

You are advised to read and understand the contents of the prospectus. If in doubt, please consult your Stockbroker, Solicitor, Banker or an Independent Investment Adviser.

"For Information concerning certain risk factors which should be considered by prospective investors, see 'Risk factors' on page 16



# EQUITY FUND

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

INITIAL PUBLIC OFFERING OF  
**500,000,000**  
UNITS OF ₦10 EACH AT PAR  
PAYABLE IN FULL ON APPLICATION

## APPLICATION LIST

**OPENS: 5TH MAY, 2008**

**CLOSES: 11TH JUNE, 2008**

### FUND MANAGER



### ISSUING HOUSE



THIS PROSPECTUS AND THE UNITS WHICH IT OFFERS HAVE BEEN REGISTERED BY THE SECURITIES & EXCHANGE COMMISSION. THE INVESTMENT AND SECURITIES ACT CAP I24 LFN 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 CONTAINED OR FOR ANY OMISSION OF A MATERIAL FACT IN ANY PROSPECTUS.

This Prospectus is dated 23rd April, 2008

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## DEFINITIONS OF TERMS

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

“Allotment Date”	The date when the SEC approves the basis of allotment proposal in connection with this Offering
“Application Form”	The application form attached hereto
“AAGR”	Average Annual Growth Rate
“Business Day”	Monday to Friday excluding any day designated by the Federal Government of Nigeria as a public holiday
“Bid Price”	The price an investor will receive for one Unit upon redemption
Bombay SE 500	An index that tracks nearly 93% of the total market capitalization of quoted companies on the Bombay Stock Exchange
“CBN”	Central Bank of Nigeria
“CAGR”	Compound Annual Growth Rate
“Closing Date”	The date when the Application List for the Offer closes and this is 11 <sup>th</sup> June, 2008
“Deposited Property”	All assets of the Fund including cash for the time being held or deemed to be held upon the trust of the Trust Deed and all the amount for time being standing to the credit of the trading accounts and expense accounts
“DMO”	Debt Management Office
“Egypt CMA”	Egypt Capital Market Authority
“ISA”	Investment And Securities Act CAP 124 LFN 2007
“MSCI”	Morgan Stanley Composite Index
“NSE” or “the Exchange”	The Nigerian Stock Exchange
“Offer Period”	The period between the opening and the closing dates of the Initial Public Offer as approved by the Commission
“Offer Price”	The price an Investor will pay for a Unit when subscribing to the Fund after the Offer Period
“Open-ended Fund”	A unit trust scheme that can create, offer and redeem additional units outside of its initial offering on a continuous basis throughout its life.

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“Opening Date”	The date when the Application list for the Offer opens and this is 5 <sup>th</sup> May, 2008
“Offer Documents”	A list of documents required in filing an offer with the Securities and Exchange Commission.
“Prospectus”	A document that provides facts that an investor needs to make an investment decision. It is submitted to the Securities & Exchange Commission when a public offering is made.
“Payment Date”	The date on which distributable income from the Fund shall be paid into the accounts of Unitholders and that being not less than five (5) business days after the record dates
“Register of Unitholders or Register”	A record of holders of units on the Fund
“Record Date”	The date on which the Register of Unitholders and Transfer Books will be closed to enable the Registrar to prepare dividend warrants for distribution to qualifying Unitholders whose names appear on the Register on that date
“Receiving Bank”	The bank designated to receive subscription monies pending the approval of the basis of allotment proposal by the Commission
“Redemption Notice”	
“Registrars”	Custodian of the unit holders register
“Receiving Agents”	All banks, issuing houses, stockbrokers and other agents authorized to distribute subscription forms and receive application monies from the public for remittance to the Registrar/Issuing House of the Fund
“Subscription Price”	The price at which a Unit of the Fund will be offered to the public during the Offer Period
“SEC” or “the Commission”	Securities and Exchange Commission of Nigeria
“Sponsor”	Zenith Bank Plc (“Zenith” or “The Company”)
“S&P 500	An Index created by Standard & Poor’s covering 500 stocks in the United States of America
“Trust Deed”	A document that specifies how the mutual fund will operate, powers of trustees, and any restrictions on the investment vehicle.
“Transfer Books”	Register of members
“the Issuing House”	Zenith Capital Limited
“the Trustee”	Afribank Trustees & Investments Limited
“The Offer”	The offer of units of the Zenith Equity Fund to the public within the Offer Period

“Unitholder” or “Investor”

Any holder of the units of the Zenith Equity Fund

DATE	ACTIVITY	RESPONSIBILITY	Unit(s)
5 May, 2008	Application List opens	ISSUING HOUSE/ZENITH BANK	A unit created and issued that represents one undivided share in the assets of the Fund
11 June, 2008	Application List closes	ISSUING HOUSE/ZENITH BANK	
25 June, 2008	Receiving Agents make returns	ISSUING HOUSE/REGISTRAR	
23 July, 2008	Forward Allotment Proposal to SEC	ISSUING HOUSE	
7 August, 2008	Obtain SEC Approval of Allotment Proposal	ISSUING HOUSE	
8 August, 2008	Disburse Net Proceeds to Issuer	AFRIBANK PLC	
13 August, 2008	Publish Allotment Announcement	ISSUING HOUSE	
15 August, 2008	Return Surplus Monies	REGISTRAR	
29 August, 2008	Dispatch Share Certificates	REGISTRAR	
3 September, 2008	Forward Summary of Report to SEC	ISSUING HOUSE	

“Valuation Day”

The last business day of each week or such other date or dates when the valuation of the Units will be carried out as the Fund Manager shall in its discretion determine from time to time

“ZEQ” or “the Fund”

Zenith Equity Fund

“Zenith Bank”, “Fund Manager” or “Manager”

Zenith Bank Plc

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**ABRIDGED TIMETABLE**

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## 1. THE OFFER

A copy of this Prospectus along with the documents specified herein, having been approved by the Trustees, has been delivered to the Securities and Exchange Commission (“the Commission”) for Registration.

This Prospectus is issued in compliance with provisions of the Investments & Securities Act 2007 and the Rules and Regulations of the Commission for the purpose of giving information to the public with regard to the Offer for Subscription of 500,000,000 Units in the Zenith Equity Fund.

The Directors of the Manager individually and collectively accept full responsibility for the accuracy of the information given and confirm, having made 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.

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RC 639491

On Behalf of



Offer for Subscription

and are authorized to receive applications for

**500,000,000**

Units of ₦10 Each at Par

in the

**ZENITH EQUITY FUND**

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

**Payable in Full on Application**

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Application List for the Units now being offered will open 5<sup>th</sup> May, 2008 and close on 11<sup>th</sup> June, 2008

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## 2. SUMMARY OF THE OFFER

The following is a summary of the terms and conditions of an investment in the Zenith Equity Fund. This summary is qualified in its entirety by the detailed information contained in the prospectus and the Trust Deed governing the Fund. Prospective investors are urged to read the entire prospectus and consult their professional adviser as to the tax and legal consequences of investing in the Fund.

