



THE NIGERIA INTERNATIONAL DEBT FUND



AFRINVEST (WEST AFRICA) LIMITED
RC 261272

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KEY FACTS AND EXECUTIVE SUMMARY

1) KEY FACTS

Promoter	Nigeria International Debt Fund Plc
Fund Manager	Afrinvest (West Africa) Limited 12 th Floor, Foreshore Towers 2A Osborne Road, Ikoyi, Lagos
Trustee To The Fund	UBA Trustees Limited 9 th Floor, UBA House 57, Marina Lagos
Custodian	Citibank Nigeria Limited 27 Kofo Abayomi Street Victoria Island Lagos
Registrar	United Securities Limited 14, Idowu Taylor Street Victoria Island, Lagos.
Auditors	KPMG Professional Services 22A, Gerrard Road Ikoyi, Lagos
Reporting Accountants	Pedabo Audit Services 23, Biaduo Street Off Keffi Street Ikoyi, Lagos.
Solicitors to the Fund	Olaniwun Ajayi LP The Adunola Plot L2, Banana Island, Ikoyi, Lagos.
Solicitors to the Trustee	Udo Udoma & Bello Osagie LP 10 th Floor, St Nicholas House Victoria Island, Lagos.
Nature of Fund	The Fund is an open-ended investment scheme which seeks to add superior value relative to returns on the FGN 5-Year Bond Series. Investors will be free to subscribe to its Notes through the Manager or any other Agents approved by the Manager.
Offer Description	10,000,000 Authorised Investment Notes ("The Notes") of which 1,069,800 have been preferentially allotted to existing subscribers and 8,930,200 being offered for new and/ or additional subscription.
Offer Price	N1,500 (or equivalent of US\$10) per Note at par in the Fund
Offer Size	N13,395,300,000 (or the exact equivalent in US\$ based on the prevailing exchange rate at the date the Offer opens)
Payment Terms	In full on application
Redemption and Lock-In Period	Redemptions shall be within 5 business days after the relevant redemption documents have been filed with the Fund Manager. Minimum holding period in the Fund shall be 6 months from date of subscription.
Quotation	An application has been made to the Nigeria Stock Exchange for the admission of the 10,000,000 Notes being offered to its Memorandum Listing.

2) EXECUTIVE SUMMARY

The Nigerian International Debt Fund (“NIDF” or the “Fund”) was a close-ended investment vehicle established in February 1997 by the Nigeria International Debt Fund Plc to enable sophisticated, professional or experienced investors invest in Nigerian Government debt obligations including, but not limited to, Nigerian Collateralized Fixed Rate Bonds (Par Bonds) and Central Bank Promissory Notes, both of which were Nigerian debt instruments denominated and payable in United States Dollars. 106,980 Investment Notes of the Fund were issued and duly listed in April 1997 on the official list of the Nigerian Stock Exchange (“NSE” or the “Exchange”) at a price of ₦8, 250 or US\$100 per Investment Note.

At inception, the NIDF had the following features:

- The Fund was close-ended i.e. the size of the Fund was limited to the Investment Notes issued at the time the Fund was launched in 1997;
- The Fund had a fixed life of 24 years;
- The investment Notes were irredeemable throughout the life of the Fund;
- The Investment Notes were fully listed on the NSE, and freely tradable and transferable;
- Pricing of the Investment Notes of the Fund was to be determined by Demand and Supply forces on the Exchange
- 75% of the total net income from underlying investments was to be paid out as Coupon payments to Note holders semi-annually in arrears on 15th May and 15th November each year during the life of the Fund.

The NIDF was set up initially as a hedge tool due to huge devaluation of the Nigerian Naira against the US Dollar witnessed in the 1990s and early 2000s, when the value of the Naira dropped from an exchange rate of ₦82.50/\$ to as low as ₦140/\$. However, in the face of significant improvement in Nigerian macro economic fundamentals and steady depreciation of the Dollar against the Naira, devaluation of the Naira is no longer a concern in the short to medium term. Furthermore, recent developments of the domestic bond market offer a strong reason to diversify investment options of the NIDF. To this end, Afrinvest (West Africa) Limited (“Afrinvest” or the “Fund Manager”) believes the time is right to restructure the NIDF. Apart from addressing macro-economic realities, the restructuring would rectify a few shortcomings of the NIDF as it would provide greater flexibility and better pricing for investors who wish to trade in and out of the Fund.

3) INFORMATION ON THE NIGERIA INTERNATIONAL DEBT FUND

(a) The Fund

The Nigerian International Debt Fund (“NIDF” or the “the Fund”) is a privately managed Collective Investment Scheme established by the Sponsor for pooling investor capital which will be invested in local and international debt obligations of the Nigerian Federal Government. The NIDF was set up in 1997 to invest in international debt obligations of the Nigerian Government.

