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FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS. SEE "RISK FACTORS" ON PAGE 20.

OFFER FOR SUBSCRIPTION
OF
250,000,000 UNITS OF N2 EACH
ISSUED AT PAR
IN THE
HILLCREST BALANCED FUND
(Authorized and Registered in Nigeria as a Unit Trust Scheme)
PAYABLE IN FULL ON APPLICATION

FUND MANAGER:



Hillcrest Capital Management Limited (RC 1535359)

COMMENCEMENT DATE: JULY 8, 2024

THIS PROSPECTUS AND THE UNITS WHICH IT OFFERS HAVE BEEN APPROVED AND REGISTERED BY THE SECURITIES & EXCHANGE COMMISSION. THE INVESTMENTS AND SECURITIES ACT NO. 29 OF 2007 PROVIDES FOR CIVIL AND CRIMINAL LIABILITIES FOR THE ISSUE OF A PROSPECTUS WHICH CONTAINS FALSE OR MISLEADING INFORMATION. REGISTRATION OF THIS PROSPECTUS AND THE UNITS WHICH IT OFFERS, DOES NOT RELIEVE THE PARTIES OF ANY LIABILITY ARISING UNDER THE ACT FOR FALSE OR MISLEADING STATEMENTS OR FOR ANY OMISSION OF A MATERIAL FACT IN THE PROSPECTUS

This Prospectus is dated June 24, 2024

TABLE OF CONTENTS

		PAGE
1.	INDICATIVE TIMETABLE	3
2.	DEFINITION OF TERMS	4
3.	SUMMARY OF THE OFFER	6
4.	THE OFFER	10
5.	CORPORATE DIRECTORY OF THE FUND MANAGER	12
6.	THE TRUSTEE AND OTHER PROFESSIONAL PARTIES TO THE OFFER	13
7.	INFORMATION ON THE HILLCREST NIGERIA BALANCED FUND	14
	Particulars of the Fund	14
	Investment Objective and Policy	14
	Investment Process	14
	Target Investors	15
	Investment Incentives	15
	Subscription to the Fund	15
	Income and Distribution	16
	Investment Discretion	16
	Investment Restrictions	16
	Unit Certificates	17
	Transfer and Redemption of Units	17
	Unitholders' Meetings & Voting Rights	17
	Valuation of the Units	18
	Costs & Expenses of the Fund	18
	Risk Factors	19
8.	INFORMATION ON THE FUND MANAGER AND TRUSTEE	23
	Brief Profile of the Fund Manager	23
	Directors of the Fund Manager	23
	Fund Management Team	24
	The Fund Investment Committee	25
	Brief Profile of the Trustee	26
9.	STATUTORY AND GENERAL INFORMATION	29
	Extracts from the Trust Deed	29
	Extracts from the Custody Agreement	35
	Indebtedness	40
	Claims & Litigation	40
	Costs & Expenses	41
	Relationship Between the Fund Manager and its Advisers	41
	Material Contracts	41
	Consents	41
	Documents Available for Inspection	41
10.	PROCEDURE FOR APPLICATION AND ALLOTMENT	43
11.	APPLICATION FORM	45
12.	INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM	48

1. INDICATIVE TIMETABLE

DATE	ACTIVITY	RESPONSIBILITY
July 8, 2024	Application List opens	Fund Manager
August 16, 2024	Receiving Agents make returns	Fund Manager
August 21, 2024	Pay all subscription directly to the Fund's account, domiciled with the Custodian	Custodian
August 23, 2024	Distribution of Unit Certificates / Statement Holding	Fund Manager
August 31, 2024	Scheme post registration report to SEC	Fund Manager

This timetable has been prepared on the basis of our estimation of the time required to obtain various approvals from regulatory bodies and is thus indicative. It is therefore subject to change without prior notice.

2. DEFINITION OF TERMS

In this document, unless otherwise stated or clearly indicated by the context, the words in the first column have meanings stated opposite them:

“Affiliate or Affiliate of a Related party”	Means having regard to a Related Party, any person, natural or corporate falling within the categories of the persons listed and defined in the SEC CIS Rules;
“Application Form”	The form for the subscription of Units of the Fund attached hereto.
“Authorized dealer”	A bank licensed by the CBN to deal in foreign exchange under the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act Cap F34, LFN 2004.
“Bid Price”	The price computed in accordance with the formula specified by the Fund Manager in accordance with SEC guidelines at which an investor can sell/redeem units of the Fund at a stated point in Time
“Business Day”	Monday through Friday excluding days designated by the Federal Government of Nigeria as public holiday
“CBN”	Central Bank of Nigeria —
“CCI”	Certificate of Capital Importation
“Custodian”	United Bank for Africa Plc (Global Investor Services)
“Commencement Date”	The date Application for the subscription is open to the public.
“Custody Agreement”	The agreement dated July 8, 2024, between Hillcrest Capital Management and UBA Plc and STL Trustees Limited
“Deposited Property”	All assets (including cash) for the time being held or deemed to be held in trust on behalf of the Fund by virtue of the Trust Deed
“Directors”	The Directors of the Fund Manager, who comprise those persons whose names are set out on page 23 of this document
“Distribution”	Income generated by the Fund and paid (less expenses and applicable taxes) to Unit holders
“Distribution Payment Date”	Any day on which the Fund Manager shall make Distributions pursuant to the provisions of the Trust Deed
“FGN”	Federal Government of Nigeria
“Fund”	Hillcrest Balanced Fund
“FMDQ” or The “Exchange”	FMDQ OTC Securities Exchange (Licensed Bond Platform and Exchange)
“Fund Manager” or “Manager”	Hillcrest Capital Management Limited (“Hillcrest”)
“IPO” or “Offer”	This initial public offering of 250,000,000 units at N2 at par in the Fund
“ISA”	Investments & Securities Act No. 29 of 2007
“LFN”	Laws of the Federation of Nigeria
“Listing date “	The date on which units of the Fund issued to subscribers under the Offer for Subscription are to be listed on an exchange
“Net Asset Value” or “NAV”	The total value of all investments and other assets of the Fund less any fees, charges, expenses and other liabilities accrued by the Fund.
“Offer Price”	The price an investor will pay for one unit when subscribing to the Fund.
“Open-ended Fund”	A mutual fund that can create and offer additional units outside of its initial offering on a continuous basis throughout its life. Units of such a fund can also be redeemed in line with the provisions of the trust deed constituting the fund from the Fund Manager
Principal Transaction”	A transaction which, singularly or in aggregate of over a 12- month period equals five percent (5%) or more of the Fund’s net asset value (NAV).

“Prospectus”	This document, which is issued in accordance with the provisions of the ISA and the SEC Rules and Regulations and which discloses relevant information about the Fund and the IPO
“Receiving Agents”	All Banks and Stockbrokers authorized to distribute this prospectus and receive evidence Of payment to the Custody Account from the general public for onward dispatch to the Fund Manager to the Offer.
“Register”	The register of Unit holders.
“Related Party”	A related party shall be the Trustee, Fund Manager and Custodian of such CIS
“Related party transaction”	Transaction between the affiliates of related parties and the fund manager acting on behalf of a CIS
“SEC” or “Commission”	Securities & Exchange Commission
“The Exchange”	Nigerian Exchange limited
“Trustee”	STL Trustees Limited
“Trustee Investments Act”	Trustee Investments Act Cap T22 Laws of the Federation of Nigeria 2004
“Trust Deed”	The Deed constituting the Fund dated [July 8, 2024] and any document supplemental thereto or executed in pursuance thereof
“Unit(s)”	A Unit created and issued which represents one undivided share in the assets of the Fund
“Unit Certificate”	The Certificate discloses the number of Units held by a Unitholder in the Fund
“Unitholder”	The person(s) whose names are for the time being entered in the Register of Unitholders as holder(s) of Units of the Fund
“Valuation Day”	The Business Day or such other date (s) on which the Offer and Bid Prices are calculated after the conclusion of the IPO.

3. SUMMARY OF THE OFFER

The following is a summary of the terms and conditions of an investment in the HILLCREST BALANCED FUND. This summary is qualified in its entirety by the detailed information contained in this Prospectus and the Trust Deed governing the Fund. Prospective investors are urged to read the entire Prospectus and to consult their own professional advisers as to the tax and legal consequences of investing in the Fund.

Investors are advised to seek information on the Fees, Charges & Operating Expenses before investing in the Fund.

1.	FUND MANAGER/SPONSOR	Hillcrest Capital Management Limited
2.	STOCKBROKER	Hillcrest Capital Management Limited
3.	TRUSTEE TO THE FUND	STL Trustees Limited
4.	CUSTODIAN	UBA Plc
5.	SOLICITOR	Laurel Francis & Associates
6.	THE OFFER	250,000,000 Units of N2 each at par in the Fund
7.	METHOD OF OFFER	Offer for Subscription
8.	NATURE OF THE FUND	The Fund is open-ended and is constituted under the Trust Deed. The Fund has an initial target of 250,000,000 Units. Subject to Commission's approval and in consultation with the Trustees, the Fund Manager will register additional units of the fund with the Commission and issue same to subscribers in the event of over-subscription or exhaustion of this initial tranche. Units of the Fund can also be purchased at the Offer Price after the IPO at the offices of the Fund Manager.
9.	FUND INVESTMENT OBJECTIVE	The Fund's main objective is to achieve income generation and/or capital growth over time while mitigating the volatility associated with the Nigerian equity market for its Unitholders. This is achieved by investing in a diversified and select portfolio of high quality Nigerian equities and fixed income securities.
10.	TARGET INVESTORS/INVESTOR SUITABILITY	The Fund is targeted towards prudent investors with a medium term risk appetite who wish to achieve capital appreciation overtime in the equity market without being fully exposed to the volatility therein; investors who wish to reduce concentration risk by diversifying their investments; and investors who wish to benefit from attractive returns that may be earned by the pooling together of funds. These investors include individuals and institutions such as corporations, associations, pension funds, endowment funds, cooperatives, provident funds and non-profit organizations.

		The Fund welcomes participation from both resident and non-resident Nigerian investors. The Fund Manager will assist non-resident investors to facilitate the remittance of the net proceeds arising from redemption.
10.	ISSUE SIZE	₦500,000,000.00 (Five Hundred Million Naira)
11.	ISSUE PRICE	N2 per Unit.
12.	UNITS OF SALE	Total units of 250,000,000; with a minimum of 2,500 (N5,00.00) and in multiples of 2,500 (N5,000.00) Units thereafter.
13.	PAYMENT TERMS	Payable in full on application
14.	MANDATORY SUBSCRIPTION	Hillcrest Capital Management Limited will subscribe to minimum of 5% of the offer size. This allotment is in compliance with the Securities and Exchange Commission (SEC) regulations which states that the sponsors of an authorized scheme shall subscribe to a minimum of 5% of the registered units of the Scheme at inception, and such units shall be held throughout the life of the scheme.
15.	OPENING DATE	July 8, 2024
16.	USE OF PROCEEDS	The Offer proceeds will be used in accordance with the Fund's investment objectives and policies. The offer costs and expenses amounting to N4,627,500 (which includes printing, distribution and advertising expenses) shall be offset from the offer proceeds. This amount represents 0.9255 of the offer proceeds.
17.	DISTRIBUTIONS/REINVESTMENT	<p>The Fund's main focus is capital appreciation of Fund assets. The Manager intends to declare dividends and make distributions on a semi-annual basis provided the Fund makes a profit in the period in respect of which such Distributions are made.</p> <p>Unitholders may elect to receive their Distributions in 'cash', i.e., via electronic transfer or to re-invest their Distributions by purchasing additional Units in the Fund. The choice of Distribution payment options shall be made at the point of subscription to the Fund.</p>
18.	MINIMUM INVESTMENT PERIOD	<p>The minimum holding period for an investment in the Fund is 90 (ninety) calendar days from the date of purchase. The minimum holding period commences from the Allotment Date for subscribers under the IPO of the Fund.</p> <p>Where the Unitholder redeems all or any part of the units held before the expiration of the Minimum Investment Period, such Unitholder shall pay a processing fee of 10% of income accrued on the units being redeemed.</p>
19.	BENCHMARK	The benchmark for the fund shall be a composite index comprising of 40% NSE ASI, 20% of 3-year Sovereign Bond; and 40% of 91 average treasury bill rate or 3 Months Nigeria Inter-Bank Treasury Bills True-Yield (NITTY), as published by the Fund Managers Association of Nigeria from time to time and approved by the Commission.

