

The independent members are:

- Mrs. Ayotunde Owoigbe
- Mr. Akinseye Akinola
- Mr. Yinka Odeleye

Advisory Board

The Fund Manager will establish an Advisory Board for the Fund. The Advisory Board will comprise at least 5 (five) members having at least 1 (one) representative of the Fund Manager, 1 (one) representative of the Trustees and at least 3 (three) representatives of the Unitholders, which shall all be Target Investors. The combined representatives of the Trustees and the Unitholders shall at all times be in the majority.

Professional Parties

Professional Parties

Lead Issuing House

Vetiva Advisory Services Limited
Plot 266B, Kofo Abayomi Street,
Victoria Island,
Lagos, Nigeria.

Olugbenga Adigbatsfe
Olutade Ohybe

Solicitor

Udo Udoma & Belo Osagie
St Nicholas House, (10th, 12th & 13th Floors),
Catholic Mission Street,
Lagos, Nigeria.

Yinka Edu

Trustees

STL Trustees Limited
Plot 183, Moshood Olugbani Street,
Victoria Island,
Lagos, Nigeria.

Funmi Olanrewaju

Leadway Trustees Limited
121-123, Funso Williams Avenue,
Iponri, Surulere,
Lagos, Nigeria.

Sola Seneje

Valuation Adviser

PricewaterhouseCoopers (PwC) Nigeria,
Landmark Towers,
5B Water Corporation Road,
Victoria Island, Lagos,
Nigeria.

Amos
Wale Olani

Joint Issuing House

Asset & Resource Management Capital Limited
1 Mekunwen Road,
Off Oyinkan Abayomi Drive,
Lagos, Nigeria.

Olugbenga Adigbatsfe
Olutade Ohybe

Registrars

Meristem Registrars and Probate Services Limited
213, Herbert Macaulay Way,
Adekunle Yaba,
Lagos, Nigeria.

Okoye Nkechinye

Custodian

Rand Merchant Bank Nigeria Limited
3rd Floor, Wings East Tower,
17A Ozumba Mbadiwe Street, Victoria Island,
Lagos, Nigeria.

Olumide Taliso Garba

Auditor

Ernst & Young (EY) Nigeria,
UBA House,
57 Marina,
Lagos,
Nigeria.

Ahiodun Alcinusi
Alcinusi

Overview of the Nigerian Economy

The Federal Republic of Nigeria is a West African country, situated between the Sahel to the north and the Gulf of Guinea to the south in the Atlantic Ocean. Nigeria has a total area of 923,768 square kilometers¹, bordering the Republic of Niger in the north, the Republic of Chad in the northeast, the Republic of Cameroon in the east, and the Republic of Benin in the west. The country is made up of thirty-six states and a Federal Capital Territory, Abuja.

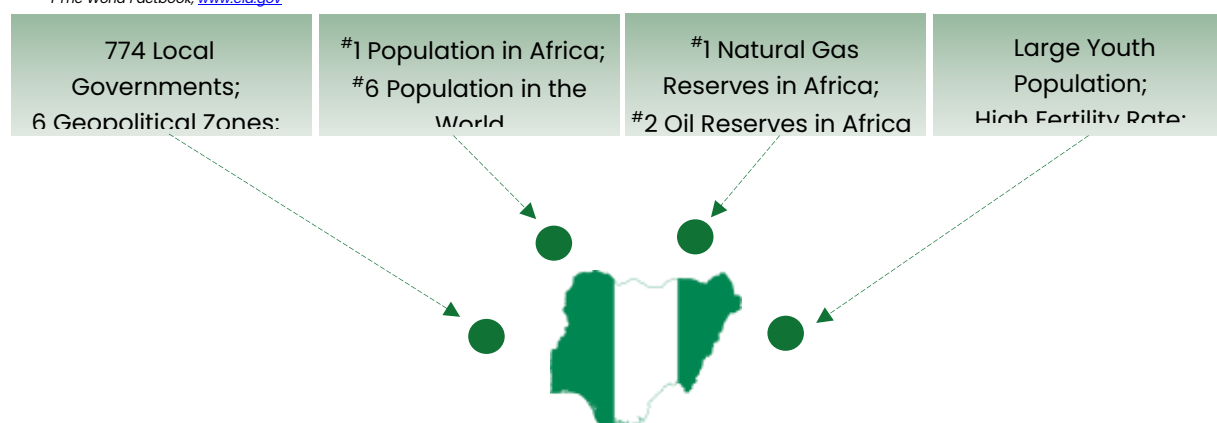
States in Nigeria are aggregated into six geopolitical zones: North West, North East, North Central, South West, South East, and South South. There are currently 774 constitutionally recognized local government areas and area councils in Nigeria. Nigeria is composed of more than 250 ethnic groups, with distinct language and culture, creating a rich ethnic diversity.

Nigeria is the largest country in Africa, with a population size of approximately 229 million², growing annually at an average rate of 2.4%. The country is currently ranked amongst the 10 most populous counties in the world and is projected to be the 3rd largest country in the world by 2050. The country's population growth is driven by high fertility, age structure and improvement in mortality conditions. The fertility rate per woman is 5², with adolescent birth rate per 1,000 girls estimated at 75² and 55%² of the Nigerian population aged between 15 and 64. Mortality rate per 1,000 people dipped averagely by 1.2%³ over the past 50 years.

Nigeria dominates the Africa's oil and gas industry, with the second largest proven oil reserves of 37.50 billion barrels⁴ and a production capacity of approximately 2.19 million barrels per day (mbpd)⁴. The country has the largest proven natural gas reserves in Africa, totaling 5,943 billion cubic metres. Despite the country's abundant deposit of crude and natural gas, crude oil theft and pipeline vandalism continue to disrupt production. Other natural resources in Nigeria include natural gas, tin, iron ore, coal, limestone, niobium, lead, zinc and arable land.

Figure 1: Key statistics

¹ The World Factbook, www.cia.gov



² World Population Dashboard, www.unfpa.org

³ World Development Indicators, databank.worldbank.org

⁴ Nigerian Upstream Petroleum Regulatory Commission

Nigeria has one of the largest economies in Africa, characterized by expanding oil and non-oil sectors. Despite the country being richly endowed with natural resources, developmental hurdles including insurgency, political instability, insecurity, infrastructural deficit and macroeconomic imbalances continue to constrain the country's economic potential. The

Federal Government is committed to the development of initiatives that will address the socio-economic challenges and reinvigorate the nation's economy.

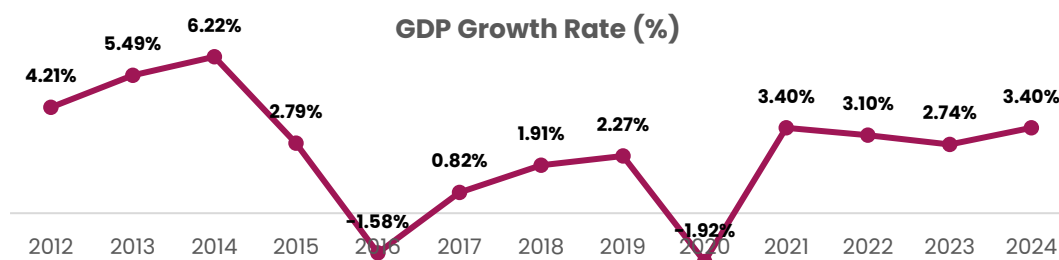
Economic Growth

Nigeria's economic growth has been mostly positive since 2000, peaking at 6.2%⁵ in 2014, with brief recessionary episodes in 2016 (-1.6%)⁵ and 2020 (-1.9%)⁵. The economy is highly dependent on the oil and gas sector for revenues and export earnings. Dependence on oil and gas revenue makes the economy vulnerable to oil price fluctuations. Hence, in the wake of the oil shock, growth slowed sharply in 2015, and the economy experienced an outright contraction in 2016. The collapse in oil prices drastically reduced government revenues to 7.8%⁶ of GDP and doubled the general deficit to about 3.7%⁶ of the GDP. Nigeria economic growth rebounded in 2017 post 2016 recession precipitated by global slump in crude oil prices, combined with lower domestic oil production, the effects of which spilled over to the non-oil sector through the monetary and exchange rate channels.

The economic recovery was on the back of a sharp recovery in the oil sector, driven by higher oil prices and increased production levels. The economy slipped into a second recession in the third quarter of 2020 following the shock caused by the Covid-19 pandemic, which prompted a large drop in oil revenue and a protracted halt in global economic activity. Following the lifting of movement restrictions and the resumption of international travel and trading activities, the economy regained its positive pace, growing by 3.4%⁵ in 2021.

However, growth dipped to 3.1%⁵ in 2022 due to decline in the country's oil production, which elicited contraction in the industry's performance. The economy slowed further in 2023, as GDP growth rate declined to 2.74%⁵ precipitated by liquidity crunch in the first quarter of the year and the impact of macroeconomic reforms implemented to remedy the prevalent macroeconomic imbalances and lay a sturdy groundwork for sustainable and equitable growth in the country. The economy exhibited resilience in 2024 despite macroeconomic shocks such as fuel price hikes and record-high inflation. GDP grew 2.98%⁵, 3.19%⁵, 3.46%⁵ and 3.84%⁵ in Q1, Q2, Q3 and Q4 respectively, driven majorly by growth in the service sector which has maintained its position as the largest contributor to economic activities over the past three years.

Figure 2: GDP Trend



Source: National Bureau of Statistics

Table 1: Summary of Real GDP Contribution by Sector and Selected Sub-sector (%)

Activity Sector	Annual	Quarterly (2024)
-----------------	--------	------------------

	2020	2021	2022	2023	Q1	Q2	Q3	Q4
Non-Oil	91.84	93.37	94.33	94.60	93.62	94.30	94.43	95.40
Oil	8.16	6.63	5.67	5.40	6.38	5.70	5.57	4.60
Total	100	100	100	100	100	100	100	100
Agriculture	26.21	25.88	25.58	25.18	21.07	22.61	28.65	25.59
Industries	21.36	20.56	19.02	18.65	20.89	18.62	17.77	17.03
Services	52.44	53.56	55.40	56.18	58.04	58.76	53.58	57.38
Total	100	100	100	100	100	100	100	100

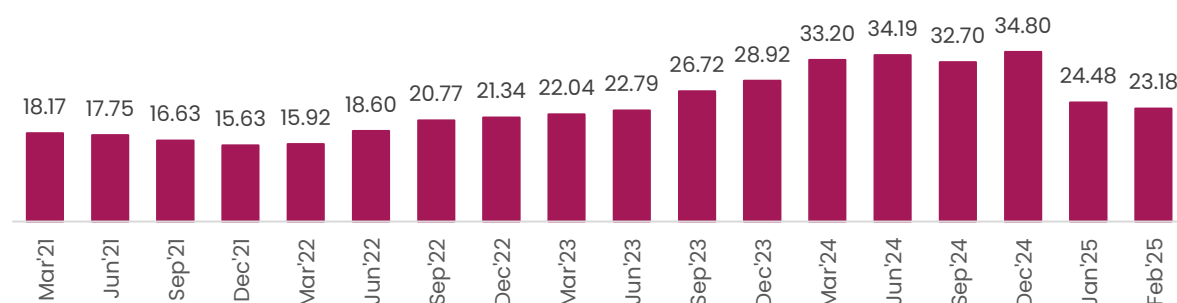
Source: National Bureau of Statistics

The performance of the Nigerian economy in 2025 is hinged on diversification of the economy with focus on new growth areas, increased foreign direct investment, infrastructure development and the expansion of the services sector. The IMF projects the economy to grow by 3.2%⁶ in 2025.

Inflation Rate

Nigeria's headline inflation rates have been double digit since February 2016, eroding the purchasing power of consumers and prompting the central bank to hike rates to their highest level in nearly three decades. Inflation rose to 34.80%⁵ y-o-y in December 2024, the highest since August 2005. The rising inflationary pressure worsens the cost-of-living in the country and push more Nigerians below poverty line as the purchasing power of citizens is severely eroded, without a corresponding increase in income level. Following the recent rebasing exercise completed in January 2025, headline inflation declined to 23.18% y-o-y in February 2025, from 24.48% y-o-y in January 2025. According to the World Bank, 129 million¹⁰ Nigerians live below the national poverty line, representing 56%¹⁰ of the population and a sharp increase from 40.1%¹⁰ recorded in 2018.

Figure 3: Trend in Headline Inflation (%)



Source: National Bureau of Statistics

The major drivers of inflation in Nigeria are food, electricity, housing and transport. Food prices have been on the rise across Nigeria in recent years. The surging prices are precipitated by years of insecurity in the country's main food producing areas, which has reduced farming activities and consequently agricultural outputs. The situation deteriorated due to the removal of petrol subsidies and exchange rate depreciation, which put pressure on consumer prices. Nigeria's import for January to June 2024 was valued at US\$21.49 mn⁷

(US\$51.72 mn⁷, Jan–Dec 2023). As the country remains largely import-dependent on food, raw materials and industrial equipment, currency depreciation causes prices of imported goods to become more expensive thereby inducing inflationary pressures.

Monetary Policy Rate

Monetary policy is a critical strategy to manage economic fluctuations and achieve price stability. The CBN is saddled with the responsibility of formulating and implementing monetary measures in Nigeria. The CBN, through its Monetary Policy Committee (“MPC”) modifies the monetary policy rate (“MPR”), conducts open market operations and change banks’ reserve requirements, towards managing the level of inflation and liquidity in the financial system.

To address the weak recovery of the domestic economy since the exit from the recession in 2016, the MPC maintained a pro-growth stance in 2019 by way of a downward revision of the MPR by 50 basis points to encourage the flow of credit to the productive sectors of the economy. This sentiment was maintained through 2021 with the CBN adopting the MPR as the key instrument for signaling its monetary policy stance. The CBN adjusted the MPR⁷ to 12.5% and subsequently to 11.5% in September 2020, which was then maintained through 2021.

In 2022, the policy focus of the CBN shifted towards maintaining price stability in the economy, hence the regulator adopted a contractionary stance. Consequently, the MPC consecutively raised the MPR to 16.5%. As inflationary pressure intensified in 2023 and 2024, the CBN maintained its hawkish monetary stance, consecutively increasing the benchmark rate and intensifying open market operations in a bid to tame rising prices in the economy.

Liquidity in the financial system moderated due to the implementation of the cash reserve ratio (CRR), activities in open market operations (OMO), and sales of Nigerian treasury bills (NTBs). The MPC raised the MPR to a new record high of 27.5% in November 2024, marking the sixth consecutive rate hike in 2024. The decision was intended to tackle inflation and protect the naira in anticipation of a surge in demand in December. Average liquidity⁷ in the banking system in 2024 was recorded as c. NGN292bn in Q1, NGN270bn in Q2 and NGN160bn in Q3 (Q1’2023–NGN486.39bn, Q2’2023– NGN384.54bn and Q3’2023–NGN358.91bn).

Further rate hikes may stifle overall productivity and economic expansion, due to the high cost of accessing funds. A higher rate of interest can induce cost push inflation where producers rely on debt financing for production. This leads to increased production costs which can be passed down to consumers through pricing.

The contractionary measures are likely temporary as there is a possibility for the MPC to ease its contractionary stance if inflation slows as expected in the near future. Inflation in Nigeria is expected to moderate to 25%⁸ in 2025.

5. National Bureau of Statistics, www.nigerianstat.gov.ng

6. 2016 Article IV Consultation, www.imf.org

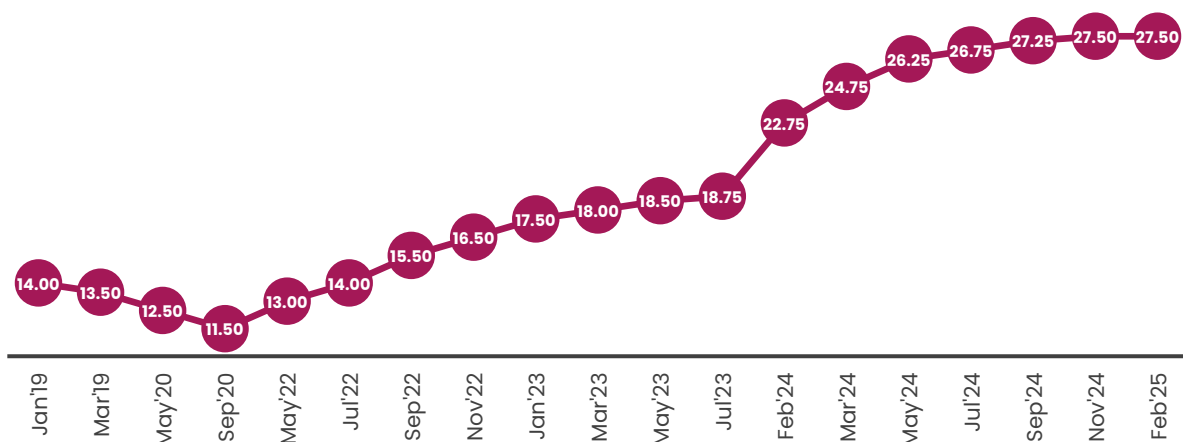
7. Central Bank of Nigeria, www.cbn.gov.ng

8. World Economic Outlook, www.imf.org

9. National Bureau of Statistics, www.nigerianstat.gov.ng

10. Nigeria Development Update, documents.worldbank.org

Figure 4: Monetary Policy Rate Trend



Source: CBN

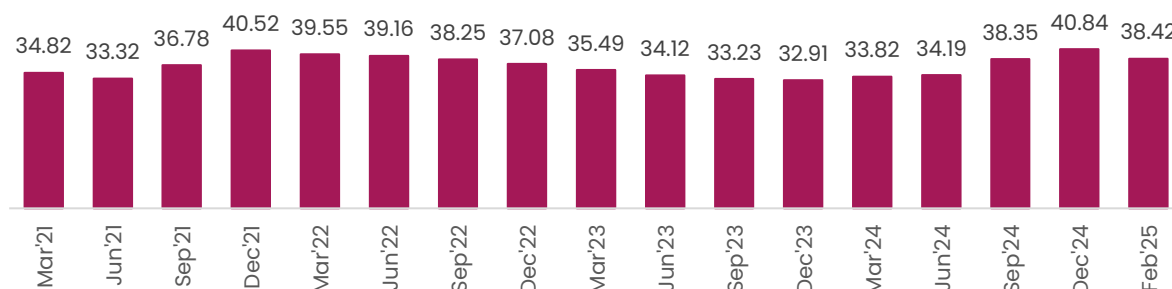
Foreign Exchange and Currency Reserves

In June 2023, the CBN announced the unification of all segments of the foreign exchange (FX) market into the Importers & Exporters Window where investors, exporters, and end-users can freely buy and sell foreign exchange at exchange rates determined by prevailing market conditions. This elicited a decline of 80.81% year-on-year in the value of naira against dollar to an average of N797.43/US\$ as of October 2023.

The demand for US\$ in Nigeria has significantly increased over the past decades, driven by increased foreign education needs, medical tourism and demand for international goods and services. According to UNESCO, the number of Nigerians studying abroad has surged from 5,632 in 1995 to 112,4162 in 2022. Nigeria spends more than US\$1 billion annually on medical tourism, further increasing the demand for US\$. The demand for foreign goods has also escalated, according to World Integration Trade Solution, rising from US\$5.82 billion in 2000 to US\$52.27 billion in 2023.

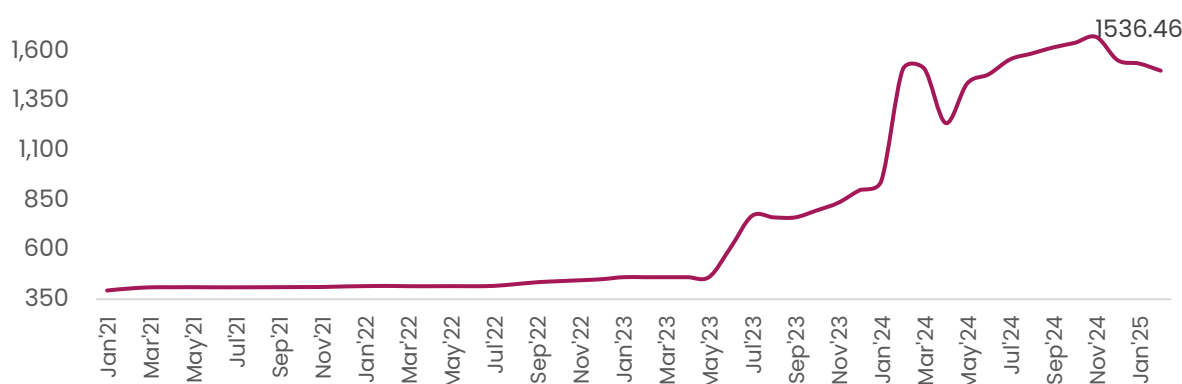
The decline in oil exports, which historically constituted a significant source of foreign exchange profits for Nigeria, has been the main cause of the difficulties facing the US\$ supply. According to the CBN, the country's export earnings from crude oil and gas dipped from US\$84.17 billion in 2008 to US\$49.83 billion in 2023. The country's export earnings from crude oil and gas amount to c.US\$24.6 billion as of June 2024.

Figure 5: Trend in Foreign reserves (US\$'billion)



Source: CBN

Figure 6: Trend in Exchange Rate (NGN/US\$)



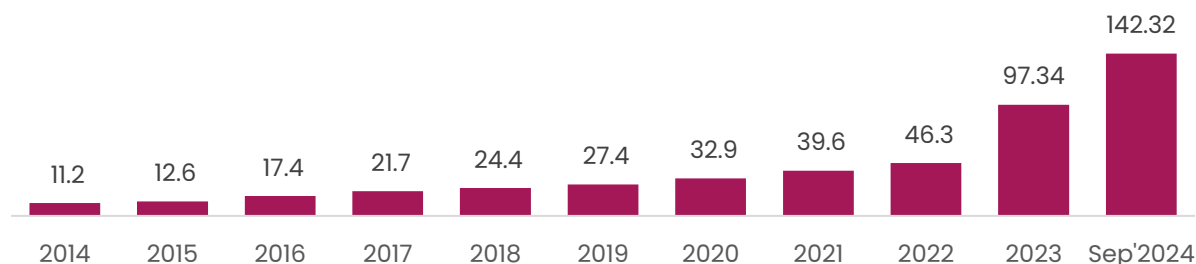
Source: CBN

The simultaneous surge in demand for dollars and decline in supply lead to a deficit in foreign reserves and consequently put severe pressure on the exchange rate. Nigeria's foreign exchange reserves dipped to a six-year low of US\$32.87 billion in December 2023, on the back of the sale of dollars by the CBN to prop up the battered naira, which touched a low of NGN899.07/US\$ during the period. The foreign exchange reserve further plunged to c. US\$GN31.11 billion in April 2024. The foreign reserve subsequently hit US\$40.85 billion, the highest in nearly three years, on the back of the CBN's remittance-targeted reforms and efforts to engage International Money Transfer Operators (IMTOs). The foreign reserve dipped to US\$38.42 billion in February 2025, attributable to the CBN's efforts to stabilize the Naira by clearing foreign exchange backlogs.

Debt Profile

The cost of debt servicing has exceeded public revenue due to persistent rise in Nigeria's debt stock in the decade. According to Debt Management Office (DMO), Nigeria's total outstanding debt has surged significantly from NGN11.24 trillion (US\$67.73 billion) recorded in Dec 2014 to NGN142.32 trillion (US\$88.89 billion) as of September 2024, with external debt amounting to NGN68.89 trillion (US\$43.03 billion), 48.40% of the total outstanding amount. The value recorded indicates a 37 rise from the outstanding debt of NGN97.34 trillion (US\$108.23 billion) as of December 2023.

Figure 7: FGN Debt Profile



Source: Debt Management Office

According to the DMO, Nigeria has successfully redeemed securities worth US\$1.8 billion in the International Capital Market (ICM) over the past six (6) years. Precedent to the US\$500 million 10 years Eurobond redeemed in July 2023, Nigeria repaid a US\$500 million Eurobond in July 2018, another US\$500 million Eurobond in January 2021 and a US\$300 million Diaspora bond in June 2022. This has established Nigeria's credibility as a credible borrower and strengthened investor confidence.

Per CBN data, Nigeria's fiscal deficit was 5.28% of GDP in 2023, an increase of 67bps from 4.61% in 2022, financed by an increase in public debt. The Nigerian government's fiscal deficit surged to NGN4.26 trillion in Q2 2024, an increase of 61.76% relative to NGN2.63 trillion recorded in Q2 2023. This represents 6.99% of the nominal GDP in Q2 2024.

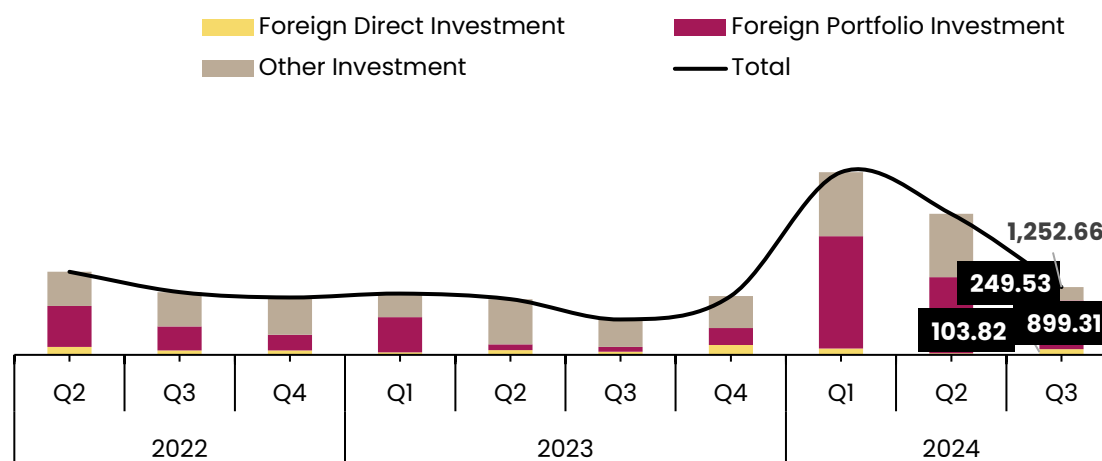
The recent US\$2.2 billion Eurobond issuance by the country was met with significant investor interest as the issuance attracted commitments from a wide range of investors from multiple jurisdictions including the United Kingdom, North America, Europe, Asia, Middle East and participation from Nigerian investors. The issuance was oversubscribed as the orderbook peaked at over US\$9.0 billion.

In 2024, Nigeria also issued its first ever Dollar Bond, originally targeting an issue size of US\$500 million. However, the demand for the issuance was significant, leading to a 180% oversubscription rate and the Nigerian Government collated c.US\$912 million in investor bids for the issuance.

Capital Importation

In recent times, Nigeria has witnessed a dearth in capital inflows into the country, according to NBS data. Looking at the most recent data, the economy witnessed inflows of US\$1.25 billion in the third quarter of 2024. This was majorly driven by an expansion in Foreign Portfolio Inflows into bond instruments, equities and money market investments, to US\$899million. This massive surge, a 932.39% increase from the same period in 2023, was underpinned by a hawkish CBN, raising its benchmark interest rates to record levels. Similarly, Foreign Direct Investments rose by 73.70% to US\$103.82 million during the same period, far below pre covid-19 pandemic levels owing to the structural challenges that continue to plague the Nigerian economy. The current mix of capital inflows into the economy reflects the growing reluctance of foreign investors to commit long term capital into the Nigerian economy. The final category, Other Investments, declined by 50.86% to US\$249.53 million during the same period.'

Figure 7: Trend in Capital Inflows



Source: Nigerian Bureau of Statistics

The United Kingdom emerged as the largest contributor, accounting for 40.12% (US\$502.60 million) of total inflows. This is followed by the Republic of South Africa at 14.77% (US\$185.03mn), while the United States ranked third with 13.08% (US\$163.86 million).

On a sectoral basis, the banking sector dominated capital inflows with US\$579.48 million, representing 46.26% of total capital imported in Q3 2024. This was followed by the Financing sector, valued at US\$294.55 million (23.51%), and Production/Manufacturing sector with US\$189.22 million (15.11%).

Major Development Sectors in Nigeria

Healthcare Sector

Opportunities

The Nigeria healthcare sector is underdeveloped and lacks modern medical facilities. The sector is plagued with deteriorating medical infrastructure, low budget allocation, poor compensation and subsequent emigration of skilled health workers. The lack of modern equipment and inefficient maintenance of existing facilities hampers the delivery of effective services, causing residents to seek medical treatment abroad.