Key characteristics of the Fund include:

1. The NIDF is an open-ended Fund which permits investors to buy the Notes from the Fund Manager or have them redeemed by the Manager at any time;
2. The class of eligible securities for investment by the NIDF will be expanded to enable the Fund to take advantage of the fast growing domestic Government bond market. A direct benefit of the inclusion of domestic Government debt instruments is the eligibility of the Fund for investment by Pension Fund Administrators;
3. Due to the stability of the Naira in recent years, Investment Notes of the NIDF will be denominated in Naira to mitigate currency conversion risks for investors in the Fund. Nevertheless, investors would still have the option to invest in US Dollars to be converted to Naira at the prevailing market exchange rate on the date of investment;
4. Given that the Fund is open-ended, the Investment Notes are no longer suited to a full listing. Consequently, the Listing status will be converted to a memorandum listing for the units of the fund.

INFORMATION ON THE NIGERIA INTERNATIONAL DEBT FUND CONT'D

5. The value and pricing of the Notes are no longer to be determined by market demand and supply forces but will reflect the NAV of the underlying investments of the Fund;
6. It was observed that the initial \$100 pricing of the Notes (then Units) of the NIDF inadvertently restricted the classes of investors in the NIDF to institutions and high net worth individuals only. However it is proposed that the Fund should also appeal to the retail market. The proposed \$10 par value of the notes will achieve this aim, since it will accommodate a wider class of potential investors who might be interested in investing in the Fund.

(b) Investment Incentives

The Fund offers an opportunity to achieve good returns (while minimising risks), from a diversified portfolio of investments, which may not otherwise be available in significant quantities to individual investors. The Fund will enable investors to spread their risk over bonds carefully selected by the Fund Manager.

(c) Investment Objective

The Fund's investment objective is to maximise returns. The Fund will therefore be invested in a variety of domestic (Federal and State Government Bonds) and international Government bonds. The Fund Manager will draw on decades of experience in the Nigerian Capital Market to ensure that investors enjoy returns that exceed a minimum performance benchmark of the 5 year FGN Bond yield + 2%.

(d) Investment Policy

The investment policy of the Fund will be an active management approach with a focus on long term total returns. The Manager will trade the underlying investments in a prudent manner in order to protect the value of the Fund's investments. In keeping with the Fund's investment policy, the Manager will focus on identifying the combination of the debt securities that offer long-term risk adjusted return potential; .Changes in interest rates, economic ebbs and flows, and inflation represent some of the key risks for investors. Overall, however, the approach will be to pass on the yield of Nigerian Government fixed income securities to the Fund's Noteholders. The Manager will work closely with the Trustees and Custodian to the Fund to ensure that the investments of the Fund are at all times consistent with its overall investment objectives.

(e) Income and Expenses

The fund will invest in many securities with different coupon payments. A portion of the Fund's net investment income received from the underlying investments will be distributed semi-annually to Noteholders. The cost of restructuring the Fund will be charged against the expected proceeds. This charge includes the expenses, which comprises of regulatory and professional fees, printing, advertising, marketing and brokerage commission. The fund's expenses shall not exceed 5% 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.

(f) Minimum Investment

The minimum investment in the Fund will be N750,000 or its equivalent in United States Dollar. The applicable exchange rate will be Central Bank of Nigeria (CBN) ruling rate on the day of investment.

(g) Coupons and Distribution

The Investment Notes will attract a coupon payable semi-annually in arrears. This coupon payment will equal 50% of the total net investment income of the Fund. This sum is total investment income from various investments less total operating expenses. The balance of the net income after coupon payments will be retained as undistributed income thereby increasing the net asset value of the Fund by the corresponding amount. Coupon payments on the Investment Notes may be subject to deduction of any tax on investment income which the Fund Manager may be required to deduct by laws of the Federal Republic of Nigeria.

(h) Foreign Exchange Considerations

The Investment Notes are Naira denominated, and will be tradable in Naira. However, investors in the Fund will be given the option to purchase Investment Notes in Dollars and to have their coupon payments made in Dollars at the applicable exchange rate on the day of investment or payment. Therefore, investors importing capital into Nigeria for the purpose of investment in the Fund can do so, and are advised to obtain the appropriate documentation from any bank authorised to deal in foreign exchange.

The value of the Naira may also be susceptible to fluctuations. If the Dollar strengthens against the Naira, the Dollar value of the investment of those who invest in Dollars will decrease, but on the other hand, if the Naira strengthens against the Dollar, the Dollar value of the investment will increase.