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

1.	<b>MANAGER/SPONSOR</b>	Zenith Bank Plc
2.	<b>ISSUING HOUSE</b>	Zenith Capital Limited
3.	<b>TRUSTEES TO THE FUND</b>	Afribank Trustees & Investments Limited
4.	<b>THE OFFER</b>	500,000,000 Units of ₦10 each at par in the Fund
5.	<b>METHOD OF OFFER</b>	Offer for Subscription, being the Initial Public Offering of Units of the Fund
6.	<b>OFFER PRICE</b>	₦10 per Unit
7.	<b>OFFER SIZE</b>	₦5,000,000,000
8.	<b>MINIMUM SUBSCRIPTION</b>	10,000 Units (₦100,000) and in multiples of 2,500 Units (₦25,000) <i>(Thereafter the minimum investment sum and multiples thereafter will apply in the IPO &amp; post-IPO period)</i>
9.	<b>SUBSCRIPTION METHOD:</b>	Duly completed application form with personal or bankers cheque or wire transfer and lodged with Receiving Agents specified in the Offer documents.
10.	<b>PAYMENT TERMS</b>	In full on application
11.	<b>OPENING DATE</b>	5 <sup>th</sup> May, 2008
12.	<b>CLOSING DATE</b>	11 <sup>th</sup> June, 2008
13.	<b>NATURE OF THE FUND</b>	The Zenith Equity Fund is an open-ended unit trust scheme that invests predominantly in equities in Nigeria as well as in investment grade fixed-income securities. The Fund is not a legal entity but is constituted and exists under the Trust Deed. The Trustee, who shall be vested with all the assets of the Fund, shall protect the interest of Investors.

During the Offer Period, Units in the Fund may be purchased at the Subscription Price. Subsequent to the Offer Period, additional Units in the Fund will be created and purchased on demand by subscribers on an on-going basis at a price computed in accordance with the SEC's approved basis for computing the Offer Price.

Investors will be free to subscribe to Units of the Fund through Zenith Bank Plc or any other Agent approved by the Fund Manager from time to time after the IPO. Therefore, although the Fund has an initial target of 500,000,000 Units, the Fund Manager will issue additional units of the Fund to subscribers on demand after the initial tranche of 500,000,000 Units has been fully subscribed, subject to the Commission's approval.



14. **REDEMPTION** Redemption is possible within five business days after the requisite redemption documents have been submitted to the Fund Manager. The minimum permissible holding after redemption is an on going balance of ₦100,000 or such balance as may be advised by the Manager from time to time.
15. **MANDATORY SUBSCRIPTION** 10% of the Offer has been allotted to Zenith Bank Plc. This allotment is in compliance with the current regulation of the Commission that compels promoters of unit trust schemes in Nigeria to subscribe to a minimum of 10% of the initial issue of such schemes.
16. **STATUS** The Units qualify as securities in which Trustees may invest under Sections 171 (1) – (5) of the Investment and Securities Act (ISA) 2007.
17. **OFFER FORECAST**  
(Extracted from the Reporting Accountants' Report)

**YIELD FORECAST FOR THE PERIODS ENDED 31 DECEMBER 2008, 2009, 2010 AND 2011**

	<b>(6 Months)</b>			
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Net Asset Value, Beginning of Year	4,747,500.00	5,726,115.04	8,423,351.81	11,417,308.21
Net Income	692,166.07	1,806,932.79	2,526,094.77	3,151,208.99
Additional Subscription in the Year	-	890,303.98	669,986.63	739,621.58
Distribution to Unitholders	-	-	(202,125.00)	(254,100.00)
Net Asset Value, End of Year	5,439,666.07	8,423,351.81	11,417,308.21	15,054,038.78
Increase in Net Asset Value	692,166.07	2,697,236.77	2,993,956.40	3,636,730.57
Returns on Investment (ROI)	<b>14.58%</b>	<b>31.56%</b>	<b>29.99%</b>	<b>27.60%</b>

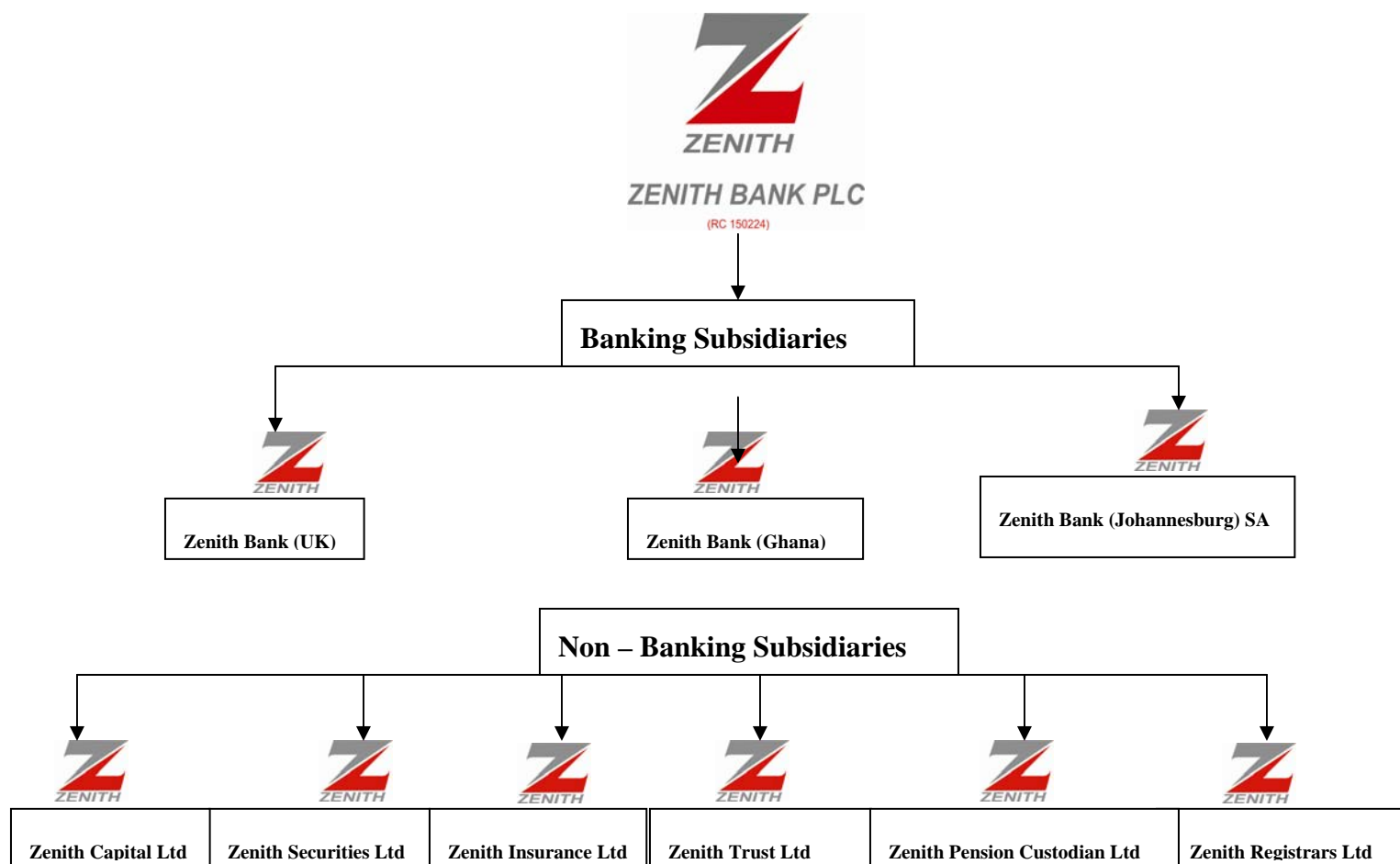
**NB**

\* Returns on Investment\*

In arriving at ROI the following was adjusted in the increase in closing NAV

- 1- Additional Subscription in the Year was deducted
- 2- Distribution to Unit holders was added back

## 18. COMPOSITION OF ZENITH BANK AND ITS SUBSIDIARIES



The principal officers of the Fund Manager are responsible for the establishment of investment and risk management policies that will be used to administer the Fund, within the frame work of the Trust Deed and as approved by the SEC.