According to the Nigerian Medical Association, the country loses at least \$2 billion every year to medical tourism. Public spending on healthcare accounts to less than 6% of the country's GDP. The World Health Organization stated that the increasing number of skilled professionals seeking opportunities abroad has led to Nigeria being one of the 55 countries with a severe shortage of health workers on the WHO Health Workforce Support and Safeguard List 2023.

In recent times, the health sector has seen a surge in health-tech start-ups focused on everything from telemedicine and electronic health records to medical device development and health insurance. The emergence of these players is beginning to change the narrative in the health sector. These startups deploy technology to provide innovative solutions to the challenges facing the Nigerian healthcare system. It is important to foster the potential they offer by providing critical financing to drive scale.

Nigeria's rapidly growing population stimulates the increasing demand for quality healthcare services. According to a report by Knight Frank, Nigeria has low bed density relative to the country's population and would require 415,000 additional bed cost over US\$498 billion to bridge the gap.

Outlook

The Presidential Initiative for Unlocking the Healthcare Value Chain (PVAC) has spurred a \$5billion project pipeline, \$2 billion in foreign investments and 74 transformative projects. The initiative has also attracted complimentary funding of over \$3 billion through its partners (Nigeria Health watch). In 2024, the World bank approved \$570 million for the Primary Healthcare Provision Program (HOPE-PHC), an initiative aimed at improving service delivery in the Nigerian healthcare sector. The Nigeria Sovereign Investment Authority (NSIA) Healthcare Expansion Programme launched in 2024, seeks to establish ten (10) world-class healthcare facilities across Nigeria and retrain 120,000 frontline health workers.

The Nigerian government is committed to positioning Nigeria as a global hub for health product and technology manufacturing. To this end, the health sector has been undergoing transformative reforms centered around addressing brain drain and improving working conditions, strategic investments and collaborative partnerships, increased budget allocations aimed at strengthening primary healthcare, improving infrastructure and expanding health insurance coverage.

Power Sector

Opportunities

The Nigerian power sector is pivotal role of the sector to the economic growth of the country. Given that the country is endowed with resources in both renewable and non-renewable energies, the sector has a huge potential of addressing power shortages in the country.

However, growth in the sector remains below the desired levels as demand outstrips supply. According to Nigeria Energy, the country currently has an installed capacity hovering between 12 and 13GW, and actual generation between 3,000 and 5,000MW.

According to the World Bank, over 85 million people in Nigeria do not have access to electricity as of 2021. Factors such as inadequate infrastructure, frequent power outages and unreliable grid connectivity continue to taper down the potential for universal electricity access in the country.

The need to address the electricity deficit has been a topical point for discussion in recent times. The power sector is highly capital intensive and would require substantial investment for the installation and maintenance of the required infrastructure that will facilitate reliable power supply. The sector has witnessed increased efforts to decentralize the grid and the rise of startups leveraging technology to bring innovative solutions to Nigeria's energy challenges.

There is an increasing number of players in the sector focused on developing renewable energy. According to the Nigerian Electricity Regulatory Committee (NERC), renewable energy sources are expected to account for 30% of Nigeria's total energy mix by 2030. Renewable and clean energy in Nigeria is expected to grow at a Compound Annual Growth Rate (CAGR) of 13.2% from 2021 to 2026. While restricted access to financing and inefficient infrastructure has been concerning limitations for the sector, the growth initiatives by the government around tax incentives and subsidies for renewable energy projects are expected to stimulate activities in the sector.

Nigeria's requires about US\$10 billion annually over the next ten (10) years to finance its Energy Transition Plan which is aimed at transitioning way from diesel/petrol generation, expanding gas generation capacity and ramping up renewables-based electrification. In 2024, the African Development Bank approved a loan of \$500 million to support the development of 250GW installed electricity capacity under the program.

Outlook

The World Bank is partnering with Nigeria through the Distributed Access through Renewable Energy Scale-up (DARES) project to expand access to clean energy for 17.5 million Nigeria and has provided a credit facility of \$750 million to be supported by \$1 billion private capital from development partners.

The World Bank has provided a \$350 million facility, and the African Development Bank a \$200 million facility to the Nigerian government to aid off-grid development, mini grid, solar home systems, captive power plants & productive use appliances. These investments are expected to leverage over \$81 billion in additional funding from the private sector (Nigeria

Energy). This provides an opportunity for the private sector to partner with the government to unlock the full potential of the off-grid sector.

Most recently, the Nigerian government signed the 2023 Electricity Act into law, marking a milestone in the Power sector. The focus of the new law is improving the regulatory landscape and management of the value chain in the electricity sector. One key provision and focus of the government and regulatory authorities is the improvement of the bottlenecks that hinder the efficient running of the state electricity market systems.

Manufacturing Sector

Opportunities

The manufacturing sector is a key driver that propels the progress of any economy. The Nigerian manufacturing sector remains the productive hub of the economy, contributing about 9% of the GDP annually. The sector is dominated by the production of cement, food, beverage and tobacco, and textile, apparel and footwear.

The highly labor-absorptive nature of the sector reflects a strong potential to create direct employment for many Nigerians. According to the World Bank, industry employment accounted for 14.56% of the total employment in Nigeria in 2022. The sector is also an important source of revenue to the government as it is one of the largest contributors to government taxes. The sector contributed 8.99% of the total CIT and 11.78% of the total VAT in Q2' 2024.

The Capital Importation Report by the National Bureau of Statistics indicates that foreign direct investment into the Nigerian manufacturing sector increased 67% year-on-year to US\$1.59 billion in 2023 from US\$948 million in 2022. In Q3 2024, the sector received 15% of the foreign direct investment amounting to US\$189 million.

Nigeria offers an attractive market for manufacturers producing consumer goods, given the country's large and young population, strategic location and abundant endowment of natural resources. The sector has a strong potential to create employment, facilitate increased export, support revenue generation and global competitiveness.

However, the manufacturing sector has not kept pace with the demand from Nigeria's fast-growing population, leading to increased importation of personal and household items. In Q3 2024, the value of imported manufactured goods stood at NGN6.98 trillion, an increase of 76.4% when compared to the value recorded in Q3 2022 (NGN3.96 trillion).

Challenges such as deficient power supply, high energy cost, low access to affordable financing and poor infrastructure continue to hamper the sector from attaining its full potential. Macroeconomic challenges also put pressure on the performance of manufacturers, as they are mostly dependent on importation of raw materials and machinery.

Outlook

To spur the growth of the manufacturing sector and drive the production of globally competitive products, there is a need for substantial investment in essential infrastructure as well as research and development to close skills and technology gaps in the sector.

Education Sector

Opportunities

To spur the growth of the manufacturing sector and drive the production of globally competitive products, there is a need for substantial investment in essential infrastructure as well as research and development to close skills and technology gaps in the sector.

Both private and public educational services are provided across all stages in the Nigeria education sector. Given Nigeria's large youth population, students consist of the largest demographic in Nigeria. According to UNESCO, there are 15 million students enrolled in universities, polytechnic and colleges of education across Nigeria.

Inadequate funding has been a major challenge in the Nigerian education sector, leading to poor infrastructure, low quality teaching, insufficient teacher training and wide education gap between the urban and rural areas. Resource allocation to the education sector by the Nigerian government have been insufficient to keep up with the demand of the country, given the size of its youth population.

Budget allocation to the education sector in Nigeria in 2024 amounts to NGN2.36 trillion, representing 8.21% of the total NGN28.77 trillion budget. This is an increase of NGN1.27 trillion from the NGN1.09 trillion (4.99% of the total budget of NGN21.83 trillion) allocated in 2023. The federal government allocated NGN3.52 trillion, accounting for 7.3% of the total budget for 2025 to the education sector.

Outlook

The financing gap in the education sector has resulted in the poor state of the educational institutions, creating a market opportunity for provision of quality education by private entities. Investors' interest has recently been spurred towards the development of housing communities that meet students' daily needs and ensure quality, security and comfortable living spaces. The population growth will continue to drive the number of students in tertiary institutions and consequently spur increased demand for purpose-built student accommodation.

Financial Technology Sector

Opportunities

The Nigerian fintech industry has experienced remarkable growth in the past few years, elicited by low penetration of banking services, a large youthful population, increasing internet and mobile penetration, mass adoption of digital financial services and increased collaboration for innovation within the sector. According to a 2023 report by Disrupt Africa, there are 217 fintech ventures operating in Nigeria, representing 32% of Africa's 678 fintech startups. The report further stated that Nigeria-based fintech companies received 41.6% of the US\$3.64 billion funding received by African fintech ventures in the past 8 years.

According to the World Bank, about half of Nigeria's adult population remain unbanked or underserved due to the limitations of traditional banking infrastructure. However, the rise of fintech is transforming the provision of financing services in Nigeria, leveraging technology efficiently to provide financial services that extend to the previously underserved population

in the country. EFInA 2023 survey indicates that mobile phone usage in Nigeria reached 93% (103 million) in 2023, with 83% of adults with a transactional account using digital financial services, up from 60% in 2020.

Outlook

Fintech provides innovative financing solutions that can bridge the funding gap to MSMEs in the country, including invoice financing services, supply chain finance solutions, inventory management systems, data analytics tools, digital capital investment, digital assets, neo banking, and digital accounting and bookkeeping tools tailored to their need.

Nigeria's young population and growing ecommerce activities will sustain the growth of the Nigerian Fintech industry. Despite the potential of the fintech sector to transform services delivery and drive financial inclusion, growth is hampered by infrastructure limitations and the lack of explicit guidelines for new business models. The delivery and efficiency of fintech products is hinged on reliable internet infrastructure and services.

Trade and Commerce Sector

Opportunities

The Nigerian population is the largest population at over 200 million people, the largest in Africa. The Nigerian age demography is also relatively young, with a median age of 18 years according to Worldometers. As such, Nigeria has an abundance of human capital at rates well below high-income and some middle-income countries.

Nigerian businesses have been affected by several global economic shocks in recent years including COVID-19 and Ukraine-Russia conflict. Several domestic headwinds are also impacting the economy, including decline in crude export volume, an inefficient petroleum subsidy, rising inflation, and currency fluctuations. Other significant impediments to development and trade include inadequate power supply, deficient transportation infrastructure, a slow and ineffective judicial system, endemic public sector corruption, non-inclusive growth, poverty, poor maternal and infant mortality indices, under resourced education and healthcare sectors, and poor distribution of wealth amongst its citizens.

The economy is broadly divided into formal and informal sectors, and the US International Trade Administration (ITA) estimates that the informal sector accounts for as much as 65% of the total economy, although there isn't proper accounting for businesses of this nature due to lack of credible data on the mostly cash-based activities.

However, the opportunities abound as Nigeria plays an important leadership role in both West Africa and on the African continent. The headquarters of the Economic Community of West African States (ECOWAS) is in Nigeria's capital of Abuja. According to the US ITA, Nigeria represents roughly 70% of the 15-country ECOWAS GDP and over half of the ECOWAS region's population. Nigeria had for some time been largely responsible for the decades-long delays in developing the ECOWAS Common External Tariff (CET). In 2019, Nigeria signed the African Continental Free Trade Agreement (AfCFTA) aimed at creating intra-African trade and a \$3.4 trillion economic bloc across Sub-Saharan Africa.

Outlook

Nigeria presents a lucrative opportunity for businesses that can successfully navigate its evolving and complex operating environment. While challenges such as profit repatriation have dampened investment in recent years, many established multinationals have adapted to the regulatory landscape and continue to generate substantial profits. Despite income disparities and logistical hurdles, companies with resilient strategies and local market insights can unlock significant growth potential.

Transportation and Storage Sector

Opportunities

Nigeria's Transportation and Storage sector has evolved significantly, serving as a critical driver of economic growth by facilitating the movement of goods and enhancing business connectivity. This dynamic market spans various services, including transportation, warehousing, inventory management, and supply chain operations.

In recent years, the sector has experienced consistent growth, driven by increasing trade activity, industrial expansion, and improvements in transportation infrastructure. According to NBS data, the sector grew by 19% in Q4 2024 compared to the same period in 2023. However, its overall contribution to GDP during the fourth quarter remained modest at just 1%, highlighting the untapped potential. Despite a positive growth trajectory, regulatory bottlenecks, multiple taxation, security concerns, and inadequate logistics infrastructure continue to pose significant challenges, limiting the sector's ability to achieve broader economic impact.

The Road Transport subsector remains the dominant force, benefiting from extensive networks that support interregional trade. Notably, Road Transport expanded by 23% in Q4 2024, compared to the same period in 2023, reaffirming its role in economic development. Alternative modes of transportation such as Nigeria's railway system have been largely underdeveloped, and this has escalated the pace and severity of road deterioration, thus resulting in the need for huge investments to build and maintain roads.

There is renewed optimism in the Rail Transport and Pipeline subsectors, bolstered by government initiatives, increased project execution such as the Lagos State Blue Line rail, and enhanced security measures. Recent crackdowns on theft and pipeline vandalism have contributed to increased oil output, signaling progress in the sector's operational resilience.

Outlook

The sector holds vast potential, with ongoing and future investments in road networks, railways, ports, and airports poised to unlock further growth. The adoption of advanced technologies in logistics and transportation operations can enhance efficiency, optimize costs, and boost overall profitability. Additionally, a more structured and predictable taxation framework could eliminate redundancies, reduce business uncertainty, and attract greater investment into the sector. As infrastructure expands and regulatory frameworks improve, Nigeria's transportation and storage industry is well-positioned for sustained long-term growth.

Telecommunications Sector

Opportunities

Nigeria's telecommunications sector has made significant strides, yet digital exclusion remains a major hurdle. According to GSMA's 2024 State of Mobile Internet Connectivity report, 120 million Nigerians remain disconnected, despite 83% of the population having access to mobile internet—with only 29% actively using it.

A stark urban-rural divide persists, with smartphone adoption at just 26% in rural areas compared to 59% in urban areas. High device costs further limit access, as entry-level smartphones cost 99% of the average monthly income for Nigeria's poorest 20%.

Coverage gaps also remain significant. The Nigerian Communications Commission (NCC) estimates 27 million Nigerians live in areas without telecom services, while 39% of local governments lack internet connectivity entirely. Regionally, Sub-Saharan Africa has the world's highest mobile internet coverage gap at 13%. Beyond infrastructure, digital literacy, online safety, and educational content are essential to closing this gap.

Government policies have also shaped industry trends. The mandatory SIM-NIN linkage led to the disconnection of 64.3 million lines in 2024, causing a 30% drop in mobile subscribers, from 219 million in March to 154.6 million by September.

To expand internet access, the government launched Project 774 LG Connectivity to link all 774 local governments and introduced a Special Purpose Vehicle (SPV) to extend Nigeria's fibre-optic network from 35,000 to 125,000 kilometers. While promising, execution speed will determine their impact.

On the digital adoption front, the 3 Million Technical Talent (3MTT) initiative welcomed 90,000 new participants in 2024, reinforcing Nigeria's ambition to become a global tech talent hub. Sustained investment in connectivity and digital skills will be key to unlocking the sector's full potential.

Outlook

The past two years have been particularly challenging for telecom operators, with inflationary pressures, soaring energy costs, and FX devaluation eroding profitability. In response, the Nigerian Communications Commission (NCC) approved a 50% tariff increase to support industry sustainability and ease financial strain.

To enhance consumer transparency, the NCC also plans to streamline telecom tariffs, reducing the number of available options from dozens to seven. This move aims to simplify choices while maintaining competitive pricing.

Another significant intervention was the waiver of right-of-way (RoW) fees by seven states—Zamfara, Katsina, Anambra, Kebbi, Nasarawa, Bauchi, and Adamawa. Previously, high RoW fees had stalled the deployment of essential infrastructure like fibre-optic cables. According to GSMA, standardizing fees nationwide could reduce network deployment costs by 15%, improving connectivity expansion efforts.

These measures reflect a broader push to strengthen the sector's resilience, support long-term growth, and enhance telecom accessibility across Nigeria.

Rationale For the Fund

In Africa, the growth of private debt is driven by a combination of regulatory, macroeconomic, and microeconomic factors. Global inflationary pressures and rising interest rates have increased funding costs for banks and financial institutions, amplifying systemic risks within the financial system. In response, broader banking regulations, such as the Dodd-Frank Act and Basel III, have been implemented to enhance capital adequacy buffers and mitigate negative impacts. Tighter regulations and higher non-performing loans have further reduced banks' appetite for corporate lending, leaving a significant proportion of SMEs struggling to access capital.

Private debt has emerged as a viable alternative funding source to the traditional bank lending and public debt, growing exponentially since the Global Financial Crisis (GFC), particularly in developed economies. This trend has extended to emerging markets like Nigeria, where private debt remains a relatively small market compared to the US and Europe. According to FSD Africa, the US and Europe recorded a private debt-to-GDP ratio of 0.48% in 2022, compared to 0.22% in Nigeria. Major private debt transactions in Nigeria are largely backed by DFIs and MDBs, leaving many investments exposed to currency risk due to exchange rate volatility. While local currency funding remains limited, a supportive regulatory environment has facilitated the establishment of domestic and international specialist funds that offer both local and foreign currency products through hedging mechanisms.

To expand access to sustainable financing and promote financial inclusion, domestic regulators are shaping frameworks that allow borrowers to leverage private debt as an alternative to traditional bank lending. Private debt is also gaining traction as a preferred investment vehicle for large institutional investors, particularly in sectors aligned with the ESG agenda. Africa's infrastructure deficit, exacerbated by constrained public sector funding, underscores the need for flexible and relatively lower-cost financing to support critical projects in healthcare, energy, transport, and telecommunications. Additionally, private debt offers institutional investors diversification benefits and stable, fixed-income-like returns that can outperform public debt and equities during economic downturns.

Beyond the demand-side constraints, the growth of private debt is also fueled by supply-side factors. Low deposit rates offered by banks have pushed investors to seek higher-yielding alternatives. The rising pool of pension assets presents an opportunity for diversification into private debt, offering attractive risk-adjusted returns. Similarly, high-net-worth individuals (HNIs) and institutional investors are increasingly exploring alternative asset classes to optimize portfolio performance, particularly in a volatile macroeconomic environment.

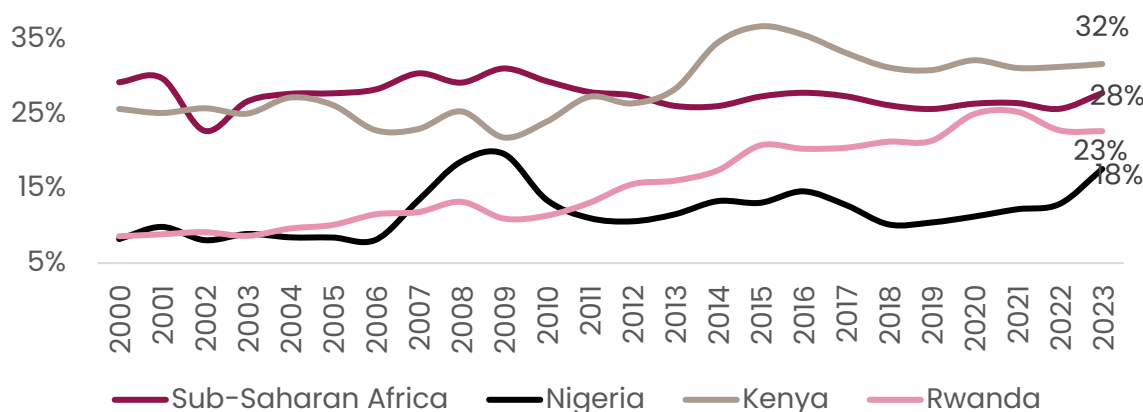
The funding shortfall remains substantial. PwC's 2024 survey estimates Nigeria's MSME financing gap at approximately US\$32.2 billion, while the AfDB projects the country will require US\$47.6 billion annually until 2030 to accelerate structural development. This highlights the urgent need for local and foreign capital to be deployed more efficiently.

Private debt, which involves extending credit to private organizations with specific funding needs not met by public markets, serves as a critical alternative. It caters to MSMEs and non-investment-grade corporations that require flexible terms, faster turnaround times, and structuring expertise. Private debt instruments include corporate debt, real estate debt, infrastructure debt, distressed debt, direct lending, bridge financing, and venture debt, structured as secured senior or unsecured subordinated/mezzanine loans.

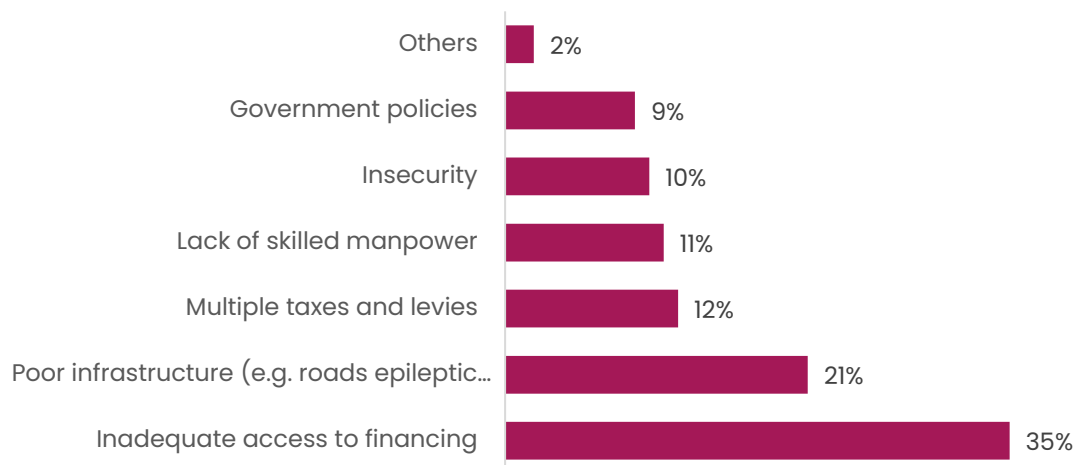
In Nigeria, bank loans to the private sector, which include MSMEs, has grossly underperformed its peers in Africa. As a potential source of financing, the use of bank loans in narrowing the SME corporate debt funding gap has been limited by the following factors:

1. Concentration of Credit & Risk Aversion – Following the aftermath of the Global Financial Crisis (GFC), banks have concentrated lending with favorable terms on top-tier corporate organizations to mitigate the risk of rising Non-Performing Loans (NPLs). Additionally, monetary tightening in Nigeria, including a record-high Monetary Policy Rate (MPR) of 27.25%, a Cash Reserve Requirement (CRR) of 50%, and a Liquidity Ratio of 30%, has further restricted lending to the private sector, exacerbating MSME funding challenges.
2. Macroeconomic headwinds: The challenging macroeconomic environment in Nigeria has fostered a more risk-averse funding landscape. Additionally, the high-interest rate climate increases the likelihood of nonperforming loans, prompting banks to prioritize lending to top-tier, large corporate organizations over SMEs. This approach allows banks to maintain relatively low levels of nonperforming loans
3. Operational bottlenecks: Bureaucratic hurdles and slow processing times at commercial banks have hindered funding flexibility, leading to delays in credit extension. These delays not only limit the ability of banks to meet the demand-supply gap but also discourage SMEs from seeking loans, further exacerbating the funding challenges. Additionally, high operating costs associated with lending have constrained banks from efficiently extending credit to businesses
4. Structural weaknesses in bank lending: Banking lending in Nigeria are essentially short-term in nature and concentrates largely the top-tier corporate organizations and multinationals, who are more able to receive favorable terms. Besides, they do not come with financial advisory and other non-financial support which are mostly needed by the SME. As a result, the SME sector's funding needs have continued to remain underserved by the Deposit Money Banks

Figure 8: Domestic Credit to Private Sector by Banks as a % of GDP



Source: World Bank

Figure 9: 2024 PWC MSME Survey – Key Challenges affecting Business Growth


Source: 2024 PWC Survey Report

The Fund presents compelling business highlights. It aims to address some of the earlier highlighted constraints of traditional debt providers and potential investors by providing:

- An attractive current income stream with positive real returns
- Investment manager with a uniquely successful track record and an investment pipeline with high quality, leading mid-market/growth companies
- A Fund Manager with proprietary relationships with its clients, banks, private equity firms and related companies (investment banking sister company)
- Scaled and diversified portfolio with contractual limits
- Regular distributions, reducing J-curve impact and exit risk
- A moderate-risk asset class (including mezzanine debt which has scarce competition)

Table 3: Comparison between ARM Private Debt Fund and a Commercial Bank

Aspect	ARM Private Debt Fund	Commercial Bank
Source of Funds	Raised from institutional investors, high-net-worth individuals, or private sources.	Primarily sourced from customer deposits, equity, and interbank borrowings.
Loan Structure	Focuses on customized, flexible, and often higher-yield loans, such as mezzanine or convertible debt.	Provides standard loans with fixed terms, typically subject to stricter collateral and covenants.
Limits	Defined in the Fund's constitutive documents and as approved by SEC, allowing for larger, tailored loans if aligned with fund objectives.	Governed by regulatory limits, such as single-obligor limits, sectoral exposure caps, and capital adequacy requirements.
Funding Term	Primarily long-term financing tailored to the borrower's	Offers both short-term and long-term loans, with a

	needs.	preference for short-term, low-risk products.
Risk Appetite	Moderate to higher risk tolerance, targeting businesses with higher returns or non-traditional credit profiles.	More conservative, favoring established businesses and highly collateralized loans.
Client Base	Typically targets SMEs, large corporations	Serves a broad client base, including individuals, SMEs, and large corporations

The ARM Private Debt Fund presents the following benefits to potential investee companies when compared to the traditional commercial banks, as follows:

- a) Lower overall cost of debt – The Fund’s overall cost of debt will be much lower than the lending rates offered by traditional lenders which presents an opportunity for the Fund’s investee companies to reduce their overall cost of capital, improve their profitability and long-term sustainable growth. The Fund will seek to achieve lower cost of debt, as it would not be subject to the typical overhead costs Cash Reserve Ratio (CRR), AMCON levy, and NDIC premium carried by traditional loan providers.
- b) Tenor – The Fund shall typically provide long-term debt to corporate entities, given the long-term nature of its funding, quite different from what the traditional lenders offer. This ensures sustained availability of funds to investee companies unlike what the traditional banks provide.
- c) Speed of decision making and short turnaround time – As the Fund shall not be exposed to the same bureaucratic set up of the traditional bank lenders, it shall offer its investee companies a faster turn-around time. The governance framework for the Fund is designed to ensure quick and efficient decision-making processes.

Particulars and Structure of the Fund

The ARM Private Debt Fund is a debt fund established pursuant to a shelf prospectus registered in Nigeria under the Rules for Collective Investment Schemes issued by the SEC. The Fund is authorized and registered in Nigeria as a Unit Trust Scheme under the ISA. The Fund is Close-Ended, and Units of the Fund will be issued to the prospective Unitholders periodically in Series or Tranches under the Programme.

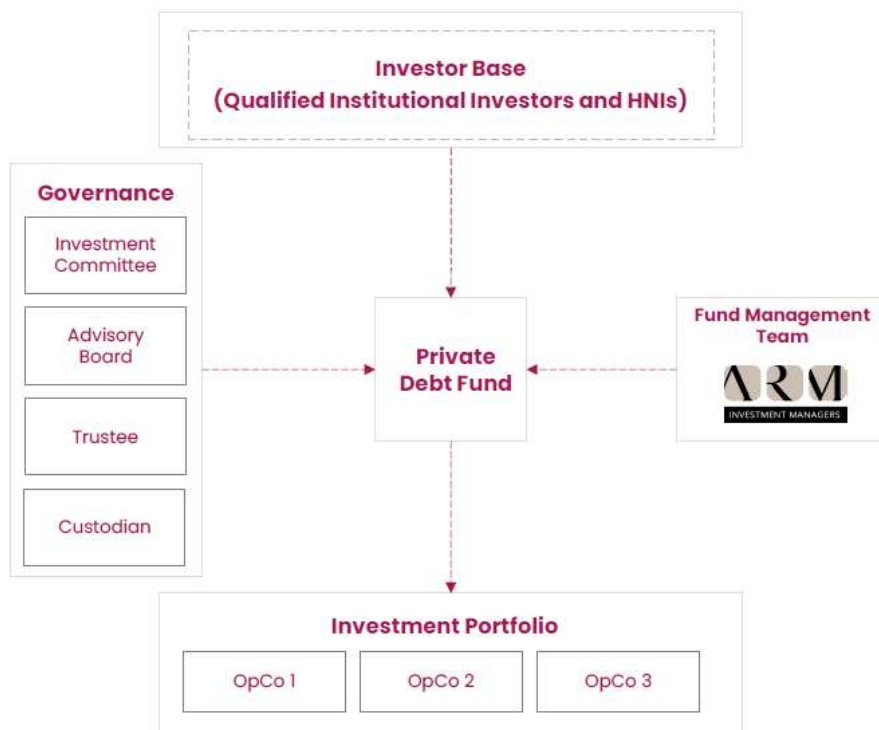
The Fund is governed by a Programme Trust Deed with ARM Investment Managers Limited as Fund Manager and STL Trustees Limited and Leadway Trustees Limited as Trustees. The Units under this Programme shall be constituted by the Programme Trust Deed and a Series Trust Deed. A Series Trust Deed will be issued in respect of each Offer, provided that any terms and conditions relevant to additional Units, if any, under the Programme shall be governed by the relevant Series Trust Deed.