The Fund is obliged to keep adequate and accurate records of all sources of foreign exchange. Therefore, the Fund manager and the Custodians will ensure that subscriptions to the Investment Notes are in compliance with the all applicable domestic laws, regulations and guidelines on foreign exchange, and that adequate documentation is maintained at all times.

(i) Risk Factors and Special Considerations

Although substantial returns may be achieved by investing in the types of opportunities contemplated by the Fund, investing in the Fund involves some degree of risk. To this end, even though the Fund Manager will exercise all necessary caution in investing monies mobilised by the Fund, there can be no guarantees as to the performance (returns) of the fund.

Key risks involved in investing in the Notes include:

I. Price Fluctuation Risk

Although the coupon payments on the underlying debt instruments in which the Fund invests carry a fixed rate, the price at which the securities trade on the secondary market may fluctuate such that the original price paid by the Fund for securities may not be the same as the price at which the Fund is able to sell the security. As a result, the value of the Fund's investments may increase or decrease. Instruments held to maturity will return the full principal amount to the Fund upon maturity. However, those sold prior to maturity are subject to gain or loss depending on the market price at the time of sale.

II. Nigerian Government and Political Factors

Because the underlying investments of the Fund are Nigerian Governments debt obligations, the value of the Fund may be affected significantly by the actions of the Government in terms of its ongoing servicing of the debt obligations, as well as general political, legal and economic developments in the country. The key to mitigate this type of risk is close monitoring of developments in the country and timely execution of transactions.

III. Currency Risk

Any investment made by the Fund Manager in Dollar instruments issued by the Government of the Federal Republic of Nigeria, shall be subject to changes in the value of the Naira against the Dollar. However, fluctuation in the value of the Naira can be as a result of changes in the fiscal and monetary policy pronouncements of the Nigerian government.

(j) Interest Rate Considerations

Because the Fund will invest in interest rate sensitive securities, the value of the Fund may change in line with fluctuations in general interest rates. The risk of changing interest rates is directly correlated to the remaining time to maturity of the instrument.

(k) Reinvestment Risk

During periods of declining interest rates, the Manager may be required to buy new bonds at lower interest rates as any existing investments in the portfolio reach maturity. To mitigate this type of risk, the Manger will seek out the most attractive Nigerian Government debt securities for investment.

(l) Inflation Risk

A high rate of inflation can erode the real value of any investment. Thus, monies invested in the Fund may ultimately have a higher nominal value and lower real value over time.

(m) Income Fluctuations

As the Fund buys and sells instruments of different coupon rates, the total net income derived from these instruments and passed on to Noteholders as coupon payments may vary.

(n) Call Risk

The Nigerian Governments may decide to call or repay any category of instruments held by the Fund. If this happens, any interest payments from the affected instruments will cease and the Fund may receive the principal from such investments earlier than envisaged.

(o) Net Asset Value

The Net Asset Value per Note will be calculated by the Manager on each Valuation Date, and will be determined by the value of the Fund's assets (the securities it holds, plus any cash or other assets, including interest accrued but not yet received) minus the Fund's liabilities (including accrued expenses), divided by the number of outstanding Investment Notes.

(p) Valuation Date

The Valuation Date shall be the Friday of each week. In the event that Friday is a public holiday in Nigeria, the Valuation Date will be the last business date prior to the public holiday.

(q) Memorandum Listing

An application has been made to the Council of the Nigerian Stock Exchange to Convert the NIDF from a full listing and, admit all outstanding Investment Notes/Units of the NIDF to the Memorandum List of the NSE.

(r) Redemption

The Fund Manager will not transfer or redeem Investment Notes without the production of a Fund Certificate relating to such Notes, which must be surrendered before any transfer or redemption whether for the whole or any part thereof can be registered. Units purchased in the name of an individual under the age of 18 years may be redeemed or transferred by such individual upon attaining the age of 18 years provided that such individual produces a Fund Certificate and valid identification. Detailed transfer instructions are provided in the Trust Deed.

Investment Notes/Units may be redeemed on any Business Day, provided Redemption Notices and Fund Certificates are received at the offices of the Fund Manager before 5.00pm on the Valuation Date. Notices received after 5.00 p.m. shall be treated on the following Business Day and receive the NAV as of the next valuation date. Proceeds of redemptions will be paid within 5 working days after the relevant redemption documents have been filed with the Fund Manager. Minimum permissible holding after redemption is 200 units or such balance as may be advised by the Manager from time to time.

(s) Valuation Report

On each Valuation Date, the Manager will prepare an un-audited statement of the Fund's accounts, including the Fund's Net Asset Value and a schedule of the Fund's current investments. An annual report, including audited accounts for the previous period, will also be made available to Noteholders and the Nigerian Stock Exchange, Securities and Exchange Commission on an annual basis.

