



THE IBTC GUARANTEED INVESTMENT FUND

FREQUENTLY ASKED QUESTIONS

Q. What is The IBTC Guaranteed Investment Fund?

A. The IBTC Guaranteed Investment Fund (“The IBTC Guaranteed Fund” or “The Fund”) is an open-ended mutual fund. The primary objective of The IBTC Guaranteed Fund is to achieve long-term capital appreciation of its assets, through investing in a portfolio of fixed income securities including Federal Government bonds, State Government bonds, money market securities and other securities approved by the Securities & Exchange Commission.

Q. How does The IBTC Guaranteed 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 selected fixed income securities while retaining a maximum of 25% of its total assets in high quality securities quoted on The Nigerian Stock Exchange. When you subscribe to the Fund, you are issued with the applicable 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 business day. This means that the value of your units will change from day to day.

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

A. No, the return on the Fund is dependent on rate changes in the Nigerian money market and bond market. As the Fund Manager has no control over the rate changes in the Nigerian money and bond market, which can and will fluctuate from time to time, it is therefore not possible to guarantee any particular rate of return on the investment. However the principal amount invested is guaranteed against diminution in value provided the units are held for a minimum of three months.

Q. What does The IBTC Guaranteed Fund Invest In?

A. The IBTC Guaranteed Fund would invest in fixed income securities, which include Federal and State Government bonds, money market securities which include Guaranteed Commercial Papers, Bankers’ Acceptances, as well as other securities approved by the Securities & Exchange Commission. The Fund Manager’s choice of fixed income securities to be invested in will be biased to favour securities which are tax exempt or offer the best post-tax return. Also, stocks of blue chip companies quoted on the floor of The Nigerian Stock Exchange would be invested in by The Fund.

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

- A.**
- 1) **Guaranteed Principal:** The IBTC Guaranteed Fund guarantees the principal amount invested against diminution in value provided the units are held for a minimum of three months.
 - 2) **Diversified Portfolio:** The IBTC Guaranteed Fund offers an opportunity to achieve good returns while minimising risks from a diversified portfolio of investments that may not otherwise be available to the individual investor.
 - 3) **Income:** The IBTC Guaranteed Fund will enable you enjoy an income stream from selected fixed income securities while simultaneously preserving your principal investment.

4) **Flexibility:** As The IBTC Guaranteed Fund is open-ended, you are able to subscribe and redeem at anytime which provides you with flexibility in relation to your investment decisions.

5) **Liquidity:** If you are redeeming, you will usually be paid within 5 business days of the Fund Manager’s receipt of your redemption form and unit certificate/statement.

6) **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:

- Completing a redemption form and returning the Fund Certificate/Statement to the Fund Manager.

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

Q. Are there any penalties for withdrawing my funds?

A. No there is no penalty for withdrawing your funds however repayment of the principal sum(s) invested is only guaranteed against diminution in value provided that units are held for a minimum period of three (3) months.

Q. Where can I get The Form?

A. The forms are available at all branches of IBTC Chartered Bank Plc and IBTC Asset Management Limited and at any 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 Guaranteed Fund?

A. Units can be purchased exclusively from the Fund Manager or any other Agent(s) appointed by the Fund Manager by completing a Purchase Order Form. Completed forms should be returned with a bank draft or cheque to any of our IBTC Asset Management Limited or IBTC Chartered Bank Plc offices nationwide 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 or cheque.

Q. How do I make additional subscriptions?

A. By completing a Purchase Order Form and making payments to IBTC Chartered Bank Plc for the amount that you wish to subscribe for minimum of which must be N50,000.00

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

A. The minimum amount that can be invested is ₦50,000.00.

Q. What is the minimum amount I can withdraw from The Fund?

A. The minimum amount which can be withdrawn from The Fund are units worth N50,000.00 on the day the redemption documents are submitted. Units worth N50,000.00 must be retained in the account before a part redemption can be executed.

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

- A. By making a payment into our foreign bank account, details of which are given on the application form and then forwarding a copy of the form to IBTC Asset Management Limited. The purpose of the funds being transferred must be stated on the SWIFT message to enable a Certificate of Capital Importation (CCI) be issued. The prevailing exchange rate on the day the funds are received into our account would be applied to convert the amount to naira. 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 invest for my children and can my club invest?

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

Q. How do I calculate the 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 (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 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 IBTC Guaranteed Fund different from other Funds managed by IBTC?

- A. The major differences between The IBTC Guaranteed Fund and the existing funds managed by IBTC (i.e The IBTC Nigerian Equity Fund and The IBTC Ethical Fund) are that the principal sum invested in The IBTC Guaranteed Fund is guaranteed against diminution in value provided the Units are held for a minimum of three months. Also The IBTC Guaranteed Fund would have a minimum of 75% of its assets invested in selected fixed income securities while a maximum of 25% of such assets maybe invested in high quality securities quoted on The Nigerian Stock Exchange.

Q. Do I get a receipt or certificate?

- A. Yes. You get both a receipt and a certificate/statement. 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 15 business days of your subscription to the Fund.

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 or dialing The IBTC TeleFund Manager on 01-2712400 and following the voice prompts.

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

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

Q. Does The IBTC Guaranteed Fund pay dividends?

- A. Dividends will be paid out of the Fund's income or capital gains provided the Fund makes a profit in the financial year in respect of which such distributions are made. However, investors should note that the main objective of the Fund is capital appreciation.

Q. Is The IBTC Guaranteed Fund listed on The Nigerian Stock Exchange?

- A. No, the Fund is currently not listed in the Memorandum list of the Daily Official list of The Nigerian Stock Exchange.

Q. What is the closing date for The Fund?

- A. There is no closing date for The Fund, as it is open-ended.

Q. Can I transfer my units to another party?

- A. Yes, units of The IBTC Guaranteed Fund can be transferred to a third party at the instruction of the existing unitholder upon payment of a nominal transfer charge with the consent of the Trustees.

Q. How much would a unit of The Fund cost?

- A. The offer price on any particular day is the price at which a unit of The Fund can be purchased.

Q. Do I have any control over what The Fund invests 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. Can I use my holdings in The IBTC Guaranteed 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.



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