The Fund Manager will seek Memorandum Listing on the Exchange for the purpose of providing information about the Fund to Qualified Institutional Investor.

The assets of the Fund will be held by the appointed Custodian, Rand Merchant Bank Nigeria Limited, for the benefit of the unitholders. The daily operations and management of the Fund will be carried out by the Fund Manager. The Fund Manager has established a Fund Management Team (FMT) comprising of well experienced investment professionals with significant investment expertise and a broad experience in managing debt investments. The FMT will be responsible for all decision-making in respect of the debt investments to be made by the Fund and the subsequent portfolio management, which entails monitoring, collection of lent funds, recoveries and exit.

The Fund Manager has established an Investment Committee for the Fund. The Investment Committee will be responsible for reviewing investment proposals and deciding on all such investments as recommended by the FMT. In addition, the Fund Manager shall establish an Advisory Board for the Fund, which will comprise a representative of the Fund Manager and Trustees, along with the representatives of the Unitholders, which shall be Qualified Institutional Investors. The Advisory Board will have oversight of the Fund's compliance with its investment objectives, the audit process, as well as conflict of interest matters

Structure of the Fund



- Investment Policy**

The Fund is committed to investing in debt instruments within the capital structure of target Small and Medium Enterprises (SMEs) and Special Purpose Vehicles (SPVs) established by commercially viable companies in selected sectors. These debt investments will be structured in various forms, including:

- Senior debt
- Mezzanine debt; and
- Other debt structures that align with the Fund objectives.

The tenor of any debt investment will not exceed the tenor of the applicable Series or Tranche under the Programme. Additionally, for liquidity management purposes, the Fund may allocate capital to Money Market instruments.

- Investment Strategy**

The Fund's strategy is centered on deploying capital as senior secured debt to corporate entities operating in Target Sectors. The deployed capital will be structured to ensure that funded businesses generate sufficient returns, covering both principal and interest obligations, which will ultimately support investor distributions.

The Fund's strategy will cover the following areas:

- Targeted Origination to SMEs, blue-chip and PE sponsored companies, amongst others
- Investment Appraisal & due diligence
- Investment Approval by IC
- Post Approval documentation & Investments
- Collections, Management, Recoveries & Exits

Capital Allocation Structure

- Senior Debt – Minimum of 80% of the raised capital
- Subordinated Debt – Maximum of 20%
- Money Market Instruments – 0% to 20%
- Cash Reserves – 0% to 5%

Investments will only be directed toward sectors that align with the Fund's risk appetite and investment criteria. High-risk opportunities that do not meet these standards will not be pursued.

Risk Management & Security Structure

Each debt investment must demonstrate an appropriate risk-return profile and be supported by a robust security framework. The accepted security structures include, but are not limited to:

- Cash collateral (local or foreign currency)
- Bank Guarantees & Standby Letters of Credit (SBLCs)
- Mortgage Debentures
- Debentures over Fixed and Floating Assets
- Share Charges
- Parental, Corporate, and Personal Guarantees
- Other approved security structures endorsed by the Investment Committee.

Additionally, security enhancements such as guarantees will be a key factor in investment decision-making. Corporate debt financing will only be extended to commercially viable businesses with an established track record and led by experienced and credible management teams.

Investee companies must also comply with the Fund's ESG policy and will be monitored for ongoing compliance.

To manage risks effectively, the Fund will:

- Implement investment conditions to guide the behavior of investee companies
- Use risk triggers to monitor portfolio performance
- Allocate a portion of funds to opportunistic investments, such as short-term Money Market placements before full deployment into corporate debt

Some of the funds could be used for opportunistic investments, including initial investment of capital in money market instruments pending when they are deployed as corporate debts.

The ability of each investment to meet interest and capital repayment expectations at maturity shall be considered, in addition to generating enough returns for the Fund to meet its objective.

Target sectors

A key goal of the Fund is to support economic development in Nigeria by financing corporate entities with impact-driven projects. The Fund shall adopt a sector-agnostic approach but exclude some companies (with business performance strongly correlated with climatic conditions) in industries such as primary agriculture and those with highly volatile cash flows.

Priority will be given to established businesses that have a history of profitability and experienced management teams.

Additional investment policies

- Debt Pricing – The Fund may apply a fixed or floating interest rate, with adjustments based on market conditions and changes in investee company risk profiles
- Portfolio Diversification – Investments will be spread across multiple sectors to reduce market risk exposure
- Efficient Capital Management – Ensuring optimal financial positioning through:
 - Clearly defined, robust and rigorous investment appraisal and approval processes
 - Leveraging technology to enhance operational efficiencies
 - Continuous monitoring of all investments through both desktop and field assessments
 - Comprehensive due diligence, utilizing both internal and external resources
 - Prioritization of security structures and downside protection in investment decisions.
 - Strict adherence to the Fund's investment objectives, with Investment Committee oversight.
 - Use of acceptable collateral and credit enhancements to secure investments
 - Integration of ESG metrics in investment terms, with defined compliance triggers
- Investment Participation – The Fund may engage in bilateral debt investments or co-invest with other lenders, provided such transactions receive Investment Committee approval and align with the Fund's policies.

Investment Performance and Return Generation

Each investment must meet interest and capital repayment obligations at maturity while delivering adequate returns to sustain the Fund's investor distributions.

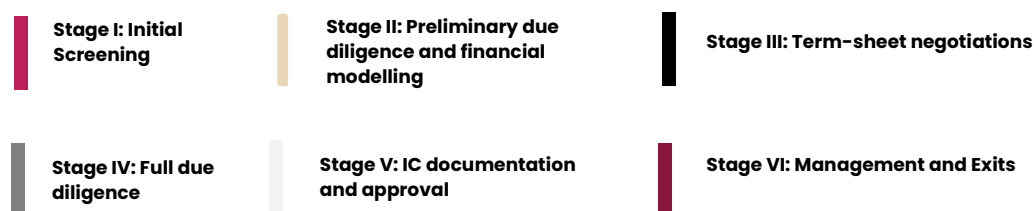
Returns will be generated through:

- Returns from debt investments
- Income from Money Market Instruments

Periodic distributions, at least semi-annually, will be made to Unitholders after deducting permissible expenses.

- **Transaction Execution Process**

Investment process overview



a. Initial Screening

The Fund Manager will leverage its wide network and relationships as a subsidiary of a Financial Services group, to originate bankable opportunities. These may include but are not limited to relationships with DFIs, Private Equity firms, Qualified Institutional Investors, commercial banks, professional firms, external technical partners and service providers. All opportunities are reviewed weekly by the investment team.

b. Preliminary due diligence and financial modelling

The Fund Manager would appraise eligible investment opportunities to assess suitability and alignment with the Fund's strategic focus. The Fund Manager will also conduct a preliminary assessment to determine if an investment opportunity should be considered or if further due diligence is required.

In scenarios where further due diligence is required, the Fund Manager would gather more information on and from the investee companies via physical or virtual meetings, direct request for information, access to data room and/or a due diligence questionnaire. The overall due diligence exercise would include but not be limited to Commercial, Financial, Legal, Character and Know-Your-Client (KYC) procedures. The Fund Manager may also consult with internal and external technical partners such as legal, tax, finance, and any other entity whose services may be required, to enable the Fund Manager to reach a conclusive opinion and make an informed decision.

Where there is a need for a third-party expert to conduct further due diligence, the Investment Committee will authorise the Fund to incur such due diligence costs in event such cost cannot be passed on to the investee company, without breaching the total expense ratio of 3.5% permitted by the SEC Rules. The Fund Manager will also prepare a financial model to assess the financial and operational viability of the investment.

The findings from the initial due diligence stage will reflect investment economics.

c. Term Sheet Negotiations

The negotiation process involves the Fund Advisors and FMT all providing input into key terms and assisting in the negotiation process.

d. Full Diligence

High-level strategic and commercial due diligence is performed by the Fund, occasionally with the assistance of strategy consultants and industry experts.

Financial, legal, technical, insurance and environmental due diligence (Where applicable) is outsourced. Background checks are performed.

The due diligence exercise may cover critical information such as:

- Promoters' /Founders' history and background;
- Evaluation of the investee company and project business model;
- Current debt obligations and existing covenants;
- Legal due diligence;
- Historical Financial performance and projections;
- Determine major risks associated with the investment;
- Investment analysis and evaluation of key terms;
- Industry and Business Environment (SDG assessment);
- Management;
- Operating environment (may require on-site visit); and
- Social, Economic and Environmental impact.
- Security Structure
- Security enhancement

e. Documentation and Approval

The Investment team obtains all relevant documentations and information from the prospect investee company and analyses the documentation.

Legal documentation is led by the FMT in collaboration with its internal and/or external legal representation. Where necessary, the Investment team shall engage third-party specialists to assist it in carrying out a thorough robust investment appraisal and assessment. Where there is the need for a third-party expert to conduct further due diligence, the Investment Committee will authorize the Fund to incur such due diligence costs in event such cost cannot be passed on to the investee company, without breaching the total expense ratio of 3.5% permitted by the SEC Rules. The findings from the due diligence stage will reflect in the considerations for the proposed investment.

f. Investment approval by the Investment Committee

The appraisal process for the proposed investment culminates in the preparation and submission of an investment proposal to the Investment Committee for approval.

g. Execution and investment

Further to approvals from the Investment Committee, the Fund Manager shall execute the necessary agreements, obtain all post-approval documentation and ensure that the investee company meets all approved conditions precedent to deployment. The Fund Manager will also provide the required debt in line with the approval obtained.

h. Collection, Collection, Management and exits

The Fund Manager will be responsible for collection of periodic repayments from the investee company in line with the investment's agreed terms and conditions, managing the portfolio of investments through regular engagements with the investee companies as well as internal and external stakeholders. The FMT also reviews legal agreements regarding company exit processes and proactively engages management closer to timing for redemption. Exit options and status for portfolio companies are reviewed weekly by the investment team.

• **Investment Evaluation Framework**

The investment framework shall involve a quantitative and qualitative model to assess viability and default risk based on the income profile and historical financial performance of the investee company. The model would act as an assessment system to evaluate the Fund's investments by monitoring the performance of the portfolio.

The qualitative investment analysis and evaluation will focus on the following, amongst other considerations:

- Companies with long-term predictable cash flows;
- Companies that can generate positive cash flows with which to meet the Fund's return expectations;
- Companies with experienced management teams;
- Companies with a strategic focus that align with the Fund objectives;
- Investments with adequate Security structures;
- Companies with no history of defaults in their obligations;
- Companies with strong financial history and track record of strong financial performance;
- Companies with strong potentials for current and future demand for their products;
- Companies in any of the target industries; and
- Companies that have projects and activities that can be directly linked to the United Nations 17 Sustainable Development Goals.

The framework for investing would utilize both qualitative and quantitative factors using a model to assess the bankability of the investment. The model also evaluated the default risk potential based on the financial performance and position of the target investee company. The model will act as an assessment system to track the performance of the portfolio and is used to monitor the Fund's

investments.

A qualitative model shall assess the business and industry risks of the counterparty and will be determined through the analysis of the following categories:

- **Portfolio Company Competitiveness:** This involves analyzing external elements that affect the company's market position and its interactions with competitors and stakeholders. Examples of factors to examine include the company's market share, the degree of competition in the industry, diversity among clients and suppliers, and overall operational performance;
- **Corporate governance** – considers internal factors linked to the management structure, organizational design, internal risk management, transparency, completeness of accounting information, etc;
- **Financial flexibility** – evaluates the balance between the potential need for additional investment or capital and the company's ability to raise additional capital; and
- **Leverage** – considers the amount of financial risk that the company is taking on and the impact on its current and future operational performance.

- **Investment Restrictions**

The Fund's investment activities will be governed by predefined restrictions, ensuring compliance with the overarching regulations set by the SEC.

These restrictions will also align with the terms outlined in the Programme Trust Deed, Series Trust Deed, and Supplementary Prospectus for any specific offering, as approved by the Trustees.

Any modifications to the investment restrictions—provided they comply with SEC regulations but differ from the contents of the applicable Programme Trust Deed and/or Series Trust Deed—will require approval from the SEC, Trustees and the Advisory Board, which represents the interests of the Unitholders.

Permissible Investments

The Fund's investment scope is strictly limited to:

- a. Senior debt
- b. Subordinated debt, including Mezzanine and Convertible Debt
- c. Other structured debt instruments of companies and/or SPVs
- d. Money Market Instruments for short-term capital deployment before full investment allocation

The Fund shall not invest in:

- a) Equities or Equity Instruments;

- b) Any unlisted security of the Fund Manager or its associates or any related group company;
- c) Privately placed listed securities issued by the Fund Manager or its associates;
- d) Securities issued by entities within the same corporate group exceeding 20% of the Fund's Total Asset Value; and
- e) Any listed securities of the Fund Manager, Custodian, or Trustees, or any instruments issued by their associates and affiliates.

Asset Allocation Guidelines

- i. A minimum of 80% of the Fund's Net Asset Value (NAV) shall be allocated to commercially viable companies and projects in Nigeria;
- ii. Between 0% and 20% of the Fund's capital may be allocated to Money Market Instruments;
- iii. 0% to 5% of the Fund's capital shall be held as Cash;
- iv. At least 80% of funds raised per Series or Tranche shall be allocated to Senior Debt and collateralized instruments; and
- v. Up to 20% of assets may be allocated to unsecured debt, subordinated secured debt, or opportunistic investments that align with the Fund's investment objectives.

The value of the Fund's Investment in:

- a) Working capital loans, subordinated loans, preferred shares, or warrants shall not exceed 20%.
- b) With the exception of treasury bills, money market instruments issued by any single issuer shall not constitute more than 20% of the Fund's Net Asset Value.
- c) Fixed deposits with any single institution shall not constitute more than 5% of the Fund's Net Asset Value.

Exposure Limits & Risk Controls

- i. The maximum exposure to any single sector shall be capped at 20% of the total size of the Series or Tranche. Any deviations require SEC approval;
- ii. The maximum exposure to a single obligor shall be limited to 20% of the total size of the Series or Tranche. Any deviations require SEC approval;
- iii. Provided that where the Fund invests in securities of entities within the same corporate group, the limit would be 20% of the Fund's Total Asset Value;
- iv. The Fund may temporarily invest up to 100% of net proceeds from an Offer in Money Market Instruments (including Fixed Deposits) for a period of up to 180 days, with a maximum exposure of 20% of the Fund's NAV per financial institution; and

- v. The Fund may allocate up to 100% of net proceeds to short-term government securities (e.g., Treasury Bills) for up to 180 days from the receipt of the offer proceeds of each Series.

- **Investment Focus**

The Fund's primary objective is to invest in corporate entities that demonstrate the capacity to generate stable, periodic returns, ensuring consistent distributions to Unitholders.

Additionally, investments in greenfield projects may be considered, subject to conditions approved by the Investment Committee.

- **Fund Governance and Approval**

The investment management of the Fund will be such that the Fund would be made up of 3 (three) levels of governance and these would ensure there is adequate transparency to provide comfort to Unitholders. The 3 (three) levels comprise the following:

- a. *The Fund Management Team*

The FMT shall comprise professionals with the skillset and experience to optimally manage a Fund such as this Fund. The team would be responsible for the following:

- Origination of quality corporate debt investments through its wide network of relationships;
- Enhanced due diligence leveraging its expertise and using qualified professional service providers to enhance identification of inherent risks in all investments;
- Thorough investment appraisal, using tools and systems to review all investment proposals. Where necessary, the FMT shall collaborate with external partners/experts to carry out a robust appraisal;
- Presentation of Investment Proposal to the Investment Committee for approvals;
- Ensuring the conditions precedent to deployment are met by the prospective Investee Company and collection of post-approval documentations, after which the investment is consummated;
- Carry out ongoing portfolio management, collection of repayments and restructuring of the investments to suit the peculiar nature of every investee company;
- Provide the platform to access a large pool of investors, given its existing business model and licenses; and
- Manage and ensure the achievement of successful exits.

The FMT will also be responsible for other functions that may be necessary for the successful management of the Fund. The Fund Manager will have at least 2

(two) key personnel, the CEO and CIO, who have relevant experience in corporate debt investment. In addition, the parent of the Fund Manager, ARM Holding Company Limited, has been carrying on activities and business of investing in the debt component of the capital structure of companies operating in various segments of the economy.

b. The Investment Committee

The Fund Manager will establish an Investment Committee for the Fund. The Investment Committee will comprise a minimum of 5 (five) members having at least 1 (one) representative of the Trustees, 1 (one) representative of the Fund Manager, at least three independent members who shall not be employees of the Fund Manager, the Trustees and the Custodian, all who have voting rights. The Chairman of the Investment Committee is the independent member. At least majority of the members shall be knowledgeable in the business of debt investments and/or fund management in addition to risk management and other financial matters.

The quorum for its meetings shall be a simple majority of the members, provided that the Fund Manager, the Trustees and at least 2 independent members shall be represented at all meetings. The Investment Committee shall also be responsible for approving the relevant policies, reviewing and assessing processes and introducing controls which shall guide the investment strategy of the Fund. Among other things, the Investment Committee shall also be responsible for:

- Reviewing the Risk Policy and Investing Criteria of the Fund;
- Approving investment proposals;
- Decision on strategies to achieve the Fund's objectives;
- Supervising the activities of the Fund Manager and monitoring Fund performance;
- Ensuring funds are fully deployed or otherwise invested to achieve the Fund's Investment Objectives; and
- Referring all conflict of interest and related matters to the Advisory Board.

c. The Advisory Board

The Fund Manager shall establish an Advisory Board for the Fund. The Advisory Board for the Fund shall comprise of at least 5 (five) members as follows: at least 1 (one) representative of the Fund Manager, 1 (one) representative of the Trustees and at least 3 (three) representatives of Unitholders, which shall all be Target Investors. The combined representatives of the Trustees and the Unitholders shall at all times be in the majority.

The Advisory Board shall be authorised to:

- a. Oversee general audit functions in respect of the Fund and regarding transactions with parties related to the Fund Manager both prior to making such investments and over the life of such investments;
- b. Review the Fund's compliance with its Investment Policy as well as Investment

Guidelines and investment objectives, as well as conflict of interest matters; and

- c. Consider any other matters referred to by the Fund Manager, Trustees or the Investment Committee.

The Advisory Board shall be a committee of the Fund and shall not be involved in the control or management of the Fund or have any power or authority to act for or on behalf of the Fund, and all investment decisions, as well as all responsibility for the management of the Fund and, to the extent permitted by law and save as otherwise expressly provided by this Shelf Prospectus and the Trust Deed, rest with the Fund Manager. Except for those matters for which the consent, approval, review or waiver of the Advisory Board is required by the Trust Deed, any actions taken by the Advisory Board shall be advisory only, and neither the Fund Manager, nor any of its Affiliates shall be required or otherwise bound to act in accordance with any decision, action or comment of the Advisory Board or any of its members.

- **Investment Incentive**

The Fund offers an opportunity to achieve stable and consistent returns from a moderate-risk asset class underpinned by a portfolio of high quality, leading mid-market/growth companies. It provides for a scaled and diversified portfolio with contractual limits that offer regular distributions that improve the overall return on investment.

- **Potential Benefits to Unitholders**

- a. *Periodic Income*

The investments made by the Fund will feature contractual payments by the Investee companies, on a periodic basis. This would not only improve on the efficiency of the collection process and decelerating effective duration would also enable the Fund to provide a regular income stream to the Unitholders as the Fund would make periodic distributions of income to Unitholders.

- b. *Access to Unique Investment Opportunities*

Unitholders would gain access to investment outlets they ordinarily would not have been able to access due to regulatory restrictions, competence gaps and time required to appraise, execute and manage such investments.

- c. *Scaled and diversified portfolio*

The Fund would enable investors access an asset class that has a low correlation with traditional asset classes such as public equities and bonds.

- d. *Fund Manager with uniquely successful track record*

The Fund would enable investors access to a Fund Manager with a strong track record of managing Funds that provide competitive returns to investors.

e. Liquidity

The Fund intends to distribute cashflows semi-annually, offering Unitholders regular income and enhancing their liquidity. Additionally, the Fund's Units will be listed on an Exchange through a Memorandum Listing, ensuring transparency for Unitholders. Each tranche will have a specified tenure, after which the investments will be liquidated, and the capital returned to investors.

f. Attractive current income profile with strong real returns

Unitholders would also gain access to higher-yielding fixed income type instruments relative to public debt instruments.

g. Socio-Economic Impact

The Fund's investment strategy aligns with SDG goals from the United Nation's Sustainable Development Goals. This ensures the impact of its investments would contribute to the overall growth and development of the Nigerian economy.

- **Valuation Policy (Calculation of Net Asset Value)**

The Fund's NAV and NAV per Unit shall be calculated and announced quarterly by the Fund Manager. The NAV of the Fund shall be calculated using appropriate valuation methods, in line with the Rules of the Commission.

The NAV and NAV per Unit shall be determined by assessing the total fair value of all investments held by the Fund, while making necessary adjustments to account for cash balances, accrued expenses and liabilities, prepayments, as well as any outstanding creditors and debtors.

All valuations will be properly documented, and supporting data for each security valued will be retained in compliance with SEC Rules and Regulations. The valuation methodology will be periodically reviewed by the Trustees and the Fund Manager, with a statutory audit conducted annually.

Additionally, the Fund will appoint a SEC-registered consultant to conduct an independent valuation of its assets at least once a year. To ensure compliance with regulatory requirements, the consultant will be replaced every three years as stipulated by SEC regulations.

- **Publication Of the NAV of The Fund**

The NAV of the Fund shall be made available on the Fund Manager's website every quarter. 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.

- **Income And Distributions**

The Fund shall seek to distribute up to 90% of the net income to Unitholders in line with existing regulations, subject to income realised. The income of the Fund, net of expenses, to be distributed semi-annually shall be determined by the Fund Manager in the best interest of the Unitholders and subject to the approval of the Trustees. All Unitholders as at the Qualification Date will be entitled to a share of the Fund's distributions.

- **Issuance of Units**

The Fund may issue Units from time to time in Series, as determined by the Fund Manager and as approved by the Securities and Exchange Commission, subject to the Programme size.

- **Unit Statements**

Unitholders shall be issued with Unit Statements electronically, which shall constitute evidence of title to the number of Units specified on such statements.

- **Fees And Offer Expenses**

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

Fund Manager	<p>An annual management fee of 1.5% of the Net Asset Value of each Series or Tranche and payable quarterly in arrears.</p> <p>The annual management fee for each Series or Tranche shall be stated in the relevant Supplementary Prospectus.</p>
Custodian	An annual fee, the percentage of which is to be determined under each Series or Tranche but not more than 0.03% of the Net Asset Value of each Series or Tranche, payable quarterly in arrears.
Trustees	An annual fee, the percentage of which is to be determined under each Series or Tranche but not more than 0.10% of the Net Asset Value of each Series or Tranche, payable quarterly in arrears.
Due Diligence Costs	Cost and expenses in relation to third-party due diligence projects being evaluated for investments by the Fund will be charged to the Fund on actuals, to the extent not reimbursed by the investee company or issuer.
Others	All other expenses in connection with operating and maintaining the Fund including fees payable to the Registrars, Custodians, Trustees, Solicitors, advert, printing and audit expenses, amongst others, shall be deducted from the income generated by the Fund.
Total Expense Ratio	The total expenses of each Series or Tranche under the Fund shall not exceed 3.5% of the Net Asset Value of the Series or Tranche, per annum.

**Offer-
related
Expenses**

The costs, charges and expenses incidental to an Offer, including fees payable to SEC and professional parties, brokerage, printing and distribution expenses, are capped at a maximum of 1.65% of the gross proceeds of the relevant Offer. The costs will be borne by the Fund and will be offset from the proceeds of the relevant Offer.

- **Borrowing Policy**

Subject to the provisions of section 167 of the ISA, the maximum indebtedness that may be incurred by the Fund at any time is 25.0% of its Net Asset Value. Subject to the approval of the Investment Committee and the Advisory Board, the Fund may be permitted to borrow for the purpose of meeting its operating expenses, distributions to investors, and making new investments.

- **Audit And Reporting**

The accounts relating to the management of the Fund shall be audited and certified by the appointed auditor at least once every financial year. The results of the audit, together with any other accounts relating to the Fund, statements of remuneration in connection therewith and performance reports and the Trustee report shall be circulated to Unitholders at the end of each financial year. A copy of the Auditor's report in respect of the Fund shall be sent by the Fund Manager to the Commission and shall also be published in a national newspaper within 3 (three) months following the completion of the period to which the accounts relate, or as the Commission may from time to time specify. The first audited accounts shall be submitted in a period not exceeding eighteen (18) months after registration by the Commission.

- **Conflict of Interest and Related Party Transactions**

In accordance with the SEC Rules on Collective Investment Schemes, the Fund shall not invest in any of the following related party transactions:

- Any unlisted security of the Fund Manager or its associate or any related group company;
- Any listed security issued by way of private placement by the Fund Manager or its associate or group company;
- Any listed security of the Fund Manager, the Custodian or the Trustees or any instrument issued by any of the associates or affiliates of the Fund Manager or Trustees; and
- Securities of issuers within a group in excess of 20% of the Fund's Total Asset Value.

The Fund Manager shall endeavor to ensure that circumstances that create conflicts of interest between the Fund and the Fund Manager, its associates and affiliates performing financial, investment or other professional activities, including the allocation of investment opportunities to different clients, in which conflicts of interest exist are resolved satisfactorily.

- **Replacement of Key Persons**

The Fund Manager shall provide 90 (ninety) days' notice to the Trustees prior to replacing any Key Persons. The replacement Key Persons shall have substantially similar professional experience to the Key Person they seek to replace.

- **Removal of The Fund Manager**

The Fund Manager shall be subject to removal by notice in writing given by the Trustees (subject to SEC approval) in any of the following circumstances:

- i. Unitholders representing more than 75% (seventy-five percent) of the Units, excluding Units of the Fund Manager, for the time being outstanding of the Fund deliver to the Trustees a request in writing that the Fund Manager should retire or;
- ii. if the Fund Manager goes into liquidation (except for voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustees) or if a receiver is appointed over any of its assets; or
- iii. if the certificate of registration of the Fund Manager as capital market operator is suspended or revoked by the Commission; or
- iv. if the Trustees 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 or gross negligence in its management of the Fund; or
- v. If the Trustees certifies that it is in the interest of the Unitholders under the Fund that the Fund Manager be removed.

GCR Ratings Report of the Fund Manager

The following information is an extract from the Rating Report prepared by Global Credit Rating Company Limited



MANAGEMENT QUALITY RATING ANNOUNCEMENT

GCR assigns ARM Investment Managers Limited a Management Quality Rating of MQ2_(NG) and a Nigerian Management Quality Rating of AA_{(NG)(mq)}

Rating action

Lagos, 12 November 2024 - GCR Ratings (GCR) has assigned ARM Investment Managers Limited (ARM IM or the asset manager) a management quality rating of MQ2_(NG) and a Nigerian Management Quality Rating of AA_{(NG)(mq)}.

Rated Entity	Rating class	Rating scale	Rating
ARM Investment Managers Limited	Management Quality Rating	National	MQ2 _(NG)
	Nigerian Management Quality Rating	National	AA _{(NG)(mq)}

Management Quality (MQ) ratings assess an entity's organisational structure, risk management characteristics, and operational controls and provide the market with an opinion on the organisation's overall quality, including management characteristics and operational practices. MQ ratings do not measure an entity's relative ability to meet financial obligations and are not credit ratings, therefore the rating cannot be used to support debt for its own balance sheet.

Rating rationale

The assigned management quality rating reflects GCR's assessment of ARM IM's corporate profile, financial sustainability, portfolio management, risk management, controls, and systems. The assigned rating is based on the following key factors:

Corporate Profile: ARM IM was incorporated in June 2014 and commenced operations in July 2015 as a Nigerian-based asset manager. The asset manager is licensed by the Securities and Exchange Commission (SEC) to conduct fund management operations including investment and portfolio management. ARM IM is wholly owned by ARM Traditional Asset Management Limited (TAM or the Group) a non-operating company with four subsidiaries operating across the Nigerian financial services landscape. TAM, in turn, is wholly owned by the ultimate parent company, ARM Holding Company Limited (The Holdco). Prior to 2014, the activities of the asset manager were conducted by the Holdco. ARM IM leverages the Holdco's extensive resources and shared services for its investment management operations.