(t) Taxation

The coupon payable to Noteholders will be liable to a withholding tax of 10%, while the investment itself will qualify as a government security and therefore enjoy the benefits conferred on certain institutional investors like Trustees and Pension Funds.

(u) Fund Termination

The Fund will be terminated if, after the Effective Date, any of the following occurs:

1. The Trustees receive written notice from the Manager to the effect that it believes the investment objective of the Fund is no longer reasonably achievable in accordance with the investment policies and restrictions of the fund;
2. The Manager gives notice of termination of their services to the Fund;
3. The Net Asset Value of the Fund is insufficient to justify the continued operation of the Fund;
4. Any law or regulation, decision of a court of competent jurisdiction or government policy is made which, in the judgement of the Manager, renders it impracticable to continue the Fund.

On termination of the Fund, the Manager will use its best efforts to effect a market sale of all, but not part of, the Fund's assets for the best prices available at such time. Noteholders will subsequently be entitled to receive a distribution in proportion to their respective interests in the Fund of all net cash proceeds derived from the realisation of the assets of the Fund and available for distribution.

4) HISTORICAL RETURN PERFORMANCE (1997-2008)

The Decision of the Federal Government of Nigeria to exercise the option of redeeming its stocks of Par Bonds totalling US\$1.5b in November 2006, liquidating a large portion of the Fund's Investment holdings, which were predominantly in FGN Par Bonds and Partly in internationally traded Promissory Notes. However, the performance of the NIDF has been impressive given the principal objective of providing a hedge against the devaluation of the Naira.

Details per Investment Note

	-N-	\$
Initial Investment	8,250	100
Total amount of coupon paid out	7,479	53
Value of investment @ 31 December 2008	15,129	115
Return per Investment Note	<u>6,879</u>	<u>15</u>
Total Coupon Payments (22 Payments)	7,479	53
Initial investment Plus Returns	<u>14,355</u>	<u>68</u>
	22,608	168
Holding Period Return (%)	185.79%	104.75%
Annualised return (%)	20.64%	11.64%

An investor holding the investment notes of the NIDF, which were acquired in February 1997 has earned an annualized return of 20.64% in Naira terms and 11.64% in Dollar terms as at the end of December 2008.

THREE YEARS FINANCIAL FORECAST

5) THREE YEARS FINANCIAL FORECAST

The Funds Managers are of the opinion that subject to unforeseen circumstances, and based on the assumptions stated in Note 3 the Net income before coupon payments to note holders for the three months period ended 31 December 2009 and three years ending 31 December 2010, 2011, and 2012 will be in order of N82.587 million, N 571.203 million, N 624.359 million and N 730.864 million respectively.

a) PROFIT FORECAST

For the	Three months ending 31/Dec/09 N'000	Year ending 31/Dec/10 N'000	Year ending 31/Dec/11 N'000	Year ending 31/Dec/12 N'000
Investment Income				
Coupon Income	63,587	512,142	553,475	637,079
Interest on deposits	1,250	5,041		6,170
Realized gain on Investments	49,000	180,053	204,778	241,867
Total Investment Income	113,837	697,236	763,833	885,116
Operating Expenses	31,250	126,032	139,474	154,252
Net Income	82,587	571,203	624,359	730,864
Coupon payments to Note holders	41,293	285,602	312,179	365,432
Net increase in Net Asset Value resulting from operations	41,293	285,602	312,179	365,432
Undistributed profit at beginning of the year		41,293	326,895	639,074
End of year balance	41,293	326,895	639,074	1,004,506
Earnings per Note holder	<u>N 1,312</u>	<u>N 9,857</u>	<u>N 18,247</u>	<u>N 27,090</u>
Distribution per Note holder	N1,312	N 8,612	N 8,913	N 9,855
holder % Growth in NAV	0.82%	9.64%	9.58%	9.85%

THREE YEARS FINANCIAL FORECAST

b) BALANCE SHEET FORECAST

As At December 31,	2009	2010	2011	2012
	N'000	N'000	N'000	N'000
ASSETS				
Investments	4,900,00	4,501,315	5,119,456	6,046,685
Cash At Hand	141,293	1,077,645	1,050,631	797,338
Total Assets	5,041,293	5,578,960	6,170,087	6,844,023
CAPITAL AND RESERVES				
Investment Notes	5,000,000	5,000,000	5,252,065	5,531,013
New Subscriptions		252,065	278,948	308,504
Total Contributed Capital	5,000,00	5,252,065	5,531,013	5,839,517
Revenue Reserve	41,293	326,895	639,074	1,004,506
Note holders' Fund	5,041,293	5,578,960	6,170,087	6,844,023

