



# FAQs

## Frequently Asked Questions

### Q. What is The IBTC Nigerian Equity Fund?

**A.** The IBTC Nigerian Equity Fund is an open-ended mutual fund. The primary objective of The IBTC Fund is to achieve long-term capital appreciation of its assets, through investment in a portfolio of equity securities quoted on The Nigerian Stock Exchange and money market instruments.

### Q. How does The Fund work?

**A.** The primary objective of the Fund is long-term capital appreciation, which is achieved by investing at least 75% of the Fund's assets in equities of blue chip companies listed on The Nigerian Stock Exchange while retaining a maximum of 25% of its total assets in money market instruments. When you subscribe to the Fund, you are issued with such number of units at the prevailing offer price as is equivalent to the monetary amount of your subscription. The Fund is re-valued at the end of each working day to reflect any changes in the prices of the underlying stocks. This means that the value of your units will change from day to day. The aim of the Fund is to achieve capital appreciation over the long term and such appreciation can be monitored on a daily basis.

### Q. Is there a guaranteed Rate of Return on an investment in The IBTC Nigerian Equity Fund?

**A.** No. The return on the Fund is dependent on the value of the publicly quoted stocks it holds. As the Fund Manager has no control over the price of these stocks, which can and will fluctuate from time to time, it is impossible to guarantee any particular rate of return on the investment.

### Q. What companies does The Fund Invest In?

**A.** Blue chip companies listed on The Nigerian Stock Exchange in key sectors, such as petroleum marketing, food and beverages, manufacturing, banking, real estate and fixed income securities.

### Q. What are the advantages of investing in The Fund?

- A.** -**Risk Spreading:** As it invests in a basket of top-quality quoted companies, the Fund represents a good risk spreading device.
- **Returns:** The Fund delivers competitive returns over the long term and its average annual return over the last 8 years is in excess of 53%.
- **Wider Access:** The opportunity of effectively investing in equities of more companies than may be possible when investing directly.
- **Flexibility:** As the Fund is open-ended, you are able to subscribe and redeem at anytime which provides you with flexibility in relation to your investment decisions.
- **Liquidity:** If you are redeeming, you will usually be paid within one week of the Fund Manager's receipt of your redemption form and your unit certificate.
- **Expertise:** With a minimum of N50,000.00, you can benefit from IBTC's professional fund management expertise.

### Q. What is the procedure for withdrawing/redemption and how long does it take?

**A.** The redemption process involves:

- Returning the Fund Certificate to the Fund Manager; and
- Completing a redemption form

Once these documents are received and subject to verification of the Unitholder's signature by the Registrar, the redemption request will usually be processed within 5 working days.

### Q. Are there any penalties for withdrawing my funds?

**A.** A 2% handling charge is payable on any redemption effected within three (3) months of subscription to the Fund. After these first 3 months, there is no redemption charge.

### Q. Where can I get The Purchase Order Form?

**A.** It is available at any of our offices and at any UPS office in Nigeria at no cost to subscribers. It can also be downloaded from our website, [www.ibtclagos.com](http://www.ibtclagos.com).

### Q. How do I pay for a subscription to The Fund?

**A.** By bank draft or cheque payable in Lagos, Abuja or Port Harcourt which should be submitted with your application form at any of our offices in Lagos, Abuja or Port Harcourt or any UPS office nearest to you. Your name, contact address and daytime phone number must be written at the back of the bank draft.

### Q. What is the procedure for Foreign Investors to invest?

**A.** By making a payment into our foreign bank account, the details of which are given on the back of the Purchase Order Form and then forwarding a copy of the subscription form to IBTC Asset Management Limited. When the subscriber sends a fax or scanned copy of the form, please note that he/she will not be required to send the original form.

### Q. Can I use my holdings in The Fund as collateral for a loan?

**A.** Yes many banks will accept units of the Fund as collateral for bank loans. However, this depends on each bank's lending policy.

### Q. Can I invest for my children and can my club invest?

**A.** Yes, it is possible to invest for minors and clubs or groups.

### Q. What is the current value of my investment?

**A.** At any point in time, the value of your investment = Number of units held X Current Bid Price Per unit (available in leading Nigerian newspapers or our website, [www.ibtclagos.com](http://www.ibtclagos.com)).

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**Q. A group of us would like to subscribe jointly. How do we go about it?**

**A.** You can apply as a corporate body/entity or make a joint application (for up to a maximum of four individuals) depending on the nature of the group. Please note that the certificate and any subsequent distribution or redemption proceeds will be issued in the name of the applicant(s), that is, the company, entity or joint name. These persons would have to determine how such should be shared.

**Q. How is The Fund different from other Funds?**

**A.** It is currently the largest mutual fund in the country, with significantly over N10 billion invested in authorized assets. A large pool allows for more flexibility and diversification of risk. Secondly, it has returned approximately 400% from inception to date, which makes it about the most profitable mutual fund in Nigeria.

**Q. Do I get a receipt or certificate?**

**A.** Yes. You get both a receipt and a certificate. The acknowledgement copy of the Purchase Order Form constitutes your receipt while a unit certificate or statement, indicating the number of units held by you should be forwarded to you by the Registrar within approximately 60 days of your subscription to the Fund.

**Q. The Fund Certificate states Number of Units of N1,000 each. Does this mean that is what my investment is worth?**

**A.** No, the Fund certificate states the par value of the units of the Fund and not the actual value as the Fund prices change daily. The par value is the price at which the units were launched at inception, which is the figure stated as N1,000.00 on The Fund Certificate.

**Q. What is the minimum amount that can be invested in the Fund?**

**A.** N50,000.00.

**Q. Do I have any control over what companies you invest in?**

**A.** No. The Fund Manager, IBTC Asset Management Limited, takes all the investment decisions on the Fund's behalf based on guidelines set out in the Fund's Trust Deed.

**Q. How do I monitor my investment?**

**A.** The daily prices are available in leading Nigerian newspapers on weekdays as well as on our website, [www.ibtclagos.com](http://www.ibtclagos.com). As a unitholder of The Fund, it is also possible to view your account online by registering your details on the website.

**Q. How long should I stay invested in The Fund?**

**A.** The Fund is open-ended and so there is no minimum period of participation. However, it is usually advised that, as with all capital market investments, investments in the Fund should be viewed as long-term investments as returns are best optimized over the long term.

**Q. How do I make additional subscription?**

**A.** By the same process as you made your initial subscription, that is, filling out a Purchase Order Form and making a payment to Investment Banking & Trust Company Plc for the amount that you wish to subscribe for.

**Q. Do you pay dividends?**

**A.** Dividends are declared and paid out of the Fund's income annually after the Fund's AGM. However, investors should note that the main objective of the Fund is capital appreciation.

**Q. How are you sure that The Fund will not crash?**

**A.** While nothing is guaranteed, The Fund is invested in equities of several blue chip quoted companies in different key sectors of the economy. Consequently for the Fund to crash completely, the stock prices of all these companies would have to crash at the same time, which we do not believe is likely.

**Q. Is The Fund listed on The Nigerian Stock Exchange?**

**A.** Yes, the Fund is listed in the Memorandum Section of the daily official list of The Nigerian Stock Exchange.

**Q. What is the closing date for The Fund?**

**A.** The Fund is open-ended and therefore has no closing date.



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