The MQ ratings benefit from the asset manager's established track record of about three decades and assets under management (AUM) which accounts for c.10% of the industry AUM as of 31 December 2023. In 2023, AUM grew by 44.9% to NGN339.6 billion (USD377.5 million), and further to NGN434.5 billion (USD271.8 million) as of 31 August 2024. ARM IM adopts a fairly diversified approach in managing its funds, with the portfolio comprising three privately managed funds and seven publicly quoted collective investment schemes (CIS). These funds serve a clientele of c.150,000 and are managed on both a discretionary and non-discretionary basis, with no guaranteed returns to investors. Looking ahead, the asset manager plans to expand its collective income scheme offerings through the launch of three new mutual funds (a specialised dollar fund, a short-term Eurobond fund, and a Shari'ah-compliant fixed income fund) and three private products are expected to support AUM growth and diversification over the short to medium term.

Nigeria | Asset Management | Public Rating

ARM IM's governance structures are deemed adequate at the board and management levels. Currently, there are five board members out of whom three are non-executive directors (including two independent directors) and two executive directors. Members of the board and management team are also experienced and qualified for their roles with no associated negative publicity. Adequate disclosures and transparency are upheld and the auditor- Deloitte and Touche- has issued unqualified opinions on the asset manager's audits over the last five years. The board's oversight functions are supported by committees, namely the Board Audit and Risk Committee, and the Board Governance and Remuneration Committee.

Financial sustainability: The financial standing of ARM IM is stable and sound. As of 31 December 2023, shareholders' funds at NGN3.0 billion (USD3.3 million) (December 2022: NGN2.6 billion) (USD5.7 million) remained above the required regulatory minimum of NGN150 million for asset managers in Nigeria. This position is supported by good earnings generation and retention capacity, with retained earnings accounting for 52.2% of the capital base. Operating revenue improved year on year, with a three-year CAGR of 28.5%, reaching NGN4.5 billion (USD 5.0 million) in 2023. This growth is largely due to a consistent increase in management fees and investment income, which accounted for c. 93.8% of the revenue base in 2023. However, rising operating costs attributed to the inflationary environment have kept the cost-to-income ratio high at 74.2% in 2023 (31 December 2022: 70.1%). ROA and ROE registered at 14.1% and 36.8% respectively, in the same period (31 December 2022: 15.9% and 21.9%). The asset manager has a dividend policy in place where dividend payouts are based on board decisions. Over the rating horizon, we expect the launch of new funds to sustain the positive earnings trend while containing costs.

Portfolio management: ARM IM's portfolio management and investment decision-making are adequate for the current operational scale. As of 31 August 2024, the investment unit and research team collectively comprised eighteen members, with an average of over seven years of experience. Supporting these units are the Investment Strategy and Review Committee (ISRC), Mutual Fund Investment Committee (MFIC), and the Ethical Sharia Advisory Board. The ISRC reviews and approves investment strategies to be adopted on all portfolios and mutual funds quarterly, while the MFIC performs a similar function on all mutual funds. All fund categories are regulated by the SEC, and the composition of each fund adheres to regulatory standards, with recommendations for public funds managed in line with their respective prospectuses and trust deeds. Based on historical trends, four of the seven mutual funds have consistently performed above set benchmarks. According to management, the underperformance of the remaining three funds is attributed to lags in meeting up with market rates. However, as of June 30, 2024, these funds have shown improvement compared to their benchmarks.

ARM IM's investment philosophy is predominantly long-term value preservation and fundamental-driven investment. Investment decisions are made with a clear understanding of each client's specific investment objectives, risk profile, time horizon, liquidity requirement, risk parameters, and other important preferences or factors peculiar to the clients. The security selection process involves both technical and fundamental analysis using top-down and bottom-up approaches to assess the suitability of securities and allocate funds proportionally. The asset manager utilizes several tools, including the Trend Analysis Model, Asset Allocation Tracking Module, Bloomberg Terminal, and Deluxe (portfolio management system).

Risk management, controls, and systems: While the asset manager has an internal risk management framework, it also benefits from the wider group's framework, which provides an additional level of oversight. In managing performance, credit, liquidity, legal, and operational risks, our view is that adequate resources are deployed in identifying, measuring, analysing, and monitoring these risks. Documented procedures and policies are also in place for data backup, computer security, and technical support including a data recovery center, cloud-based solutions, and an on-premises system currently in development.

Nigeria | Asset Management | Public Rating

Regarding compliance, the focus is on each business unit, with a shared service model supplemented by dedicated personnel. The research team relies on both internal sources and third-party data, such as Bloomberg, as well as insights from other financial institutions within Nigeria for decision-making. The asset manager employs various communication methods, including emails, phone calls, messages, and other media, to interact with the market, service providers, and clients.

ARM IM's IT infrastructure is considered robust, comprising various interrelated software tailored to align with its current operational needs, and is scalable. The company has documented procedures and policies for data backup, computer security, and technical support. Cyber risk is deemed minimal due to the presence of systems that counter cyber-attacks, supported by regular checks and internal training sessions. Furthermore, a business continuity plan is in place to reduce the impact of disruptions on service delivery and facilitate the prompt restoration of normal operations.

Rating triggers

An upward movement in the rating may follow the successful launch of new funds which could improve AUM, sustain market share, and support earnings progression. However, a decline in AUM leading to a deterioration in the earnings quality, and significant underperformance of the underlying investment portfolio relative to benchmarks may impact the rating negatively.

Analytical contacts

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Committee chair Johannesburg, ZA	Susan Hawthorne SusanH@GCRatings.com	Deputy Sector Head: Insurance +27 11 784 1771

Related criteria and research

Criteria for Management Quality Ratings, July 2020
Criteria for GCR Ratings Framework, May 2024
Mapping Table appendix to the Management Quality Ratings Criteria (Nigeria Only), August 2023
GCR Rating Scales, Symbols & Definitions, May 2023
GCR Country Risk Scores, August 2024
GCR Financial Institutions Sector Risk Score, August 2024

Ratings history

ARM Investment Managers Limited				
Rating class	Review	Rating scale	Rating	Date
Management Quality Rating	Initial/Last	National	N/A	N/A
Nigerian Management Quality Rating		National	N/A	N/A

Agusto Ratings Report of the Fund Manager

The following information is an extract from the Rating Report prepared by Agusto & Co. Limited



2024 Investment Manager Rating: ARM Investment Managers Limited

ARM Investment Managers Limited

Rating: AA(IM)

Outlook: Stable
Issue Date: 16 August 2024
Expiry Date: 15 August 2025
Previous Rating: AA(IM)

The rating assigned to the Manager reflects our opinion on the risk management and investment capabilities of ARM Investment Managers Limited. The rating does not reflect our opinion of the individual entities within the ARM Traditional Asset Management Group or the wider ARM Group

Industry:
Asset Management

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RATING RATIONALE

Agusto & Co. hereby affirms the 'AA(IM)' rating assigned to ARM Investment Managers Limited ('ARM IM' or 'the Manager'). The rating is upheld by the Manager's well composed decision-making committees, adequate segregation of duties and good risk management capabilities. The rating also reflects ARM IM's good operational track and membership of an established financial services group. However, ARM IM akin to other asset management businesses in Nigeria, continues to experience significant staff turnover across various key functions. Nonetheless, we note that the middle and senior management teams have remained largely stable and that the Manager has been able to adequately replace the bulk of staff that exited during the review period. We have also taken into consideration the disposal of ARM pensions, the largest and most visible member of the ARM Group, which could potentially affect public perception of the Group's competencies. However, we anticipate a moderate impact on the Manager's brand equity, given that ARM IM is one of the oldest and among the top five asset management companies in Nigeria.

ARM Investment Managers Limited is a licensed fund and portfolio manager, wholly-owned by ARM Traditional Asset Management Holding Company ('TAM HoldCo'), a subsidiary of ARM HoldCo (formerly ARM). As at 31 May 2024, the Manager had over ₦415 billion in assets under management (AuM), representing a 22% growth from one year prior. Consequently, ARM IM is the fourth largest asset management company in Nigeria.

The Manager is governed by a six-member Board of Directors ('the Board'), chaired by an independent non-executive director. The Board comprises four non-executive directors, including two independent members, and two executive directors including the Managing Director of ARM IM. The Board also has two sub-committees each chaired by a non-executive director. Overall, we believe that the members of the Board have adequate experience and the required skills to govern the activities of the Manager.

Research at ARM IM is the responsibility of the investment management unit. The team comprises ten professionals with over eight years of experience on average, one of which was gained within the Group. The team leverages multiple platforms including the Bloomberg terminal, S&P Capital IQ and Fitch ratings for economic and market data, reports and analytics. Research follows a macro-to-micro approach and covers the Manager's investment universe. In our view, ARM IM has access to good tools for generating good quality and timely research.

Risk Factor

Investments in the Fund shall involve some risk factors which could impact on the performance of the units of the Fund and the Fund Manager. The potential risk factors are identified and described for the purpose of evaluating the prospects of investing in the Fund. However, the identified risks are by no means exhaustive, hence Unitholders are advised to conduct their own independent due diligence and seek professional advice before making investment decisions in respect of the Fund.

Risk Factors Relating to Nigeria

Macro-economic Risks

Macro-economic risks are risks associated with political, social or economic factors that can adversely affect the operating environment and consequently impact the performance of the Fund and the Fund Manager.

The Nigerian economy is largely dependent on crude oil production, which has in recent times been affected by theft and militant activities in the Niger Delta region. This has constrained the production level in the sector and consequently constrained the government revenue and the potential to boost the country's foreign reserves through oil export. Inadequate revenue and foreign earnings may retard the implementation of growth initiatives and lead to further devaluation of the country's currency. Macroeconomic factors such as changes in local laws, regulations and fiscal policies, low disposable income, poor state of infrastructure, economic recession, civil unrest, acts of war, and natural disasters, etc. may negatively impact the Fund and the Fund Manager

Furthermore, crude oil prices are highly volatile, hence the country's dependence on crude oil as the major export makes it susceptible to decline in oil prices that may result from political tensions and other conflicts in the Middle East and Europe. In addition, Nigeria is faced with an array of security challenges amongst which are civil unrest, political violence, insurgency and regionalism. These have created an environment of uncertainty and instability, which directly affected businesses, including those of potential investee companies and made the economy unattractive to foreign investors. These prevailing uncertainties and instability may also impact negatively on the Fund and the Fund Manager.

Inflation Risk

Inflation risk is associated with the reduction in the purchasing power of the Naira over time attributable to the general increase in the prices of goods and services in the economy. Inflation rate in Nigeria has been double digit and persistently rising over the past four years. Rising inflation would impact negatively on the activities of the investee companies. In addition, inflation rate in Nigeria cannot be predicted with certainty and may outpace the rate of return of the investment in the Fund, thereby eroding the purchasing power of the stream of income from the Fund as well as the performance of the Fund Manager.

Interest Rate Risk

Interest Rate Risk relates to the risk of investment losses due to adverse movements in interest rates. Over the past 5 years, the benchmark interest rate, MPR has been the primarily tool employed by the monetary authority to manage inflation in Nigeria. Movements in the benchmark rate could

adversely affect the repayment of borrowed funds and consequently affect the Fund's and Fund Manager's performance.

Market Risk

Market risk entails a potential reduction in the economic and financial viability of the Fund's targeted sectors. These could take the form of reduced demand for the products and service offerings due to the economic downturn or availability of viable alternatives, unexpected policy reforms by the government, monetary policy direction of the CBN or implementation of initiatives that impact the operations and profitability of the target sectors. Market risk could impact on the Fund's targeted return and the Fund Manager's performance.

Geopolitical & Country Risks

Geopolitical and country risks relate to fluctuations in the political environment, changes in governments at different levels, unstable policy and regulatory environment, insecurity and instability in the country which could impact negatively on both the targeted Fund's returns and performance of the Fund Manager. Insecurity in most parts of the country has affected the free movement of human and material resources and these could impact on the Fund Manager's ability to carry out its duties. Nigeria depends on oil for its foreign exchange earnings and activities such as oil theft, if unchecked, can reduce the foreign exchange earnings, as well as the overall revenue of the country and force the government to adopt contractionary policies and measures, which may negatively impact the business environment, including those of the investee companies.

Furthermore, any significant changes in tax policies, law, regulation and government policies which affect the general business environment will impact on the activities of the investee companies, the overall performance of the Fund as well as its ability to deliver the promised returns.

Risk Factors Relating to the Fund

Regulatory Risk

This relates to regulatory reforms and changes in the extant laws, rules and regulations that could affect the operations of the Fund and the Fund Manager. The Nigerian financial sector is the heart of the market economy; hence the sector is strictly regulated to ensure financial soundness and maintain investors' confidence. Regulatory changes may impact on the deployment of the Funds to the desired sectors and the repayment structures. As a foremost operator in the Nigerian capital market, the Fund Manager has over the years built strong capacity and mechanisms to proactively manage regulatory risk that is inherent in its operations, and these will be applied to the Fund.

Performance Risk

Performance risk is the risk that the fund may underperform due to Fund Manager's investment decisions inability to adapt to changing market conditions. Critical among the Fund's objectives is the generation of steady streams of income and the delivery of competitive return to investors. Attaining these objectives is largely dependent amongst others on the experience, knowledge, expertise and investment techniques adopted by the Fund Manager. Any deficiency in these would adversely impact on the performance of the Fund and available return to Unitholders. The Fund Manager is a renowned capital market operator of over 30 (thirty years) with a team of highly experienced professionals.

Liquidity Risk

Liquidity Risk relates to the inability of Unitholders to liquidate their investment at will. The Fund is a Closed-Ended Fund registered under collective investment schemes by the Securities and Exchange Commission. Closed-ended funds are typically illiquid in nature and not easily tradeable. Exit or transfer of Units by unitholders may be under unfavorable conditions and is subject to the availability of investor with sufficient liquidity willing to take over the Units. Closed-ended funds have a fixed maturity date before which investors may not redeem their investments through the Fund Manager. Given the potential liquidity constraints, the Fund is ideal for investors with long-term investment horizon and financial stability to retain the investment till maturity.

Solvency Risk

This relates to the Fund having negative equity, thus impacting the ability to meet maturing obligations. This may arise due to negative returns from financing deployed under the Fund, precipitated by investee companies' default in meeting their obligations due to lack of a sustainable business model or the impact of macroeconomic imbalances on business operations. To manage this risk the Fund Manager shall perform detailed cash flow forecasting and align amortization schedules with cash flow availability, as well as establish debt service reserve accounts with payment priority established in cash flow waterfall.

Competition Risk

The Fund may be unable to attract investment opportunities in the target sectors due to the presence of domestic and international debt providers with more aggressive risk appetite and less stringent financing terms. The Fund's inability to deploy financing to suitable investee companies will impact on its capacity to meet benchmark performance and generate steady streams of income to Unitholders.

Exposure to competition risks in the Fund could be mitigated by conducting thorough due diligence by the Fund Manager, to ensure provision of investments to only reputable investee companies. The Fund Manager shall also minimize risk using its extensive network of relationships with corporate organizations to establish a robust pipeline of potential deals and participate in quality private debt investments.

Risk Factors of the Fund's Investment

Operational Risk

This relates to the potential loss arising due to inadequate or failed internal processes, people and system or from external events. The Fund's investment decision process and portfolio management may be susceptible to human errors, which may impact the Fund's performance. Additionally, the Fund would be deploying financing to investee companies which internal processes and systems may not be perfect, with the risk of actual or potential losses. It is important that investee companies efficiently manage operational risk, and the ability to meet their obligations to the Fund is hinged on the continuity of their businesses. Additionally, inadequate insurance or improper asset operation by the investee companies could result in severe losses and damages. This risk could be mitigated by conducting regular operational reviews, introduction of operational controls, other checks and balances and audit and obtaining comprehensive lender material consents across issues relating to accounts, transactions, capital structure, shareholding, fund-raising, capital expenditure, among

others. Appropriate insurance policies shall also be put in place as part of the measure to manage the Fund's exposure to operational risk.

Demand Risk

Demand risk is the risk of a loss arising from a gap between forecast and actual demand. The Fund will consider current and future demand for the investee companies' business operations in assessing their capacity to meet their maturing obligations. Inaccurate forecasts or a significant gap between forecast and actual demand could lead to losses or suboptimal performance, resulting in the inability of the investee companies to meet their obligations to the Fund. This will negatively affect the Fund's ability to generate enough income to meet its Investment Objectives.

The Fund will provide investments for initiatives where the demand for the investee companies' products and services may be influenced by the state of the market and change overtime. Accurate projections of this need for the future may not be feasible. There is a risk that the returns on the Fund could be negatively impacted to the extent that demand and the related revenues are less than anticipated.

Reputational Risk

This relates to risks associated with the character of the Fund Manager and Investee companies. The actions of the Fund's individual employees may put the Fund and its operations at risk. Investee companies' involvement in activities that could harm their reputation also pose a risk to the Fund. This risk could be mitigated by developing and maintaining a robust internal risk management framework which will ensure that any material breaches by officers or employees are resolved swiftly before a possible resultant effect on the Fund. Furthermore, rigorous ESG criteria should be applied during the investment process, as well as monitoring ongoing compliance with ethical standards and engagements with stakeholders, to manage and mitigate risks.

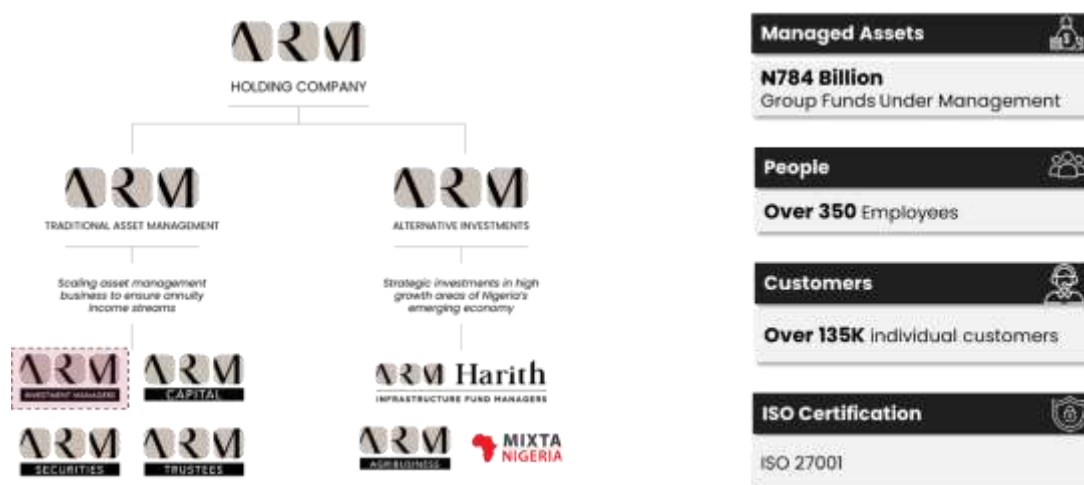
Credit Risk

Credit risk is associated with default on interest payment and/or principal repayment by investee companies due to adverse business conditions. In the event of default, the Fund may not receive the full amount due, resulting in a decline in the Net Asset Value (NAV) of the Fund. This will adversely affect the return to Unit holders and may ultimately affect the Fund's ability to raise subsequent funding. To mitigate this risk, it is important that the Fund Manager must have a rigorous risk assessment and acceptance criteria for all investments, ensures low gearing on transactions, incorporate terms and covenants that make monitoring of investments easy, have a robust systems and processes in place for post-disbursement monitoring, instill periodic financial covenants (including discussion triggers) to monitor company performance and identify early-warning signals and explore collateralization with liquid and hard assets, with on and off-balance sheet recourse to investee companies.

1. The Fund Manager's Profile

Asset & Resource Management Holding Company Limited (formerly Asset & Resource Management Company Limited) commenced operations in 1994 and further to a group-wide restructuring in 2014, the non-pension asset management business was transferred to a separate entity – ARM Investment Managers Limited, a wholly owned subsidiary of ARM Traditional Asset Management Holding Company. ARM Investment Managers Limited was incorporated on June 18, 2014, and registered as a fund manager with the SEC on July 27, 2015.

ARM Investment Managers Limited (ARM IM) is one of the largest fund managers in Nigeria with, as at December 31, 2024, assets under management (AuM) of more than ₦478.2 billion. The business is structured along three business segments which cater to high-net worth investors, institutions, and retail investors, mainly within Nigeria. ARM IM has decades of expertise in investment management and boasts of a substantial and diversified client base that include corporations, high-net-worth individuals and small savers. ARM IM is managed by a team of seasoned professionals with investment management expertise



As of June 2024

Board of Directors

Dr. Oladimeji Isreal Alo – Chairman (Independent)

Dr. Oladimeji Alo is a non-executive Director (Independent) of ARM Investment Managers Limited. He serves as the Chairman of the Board of Directors of ARM Investment Managers Limited. He holds a Doctorate degree (with specialization in Industrial Sociology) from the University of Ife, Ile-Ife (1984). He is a Fellow of the Chartered Institute of Personnel Management of Nigeria (CIPM), the Chartered Institute of Bankers of Nigeria (CIBN), the Chartered Institute of Arbitrators of Nigeria (NCI Arb), the Nigeria Institute of Training & Development (NITAD), and the Institute of Entrepreneurs.

Dr. Alo had previously worked at the University of Ife (now Obafemi Awolowo University) Ile-Ife (1984); Price Waterhouse; Coopers & Lybrand; and FITC. Currently, he is the Managing Director/CEO of Excel Professional Services Ltd; a management consulting firm specializing in the areas of Strategy, Leadership and Governance. He is a Trustees of four professional bodies; namely, the Association of Professional Bodies of Nigeria (APBN); the Risk

Management Association of Nigeria (RIMAN); the Women in Banking & Finance Association (WINBAFIN) and the Centre for Financial Journalism.

Dr. Alo serves as an Independent Non-Executive Director of the Development Bank of Nigeria. He has published several articles in international journals and contributed chapters in several management books. He is the author of Human Resource Management in Nigeria (1999).

Mrs. Kai Orga – Managing Director

Mrs. Kai Orga was appointed Managing Director ARM Investment Managers Ltd in August 2019. She joined ARM Investment Managers in 2013 as Vice President and Head of Business Development (North and Port Harcourt Regions), with primary responsibility for managing the firm's relationships with individual clients. Her experience in financial services spans 20 years starting as a banker at Continental Trust Bank, Reliance Bank (later became Skye Bank and now Polaris Bank) and later 10 years at Standard Chartered Bank where she was instrumental in establishing and broadening the regional business and establishing new branches in several locations. Her experiences cover financial planning, wealth management, sales and business development, customer relations, credit and marketing, business administration, human and personnel development, branch expansion amongst others.

Kai holds an M.Sc. in Management and Information Systems from the Institute for Development Policy and Management (IDPM) Manchester, UK (2003) and a B.Sc. degree in International Studies, Ahmadu Bello University (ABU), Zaria (1997). She is a certified Chartered Wealth Management Professional from the International Academy of Business & Financial Management (IABFM), USA, Member – Association for Talent Development (USA), Associate Member Nigerian Institute of Management (AMNIM). She is also a certified Neurolinguistics Coach.

Mr. Mounir Bouba – Executive Director

Mounir joined ARM Investment Managers in November 2022 as an executive director (ED) with oversight of the Manager's Investment unit, retail and institutional asset management and operations units. He has over 26 years of cumulative experience in managing various asset classes in Paris, London, Madrid, and Lagos. He began his career at CIC-CM in 1998 in Paris as a Structured Products Trader managing complex Derivatives multi-asset products with risks associated to Fixed Income, FX, Equities, and Commodities. Within a period of eight years, he became the team lead of nine traders and the overall trading desk. He moved to London where he was responsible for managing equities and credit and their derivatives for a hedge fund, Straumur.

In 2009, he joined BBVA in Madrid where he spent seven years trading correlations products on multi-asset products. In 2016, he co-launched his UCITS SICAV (Mutual Funds) in London via a partnership with Haas Asset Management, managing various asset classes through various portfolio management strategies. He relocated to Africa 3 years ago after spending 41 years in Europe and was Chief Investment Officer at Coronation Asset Management before joining ARM. He holds two Masters' Degrees with honors in Applied Mathematics and Finance from the prestigious Paris Dauphine University (1997).

Mr. Abayomi Sanni – Independent Non-Executive Director

Mr. Abayomi Sanni is a non-executive Director (Independent) of ARM Investment Managers Limited. He also serves as the Chairperson of the Board Audit and Risk Committee of ARM Investment Managers Limited. His professional career spans across the Education, Banking, and Tax Consulting sectors. He was the Risk Management Partner and Pioneer Chief Operations Officer of KPMG Professional Services and KPMG Advisory Services from October 2008 to September 2016. Mr. Sanni is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), and the Chartered Institute of Taxation of Nigeria. He is also an Associate Member of the Chartered Institute of Management Accountants (CIMA), United Kingdom and the Chartered Global Management Accountant (CGMA).

Mr. Sanni has lent his expertise to the Boards of several companies which include KPMG West Africa Holding Company (2014-2016), Board of Trustees of Daniel Ogechi Akujobi Memorial (DOAM) Foundation, Board of Trustees of Esugbon Development Foundation, Head of the Audit Committee, and a member of the Board of Directors of Sapida Microfinance Bank. He is an accomplished writer and has penned several papers on topics in Accounting, Banking, Human Capital, and Taxation. Key publications include Equity Incentives: Aligning the Interest of Employees and Owners of Businesses, a paper published in LBS Management Review, January – June 2001; ISSN 1118 371 3, Vol.6 No. Mr. Sanni holds a master's degree in Business Administration (MBA) from the University of Lagos in 1993 and he graduated with a 1st Class honors Bachelor of Science degree in Accounting (B.Sc. Accounting) from the University of Lagos in 1980.

Mr. Babatunde Lemo – Non-Executive Director

Babatunde Lemo is a seasoned professional with 34 years of leadership experience across the public and private sectors. He is a Fellow of both the Institute of Chartered Accountants of Nigeria and the Chartered Institute of Bankers of Nigeria. He previously served as Deputy Governor of Operations and Deputy Governor of the Financial Surveillance Sector at the Central Bank of Nigeria, and was also Managing Director of Wema Bank Plc. Mr. Lemo currently chairs the Abuja Securities and Commodity Exchange Plc and has led the restructuring of both the Exchange and the Nigeria Export-Import Bank (NEXIM).

Mr. Wale Odutola – Non-Executive Director

Wale Odutola is the Group Chief Executive Officer of ARM Holding Company Ltd. He previously served as Managing Director of ARM Pensions and President of the Pension Fund Operators Association of Nigeria. With over 20 years of experience in the financial sector, he is a seasoned portfolio manager with a strong track record in research, global portfolio management, and operational leadership. He has held key roles across the ARM Group, including Managing Director of ARM Securities, ARM Properties Plc., and the ARM Hospitality and Retail Fund. Wale holds a B.Sc. in Accounting from the University of Lagos and is an alumnus of Harvard Business School.

Senior Management

Mrs. Kai Orga – Managing Director

Please see the profile above.

Mr. Mounir Bouba – Executive Director (Key Person- CIO, ARM Private Debt Fund)

Please see the profile above.

Ediagbonya Osayomwanbo – Head, Business Development

Osayomwanbo is currently Head, Business Development of ARM Investment Managers Limited. He is a certified wealth management professional with over 13 years' experience in Banking and other Financial Services. He has worked within the Private Wealth management team in the business since 2013. Prior to this, he worked at Standard Chartered Bank and Intercontinental Bank. He holds a B.Sc in Accounting from University of Benin (2007) and an MBA with specialization in Finance from Nasarawa State University (2018) and obtained a certificate in Financial Planning from Florida State University (2014). He is an associate of the Chartered Institute of Investment and Securities, UK and a Honorary Senior Member of the Chartered Institute of Bankers of Nigeria, HCIB. He has attended several trainings on wealth management, leadership and strategic management and is responsible for driving the short to long term objectives of the Business.

Stephen Igwenwanne – Head, Institutional Asset Management

Stephen is the Head, Institutional Asset Management, ARM IM where his primary responsibilities include oversight of the firms' overall business and market strategy development for attracting and retaining Institutional clients which entails the evaluation, design and oversight of our Institutional clients' total financial plan, and applying advanced knowledge of financial products, services, and strategies to provide a holistic advice. An experienced financial professional with over seventeen (17) years' experience in the industry, specializing in Wealth Management, Stephen is skilled in strategic asset management and financial planning. He holds an MBA in Marketing and Sales from Rome Business School (2023), an MBA in Finance and Investment from Ahmadu Bello University (2022), a B.Sc in Accountancy from Delta State University (2001), and a fellowship from the International Academy of Business and Financial Management in Hong Kong (2016).