19. Principal Officers of the Fund Manager	Jim Ovia MFR	MD/CEO
	Godwin Emefiele	Deputy Managing Director
	Peter Amangbo	Executive Director
	Elias Igbin-Akenzua	Executive Director
	Apollos Ikpobe	Executive Director
	Udom Gabriel Emmanuel	Executive Director
	Andrew Ojei	Executive Director

The investment committee will ensure that the ethos of Zenith Bank Plc are imbued into the day-to-day administration of the Fund, in the best interest of Unitholders.

20. Members of the Investment Committee	China Onyemelukwe	Chairman
	Ike Onyia	Deputy Chairman
	Titi Odunfa	Investment Strategy
	Elaine Delaney	Senior Investment Consultant
	Abiola Sanni	Chief Operating Officer (Asset Management)
	Kennedy Ichibor	Senior Investment Analyst
	Kenneth Brai	Senior Equity Research Analyst
	Hafford Udochukwu	Research Economist
	Marcel Okeke	Senior Research Economist
	Yomi Ogunfowora	Ex Officio Member
	Ben Nwoji	Independent Member

### 3. CORPORATE DIRECTORY OF THE FUND MANAGER AND OTHER PARTIES TO THE OFFER

<b>Fund Manager</b> <b>Registered Office</b>	<b>Zenith Bank Plc (RC 150244)</b> <b>Corporate Headquarters:</b> Plot 84, Ajose Adeogun Street, Victoria Island, Lagos. Telephone: +234 1 2781140-41	<b>Trustees to the Fund</b> Afribank Trustees & Investments Limited 94 Broad Street Lagos
<b>Directors</b> Mr. Macaulay Pepple (Chairman) Close 46, House 11, Satellite Town, Lagos	Chief Eddy Martins Egwuenu 24, Omodara Street Opebi Ikeja Lagos	<b>Solicitors to the Trustee</b> Udo Udoma & Belo-Osagie St. Nicholas House (10 <sup>th</sup> & 13 <sup>th</sup> Floors) Catholic Mission Street Lagos
Mr. Jim Ovia MFR (Managing Director/CEO) Plot 87, Ajose Adeogun Street Victoria Island Lagos	Professor Leonard Fidelis Ozoba Obika 12 Idigie Abhala Street Off Osifo Jegunme Street Off Evbuomie Benin City Edo State	<b>Solicitors to the Offer</b> The Law Union 10 Balarabe Musa Crescent Victoria Island Lagos
Mr. Godwin Emefiele (Deputy Managing Director) Plot 87, Ajose Adeogun Street Victoria Island Lagos	Mr. Babatunde Adeniyi Adejuwon Plot 229 Block 1B Amuwo Odofin GRA Festac Lagos	<b>Reporting Accountants</b> J.K.Randle & Co Lisa Court 61, Oduduwa Crescent GRA Ikeja Lagos
Mr. Peter Amangbo (Executive Director) Plot 87, Ajose Adeogun Street Victoria Island Lagos	Sir Steven Omojafor 21 Road, E1 Close, House 4 Festac Town Lagos	<b>Auditors to the Fund</b> PricewaterhouseCoopers Plot 252E Muri Okunola Street Off Ajose Adeogun Street Victoria Island Lagos
Mr. Elias Igbin-Akenzua (Executive Director) Plot 87, Ajose Adeogun Street Victoria Island Lagos	Alhaji Baba Tela Plot 87, Ajose Adeogun Street Victoria Island Lagos	<b>Registrars to the Fund</b> Meristem Registrars Limited 305 Herbert Macaulay Way Sabo Yaba Lagos
Mr. Apollos Ikpobe (Executive Director) Plot 87, Ajose Adeogun Street Victoria Island Lagos	Sir Samuel Parma Ogoefuna Fortune-Ebie 14, Elegbata Street Off Apongbon Street Lagos	<b>Joint Stockbrokers to the Fund</b> Meristem Securities Limited 124 Norman Williams Street South- West Ikoyi Lagos
Udom Gabriel Emmanuel (Executive Director) Plot 87, Ajose Adeogun Street Victoria Island Lagos	<b>Company Secretary</b> Mr. Michael Osilama Otu Plot 87, Ajose Adeogun Street Victoria Island Lagos	Zenith Securities Limited 87 Ajose Adeogun Street Victoria Island Lagos
Andrew Ojei (Executive Director) Plot 87, Ajose Adeogun Street Victoria Island Lagos	<b>Issuing House</b> Zenith Capital Limited Zenith Heights Plot 87, Ajose Adeogun Street Victoria Island Lagos	<b>Receiving Bank</b> Afribank Nigeria Plc 51/55 Broad Street Lagos

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## 4. THE ZENITH EQUITY FUND – INTRODUCTION

### 4.1 The Fund

The Zenith Equity Fund is an open-ended fund which is authorized and registered in Nigeria as a unit trust scheme under section 160 of Investment and Securities Act 2007 and is available to investors through this Initial Public Offering of 500,000,000 units at the initial price of ₦10 per Unit. The Fund is not a legal entity but is constituted under the Trust Deed with Afribank Trustees & Investments Limited as the Trustees and it is sponsored and managed by Zenith Bank.

The Fund will be actively managed and will have exposure to equities as well as to a broad range of fixed-income securities such as government securities, commercial bills, and corporate debt.

**The Manager of the Fund, Zenith Bank Plc has since its establishment in 1990, eighteen years ago, grown to become one of the largest companies on the Nigerian Stock Exchange by market capitalization. The Manager intends to rapidly replicate this success with the Fund, the first in a bouquet of funds to be floated by the Zenith Bank Group in due course.**

### 4.2 Investment Objectives

The underlying objective of the Fund is to achieve superior return in the **long term** through exposure to a select portfolio of equity and fixed-income securities with significant potential for capital appreciation. The Manager shall seek to accomplish this objective by relying on its personnel which have over 100 years of combined local and international experience in investment management. The Manager will also rely on its qualitative research capabilities to identify outperforming stocks and instrument to be held by the Fund. The economies of scale of the Fund will enable it to operate in an extremely efficient manner, thereby minimizing transaction cost

### 4.3 Investment Philosophy, Policies and Strategy

The Fund Manager's investment decisions will be guided by its philosophy, which is premised on the under listed:

1. The markets for investments are inefficient; active management can add value to a portfolio;
2. Superior performance can be obtained through undertaking thorough research;
3. Cutting-edge technology can help to identify temporary pricing anomalies;
4. "Bottom-up" stock selection is crucial - the portfolio is the sum of the individual parts;
5. "Top-down" input features as a high level check on aggregate portfolios;
6. Seek strong cashflow generators with proven business models; and
7. Pricing models vary by sector – calculate "fair market value" and compare with current market value to assess whether cheap or dear.