21.	REDEMPTION	<p>The Fund Manager will redeem Units upon production of a Unit Certificate or Statement of Unit holding or other permissible evidence of ownership in lieu of the certificate relating to such Units, which must be surrendered before any redemption whether for the whole or for any part thereof can be registered.</p> <p>Units purchased in the name of an individual under the age of 18 years may be redeemed by such individual upon attaining the age of 18 years provided such individual produces a Unit Certificate of the Fund and valid identification.</p> <p>Units may be redeemed on any Business Day at the Bid Price per Unit, provided redemption notices are received at the offices of the Fund Manager before 11.00 a.m. on the Valuation Day. Notices received after 11.00 a.m. shall be treated on the following Business Day. Redemption price shall be as at the date of treatment. A new Unit Certificate will be issued for the new number of units in case of partial redemption.</p> <p>Under normal circumstances, the Fund will make redemption payments within five (5) Business Days of receipt of the redemption notice.</p> <p>Minimum permissible holding after partial redemption is 50 units or such balance as advised by the Manager from time to time to Unitholders/prospective investors electronically and via the manager's website. Where after partial redemption, the units held by a unit holder falls below 50 units or such minimum units as advised by the Manager, the unit holder shall be given the opportunity to redeem all</p>
22.	QUOTATION	<p>In order to improve visibility of Units of the Fund, the Fund Manager may make all necessary efforts to obtain an approval for the listing of Units of the Fund on the Exchange. To this end, a formal application will be made to The NGX for the admission of the 250,000,000 Units being offered for subscription to its Memorandum List.</p>
23.	QUALIFICATION	<p>The Units qualify as securities in which Trustees may invest under the Trustees Investment Act Cap T22 LFN 2004. The Units of the Fund qualify as securities in which PFAs may invest under the Regulation of Investment of Pension Fund Assets issued by National Pension Commission pursuant to the Pension Reform Act 2014</p>
24.	STATUS	<p>The Units being offered for subscription shall rank <i>pari-passu</i> in all respects with other future Units to be issued by the Fund.</p>
25.	OVER SUBSCRIPTION	<p>Any oversubscribed portion would be absorbed subject to the registration of such additional Units with the Securities and Exchange Commission</p>
26.	INVESTMENT RISKS	<p>The risks associated with an investment in the Fund are set out in the section titled "Risk Factors" on page 20 of this prospectus.</p>
27.	SELLING RESTRICTIONS	<p>Under no circumstances shall this Prospectus constitute an offer to sell or the solicitation of an offer to buy or shall there be any sale of these units in any jurisdiction in which such offer, solicitation or sale would be unlawful.</p>
28.	GOVERNING LAW	<p>The Offer Documents will be governed by and construed in accordance with the laws of the Federal Republic of Nigeria.</p>

29	Forecast Yield	The effective yield on the Fund will be a function of the prices at which the underlying assets are acquired. The Fund cannot guarantee future returns and the value of its investment may rise and fall. The above forecast yield, therefore, should not be regarded by an investor as a promise or guarantee of returns, but is provided for indicative purposes. The actual returns may be materially different from the forecast
30	Fees	Management Fee – 1.50%

4. THE OFFER

A copy of this Prospectus and the documents specified herein have been approved by the Trustees and registered by the Securities and Exchange Commission. This Prospectus is being issued in compliance with the provisions of the Investments and Securities Act No. 29 of 2007, 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 the public with regard to the Offer for Subscription of 250,000,000 Units in The Fund by The Fund Manager. The Fund has been authorized and registered by SEC as a Unit Trust Scheme. Investors can confirm the registration of this documents on the SEC website: www.sec.gov.ng

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

HILLCREST CAPITAL MANAGEMENT LIMITED

Offers for Subscription
and is authorized to receive applications for

250,000,000

Units of N2 each
Issued At Par
in the

HILLCREST BALANCED FUND

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

Payable in Full on Application

FUND MANAGER:

Hillcrest Capital Management Limited (RC 1535359)

The Application List for the Units now being offered will open on July 8, 2024

5. CORPORATE DIRECTORY OF THE FUND MANAGER

FUND MANAGER:	Hilcrest Capital Management Limited (RC:1535359)
	<u>Corporate Headquarters:</u> 30b, Oladimeji Alo Street off Freedom Way Lekki Lagos, Nigeria Telephone: +234-1-4540094 Website: www.hilcrestcapmgt.com Email: info@hilcrestcapmgt.com
CHAIRMAN	Segun Kingsley Rehoboth (Chairman)
DIRECTORS OF THE FUND MANAGER:	Segun Kingsley Rehoboth (Director) 30b, Oladimeji Alo Street off Freedom Way, Lagos
	Oliyide Roseline Oluwayomi (Managing Director) 30b, Oladimeji Alo Street off Freedom Way, Lagos
FUND MANAGER –COMPANY SECRETARY	ME & A Juris (Secretary) 30b, Oladimeji Alo Street off Freedom Way, Lagos
PRINCIPAL OFFICERS OF THE FUND MANAGER :	Mrs Oliyide Roseline Oluwayomi (<i>Managing Director</i>) Mr. Niyi Akinyemi (<i>Chief Compliance Officer</i>) Mr. Udeaba Onyebuchi Ambrose (<i>Head, Investment Management</i>)
MEMBERS OF THE INVESTMENT COMMITTEE OF THE FUND:	Mrs Oliyide Roseline Oluwayomi (<i>Managing Director</i>) Mr. Udeaba Onyebuchi Ambrose (<i>Head, Investment Management</i>) Mrs Funmi Ekundayo (<i>Representing Trustee</i>) Dr Ogbebor Peter (<i>Independent Member</i>)

6. THE TRUSTEES AND PROFESSIONAL PARTIES TO THE OFFER

STOCKBROKER TO THE OFFER	Hilcrest Capital Management Limited 30b, Oladimeji Alo Street off Freedom Way Lekki Lagos, Nigeria Telephone: +234-1-4540094 Email: info@hilcrestcapmgt.com
TRUSTEE TO THE FUND:	STL Trustees Limited Plot 183, Moshood Olugbani Street Victoria Island Lagos
SOLICITORS TO THE FUND	Laurel Francis & Associates Suite A18C, Platinum Mega Mall Jahi Districts, Abuja FCT
CUSTODIAN TO THE OFFER:	UBA Plc 57 Marina, Lagos Island, Lagos, Nigeria
AUDITORS:	PLM Audit 2, Montgomery Road, Yaba, Lagos.

7. INFORMATION ON THE HILLCREST BALANCED FUND

7.1 PARTICULARS OF THE FUND

- a. The HILLCREST BALANCED FUND is authorized and registered in Nigeria as a Unit Trust Scheme under Section 160 of the ISA. The Fund is governed by a Trust Deed in favor with STL Trustees Limited as Trustee.
- b. The Fund is offering up to 250,000,000 units of N2 each at par as the initial subscription to the public. Upon the successful completion of this Offer, the net proceeds therefrom and the resultant investments will be held in trust for the beneficial interest of the Unitholders and will constitute the Fund.
- c. As an Open-ended Fund, units of the Fund will be continuously offered to investors, with the Fund Manager standing ready to redeem units of the Fund all through the duration of the Trust Deed constituting the Fund. United Bank for Africa Plc (Global Investor Services) has been appointed as the Custodian to provide custodial services in respect of the Deposited Property pursuant to the terms of the Custody Agreement.

7.2 INVESTMENT OBJECTIVES AND POLICY

- a. The Fund shall invest with the objective of income generation and/or capital growth.
- b. Within the parameters of its specific investment policies, the Fund will invest only in eligible securities – quoted equities and fixed income instruments such as Federal Government, State and Municipal Bonds, Corporate Bonds, Commercial Papers, Collateralized Repurchase Agreements and Certificates of Deposits with eligible financial institutions and other instruments introduced and approved by the Central Bank of Nigeria from time to time as permissible. These eligible securities must have received an investment grade rating from a SEC-registered rating agency.
- c. The Fund Manager strictly adheres to the “Prudent Man” rule in making investment decisions and will bring that to bear in managing the fund. This rule requires that person(s) charged with the responsibility of making investment decisions on behalf of others should act with prudence, discretion, intelligence and regard for safety of capital and income.+
- d. The objective of the Fund is to achieve income generation and/or capital growth overtime while mitigating volatility associated with investing in the Nigerian equities market while ensuring capital preservation and wealth maximization for the Unitholders. Investments would be made in the best available opportunities, without losing sight on the acceptable risk parameters, the provisions of the Trust Deed and the SEC Rules and Regulations.
- e. Determination of required returns for the Unitholders’ wealth maximization, along with other factors, is dependent upon certain key macro-economic indicators and comparable investment returns available in the market. Determination of risk parameters involves qualitative as well as quantitative analyses including comparison among the various instruments, volatility of the available returns on these instruments and macroeconomic indicators.
- f. In line with the investment objectives, the Investment Policy of the Fund is to maintain an appropriate investment mix of both equity and fixed income securities which optimize the returns through active fund management as determined by the investment committee. In order to achieve the parameters, set by aforementioned Policy, the Fund Manager shall determine or alter the investment mix of the portfolio from time to time keeping in view particular sector or company developments.
- g. The Fund shall ensure that its fixed income portfolio maintains a weighted average time to maturity not exceeding 5 (five) years.

7.3 INVESTMENT PROCESS

7.3.1 In identifying quality investments, the Fund Manager shall adopt top-down and bottom-up investment approach based on comprehensive due diligence on the nature of the investment, as well as independent, robust and thorough research analysis that will lead to prudent investment judgment. The Fund Manager will draw on its experience in the Nigerian capital market in order to ensure that investors enjoy returns that exceed the applicable market benchmarks. Accordingly, the Fund Manager intends to make investment decisions based on the continuous assessment of the specific investments that offer the strongest prospects taking cognizance of higher risks and return tolerance

Specifically, the Fund Manager will adopt the following investment process:

- a. **Security selection** - Each security shall be analyzed by the research analysts and portfolio managers. The portfolio managers will assess the strength of each investment case in order to determine appropriate positions to be taken within the portfolio. These views will be based on a rigorous investment process, asset class and investment style to best capture prevailing market conditions. The Fund Manager will ensure that risk control is optimized to fit within the aggregate portfolio risk in a way which provides the optimal return for minimal risk.
- b. **Asset allocation** - The target asset allocation for the Fund has been determined by the Fund Manager to facilitate the achievement of the Fund's long-term investment objectives within established risk parameters. The allocation of funds between sub-asset classes, sovereign instruments vs corporate instruments may be the single most important determinant of the investment performance over the long run. In the event of extreme market conditions and market volatility, the Fund Manager may revise the asset allocation bands in order to protect the value of the Fund for the benefit of Unitholders, subject to the Commission's approval.
- c. The Fund Manager shall bear the responsibility for making adjustments in order to maintain target ranges and for any permanent changes to policy provided however that the investments of the Fund shall at all times comprise of a minimum of 40% exposure to both equities and fixed income instruments and a maximum of 60% exposure to both asset classes.

Table1. Asset Allocation

PROPOSED ASSET CLASS	ASSET NAME	ASSET ALLOCATION RANGE (%)
Equities	Listed Equities	40 – 60%
Fixed Income and Money Market Instruments	Nigerian Treasury Bills, Government Promissory Notes, FGN & State Bonds, Certificate of Deposits, Collateralized Repurchase Agreements, Commercial Papers and Investment Grade Corporate Bonds <i>As per SEC rule, the Fund will maintain not less than 20% allocation to fixed income securities at all time</i>	40 – 60%
Cash	Call Placements	0 – 5%
Total		100%

NOTE: The Fund shall maintain 20% allocation to fixed income securities at all times.

7.4 TARGET INVESTORS

The Hillcrest Balanced Fund is designed for both retail and institutional investors with medium risk appetite looking to maximize current level of capital growth in equities and interest income in some corporate, long-tenured securities. The Fund is particularly suitable for:

- a. Investors who seek safety and preservation of capital value;
- b. Investors who have medium risk appetite and willing to optimize investment returns;
- c. Investors who wish to reduce concentration risk and benefit from diversification and professional investment management; and
- d. Investors who have a medium to long term investment horizon and are looking for a fund in the medium risk spectrum.
- e. The Fund welcomes participation from resident and non-resident individuals and institutional investors that fit the above investor profile.

7.5 +INVESTMENT INCENTIVES

Benefits of the fund include:

- a. **Expertise** - The Fund offers investors access to a professional portfolio management team.
- b. **Economies of Scale** - The Fund Manager will utilize the size of the Fund to reduce transaction costs, obtain higher returns and consequently enhance portfolio returns.
- c. **Diversification** - The diversified structure of the Fund will minimize the risk and optimize portfolio return.
- d. **Administration** - The statutory role of the Manager will ensure that the cumbersome day-to-day administrative functions associated with investing are effectively coordinated and managed.
- e. **Liquidity** - The Fund Manager is available to redeem Units of the Fund, within the rules stated in the Fund's Trust Deed. Unitholders can redeem their Units within five (5) business days after the relevant redemption documents have been filed with the Fund Manager.
- f. **Minors** - The Fund offers opportunities to subscribe to Units on behalf of and in the favor of minors. When such minors reach legal maturity (18 years) they can either continue with the investment or redeem all or some of the Units held in their name subject to the minimum permissible holding.
- g. **Programmed Investments** - Investors with plans for periodic investment programs will also find the Fund attractive. Such investors might choose to make regular monthly or quarterly investments, or at such other frequencies that align with their overall investment needs. They can also be effected by a standing order mandate to the investors bank.

7.6 SUBSCRIPTION TO THE FUND

The Fund shall be issued in Units of N2 per unit during the offer, subject to an initial minimum subscription of N5,000 and in multiples of N5,000 thereafter. Consistent with the open-ended nature of the Fund, any oversubscription would be absorbed in full. The Fund Manager shall also be at liberty to create more units of the Fund from time to time as it deems fit, subject to the registration of the additional units with the Commission.

Units of the Fund can be purchased from the Manager or any other Agent(s) appointed by the Fund Manager by completing the appropriate Purchase Order Form. Subscription may be by one of the following means:

- a. Directly to the Fund Manager or from any designated agent. Completed Forms should be returned to any such designated agent along with a bank draft for the amount being invested by downloading a Purchase Order Form from the Fund Manager's website [www.hillcrestcapmgt.com].
- b. The downloaded and duly completed Form should be sent to the Fund Manager's office address as indicated on the Form OR scanned and emailed to info@hillcrestcapmgt.com Payment for Units of the Fund can be made via a wire transfer made in line with instructions on the Form.