Toni Timi-Oyefolu – Group Head, Operations

Toni joined the ARM Group in 2005, she is currently the Group Head of Operations at ARM Investment Managers where her primary responsibilities include formulation, implementation and execution of business strategy tailored at driving optimal processes and customer experience. She oversees the business' operations and smooth running of all daily activities ensuring adequacy of controls. Prior joining ARM, Toni worked in different banks in Nigeria as both client-servicing and back-office staff.

Toni holds a Master of Business Administration (MBA) (2009), and B.Sc. in Accounting (1998) both from the University of Ilorin. She is a certified member of the Nigerian Institute of Management.

Olufisayo Bassey – Team Lead, Investment Management

Olufisayo is the Team Lead of the Investment Management unit at ARM Investment Managers, where she oversees the unit in the provision of bespoke investment solutions covering traditional and alternative assets, to a diversified client base that include institutions, high-net worth individuals, mass affluent and retail clients. She has more than

8 years of professional work experience in the financial services industry, specifically in portfolio and mutual funds management, investment strategy development and implementation, product development, client advisory services, business strategy implementation, investment research, and power sector developmental fund administration etc.

She obtained a Masters degree in Economics and Business from Hull University Business School, University of Hull, United Kingdom (2015) where she graduated with a Distinction, and a BSc. in Agricultural Economics from the University of Ibadan, Nigeria (2012) where she graduated with First Class honors. She was a recipient of the prestigious Commonwealth Shared Scholarship awarded by the Commonwealth Scholarship Commission in the UK, and a pioneer recipient of the MTN Foundation Science and Technology Scholarship in Nigeria.

Advisory Board for the Fund

The Fund Manager will establish an Advisory Board for the Fund. The Advisory Board will comprise at least 5 (five) members having at least 1 (one) representative of the Fund Manager, 1 (one) representative of the Trustees and at least 3 (three) representatives of the Unitholders, which shall all be Target Investors. The combined representatives of the Trustees and the Unitholders shall at all times be in the majority.

Investment Committee for the Fund

The Fund Manager has established an Investment Committee for the Fund. The Investment Committee will be responsible for reviewing investment proposals and approving all investments presented by the FMT. The Investment Committee will at all times comprise at least 5 (five) members, including representatives of the Fund Manager and Trustees and at least 3 (three) independent members who are not related parties of the Fund Manager, Trustees and Custodian. The Chairman of the Investment Committee will be an independent member.

The members of the investment committee have over 100+ years combined experience in finance and investment-related activities. They have been involved in investment decisions in various sectors including clean energy, transport and logistics, Information Communication and Technology, Education and Health. The profiles of the Investment Committee members are provided below:

Adedeyi Opeola – Fund Manager Representative

Please see the profile below.

Mrs. Funmi Ekundayo – Trustee Representative

Please see the profile below.

At least 3 (three) independent members who are not related parties of the Fund Manager, Trustees and Custodian.

The independent members are identified below.

Mrs. Ayotunde Owoigbe – Independent Member

Mrs. Ayotunde Owoigbe is a partner of Banwo & Ighodalo, a leading law firm with offices in Lagos, Abuja and Port Harcourt, Nigeria. She obtained her law degree from the University of Lagos and was called to the Nigerian Bar in January 2001. She joined Banwo & Ighodalo in February 2001 and was admitted into the Firm's partnership in 2010. Her core practice areas are banking & finance, capital markets, mergers & acquisitions and project finance; in all of which she has garnered ~25 years of hands-on technical and practical experience. Ayotunde regularly advises on landmark, first-in-kind and high-profile transactions in her areas of practice. She is actively engaged in legal advocacy as exhibited in her roles as past chairperson of the Capital Market Solicitors Association (an independent self-regulatory association of law firms engaged in capital market practice in Nigeria); and previous membership of the Sub-Committee set up by FMDQ Securities Exchange to make recommendations on the Debt Capital Market Development Project; amongst others. Ayotunde is a non-executive director of Me Cure Industries Plc, a company listed on the Nigerian Exchange, and she also serves on the board of The Christopher Kolade Foundation.

Mr. Akinseye Akinola – Independent Member

Mr. Akinseye Akinola is an experienced corporate finance professional with deep financial institutions sector expertise, particularly in deal structuring, underwriting, investing, and financing. He has 20 years of experience in the financial services industry. Akinseye is a Managing Partner at FIG Partners Limited. He is CFO and Co-Founder of FIG Finance INC, a lending marketplace for B2B technology companies and small businesses. Prior to joining FIG Group in 2022, Akinseye was Managing Director/CEO at Tangerine Money Microfinance Bank Limited. He was also Group Head of Investments and Treasury at Tangerine Financial Limited (2020-2021), where he led the structuring, investing, and monitoring of \$250m investment portfolio across fixed income, equities, real estate, and derivatives assets for Tangerine Life, General and Pensions. He was Executive Vice President, Principal and Structured Finance at Standard Bank Group (2018-2020), and Senior Associate at Vantage Capital (2013-2018). Akinseye is a Board Member at Sancorp (Energy), Credpal (Fintech), ETap (Insurtech), Mecho360 (MobilityTech), and Tribease (Fintech). He obtained a Master in Business Administration degree from Harvard Business School (2013) and a Bachelor of Business Administration degree from Howard University (2006).

Mr. Yinka Odeleye – Independent Member

Mr. Yinka Odeleye is an experienced Investor, Investment Banker, and Credit Risk professional with over two decades of experience in credit structuring, fixed income, and corporate finance across Africa, the UK, and the United States. He is currently Co-Founder and CFO of Sojorne Inc., a healthcare-focused platform company based in Atlanta, Georgia. Yinka began his finance career at Guaranty Trust Bank Nigeria, where he held key roles in commercial banking, credit underwriting, and branch management. He later joined Citigroup in New York in 2004. He subsequently held roles as Assistant Vice President/Credit Portfolio Manager and Vice President in Citigroup's Mid-Corporate Banking and Investment Banking groups in New York and London, respectively, focusing on credit structuring, capital commitment analysis, and fixed income transactions across EMEA. From 2008 to 2015, Yinka served as Vice President and later Director & Head of Corporate Finance at Citibank Nigeria, where he led the origination and execution of multi-billiondollar advisory, debt, and equity transactions across financial institutions, telecoms, energy, and manufacturing sectors. He later became Managing Director of Union Capital Markets, overseeing its financial advisory, securities trading, and capital markets businesses. He is a CFA charter holder, holds an MBA in Finance and Marketing from Rutgers Business School (New Jersey), and is a graduate of

Citi's Credit College (New York, 2004). Yinka is also an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria (CIBN), a member of the New York Society of Securities Analysts (NYSSA), an Authorized Dealing Clerk of the Nigerian Stock Exchange, and an Associate of the Chartered Institute of Stockbrokers (CIS).

Fund Management Team

The Fund Manager has established the FMT which comprises of individuals with the required skills and experience to successfully manage the Fund. The team would be responsible for the following on behalf of the Fund:

- Investment Origination;
- Due Diligence;
- Presentation of investment opportunities to the Investment Committee for approval;
- Execution;
- Ongoing investment portfolio management and, post-investments supervision; and
- Exits.

The Team will also be responsible for other functions that may be necessary for the successful management of the Fund. Profiles of the core members of the FMT are provided below:

*Adedeji Opeola – CEO, ARM Private Debt Fund **(Key Person)***

Adedeji is an experienced corporate finance advisory and structured debt executive with over 26 years in corporate credit origination, advisory, structuring, and credit risk management across North and South America, Europe, and Africa.

He began his career as an investment banking analyst at Credit Suisse before joining Bank of America Securities as an Investment Banking Associate. He then joined America Capital Strategies (now Ares Capital) as a Vice President before coming back to Lagos, Nigeria, to lead the investment banking subsidiary of Bank PHB, Capital PHB Limited.

In 2011, he became the Country Head and Managing Director of Ecobank Group, where he led in closing over US\$1.5bn in energy, power and infrastructure project finance projects. Following his stint at Ecobank, he led an Africa-focused energy project finance advisory professionals in providing expert guidance and strategic solutions to energy industry clients across the African continent.

Before becoming the CEO of the ARM Private Debt Fund at ARM Investment Managers Limited, he served as Senior Vice President & Regional Lead (The Americas) for Global Structured Credit at Citigroup in Dallas, Texas.

Adedeji is a graduate of Engineering from Federal University of Technology, Akure (1997) and holds an MBA in Banking and Finance from Case Western Reserve University (2001). He is also FINRA (Financial Industry Regulatory Authority) Series 7, Series 63, Series 65 qualified.

Kai Orga – Managing Director, ARM Investment Managers Limited

Please see the profile above.

*Mounir Bouba – CIO, ARM Private Debt Fund **(Key Person)**; Executive Director and CIO, ARM Investment Managers Limited*

Please see the profile above.

Gozie Alozieuwa – Chief Risk Officer, ARM Investment Managers Limited

Gozie is the Chief Risk Officer of ARM Holding Company. He has over 25 years' proven experience in compliance, treasury operations, financial control and risk management in the financial industry.

Prior to joining ARM in June 2019, he was the Chief Compliance Officer at FBNQuest Merchant Bank Limited from its inception in November 2015 and acted as an interim Chief Risk Officer of the bank from December 2018 until his exit. Before then, he served in Kakawa Discount House Limited as Head of Financial Control and later became the Chief Risk and Compliance Officer of the discount house from 2012 to 2015.

He has an HND in Banking and Finance from Federal Polytechnic, Oko, Anambra (1995) and an MBA in Finance from the University of Lagos (2000). He is a Fellow of the following: Chartered Institute of Bankers (CIBN), Institute of Chartered Accountants of Nigeria (ICAN), Association of Chartered Certified Accountants (ACCA) and Compliance Institute of Nigeria (CIN). He is also an associate member of the Chartered Institute of Stockbrokers (CIS). He has attended executive training at the University of Edinburgh Business School, Scotland, and Lagos Business School.

Nehizena Ibhawoh – Head, Legal Services

Nehizena is the Head of Legal in ARM with over 20 years' expertise in capital markets, banking, regulatory compliance, contract negotiations, deal structuring, pensions, due diligence, providing company secretarial services, and other aspects of general corporate and commercial legal services. Prior to joining ARM, Nehizena led Austin-Peters & Co as a Partner, where she specialized as a legal adviser to clients in various sectors including asset management, investment banking and pension funds for over 14 years.

Nehizena has a Bachelor of Laws (LLB) from University of Benin (1999), a Barrister of Law from the Nigerian Law School (2002) and a Master's in Science (MSc) in Finance and Financial Law from the University of London (2020). She is a member of the Nigerian Bar Association and the Chairperson of the Pensions and Insurance Subcommittee of the Section on Business Law of the Nigerian Bar Association (NBA-SBL). She is also an associate of the Institute of Chartered Secretaries and Administrators (ICSAN) and a Chartered Member of the Nigerian Institute of Management.

Ediagbonya Osayomwanbo – Head, Business Development

Please see the profile above.

Patrick Ayele – Head, Operations

Patrick Ayele is an accomplished operations leader with over 16 years of experience spanning asset management, investment operations, fund accounting, and financial advisory. He is currently the Head of Operations at ARM Investment Managers and has also held leadership roles at Stanbic IBTC Asset Management and PricewaterhouseCoopers (PwC).

A graduate of the University of Nigeria, Nsukka (2006), he brings a proven track record of driving operational excellence and delivering results across diverse industries.

Alieza Jo-Madugu – Investment Associate

Alieza Jo-Madugu is an Investment Associate in ARM Investment Managers where he is responsible for the formulation of investment strategies, product development, process improvement initiatives, portfolio administration and transaction processing, maintaining secondary responsibility for asset portfolio, among others.

He has more than 10 years of experience in the financial services industry and has a BA. in Economics from the American University of Nigeria, Adamawa, Nigeria (2011).

Financial Summary

Profit and Loss Accounts of the Fund Manager

	2024 N'000	2023 N'000	2022 N'000	2021 N'000	2020 N'000
Fees and Commission income	5,846,597	4,308,704	3,233,461	1,960,898	2,413,226
Fees and commission expense	(21,547)	(21,674)	(24,844)	-	-
Net fees and commission income	5,825,050	4,287,030	3,208,617	1,960,898	2,413,226
Interest income	127,003	45,662	21,442	-	-
Other operating income	166,795	236,915	181,249	30,992	140,577
Total operating income	6,118,848	4,569,607	3,411,308	1,991,890	2,553,802
Impairment loss on financial assets	(219,267)	(152,738)	(6,936)	(28,722)	(13,013)
Interest expense and finance cost	-	-	-	(6,591)	(12,069)
Personnel expenses	(2,422,228)	(1,707,953)	(1,265,979)	(888,427)	(765,507)
Depreciation and amortization	(101,256)	(116,836)	(104,582)	(137,229)	(157,544)
Operating expenses	(2,179,180)	(1,529,483)	(1,115,201)	(717,833)	(790,818)
Profit before tax	1,196,917	1,062,597	918,611	213,087	814,851
Income tax expense	(411,522)	(391,305)	(329,557)	(79,811)	(198,233)
Profit after tax	785,395	671,292	589,054	133,276	616,618
Profit attributable to:					
Equity holders of the Company	785,395	671,292	589,054	133,276	616,618
Profit for the year	785,395	671,292	589,054	133,276	616,618
Gain on financial assets fair valued through Other Comprehensive Income (OCI)	68,291	71,761	(8,816)	-	1,026
Income Tax relating to changes in FVOCI financial asset	-	-	-	-	-
Other comprehensive income for the year, net of tax	68,291	71,761	(8,816)	-	1,026
Total comprehensive income attributable to:					
Equity holders of the Company	853,686	743,053	580,238	133,276	617,644
	853,686	743,053	580,238	133,276	617,644
Earnings per share - basic and diluted (kobo)	393	336	295	86	398

Balance Sheet of the Fund Manager

	2024	2023	2022	2021	2020
	N'000	N'000	N'000	N'000	N'000
Assets					
Cash and cash equivalents	50,539	58,126	921,719	60,527	105,324
Loans and advances	4,861	10,076	-	-	-
Financial assets:					
Fair value through profit and loss	29,170	12,965	5,836	6,570	7,339
Fair value through other comprehensive income	2,200,234	646,612	516,104	104,059	250,375
Amortised cost	1,206,304	1,563,506	1,399,232	1,121,968	1,446,616
Other assets and prepayments	1,430,908	2,203,905	689,884	201,770	200,381
Property and equipment	188,125	225,406	138,929	168,824	135,093
Right of use Assets	-	-	-	8,029	33,750
Intangible assets	15,130	39,288	30,747	64,878	89,707
Deferred tax assets	85,804	12,332	-	-	-
Total Assets	5,211,075	4,772,216	3,702,452	1,736,623	2,268,587
Liabilities					
Lease liability	-	-	-	13,417	27,623
Other liabilities	1,239,018	1,177,305	616,099	653,287	695,146
Deferred tax liability	-	-	11,013	14,890	21,973
Current tax liabilities	542,212	552,519	386,102	178,661	275,451
Total Liabilities	1,781,230	1,729,824	1,013,214	860,255	1,020,192
Equities					
Share capital	200,000	200,000	200,000	155,000	155,000
Share premium	1,255,000	1,255,000	1,255,000	-	-
Retained earnings	1,822,855	1,503,693	1,222,300	718,246	1,090,270
Fair value of reserve	151,990	83,699	11,938	3,122	3,122
Total Equity	3,429,845	3,042,392	2,689,238	876,368	1,248,392
Total Liabilities and Equity	5,211,075	4,772,216	3,702,452	1,736,623	2,268,587

2. **The Trustees' Profile**

STL Trustees Limited

STL Trustees Limited (STL) was incorporated in 1991 and registered with the Securities & Exchange Commission as a Corporate Trustee in 1996 to carry out Trusteeship Functions in Nigeria.

STL is managed by a team of highly skilled professionals in all relevant areas of its functions. Over the years, STL has built an outstanding track record and pedigree and is currently the leading Brand in the trusteeship sector in Nigeria with a business size in excess of NGN3 trillion and balance sheet size in excess of NGN400b.

The core areas of our corporate trust business include trusteeship of Bond Issues, Debenture Trust Issues under Consortium Financing/Loan Syndications and Project/Structured Finance as well as Collective Investment Schemes (including REITs). Other areas of our business include Private Trusts and Estate Planning Services, Real Estate Trusts, Employee Benefit Schemes, Custodial Services and Nominee Services.

STL is reputed to be the leading Trustee Company in the area of Non-Interest Issuances and other Sub-National Debt Issuances by transaction size and complexity of structures, having pioneered Sukuk Issuance in Nigeria with the Osun State Sukuk and thereafter gained tremendous experience, pedigree and track record over the years.

Board of Directors of STL Trustees Limited

Mr. Afolabi Caxton-Martins – Chairman

Afolabi Caxton-Martins is a Founding Partner at the law firm of Adepetun, 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. Caxton-Martins has over 3 decades' work experience.

Mrs. Connie Ogundare – Non-Executive Director

Connie Ogundare holds a Bachelor of Science degree (B.Sc) in Major Chemistry and Minor Psychology from the Marymount College Tarrytown, New York, USA (1990) as well as Bachelor of Science (B.sc) degree in Pharmacy (1994) and a Master of Science (M.Sc.) 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.

Mrs. Chioma Jennifer Okee-Aguguo– Non-Executive Director (Independent)

Chioma Jennifer Okee-Aguguo holds a Bachelor of Law degree (LL.B) (1987) from the Abia State University and a Master of Law degree (LL.M) (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. Chioma Okee-Aguguo has over three decades work experience.

Dr. Temitope Oshikoya – Non-Executive Director

Dr. Temitope Oshikoya is a seasoned Economist, Chartered Accountant and a banker. A commonwealth scholar, he holds PhD Economics from McMaster University, Ontario 1988; MBA, Finance & Strategy from the University of Liverpool 2010 and a B.Sc. First Class Honors 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.

Mr. Oluwatobi Edun– Non- Executive Director

Tobi Edun is a Partner at Agrolay Ventures, an avid financial advisor and investor in Africa's real sector. He graduated from Corpus Christi College Cambridge in 2010.

Tobi 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.

Tobi 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. Tobi has 13years work experience.

Mrs. Funmi Ekundayo– Managing Director/CEO

Funmi Ekundayo is an alumna of the prestigious Harvard Business School where she attended the General Management Programme, the Lagos Business School (Chief Executive Programme) and the IESE Business School, Barcelona, Spain. She holds a

Bachelor of Law degree (LL. B) (1995) and Master of Laws degree from the University of Lagos, Nigeria (LL.M) (1998) and is also a member of the Nigerian Bar Association.

Funmi is a Fellow and the First Female President of the Institute of Chartered Secretaries & Administrators of Nigeria. She is an associate member of the Institute of Chartered Secretaries & Administrators United Kingdom and served as the President of the Association of Corporate Trustees of Nigeria from 2014–2016.

Funmi is a Fellow of both the Institute of Investment and Portfolio Managers, Portfolio Management Institute (Chartered) and an Honorary Senior Member of the Chartered Institute of Bankers, Nigeria.

She joined STL Trustees Limited (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. Funmi Ekundayo has 25years work experience.

Akinwumi Oni – Executive Director, Trust Services/Legal

Akin Oni is an Alumnus of the Lagos Business School Senior Management Programme 2019. He holds a Bachelors 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.

Akin Oni is an Associate of the Institute of Chartered Secretaries & Administrators of Nigeria as well as Chartered Institute for Securities and Investment. He has over 25years working experience.

Akin has an exceptional flair for Securitization, Project finance and structuring specialized transactions.

Management

Funmi Ekundayo – detailed profile provided above.

Akinwumi Oni – detailed profile provided above.

Oko U. Mba – Head, Accounts & Operations

Oko Mba attended Yaba College of Technology, Ondo State University and Lagos State University, Ojo at different times where he graduated with HND Statistics (1990), Ondo State University; P.G.D Banking & Finance (1998) and Masters in Business Administration (2006) respectively. An Associate member of Institute of Chartered Accountants of Nigeria (ICAN) and Nigerian Institute of Management, he has 25 years working experience. Before joining STL Trustees Limited, he worked with S. S. Afemikhe & Co (Chartered Accountants). He has attended several local and international management and leadership courses.

Folasade Ademokunwa– Head, Marketing and Business Development

Sade holds a Master's in Business Administration (MBA) from the Lagos State University (2004) and HND Secretariat Studies from Federal Polytechnic, Ilaro (1990). She worked with Armour Savings and Loans Limited before joining STL Trustees Limited. She has over 25 years' working experience.

Jibril Yanda Mohammed – Head, Northern Region

Jibril attended Kaduna Polytechnic, Kaduna and Abubakar Tafawa Balewa University, Bauchi where he obtained HND in Accountancy (1994) and Master of Business Administration specializing in Finance (2005). He has over 25 years' experience in the financial services Industry having worked with Union Bank of Nigeria Plc and Consolidated Discounts Limited.

Jibril is a member of the Association of National Accountants of Nigeria, Nigerian Institute of Management and an Associate of the Certified Pension Institute of Nigeria. He has been exposed to several trainings relevant to the Financial Services Industry both locally and internationally.

Financial Summary of STL Trustees Limited

	2024	2023	2022	2021	2020
	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	15,813,078	16,454,282	13,592,215	20,595,247	6,952,319
Other assets	1,327,330	920,419	464,498	202,779	47,228
Prepayments	56,335	120,301	36,097	41,865	72,817
Financial assets	33,961,738	29,871,578	28,634,562	24,595,606	29,076,060
Investment in subsidiary	-	150,000	150,000	-	-
Property, plant & equipment	346,750	267,747	193,537	206,932	146,526
Intangible assets	19,901	23,123	25,756	29,790	-
Deferred taxation	307,273	283,382	73,903	44,664	45,779
	51,832,405	48,090,832	43,170,568	45,716,883	34,088,849
Liabilities					
Trade and other payables	32,792,795	30,345,567	28,046,519	31,681,875	21,132,743
Taxation	255,914	201,447	81,290	40,935	142,898
	33,048,709	30,547,014	28,127,809	31,722,810	21,275,641
Equity					
Share capital	2,272,875	1,196,250	1,196,250	1,196,250	1,196,250
Share premium	303,750	303,750	303,750	303,750	303,750
Fair value reserve	184,637	95,267	34,443	(3,234)	(18,518)
Retained earnings	16,022,434	15,948,551	13,508,316	12,497,307	11,331,726

	18,783,696	17,543,818	15,042,759	13,994,073	12,813,208
	51,832,405	48,090,832	43,170,568	45,716,884	34,088,849
Profit or loss account					
Gross income	7,263,064	5,045,920	4,181,631	3,324,319	2,922,125
Profit before taxation	2,729,310	2,425,317	1,837,006	1,838,790	1,542,597
Taxation	(298,441)	(164,133)	(52,181)	(18,037)	(120,000)
Deferred taxation	23,891	209,479	29,239	(8,917)	7,801
Information technology dev. Levy	(27,293)	(24,253)	(18,370)	(18,388)	(15,426)
Police trust fund dev. Levy	(136)	(113)	(92)	(90)	(71)
NASENI levy	(6,823)	(6,063)	(4,593)	-	-
Other comprehensive income	89,370	60,824	37,677	15,285	37,881
Total Profit after tax	2,509,878	2,501,058	1,828,686	1,808,643	1,452,782
Per share information					
Basic earnings per share (NGN)	2.02	2.04	1.50	1.51	1.18
Net assets per share (NGN)	8.27	14.67	12.57	11.71	10.80
Dividend proposed-final	0.32k	58.5K	46k	34k	62k
- interim	-	-	19k	-	16k
-Dividend paid	-	-	46k	36k	34k

Leadway Trustees Limited

Leadway Trustees Limited (LTL) is a subsidiary of the Leadway Group, a renowned financial services group in Nigeria. Leadway Trustees (LTL) is incorporated under the Companies and Allied Matters Act in 1995 and was registered as Trustees with the Securities & Exchange Commission (SEC) in 2000.

LTL provides a wide array of trust and fiduciary services including bond trusteeship, private and corporate trust services, estate planning, and structured finance solutions. LTL has a reputation for reliability and professionalism, Leadway Trustees serves individuals, corporations, and government entities, helping them manage trust relationships and protect assets with confidence. LTL's duties as Trustees are carried out with utmost care and skill, exercising highest standard of diligence and knowledge expected.

Board of Directors of Leadway Trustees Limited

Mr. Oye Hassan-Odukale – Chairman

Mr. Oye Hassan-Odukale is a Member of the Order of the Federal Republic of Nigeria. He is currently serving on the Executive Committee of the African Insurance Organization and is a past Chairman of the Nigerian Insurers Association. He is a product of Mayflower School, Ikenne Ogun State and a graduate of the University of Houston, Texas, USA from where he obtained Bachelor (1980) and master's degrees (1988) in Business Administration, specializing in Finance. He started his career in insurance with SCIB & Company Insurance Brokers (then an affiliate of Sedgwicks Insurance Brokers) in 1980 and was until recently, the Managing Director and Chief Executive Officer of Leadway Assurance Company Limited.

He is a Munich Re scholar, being the First West African recipient of the Munich Re Insurance Fellowship at Georgia State University. He has done extensive research on computerization of insurance business. Mr. Oye Hassan-Odukale is on the board of a number of reputable companies. He also served on the Federal Government of Nigeria's Committee for the review of Insurance Laws.

Mr. Babatunde Hassan-Odukale – Non-Executive Director

Mr. Babatunde Hassan-Odukale is the immediate past MD of Leadway Assurance Company Limited and current Group MD of the Leadway Group. He is a member of the Royal Society of Mathematics and the Institute of Actuaries. He recently exited the Board of First Bank Plc.

Mr. Babatunde Hassan-Odukale graduated from the University of London in 1987 with a bachelor's degree in Pure Mathematics and from City University, London in 1988 with a Postgraduate Diploma in Actuarial Science. He is a member of the Royal Society of Mathematics and the Institute of Actuaries. He is on the board of directors of various blue-chip companies, which include First Bank of Nigeria Plc.

Mr. Muftau Olakunle Oyegunle – Non-Executive Director

Mr. Muftau Olakunle Oyegunle graduated from the University of Ibadan with a bachelor's degree in Sociology (1982). He was until recently the General Manager in charge of Leadway Assurance's Commercial Division. Mr. Oyegunle is a Fellow of the Chartered Insurance Institute, London and has extensive experience in insurance underwriting, having risen to the position of General Manager, Commercial and Operations, during his stewardship at Leadway Assurance Company Limited.

Mrs. Fehintola Obatusin – Non-Executive Director

Mrs. Fehintola Obatusin is a graduate of the Ahmadu Bello University, Zaria from where she obtained a bachelor's degree in English Language (1985). She is also an alumnus of the School of Basic Studies, Zaria (1985). She has working experience with NICON Insurance Corporation (NICON Insurance Plc.) and Leadway Assurance Company Limited. She is currently the Managing Director of Pebbles International Limited – a promotional items' company & Gift Center and Housewares Limited – consumer products retail outlet.

Mrs. Tokunbo Ibrahim-Okuribido – Non- Executive Director (Independent)

Mrs. Tokunbo Ibrahim-Okuribido is the former Head of Public Affairs, Sub-Saharan Africa, Glovoapp. She is a Regulatory Compliance Professional with about 16 years of experience across local and international corporate organizations and is proficient in Legal, Compliance and Human Resource advisory services, strategy and crisis resolution. She is a qualified Lawyer from the University of Lagos (LLB: 2008, BL: 2009) and has served on the management team of a couple of blue-chip companies and consultancy firms, providing operational and regulatory direction as well as upholding corporate governance practices

Management

Ms. Sola Seweje – Chief Executive Officer

Funmi Ms. Sola Seweje is a graduate of Zoology from the University of Ibadan (1998) and has a Post Graduate Diploma in Business Administration from the University of Greenwich (2004). She has over eighteen (18) years of experience across different sectors of the financial services industry and is a member of the Chartered Institute of Stockbrokers. Sola has worked in companies like Independent Securities Limited and WSTC Financial Services Limited.

Prior to joining Leadway Trustees Limited, Sola held several management roles including Managing Director of Coronation Trustees Limited, Managing Director, Capital Express Global Trustees Limited as well as Head of Business Development at United Capital Trustees Limited and at ARM Trustees.