#### Strategic Asset Allocation of the Fund

ASSET CLASS	LONG TERM ASSET ALLOCATION %	VARIANCE %
Equities	80	+/-5
Fixed income securities	20	+/-5

1. The Fund Manager will be responsible for determining the eligibility of assets to be held by the Fund which will be in compliance with the Trust Deed. The Fund will operate primarily as growth fund and shall therefore focus on capital appreciation over the long term.
2. In seeking to achieve its stated objective, the Fund Manager will seek to invest a minimum of 75% of its assets in high quality equity holdings and up to 25% in investment grade fixed-income securities

In selecting securities, the Fund Manager identifies and ranks stocks within an industry or sector, based on several characteristics, including:

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- Value, or how a stock is priced relative to its perceived intrinsic worth
  - Growth, in this case the suitability of growth in earnings
  - Financial profile, which measures the financial health of the company

Consequently, based on fundamental analysis, the Fund Manager selects the most attractive of the higher ranked securities, drawing on a variety of sources, including internal as well as market research.

Finally, the Fund Manager manages risk by diversifying across sector and industries, seeking to limit the potential adverse impact from any one stock or industry.

#### 4.4 Potential Subscribers

The Zenith Equity Fund has been designed to suit the needs of discerning investors seeking to achieve capital growth in Nigerian based investments. The Zenith Equity Fund is therefore a suitable investment for a broad range of investors that includes individuals as well as institutional investors such as employee schemes, fund managers, trust companies, insurance companies, banks, government parastatals, investment clubs and other associations. Nigerian citizens based abroad as well as other foreign individual and foreign institutional investors are eligible to invest in the Fund. Broadly, the Fund focuses on investors who aim to achieve levels of return in excess of yields available from traditional fixed income investments but prefer to limit the down-side risk associated with equity investments over the long term. Investors with short term investment horizons may buy Units of the Fund but are less likely to achieve the same level of growth as investors with a long-term focus.

#### 4.5 Investment Incentives/Benefits of the Zenith Equity Fund

- 1) **Professionalism** - The Fund offers investors the opportunity to have access to a professional portfolio management.
- 2) **Economies of Scale** – The Fund Manager will use its advantages in terms of the size of the Fund and the platform of the Zenith Bank Group to reduce transaction costs and consequently enhance portfolio returns.
- 3) **Diversification** - The statutorily diversified structure of the Fund will lower volatility and therefore optimize portfolio return.
- 4) **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.
- 5) **Tax Advantages** – Distributions of dividends to Unitholders are not subject to withholding tax. Also any capital gains derived by the Unitholders from the divestment of their investment in the Fund will not be subjected to Capital Gains Tax (CGT). Please note this information about the tax effect of an investment in unit trust schemes is meant only as a guide and that taxation-related issues are subject to changes in legislations. Investors are advised to seek tax advice regarding an investment in the Fund from their professional tax advisers.”
- 6) **Collateral** – Unitholdings in the Fund may be used as collateral for obtaining credit facilities from various financial institutions.
- 7) **Liquidity** – Since the Fund Manager is always available to redeem Units of the Fund, within the rules stated in the Fund’s Trust Deed, Unitholders can redeem their Units at a relatively short notice.
- 8) **Programmed Investments** - Investors with plans for periodic investment programmes will also find the Fund very useful. Such investors might choose to make regular monthly or quarterly investments, or at such other frequencies that align with their overall investment needs.

#### 4.6 Subscription to the Fund

Following the completion of this Offer, Units of the Fund can be purchased exclusively from designated branches of Zenith Bank or any other Agent appointed by the Fund Manager from time to time by completing a Purchase Order Form. Subscription may be by one of the following means:

- a. Directly to the Manager at a designated branch of Zenith Bank Plc. Completed Purchase Order Forms should be returned to any such designated branch along with a personal or Manager’s Cheque for the amount being invested.
- b. By downloading a Form from the Fund Manager’s website **www.zenithbank.com** or **www.zenith-funds.com**. The

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downloaded and duly completed Form should be sent to the Fund Manager's Lagos Head office address as indicated on the Form. Payment for Units of the Fund can be made by a personal or Manager's Cheque made payable in Lagos or via a wire transfer made in line with instructions on the Form.

- c. Foreign investors can invest in the Fund by forwarding daily executed purchase order forms accompanied by the transfer of the requisite amount net of all transfer charges. Foreign currency subscription will be processed at the prevailing exchange rate advised by the facilitating licensed bank of the Manager
- d. Online payments can also be made for Units of the Fund using a variety of local and international payment systems that included interswitch, e-transact, VISA and Master. Such applicants will still be required to forward duly complete Forms to the Fund Manager.
- e. Through any other Agent that may be appointed by the Manager from time to time in the future.

#### **4.7 Income and Distribution**

The Fund will operate as a growth fund and consequently its main focus will be to achieve upon capital appreciation. The Fund Manager however intends to make distributions of the Fund's income where the Fund's performance permits. Unitholders may elect to receive their distributions warrants in cash or seek to re-invest in additional Units of the Fund.

#### **4.8 Investment Discretion**

Investments of the Fund will be undertaken at the discretion of the Fund Manager acting in accordance with the Trust Deed and the Fund's stated objectives, policies and restrictions subject to the approval of the Trustee. Within these limits, the Fund Manager will be responsible for all the decisions regarding investment strategies, types, amounts and timing of the investments to be undertaken by the Fund. The strategies of the Fund will be reviewed periodically and modified in line with prevailing market conditions and in the best interest of Unitholders by the Fund Manager. 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.

#### **4.9 Investment Restrictions**

The Fund shall invest in such instruments as are permissible in accordance with Section 171 of the Investment and Securities Act, 2007, as stated in the Trust Deed and as approved by the Commission. The following restrictions will however, apply:

- i. 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.
- ii. The Fund may not make loans except that it may buy and hold qualifying debt instruments in accordance with its mandate.
- iii. The Manager may not invest more than 5% of the Fund's total assets in any single equity.
- iv. The Manager may not cause the Fund to hold more than 20% of any company's paid-up capital.

#### **4.10 Foreign Currency Investors**

Subscriptions from foreign-based subscribers and in foreign currency are also permissible. Such subscription monies shall be converted to naira at the rate determined at the auction of the CBN as conducted from time to time. The Nigerian bank through which the foreign investment is remitted will issue a Certificate of Capital Importation ("CCI") within 24 hours of confirmation of receipt of the subscription amount. CCIs are required to facilitate the subsequent repatriation in a freely convertible currency of proceeds arising from the redemption of Units or from any distribution of the Fund's income that the Fund may undertake.

#### **4.11 Transfer and Redemption of Units**

The Fund Manager will not transfer or redeem Units without the production of a Fund Certificate or other permissible evidence of ownership in lieu of the certificate relating to such Units, 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. Subscribers may redeem all or some of the Units held at any time after allotment. However, all the Units held by a Unitholder must be redeemed if the redemption of the desired number of Units would result in a holding, the value of which is less than the minimum permissible holding of ₦10,000 or such balance as advised by the Manager from time to time. A new certificate will be issued for the new number of Units held in the case of a partial redemption.

Units may be redeemed on any business day, provided that the Fund Certificates and Redemption Notice(s) are lodged with the Fund Manager before 5.00 P.M on the Valuation Day. The applicable redemption price shall be the closing Bid Price displayed at the Fund

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Manager's office on the day. Under normal circumstances, the Fund will make redemption payments within five business days of the lodgment date. Units redeemed within 90 days of initial purchase will attract a processing fee of 1% of the value of such redemptions.