Foreign currency subscriptions shall be processed at the prevailing exchange rate advised by the Manager. Foreign currency subscribers are requested to complete the Purchase Order Form and follow the instructions at the back of the Form. The Fund Manager will support all foreign currency subscribers to obtain CCIs

(Certificate of Capital Importation) from authorized dealers within 24 hours of importation of capital for the purpose of investing in the Fund. CCIs are required to enable subsequent repatriation of proceeds from redemption of Units or from any distribution of the Fund's income that the Fund Manager may undertake.

7.7 INCOME AND DISTRIBUTION

- a. The Fund will operate as an income fund with the aim to maximize incomes in the form of dividends, interest, capital gains, discounts and other profits from its investments. The Fund will make semi-annual distributions from net income to investors.
- b. The closure of register of Unitholders will occur 2 weeks after each half, twice during the year. Unitholders shall be given at least 2 weeks' notice of such closure in at least two national daily newspapers. Investors who have invested in the Fund for less than 3 months will also be eligible for income distribution.
- c. Unitholders can elect to receive distributions in cash or in new units. This election shall be made by Unitholders at the time the Units are subscribed for or purchased and may be changed by written notice to the Fund Manager at any time that is received by the Fund Manager not less than 14 days before the distribution payment date. Provided that unless an election to the contrary is made, the Fund Manager shall reinvest the distributions due to Investors in new units. Minimum investment period for an Investment in the fund is 3 months.

7.8 INVESTMENT DISCRETION

- a. Investments of the Fund will be undertaken at the discretion of the Fund Manager, subject to the policies established by the Investment Committee and in accordance with the Trust Deed. Within these limits, the Fund Manager will be responsible for all the decisions relating to investment strategies, types, amounts and timing of the investments to be undertaken by the Fund.
- b. The strategies of the Fund will be periodically reviewed and modified as market conditions dictate and as the Fund Manager deems such modifications to be in the Fund's best interest. The Fund is not to hold any investments for specific or pre-determined periods. Holding periods for the Fund's trading and investment positions will be principally dependent upon their anticipated short to long term income and capital appreciation potential and the market conditions that may prevail over time.

7.9 INVESTMENT RESTRICTIONS

The Fund Manager will adhere strictly to the investment objective of the Fund. In addition, the Fund Manager shall invest in such instruments as are permissible under the Trust Deed and authorized by the Investment Committee. The following restrictions shall apply to investment made by the Fund;

1. The value of the fund's investment in:
 - (i) Equity securities by a single company shall not exceed 5% or in the case of a company with market capitalization of N50 billion or more, 10% of its NAV or 1.2 times of that shares weight in the benchmark (whichever is greater), in the equity securities of any single company, and provided further that these will not apply to a fund whose principal objective is to track or replicate an index.
 - (ii) With the exception of treasury bills, money market instruments issued by any single issuer shall not constitute more than 20% of the fund's NAV.
 - (iii) With the exception of federal government bonds, bonds issued by any single issuer or one group of companies shall not constitute more than 30% of the Funds NAV
 - (iv) Fixed deposits with any single institution shall not constitute more than 20% of the funds NAV
 - (v) Units/shares shall not constitute more than 20% of the fund's NAV.
 - (vi) The fund shall not have any direct exposure to real estate.
2. No equity investment of the Fund shall represent more than 10% of the outstanding securities of the issuer.
3. The provisions of this rule shall not affect the applicability of the investment restrictions in unlisted securities provided in the Rules on investment by CIS in unlisted securities.
4. Where the investment limit prescribed in the SEC Rules exceeded as a result of a corporate action or through an appreciation or depreciation of the Fund's NAV, 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 months from the date of the breach take all necessary steps and action to rectify the breach.
5. Investments shall be made for trading purposes only and shall not be intended for the purpose of exercising control over the management or operating policies of issuers of securities held;
 6. The Fund shall not advance loans except that it may buy and hold qualifying debt instruments in accordance with its mandate;
 7. The Fund will not purchase securities on margin or engage in short sales of securities;
 8. The Fund Manager shall not invest more than 10% of the Fund's total assets in any single non- sovereign instrument, be it equity or debt;
 9. The Fund shall not invest in any in-house securities of the Manager;
 10. No part of the Fund shall be invested in any units or securities of another collective investment scheme being managed by the Fund Manager;
 11. The Fund Manager shall not invest in any securities that are not transferable; and
 12. Additional restrictions as determined by the Committee and in accordance to the Trust Deed shall apply from time to time.

7.10 UNIT CERTIFICATES

- a. Unitholders will be issued with Unit Certificates, which shall be evidence of their title to the number of Units specified on such statements and/or certificates.
- b. Electronic Fund Statement**
Every Unitholder shall be entitled to receive from the Fund Manager an Electronic Fund Statement for the number of units purchased by such Unitholder. The Electronic Fund Statement shall be conclusive evidence of the number of units held. The Electronic Fund Statements shall be made available via E-mail to all Fund subscribers.
- c. Report of the Fund**
Copies of the audited annual reports of the Fund will be mailed to all Unit Holders at their email addresses or registered addresses within three months following the financial year end of the Fund. The Fund's fiscal year ends on December 31st of each year.

7.11 TRANSFER AND REDEMPTION OF UNITS

- a. Redemption of Units will be possible at any time after the allotment of such Units. Units redeemed within 90 days of the purchase will attract a processing fee amounting to 10% of the income accrued on the units being redeemed.
- b. Every Unitholder shall be entitled to transfer the Units or any of the Units held by him through the Manager in accordance with the provisions of the Trust Deed. The Manager will not transfer or redeem units without the production of the Unit Certificate. The Unit Certificate must be surrendered before any transfer or redemption, whether for the whole or any part thereof, can be registered.
- c. Units purchased on behalf of an individual under the age of 18 years may be redeemed or transferred by the approved signatory or by the individual upon attaining the age of 18 years provided that such individual produces the Unit Certificate and a valid international passport (or any other approved Government issued ID). Detailed transfer instructions are provided in the Trust Deed.
- d. Units may be redeemed on any Business Day at the Bid Price per Unit, provided redemption notices are received at the offices of the Fund Manager before 5.00 p.m. on the Valuation Day. Notices received after 5.00 p.m. shall be treated on the following Business Day. Redemption price shall be the price of the Units as at the date of treatment.
- e. Unitholders are required to maintain a minimum holding of 50 units except in the event of total redemption of holdings. A new Unit Certificate will be issued for the new number of units in cases of partial redemption. Under normal circumstances, the Fund will make redemption payments within 5 Business Days of receipt of the redemption notice.

7.12 UNITHOLDERS' MEETINGS AND VOTING RIGHTS

The Manager may call an Annual General Meeting of Unitholders with the consent of the Trustees or at the request of the Trustees not later than four (4) months after the end of each accounting year to consider the accounts and all matters affecting the Fund. Each Unit of the Fund carries a right of one vote in all matters

requiring the decision of the Unitholders. The Units confer on the Unitholders exclusive participation in the returns on the assets of the Fund and a right to receive notices to attend and vote at any general meeting of the Fund.

7.13 VALUATION OF THE UNITS

The valuation of the Units shall be done at the close of each Business Day or such other period which the Fund Manager may advise from time to time, based on a formula approved by SEC. The Fund Manager will advise the prices of the Fund after the valuation on the following business day and display same visibly at its offices. The total current formula stipulated by the SEC is presented below

Offer Price:

Value per unit = (summation of 1- 4) minus (summation of 5- 8) divided by number of units on sale rounded off.

1. Total market value of equity securities based on the Exchange daily official list as at the date of valuation (lowest market offer price).
2. Total market value of fixed income and money market securities held
3. Un-invested Cash
4. Undistributed income to date less expenses
5. Stamp duties;
6. Brokerage fee;
7. S.E.C. fee;
8. Other relevant approved costs
9. Manager's charge

Bid Price:

Value per unit = (summation of 1- 4) minus (summation of 5- 8) divided by number of units on sale rounded off.

1. Total market value of equity securities based on the Exchange daily official list as at the date of valuation (Highest market bid price).
2. Total market value of fixed income and money market securities held
3. Un-invested Cash
4. Undistributed income to date less expenses
5. Stamp duties;
6. Brokerage fee;
7. S.E.C. fee;
8. Other relevant approved costs

The Bid and Offer Prices per Unit shall be displayed at the Fund Manager's office and website.

7.14 FEES & EXPENSES OF THE FUND

The initial costs of establishing the Fund (N4,627,500 - 0.93% of the Fund Size) will be charged against the expected proceeds. This charge includes the expenses of this Offer, which comprises regulatory and professional fees, printing, advertising and publicity, and brokerage commission. The administrative costs, which include the Manager's (1.5%), Trustees (0.1%) and Custodian's fees (0.02%) as well as the Auditor's fee, represent 2.02% of Net Asset Value of the Fund per annum. All future costs and expenses of maintaining the Fund, which shall include management of its assets, administration and other services, shall be deducted from the income generated by the Fund. In addition to this, the Fund Manager shall be entitled to an annual incentive fee where the Fund has outperformed its stated benchmark. The incentive fee shall be chargeable on the total annualized returns above the benchmark and up to 20% of the excess returns; Provided that:

- (i) the Fund's stated benchmark shall be reflective of the nature of the Fund and its underlying instruments;
- (ii) only actively managed Funds may charge incentive fee;
- (iii) where the Fund underperforms its benchmark, the management fee charged shall decrease by the same percentage by which the Fund underperformed;
- (iv) the fund performance must have reached a high-water mark. A high-water mark is reached when the fund's value (per unit basis) exceeds its highest historical record.

7.15 RISK FACTORS

The value of an investment generally will fluctuate in response to market conditions, as every type of investment involves an element of risk. This is a normal aspect of investing.

The Fund Manager will adopt a risk management framework to assess the downside impact of the inclusion and non-inclusion of a security on the overall portfolio performance. The risk management framework assigns probabilities based on research outcomes and this is to determine the weighting appropriate for each security in the portfolio. Other operational risk is minimized with strong due diligence framework, a comprehensive system of checks and balances instituted by the Investment Committee and separation of all major investments and their related functions.

However, no framework can fully identify or mitigate the risks that pertain to investment management. The Fund Manager will be prudent in making investment decisions but offers no guarantees that fund objectives will be achieved. The investments are denominated in Naira therefore the associated foreign currency risks are the responsibility of the investor.

While there are many factors that may affect the performances of any asset class; equity, fixed income or money market investments, below is a summary of the major risks that can significantly affect the Fund's performance and should therefore be considered when investing in the Fund.

7.15.1 Risks related to investing in fixed income securities:**7.15.1.1 Income risk:**

The Fund is subject to income risk. This is the risk that the value of the income from a Fund investing in short term debt securities will decrease due to a decline in interest rates. The decline in interest rates will result in a decline in the yield of the Fund.

7.15.1.2 Credit Risk:

The Fund is subject to credit risk. Credit risk is essentially the risk that a borrower/issuer of debt securities in which the Manager may invest will be unable to make payment or interest in a timely manner.

7.15.1.3 Currency/Exchange Rate Risk:

This is the risk that exchange rates may significantly change (including changes due to devaluation of the Naira, being the specified currency for the Fund or the revaluation of an investor's currency) and the risk that authorities with jurisdictions over the investor's currency may impose or modify exchange controls.

7.15.1.4 FGN Obligations Risk:

FGN obligations include Treasury Bills issued by the CBN, FGN debt securities issued by the Debt Management Office ("DMO"), Federal government agencies or government-sponsored entities. While Treasury Bills and DMO-issued obligations are backed by the "full faith and credit" of the FGN, securities issued by the government agencies or government-sponsored entities may not be backed by the full faith and credit of the FGN. If a government-sponsored entity is unable to meet its obligations or its creditworthiness declines, the performance of the Fund that holds securities issued or guaranteed by the entity will be adversely impacted. FGN obligations are subject to low but varying degrees of credit risks, and are still subject to interest rate and market risk.

7.15.2 Risks related to investing in equity securities:

7.15.2.1 Market risk:

The prices of, and the income generated by, the common stocks held by the Fund may decline due to changes in market conditions or market factors. The existing depth and variety of instruments available in the Nigerian capital markets limit the opportunities to mitigate market risk within security portfolios

7.15.2.2 Investing in growth stocks:

Growth stocks in which the Fund may invest involve greater price swings and thus higher potential for losses as compared to other types of investments. This propensity to price volatility reflects, amongst other things, the nature of these types of stocks which tend to exhibit higher price sensitivity to market trends.

7.15.2.3 Investing in value stocks:

Income generated by the Fund may be reduced by changes in the dividend policies of, and the capital resources available to, the companies in which the Fund invests. This risk is a form of Company Specific Risk as it is unique to the individual companies/entities in which the Fund invests.

7.15.2.4 Liquidity Risk: although market parties try to ensure ample liquidity, moments of less market depth does exist. The fund risk not being able to meet short term financial demands.

7.15.2.5 Regulatory Risk: Changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment.

17.16 Risk Management Strategy

As identified above, the Fund has its associated risks and the best thing is to be able to identify and measure such risks for effective risk management. Given the experience of the Fund Manager in the money market, the above-mentioned risk factors will be constantly monitored in order to reduce their potential effects on the Fund. The following Risk management strategy shall therefore be deployed by the Fund Manager:

a. Portfolio Risk Management

The Fund Manager shall address portfolio risk by creating a portfolio that is well-diversified amongst and within asset classes that benefit from the Fund Manager's expertise. Regular reviews will assess the Fund's positioning relative to indices and benchmarks, as well as to internal policy, strategy and risk guidelines to ensure that the Fund portfolio continually reflects the Fund Manager's best assessment of available risk-adjusted return opportunities. Appropriate concentration limits will be employed at the asset class, issuer and security levels. In addition, the Fund Manager shall from time-to-time stress test the portfolio using various simulation scenarios to show any potential risk that could impact the Fund. The result of the test shall be reported to the investment committee. The asset allocation policy will be followed consistent with the investment strategy and The Fund Manager shall from time to time stress test the portfolio using various simulation scenarios to show any potential risk that could impact the Fund. The result of the test shall be reported to the investment committee.

b. Market Risk Management

The Fund Manager shall rely on the asset and portfolio management prowess of the fund's management team in making all investment decisions and policies. It is expected that the Investment Committee shall benefit from the independent contributions of an independent member knowledgeable in investment and financial matters.