Mr. Oliver Obi – Head, Trust Services

Mr. Oliver Obi graduated from Imo State University, Okigwe with an LLB (1990). He worked at First Trustees and is currently Head, Trust Services, Leadway Trustees Limited. He has attended various courses/workshops including Advanced Loan Syndication and International Trade Finance by Euromoney UK, Asset and Mortgage-Backed Securities and Advanced Trusteeship

Ms. Oluwakemi Adetola – Head, Investment Services

Ms. Oluwakemi Adetola holds a Master of Business Administration (MBA) from Obafemi Awolowo University (2009) and a bachelor's degree in business education from Ahmadu Bello University, Zaria (1999). She is a results-driven banking professional with extensive experience in financial services, investment management, and branch operations. She has held key leadership roles across the banking sector, with a strong focus on team leadership, process improvement, and business growth. She currently heads the Investments Services Department of Leadway Trustees.

Mr. Oluseyi Ogundeyi – Financial Controller

Mr. Oluseyi Ogundeyi is the Financial Controller and has responsibility for our Finance and Treasury activities with over 15 years hands on experience in finance. Prior to joining Leadway, he had worked as Financial Controller of various blue-chip companies. Mr. Ogundeyi is ACA, ACCA, IFRS certified. Mr. Ogundeyi is a HND graduate of accounting of Federal Polytechnic, Offa, Kwara State (2002) and has also undertaken the Senior Management Development Programme by Lagos Business School (2022).

Mrs. Olufunmilola Dosunmu-Ayoola – Head, Business Development

Mrs. Olufunmilola Dosunmu-Ayoola is a graduate of Agric Economics from the Obafemi Awolowo University (1996). She has 20 years' banking experience which cuts across Corporate and Commercial Banking, Credit and Risk Management. Her background is in relationship management and credit admin, financial analysis and planning, business and product development. Funmi has attended over 50 courses both locally and internationally.

Financial Summary of Leadway Trustees Limited

FIVE YEAR FINANCIAL SUMMARY

(All amounts are in thousands of Nigerian Naira)

	2024	2023	2022	2021	2020
ASSETS					
Cash and cash equivalents	3,112,168	1,555,040	343,347	490,359	518,222
Investment securities					
- At fair value through other comprehensive income	7,255,197	6,950,540	3,294,704	347,547	255,764
- At fair value through profit or loss	66,720	83,876	83,876	118,684	114,757
Loans and advances to customers	3,372,086	2,968,932	2,915,762	2,684,986	2,710,219
Finance lease receivables	74,700	-	-	28	10,933
Trade and other receivables	52,277	55,018	14,363	6,527	12,878
Shareholders Loan	96,747	97,833	99,352	-	-
Deferred tax asset	-	-	3,916	7,878	22,266
Sinking fund asset	-	-	-	-	1,078
Client trust assets	3,177,398	1,649,632	158,248	199,519	334,243
Property and equipment	24,258	28,126	21,750	29,138	35,798
TOTAL ASSETS	17,231,552	13,388,997	6,935,318	3,884,666	4,016,159
LIABILITIES					
Trade and other payables	3,405,172	1,590,410	506,094	531,147	487,880
Sinking fund liability	-	-	-	-	1,078
Client trust liabilities	3,177,398	1,649,632	158,248	199,519	334,243
Current tax liabilities	189,488	243,720	213,090	164,744	81,598
Fund in Trust	359,194	546,681	365,724	600,880	814,706
Borrowings	351,500	-	252,213	276,894	563,488
Deferred tax liabilities	5,786	11,035	-	-	-
TOTAL LIABILITIES	7,488,539	4,041,477	1,495,369	1,773,184	2,282,992
EQUITY					
Share capital	1,000,000	1,000,000	1,000,000	660,000	660,000
Retained earnings	3,400,858	1,828,234	1,501,561	1,451,482	1,073,165
Other Reserves	5,342,157	6,519,285	2,938,388	-	-
TOTAL EQUITY	9,743,015	9,347,519	5,439,949	2,111,482	1,733,165
TOTAL LIABILITIES AND EQUITY	17,231,554	13,388,997	6,935,319	3,884,667	4,016,159
Revenue	999,641	898,342	809,795	963,353	1,014,649
Profit before tax	1,861,781	734,254	783,713	703,156	487,107
Profit after tax	1,822,625	576,673	588,080	543,316	429,621
Basic earnings per share (N)	1.82	4.16	0.11	0.82	0.60

Cash and cash equivalents	1	2,460,183	1,865,653	32%	3,112,169	-21%
Financial assets at fair value through OCI	2	22,196	68,634	-68%	66,720	-67%
Loans and advances to customers	3	3,429,279	3,188,377	8%	3,372,087	2%
Finance lease receivables	4	307,958	-	0%	74,700	100%
Investment securities		-				
- At fair value through OCI	5	7,255,197	6,950,540	4%	7,255,197	0%
Trade and other receivables	6	73,311	19,764	271%	52,277	40%
Convertible Shareholders Loan Note	7	102,416	102,164		96,747	6%
Deferred tax assets	16	-	-	-100%	-	0%
Client trust assets	9	4,754,115	1,946,279	144%	3,177,398	50%
Property and equipment	11	26,242	28,248	-7%	24,258	8%
TOTAL ASSETS		18,430,898	14,169,660	30%	17,231,553	7%
LIABILITIES						
Trade and other payables	12	2,678,836	2,149,125	25%	3,405,171	-21%
Client trust liabilities	9	4,754,115	1,946,279	144%	3,177,398	50%
Current tax liabilities	13	216,092	270,157	-20%	189,487	14%
Fund in Trust	14	372,388	649,097	-43%	359,194	4%
Borrowings	15	614,468	-	#DIV/0!	351,500	100%
Deferred tax liabilities	16	5,786	11,035	100%	5,786	0%
TOTAL LIABILITIES		8,641,685	5,025,694	72%	7,488,536	15%
EQUITY						
Share capital	17	1,000,000	1,000,000	0%	1,000,000	0%
Retained earnings and other equity	18	3,443,901	1,639,923	110%	3,400,860	1%
Other reserves	19	5,345,312	6,504,042	-18%	5,342,157	0%
TOTAL EQUITY		9,789,213	9,143,966	7%	9,743,017	0%
TOTAL LIABILITIES AND EQUITY		18,430,898	14,169,660	30%	17,231,553	7%

STATEMENT OF PROFIT/LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 31st March 2025

(All amounts are in thousands of Nigerian Naira)

	Notes	Mar-25	Mar-24	% Change
Revenue	20	276,507	232,337	19%
Other operating income	21	37,004	576	0%
Gross Earnings		313,511	232,913	35%
Net trading gain/(loss) and foreign exchange income	22	193	-	#DIV/0!
Net impairment (loss)/gain on financial assets	23	(2,195)	(3,975)	-45%
Financial charges	24	(56,945)	(31,686)	80%
Employee benefit expenses	25	(72,535)	(44,767)	62%
Depreciation and amortisation	26	(2,088)	(3,110)	-33%
Other operating expenses	27	(91,257)	(61,249)	49%
Total Expenses		(224,826)	(144,787)	55%
Profit before tax		88,684	88,126	1%
Taxation	13	(26,605)	(26,438)	1%
Profit after tax for the period		62,080	61,688	1%
Other comprehensive income				
Revaluation gain-(fvoci)		3,155	(15,242)	-121%
Exchange differences		-	-	0%
Other comprehensive income, net of tax		3,155	(15,242)	0%
Total comprehensive income for the period		65,235	46,446	40%
Basic and diluted earnings per share expressed in Naira	28	0.06	0.06	1%

3. The Custodian's Profile

Rand Merchant Bank Nigeria Limited (RMBN) was licensed by the Central Bank of Nigeria (CBN) in 2012, began formal operations in 2013 and was licensed by the Securities and Exchange Commission as a Custodian in 2019. RMBN has since inception added significant value to its Nigerian clients and the Nigerian economy at large, through innovative advisory services on infrastructure projects, mergers and acquisitions, as well as the funding of various transactions across multiple sectors. RMBN possess an extensive pool of investment banking talent, including fixed income, currency and commodities experts who understand the Nigerian and broader African landscape. The Bank's knowledge of local financing requirements, legal and jurisdictional frameworks, together with the expertise and financial strength of FirstRand Bank, provides the opportunity to service the needs of its clients in the rapidly expanding Nigerian economy. The Bank's vision and primary business objective is to create sustainable value, innovative solutions and superior economic returns for clients and shareholders in Africa and beyond.

Board of Directors of Custodian

Emrie Brown – Chairman

Emrie is the CEO for Rand Merchant Bank, South Africa and the Chairperson of the Board of Directors of Rand Merchant Bank Nigeria Limited. She is an Accountant with over 22 years' financial services experience with expertise in investment banking. She has been in RMB since 2001 working on structured finance, leverage finance and real estate investment banking. Prior to joining RMB, she worked at Nedbank, South Africa, and KPMG. She holds a bachelor's degree in accounting.

Bayo Ajayi – Managing Director/Chief Executive Officer

Bayo is the current Managing Director/Chief Executive Officer of Rand Merchant Bank Nigeria Limited. He has over 24 years of financial services experience spanning banking operations, financial management and reporting, taxation, accounting and controls, corporate governance, compliance, and business performance management. Before taking on the role in February 2024, he had served as Executive Director and Chief Finance Officer at the bank since 2018. Prior to joining RMBN in 2015, Bayo worked in Citibank Nigeria Limited joining as head of regulatory reporting and tax and rose to become the Chief Finance Officer. Bayo holds a Bachelor of Science degree in Chemical Engineering from Obafemi Awolowo University Ile-Ife. He is a Fellow of both the Institute of Chartered Accountants of Nigeria (ICAN) and the Association of Chartered Certified Accountants (ACCA) United Kingdom.

Taiwo Gabriel – Executive Director and Chief Risk Officer

Taiwo is the current Executive Director, Chief Risk Officer (CRO) and Executive Compliance Officer (ECO) of RMBN. He is a Chartered Accountant with a successful career in the financial services industry spanning over 19 years with deep expertise in risk and portfolio management, financial analysis, and modeling, remedial and relationship Management, internal control, and compliance. He holds an MBA in Marketing from the University of Lagos and a Bachelor of Science degree in Agricultural Biology from the University of Ibadan. He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN).

Yetunde Ogunremi – Executive Director and Head, Balance Sheet Management

Yetunde is a qualified finance professional with a demonstrated track record spanning over 21 years in the financial services sector. She is currently the Head, Balance Sheet Management and Treasurer of RMBN with the primary responsibility for managing risks associated with capital,

liquidity and market risk in the banking book. Prior to joining RMBN in March 2018, Yetunde spent over 11 years working in various financial roles in Stanbic IBTC Bank PLC, which she joined in July 2006. She is a fellow of the Institute of Chartered Accountants of Nigeria (ICAN) with a first degree in Accounting from the University of Lagos.

Chidi Iwuchukwu – Executive Director

Chidi has been an investment banker for about 15 years, mainly in Leveraged and Acquisition Finance. He is the current Co-Head of the Banking Division/ Head of Investment banking at RMBN and for RMB Broader Africa. Chidi holds an MBA from Columbia Business School and multiple degree from De Monfort University UK, Aalborg University, Denmark, University of Applied Science Emden, Germany, and the University of Nigeria, Nsukka.

Ebrahim Motala – Non-Executive Director

Ebrahim is the Markets Head, Broader Africa for RMB Global Markets. He holds a Bachelor's degree in Commerce from the University of KwaZulu-Natal and is a registered Chartered Accountant (CA)(SA).

Phillip Spangenberg – Non-Executive Director

Phillip is currently the Chief Risk Officer, Non Bank and International for RMB and has over 20 years of financial markets and banking experience. He obtained his B.Com (Economics) in 1993, M.Com(Economics) in 1995 and has qualified as a Chartered Accountant (CA)(SA) as well as Chartered Management Accountant (CIMA) (United Kingdom). Phillip's knowledge and specialties span the management of Market Risk, Operational risk, Assets and Liability management Risk, Compliance and Anti-money laundering, trading Counterparty and Credit Risk, FX & Fixed Income Trading and Structuring, as well as Basel III & IV regulatory regimes and Economic Capital Management.

Samuel Ogbu – Independent and Non-executive Director

Samuel is currently the Group Chief executive Officer at Old Mutual West Africa. His previous roles include Group Executive West Africa at Liberty Holdings Limited and Executive Director, Marketing and Sage Unit Trusts at Sage Life Limited. He holds a Bachelor of Arts with Honors in Business Studies and an MBA from Wits Business School.

Felicia Kemi Segun – Independent Non-Executive Director

Felicia has over 30 years' experience in law practice and she is particularly versed in Nigerian oil and gas and electricity law and practice and related corporate commercial legal advisory concerns. She advises on the acquisition, management and disposal of petroleum interests/assets under the various petroleum arrangements existing in the Nigerian energy industry; and the structuring of and investment in the sub sectors of the oil and gas industry including petro-chemicals. Her scope of expertise extends to advising on the evolving regulatory framework in the Nigerian power industry and to investment in the same and she advises on strategic alliances in the various facets of the Nigerian energy sector. She holds a Bachelor of Arts with Honors in History from Obafemi Awolowo University of Ile-Ife, a Bachelor of Laws (LLB) from the university of Lagos, and a Barrister at Law (BL) certificate from the Nigerian Law School.

Foluke Alakija – Independent Non-Executive Director

Foluke Alakija is an experienced executive with a career in Banking that spans over 32 years. She is currently the Managing Director of a Financial Advisory Consulting firm and was previously the Deputy Managing Director (Ag.) and Executive Director of Corporate Bank at Ecobank Nigeria Limited. Prior to this, she held a senior role at Citibank. She holds a bachelor's degree in economics and is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN).

Stella Ojekwe-Onyejeli – Independent Non-Executive Director

Stella has a diverse background of over 29 years of experience in infrastructure project development and financing in Africa with a sound understanding of long-term investment financing structures. She also has a strong background in financial risk management and governance. Stella was the Executive Director and Chief operating Officer of the Nigeria Sovereign Investment Authority (NSIA), a statutory corporation mandated to invest Nigeria's Sovereign Wealth for future generations and the development of Nigeria's infrastructure. She also held various senior roles in Barclays Bank, Citibank, and Arthur Anderson. She holds an MBA from Cranfield School of Management and is a Fellow of the institute of Chartered Accountants of Nigeria (ICAN).

Abiodun Odubola – Non-Executive Director

Abiodun is a dynamic finance leader with nearly three decades of expertise in banking, risk management, and financial consulting. With an MBA in Finance from the University of Lagos and a B.Sc. in Agricultural Economics from the University of Ibadan, Abiodun has built a career marked by transformative leadership and strategic innovation. As Chief Risk Officer and Executive Director at FirstBank Nigeria Limited, he spearheaded risk management strategies across diverse sectors, solidifying the bank's position as an industry leader. His international experience includes senior roles at Citibank (Nigeria and UK), where he excelled in credit risk and audit review, driving operational excellence. Currently the Founder/CEO of Camrose Nigeria Limited, Abiodun empowers SMEs and financial institutions with cutting-edge solutions in credit risk, debt restructuring, and enterprise risk management. His consulting portfolio includes collaborations with prestigious organizations like Afreximbank, where he has advised on enterprise risk frameworks.

Adedoyin Odunfa – Independent Non-Executive Director

Adedoyin Odunfa is an IT professional and techpreneur with over 30 years in professional practice, focused on enhancing the strategic value of IT in organizations through value-adding interventions across the information value chain. She has led industry initiatives to strengthen and enhance IT Governance, Risk and Compliance processes, practices and skill sets to significantly impact business and institutional performance. Adedoyin is the Founder, MD/CEO of Digital Jewels Africa Limited, a leading IT GRC Consulting and Capacity Building Firm with a footprint across 15 African countries and an enviable track record of consistent high value delivery. Digital Jewels Africa is today the only professional services firm in Africa to be certified to ISO27001:2022 (ISMS) and ISO9001:2015 (QMS) as well as being a Qualified Security Assessor for the Payment Card Industry Data Security Standard (PCIDSS QSA) making it the only such professional services firm in Africa to be so accredited.

1. Extracts From the Programme Trust Deed

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

1.1. Business Day Adjustment

Where the day on or by which a payment is due to be made or an event due to occur is not a Business Day, that payment shall be made and that event shall occur on or by the next succeeding Business Day, unless that next succeeding Business Day falls in a different calendar month, in which case that payment shall be made or that event shall occur on or by the immediately preceding Business Day.

2. Appointment of Trustees

The Fund Manager hereby appoints **STL Trustees Limited and Leadway Trustees Limited** as Trustees for the Fund to act on behalf of the Unitholders and to hold the benefit of the covenants and other obligations on the part of the Fund Manager herein contained on behalf of the Unitholders and itself (according to its and their respective interests) in accordance with the terms of this Trust Deed. The Trustees hereby agree to act as Trustees for the benefit of the Unitholders on the terms and conditions contained in this Trust Deed.

3. 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 Trustees, the Fund 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.

4. Constitution and Structure of the Fund

4.1. Establishment of the Trust

The Fund Manager hereby establishes the Trust to be known as the ARM Private Debt Fund for the benefit of Unitholders.

4.2. Declaration of Trust

The Trustees hereby declare themselves as trustees for the Unitholders with effect from the date of this Trust Deed, to hold the benefit of the covenants and other obligations on the part of the Fund Manager herein contained, in trust for the Unitholders and itself, subject to the terms of this Trust Deed, the ISA and the SEC Rules and Regulations.

4.3. Constitution of the Fund

a) The proceeds of an Offer shall be paid into the Designated Account to be opened and maintained by the Custodian in the joint names of the Trustees and the Fund, and shall, with all other

property and assets of the Trust, at all times be vested in the Trustees and shall constitute a part of the Trust.

b) The ownership of the Deposited Property shall be vested in the Trustees and subject to the terms of this Trust Deed, the right to conduct the affairs of the Fund will be exercised independently by the Fund Manager on behalf of the Unitholders.

c) The Deposited Property of the Fund shall be held separate and distinct and shall not be commingled with any other fund or assets of the Fund Manager/Trustees/Custodian.

4.4. Division of the Fund into Units

a) The beneficial interest in the Fund shall be divided into interests of equal value referred to as "Units"; and the units shall be issued at a price calculated in accordance with this Trust Deed, PROVIDED that the Units shall only be issued in whole numbers.

b) Units shall be issued only as fully paid.

c) No Unit shall have any rights, preferences or priorities over any other Unit.

d) The Trustees and the Fund Manager may also be Unitholders.

5. Designated Accounts

5.1. The Custodian shall open, maintain and operate the Designated Accounts for the Fund.

5.2. The Designated Accounts shall include the Naira Cash Account with the Fund Manager and the Trustees as joint signatories or as authorised by the Trustees.

5.3. All cash proceeds from the sale of Units shall be paid into the Naira Cash Accounts.

5.4. The Designated Accounts shall be operated by the Custodian on the instruction of the Fund Manager, who shall provide the Commission and the Trustees with quarterly reports thereon as well as a quarterly valuation of the Investments held by the Fund.

5.5. All Investments shall be made with monies drawn from the Naira Cash Accounts and such Investments shall be in the joint names of the Trustees and the Fund.

5.6. 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 Naira Cash Accounts.

6. Description of the Fund

6.1. The Fund is an actively managed closed-ended unit trust scheme private debt fund that shall provide direct lending, mezzanine financing, and/or opportunistic financing to companies and SPVs with commercially viable but impact-oriented projects in relevant sectors of the Nigerian economy. The Fund currency shall be denominated in Naira.

6.2. Details of the Investment objectives and Authorised Investment of the Fund are contained in Clause 14 and Schedule 1 of this Trust Deed.

7. Issue of Units

- 7.1. Upon the establishment of the Fund and its division into Units, the Fund Manager will determine the price of the Units to be issued pursuant to an Offer.
- 7.2. The Minimum Holding one or joint Unitholder(s) may have in the Fund shall be as set out in the applicable Series or Supplementary prospectus in relation to the Units of the Fund that are being offered under the Offer.
- 7.3. A person who wants to subscribe for Units in an Offer may do so at the Offer Price and must complete and deliver to the Fund Manager an application in the form prescribed by the Fund Manager. Every application in whatever form shall be accompanied by the relevant evidence of payment of subscription amount to the Designated Account. The Fund Manager has absolute discretion in accepting or rejecting an application for Units.
- 7.4. The Fund Manager may make offers for subscription of Units in the Fund to Qualified Investors, (subject to the Minimum Holding) of such number, price and value as the Fund Manager may from time to time determine, subject to the approval of the Commission. The Fund shall not be open to any Qualified Investors after the subscription period for an Offer has expired.
- 7.5. The Fund Manager, upon receipt of a subscription form, shall accept or reject such subscription within 6 (six) Business Days of the closure of the Offer. In the case of rejection, the Fund Manager shall forthwith return electronically the subscription form and any payment made without interest thereon; and, in the case of acceptance, the Fund Manager, through the Registrar, shall within 15 (fifteen) Business Days from the date of allotment, forward a Statement of Unitholding to the subscriber indicating the number of Units issued to such subscriber.
- 7.6. Any new Units issued pursuant to Clause 7.4 above, shall rank *pari passu* in all respects with the Units issued pursuant to this Trust Deed.
- 7.7. The Fund Manager, as promoter of the Fund, shall subscribe to a minimum of 3% of the Offer.
- 7.8. The Units shall be issued by way of a public offering, private placement, book- building process and any other method in such tranches and series as may be determined by the Directors of the Fund Manager, subject to the approval of the Commission.

8. 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.

9. Rights of Unitholders

- 9.1. The Unitholders shall not have or acquire any right against the Fund Manager or the Trustees 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.
- 9.2. The Unitholders shall have no interest in the Deposited Property other than the beneficial interest provided for in this Trust Deed and no Unit 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

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of any portion of the Deposited Property of the Fund nor shall they be called upon to share or assume any losses of the Deposited Property of the Fund or suffer any assessment or further payments to the Fund or the Trustees of any kind by virtue of their ownership of Units of the Fund.

- 9.3. A Unitholder shall have the right to (i) share in the benefits from the Deposited Property proportionate to the number of Units held by him in the Fund; and (ii) receive Distribution and all other rights which attach and accrue to the Units, pursuant to the provisions of this Trust Deed.
- 9.4. Only persons who have been duly registered as Unitholders shall have the right to be recognised as such.
- 9.5. 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 from subscribing to and becoming a registered holder of Units in the Fund.
- 9.6. 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 the Unitholder shall notify the Fund Manager, the Trustees, the Registrar and the CSD of the pledge, charge, mortgage or obligation.
- 9.7. A Unitholder shall be entitled to receive a Statement of Unitholding stating the number of Units held by the Unitholder as at the date of the Statement.

10. Fees and Expenses

- 10.1. The following fees and expenses shall be payable by the Fund:
 - a. An annual Management Fee, payable quarterly in arrears, amounting to 1.5% of the Net Asset Value of the Trust (net of all taxes) shall be payable to the Fund Manager.
 - b. A total annual fee amounting to 0.1% of the Net Asset Value shall be payable quarterly in arrears (net of all taxes) to the Trustees in consideration of the services to be rendered under this Trust Deed.
 - c. All sums owing to the Custodian in respect of remuneration costs which shall be 0.03% of the Net Asset Value per annum. The Custodian's remuneration shall be payable quarterly in arrears.
 - d. All sums owing to the Registrar in respect of remuneration costs, which shall be a one-off sign on fee of ₦1,000,000 (One million naira only) and an annual maintenance fee of ₦2,000,000 (Two million naira only).
 - e. All sums owing to the Auditors at the end of the Financial Year upon the completion of the audit.
 - f. All brokerage fees to agents on the sale or issue of Units as and when applicable.
 - g. Due diligence costs, which are the cost and expenses in relation to third-party due diligence projects being evaluated for investments by the Fund will be charged to the Fund on actuals, to the extent not reimbursed by the investee company or issuer.

- 10.2. The Fund's benchmark shall be the comparable FGN Bond as may be provided in the applicable Series Trust Deed.
- 10.3. For avoidance of doubt, for the purpose of calculation of the fees mentioned above, the applicable Net Asset Value will be calculated in accordance with the provision of the SEC Rules and Regulations. PROVIDED THAT the total expense ratio of the Fund shall not exceed 3.5% per annum of the Net Asset Value of the Fund.
- 10.4. The costs of establishing the Trust and preparation and marketing of the Offer will be offset from the proceeds of the Offer. The Charges, other annual costs and expenses to be borne by the Fund will be met from the Fund.
- 10.5. The Fund Manager shall on behalf of the Fund pay all travelling and other costs, charges and expenses that the Trustees shall reasonably incur in connection with the execution of the Trust hereof and in the exercise of the powers and discretion hereby vested in them.
- 10.6. All such costs, expenses, charges or remuneration due to the Trustees shall be payable upon demand. However, the Trustees shall wherever practicable, provide the Fund Manager with invoices/receipts for all expenses incurred.
- 10.7. The Fund Manager shall, on behalf of the Fund, pay the Trustees all sums owing to the Trustees in respect of the remuneration cost as specified in Clause 10.1. The quantum of the Trustees fees shall however be subject to review once every 2 (two) years, with the Commission's prior approval, following the establishment of the Fund.

11. Delivery of Units

- 11.1. The Units will, upon allotment, be delivered in dematerialised (uncertificated) form and held in electronic book-entry form with the CSD and Registrar. The Unitholders will receive an electronic Statement of Unitholding issued by the Registrar confirming the delivery of Units.
- 11.2. Statements of Unitholding issued by the Registrar as to the aggregate number of Units standing to the Registrar account of any person shall be conclusive and binding for all purposes save in the case of manifest error and such person (or their successors or legal representatives) shall be treated by the Fund Manager and the Trustees as the legal and beneficial owner of such aggregate number of Units for all purposes.
- 11.3. The Unitholders shown in the records of Registrar (or their successors or legal representatives) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of this Trust Deed.

12. Listing of Units

The Fund Manager will seek Memorandum Listing on the Exchange for the purpose of providing information about the Fund to Qualified Investors.

13. Transfer of Units

- 13.1. Every Unitholder shall be entitled to transfer the Units or any of the Units held by him upon the execution by the transferor and the transferee and the delivery to the Fund Manager of such transfer instrument as may be prescribed by the Fund Manager from time to time.
- 13.2. PROVIDED that no transfer of part of a holding of Units shall be registered where it would result in either the transferor or the transferee holding less than the Minimum Holding.
- 13.3. Units shall only be transferred in multiples as prescribed in the applicable supplementary prospectus or such number of Units as may for the time being generally or otherwise be prescribed in writing by the Fund Manager with the approval of the Trustees, such approval not to be unreasonably withheld.
- 13.4. Every instrument of transfer must be signed by the transferor and the transferee and subject to the provisions of Clause 13.7, the transferor shall be deemed to remain the holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof. The instrument of transfer need not be a deed.
- 13.5. Every instrument of transfer must be duly stamped and lodged with the Fund Manager for transmission to the Registrar accompanied by any necessary declarations or other documents that may be required in consequence of any regulation or legislation for the time being in force and by the Statement(s) of Unitholding relating to the Units to be transferred and or such other evidence as the Registrar may require to prove the title of the transferor or his right to transfer the Units and thereupon the Registrar shall register the transferee as holder of the Units referred to in such instrument of transfer and shall issue to such transferee a new Statement of Unitholding representing the Units so transferred.
- 13.6. All instruments of transfer shall be registered and may be retained by the Fund Manager or by the Registrar on behalf of the Fund Manager.
- 13.7. A reasonable fee of such amount as the Fund Manager and the Trustees may from time to time agree, may be charged by the Fund Manager upon any transfer of Units and the Registrar shall issue a new Statement of Unitholding in the name of the transferee and a balance Statement of Unitholding (if necessary) in the name of the transferor.
- 13.8. A receipt signed by the Unitholder in respect of any monies payable in respect of the Units represented by any Statement of Unitholding, shall be a good discharge to the Trustees and the Fund Manager and if several persons are registered as joint Unitholders or in consequence of the death of a Unitholder, are entitled so to be registered, any one of them may give an effectual receipt for any such monies.

14. Investment Objectives

- 14.1. The Fund will aim to provide Unitholders regular and stable and steady stream of income on a semi-annual basis. Therefore, the Fund will focus on making investments that offer high degree of protection against identified and envisaged risks that could be a threat to return on invested capital and return of capital committed by the prospective Qualified Investors.
- 14.2. In addition to investments that provide social and economic value to the overall development of Nigeria, the Fund will target investments set out in the Investment Policy. Income generated by the

Fund, shall be distributed to the Unitholders accordingly, after deducting Fund Expenses and any applicable withholding taxes required to be deducted by the Fund.

15. Investment Policy and Investment Outlets

- 15.1. The Fund's investment objective and Investment Policy are as detailed in the First Schedule of this Trust Deed.
- 15.2. The Fund Manager shall not alter the Investment Policy of the Fund without the sanction of the Unitholders, the Trustees and the prior approval of the Commission, and such sanction shall not be unreasonably withheld by the Trustees.