c) CASH FLOW FORECAST

For the Year Ended 31 December

	N'000	N'000	N'000	N'000
Cash Inflow				
Opening Balance	5,000,000	141,293	1,077,645	1,050,631
Coupon Received	63,587	512,142	553,475	637,079
New Investments		252,065	278,948	308,504
Interest Income From Money market	1,250	5,041	5,579	6,170
Liquidated Investments	-	439,153	347,924	-
Income from Coupon Trading	49,000	180,053	204,778	241,867
Activities Sub Total	5,113,837	1,529,746	2,244,251	2,468,350
(A) Cash Outflow				
Investments Coupon	4,900,000	40,467	966,066	927,229
Paid Operating	41,293	285,602	312,179	365,432
Expenses	31,250	126,032	139,474	154,252
Sub Total(B) Cash	4,972,543	452,101	1,417,719	1,446,913
Balance(A-B)	141,293	1,077,645	1,050,631	797,338

FIVE YEAR FINANCIAL SUMMARY

6) FIVE YEAR FINANCIAL SUMMARY

Balance Sheet	2008	2007	2006	2005	2004
FYE 31 December					
in N'000					
ASSETS					
Cash at Bank	1,425,476	1,080,210	1,157,323	421,065	220,331
Investments	235,350	359,640	552,496	1,293,929	1,498,193
Coupon Receivable	57,424	35,462	35,481	26,062	19,125
Interest receivable on deposits					
Other assets		1186	370	969	91
	1,718,250	1,476,498	1,745,670	1,742,025	1,737,740
LIABILITIES:					
Fees Payable	335,056.00	-9095	-9347	-7560	-7704
WHT Payable	26,801.00	-2520	-1876	-41	-3410
Other liabilities	82,567.00	8053	-6016	-5934	-3952
Coupon Payable	41,642.00				
NET ASSETS	1,618,500	1,456,830	1,728,431	1,728,490	
CAPITAL AND RESERVES:					
Investment Notes	1,398,764	1,266,643	1,374,158	1,369,344	1,417,485
Note premium	680	616	668	666	689
Undistributed net profit	219,056	189,571	353,605	194,124	80,587
Unrealized gains on investment		-	-	164,356	223,913
Equity					
Due to Noteholders					
	1,618,500	1,456,830	1,728,431	1,728,490	1,722,674
NAV per share	N15,129	N13,618	N16,157	N16,157	N16,103
Statement of Operations					
Total Investment Income	236,249	180,402	-177,662	224,373	109,990
Total Expenses	- 189,500	-265,683	406,590	-44,655	-40,229
NET(LOSS) INCOME	46,749	-85,281	228,928	179,718	69,671
Coupon paid	-41,642	-58,779	-71,055	-60,837	-49,727
Net increase/decrease in Net Assets resulting from operations	5,107	-144,060	157,872	118,881	20,03
Undistributed Net Profit					

INFORMATION ON THE FUND MANAGER AND TRUSTEE

Beginning of the year	-	353,605	194,124	80,587	62627
Foreign currency translation adjustment	-	-19,974	1,610	-5,344	-2,074
End of the year	219,056	189,571	2,752,864	1,516,590	608,201

7) INFORMATION ON THE FUND MANAGER AND TRUSTEE

a) AFRINVEST (WEST AFRICA) LIMITED - FUND MANAGER

Afrinvest was founded in 1995 as Securities Transactions & Trust Company (Nigeria) Limited ("SecTrust") which grew to become Nigeria's leading integrated research, brokerage and asset management firm. Over the years, SecTrust established a close relationship with its London-based partners ("Afrinvest Limited"), an investment banking firm regulated by the United Kingdom Financial Services Authority ("FSA"). Partly due to this international affiliation, SecTrust employed international best practices in all areas of its business. Following commencement of its business restructuring in 2005, SecTrust combined with the Nigeria-based corporate finance business of Afrinvest Limited to create a stronger business entity with a more internationally recognized corporate identity. This phase of business restructuring was concluded in December 2005 and culminated in the renaming of SecTrust as Afrinvest (West Africa) Limited.

Afrinvest has emerged as a full service investment banking firm, engaged in investment research, securities trading, asset management and investment banking. The Company has participated actively in most of the recent landmark corporate finance transactions in Nigeria to date. It has also developed a reputation as one of the leading companies in the management of foreign investments in the Nigerian capital market. The Company is registered as a Broker/Dealer and Issuing House by the SEC.

b) DIRECTORS OF THE FUND MANAGER

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

Apostle Hayford I. Alile, MFR, B.A, MBA is the Chairman of Afrinvest West Africa Limited. He is a Director of the Central Bank of Nigeria and the immediate past Director-General of The NSE. He is also a leading investment analyst who has, in the past three decades, made valuable contributions to national economic growth and public policy formulation. Apostle Alile has deployed his expertise in top-level management to nurture many successful socio-economic initiatives within the private and public sectors.