#### **4.12 Termination Provisions**

The occurrence of any of the following events will cause the termination of the Fund and will cause the suspension of redemption of units as provided in the ordinary course of business:

1. The Trustee receives written notice from the Fund Manager to the effect that it believes the investment objectives of the Fund are no longer achievable in accordance with the investment policies stipulated.
2. The Fund Manager gives notice of termination of its services to the Fund
3. Any law makes it illegal, or a regulation decision of a court of competent jurisdiction, or government policy is made, which in the Fund Manager's opinion renders it impracticable to continue operating the Fund.
4. A special resolution for termination is passed by the Unitholders
5. Any of the events of termination specified in the Trust Deed.

Where an event of termination occurs, the Fund Manager shall, on a best efforts basis, effect a market sale of all of the Fund's assets for the best prices available at such times. The Unitholders will subsequently be entitled to receive a distribution in proportion to their respective interests in the Fund of the net cash proceeds derived from the realisation of the assets of the Fund and which are available for distribution.

#### **4.13 Fund Statements/Certificates**

Unitholders will be issued with Fund Statements and/or Certificates, which shall constitute evidence of their title to the number of Units specified on such statements and/or certificates.

#### **4.14 Unitholders' Meetings And Voting Rights**

The Fund Manager shall convene an Annual General Meeting of Unitholders with the consent of the Trustees not later than four 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 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.

#### **4.15 Valuation of the Units: Net Asset Value Method**

The valuation of the Units shall be done at the close of business each day or such other period which the Manager may advise from time to time, based on the formula approved by the SEC from time to time. The Fund Manager will advertise the price of the Fund after the valuation. The current formula approved by SEC is as follows:

##### **4.15.1 The Bid Price**

1. The "Bid Price" of a Unit on a particular Valuation Day will be in accordance with the requirements of SEC, as follows;  
Total market value of securities in the Fund based on the exchange's daily official list as at the date of valuation (Highest market bid price).

ADD:

2. Actual cost of any unquoted investment;
3. Best estimates of capital appreciation for unquoted investments;
4. Uninvested cash;
5. Undistributed income to date, less operating expenses;
6. Total value of money market instruments;

LESS:

7. Applicable stamp duties;
8. Brokerage fees;
9. SEC/CSCS fees;

Valuation per Unit = Summation of (1-6) minus (7-9) Divided by (Total Number of Units)



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#### 4.15.2 The Offer Price

1. The “Offer Price” of a Unit on a particular Valuation Day means in accordance with the requirements of SEC, the aggregate of: Total market value of securities in the Fund based on the exchange’s daily official list as at the date of valuation (Lowest market offer price).

ADD:

2. Applicable stamp duties;
3. Brokerage fees;
4. SEC/CSCS fees;
5. Actual cost of any unquoted investment;
6. Best estimates of capital appreciation for unquoted investments;
7. Uninvested cash;
8. Undistributed income to date, less operating expenses;
9. Total value of money market instruments;
10. Fund Manager’s initial charge

Valuation per Unit = Summation of 1+ (2-10) Divided by (Total Number of Units)

Both the price and offer price shall be displayed at the manager’s office.

#### 4.16 Costs & Expenses of the Fund

The initial cost of establishing this Fund will be charged against the expected proceeds and will not exceed 5.07% the total offer proceeds. This cost includes regulatory and professional fees, printing, advertising, publicity and the statutory brokerage commission.

#### 4.17 Operating Expenses

The management fee which is payable by the Fund will not exceed 5% of Net Asset Value of the Fund plus expenses per annum which fees shall include all managerial, administrative, research and marketing expenses incurred during the day-to-day operations of the Fund. In addition to this, the Fund Manager shall be entitled to an annual incentive fee equivalent to 30% of total returns earned in excess of 10% of the Net Asset of the Fund, subject to any subsisting regulations in relation to incentive fees payable by units trust schemes that may be applicable at the time such an incentive fee is payable.

#### 4.18 Risk Factors

The Fund Manager will exercise all necessary caution in investing monies mobilised by the Fund. However, no guarantee can be given that the Fund’s objectives will be realised. A subscription to the Fund should therefore be considered to be a calculated risk as it is subject, among other things, to the price movements of equities on the Nigeria stock market.

The Fund Manager cannot confirm that political and economic development in Nigeria, over which the Fund has no control, will not limit the Fund’s investments flexibility or its ability to attain its investment objectives. The Fund Manager has substantial knowledge of local practices and remedies that are available for alleviating a substantial portion of the risks associated with these concerns, but do not provide any guarantees.

In addition to the foregoing, foreign currency subscribers should note that their investment will be denominated in Naira and should qualify for repatriation upon redemption. In addition, foreign subscribers should note that their investment may also be subject to currency fluctuations and exchange control regulations in the jurisdictions of which they are citizens, residents or domiciled and in which they conduct business and are advised to consult their own professional advisers, in this regard.



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## 5. ZENITH EQUITY FUND – FINANCIAL FORECAST

### 5.1 Letter from the Reporting Accountants on Profit Forecast

The following is a copy of the letter on the Financial Forecast by J.K Randle & Co (Chartered Accountants), the Reporting Accountants to the Offer:

8th February, 2008

The Directors  
Zenith Bank Plc  
Zenith Heights  
Plot 87, Ajoye Adeogun Street  
Victoria Island, Lagos

And

The Directors  
Zenith Capital Limited  
Zenith Heights  
Plot 87, Ajoye Adeogun Street  
Victoria Island, Lagos

Gentlemen,

We have examined the accompanying financial forecast of Zenith Equity Fund in accordance with the International Standard on Assurance Engagements applicable to the examination of prospective financial information. The Fund Manager is solely responsible for the financial forecast including the assumptions set out on page 18 on which the forecast is based.

In our opinion the financial forecast has been properly compiled on the basis of the assumptions made and is consistent with the accounting policy of the Fund Manager. However, there will usually be differences between forecast and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Further, we emphasize that the forecast information is not intended to, and does not, provide all the information and disclosures necessary to give a fair presentation of the results of the operations of the Fund in accordance with Nigeria Accounting Standards.

