



FAQs

FREQUENTLY ASKED QUESTIONS

Q. What is The IBTC Ethical Fund?

A. The IBTC Ethical Fund (“The Ethical Fund”) is an open-ended mutual fund. The primary objective of The Ethical Fund is to achieve longterm capital appreciation of its assets, by investing in a carefully selected portfolio of high quality equity securities quoted on The Nigerian Stock Exchange and in other securities approved by the Securities & Exchange Commission. The Ethical Fund will follow a socially responsible approach to investing and will exclude investments in the Breweries and Tobacco sectors of The Nigerian Stock Exchange as well as companies whose activities are considered harmful to the society.

Q. How does The IBTC Ethical 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 value 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 may change from day to day. The aim of the Fund is to achieve capital appreciation over the long term without compromising religious beliefs and principles.

Q. Is there a guaranteed “Rate of Return” on an investment in The IBTC Ethical 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 does The Ethical Fund Invest in?

A. Blue chip companies listed on The Nigerian Stock Exchange in key sectors. The Ethical Fund will **follow a socially responsible approach to investing** and will **not** invest in companies operating in the brewery and tobacco sectors, companies involved in the production of arms, ammunition, etc, companies involved in the production of and dealing in narcotic drugs and psychotropic substances, and companies involved in gambling or any activities which are considered potentially harmful to civil society.

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

- A. - Risk Spreading: As it invests in a basket of top-quality quoted companies, The IBTC Ethical Fund represents a good risk spreading device.
- Wider Access: The opportunity of effectively investing in the equities of more companies than may be possible when investing directly.

- Flexibility: As The IBTC Ethical 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 unit certificate.
- Expertise: With a minimum of N50,000.00, you can benefit from IBTC's professional fund management expertise.
- Investing where your heart lies: The Ethical Fund, by being socially responsible, ensures that you invest in line with your beliefs.

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

When these documents are received, the Unitholder's signature is subject to verification 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 1% 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 a Subscription Form?

A. Forms are available at all IBTC Chartered Bank Plc offices and all UPS office in Nigeria at no cost to subscribers. The forms can also be downloaded from our website, www.ibtc.com.

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

A. By bank draft or cheque made payable to IBTC Chartered Bank Plc, with your name, contact address and daytime phone number(s) written at the back of the bank draft or cheque.

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 in the prospectus and then forwarding a copy of the 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 IBTC Ethical 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 minor children and can my club invest?

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

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Q. How do I calculate the value of my investment?

A. At any time, the value of your investment = {Number of Units held X Current Bid Price Per Unit (which will be available in leading Nigerian newspapers or on our website, www.ibtc.com)}.

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

A. You can apply via a joint application (for up to a maximum of four individuals). Please note that the certificate and any subsequent distribution or redemption proceeds will be issued in the names of the applicants who would have to determine by themselves how to share their joint investment and any proceeds arising there from.

Q. How is The IBTC Ethical Fund different from other Funds?

A. The Ethical Fund is the first mutual fund in Nigeria to follow a socially responsible approach to investing as it allows individuals, companies and charities to invest in a way that does not compromise their religious beliefs and principles.

Q. Do I get a receipt or certificate?

A. Yes. You get both a receipt and a certificate. The acknowledgment 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. 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.ibtc.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 IBTC Ethical 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 IBTC Chartered Bank Plc for the amount that you wish to subscribe for.

Q. Do you pay dividends?

A. Distributions will be 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. Is The IBTC Ethical 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 IBTC Ethical Fund?

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



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