As such, the Fund Manager will be well positioned to effectively assess and analyze markets, trends and securities. Importantly, the Fund's exposure to both equity and fixed income markets mitigates the exposure of the overall portfolio to each market.

c. Operational Risk Management

The Fund Manager shall minimize operational risk by the due diligence of the portfolio managers and appropriate segregation of roles and responsibilities including, but not limited to, investment decision making, settlement and custody. Appropriate internal and audit processes will be employed to ensure the separation of all major investments and their related functions. A comprehensive system of checks and balances established

by the Committee will ensure that all investment guidelines and restrictions are strictly adhered to. The Fund Manager identifies and evaluates the design and operational effectiveness of existing controls, determines the likelihood of occurrence of the identified risk event and also the consequence after which it determines the Funds level of exposure through various assessment methodologies. In addition, political and economic risks shall be taken into account and addressed primarily at the stock level. Analysts will take all political, economic and currency factors into consideration when making financial forecasts and recommendations.

8. INFORMATION ON THE FUND MANAGER AND TRUSTEES

10.1 **PROFILE: HILLCREST CAPITAL MANAGEMENT – FUND MANAGER**

Hillcrest Capital Management Limited (“Hillcrest”) and its international affiliate Hillcrest UK offer bespoke investment and financial advisory services to a select group of target clientele. Incorporated in 2018 to offer bespoke asset management and advisory services as fund, portfolio and investment advisory managers, Hillcrest Capital Management Limited is registered by SEC on 14th of August, 2019, to carry out asset management functions.

As an Asset Management firm, Hillcrest seek to offer a broad range of investment and wealth management solutions to its target clientele. In this regard, the company actively seek out high value investment opportunities and pool funds together to take advantage of same.

The Company is poised to overcome the inherent threat in the industry by embarking on client specific strategies driven by technology and aggressive market penetration and distribution techniques. Hillcrest’s unique selling proposition is its ability to leverage technology to drive funds mobilization. In this regard, the company adopt measures based on the behavioral patterns of its target clientele.

10.2 **DIRECTORS OF THE FUND MANAGER**

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

Mr. Segun Rehoboth Kingsley (*Director*)

Segun Rehoboth Kingsley is the Group Chairman of Hillcrest Capital Management Limited.

Segun built his reputation by focusing on four principles: utmost professionalism, compassion for clients, thorough evidence- based research and alignment of interests. An astute Asset manager with experience which spans over 20 years all around the globe, he has advised on over \$1 billion in assets and managed over \$400 million discretionarily on behalf of clients; his independent, professional, client-centered approach resonates with high-net-worth investors.

Prior to Hillcrest Capital Management Limited launch, Segun has an interest in raising commercial finance particularly in the UK and around the world, a major player in the private equity industry and asset portfolio. He also has interests in various industry which includes Asset acquisition, Charity, Construction, Infrastructure development, Oil & Gas industry, and Security with a presence in Africa, UK, and the USA.

Known for his strong business development acumen, Segun is the Group Managing Director of ShepherdHill Group, a boutique firm that offers bespoke wealth management experience to clients. He holds a Master of Science (MSc) focused in Accounting and Finance from London South Bank University in the year 2001.

Mr. Joseph Aborowa (*Director*)

Joseph Aborowa (FCA) is the Managing Partner of Messrs. Joseph Aborowa & Co, (Chartered Accountants) and a fellow of the Institute of Chartered Accountants of Nigeria (ICAN)) and Associate of Chartered Institute of Taxation (ACIT). Joseph has over 20 years’ experience in the field of auditing, accounting, forensic accounting, taxation, investments and financial/management consultancy, and is a resource person to the Federal Inland Revenue Services (FIRS). Joseph has been involved in financial modelling and restructuring for many multinationals and has attended many trainings locally and abroad. He obtained BSc Economics from Olabisi Onabanjo University in the year 2004 and a Master degree in Financial Management from Lagos State University in 2008.

Mrs. Oluwayomi Oliyide (*Managing Director*)

Oluwayomi Roseline Oliyide is the Managing Director of Hillcrest Capital Management Limited and she serves on the Board of Directors. Prior to joining Hillcrest, she worked as Chief Dealer at BGL Securities Ltd., She was also at Sterling Bank, where she held various leadership roles. In the course of her over 30-years career in the financial industry she has held various positions including Audit practice & Tax investigation, Treasury operations, Banking operations, Internal Control, Financial Control, Financial & Investment Advisory, Deal Structuring, Stockbroking and Capital Market operations. She had also worked at Paul Taiwo & Co. (Chartered Accountants); Prominence Savings & Loans (Mortgage Bankers).

Government Scholarship award for Postgraduate students, Sterling Bank Best Staff of the Year, and the NSE Prize for best participant in the X-Stream User test programme. Oluwayomi has attended various courses in banking operations, accounting and financial services industry which includes Lagos Business School (LBS) Management programmes and other self-development courses.

She earned her BSc in Chemistry from the University of Ibadan in 1987. She also earned her MBA (Finance bias) from the University of Lagos in 2001 and two MSc Degrees in Analytical Chemistry (University of Ibadan) in 1990 and also in Banking & Finance (Babcock University) in 2020. She is an Associate member of diverse professional associations amongst which is the Institute of Chartered Accountants of Nigeria (ICAN); Chartered Institute of Taxation of Nigeria (CITN) and Chartered Institute of Stockbrokers (CIS). Oluwayomi is an Authorized Dealing Clerk of The Nigerian Stock Exchange (NSE). She is married with children.

10.3 FUND MANAGEMENT TEAM

The Fund's portfolio will be managed within the Fund Manager's Asset Management Department while the following individuals shall have primary responsibility for the Fund's day-to-day operations:

Mr. Udeaba Onyebuchi Ambrose

Ambrose is the Head, Investment Management of Hillcrest Capital Management Ltd. Ambrose experience in financial services and capital market for over seven (7+) years with capabilities in Asset Management, Investment Management, Fund/Portfolio Management, Wealth Management, Securities (Bonds & Equities) Trading/Dealing, Structured Financial Products Development/Management, Deals Structuring, Corporate Finance/Advisory, Market Research/Intelligence, Investment/Financial Analysis, Financial Technology (FinTech), and Youth Engagement for wealth creation, accumulation and management. Before joining Hillcrest as Head of Investment Management, he worked as Head, Investment Management of the Asset and Equity Group with many subsidiaries. Prior to AEG, he worked as an Investment Associate with Elixir Investment Partners Ltd. He was the Deputy Head, Capital Market with Interstate Securities Ltd. A former Investment and Research Analyst of Qualinvest Capital Ltd.

Ambrose interacts and engages with various Clients such as UHNIs/HNIs, Institutional/Corporate and Retail, Foreign and Local Investors and builds relationships with them in respect of their Fund/Portfolio Investments Management goals while ensuring their investment objectives/needs are strategically achieved. Ambrose holds B.Sc. in Business Administrations from the University of Nigeria, Nsukka in March 2013 and MSc in Management from the University of Lagos in 2022. An Authorized Dealing Clerk of the Nigerian Exchange Group (NGX), Associate Member of the Chartered Institute of Stockbrokers (ACS) and Securities & Exchange Commission (SEC) Nigeria licensed Sponsored Individual.

Mr. Niyi Akinyemi

Niyi serves as Chief Compliance officer of Hillcrest Capital Management Limited and is a Chartered Accountant, Certified Capital Market Operator and Business Development Expert. He has over 19 years professional/hands-on experience in Preparation of Management and Final Accounts, Statutory Audit and Compliance, Receivables and Payables Management, Budget, Treasury, Fixed Asset, Lease, Tax Management, Business Consulting & Training, Preparation of Feasibility Study and Business Plan, amongst others.

Prior to joining Hillcrest Capital Management Limited, Niyi started his career as Field Officer in September 2000 with Support and Training Entrepreneurship Program (STEP) an international Non-Governmental Organisation established and funded by International Finance Corporation (IFC) an investment arm of the World Bank. He joined Landover Aviation Company Limited, a leading Aviation Company in Nigeria in April 2002 as Receivable Accountant and grew to become the Head Accounts of Overland Airways Limited. Later, he moved to Afrijet Airlines as General Accounting Manager in 2008. Niyi was a faculty

member with Enterprise Development Centre (EDC) of Lagos Business School (LBS) and Pan African University (PAU) where he teaches Taxation and Finance and Business Management. He is a consultant to World Bank on Growth and Employment (GEM), a World Bank initiative in which the Bank gives qualified/ successful entrepreneurs grant of \$40,000 for business expansion and employment generation.

A trainer per excellence, Niyi is a member of the Nigerian Institute of Training and Development (NITAD) and Financial Reporting Council of Nigeria (FRCN). Niyi graduated from Federal Polytechnic Iaro, Ogun State in the department of Accountancy in 1998. He also earned a Post Graduate Degree in Human Resource Management from University of Calabar in 2000. He is an alumnus of Lagos Business School and earned a Certificate in Basic Management Skills in 2000.

Mrs. Oluwayomi Oliyide

Oluwayomi Roseline Oliyide is the Managing Director of Hillcrest Capital Management Limited and she serves on the Board of Directors. Prior to joining Hillcrest, she worked as Chief Dealer at BGL Securities Ltd., She was also at Sterling Bank, where she held various leadership roles. In the course of her over 30-years career in the financial industry she has held various positions including Audit practice & Tax investigation, Treasury operations, Banking operations, Internal Control, Financial Control, Financial & Investment Advisory, Deal Structuring, Stockbroking and Capital Market operations. She had also worked at Paul Taiwo & Co. (Chartered Accountants); Prominence Savings & Loans (Mortgage Bankers).

Government Scholarship award for Postgraduate students, Sterling Bank Best Staff of the Year, and the NSE Prize for best participant in the X-Stream User test programme. Oluwayomi has attended various courses in banking operations, accounting and financial services industry which includes Lagos Business School (LBS) Management programmes and other self-development courses.

She earned her MBA (Finance bias) from the University of Lagos in 2001 and two MSc Degrees in Analytical Chemistry (University of Ibadan) in 1990 and also in Banking & Finance (Babcock University) in 2020. She is an Associate member of diverse professional associations amongst which is the Institute of Chartered Accountants of Nigeria (ICAN); Chartered Institute of Taxation of Nigeria (CITN) and Chartered Institute of Stockbrokers (CIS). Oluwayomi is an Authorized Dealing Clerk of The Nigerian Stock Exchange (NSE). She is married with children.

10.4 **THE FUND INVESTMENT COMMITTEE**

The Investment Committee will advise and guide the Fund Manager on its investment strategies and policies in order to ensure that its activities conform with the Fund's established investment objectives and in the overall interests of the Unitholders. The Investment Committee shall meet quarterly.

The membership of the proposed Investment Committee is five members as follows;

Mr. Udeaba Onyebuchi Ambrose

Ambrose is the Head, Investment Management of Hillcrest Capital Management Ltd. Ambrose experience in financial services and capital market for over seven (7+) years with capabilities in Asset Management, Investment Management, Fund/Portfolio Management, Wealth Management, Securities (Bonds & Equities) Trading/Dealing, Structured Financial Products Development/Management, Deals Structuring, Corporate Finance/Advisory, Market Research/Intelligence, Investment/Financial Analysis, Financial Technology (FinTech), and Youth Engagement for wealth creation, accumulation and management. Before joining Hillcrest as Head of Investment Management, he worked as Head, Investment Management of the Asset and Equity Group with many subsidiaries. Prior to AEG, he worked as an Investment Associate with Elixir Investment Partners Ltd. He was the Deputy Head, Capital Market with Interstate Securities Ltd. A former Investment and Research Analyst of Qualinvest Capital Ltd.

Mrs. Oluwayomi Oliyide

Oluwayomi Roseline Oliyide is the Managing Director of Hillcrest Capital Management Limited and she serves on the Board of Directors. Prior to joining Hillcrest, she worked as Chief Dealer at BGL Securities Ltd., She was also at Sterling Bank, where she held various leadership roles. In the course of her over 30-years career in the financial industry she has held various positions including Audit practice & Tax investigation, Treasury operations, Banking operations, Internal Control, Financial Control, Financial & Investment Advisory, Deal Structuring, Stockbroking and Capital Market operations. She had also worked at Paul Taiwo & Co. (Chartered Accountants); Prominence Savings & Loans (Mortgage Bankers).

Government Scholarship award for Postgraduate students, Sterling Bank Best Staff of the Year, and the NSE Prize for best participant in the X-Stream User test programme. Oluwayomi has attended various courses in banking operations, accounting and financial services industry which includes Lagos Business School (LBS) Management programmes and other self-development courses.

She earned her MBA (Finance bias) from the University of Lagos and two MSc Degrees in Analytical Chemistry (University of Ibadan) and in Banking & Finance (Babcock University). She is an Associate member of diverse professional associations amongst which is the Institute of Chartered Accountants of Nigeria (ICAN); Chartered Institute of Taxation of Nigeria (CITN) and Chartered Institute of Stockbrokers (CIS). Oluwayomi is an Authorized Dealing Clerk of The Nigerian Stock Exchange (NSE). She is married with children.