Yours faithfully

J.K. Randle & Co.  
(Reporting Accountants)

**FORECAST INCOME FOR THE YEARS ENDING 31 DECEMBER 2008;  
2009; 2010; and 2011**

The Directors are of the opinion that subject to unforeseen circumstances, and based on the assumptions in note 2.2, the profit before taxation for the years ending 31 December 2008; 2009; 2010; and 2011 will be in the order of ₦669,116,000; ₦1,769,365,000; ₦2,492,183,000; and ₦3,120,392,000 respectively as detailed below:

	<b>(6 Months) 2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>Income</b>				
Dividend income	44,005	129,325	165,892	196,837
Realised gain from securities trading	147,173	382,619	543,017	730,801
Fixed income & money market securities	84,120	218,694	300,521	404,446
Unrealised capital gains	551,897	1,434,820	2,036,315	2,512,130
<b>Gross investment income</b>	<b>827,194</b>	<b>2,165,457</b>	<b>3,045,745</b>	<b>3,844,213</b>
<b>Portfolio expenses:</b>				
Management fees	(129,027)	(340,442)	(497,311)	(666,971)
Trustee	(350)	(750)	(750)	(750)
Registrar	(3,000)	(3,500)	(4,000)	(4,500)
Auditors	(450)	(900)	(1,000)	(1,100)
Issue expenses	(25,250)	(50,500)	(50,500)	(50,500)
<b>Profit before taxation</b>	<b>669,116</b>	<b>1,769,365</b>	<b>2,492,184</b>	<b>3,120,393</b>
Taxation	(2,200)	(12,933)	(16,589)	(19,684)
<b>Profit after Taxation</b>	<b>666,916</b>	<b>1,756,433</b>	<b>2,475,595</b>	<b>3,100,709</b>
<b>Forecast ratios</b>				
Forecast earnings (N) per Unit of N10	1.40	3.07	3.90	4.44
Forecast price/earning ratio at offer price	3.56	3.26	2.31	1.85
Forecast earnings yield at offer price (%)	14.05	30.67	38.97	44.37
Dividend (kobo)	-	0.35	0.40	0.45
Forecast dividend yield at offer price (%)	-	3.50	4.00	4.50
Net asset value	5,439,666	8,423,352	11,417,308	15,054,039

**BALANCE SHEET FORECAST FOR THE YEARS ENDING 31 DECEMBER**

	<b>(6 Months) 2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Capitalised issue expenses	192,250	141,750	91,250	40,750
Quoted equity securities	4,231,209	6,011,022	8,306,957	11,105,690
Fixed income & money market securities	1,068,188	1,252,466	1,546,534	1,930,262
Debtors & prepayments	44,005	129,325	165,892	196,837
Bank & cash balances	131,265	779,090	1,348,601	2,026,026
	<b>5,666,916</b>	<b>8,313,653</b>	<b>11,459,234</b>	<b>15,299,565</b>
<b>CAPITAL &amp; RESERVES</b>				
Trust fund	5,000,000	5,890,304	6,560,291	7,299,912
Profit and loss account	666,916	2,423,349	4,898,944	7,999,653
	<b>5,666,916</b>	<b>8,313,653</b>	<b>11,459,234</b>	<b>15,299,565</b>

**CASHFLOW FORECAST FOR THE YEARS ENDING 31 DECEMBER**

	(6 Months) 2008	2009	2010	2011
	N'000	N'000	N'000	N'000
<b>Cash flow from operating activities</b>				
Dividend income	44,005	129,325	165,892	196,837
Realised gain from securities trading	147,173	382,619	543,017	730,801
Fixed income & money market securities	84,120	218,694	300,521	404,446
Management fees	(129,027)	(340,442)	(497,311)	(666,971)
Operating expenses	(3,800)	(5,150)	(5,750)	(6,350)
<b>Cash generated from operations</b>	<b>142,469</b>	<b>385,046</b>	<b>506,369</b>	<b>658,763</b>
Taxation	(2,200)	(12,933)	(16,589)	(19,684)
<b>Net cash flow from operating activities</b>	<b>140,269</b>	<b>372,113</b>	<b>489,780</b>	<b>639,079</b>
<b>Cash flow from investing activities</b>				
Debtors and prepayments	(44,005)	(85,320)	(36,567)	(30,945)
Cost of equities held	(3,679,313)	(344,993)	(259,620)	(286,603)
Fixed income & money market securities	(1,068,188)	(184,279)	(294,068)	(383,728)
<b>Net cash flow from investing activities</b>	<b>(4,791,505)</b>	<b>(614,592)</b>	<b>(590,254)</b>	<b>(701,276)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issue	5,000,000	-	-	-
Additional inflow	-	890,304	669,987	739,622
Issue expenses	(217,500)	-	-	-
<b>Net cash flows from financing activities</b>	<b>4,782,500</b>	<b>890,304</b>	<b>669,987</b>	<b>739,622</b>
Net increase in cash and cash equivalents	131,265	647,825	569,512	677,424
Opening cash and cash equivalents	-	131,265	779,090	1,348,601
<b>Closing cash and cash equivalents</b>	<b>131,265</b>	<b>779,090</b>	<b>1,348,601</b>	<b>2,026,026</b>

**FORECAST YIELD FOR THE YEARS ENDING 31 DECEMBER**

	(6 Months) 2008	2009	2010	2011
	N'000	N'000	N'000	N'000
Opening net asset*	4,747,500	5,726,115	8,423,352	11,417,308
Net additional subscription*				
‡(N286,448,976.71 at end of half -1)		890,304	669,987	739,622
Interest income	84,120	218,694	300,521	404,446
Dividend income	44,005	129,325	165,892	196,837
Securities trading income	147,173	382,619	543,017	730,801
Unrealised capital gains	551,897	1,434,820	2,036,315	2,512,130
<b>Gross asset value at year end</b>	<b>5,574,694</b>	<b>8,781,877</b>	<b>12,139,084</b>	<b>16,001,143</b>
Management fees**	(129,027)	(340,442)	(497,311)	(666,971)
Trustee	(350)	(750)	(750)	(750)
Registrar	(3,000)	(3,500)	(4,000)	(4,500)
Auditors	(450)	(900)	(1,000)	(1,100)
Distribution to Unitholders***	-	-	(202,125)	(254,100)
Taxation	(2,200)	(12,933)	(16,589)	(19,684)
<b>Net Asset Value</b>	<b>5,439,666</b>	<b>8,423,352</b>	<b>11,417,308</b>	<b>15,054,039</b>
<b>Net asset value*</b>	<b>5,439,666</b>	<b>8,423,352</b>	<b>11,417,308</b>	<b>15,054,039</b>
Opening net asset value	4,747,500	5,726,115	8,423,352	11,417,308
<b>Increase in net asset value</b>	<b>692,166</b>	<b>2,697,237</b>	<b>2,993,956</b>	<b>3,636,731</b>
<b>Year-on-year return on investment (YoY ROI)</b>	<b>14.58%</b>	<b>27.31%</b>	<b>27.59%</b>	<b>25.37%</b>

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Expected Distribution		202,125	254,100	314,449
ROI Adjusted for Expected Distribution***	692,166	2,697,237	2,526,095	3,151,209
YoY ROI including Distribution to Unitholders	14.58%	31.56%	29.99%	27.60%
Closing Net Asset Value	5,439,666	9,313,656	12,087,295	15,793,660
Initial Offer Size	5,000,000	5,000,000		
No. of Units in Issue at Year End	525,000,000	577,500,000	635,250,000	698,775,000
Unit Price at listing	9.50			
Additional	25,000,000	52,500,000	57,750,000	63,525,000

25,000,000 additional Units assumed purchased at 15.02% above Offer price: ₦ 286,448,976.71

\*The Net Additional Subscription in Period1 is assumed to be made at the end first six-months and there is no material difference in unit Bid and Offer prices before and after considering the last day's net subscription. Hence, the figure is not considered as part of NAV for the purpose of determining return in the first half-year. In the second and third financial periods the additional subscriptions are deemed to be evenly spread across each year.