Godwin Obaseki (Vice Chairman/ CEO) has considerable experience spanning over two decades in the Nigerian capital market. He founded SecTrust, pioneering major innovations and providing leadership in the Nigerian stock market. Mr. Obaseki has served on the Presidential Committee on the Reform of the Nigerian Pension System. He also served on the Committee on the Re-activation of the Nigerian Bond Market set up by the Securities and Exchange Commission. He is an active member of The NSE and currently serves on its Governing Council. He has also served on many of the committees of

INFORMATION ON THE FUND MANAGER AND TRUSTEE

The Exchange. Mr. Obaseki was nominated Global Leader of Tomorrow (GLT) by the World Economic Forum in 2001. He is a Fellow of the Nigerian Chartered Institute of Stockbrokers and an alumnus of the Lagos Business School Chief Executive Program.

Ike Chioke (Managing Director) has over eleven years of investment banking experience in mergers and acquisitions and equity/debt capital markets. Ike has specialised in telecommunications, media and industrial sectors. Ike worked for several years in the investment banking division of Goldman Sachs in New York, United States of America before joining Citigroup in London, United Kingdom, where his last assignment was as the head of the Sub-Saharan Africa Investment Banking coverage. Ike has a Bachelor of Science degree in Civil Engineering from the Obafemi Awolowo University, Ile-Ife, Nigeria and attended Oxford University in the United Kingdom as a Rhodes Scholar where he obtained a Masters degree in Management Studies.

Kayode Fahm (Executive Director, Securities Trading)

Kayode has over fifteen years of experience as an analyst, trader and investment manager of the top financial institutions in the world. Kayode has spent the last several years setting up and running Enia Advisors, an independent advisory business for institutions and high net worth individuals which draws on his investment banking and portfolio management experience. Prior to Enia Advisors, he worked for several years at Morgan Stanley International, Goldman Sachs, where he was an Executive Director, the National Commercial Bank of Saudi Arabia (NCB), in Abu Dhabi, where he became the Investment Advisor to the Al Maskari family and the Zad Islamic Fund. Kayode graduated in 1986 with honours in Mathematics from the Imperial College of Science and Technology in London, United Kingdom and has a Chartered Management Accounting qualification (ACA) as well as SFA (General and Derivatives) and SEC (Series 3, 7 and 63) certifications.

Peter Breese (Director) - Mr. Breese is an Executive Director of UBA Capital (Europe) Limited and has over twenty five years experience in equity and debt capital markets in the United Kingdom, with an emphasis on emerging markets and privatization related work. He is a Director of Latin American Investment Partners, which he co-founded following seven years with BBV Latinvest in London, United Kingdom where he was responsible for the corporate finance and capital markets activities. He holds a Bachelors' degree in Political Science from George Washington University and an MBA from Harvard Business School.

Moses Kragha (Non-Executive Director) holds a first degree in Oil Technology and a Masters degree in Reservoir Engineering from the Imperial College of Science & Technology, University of London, United Kingdom. He has over four decades of experience comprising of a career with Shell/BP, NCB London, Akel Consultants Croydon and PCL Lagos. He is the Managing Director of Kragha & Associates (Mining & Petroleum Consultants) and Chairman of KVRMT Laboratory Services Limited. He is also the President of Delta Environmental Network (DEENET), an environmental NGO focused on the Niger Delta environment and communities. Mr. Kragha is a fellow of the Institute of Petroleum; United Kingdom. He

also holds memberships of the Society of Petroleum Engineers, the Nigerian Mining and Geosciences Society, the Nigeria Association of Petroleum Explorationalists and the Nigerian Institute of Management Consultants.

Mallam Hassan Usman (Non-Executive Director) is currently the Chief Executive Officer of Aso Savings & Loans Limited, a former Executive Director of the Bureau of Public Enterprises and a former Executive Director (Investment) of the Abuja Investment and Property Development Company Limited. Hassan graduated with a Bachelor of Arts (second class upper) degree in Economics from the University of Sussex, and a Master of Philosophy (M.Phil.) degree in Development Economics from Darwin College, University of Cambridge. He is an Associate of the Institute of Chartered Accountants in England and Wales. He is also a Registered US National Association of Securities Dealers Series 7 Investment Banking Representative.