16. The Investment Committee

- 16.1. The Fund Manager shall constitute an Investment Committee for the Fund, to oversee the management of the Fund.
- 16.2. The Investment Committee shall comprise at least 5 (five) members, including representative(s) of the Fund Manager and the Trustees and at least 3 (three) independent members.
- 16.3. The chairman of the Investment Committee shall be appointed at the first meeting of the Investment Committee and the chairman shall not chair any other committee of the Fund. At least 3 (three) members of the Investment Committee shall have background knowledge in the business of investment and financial matters, one of whom shall be independent of Fund Manager, Trustees and Custodian.
- 16.4. The Investment Committee shall meet at least once every three (3) months.
- 16.5. 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:
- a) reviewing the Investment Policy and strategies of the Fund Manager;
 - b) approving investment proposals;
 - c) deciding on strategies to achieve the Fund's objective;
 - d) taking decisions on cash allocations for investment purposes;
 - e) supervising the activities of the Fund Manager and the investment performance of the Fund's assets and investments;
 - f) reviewing the Fund Manager's investment decisions and ratification of such decisions as it deems appropriate;
 - g) ensuring that funds are fully invested or otherwise invested to maximize returns; and
 - h) referring all conflict of interest and related matters to the Advisory Board

- 16.6. 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:
- a. highlighting and reporting on significant changes from reasonable investment return levels;
 - b. ensuring a clear understanding of the impact of external factors on the Fund's investments;
 - c. outlining areas of risk inherent within the investment strategy; and
 - d. any issues having particular significance requiring a deviation from the Investment Policy.
- 16.7. The Investment Committee's decision to either proceed to comprehensive due diligence or to decline an investment opportunity shall be based on a unanimous vote of its members, present at the meeting at which the investment opportunity is presented.
- 16.8. The quorum for its meetings shall be a simple majority of the members, provided that the Fund Manager, the Trustees and at least 2 (two) independent members shall be represented at all meetings.
- 16.9. The independent party shall be the chairman of the Investment Committee.
- 16.10. Each member of the Investment Committee shall be entitled to vote at meetings of the Investment Committee. The Investment Committee shall set appropriate policies, review and assess processes and controls, which would guide investment proposals by the Fund Manager.
- 16.11. The Fund shall be responsible for any costs and expenses attributable to the operation of the Investment Committee, including the remuneration of any external members of the Investment Committee (i.e., not employed by the Fund Manager and Trustees), and any reasonable out-of-pocket expenses of the members of the Investment Committee, if any.

17. Advisory Board

- 17.1. The Fund Manager shall constitute the Advisory Board of the Fund, which shall comprise at least five (5) members made up of at least 1 (one) representative of the Fund Manager, 1 (one) representative of the Trustees and at least 3 (three) representatives of the Unitholders who shall all be Qualified Institutional Investors. The combined representatives of the Trustees and the Unitholders shall at all times be in the majority.
- 17.2. The initial members of the Advisory Board shall be appointed by the Fund Manager, who shall hold office until the first Meeting of the Unitholders. At the first Meeting, the Unitholders shall elect the members of the Advisory Board (other than the representative of the Trustees). The initial members of the Advisory Board shall also be eligible for the election. The members of the Advisory Board shall hold office for a period of three years and will be eligible for re-election on completion of their term. The member representing the Trustees shall be the chairman of the Advisory Board.
- 17.3. The Advisory Board shall be authorised to:
- a) Review the Fund's compliance with its Investment Objectives;
 - b) Oversee the general audit functions in respect of the Fund and the review and approval of all related party transaction;
 - c) Handle all conflicts of interest relating to the Fund; and

- d) Consider any other matters referred to it by the Fund Manager, Trustees or the Investment Committee.

17.4. The Advisory Board shall be a committee of the Fund and shall take no part in the control or management of the Fund, nor shall it have any power or authority to act for or on behalf of the Fund, and all investment decisions, as well as all responsibility for the management of the Fund and, to the extent permitted by law and save as otherwise expressly provided by this Trust Deed, rest with the Fund Manager. Except for those matters for which the consent, approval, review or waiver of the Advisory Board is required by this Trust Deed, any actions taken by the Advisory Board shall be advisory only, and neither the Fund Manager, nor any of its Affiliates shall be required or otherwise bound to act in accordance with any decision, action or comment of the Advisory Board or any of its members.

17.5. Meetings of the Advisory Board shall be held at least 3 (three) times a year and at least 7 (seven) Business Days' written notice of a meeting of the Advisory Board shall be given to all members of the Advisory Board and the Fund Manager accompanied by:

- a. an agenda specifying in reasonable detail the matters to be raised at the meeting; and
- b. copies of any papers to be discussed at the meeting.

A shorter period of notice of a meeting of the Advisory Board may be given if at least 2 (two) members agree in writing.

17.6. Decision Making

- a) The quorum for a meeting of the Advisory Board shall be 3 (three) members. The Advisory Board will make decisions by a majority of its members present at the meeting in a meeting (which may be held by telephone or videoconference, provided that all participants can hear each other) or in writing pursuant to Clause 17.6(c).
- b) The members of the Advisory Board may participate in and confer by conference telephone or other communication equipment provided that all the members participating in the meeting are able to hear, and communicate with, each other and a member so participating shall be counted as present in person at the meeting, shall be counted in a quorum and shall be entitled to vote.
- c) A resolution of the Advisory Board signed by all the members shall be as valid and effectual as if it had been adopted by a duly convened meeting of the Advisory Board. Unless the contrary is stated therein, any such resolution shall be deemed to have been passed on the date on which it was signed by the member last signing it and a facsimile, photograph or scanned transmission of a member's signed resolution shall be acceptable evidence that such resolution has been signed by the member whose signature appears on the facsimile, photograph or scanned transmission.
- d) Meetings of the Advisory Board will further be subject to such rules and procedures as the Advisory Board may determine, including relating to conflicts of interest within the Advisory Board. Unless the Advisory Board otherwise agrees, any member who has a conflict of interest in respect of any matter being considered by the Advisory Board (whether in respect of that member or the person(s) appointing him or otherwise) shall, provided that he declares the nature and details of such conflict, be entitled to attend, speak and vote on the conflicted matter.
- e) The chairman shall not be entitled to a second or casting vote in the event of a tied vote or decision with the effect that the resolution giving rise to such tied vote or decision shall not be approved.

- f) Minutes of each meeting of the Advisory Board shall be circulated to the Fund Manager and the members of the Advisory Board as soon as practicable after the end of the meeting and, in any event, within 20 (twenty) Business Days thereof.

17.7. Other Activities

The Unitholders acknowledge that the members of the Advisory Board shall have substantial responsibilities in addition to their Advisory Board activities and are not obligated to devote any fixed portion of their time to the activities of the Advisory Board; and will not be subject to any of the restrictions imposed on the Fund Manager or the Trustees in this Trust Deed and will not be prohibited from engaging in activities that compete or conflict with those of the Fund, nor shall any such restrictions apply to any of their respective Affiliates.

17.8. Conflicts

Provided that the relevant member of the Advisory Board has provided details of, and consulted with the Advisory Board in relation to a conflict of interest and if the Advisory Board waives such conflict of interest or such member acts in a manner, or pursuant to standards or procedures, set out approved by the Advisory Board with respect to that conflict of interest, then that member shall have no liability to the Fund or any Unitholder for actions in respect of any such matter taken in good faith by it, including actions in the pursuit of its own interests, and such actions shall not constitute a breach of any duty or obligation of such member at law, in equity or otherwise.

17.9. Fees and Expenses

The members of the Advisory Board shall not be remunerated but shall be reimbursed by the Fund for all reasonable out-of-pocket expenses incurred in relation to their duties.

17.10. Information

As far as possible, the Fund Manager shall promptly provide the Advisory Board with such additional information as the Advisory Board may, from time to time, request (acting reasonably) in respect of the Fund.

17.11. Independent Advice

The Advisory Board shall (at the expense of the Fund and acting reasonably) be entitled to appoint its own independent professional advisers (including lawyers and accountants) in respect of matters to be considered by the Advisory Board, subject to such limits as are agreed from time to time with the Fund Manager.

17.12. No Fiduciary Duties

Members of the Advisory Board shall not owe any fiduciary duty to the Unitholders, except as provided by law.

18. Investment Prohibitions

18.1. Neither the Fund Manager, the Trustees, the Custodian nor their affiliates shall act as principals in the sale of assets to the Trust.

18.2. The powers of the Fund Manager in relation to the investment and management of the Trust's Deposited Property shall be subject to the consent of the Trustees.

18.3. The Fund may invest only in senior debt, subordinated debt including mezzanine, convertible debt and redeemable preference shares or quasi-equities of companies, and/ or SPVs. The Fund shall not invest in:

- a. Equities or Equity instruments;
- b. Any unlisted security of the Fund Manager or its associate or group company;
- c. Any listed security issued by way of private placement by the Fund Manager or its Affiliates or group company;
- d. Securities issued by entities within the same corporate group exceeding 20% of the Fund's Total Asset Value; and
- e. Any listed security of the Fund Manager, the Custodian or the Trustees or any instrument issued by any of the associates and affiliates of the Fund Manager or Trustees;

18.4. The Fund shall be permitted to borrow and shall use borrowings for the purposes of meeting its operating expenses, making new investments or to finance buyback of its Units. The Fund shall restrict its borrowings to less than 25% of its Net Asset Value at any point in time. The duration of any borrowing shall not be more than 12 (twelve) months, by when it must be repaid from income received by the Fund, loan repayments or issue of additional Units, if required.

18.5. The value of the Fund's investment in:

- a. Working capital loans, subordinated loans, preferred shares, or warrants shall not exceed 20%.
- b. With the exception of treasury bills, money market instruments issued by any single issuer shall not constitute more than 20% of the Fund's Net Asset Value.
- c. Fixed deposits with any single institution shall not constitute more than 5% of the Fund's Net Asset Value.

18.6. The Fund's asset allocation shall be as follows:

- a) A minimum of 80% of the Fund's Net Asset Value (NAV) shall be allocated to commercially viable companies and projects in Nigeria;
- b) Between 0% and 20% of the Fund's capital may be allocated to money market instruments;
- c) 0% to 5% of the Fund's capital shall be held as Cash;
- d) At least 80% of funds raised per Series or Tranche shall be allocated to senior debt and collateralised instruments; and
- e) Up to 20% of assets may be allocated to unsecured debt, subordinated secured debt, or opportunistic investments that align with the Fund's investment objectives.

18.7. Investment in the Units of the Fund is restricted to the Qualified Investors.

18.8. The exposure of each Series or Tranche to any project or company would be limited to 20% of the total size of any Series or Tranche issued pursuant to the Fund, and any deviation from this limit will be subject to SEC's approval. Provided that where the Fund invests in securities of entities within the same corporate group, the limit would be 20% of the Fund's Total Asset Value.

18.9. The Fund may invest up to 100% of the net proceeds from an Offer in money market instruments, for up to 180 days, subject to 20% of the Fund's Net Asset Value in any one financial institution. However, 100% of the net proceeds may be invested in short term government securities such as Treasury Bills, for up to 180 days.

18.10. The primary focus of the Fund would be to invest in corporate entities with the capacity to deliver periodic returns for distribution to Unitholders.

18.11. Investment in greenfield projects may also be contemplated subject to the conditions approved by the Investment Committee.

18.12. The Fund Manager shall not invest in its in-house instruments, or those of the Custodian, Trustees or their respective affiliates.

18.13. The restriction imposed by this Clause shall not apply to any sale or dealing or vesting in connection with the provision of an initial portfolio of investments by the Fund Manager.

18.14. The Manager shall not undertake any dealing in or retention of any underlying securities of any company if any of its officers, affiliates or subsidiaries each have beneficial ownership of more than

0.5% of the securities of such company and together more than 5% of the securities of that particular company.

- 18.15. The Fund Manager shall ensure a diversified portfolio of investments based on the Fund's Investment Policy as set out in the First Schedule to this Trust Deed.
- 18.16. The Fund Manager, Trustees and their Affiliates shall not deal as principals in the sale of underlying assets to the Trust scheme.
- 18.17. Subject to the ISA and this clause 18, the Fund Manager shall approve investment policies that are intended to take advantage of relative value opportunities.
- 18.18. No part of the Fund shall be invested in another debt fund, unless such debt fund is authorised by the Commission and is of a higher investment grade. PROVIDED that the proportion of any such investment under this Clause shall not exceed 5% of the Fund's net asset value.
- 18.19. 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 3 (three) months from the date of the breach take all necessary steps and actions to rectify the breach.

19. Realization of Investment

- 19.1. Any Investment comprised in the Deposited Property may at any time be realized at the discretion of the Fund Manager, subject to the consent of the Trustees, either in order to invest the proceeds of such realization 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.
- 19.2. 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 realized by the Fund Manager and the net proceeds of realization shall be applied in accordance with the provisions of this Trust Deed, PROVIDED that the Fund Manager may postpone the realization of any such Investment for such period as it may determine to be in the interest of the Unitholders, upon consultation with the Trustees through the Investment Committee, and shall be required to immediately realize such Investments upon the directive of the Trustees.

20. Conflict of Interest

20.1. Competing Funds

Neither the Fund Manager nor any of its affiliates will form or organise any pooled multiple investment vehicle or other entity having investment objectives similar to those of the Fund ("Competing Fund"), without the prior written consent of the Advisory Board.

20.2. Personal Investments

The Fund Manager may not acquire, invest in or hold securities of any entity in which an investment has been made directly or indirectly by the Fund without the consent of the Advisory Board, provided that the foregoing restriction shall not apply to (i) securities held by the Fund Manager through the Fund or any Competing Fund approved by the advisory board or (ii) securities of an entity that were received as a distribution from the Fund, or that were granted or paid to the Fund Manager or any of its Affiliates in such

person's capacity as a director of such entity or an Affiliate thereof.

20.3. Transactions with Affiliates

- a) Subject to (i) the Investment and Securities Act and every regulation made pursuant to it, (ii) the Fund Manager obtaining the consent of the Advisory Board and (iii) a fairness opinion or third-party valuation from an independent adviser, the Fund may enter into contracts and transactions with any of the Fund Manager, its affiliates or the Fund's management team authorised or contemplated by this Trust Deed.
- b) The Fund Manager may, from its own funds with the consent of the Trustees, make payment of Charges on behalf of the Fund, in the ordinary course of business. Such payments shall be reimbursed in full by the Fund to the Fund Manager, without any interest.

20.4. Devotion of Time

- a) The Fund Manager shall ensure that the management team is adequately staffed at all times and the Fund's affairs are given due priority.
- b) The management team shall spend as much time as is necessary to properly manage the Fund's affairs.

20.5. Other Potential Conflicts of Interest

On any matter involving a conflict of interest not provided for in this Trust Deed, the Fund Manager will notify the Advisory Board in writing as soon as reasonably practicable, consult with the Advisory Board with respect to any matter as to which the Fund Manager determines in good faith that such a conflict of interest exists or is likely to arise and act in accordance with the instructions of the Advisory Board.

21. Custody of Title Documents

All the instruments relating to the Investments and all documents of title or value connected therewith actually received by the Trustees or its nominees or such agents shall be deposited with the Custodian and the Custodian, on behalf of the Trustees, shall be responsible for the safe custody of such part of the Investment instruments as may be within their or their nominees' or agents' control.

22. Appointment and Removal of Registrar

- 22.1. The Fund Manager has, with the prior consent of the Trustees, appointed the Registrar for the purposes contemplated in this Trust Deed and the Second Schedule hereto.
- 22.2. It shall be the duty of the Registrar to prepare all Statements of Unitholding, electronic payment instructions, notices, summaries, or declarations which the Trustees under the provision herein contained is required to prepare, issue, serve or send as hereby provided, to stamp the same and dispatch them on the day they ought to be dispatched.
- 22.3. Where the Fund Manager, in consultation and with the consent of the Trustees, for valid reasons, is of the opinion that a change of Registrar is desirable in the interest of the Unitholders, it shall notify the Registrar accordingly and the Registrar shall, within 30 (thirty) Business Days, transfer all records, documents and registers kept or maintained by it with regard to the Fund to the Trustees and the Fund Manager will thereafter take such steps as may be necessary to appoint a new Registrar for the

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Fund, PROVIDED, however, that any appointment of a new Registrar will be subject to the prior approval of the Commission and notice of such change or appointment shall be advised to Unitholders in the manner provided in Clause 43 herein within 5 (five) Business Days of the date such change or appointment takes effect.

- 22.4. Where a Registrar is removed in accordance with Clause 22.3 above, it shall deliver all documents in its possession relating to the Fund to the Trustees within 7 (seven) days of its removal.
- 22.5. The Fund Manager, in consultation with the Trustees, shall, within 30 (Thirty) Business Days from the date of removal of the Registrar, appoint a new Registrar of the Trust; PROVIDED however that any appointment of a new Registrar will be subject to the consent of the Trustees and prior approval of the Commission, and notices of such change or appointment shall be communicated to the Unitholders through the Trustees within 5 (Five) Business Days of the date such change or appointment takes effect.

23. Registration of Unitholders

- 23.1. A Register of Unitholders shall be kept by the Registrar/Fund Manager in such form and manner as the Trustees may from time to time direct, including in an electronic form.
- 23.2. 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 and the Trustees. The Registrar/ Fund Manager shall promptly comply with all requirements that may be notified to it from time to time by the Trustees as to the form of the Register.
- 23.3. The Registrar/Fund Manager shall immediately be notified in writing of any change of name or address on the part of any Unitholder and, upon the Registrar's satisfaction thereof and in compliance with all such formalities as it may require, shall cause the Register to be altered accordingly.
- 23.4. Any Unitholder or its nominees shall be entitled during business hours to freely inspect the Register at no cost. Notwithstanding this entitlement, Unitholders shall only be able to access their individual Statements of Unitholding in the Register. In addition, a nominal fee may be payable where copies of any documents from the Register are required by the Unitholder.
- 23.5. The Register shall be conclusive evidence of the persons entitled to the Units stated in it and no notice of any trust, express, implied or constructive shall be entered upon the Register in respect of any such Units.
- 23.6. A body corporate may be registered as a Unitholder or one of joint Unitholders.
- 23.7. In the event of the death of a Unitholder, only the legally appointed executors or administrators of the estate of the deceased Unitholder (not being one of joint Unitholders) or the surviving Unitholder(s) of joint Unitholders shall be recognized by the Registrar/ Fund Manager as having any title to or interest in the Units of the deceased Unitholder.
- 23.8. 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 Registrar/ Fund Manager substantiating his claim, be entitled to elect either to be registered himself or to have some other persons nominated by him registered as entitled to such Unit(s). If the person becoming so entitled shall elect to be registered himself he shall deliver or send to the Registrar/ Fund Manager a duly signed written notice in a form to be prescribed by the Registrar/ 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 Trustees and the Fund Manager shall not be affected by any notice of such bankruptcy, insolvency or other event.

- 23.9. 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 Registrar/ 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 of Unitholders.
- 23.10. The Fund Manager may, upon giving not less than 7 (seven) working days' notice to the Unitholders by email and advertisement in a widely circulated daily newspaper, close the Register. Such periods of closure shall not, in aggregate, exceed 30 (thirty) days in each year.

24. Voting Rights on Deposited Property

- 24.1. All rights of voting conferred by virtue of being a Unitholder of any Investment forming part of the Deposited Property shall be exercised in such manner as directed by the Trustees and no Unitholder shall have any right to interfere or complain. Upon written request and at the expense of the Fund Manager, the Trustees 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.
- 24.2. The Trustees shall be entitled to exercise the said rights in what they consider to be the best interest of the Fund. Subject to Section 168 of Investments and Securities Act, neither the Fund Manager nor the Trustees 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 Trustees whether in person or by proxy; and neither the Trustees, 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 Fund Manager or by the Unitholder, and the Fund Manager 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.
- 24.3. 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 or abandonment of any rights attaching to any part of the Deposited Property 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.
- 24.4. The Trustees shall, when necessary forward to the Fund Manager, all notices of meetings, reports, circulars and other documents of a like nature received by it or its nominee with regard to any Investment of the Fund.

25. Issuance of Statements of Unitholdings to Unitholders

- 25.1. Upon the initial issue of Units, the Registrar shall notify the Unitholder of the number of Units purchased by such Unitholder by issuing a Statement of Unitholding.
- 25.2. Subsequently, every Unitholder shall be entitled to receive a Statement of Unitholding indicating the total holding of the Unitholder in respect of the Fund, including all Units that have been acquired by the Unitholder and such statement shall be conclusive evidence of the number of units held.
- 25.3. Joint Unitholders shall be entitled to only one Statement of Unitholding for Units held jointly by them, which Statement of Unitholding 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.

26. Indemnities, Rights and Discretion of Trustees

- 26.1. Without prejudice to any indemnity allowed by law or elsewhere herein given to the Trustees, the following provisions shall apply:
- 26.2. The Trustees shall not be responsible for the authenticity of any form of application, endorsement or other documents affecting the title to or transmission of Units; or be in any way liable for any forged or unauthorized signature on or a seal affixed to such endorsement, transfer or other document; or for acting on or giving effect to any such forged or unauthorized signature or seal affixed, PROVIDED that they have exercised due care and diligence in examining the signature and/or document.
- 26.3. The Trustees shall not incur liability in respect of any action or omission by them in good faith in reliance upon any notice, resolution, direction, consent, certificates, affidavit, statement, certificate of stock, plan or scheme of reorganization or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.
- 26.4. The Trustees shall not be liable to the Unitholders for doing or failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto or of any decree, order or judgment of any court or by action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) where the Trustees shall be directed or requested to do or perform or to forbear from doing or performing any act or thing.
- 26.5. The Trustees shall be entitled to require that the signature of any Unitholder or joint Unitholder to any document required to be signed by such Unitholder under or in connection with this Trust Deed be verified by a banker or broker or other responsible person or otherwise authenticated to their reasonable satisfaction.
- 26.6. The Trustees or their Affiliates shall not by reason of its office be precluded from purchasing, holding, dealing in or disposing of Units nor from contracting or entering any financial, banking or other transaction with the Fund Manager (or its Affiliates) or any Unitholder or any company or body whose shares or securities form part of the Deposited Property or from being interested in any such contract or transaction or from holding any shares or any investment in any such company or body. Provided always that the entering into such contracts or transactions shall not be prejudicial to or against the interest of the Fund, the Trustees and their Affiliates shall not, except as otherwise herein provided, be in any way liable to account either to the Fund Manager or to the Unitholders for any profits or benefits made or derived by the Trustees in connection therewith.
- 26.7. The Trustees may not without the prior consent of the Fund Manager, prosecute or defend any action or suit in respect of the provisions hereof or in respect of the Deposited Property or any part thereof,

or take part in or consent to any corporate action Provided however that the Trustees shall not require the consent of the Fund Manager where the action or suit is in respect of the Fund Manager.

- 26.8. Save for instances where the Trustees have been negligent, the Trustees shall not be liable to account to any Unitholder for any payment made or suffered by the Trustees in good faith to any duly empowered fiscal authority of Nigeria or elsewhere for taxes or other charges in any way arising out of or relating to any transaction under this Trust Deed notwithstanding that any such payments need not have been made or suffered.
- 26.9. The Trustees shall not be under any liability on account of anything done or suffered by them in good faith in accordance with or in pursuance of any request, notice, direction or advice of the Fund Manager. Whenever a notice or other communication is to be given by the Fund Manager to the Trustees, the latter accepts as sufficient evidence thereof, a document signed on behalf of the Fund Manager by any person whose signature the Trustees are for the time being authorised in writing by the Fund Manager to accept.
- 26.10. The Trustees shall, as regards all the powers and discretion vested in it by this Trust Deed, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof. In the absence of fraud or negligence or breach of duty, the Trustees shall not in any way be responsible for any loss, costs or damages that may result from the exercise or non-exercise thereof.
- 26.11. The Trustees may act upon the advice of, or statement or information obtained from stockbrokers, accountants, lawyers, bankers or other persons believed by the Trustees in good faith to be experts in the matters on which they have been consulted, whether instructed by the Trustees or the Fund Manager. The Trustees shall not be liable for anything done or omitted or suffered to be done by it in reliance upon such advice statement or information.
- 26.12. The Trustees shall not be responsible for the acts of their duly appointed lawyer, banker, accountant, broker or any other agent not acting on the instruction of the Trustees or acting beyond the course and scope of their appointment. However, where the Trustees are held liable for the acts of any of their agents as provided above, the Trustees will be entitled to be indemnified by such agent.
- 26.13. If for any reason it becomes impossible or impracticable to carry out any of the provisions of this Trust Deed, the Trustees shall not be under any liability or thereby incur liability for any error of law in the absence of fraud or negligence or breach of duty in connection with any matter or thing done or suffered to be done or omitted to be done by them in good faith hereunder, PROVIDED that nothing in this clause may be construed as exempting the Trustees from, or indemnifying the Trustees against, liability for breach of trust arising from any fraudulent or negligent act or omission on its part or any other breach of duty hereunder.
- 26.14. The Trustees shall not be responsible for acting upon any resolution passed at a Meeting of the Unitholders in respect of which minutes shall have been made and signed even though it may be subsequently found that there was some defect in the constitution of the Meeting or the passing of the resolution or that for any reason the resolution was not binding upon all the Unitholders, PROVIDED that nothing in this clause 26.14 shall be construed to relieve the Trustees from an obligation to

exercise due care and diligence in carrying out its obligation as Trustees or to relieve the Trustees from liability for any breach of trust.

- 26.15. With the exception of the selection of Investments and except as otherwise set out herein, the Trustees covenant that effective control over the affairs of this Fund shall be vested in the Trustees and will be independently exercised by the Trustees on behalf of the Unitholders.
- 26.16. The Trustees undertake to notify the Commission of any proposed change in the management of the Fund during the entire period of existence of the Fund.
- 26.17. PROVIDED that nothing in this clause 26 shall have the effect of exempting the Trustees from or indemnifying them against liability for breach of trust or breach of the provisions of this Trust Deed where it fails to exercise the degree of care and diligence required of them as Trustees.

27. Duties of the Trustees

27.1. The Trustees shall:

- a) ensure that the basis on which the sale, issue repurchase or cancellation, as the case may be, of participatory interests effected by or on behalf of the Fund is carried out in accordance with the Investments and Securities Act, SEC Rules and Regulations and this Trust Deed;
- b) ensure that the selling or repurchase price or participatory interests is calculated in accordance with the Investments and Securities Act, SEC Rules and Regulations and this Trust Deed;
- c) act at all times in the interest of and for the benefit of the Unitholders;
- d) verify that, in transactions involving the Deposited Property, any consideration is remitted to it within time limits which are acceptable market practice in the context of a particular transaction;
- e) verify that the income accruals of the Fund are applied in accordance with the Investments and Securities Act, SEC Rules and Regulations and this Trust Deed;
- f) enquire into and prepare a report on the administration of the Fund by the Fund Manager during each annual accounting period, in which it shall be stated whether the Fund has been administered in accordance with the provisions of the Investments and Securities Act and this Trust Deed;
- g) send the report referred to in Clause 27.1(f) of this Trust Deed to the Commission and to the Fund Manager in good time to enable the Fund Manager to include a copy of the report in its annual report;
- h) ensure that there is legal separation of the Deposited Property held in trust and that the legal entitlement of the Fund and/or the Unitholders to the Deposited Property is assured;
- i) ensure appropriate internal control systems are maintained and that records clearly identify the nature and value of the Deposited Property held in trust, the ownership of each Investment and the place where documents of title pertaining to each Investment are kept;
- j) satisfy itself that every income statement, balance sheet or other return prepared by the Fund Manager in terms of section 166 of the Investments and Securities Act fairly represents the assets and liabilities, as well as the income and distribution, of the Fund;
- k) ascertain that the monthly and other periodic returns/reports relating to the Fund are sent by the Fund Manager to the Commission;
- l) monitor the Register of the Unitholders;

- m) generally monitor the activities of the Fund Manager and the Custodian on behalf of the Unitholders; and
 - n) generally comply with the duties outlined in Rule 110(1) of the SEC Rules and Regulations.
- 27.2. The Trustees may request that the Fund Manager shall submit to the Trustees, any book or document or information relating to the administration of the Fund by the Fund Manager, which is in its possession or at its disposal, and which the Trustees may consider necessary to perform their functions, and no person shall interfere with the performance by the Trustees of its functions under the Investments and Securities Act, SEC Rules and Regulations and this Trust Deed.
- 27.3. Whenever it becomes necessary for the Trustees to enforce the terms and conditions of this Trust Deed, the Trustees shall do so within ten (10) working days and shall inform the Commission not later than ten (10) working days after becoming aware of the breach.