\*\* Figure for Management Fee includes all administration, advertising, research and related operations expenses

\*\*\*Income distributions are made after the end of the relevant year, therefore payment are meant to be effected (and unit prices adjusted downwards) based on the register of Unitholders at some specified date during the subsequent annual period

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## MEMORANDUM ON THE PROFIT FORECAST FOR THE YEARS ENDING 31 DECEMBER 2008, 2009, 2010 AND 2011

### 1. INTRODUCTION

- 1.1 This memorandum has been prepared to summarise and outline the information available to the Directors and their basic assumptions at the time of their forecasts of the pre-tax profits for the years ending 31 December 2008; 2009; 2010; and 2011.
- 1.2 The Directors are of the opinion that subject to unforeseen circumstances, profit before taxation for the years ending 31 December 2008; 2009; 2010; and 2011 will be approximately ₦669,116,000; ₦1,769,365,000; ₦2,492,184,000; and ₦3,120,393,000 respectively.

### 2. BASES AND ASSUMPTIONS

The forecasts have been arrived at on the following bases and assumptions:

#### Bases

- (i) The estimates for the years ending 31 December 2008; 2009; and 2010 were prepared in January 2008.
- (ii) Previous year's actual performance has been reviewed against budget as the basis for measuring the reasonableness of the forecasts for the years ending 31 December 2008; 2009; and 2010.
- (iii) The forecasts are based on generally accepted accounting standards and have been prepared in accordance with the Companies and Allied Matters Act, CAP C 20 LFN 2004 and Investment and Securities Act, 2007.

#### Assumptions

- (iv) Based on the projected level of operations, gross income will be approximately ₦827,193,000 for the year ending 31 December 2008.
- (v) Subject to the attainment of the budgeted income for the year ending 31 December 2008, the gross income for the year ending 31 December 2009; 2010; and 2011 will be ₦2,165,457,000; ₦3,045,745,000; and ₦3,844,213,000 respectively.

#### Basis of account preparation

- (vi) The Fund Manager adopts the historical cost basis for the preparation and presentation of the Fund's financial statements. The Fund Manager does not expect any material change in its accounting policies during the period for which the forecast contained in this document has been prepared.

#### Political and economic factors

- (vii) The Fund Manager expects relative predictability in the political climate over the next three years. Despite Year 2011 being a national elections year, the Fund Manager does not envisage any substantially negative impact on the investment industry. The Federal Government is expected to continue with policies which aim to reduce interest rates and maintain a single digit inflation regime. Initiatives geared towards broadening the capital market should have a positive impact on the Fund Manager's equity investments.

#### Subscription level

- (viii) The five hundred million (500,000,000) Units of the Fund put on Offer will be fully subscribed within the announced subscription period under the terms of the Offering.

#### Initial offer cost

- 
- (ix) Total cost associated with the Initial Public Offering of the units of the Fund is estimated at 5.07% and payable at the end of the initial subscription period. The cost may however be amortised evenly over a period of five years. The Fund Manager expects the net offer proceeds, which should amount to about ₦4.748 billion, to be available for investing from June 2008.

#### **Investment fund and limitations**

- (x) The Fund will invest a maximum of 25% of its funds in fixed income securities (including money market investments) while a minimum of 75% of its assets will be staked in equities. The average asset allocation will however be in the ratio of 22.5%:77.5% (Fixed Income: Equity).
- (xi) The Fund should participate in primary issues to the tune of an average of 15% of its Net Asset Value in 2008 and 12.5% in each of 2009 and 2010 respectively.
- (xii) Dividend yield on equity investments will average 2.08% of the market value of equity investments during 2008/2009, 1.88% in 2010 and 1.69% in 2011 financial periods.
- (xiii) Management fees including all administration, research and advertising expenses will be incurred on accrual basis and may not exceed 5% of the value of the total asset of the Fund.
- (xiv) Yield on fixed income securities will range between 14.90% and 16.00% during the first three and half years of the operation of the Fund. The yields should average 15.75% for the first six months and during the 2009 financial period, while each of 2010 and 2011 will record an average yield of 15.25%. The expected yields are inclusive of trading and re-investment income.
- (xv) Equity investment will be made in stocks either listed or registered to be listed within 12 months of the investment by the Manager on the Nigerian Stock Exchange. Capital gains will exceed 15% in the first six months and 30% in each of 2009 and 2010 financial periods. The expected appreciation for year 2011 is 27.25%.
- (xvi) A simplistic assumption is made that net additional unit subscription is made after the last valuation in 2008 but evenly spread across each of the first, second and third 12-month financial periods.
- (xvii) The Fund is expected to achieve an average of 10% net annual growth rate in Units issued during the three-year period.
- (xviii) The Fund Manager anticipates active trading of about 40% of the average equity holding of The Fund during each of the first three financial years. Average annual net trading profit, in addition to capital gains, is expected to be 20%.

#### **Administration of the Fund**

- (a) Unit Certificates or Statements will be dispatched not later than three weeks after the receipt of Allotment Approval from SEC to the addresses of successful applicants. The Trustees will issue unit certificates or statements to subscribers with respect to subsequent units issued by the Fund Manager within 5 weeks of the receipt of the requisite purchase order form and the corresponding investment sum;
- (b) Units redeemed within the first 90 days of purchase will attract a processing fee of 1% of the value of the gross proceeds of the liquidation which will accrue to the account of the Fund;
- (c) Subscribers to the Fund will enjoy online access to the valuation of their holdings in the Fund. Subscribers will also be entitled to formal quarterly Fund reports as indicated in the Trust Deed.

#### **Statement of Proposed Significant Accounting Policies**

A summary of the major accounting policies, all of which are also applied to the forecast prepared by the Fund Manager is set out below:

##### **Basis of accounting**

The financial statements have been prepared under the historical cost convention as modified by the periodic revaluation of trading securities.

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**Income recognition****(a) Dividend**

Dividend is recognised when the quoted price of the related security is marked down to reflect the value of the dividend and is stated gross of withholding tax. Bonus dividend is recognised on the basis of the market value on the date they are quoted ex-dividend.

**(b) Interest**

Interest income is recognised on accrual basis.

**Gains from securities trading**

Realised gains and losses from trading and holding tradable securities are reported as part of trading income.

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## 5.2 Letter from the Issuing House

11<sup>th</sup> February, 2008

The Directors  
Zenith Bank Plc  
Zenith Heights  
Plot 87, Ajoose Adeogun Street  
Victoria Island  
Lagos

Dear Sirs,

### **OFFER FOR SUBSCRIPTION OF 500,000,000 UNITS IN ZENITH EQUITY FUND**

We write further to the Prospectus issued in respect of the Offer for Subscription of 500,000,000 Units in Zenith Equity Fund (“The Fund”), the draft of which we have had the privilege of reviewing. The Prospectus contains financial forecasts of The Fund for the years 2008, 2009, 2010 and 2011.

We have discussed the bases and assumptions upon which the forecasts were made with you and with J.K Randle & Co., the Reporting Accountants. We have also considered the letter dated 8<sup>th</sup> February, 2008 from the Reporting Accountants regarding the accounting bases and calculations upon which the forecasts were compiled.

Having considered the assumptions made by you as well as the accounting bases and calculations reviewed by J.K Randle & Co., we consider that the forecasts (for which you as Directors are solely responsible) have been made by you after due and careful enquiry.

Yours faithfully

China Onyemelukwe  
Managing Director/CEO



## 6. THE FUND MANAGER

### 6.1 Zenith Bank Plc Business

Zenith Bank Plc is engaged in the provision of universal banking services to corporate, commercial and individual customers. The Bank provides such banking services as savings and current accounts, treasury and financing services, equipment leasing, trade financing, import and export finance, amongst others, to the wholesale and retail market with a special focus on top-tier customers. Products such as smart cards (electronic purses), Telelink (telephone banking), Zenith View facilities (internet banking) and Western Union money transfer are also offered to customers.