Dolapo Atekoja (Non-Executive Director) is a management consultant, his areas of expertise span business and financial strategy design and implementation. With over twenty years in the banking industry, his experience spans the commercial and merchant banking industry at senior management levels. His last role within the banking sector was as the Managing Director of Equatorial Trust Bank Limited. An Economist and Stockbroker, he is a Fellow of the Chartered Institute of Stockbrokers.

c) 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:

Lanre Adeogun

Lanre Adeogun is Head Fixed Income Trading. Lanre has over 10 years experience in audit, management accounting, financial control, internal control and treasury. He worked as Management Accountant with Neimeth Int'l Pharmaceuticals Plc (formerly Pfizer) before joining Financial Control of United Bank for Africa Plc and later Associated Discount House Ltd, where he varied in Financial Control, Audit & Internal Control, and ultimately becoming Head of Bond Desk in Treasury and one of the pioneer Bond Dealers in the market. He subsequently moved to Equitorial Trust Bank Ltd as Head, Securities Trading (Bond and Treasury Bills). Lanre is an Accounting graduate and received a Masters in Managerial Psychology from the University of Ibadan and M.Sc. Contemporary Accounting from Leeds Metropolitan University UK. He is a qualified chartered accountant (ACA); Associate, Chartered Institute of Taxation of Nigeria (ACTI); and a Certified Fraud Examiner (CFE).

Francis Anyimigbo

Francis joined Afrinvest from Intercontinental Bank Plc where he worked in Strategy & Performance Management, Credit Risk Analysis, Compliance & Control departments. Prior to joining banking industry, he had a stint with Parker Randall Offor (Chartered Accountants). He is a graduate of Accountancy & Finance from Yaba College of Technology Lagos, holds MSc. in Financial Management from Aberdeen Business School, United Kingdom. He is an Associate member (ACA) of the Institute of Chartered Accountants of Nigeria (ICAN).

INFORMATION ON THE FUND MANAGER AND TRUSTEE

Joy Akele

Joy joined Afrinvest in 2007 as a Bond Desk Analyst and she is currently in the Asset Management Division in charge of the Bond Fund (NIDF). Prior to Afrinvest, Joy has worked in various capacities as a financial analyst and Bond dealer. She worked with Co-operative Group (CWS), London, Ogier Fiduciary Services, Channel Islands and ICAP South Africa. Joy holds a bachelors degree in Economics and Development studies from the Igbinedion University, Okada Nigeria and a Master's degree in Investment and Finance from Middlesex University Business School, London.

d) UBA TRUSTEES LIMITED - TRUSTEE TO THE FUND

UBA Trustees Limited is an offshoot of UBA Capital & Trust Limited ("UCAT"), a wholly owned subsidiary of United Bank of Nigeria Plc ("UBA"), one of the leading banks in Nigeria and the winner of the Euro money 2005 "Best Bank Award for Excellence". UCAT (now UBA Asset Management Limited) commenced business over four decades ago as UBA Trustees Limited before its subsequent change of name and reorganisation which led to the re-incorporation of the new UBA Trustees Limited. Over the years, UBA Trustees Limited has earned a reputation as one of the most respected corporate trustees in the Nigerian money and capital markets. The Board of Directors of UBA Trustees is currently constituted as follows:

Tony O. Elumelu MFR (Chairman)

Mr. Elumelu is a research economist with Honours degrees in Economics at both graduate and post graduate levels. Mr. Elumelu also trained at the Harvard Business School, United States of America and the Institute of Management Development, Lausanne, Switzerland. He has over two decades banking experience and was Managing Director/Chief Executive Officer of Standard Trust Bank Plc (STB) from 1997 till 2005. Currently the Group Managing Director of the UBA Group, he also serves on various boards. He is the President of the West African Bankers' Association (Nigerian Chapter) and Vice Chairman of STB (Ghana). He has held various public sector appointments and was awarded the national honour of Member of the Federal Republic (MFR) in 2003.

Oluwatoyin Sanni (Managing Director)

A Lawyer, Chartered Secretary and Stockbroker with over twenty years' experience in Trusteeship, Law, Asset Management and Corporate Finance, Oluwatoyin holds a Bachelor of Laws (Honours) from the Obafemi Awolowo University, Ile-Ife, Nigeria and Master of Laws from the University of Lagos, Nigeria. She has attended various courses including the Euromoney School for International Financial Law, Oxford, United Kingdom, Investment Banking and Project Finance Course by Euromoney, Portfolio Management Academy of New York Institute of Finance and the Peter Drucker Strategy Programme in Switzerland. Prior to joining the UBA Group, she was an Assistant General Manager, with First Trustees Nigeria Limited and later Managing Director of Cornerstone Trustees Limited. She is the Vice President of the Association of Corporate Trustees of Nigeria.