Mrs. Funmi Ekundayo

Funmi Ekundayo is a Graduate of the Harvard Business School (General Management Programme). She holds a Bachelor of Law degree and a Master of Laws degree from the University of Lagos. She is a member of the Nigerian Bar Association and a Fellow of the Institute of Chartered Secretaries & Administrators of Nigeria (ICSAN). Funmi began her working career with the reputable Law Firm of Bentley Edu & Co (in association with IRVING & BONNAR), where she spent close to a decade in legal practice. Thereafter she left legal practice for the financial sector when she joined Sterling Asset Management & Trustees Limited (formerly NAL Asset Management & Trustees Limited).

Funmi also worked in UBA Trustees Limited as Head, Business Development & Marketing prior to joining Skye Trustees Limited as AGM, 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 legal and Trust Instruments. Funmi, an Alumna of the Institute of Chartered Secretaries & Administrators, United Kingdom, currently serves as the President of Association of Corporate Trustees of Nigeria and she is also a member of the Rules & Compliance Sub-Committee of the Capital Market Committee of the Securities & Exchange Commission.

She is a member of the Board of Directors of Law Union & Rock Plc in a Non-Executive capacity where she acts as an Independent Director. Funmi is also a Member of the Institute of Directors and an Alumna of the Chief Executive Programme of the Lagos Business School and the IESE Business School, Barcelona, Spain. She has attended several other Courses locally and internationally.

Dr Ogbebor Peter (Independent Representative)

Dr Ogbebor Peter is in his fifties and hails from Igbanke, Edo state. He's a Fellow, Institute of Chartered Accountant of Nigeria, Fellow, Chartered Institute of Taxation of Nigeria, Chartered Stockbroker (Associate Member, Chartered Institute of Stockbrokers), (Certified Information Security Manager, Certified in Risk and Information Systems Control and Certified Information Systems Auditor, all *ISACA Certifications*) and an Associate Member, Nigeria Institute of Management.

He is a Non-Executive Director, Voni Foods and Beverages Nigeria Ltd. Dr Ogbebor, Peter Ifeanyi worked with Independent Securities Ltd as a Chief Dealer. Dr Ogbebor started his career with the then National Electric Power Authority (NEPA) now Eko Electricity Distribution Company where he was a Principal Manager (Audit) He is the Managing Associate of P.I Ogbebor & Associates. He holds a Doctorate Degree (PhD) in Banking and Finance, MSc (Accounting), MBA (Banking and Finance) and BSc (Hons) Degree in Accounting.

He is currently a Lecturer with Babcock University (Department of Finance) and has published 54 Journal Articles both locally and internationally. He is a Paper Reviewer for Academic and Professional Journal Publishing Houses both locally and internationally.

Dr Ogbebor is currently the Chief Examiner (Assets and Liability Management Group), Chartered Institute of Bankers of Nigeria (CIBN). He is a financial market, corporate finance, security analysis and portfolio management expert.

10.5 PROFILE OF TRUSTEES

STL Trustees Limited has been in business for over two (2) decades. The company is registered by the Securities & Exchange Commission, on 15th of November, 2017 as Trustees and Funds/Portfolio Managers. The company has transactional experience spanning various key sectors of the economy. STL Trustees is

one of the top three Trust Companies in Nigeria and has over the past two decades, built an outstanding track record and pedigree as a capital market operator and more significantly as a player in the trusteeship industry in particular.

Its mission is to simplify and provide customized trust solutions that create lasting value for its stakeholders. STL Trustees, thoroughly evaluate its client's specific needs and create customized Trust solutions to fulfil those needs. It develops personal and long-term relationships with clients with a view to understanding their needs and providing them with unparalleled service.

TRUSTEES' BOARD OF DIRECTORS' PROFILE

Mr. Afolabi Caxton-Martins- Chairman

Afolabi Caxton-Martins is a founding Partner of the law firm Adepetun, Caxton-Martins, Aggor & Segun. He holds a Bachelor of Law degree (LL. B) from the University of London. He is a fellow of the Chartered Institute of Arbitrators (FCI Arb), a member of the Nigerian Bar Associations (NBA)

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

Chioma Jennifer Okee-Aguguo holds a Bachelor of Law degree (LL. B) from the Abia State University and a Master of Law degree (LL.M) from the University of Lagos with emphasis in Corporate and Commercial Law, Secured Credit transactions and International Economic Law. With a brief stint at Steelways Limited (1991), she joined Midas Bank, now merged into FCMB in 1992 and rose to become the Company Secretary/Legal Adviser, a position she held from 1997 to 2006.

Dr. Temitope Oshikoya- Non-Executive Director

He is a seasoned economist, chartered accountant and a banker. A commonwealth scholar, he holds PhD Economics from McMaster University, Ontario; MBA, Finance & Strategy from the University of Liverpool and a B.Sc. first class honour degree in Economics from Ahmadu Bello University, Zaria. He is a member of Association of Chartered Certified Accountant (ACCA, UK), Certified Management Accountant, (CMA, USA), and Fellow Chartered Institute of Bankers (FCIB, England and Nigeria).

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 as well as Bachelor of Science (B.Sc) degree in Pharmacy and a Master of Science (M.Sc) in Clinical Pharmacy from the St. John University.

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.

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 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

TRUSTEES' MANAGEMENT TEAM

Mrs. Funmi Ekundayo (Managing Director)

Funmi Ekundayo is a Graduate of the Harvard Business School (General Management Programme). She holds a Bachelor of Law degree and a Master of Laws degree from the University of Lagos. She is a member of the Nigerian Bar Association and a Fellow of the Institute of Chartered Secretaries & Administrators of Nigeria (ICSAN). Funmi began her working career with the reputable Law Firm of Bentley Edu & Co (in association with IRVING & BONNAR), where she spent close to a decade in legal practice. Thereafter she left legal practice for the financial sector when she joined Sterling Asset Management & Trustees Limited (formerly NAL Asset Management & Trustees Limited).

Funmi also worked in UBA Trustees Limited as Head, Business Development & Marketing prior to joining Skye Trustees Limited as AGM, 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 legal and Trust Instruments. Funmi, an Alumna of the Institute of Chartered Secretaries & Administrators, United Kingdom, currently serves as the President of Association of Corporate Trustees of Nigeria and she is also a member of the Rules & Compliance Sub-Committee of the Capital Market Committee of the Securities & Exchange Commission.

She is a member of the Board of Directors of Law Union & Rock Plc in a Non-Executive capacity where she acts as an Independent Director. Funmi is also a Member of the Institute of Directors and an Alumna of the Chief Executive Programme of the Lagos Business School and the IESE Business School, Barcelona, Spain. She has attended several other Courses locally and internationally.

Mr. Akin Oni (Head, Trust Services/Legal)

Akin holds a Bachelor of Laws degree (LL.B) from the Obafemi Awolowo University, Ile Ife. He obtained a Master of Laws degree (LL.M) from the same University, with specialty in Maritime, Banking and Corporate Finance. He has several years of experience in private legal practice and as in-house counsel to corporate organizations. He worked with Standard Alliance Insurance Plc before joining STL Trustees Limited.

Akin heads the Trust Services/Legal Department of the Company with exceptional flair for Securitization, Project finance and structuring transactions.

Mr. Oko Mba (Chief Finance Officer)

Oko U. Mba (FCA) is a Fellow of the Institute of chartered Accountants of Nigeria (ICAN) and a member Of Nigeria Institute of management (MNIM). He attended Yaba College of Technology, Yaba Lagos and graduated with HND Statistics in 1990, Post graduate Diploma (PGD) in Finance and Banking from the Ondo State University and a Master's in Business Administration (MBA) from the Lagos State University Ojo.

Mr Mba, has over 20 years working experience spanning various sectors of the economy and has held various leadership positions from his school days. Before joining STL Trustees Ltd in 2007, he worked with S.S Afemike & Co Chartered Accountants. He has attended several management and professional courses both locally and abroad and has received several awards and commendations.

Mrs Sade Ademokunwa (Head, Business Development)

Sade holds a Master's in Business Administration (MBA) from the Lagos State University and HND Secretariat Studies from Federal Polytechnic, Ilaro. She is an Associate of the Association of Investment Advisers and Portfolio Managers (IAPM). She worked with Armour Savings and Loans Limited before joining STL Trustees Limited.

Mr Jibril Yanda Mohammed

Jibril Yanda Mohammed attended Kaduna Polytechnic, Kaduna and Abubakar Tafawa Balewa University, Bauchi where he obtained HND in Accountancy and Masters of Business Administration with specialty in Finance. He has over 25 years' experience in the financial service 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 training relevant to the Financial Service Industry both locally and internationally.

9. STATUTORY AND GENERAL INFORMATION

9.1 Authorization

The establishment of the Fund and the issuance of the Units pursuant are duly and properly authorized by a resolution passed on 13th day of December, 2023, by the Board of Directors of the Fund Manager. The Fund is also authorized and registered in Nigeria as a Collective Investment Scheme by the SEC in accordance with Section 160 of the Investments and Securities Act 2007.

9.2 EXTRACT OF TRUST DEED

Below are relevant extracts from the Fund's Trust Deed:

2. THE TRUST DEED

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

3. DESCRIPTION AND OBJECTIVE OF THE FUND

- 3.1 The HILLCREST Fund is an actively managed unit trust scheme authorized by the Commission whose primary objective is targeted towards prudent investors with a medium term risk appetite who wish to achieve capital appreciation overtime in the equity market without being fully exposed to the volatility therein, investors who wish to reduce concentration risk by diversifying their investments and investors who wish to benefit from the attractive returns that may be earned by the pooling together of funds and the steady distribution of current income to Investors/participants of the scheme, while maintaining liquidity and stability of the principal sum. Such Income will be derived from investments in permissible instruments.
- 3.2 The main objective of the Fund is to achieve income generation and/or capital growth over time while mitigating the volatility associated with the Nigerian equity market for the Investors. This is achieved by investing in a diversified and select portfolio of high quality Nigerian equities, fixed income securities and other high quality money market instruments such as Treasury bills, Commercial Papers, Bankers Acceptances and Certificate of Deposits.

4. CONSTITUTION OF THE TRUST

- 4.1 The Fund shall initially be constituted from the proceeds of sale of Units in the Fund under the Offer.
- 4.2 The Custodian shall maintain the Designated Accounts and shall act on the instructions of the Fund Manager and/or Trustee where necessary.
- 4.3 All cash proceeds of the sale of Units shall be paid into the Hillcrest Balanced Fund Proceeds Account or such other designated cash account with the Custodian.
- 4.4 A portion of such proceeds will from time to time, as hereinafter provided for, be paid from the Hillcrest Fund Proceeds Account into the Hillcrest Fund Expense Account or such other designated cash account for the payment of the Charges.
- 4.5 All cash proceeds from the sale of Units shall be paid into the Custody Account of the Fund provided that the Fund Manager may open a Hillcrest Fund Proceeds Account, with the Custodian, into which the proceeds of the sale of Units of the Fund shall be paid and shall form part of the Deposited Assets. The HILLCREST Fund Proceeds Account opened with the Custodian shall be utilized only for the purpose of receiving subscription payments from the public and all sums received in such accounts shall be transferred to the

relevant Custody Account within one (1) Business Day from the clearance of the allotment of the offer.

- 4.6 The Designated Accounts shall be managed by the Custodian and the Custodian shall render monthly/quarterly reports on the Fund to the Fund Manager and Trustee, and file quarterly returns on all their activities to the Commission in the prescribed format.
- 4.7 The Trustee shall be vested with and stand possessed of the Deposited Assets upon trust for all the Unitholders. The Deposited Assets shall be held as a single common fund and no Unit shall confer any interest or share in any particular part of the Deposited Assets.
- 4.8 The Trustee shall have all the rights and powers conferred upon trustees by the Trustee Investment Act Cap T22, Laws of the Federation of Nigeria 2004, the ISA, the SEC Rules as though these laws, and other relevant laws were expressly set out in this Deed.
- 4.9 The Trustee and the Fund Manager shall comply with the provisions of ISA, and all regulations, rules and guidelines made pursuant to it.
- 4.10 The powers hereby conferred on the Trustee shall be in addition to any powers which may from time to time be vested in it by general law or as holder of the Deposited Assets in so far as it does not and shall not conflict with the rights and powers vested in the Fund Manager by virtue of this Deed.
- 4.11 The Trustee shall at all times retain with the Custodian all the investments and all documents of title or value connected with the Fund and the Custodian shall be responsible for the safe custody and so far as practicable, the realization of the income proceeds in respect of such part of the investments as may be within it or its nominee's control.
- 4.12 The Trustee shall whenever it becomes necessary to enforce the terms of this Deed act within thirty (30) days and shall inform the SEC of any breach of the terms and conditions of the Deed not later than ten (10) Business Days after such breach.
- 4.13 The Fund Manager shall subject to the provisions of Section 171 of ISA and Clause 8 of this Deed and other relevant provisions of the ISA, the SEC Rules, this Deed and any other applicable regulation or guideline for the management of the Fund have the exclusive right and absolute power at any time to manage the Deposited Assets.

5. INVESTMENT COMMITTEE

- 5.1 The Fund shall have an Investment Committee, which shall act as a secondary oversight over the fund's investment activities.
- 5.2 The Investment Committee shall meet quarterly and have a minimum of five members comprising, at least one independent member with no affiliation to either the Trustee or the Fund Manager or the Custodian nominated by the Fund Manager and approved by the Trustee, together with representatives of the Fund Manager and representative of the Trustee.
- 5.3 The Fund Manager shall with the consent of the Trustee and in accordance with the decisions of the Investment Committee invest the Deposited Assets in Permissible Instruments. All investments shall be held in the joint name of the Trustee and the Fund.