28. Notice of Breach to the Commission

- 28.1. The Trustees shall inform the Commission whenever it becomes necessary to enforce the terms of this Trust Deed and whenever there is a breach of the terms and conditions of the Trust Deed not later than 10 (ten) Business Days after the breach.
- 28.2. Upon the breach of the terms and conditions of this Trust Deed, the Trustees shall enforce the terms of this Trust Deed within 10 (ten) Business Days after the breach.

29. Indemnities, Rights and Discretion of Fund Manager

- 29.1. Without prejudice to any indemnity allowed by law or elsewhere herein given to the Fund Manager, the following provisions shall apply:
- 29.2. The Fund Manager and the Registrar shall not be responsible for the authenticity of any form of application, endorsement or other documents affecting the title to or transmission of Units; or be in any way liable for any forged or unauthorized signature on or a seal affixed to such endorsement, transfer or other document; or for acting on or giving effect to any such forged or unauthorized signature or seal affixed, PROVIDED that they have exercised due care and diligence in examining the signature and/or document.
- 29.3. The Fund Manager and the Registrar shall not incur liability in respect of any action or omission by them in good faith in reliance upon any notice, resolution, direction, consent, certificates, affidavit, statement, certificate of stock, plan or scheme of reorganization or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.
- 29.4. The Fund Manager shall not be liable to the Unitholders for doing or failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto or of any decree, order or judgment of any court or by action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) where the Fund Manager shall be directed or requested to do or perform or to forbear from doing or performing any act or thing.
- 29.5. The Fund Manager shall be entitled to require that the signature of any Unitholder or joint Unitholder to any document required to be signed by such Unitholder under or in connection with this Trust Deed be

verified by a banker or broker or other responsible person or otherwise authenticated to their reasonable satisfaction.

- 29.6. The Fund Manager shall in no way be liable to make any payment hereunder to any person except out of the monies of the Fund set aside for that purpose under the provisions of the Trust Deed.
- 29.7. If for any reason it becomes impossible or impracticable to carry out any of the provisions of this Trust Deed, the Fund Manager shall not be under any liability or thereby incur liability for any error of law in the absence of fraud or negligence or breach of duty in connection with any matter or thing done or suffered to be done or omitted to be done by them in good faith hereunder, PROVIDED that nothing in this clause may be construed as exempting the Fund Manager from, or indemnifying the Fund Manager against, liability for breach of trust arising from any fraudulent or negligent act or omission on its part or any other breach of duty hereunder.
- 29.8. The Fund Manager shall not be under any liability except such liability as may be expressly assumed by it under this Trust Deed or imposed by law, nor shall the Fund Manager (save as herein otherwise appears) be liable for any act or omission of the Trustees or for anything except their own breach of duty hereunder.
- 29.9. Subject to the provisions of this Trust Deed, the selection of all Investments, whether partly paid or not, and the retention of cash shall be the sole responsibility of the Fund Manager, who shall exercise due diligence and prudence in its selection process, having due regard for the Investment Policy in such selection.
- 29.10. The Fund Manager shall be entitled, subject to the express written consent of the Trustees, to delegate to any person, firm or corporation, upon such terms and conditions as it may think fit, all or any of its powers and discretion in relation to the selection, acquisition, holding and realization of investments and the application of any monies forming part of the Deposited Property. PROVIDED that the Fund Manager shall remain liable hereunder for any act or omission of any such person, firm or corporation in relation to the exercise or non-exercise of any powers or discretion so delegated as if the same were an act or omission of the Fund Manager.

30. Duties of the Fund Manager

- 30.1. The Fund Manager shall have the following duties:
- a) selection and management of the portfolio of Investments in accordance with this Trust Deed;
 - b) preparing periodic accounting records of the Fund in accordance with the Investment and Securities Act and the applicable rules issued by the Commission from time to time and ensuring that such returns/reports are filed with the Commission on a timely basis;
 - c) keeping of books of accounts and proper records in relation to the Fund;
 - d) filing monthly and other periodic returns / statutory reports with the Commission, the Trustees, the Registrar and the Unitholders;
 - e) organizing the Meetings of the Fund;
 - f) representing the interest of the Fund in both the national and the global market;
 - g) complying with the Investments and Securities Act, SEC Rules and Regulations and this Trust Deed;

- h) avoiding conflicts of interest between the Fund Manager and the Fund;
- i) disclosing the interests of its directors and management in the Fund to the Unitholders;
- j) approving the guidelines, policies and procedures for managing conflict of interest on Related Party Transactions for the Fund subject to the Advisory Board's consideration and vetting;
- k) ensuring that adequate financial resources are available to meet the Fund's financial obligations;
- l) organizing and controlling the Fund in a reasonable and responsible manner expected of a Fund Manager;
- m) employing adequately trained staff and ensuring that they are properly supervised;
- n) establishing well defined internal compliance procedures and risk management policies;
- o) displaying the Fund's annual reports on its website and promoting investor education;
- p) exercising due diligence in ensuring the maintenance of the Deposited Property and ensuring that there is no avoidable deterioration in its value; and
- q) recording the details of its decision-making process in buying or selling assets that will form a part of the Deposited Property together with the justifications for such decisions and forwarding same quarterly to the Trustees.

31. Fund Manager and Trustees acting for other Trusts

The Fund Manager and Trustees shall be entitled, whether in conjunction or separately, to establish and act as fund manager or Trustees for other trusts separate and distinct from this Trust to the extent that such function will not conflict with their obligations hereunder.

32. Variation of Par Value of Units

Subject to the approval of the Trustees and the prior consent of the SEC and the Unitholders by Special Resolution, the Fund Manager may vary the par value of the Units and, in consequence thereof, to effect reductions or increases in the number of outstanding Units. Such notice shall state the number of Units to be cancelled and the new par value of the Units.

33. Covenants by the Fund Manager

The Fund Manager hereby covenants with the Trustees as follows:

- 33.1. It shall not make a profit for itself from transactions in any Deposited Property held under the Fund.
- 33.2. It shall not lend money that is subject to the Trust of the Fund to any person to enable him to purchase Units of the Fund.
- 33.3. It shall not engage in any transactions with respect to or for the Fund that are not, in its opinion, in the best interests of Unitholders and of the Fund.
- 33.4. It shall not deviate from or alter the Investment Policy without due recourse to the provisions of this Trust Deed and the law and without the prior approval of the SEC regarding the same.
- 33.5. It shall exercise due prudence in all its dealings with the monies of the Fund.
- 33.6. It shall give written notice to the Commission of any proposal to alter the Trust Deed or replace the Trustees as required by Section 185 of the Investments and Securities Act.

34. Removal, Retirement and Appointment of Fund Manager

- 34.1. In the event of the Fund Manager desiring to retire, it shall give not less than 6 (six) months' notice in writing to the and the Trustees shall use their best endeavours to find a new Fund Manager. If, within 6 (six) months of notice by the Fund Manager seeking to retire, no suitable replacement is identified, the Trustees may terminate the Trust by giving 6 (six) months' notice to this effect to the Unitholders, the Fund Manager and the Commission.
- 34.2. The Fund Manager shall be subject to removal by notice in writing given by the Trustees in any of the following circumstances, PROVIDED that in every case the proposed removal has been approved by the Commission:
- (a) if the Unitholders representing more than 75% (seventy-five percent) of the Units (excluding the Units held by the Fund Manager) for the time being outstanding deliver to the Trustees a request in writing that the Fund Manager should be removed; or
 - (b) 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 Trustees) or if a receiver is appointed over any of its assets; or
 - (c) if the certificate of registration of the Fund Manager as a capital market operator is withdrawn, suspended or revoked by the Commission; or
 - (d) if the Trustees certify and provide evidence to the satisfaction of the Commission to the effect that the Fund Manager has been fraudulent or has acted with gross misconduct or gross negligence in their management of the Fund and it is in the best interests of the Unitholders that the Fund Manager should be removed.
- 34.3. In any of the foregoing cases, the Fund Manager shall upon notice by the Trustees immediately cease to be the Fund Manager and the Trustees 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 Trustees may advise are necessary or desirable to be entered into, in order to secure the due performance of its duties as Fund Manager. Furthermore, the Trustees shall provide that the Fund Manager to be appointed hereunder shall

purchase from the retiring Fund Manager the 3% mandatory subscription as stated in the SEC Rules and Regulations at the prevailing Bid Price per Unit.

34.4. The former Fund Manager shall, within 14 (fourteen) days, hand over all properties and documents of the Fund in his possession to the Trustees.

35. Removal, Retirement and Appointment of a Trustee

35.1. In the event of a Trustee desiring to retire, it shall give not less than 6 (six) months' notice in writing to the Fund Manager and the Commission of its desire to retire. The Fund Manager shall use its reasonable endeavours to appoint a new Trustee within 6 (six) months of notice to both the Commission and the Fund Manager by the Trustee of its intention to retire. The new Trustee shall be an incorporated company licensed by the Commission to provide trustee services and approved by a simple majority of the Unitholders. If no new Trustee can be identified within that period, the Fund Manager may terminate the Trust.

35.2. A Trustee shall be subject to removal by notice in writing from the Fund Manager in any of the following circumstances, PROVIDED that in any of the scenarios set out below the proposed removal has been approved by the Commission, before service on a Trustee:

- (a) if Unitholders holding not less than 75% (seventy-five percent) of the Units of the Fund (excluding the Units held by the Fund Manager) deliver to the Fund Manager a request in writing that a Trustee should be removed;
- (b) if a Trustee 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;
- (c) if the certificate of registration of a Trustee as a capital market operator is withdrawn, suspended or revoked by the Commission;
- (d) if in the opinion of the Fund Manager, which opinion is confirmed by Unitholders by a Special Resolution, the Meeting in person or by proxy, the Trustee becomes or is incapable of performing; or have in fact consistently failed to perform its duties satisfactorily; or have wilfully 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 its fiduciary duties to the Fund.

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

35.4. The new Trustee, taking the place of the Trustee retiring pursuant to clause 35.1 or removed pursuant to 35.2 above, shall sign a deed of accession in terms set out in the Fourth Schedule.

35.5. Where a Trustee retires in accordance with clause 35.1 or where the appointment of the Trustee is terminated pursuant to clause 35.2, the Trustee shall within seven (7) days submit a report to the Commission stating the following:

- (a) The assets and liabilities of the 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.

36. Preparation of Notice and Other Documents

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. It shall suffice for the Fund Manager to send such notices, accounts, offers and statements electronically to Unitholders.

37. Auditing of the Fund's Accounts and Valuation of Investments

- 37.1. At least once in every Financial Year, the Fund Manager shall cause to be audited and certified by the Auditors the accounts relating to the management of the Fund. The audited accounts of the Fund shall be signed by the Fund Manager and the Trustees.
- 37.2. 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.
- 37.3. 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, statements of remuneration in connection therewith and performance reports and the Trustee report shall be circulated to the Unitholders at the end of each financial year.
- 37.4. A copy of the Auditor's report in respect of the Fund shall be sent by the Fund Manager to the Commission and the Trustees and shall also be published on the Fund Manager's website within 3 (three) months following the completion of the period to which the accounts relate, or as the Commission may from time to time specify.
- 37.5. The Fund Manager may appoint tax consultants or such other accounting or tax professionals as it may determine from time to time.
- 37.6. The Net Asset Value and the Net Asset Value per Unit shall be calculated and made available on the Fund Manager's website every quarter.
- 37.7. The Fund Manager shall also appoint a firm registered with the Commission as the valuation adviser of the Fund. The Valuation Adviser shall provide an independent valuation of the Investments on an annual basis.
- 37.8. The Valuation Adviser shall be replaced at least once every three years.

38. Appointment and Removal of Auditor

- 38.1. The Auditor shall be appointed by the Fund Manager with the approval of the Trustees. The Auditor shall be a person who is qualified for appointment as an auditor of a company under Section 403 of the Companies and Allied Matters Act and is registered as such with the Commission.
- 38.2. Within 30 (thirty) days of the date of appointment of the Auditor, the Fund Manager shall apply to the SEC for approval of the appointment of the Auditor; and the SEC may at any time withdraw its approval of the appointment of an Auditor.
- 38.3. Any Auditor appointed may be removed by the Fund Manager with the written approval of the Trustees by notice thereof to the Auditor, and the Fund Manager shall immediately notify the SEC of such removal.
- 38.4. The remuneration of the Auditor shall be fixed by the Fund Manager.
- 38.5. The Auditor of the Fund may resign its office by serving a notice in writing to that effect at the registered office of the Trustees and any such notice shall operate to determine its office on the date on which notice is received or on such later date as may be specified therein.
- 38.6. The Auditor's notice of resignation shall not be effective unless it contains either:
- (a) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the Unitholders of the Fund; or
 - (b) a statement setting out the circumstances connected with its resignation which it considers should be brought to the notice of the Unitholders of the Fund.
- 38.7. Where a notice under this section is served at the Trustees' registered office, the Trustees shall within 14 (fourteen) days send a copy of the notice to the Fund Manager.

39. Duration and Termination of the Trust

- 39.1. The Trust constituted by this Trust Deed shall be for a period of 99 (ninety-nine) years, subject only to the provisions for termination as are herein contained.
- 39.2. The Trustees or Fund Manager shall, subject to the approval of the other party, have the discretion to terminate the Trust by issuing no less than 6 (six) months' notice thereof in writing to the other as well as to the Unitholders of the Fund and the Commission.
- 39.3. The Trust may be terminated upon notice by the Trustees in writing to the Fund Manager, Unitholders of the Fund and the Commission in any of the following events:
- (a) if the Fund Manager ceases to carry on business and no new Fund Manager can be appointed; or
 - (b) if the Trust becomes illegal or if, in the reasonable opinion of the Trustees, it is impracticable or inadvisable to continue the Trust.
- 39.4. The Trust may at any time be terminated by a Special Resolution of the Unitholders at a Meeting of the Fund, duly convened and held in accordance with the provisions contained herein. Such

termination shall take effect no less than 6 (six) months from the date on which the said Special Resolution is passed, or on such later date (if any) as the said Special Resolution may provide.

- 39.5. The Trust may be duly terminated by the Commission where any of the activities of the Trust is outside the ambit of permissible activities as provided for by the Investments and Securities Act, any relevant regulations enacted thereunder or any other applicable laws, or where the Commission's approval of the Fund is withdrawn.
- 39.6. The Fund Manager may, by notice to the Commission, Unitholders and the Trustees terminate the Fund if in the opinion of the Fund Manager, the value of the Fund's Deposited Property 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.
- 39.7. In the event of termination, the liquidation of the Fund and redemption of the Units will be satisfied solely out of the Deposited Property of the terminated Fund, without recourse to the assets of any other constituent Fund or the assets of the Fund Manager.

40. Procedure after Termination of the Trust

- 40.1. Subject to the provisions of Rule 453 of the SEC Rules and Regulation, upon the Trust being terminated, the Trustees shall proceed as follows:
- 40.2. 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 Trustees and the Fund Manager deems fit.
- 40.3. 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 Trustees may request for any additional information/document for the purpose of making such terminal distribution. PROVIDED THAT the Trustees 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 Trustees 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.
- 40.4. comply with the provisions of Rule 453 of the SEC rules in respect of report to be submitted to the Commission upon completion of the termination.
- 40.5. keep the unclaimed money (if any) in an interest yielding account for the purpose of meeting investor's claims.

41. Meetings

- 41.1. The Fund Manager may call a Meeting of Unitholders with the consent of the Trustees, to consider matters affecting the Fund.
- 41.2. The provisions of the Third Schedule to this Trust Deed shall have effect as if the same were included herein and shall apply to Meetings of the Fund, in so far as that Schedule does not conflict with any applicable law.

42. Circulars and Advertisements

- 42.1. No advertisement, circular or other document of that nature containing any statement with reference to the issue price of Units or containing any invitation to buy Units shall be issued by or on behalf of the Fund Manager unless such document also contains a statement with respect to the yield from the Unit.
- 42.2. No advertisement, circular or other document of that nature containing any statement with respect to the issue price of Units or the payments of other benefits received or likely to be received by Unitholders or containing any invitation to buy Units shall be issued by or on behalf of the Fund Manager until the Trustees has had a reasonable opportunity to consider the terms of the document. No such document shall be issued if, within 10 (ten) days after the document first comes under the Trustees' consideration, the Trustees notify the Fund Manager in writing of its disapproval of the terms thereof. All such documents shall also be subject to the approval of the Commission before they are issued.
- 42.3. In all letters, circulars, advertisements or other publications referring to the issue or sale of Units, reference shall be made to the Trustees only in terms previously consented to by the Trustees and the Commission.

43. Notices

- 43.1. All notices or other documents directed to be given or sent by the Trustees or the Fund Manager to a Unitholder shall (unless the Trustees or the Fund Manager be otherwise directed in writing) be sent by post, fax, via the internet or courier to the Unitholder at its address as appearing in the Register. Any notice shall be deemed to have been received by the Unitholder on the same day as shown on the notice if sent by fax or via the internet, or on the 3rd (third) day following the day on which the notice was sent by post or courier.
- 43.2. A notice required to be given to the Trustees or the Fund Manager shall be sent to the registered office of the Trustees or the Fund Manager as the case may be.

44. Distributions

- 44.1. The amount available for distribution in respect of any Distribution Period shall be, subject as hereinafter provided, a sum up to 90% of the aggregate of:
- (a) the income received by the Trust during the Distribution Period;
 - (b) the amount (if any) recovered or estimated by the Fund Manager and the Auditors to be receivable by the Trust in respect of relief from tax and double tax on income;
- Less, a sum equal to the aggregate of:
- (c) the amount of expenses paid or estimated by the Trustees to be payable out of the Deposited Property pursuant to clause 10 hereof and which, in the opinion of the Fund Manager and the Trustees are properly chargeable against income proceeds;
 - (d) the amount (if any) paid or estimated by the Fund Manager and Auditors to be payable by the Trust in respect of tax on income other than tax already deducted in determining the amount of the income.
 - (e) Retained Earnings for Future Distribution. A portion of the available distributable income may be reserved for a portion of upcoming payout.

- 44.2. At each Distribution Record Date, the amount of cash required to effect such Distribution shall be transferred from the Deposited Property to the STL Trustees Limited/ARM Private Debt Fund Investment Account.
- 44.3. The Registrar/ Fund Manager 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.
- 44.4. Any monies payable by the Trustees or by the Fund Manager to a Unitholder or former Unitholder under the provisions of this Trust Deed shall be paid by electronic money transfer only (e-dividend).
- 44.5. Distributions of the Fund's income as described in Clause 44.1 shall be made to the Unitholders semi-annually.

45. Copies of Trust Deed to be Made Available

- 45.1. A copy of this Trust Deed and of any deed supplemental hereto shall, at all times, during usual business hours be made available by the Fund Manager and the Trustees at their respective offices and for inspection by Unitholders.
- 45.2. A Unitholder shall be entitled to receive from the Fund Manager an electronic copy of such Trust Deed(s) as aforesaid.
- 45.3. Notwithstanding Clause 45.2 above, a Unitholder shall upon request be issued an electronic copy of this Deed and of any Deed supplemental hereto, and such request will not be subject to any payment.
- 45.4. The Trustees and the Fund Manager shall keep the original Trust Deed.

46. Reconstruction and Amalgamation

- 46.1. The Trust may be reconstructed or amalgamated upon the following conditions being satisfied:
- (a) the Fund Manager has agreed with the manager of some other trust the terms and conditions of a scheme of reconstruction and amalgamation;
 - (b) the Trustees have not dissented from the proposed reconstruction or amalgamation;
 - (c) the Unitholders have been informed of the particulars of the proposed reconstruction or amalgamation in a manner approved by the Trustees and a Special Resolution has been passed at a Meeting of the Unitholders approving such proposed reconstruction or amalgamation;
 - (d) the Fund Manager has duly notified the Commission of the proposed reconstruction and amalgamation, and the Commission has approved the proposed reconstruction and amalgamation.

- (e) If such conditions 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 Trustees 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 Trustees shall do all such acts and things as may be necessary or requisite for the implementation thereof.

47. Power of Modification by Supplemental Deed

- 47.1. The Trustees and the Fund Manager shall be entitled by 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 Trustees shall certify in writing that, in its opinion such consolidation, modification, alteration or addition does not prejudice the interests of the Unitholders and does not operate to release the Trustees or Fund Manager from any responsibility to the Unitholders.
- 47.2. No such consolidation, modification, alteration or addition shall be made without the sanction of a Special Resolution passed at a Meeting of Unitholders duly convened and held and the approval of the Commission. No such consolidation, modification, alteration or addition shall impose any further payment on the Unitholder in respect of its Units or any liability in respect thereof.
- 47.3. Notwithstanding clause 47.1 above, the Fund Manager and the Trustees shall seek the approval of the Commission for any proposed modification to the Trust Deed by service of notice on the Commission. Such proposed change shall not be given effect until the proposed change has been approved by the Commission.

48. Events of Default

- 48.1. Upon the occurrence of an Event of Default, the Unitholders may remove the Fund Manager in accordance with Clause 34 (Removal, Retirement and Appointment of Fund Manager) and appoint another fund manager to perform the obligations in this Deed.
- 48.2. If any of the following events ("**Events of Default**") occurs and is continuing and the Fund Manager is not replaced in line with 48.1 above, the trust can be terminated in accordance with the provisions of Clause 39 (Duration and Termination of Trust). In the circumstance, the Trustees at its discretion may, and if so requested in writing by the majority Unitholders, or if so directed by a Special Resolution of the Unitholders shall give written notice to the Fund Manager at its specified office that the Units in respect of the relevant series or tranche under the Programme is immediately repayable to the Unitholders and the Trust shall be duly terminated:
- a) **Non-Payment:** the Fund Manager fails to pay an amount as it falls due in accordance with this Deed (Due Date) or within ten (10) Business days after the Due Date, (the "Grace Period"). Provided however, that where such non-payment is due to an administrative, technical error, or Force Majeure event (unforeseen circumstances), the Trustees may in their discretion (after consultation with the Fund Manager) determine that such unforeseen circumstances can be remedied within a reasonable period after the Grace Period and extend the Grace Period.
- b) **Breach of Other Obligations:** the Fund Manager does not perform or comply with any one or more of its other obligations in respect of the Units, Offer, the Fund or this Deed which default will affect the capacity of the Fund Manager to fulfil its obligations and which default is incapable of remedy or is not in the opinion of the Trustees remedied within 20 (twenty) Business Days (or such longer period as the

Trustees may permit in writing) after notice of such default shall have been given to the Fund Manager by the Trustees at their specified office;

- c) **Enforcement Proceedings:** a distress, attachment, execution, or other legal process is levied, enforced, or sued out on or against a material part of the property, assets, or revenues of the Fund Manager and is not discharged or stayed within one hundred and twenty (120) days. PROVIDED THAT for the purposes of this provision, "material" in relation to the Fund Manager shall mean 15% or more of the property, assets or revenues of Fund Manager in aggregate;
- d) **Material Adverse Effect:** Upon the occurrence of an event with a Material Adverse Effect;
- e) **Force Majeure Event:** the occurrence of a Force Majeure Event that affects the ability of the Fund Manager to perform their obligations under any of the Fund Documents which continues for a continuous period of one (1) month; and
- f) **Analogous Events:** any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

49. Compliance

The Trustees shall, at all times in the course of administering this Trust, comply and also as far as practicable seek to procure compliance by the Fund Manager with the provisions of this Trust Deed. The Trustees shall also ensure compliance with the Investment and Securities Act and the rules and regulations made thereunder.

50. Governing Law

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

51. Dispute Resolution

51.1. It is hereby agreed and declared between the Parties hereto that they shall endeavour to amicably resolve any dispute or misunderstanding that may arise between them relating to the interpretation of any of the terms of this Trust Deed.

51.2. In the event that the Parties are unable to amicably resolve the dispute or misunderstanding as evidenced in Clause 51.1 above, the Parties shall refer the matter to the Commission within five (5) business days in furtherance of the Nigerian Capital Market complaints management process.

51.3. Where either or both parties disagree with the considered opinion of the Commission in respect of the dispute, either of them may refer the dispute to the Investments and Securities Tribunal (IST) established in accordance with the provisions of the ISA for determination.

51.4. The provisions of this Clause 51 shall survive the termination and/or amendment of whatever clause in dispute or all the terms of this Trust Deed.

52. Miscellaneous

52.1. This Trust Deed may be executed in any number of counterparts all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Trust Deed by signing any counterpart.

52.2. Without prejudice to any other provision hereof, if any provision of this Trust Deed is prohibited, unenforceable, unlawful, invalid or illegal, such invalidity, illegality, unenforceability, prohibition or unlawfulness shall not to the extent permitted by law render invalid, unenforceable, unlawful, illegal or prohibited the other provisions of this Trust Deed.

52.3. If the performance of this Trust Deed or any obligation under it is prevented, restricted or interfered with by reason of circumstance beyond the reasonable control of the party obliged to perform it, the party so affected shall be excused from performance to the extent of the prevention, restriction or interference, but the party so affected shall use its reasonable endeavours to avoid or remove the causes of non-performance, immediately notify the other party of the non-performance and shall continue performance under this Agreement with utmost dispatch whenever such causes are removed or diminished.

52.4. The Fund Manager may not assign, transfer or otherwise dispose of any of its interest in the Fund without the prior written consent of the Trustees.

2. Indebtedness

As of the date of this Shelf Prospectus, the Fund Manager has no contingent liabilities nor outstanding debentures, mortgages, loans, charges or similar indebtedness.

3. Claims And Litigation of The Fund Manager

As of the date hereof, the Fund Manager, in the ordinary course of business, has no current or pending litigations, disputes, arbitration, or other similar proceedings by or against the Fund Manager and, to the best of its knowledge, there are no contingent liabilities or potential claims that may arise from any dealings or transactions involving the Fund Manager.

4. Relationship Between the Fund Manager, The Trustees and The Custodian

The Fund Manager, the Trustees and the Custodian do not have any common shareholders or directors, and neither is a subsidiary nor holding company of the other.

5. Material Contracts

1. A Programme Trust Deed dated 07 November, 2025, between ARM Investment Managers Limited, Leadway Trustees Limited and STL Trustees Limited under which the Fund was constituted.
2. A Series Trust Deed dated on or about the date of the Programme Trust Deed, between ARM Investment Managers Limited, Leadway Trustees Limited and STL Trustees Limited in relation to any Series of units under the Programme.
3. A Custody Agreement dated 07 November, 2025, between ARM Investment Managers Limited, STL Trustees Limited and Rand Merchant Bank Nigeria Limited (acting as Custodian); and

4. A Series Vending Agreement dated on or about the date of the Shelf Prospectus, between ARM Investment Managers Limited, Asset & Resource Management Capital Limited and Vetiva Advisory Services in relation to any Series of units under the Programme.

6. Consents

The Fund Manager

ARM Investment Managers Limited

Directors of the Fund Manager

- Dr. Oladimeji Isreal Alo
- Mrs. Kai Orga
- Mr. Mounir Bouba
- Mr. Abayomi Sanni
- Mr. Babatunde Lemo
- Mr Wale Odutola

INVESTMENT COMMITTEE OF THE FUND – INDEPENDENT MEMBERS

- Mrs. Ayotunde Owoigbe
- Mr. Akinseye Akinola
- Mr. Yinka Odeleye

Company Secretary

DCSL Corporate Services Limited

Issuing Houses

Vetiva Advisory Services Limited, Asset & Resource Management Capital Limited

Trustees

STL Trustees Limited

Leadway Trustees Limited

Custodian

Rand Merchant Bank Nigeria Limited (acting as Custodian)

Registrars

Meristem Registrars and Probate Services Limited

Solicitors

Udo Udoma & Belo-Osagie

Valuation Adviser

PricewaterhouseCoopers (PwC) Nigeria

Auditor

Ernst & Young (EY) Nigeria

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the office of the Vetiva Advisory Services Limited at Plot 266B, Kofo Abayomi Street, Victoria Island, Lagos, or Asset & Resource Management Capital Limited at 1 Mekunwen Road, Off Oyinkan Abayomi Drive, Lagos, during normal business hours on any Business Day.

- a. Certificate of Incorporation of the Fund Manager;
- b. Memorandum and Articles of Association of the Fund Manager;
- c. Certificate of Incorporation of the Trustees;
- d. Memorandum and Articles of Association of the Trustees;
- e. The resolution of the Board of Directors of the Fund Manager authorising the creation of the Fund;
- f. The Shelf Prospectus issued in respect of the Programme;
- g. The list of outstanding claims and litigations referred to in Section 3 on page 123;
- h. The material contracts referred to in Section 5 on page 123;
- i. The written consents referred to in Section 6 on page 124; and
- j. The letter of approval from the Securities and Exchange Commission.