INFORMATION ON THE FUND MANAGER AND TRUSTEE

Vincent Omoike (Non-Executive Director)

Vincent is a Fellow of the Institute of Chartered Accountants of Nigeria and a member of the Chartered Institute of Bankers, London. He served for several years with the Central Bank of Nigeria before his retirement in November 2003 as a Director. In 2005, he was appointed Executive Chairman of Assurance Bank of Nigeria Plc by Central Bank of Nigeria. He has attended professional programmes in the City University Business School, London and the New York Institute of Finance. He has also obtained relevant exposure from various central banks including the Bank of England, Federal Reserve Bank, New York, and the Central Bank of Ireland and has served on the boards of various financial institutions.

Faith Tuedor-Matthews (Non-Executive Director)

Ms. Tuedor-Matthews is an Executive Director of UBA Plc, in charge of Public Sector Group and the Abuja Zonal Office, with almost two decades of banking experience. She has served in top management in various reputable institutions. She holds a Masters degree in Business Administration from the University of Aston, Birmingham and Diploma and a Post Graduate Diploma in Marketing Studies from Southampton Institute and Staffordshire University respectively. A member of several professional bodies like the British Institute of Management and the Chartered Institute of Bankers, she has also attended the Harvard Business School Senior Executive Programme.

Emmanuel N. Nnorom (Non-Executive Director)

He is an acclaimed industry expert in banking operations. He trained as an accountant with Peat Marwick Castellation Elliot & Co, and qualified in 1982 after winning several awards. He is a fellow of the Institute of Chartered Accountants of Nigeria and an alumnus of Templeton College, Oxford University and Manchester University, United Kingdom. He had extensive banking with Liberty Merchant Bank Limited and NUB International Bank Limited before joining Standard Trust Bank Plc in April, 2004 as General Manager (Operations). He is currently Chief Financial Officer of the UBA Group.

Philip Chuwuemeka Ikeazor (Non-Executive Director)

Mr. Ikeazor is a Chartered Accountant and graduate of the University of Buckingham England. He is currently a General Manager in UBA with responsibility for Structured Finance and Corporate Banking. He has extensive experience in Structured Finance, Treasury Management, Financial Services and Public Sector Banking. He joined UBA as a General Manager in September, 2005. Philip has attended several management and leadership development courses in some of the leading business institutions of the world.

Tokunboh Ajayi (Head, Trust Services)

Tokunboh qualified as a Barrister & Solicitor of the Supreme Court of Nigeria in 1986 after a Bachelor of Law degree from the University of Ife (now Obafemi Awolowo University), Ile-Ife, Nigeria in 1985. Prior to joining the UBA Group in 1989, she was in private legal practice. She is a very experienced trustee and a member of the Nigerian Bar Association, FIDA, Nigerian Institute of Management, the Business Recovery & Insolvency Practitioners Association of Nigeria and the British

Council. She is an alumnus of the Phillips Consulting, South Africa Senior Management Programme. She is the Treasurer of the Association of Corporate Trustees of Nigeria.

Funmi Ekundayo (Head, Marketing & Products Development)

Funmi holds Bachelor and Master of Laws degrees from the University of Lagos, Nigeria. She is an Associate of the Institute of Chartered Secretaries and Administrators, United Kingdom. She worked with the firm of Bentley Edu & Co. and NAL Asset Management & Trustees Limited prior to joining UBA Trustees.

Peter Olorunsola (Chief Operating Officer)

He is a Chartered Accountant and graduate of Obafemi Awolowo University Ile- Ife and has several years' of experience in Accounting and Investment. He is in charge of Financial Control and Administration. He has attended various training programmes and conferences both locally and abroad including Euromoney Bond Investors Congress, United Kingdom. Prior to joining UBAT, he was Head, Finance and Accounts at Cornerstone Trustees Limited.

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 membership of the Investment Committee is as follows:

- 1) Godwin Obaseki (Vice Chairman/ CEO, Afrinvest)
- 2) Ike Chioke (Managing Director, Afrinvest)
- 3) Kayode Fahm (Executive Director, Securities Trading, Afrinvest)
- 4) Francis Anyimigbo (Wealth Management, Afrinvest)
- 5) Joy Akele (Wealth Management, Afrinvest)
- 6) Lanre Adeogun(Fixed Income Trading, Afrinvest)
- 7) Kayode Fahm (ED, Risk Management & Quality Assurance - Afrinvest)
- 8) Victor Ndukauba (Head Research - Afrinvest)
- 9) Stella Mujakperuo (Head, Legal & Regulatory Compliance - Afrinvest)
- 10) Mrs. Funmi Ekundayo (Trustee Representative).
- 11) Mrs. Tokunboh Ajayi (Trustee Representative)