6. SALE AND ISSUE OF UNITS

- 6.1 The Fund Manager shall subscribe to a minimum of 5% of the Offer in accordance with the provisions of Rule 450 (2) of the SEC Rules and shall hold same throughout the life of the Fund.
- 6.2 During the Initial Subscription Period and subsequently, Units shall be issued at the Offer Price.

- 6.3 The subscription of Units at the Offer Price shall be in the manner set out in the Prospectus and shall be made subject to a minimum subscription of 2,500 (Two thousand five hundred) Units in respect of an initial application for subscription of the Units and thereafter in multiples of 2500 (Two thousand five hundred) Units.
- 6.4 The subscription of Units made by foreign Investors during the Initial Subscription Period shall be processed at the applicable foreign exchange rate on the date of payment, as determined by the applicable CBN's auction system subject to a minimum of 2,500 (Two thousand five hundred) Units in respect of an initial application for subscription of the Units, and thereafter in multiples of 2,500 (Two thousand five hundred) units. Units issued in consideration of foreign currency subscriptions will be denominated in Naira, subject to the Investor complying with the requirements of Rule 408 of the SEC Rules.
- 6.5 Investors may subscribe to Units on behalf of and in the name of minors and exercise all rights attached to the Units as provided in this Deed until the minor reaches the age of 18 years or any other age of legal maturity whereupon such minor can elect to retain the Units or to have all or some of them redeemed or transferred in accordance with the provisions of this Deed.
- 6.6 The Fund Manager may commence the issue of New Units at the Subscription Price in accordance with the provisions of this Deed and in furtherance to applications received after the Initial Subscription Period.
- 6.7 The issue of New Units shall occur continuously subject to: (i) Clause 14 and (ii) to the issuance at any one time of a minimum number of 2,500 (Two thousand five hundred) units.
- 6.8 Subject to, and without prejudice to the other provisions of this Deed, the Fund Manager shall effect the issue of New Units for cash or in exchange or part exchange for Permissible Instruments and any such cash or Permissible Instruments received shall be vested in the Trustee.
- 6.9 The Fund Manager shall within fourteen (14) days of the end of every calendar quarter furnish to the Trustee, management accounts providing a valuation of the investments of the Trust on a quarterly basis and from time to time on demand, a statement of all issues, sales, redemptions and repurchases of Units specifying the price at which such Units were issued or sold and giving such other information as may be necessary to enable the Trustee ascertain at any particular time, the value of the Deposited Assets.
- 6.10 Where a Unitholder is desirous of receiving the monetary value of his Units, he shall do so by way of redemption under the provisions of Clause 21.
- 6.11 The Fund Manager shall issue Units in fractions of a whole number in denominations of up to a maximum of 2 decimal places.
- 6.12 The Fund Manager's powers shall also include the power to:
- 6.12.1 effect the issue of such New Units from time to time as the Fund Manager may reasonably and diligently deem fit subject to consultation with the Trustee and the registration of such New Units with the Commission;
 - 6.12.2 instruct the Custodian to open the accounts contemplated under this Deed and accept all moneys due and receive all payments required under the terms of this Deed as the circumstances may determine, and
 - 6.12.3 generally, do all other acts and things, which the Fund Manager may consider desirable in connection with the effective management of the Fund.
 - 6.12.4 subject to the provisions of Clause 8 and consultation with the Trustees, have the exclusive right from time to time to make offers to the Unitholders of units of one or more authorized unit trust

schemes as defined by Section 152 of ISA by the issue of Units in exchange for such units or cash (being Permissible Instruments) represented by such units. Such offers shall be made upon such terms (including the provision for paying out of the Deposited Assets, the duties, charges, costs, fees and disbursements consequent upon such offer). Units may be redeemed in exchange for units under such other authorized unit trust schemes.

- 6.12.5 subject to the provisions of Clause 8, the Fund Manager shall have exclusive right to issue Units in exchange or part exchange for any Permissible Instruments which shall become vested in the Trustee and which may be issued partly in consideration of such vesting and partly for cash. Such issue shall be made upon such terms including the provision for paying out of the Deposited Assets, the duties, charges, costs, fees and disbursements consequent upon the transaction. Save for the Units issued pursuant to Clause 5.12.1, the issue of Units as provided in Clause 5.6 and this Clause 5.12.5 shall be made as the Fund Manager may deem fit with the consent of the Trustee.
- 6.12.6 Monies paid in subscription for New Units issued pursuant to Clause 5.6 and monies transferred in consequence of any offer or issue made pursuant to Clause 5.12.4 and 5.12.5 shall be paid or transferred to the STL Trustees /HILLCREST Balanced Fund Cash Account and the New Units shall be deemed to have been constituted and to be in issue. Monies so paid or transferred shall be vested in the Trustee and held by the Custodian as part of the Deposited Assets.
- 6.12.7 All stamp duty and other duties payable on this Deed or upon the issuance of all units shall be payable out of the HILLCREST Fund Expense Account.

7. RIGHTS OF UNITHOLDERS

- 7.1 Unitholders shall have the right to share in the assets of the Fund proportionate to the number of Units held.
- 7.2 Unitholders shall not have or acquire any right against the Fund Manager or the Trustee in respect of Units save for such rights as are expressly conferred upon them by this Deed or by any law, subsidiary legislation, regulations or any order of court. No person shall be recognized as a Unitholder except in respect of Units registered in his name.
- 7.3 Unitholders shall have the right to receive Distributions and all other rights which attach and or accrue to the Units, pursuant to the provisions of this Deed, and shall be entitled, throughout the Trust Period, to receive a Unit Certificate/Subscription Statement from the Fund Manager stating the number of Units issued as at the date of the Unit Certificate /Subscription Statement .
- 7.4 A Unitholder or Unitholders holding not less than 25% in value of the Issued Units may in writing request the Trustee or the Fund Manager to convene a meeting of Unitholders.
- 7.5 A Unitholder shall have the right to pledge, charge, and mortgage or otherwise use his Units to secure a debt, a loan or an obligation and in any such case, shall notify the Fund Manager in writing by Joint Memorandum of the pledge, charge, mortgage or obligation; as well as the discharge of such pledge, charge, mortgage or obligation.
- 7.6 The Fund Manager shall be obliged to immediately make the information of such pledge, charge, and mortgage or obligation available to the Trustee, where there is a failure to notify either the Fund Manager and the Trustee as provided in Clause 6.5, neither Party shall be held responsible for a failure to honour the terms of such pledge, charge, mortgage or obligation.
- 7.7 The main objective of the Fund is to achieve capital appreciation over time while mitigating the volatility associated with the Nigerian equity market for the Investors. This is achieved by investing in a diversified and select portfolio of high quality Nigerian equities, fixed income securities and other high quality money market instruments such as Treasury bills, Commercial Papers, Bankers Acceptances and Certificate of Deposits.

8. INVESTMENT POLICY AND INVESTMENT OUTLETS

- 8.1 The Fund Manager shall with a view to achieving the main objective of the Fund and subject to the approval of the SEC from time to time, invest all assets of the Fund in the Permissible Instruments.
- 8.2 The Fund shall not at any time hold less than 40% and not more than 60% of the securities in each asset class.
- 8.3 For the avoidance of doubt, the Fund's Asset allocation is as follows:

PROPOSED ASSET CLASS	ASSET NAME	ASSET ALLOCATION RANGE (%)
Equities	Listed Equities	40 – 60%
Fixed Income and Money Market Instruments	Nigerian Treasury Bills, Government Promissory Notes, FGN & State Bonds, Certificate of Deposits, Collateralized Repurchase Agreements, Commercial Papers and Investment Grade Corporate Bonds	40 – 60%
Cash	Call Placements	0 – 5%

NOTE: – The Fund shall maintain 20% allocation to fixed income securities at all times.

- 8.4 The Fund Manager may, upon obtaining the SEC's approval in accordance with the provisions of Section 187(1) (a) of the ISA, alter the Investment Policy of the Fund as set out in Section 187(1) (a) of the ISA.
- 8.5 The Fund Manager shall ensure:
- 8.5.1 That a minimum of 40% of the Fund shall be invested in each of the asset class;
- 8.5.2 In the event of extreme market conditions and market volatility, the Fund Manager may revise the asset allocation bands, with the approval of the Commission and the Trustee, in order to protect the value of the Fund for the benefit of Unitholders;
- 8.6 It shall not be necessary for either the Fund Manager or the Trustee to effect or cause to be effected changes in Permissible Instruments by reason of any appreciation in the value; the aggregate of the value of any Permissible Instruments in any market or industry sector or company or body or of any security or any depreciation in the value or the aggregate of the values of any Permissible Instruments as a result of either (i) any scheme or arrangement for amalgamation, reconstruction, conversion or exchange or (ii) any repayment or redemption including in the case of debentures or debenture stock following their purchase by the company or body.
- 8.7 The Fund Manager shall ensure periodic review of differences between amortized cost value of the fund and the market value as a result of changes in yield/prices and make a report of material deviation where amortized cost value falls below the market value. This shall be done in accordance with the procedure set out under Rule 479 of the SEC Rules.

9. INVESTMENT RESTRICTIONS

The following restrictions shall apply to investment made by the Fund;

1. The value of the fund's investment in:
 - (vii) Equity securities by a single company shall not exceed 5% or in the case of a company with market capitalization of N50 billion or more, 10% of its NAV or 1.2 times of that shares weight in the benchmark (whichever is greater), in the equity securities of any single company, and provided further that these will not apply to a fund whose principal objective is to track or replicate an index.
 - (viii) With the exception of treasury bills, money market instruments issued by any single issuer shall not constitute more than 20% of the fund's NAV.
 - (ix) With the exception of federal government bonds, bonds issued by any single issuer or one group of companies shall not constitute more than 30% of the Funds NAV
 - (x) Fixed deposits with any single institution shall not constitute more than 20% of the funds NAV
 - (xi) Units/shares shall not constitute more than 20% of the fund's NAV.
 - (xii) The fund shall not have any direct exposure to real estate.
2. No equity investment of the Fund shall represent more than 10% of the outstanding securities of the issuer.
3. The provisions of this rule shall not affect the applicability of the investment restrictions in unlisted securities provided in the Rules on investment by CIS in unlisted securities.
4. Where the investment limit prescribed in the SEC Rules exceeded as a result of a corporate action or through an appreciation or depreciation of the Fund's NAV, 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 months from the date of the breach take all necessary steps and action to rectify the breach.
5. Investments shall be made for trading purposes only and shall not be intended for the purpose of exercising control over the management or operating policies of issuers of securities held;
6. The Fund shall not advance loans except that it may buy and hold qualifying debt instruments in accordance with its mandate;
7. The Fund will not purchase securities on margin or engage in short sales of securities;
8. The Fund Manager shall not invest more than 10% of the Fund's total assets in any single non- sovereign instrument, be it equity or debt;
9. The Fund shall not invest in any in-house securities of the Manager;
10. No part of the Fund shall be invested in any units or securities of another collective investment scheme being managed by the Fund Manager;
11. The Fund Manager shall not invest in any securities that are not transferable; and
12. Additional restrictions as determined by the Committee and in accordance to the Trust Deed shall apply from time to time.
13. No investment shall be approved by the Trustee for the purpose of:
 - (i) exercising control over the management or operating policies of the issuing company/ issuers of any securities; and
 - (ii) granting loans from any part of the Deposited Assets except that it may buy and hold qualifying instruments in accordance with the terms of this Deed.

10. MANAGEMENT OF PERMISSIBLE INSTRUMENTS

- 10.1 The Fund Manager shall appoint a custodian to provide custodial services in respect of the Fund.
- 10.2 The Custodian shall at all times retain in its possession all documents of title to the Permissible Instruments and shall be responsible for their custody.
- 10.3 Any investment in Permissible Instruments may at any time be realized at the discretion of the Fund Manager either in order to invest the proceeds of such realization in other Permissible Instruments or to provide the

cash required for any purpose pursuant to any provision of this Deed PROVIDED ALWAYS THAT the Fund Manager complies with the principles of diligence and prudence in exercising this discretion.

- 10.4 Without prejudice to the foregoing provision, investments in the Permissible Instruments and which at any time or for any reason shall cease to be Permissible Instruments shall be realized by the Fund Manager and the net proceeds of such realization shall be applied in accordance with the provisions of this Deed but the Fund Manager may postpone the realization of any such Permissible Instruments for such period as it may determine to be in the best interest of the Unitholders.

11.2 EXTRACT OF CUSTODY AGREEMENT

Below are relevant extracts from the Fund's Custody Agreement:

APPOINTMENT AND ROLE OF THE CUSTODIAN

The Custodian is hereby appointed to do the following:

11.2.1 REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

- 11.2.1.1 General.** The Fund Manager and the Custodian each represents at the date this Agreement is entered into and any custodial service is used or provided that:

- 11.2.1.1.1 It is duly organized and in good standing in every jurisdiction where it is required so to be;
- 11.2.1.1.2 It has the power and authority to sign and to perform its obligations under this Agreement;
- 11.2.1.1.3 This Agreement is duly authorized and signed and is its legal, valid and binding obligation;
- 11.2.1.1.4 Any consent, authorization or instruction required in connection with this Agreement has been provided by any relevant third party;
- 11.2.1.1.5 Any act required by any relevant governmental or other authority to be done in connection with this Agreement has been or will be done (and will be renewed if necessary); and
- 11.2.1.1.6 Its performance of this Agreement will not violate or breach any applicable law, regulation, contract or other requirement.

- 11.2.1.2 Client.** The Fund Manager represents at the date this Agreement is entered into and any custodial service is used or provided that:

- 11.2.1.2.1 It has authority to deposit the Property received in the Custody Account and the Cash Account and there is no claim or encumbrance that adversely affects any delivery or payment of Property made in accordance with this Agreement; and

- 11.2.1.2.2 It has not relied on any oral or written representation made by the Custodian or any person on its behalf and acknowledges that this Agreement, including the fee schedule, sets out to the fullest extent the duties of the Custodian.

11.2.2 ESTABLISHMENT OF ACCOUNTS

- 11.2.2.1 Accounts.** The Fund Manager authorizes the Custodian to establish in its books, pursuant to the terms of this Agreement, (i) a custody account or accounts (the "Custody Account") and (ii) a cash account or accounts (the "Cash Account") for the Fund. The Custody Account will be a custody account for the receipt,

safekeeping and maintenance of Securities, and the Cash Account will be a current account for cash. The Custody Account and the Cash Account will be in the names of the Trustee/Fund.

11.2.2.2 **Acceptance of Property.** The Custodian will determine whether to accept (i) for custody in the Custody Account, Securities of any kind and (ii) for deposit in the Cash Account, cash in any currency.

11.2.2.3 **Performance Subject to Laws.** The Fund Manager understands and agrees that the Custodian's performance of this Agreement is subject to the relevant local laws, regulations, decrees, orders, government acts, customs, procedures and practices to which the Custodian is subject and exist in Nigeria including the opening of, the holding of all or any part of the Property in, and the delivery of any Property to or from the Custody Account or the Cash Account and the performance of any other activities contemplated in this Agreement by the Custodian (including acting on any Instructions).

11.2.2.4 **Sole Obligations of the Custodian.** The Fund Manager understands and agrees that, the obligations and duties of the Custodian will be performed only by such Custodian and are not the obligations or duties of any other Custodian or other member of the UBA / Heirs Holding Group (including any branch or office of the Bank) and (ii) the rights of the Fund Manager with respect to a Custodian extend only to such Custodian and do not extend to any other Custodian or to any other member of the UBA / Heirs Holding Group.

11.2.2.5 **Use of Clearance Systems.** The Custodian may deposit the Property in the Central Securities Clearing Systems Limited (CSCS) or any other Clearance System deemed appropriate by the Custodian and approved by the Trustee. Deposited Property will be subject to the rules, terms and conditions of the CSCS or any such Clearance System. The Property will be held as provided in this Agreement.

11.2.2.6 **Further Information.** The Trustee and Fund Manager agree to execute further documents and provide materials and information as may be reasonably requested by the Custodian to enable it to perform its duties and obligations under this Agreement.

11.2.3 INSTRUCTIONS

11.2.3.1 **Authority.** The Custodian is entitled to rely conclusively upon the authority of any Authorized Person to give Instructions until the Custodian has received notice acceptable to it of any change from the Fund Manager and the Trustee and has had a reasonable time to act (after which time it may rely on the change).

11.2.3.2 **Communications.** The Custodian is authorized to rely conclusively upon any Instructions received by any means, provided that the Custodian and the Fund Manager have agreed upon the means of transmission and the method of identification for the Instructions. In furtherance of the foregoing:

11.2.3.2.1 Each of the Fund Manager and the Custodian will comply with certain agreed security procedures (the "Procedures"), designed to verify the origination of Instructions.

11.2.3.2.2 The Custodian is not obligated to do anything other than what is contained in the Procedures to establish the authority or identity of the person sending an Instruction. The Custodian is not responsible for errors

or omissions made by the Fund Manager or resulting from fraud or the duplication of any Instruction by the Fund Manager and the Custodian may act on any Instruction by reference to account number only, even if any account name is provided. The Custodian may act on an Instruction if it reasonably believes it contains sufficient information.

11.2.3.2.3 The Custodian may decide not to act on an Instruction where it reasonably doubts its contents, authorization, origination or compliance with the Procedures and will promptly notify the Fund Manager of its decision.

11.2.3.2.4 If the Fund Manager informs the Custodian that it wishes to recall, cancel or amend an Instruction, the Custodian will use its reasonable efforts to comply.

11.2.3.2.5 If the Custodian acts on any Instruction sent by any means requiring manual intervention (such as telephone, telex, electronic mail or disks sent by messenger) then, if the Custodian complies with the Procedures, the Fund Manager will be responsible for any loss the Custodian may incur in connection with that Instruction. The Fund Manager expressly acknowledges that it is aware that the use of manual forms of communication to convey Instructions increases the risk of error, security and privacy issues and fraudulent activities.

11.2.3.2.6 Instructions are to be given in the English language.

11.2.3.3 Limitations. Instructions will be governed by and carried out subject to the prevailing laws, rules, operating procedures and practice of any relevant stock exchange, Clearance System or market

where or through which they are to be executed or carried out. The Custodian is obligated to act upon instructions only during banking hours (including applicable cut-off times) and on banking days when the applicable financial markets are open for business.

11.2.4 PERFORMANCE BY THE CUSTODIAN

11.2.4.1 Custodial Duties Not Requiring Further Instructions. Absent a contrary Instruction, the Custodian shall carry out the following without further Instructions:

11.2.4.1.1 procure that the Trustee signs any affidavits, certificates of ownership and other certificates and documents relating to the Property which may be required to obtain any Property or by any tax or regulatory authority;

11.2.4.1.2 collect, receive, and/or credit the Custody Account or Cash Account, as appropriate, with all income, payments and Distributions in respect of the Property and any capital arising out of or in connection with the Property (including all Securities received by the Custodian as a result of a stock dividend, share sub-division or reorganization, capitalization of reserves or otherwise) and take any action necessary and proper in connection therewith;

11.2.4.1.3 exchange interim or temporary receipts for definitive Unit Certificates/Subscription Statements, and old

or over stamped Unit Certificates/Subscription Statements for new Unit Certificates/Subscription Statements;

11.2.4.1.4 make any payment by debiting the Cash Account or any other designated account of the Trustee/Fund with the Custodian as required to effect any Instruction and to pay any fees, charges or amounts payable to the Custodian in accordance with Section 16 of this Agreement or other agreement by the Fund Manager;

11.2.4.1.5 maintain a Property register for the Fund in the name of the Trustee/Fund;

11.2.4.1.6 maintain investment registers to record all investments effected and settled on behalf of the Trustee/Fund;

11.2.4.1.7 maintain income collection registers for purposes of registering income received on the Fund's investments (to be categorized under income types such as dividend interest);

11.2.4.1.8 render monthly and quarterly returns or reports on the account of the Fund to the Fund Manager, the Commission and the Trustee; and

11.2.4.1.9 attend to all non-discretionary details in connection with any matter provided in this Section 5(A) or any Instruction.

Provided that the Custodian shall duly notify the Fund Manager and Trustee within three (3) business of taking any of the actions stated above.

11.2.4.2 Custodial Duties Requiring Instructions. The Custodian shall carry out the following actions only upon receipt of and in accordance with specific Instructions:

11.2.4.2.1 make payment for and/or receive any Property or deliver or dispose of any Property except as otherwise specifically provided in this Agreement;

11.2.4.2.2 deal with rights, conversions, options, warrants and other similar interests or any other discretionary right in connection with the Property; and

11.2.4.2.3 carry out any action affecting the Property or the Custody Account or Cash Account other than those specified in Section 5(A) above, but in each instance subject to the agreement of the Custodian.

11.2.4.3 The Custodian shall, in addition to the above, carry out such other functions as prescribed by the Rules.

10. USE OF AGENTS

The Custodian is not a clearing system and Clearing Systems are not agents of the Custodian.

The Custodian shall use reasonable care in selecting clearing systems where applicable and in the absence of gross negligence in the selection of clearing systems, the Custodian shall have no responsibility or liability for the performance by any clearing system of any functions performed by them.

12. SCOPE OF RESPONSIBILITY

- (A) **Standard of Care.** The Custodian shall exercise the due care of a professional custodian for hire in the performance of its duties under this Agreement. The Custodian shall be liable for payment to the Fund Manager for its direct damages only where the Custodian has not satisfied such obligation of due skill, care and diligence.
- (B) **Limitations on Losses.** The Custodian will not be responsible for any loss or damage suffered by the Fund Manager, the Trustee/Fund or participants thereof as a result of any act or failure to act by the Custodian unless the loss or damage results from the Custodian's breach of this Agreement or its negligence, willful misconduct or fraud or the negligence, willful misconduct or fraud of its nominees or any branch or subsidiary; in which event the liability of the Custodian in connection with the loss or damage shall be (i) replacement of any Property or the market value of the Property to which such loss or damage relates at the time the Fund Manager became aware of such breach plus and (ii) compensatory interest up to that time at the rate applicable to the base currency of the Cash Account. Under no circumstances will the Custodian be liable to the Fund Manager for indirect, incidental, or consequential loss or damages.
- (C) **Limitations on the Custodian's Responsibility.**
- (i) **General.** The Custodian is responsible for the performance of only those duties as are expressly set forth herein, including the performance of any Instruction given as provided in Section 4 of this Agreement and that is consistent with this Agreement. The Custodian shall have no implied duties or obligations provided that nothing in this Section shall exempt the Custodian from its standard duty of care, professional and skill in the exercise of its obligations under this Agreement or as may be imposed upon the Custodian by regulatory authorities like the Securities and Exchange Commission or Stock Exchange from time to time.
- (ii) **Clearance Systems.** The Custodian has no liability for the acts, omissions, defaults or insolvency of The Central Securities Clearing Systems Limited not resulting from the negligence, willful misconduct or fraud of the Custodian. Except as required by applicable law or regulation, the Custodian has no responsibility for the selection or monitoring of any Clearance System.
- (iii) **No Liability for Third Parties.** Subject to Section 10(b) of this Agreement the Custodian is not responsible for the acts, omissions, defaults or insolvency of any third party including, but not limited to, any broker, counterparty or issuer of Securities.
- (iv) **Prevention of Performance.** The Custodian will not be responsible for any failure to perform any of its obligations if such performance would result in breach of any law, regulation or other requirement of any governmental or other authority in accordance with which it is required to act (including any rules or practice of any stock exchange, Clearance System, self-regulatory organisation or market) or if its performance is prevented, hindered or delayed by a Force Majeure Event, in such case its obligations will be suspended so long as the Force Majeure Event continues. "Force Majeure Event" means any event due to any cause beyond the reasonable control of the Custodian, such as restrictions on convertibility or transferability, sabotage, fire, flood, explosion, acts of God, civil commotion, riots, insurrection, war or acts of government.
- (v) **Client's Reporting Obligations.** The Fund Manager shall be solely responsible for all filings, tax returns and reports on any transactions in respect of the Property or collections relating to the Property as may be required by any relevant authority, whether governmental or otherwise.
- (vi) **Validity of Securities.** The Custodian shall exercise reasonable care in receiving Securities but does not warrant or guarantee the form, authenticity, value or validity of any Security received by the Custodian. If the Custodian becomes aware of any defect in title or forgery of any Security, the Custodian shall promptly notify the Fund Manager.
- (vii) **No Advice.** The Custodian is not acting under this Agreement as an investment manager, nor as an investment, legal or tax adviser to the Fund Manager, and the Custodian's duty is solely to act as a Custodian in accordance with the terms of this Agreement and its duties as prescribed by the Securities and

Exchange Commission.

- (viii) **Forwarded Information.** The Custodian is not responsible for the form, accuracy or content of any notice, circular, report, announcement or other material not prepared by the Custodian and forwarded to the Fund Manager or for the accuracy or completeness of any translation provided by the Custodian in regard to such communication.
- (ix) **Payment and Delivery Instructions.** The Fund Manager agrees that, notwithstanding the Fund Manager's Instruction to deliver Securities against payment or to pay for Securities against delivery, the Custodian may make or accept payment for or delivery of Securities at such time and in such form and manner as is in accordance with relevant local law and practice or with the customs prevailing in the relevant market among securities dealers. The Fund Manager shall bear the risk and expense that (i) the recipient of Securities may fail to make payment, return such Securities or hold such Securities or the proceeds of their sale in trust for the Fund Manager and (ii) the recipient of payment for Securities may fail to deliver the Securities (such failure to include, without limitation, delivery of forged or stolen Securities) or to return such payment, in each case whether such failure is total or partial or merely a failure to perform on a timely basis. The Custodian shall not be liable to the Fund Manager for any loss resulting from the foregoing unless in circumstances where the Custodian is deemed to have acted negligently or any Loss arises from the Custodian's failure to exercise the standard of care required by Section 12(A) hereof.
- (x) **Foreign Currency Risks.** The Fund Manager shall bear all risks and expenses associated with investing in Securities or holding cash denominated in a currency other than that of the Fund Manager's home jurisdiction. Neither the Custodian nor any member of the Custodian Group shall be obligated to substitute another currency for a currency whose transferability, convertibility or availability has been affected by any law, regulation, rule or procedure.

20. TERMINATION

Without prejudice to the SEC Rules and Regulations, an agreement for the custody of the asset may be terminated by the Custodian, the Client or by order of the Commission.

- (A) **Effect.** Any Party may terminate this Agreement by giving not less than thirty (30) days' prior written notice to the other Parties. The termination of the appointment of the Custodian shall be in accordance with the provisions of the SEC Rules and Regulations and shall not come into effect prior to the appointment of another custodian and the conveyance of the assets held in custody by the outgoing custodian to the new custodian.
- (B) **Delivery of Asset.** Upon termination, the Custodian shall deliver the Asset to the Trustee at its address specified for notices within sixty (60) days following the termination notice referred to above unless the Trustee gives the Custodian Instructions specifying the person (including appropriate delivery address) to whom such Custodian shall deliver the Asset.
- (C) **Surviving Terms.** The rights and obligations contained in Sections 12, 14, 15, 16, 17, 18 and 21 of this Agreement shall survive the termination of this Agreement.

11.3 INDEBTEDNESS

As at the date of this Prospectus, the Fund Manager had no outstanding debentures, mortgages, loans, charges or similar indebtedness, except in the ordinary course of business.

11.4 CLAIMS AND LITIGATION

As at the date of this Prospectus, the Directors of the Fund Manager are not aware of any claim or litigation, pending and/or threatened against it which will adversely affect this Fund.

11.5 COSTS AND EXPENSES

All charges for establishing the Fund, including fees payable to The Securities & Exchange Commission, legal professional fees, receiving agents and all other related expenses, estimated at 0.93% of the offer proceeds, all amounting to ~~¥~~4,627 million, are payable by the Fund and deductible from the amount raised by the Fund. The costs and expenses will be amortized over a period of five years.

11.6 RELATIONSHIP BETWEEN THE FUND MANAGER AND THE CUSTODIAN

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

11.7 RELATIONSHIP BETWEEN THE FUND MANAGER AND THE TRUSTEES

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

11.8 RELATIONSHIP BETWEEN THE TRUSTEE AND THE CUSTODIAN

The Trustee and the Custodian do not have any common shareholder and neither one is a subsidiary or holding company of the other. They do not have common Directors.

11.9 MATERIAL CONTRACTS

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

- a. A Trust Deed dated July 8, 2024, between HILLCREST Fund Management Limited and STL Trustees Limited under which the Fund was constituted.
- b. The Custody Agreement dated July 8, 2024, between HILLCREST Fund Management Limited, STL Trustees Limited and UBA Plc

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

11.10 CONSENTS

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

FUND MANAGER:	HILLCREST Fund Management Limited (RC: 1535359)
DIRECTORS OF THE FUND MANAGER:	Segun Kingsley
	Joseph Aborowa
	Oliyide Oluyomi
COMPANY SECRETARY	ME and A Juris
TRUSTEE TO THE FUND:	STL Trustees Limited
SOLICITORS TO THE TRUSTEE:	Laurel Francis & Associates
CUSTODIAN TO THE OFFER:	UBA Plc
INDEPENDENT MEMBER OF THE INVESTMENT COMMITTEE	Mrs Oliyide Roseline Oluwayomi (<i>Managing Director, Hillcrest Capital</i>) Mr. Udeaba Onyebuchi Ambrose (<i>Head, Investment Management, Hillcrest Capital</i>) Mrs Funmi Ekundayo (<i>Representing Trustee</i>) Dr Ogbebor Peter (<i>Independent Member</i>)

11.11 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of Hillcrest Capital Asset Management Limited, No 30b, Oladimeji Alo Street, Off Freedom Way, Lekki, Lagos, Nigeria Lagos, during normal working hours on any Business Day during the Offer Period:

1. Certificate of Incorporation of the Fund Manager;
2. Certificate of Incorporation of the Trustee;
3. Memorandum and Articles of Association of the Fund Manager;
4. Memorandum and Articles of Association of the Trustee;
5. The Prospectus issued in respect of the Offer;
6. The audited accounts of the Fund Manager for 2020 and 2022;
7. The Resolution of the Board of Directors of the Fund Manager authorizing the creation of the Fund and the issuance of 250,000,000 Units of the Fund.
8. The material contracts referred to above;
9. The written consents referred to above; and
10. The letter of authorization of the Fund from the SEC.

10. PROCEDURE FOR APPLICATION AND ALLOTMENT

10.1 APPLICATION

- 10.1.1 The general investing public is hereby invited to apply for Units of the Fund through any of the Receiving Agents listed in this Prospectus.
- 10.1.2 Applications for Units must be made in accordance with the instructions set out at the back of the Application Form attached hereto. Care must be taken to follow these instructions, as applications which do not comply will be rejected.
- 10.1.3 The Application List for the Units now being offered will open on [•]. Applications must be for a minimum of 2,500 units and in multiples of 2,500 Units thereafter. The number of Units for which an application is made and the value of the cheque or bank draft attached should be entered in the boxes provided.

A single applicant should sign the declaration and write his/her full names, address, daytime telephone number and mobile telephone number in the appropriate space on the Application Form. Joint applicants should sign the declaration and write their full names, address and daytime telephone number(s) in the appropriate sections. Where the application is being made on behalf of a child, the full names of the applicant and the child, and the date of birth of the child should be provided. A corporate applicant should affix its seal in the box provided and state its Incorporation (RC) Registration Number.

- 10.1.1 Each application should be forwarded together with the cheque or bank draft or bank transfers to the Custody account for the full amount of the purchase price to any of the Receiving Agents listed in this document. Applications must be accompanied by a cheque or bank draft made payable to the Receiving Agent to whom the application is submitted, or bank transfers to the Custody account (and share evidence of such payment with the Receiving Agent) for the full amount payable on application. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "HILLCREST BALANCED FUND" with the name, address and daytime telephone number of the applicant written on the back. All bank commissions and transfer charges must be prepaid by the applicant. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected and returned through the post at the applicant's risk.

10.2 ALLOTMENT

The Directors of the Fund Manager reserve the right to accept or reject any application in whole or in part. All irregular or suspected multiple applications will be rejected. In the event of an over subscription, additional Units of the Fund will be allotted subject to the Commission's approval.

10.3 APPLICATION MONIES

All application monies will be retained in a separate bank account by the Custodian pending allotment. If any application is not accepted, the full amount paid will be returned by electronic transfer to the bank account number stated on the application form within 5 working days of allotment. A Unit Certificate will be sent by email or by registered post within 15 working days from the date of allotment.

- 10.4 The account details are below:

Bank Name: United Bank for Africa Plc (Global Investor Service Division)
Account: Hillcrest Capital management ltd and STL Trustees Balanced Fund Issue Proceeds Account
Account Number: 1026978885
Applicant/Sender: [as appropriate]

Statement of Unitholding will also be sent for all successful applications not later than 10 working days from the date of allotment.

10.5. Receiving Agents

- Zenith Bank Plc
- Access Bank Plc
- First Bank of Nigeria Plc
- Guaranty Trust Bank Plc
- United Bank for Africa (UBA) Plc
- Stanbic Plc
- Ecobank Nigeria
- FCMB
- Union Bank of Nigeria
- Fidelity Bank
- Sterling Bank
- Standard Chartered Bank (SCB)

11. APPLICATION FORM

APPLICATION FORM

APPLICATION LIST OPENS
July 8, 2024

INITIAL PUBLIC
OFFERING OF 250,000,000
UNITS OF N2 PER UNIT IN
THE



FUND MANAGER

HILLCREST Capital Management Limited

HILLCREST Balanced fund

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

PAYABLE IN FULL ON APPLICATION

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

Please complete all relevant sections of this form

USING LETTERS WHERE APPLICABLE

GUIDE TO APPLICATION	
<u>Number of Units applied for</u>	<u>Amount payable</u>
2,500 minimum	N 5,000.00
Subsequent multiple of 2,500	N 5,000.00

PUBLIC

DECLARATION

I/We declare that I/we have read the Prospectus dated July 8, 2024 Issued by Hillcrest Capital Management Limited

I/We the undersigned, confirm that we have full legal capacity to contract, and hereby irrevocably apply for the number of Units specified hereon.

I/We attach the amount payable in full on application for the number of units indicated in the Hillcrest Balanced fund at N2 per unit.

I/We understand that our unit Certificates will state our allocated units.

UNITS APPLIED FOR							
VALUE OF UNITS APPLIED/AMOUNT PAID							
DATE (DD/MM/YY)							
REFERENCE NO. (FOR FUND MANAGER'S USE ONLY)							

SURNAME/CORPORATE NAME

I. APPLICANT'S DETAILS (INDIVIDUAL/CORPORATE (Please use one box for one alphabet leaving one box blank between first word and second))

Grid for I. APPLICANT'S DETAILS

FIRST NAME (FOR INDIVIDUALS ONLY)

Grid for FIRST NAME (FOR INDIVIDUALS ONLY)

OTHER NAMES (FOR INDIVIDUALS ONLY)

Grid for OTHER NAMES (FOR INDIVIDUALS ONLY)

JOINT APPLICANT'S FIRST NAME (IF APPLICABLE ONLY)

Grid for JOINT APPLICANT'S FIRST NAME (IF APPLICABLE ONLY)

OTHER NAMES (FOR JOINT APPLICANTS)

Grid for OTHER NAMES (FOR JOINT APPLICANTS)

CONTACT PERSON (FOR CORPORATE APPLICANT)/ NEXT OF KIN (FOR INDIVIDUAL APPLICANT)

Grid for CONTACT PERSON (FOR CORPORATE APPLICANT)/ NEXT OF KIN (FOR INDIVIDUAL APPLICANT)

ADDRESS IN FULL (PLEASE DO NOT REPEAT APPLICANT(S)' NAME) POST BOX NO. ALONE IS NOT SUFFICIENT

Grid for ADDRESS IN FULL (PLEASE DO NOT REPEAT APPLICANT(S)' NAME) POST BOX NO. ALONE IS NOT SUFFICIENT

CITY STATE EMAIL

II. APPLICANT'S DETAILS (INDIVIDUAL/CORPORATE (Please use one box for one alphabet leaving one box blank between first word and second))

SURNAME OF MINOR

Grid for SURNAME OF MINOR

OTHER NAMES

Grid for OTHER NAMES

DATE OF BIRTH (PARENT/GUARDIAN)

Grid for DATE OF BIRTH (PARENT/GUARDIAN)

GENDER

MALE FEMALE

RELATIONSHIP

Grid for RELATIONSHIP

ADDRESS IN FULL (PLEASE DO NOT REPEAT APPLICANT(S)' NAME). POST BOX NO. ALONE IS NOT SUFFICIENT

Grid for ADDRESS IN FULL (PLEASE DO NOT REPEAT APPLICANT(S)' NAME). POST BOX NO. ALONE IS NOT SUFFICIENT

CITY STATE EMAIL

INCOME DISTRIBUTION

Please tick in the box to indicate the preferred distribution option – CASH / REIVESTMENT

BANK DETAILS (FOR E-DISTRIBUTION)

BANK

Grid for BANK

BRANCH

Grid for BRANCH

ACCOUNT NO

Grid for ACCOUNT NO

BANK SORT CODE

Grid for BANK SORT CODE

Table with 3 columns: SIGNATURE, SIGNATURE (CORPORATE/JOINT), OFFICIAL SEAL/RC.NO. OR *THUMBPRINT*. Includes rows for NAME OF AUTHORISED SIGNATORY (CORPORATE ONLY).

DESIGNATION (CORPORATE ONLY):	DESIGNATION (CORPORATE ONLY)
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FORM OF ATTESTATION (Compulsory requirement for a witness of a thumbprint impression only)

I, *[Please insert full name of person attesting]* of *[address]* hereby testify that the above *thumbprint* was affixed in my presence thisday of2024, and is the true right thumb print of
[insert name of person executing] who has acknowledged to me after due explanation of Application Form in the language understandable to him that (i) that has voluntarily executed this instrument and (ii) that he understands the contents and effect thereof.

As witness my hand thisday of....., 2024. Witness Signature:

12. INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

1. Applications must be made only on this Application Form, or photocopy, downloaded or scanned copy of the Application Form. Applications should be in accordance with the instructions. Care must be taken to follow these instructions, as applications which do not comply will be rejected.
2. The Application List for the Units will be open to prospective investors.
3. Payment in respect of the application must be paid into the designated Fund Custody Account.
4. Applications must be for a minimum of 2,500 Units. Applications for more than 2,500 Units must be in multiples of 2,500 units. The number of Units for which an application is made and applicable value should be entered in the boxes provided.
5. An application for a minor must include the full names and date of birth of the minor, as well as the full names and address of the adult (Parent or Guardian) making the application on such minor's behalf.
6. Joint applications must all sign the Application Form.
7. An application from a corporate body must state its Incorporation (RC) Number and bear the corporate body's common seal and be completed under the hand of a duly authorized official.
8. The application form when completed should be lodged at the Fund Manager's office listed on page xx. Along with supporting evidence showing the transfer of funds into the Fund Custody Account. The cheque or draft must be crossed "HILLCREST BALANCED FUND" with the name, address and daytime telephone number of the applicant written on the back. In the case of electronic payments, the Application Form must be accompanied by online transfer receipt evidencing payment to the Fund. All bank commissions and transfer charges must be prepaid by the applicant. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected.
9. The applicant should make only one application, whether in his/her own name or in the name of a nominee. Multiple or suspected multiple applications will be rejected.
10. An application by an illiterate should bear his right thumbprint on the Application Form and be witnessed by an official of the Receiving Agent at which the application is lodged who must have first explained the meaning and effect of the Application Form to the illiterate in his own language. Above the thumb print of the illiterate, the witness must record in writing that he has given this explanation to the illiterate in a language understandable to him and that the illiterate appeared to have understood same before affixing his impression.
11. An applicant should not print his signature. If he is unable to sign in the normal manner he should be treated for the purpose of this Offer as an illiterate and his right thumbprint should be clearly impressed on the Application Form.
12. Please note that application once submitted cannot be cancelled under any circumstances. Once an application for Subscription is submitted, the Investor will have to submit a Redemption request for redeeming the Units