The Bank has a strong and consistent earnings record, as well as solid capital and liquidity positions. In addition, the Bank's strong asset quality magnifies its strength in the local environment and the Bank's operations are highly automated.

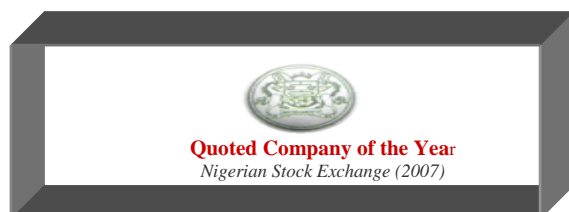
The Bank's professionalism combined with its conservative banking posture has enabled it to achieve significant success since inception. The Bank also has a sales-driven culture, which enables it to cross sell products and services. Zenith Bank has maintained a steadily rising profit trend over the past five years.

Some notable strengths of the Bank include:

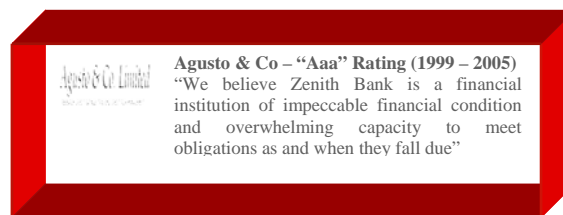
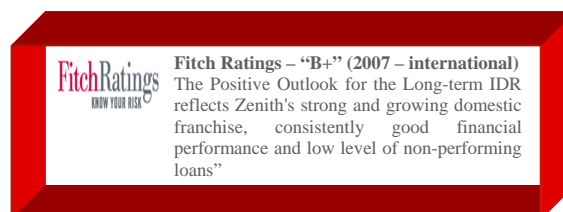
- Strong asset quality and low level of credit losses
- Continuously improving profitability and strong revenue generation
- Strategic repositioning and diversified funding mix
- Well capitalized, strong liquidity position and refinancing ability
- Highly automated and technologically advanced systems throughout its branch network
- Strong market share
- Competent and well tested key management
- Excellent customer base
- Strong brand

Despite operating in an industry where most products are fairly homogeneous, the Bank has continued to surpass performance projections, despite heightened competition in the post consolidated banking industry. As at 30 June 2007, the Bank's total assets and contingents totaled ₦1,178.39 billion, profit before tax was ₦23.29 billion. The Bank also has significant liquidity and a strong capital base, with a continuous capital build-up through the retention of profits.

### AWARDS



### RATINGS



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## **Other Funds Being Floated By The Fund Manager**



### **The Zenith Ethical Fund**

Proposed Offer Size.....	N1 Billion
Objective.....	Capital Appreciation
Target Market.....	Religious & Ethical
Investment Horizon.....	Long Term
Investment Style.....	Growth
Portfolio Mix.....	Equity: 100%
Performance Benchmark.....	SEC's advised 10%
Minimum Subscription.....	N100,000.00



### **The Zenith Income Fund**

Proposed Offer Size.....	N2 Billion
Objective.....	Capital Preservation
Target Market.....	Risk Averse & Liquidity Sensitivity
Investment Horizon.....	Long Term
Investment Style.....	Growth
Portfolio Mix.....	Equity: 30% (Max); Fixed Income: 70% (Min)
Performance Benchmark.....	SEC's advised 10%
Minimum Subscription.....	N100,000.00

The above are only part of the summary of the terms and conditions of an investment in the Zenith Ethical Fund and the Zenith Income Fund. Prospective investors are urged to read the entire prospectus for the respective Funds and consult their professional adviser as to the tax and legal consequences of investing in the Fund

The Financial Summary of Zenith Bank Plc, the Fund Manager's has been extracted without adjustment from its published

audited financial statements for the five years ended June 2007

## Profit And Loss Accounts

### 6.2 Zenith Bank Plc – Group Five Year Financial Summary

#### Group Balance Sheet

	As at 30 June				
	2007 N'000	2006 N'000	2005 N'000	2004 N'000	2003 N'000
<b>ASSETS</b>					
Cash and short-term funds	574,957,394	365,166,368	180,407,249	121,891,453	77,140,805
Loans and advances	288,111,826	200,237,530	122,494,396	53,391,209	27,290,021
Other facilities	4,701,891	2,263,125	-	-	-
Advances under finance lease	2,444,566	1,716,364	841,165	847,861	474,589
Other assets	24,177,368	14,569,251	4,755,887	3,294,490	1,310,860
Investment securities	41,629,664	11,154,504	6,139,063	4,427,083	721,114
Fixed assets	36,799,420	24,234,041	15,078,751	9,469,393	5,597,249
<b>TOTAL ASSETS</b>	<b>972,822,129</b>	<b>619,341,183</b>	<b>329,716,511</b>	<b>193,321,489</b>	<b>112,534,638</b>
<b>LIABILITIES</b>					
Deposits	701,977,289	393,308,576	233,413,428	131,095,341	61,574,455
Other facilities	4,749,385	2,263,125	-	-	-
Other liabilities	120,148,673	105,714,725	51,813,477	42,752,953	35,728,949
Taxation	6,452,487	4,010,373	1,857,696	1,139,767	1,078,935
Deferred taxation	1,233,612	451,724	449,878	266,871	348,028
Borrowings	21,947,715	12,750,000	-	-	-
<b>TOTAL LIABILITIES</b>	<b>856,509,161</b>	<b>518,498,523</b>	<b>287,534,479</b>	<b>175,254,932</b>	<b>98,730,367</b>
<b>CAPITAL AND RESERVES</b>					
Share capital	4,632,762	4,586,744	3,000,000	1,548,555	1,548,555
Share premium	69,237,062	67,759,567	18,224,108	-	-
Statutory reserve	9,893,304	7,314,038	5,560,914	4,492,301	3,690,355
SMEEIS reserve	3,533,668	3,533,668	2,364,919	1,652,511	1,117,880
Reserve for bonus issues	1,158,191	-	-	516,185	-
Contingency reserve	159,530	43,576	-	-	-
General reserve	25,350,827	17,449,918	13,032,091	9,857,005	7,447,481
Revaluation reserve	79,437	-	-	-	-
Foreign currency translation reserve	399,621	135,999	-	-	-
Minority interest	114,444,402	100,823,510	42,182,032	18,066,557	13,804,271
<b>Total shareholders' equity</b>	<b>116,312,968</b>	<b>100,842,660</b>	<b>42,182,032</b>	<b>18,066,557</b>	<b>13,804,271</b>
<b>LIABILITIES AND EQUITY</b>	<b>972,822,129</b>	<b>619,341,183</b>	<b>329,716,511</b>	<b>193,321,489</b>	<b>112,534,638</b>
Confirmed credits and other obligations on behalf of customers and corresponding liabilities thereon.	298,138,069	156,685,122	41,004,756	21,905,277	40,911,386
<b>Total assets plus contingents</b>	<b>1,270,960,198</b>	<b>776,026,305</b>	<b>370,721,267</b>	<b>215,226,766</b>	<b>153,446,024</b>

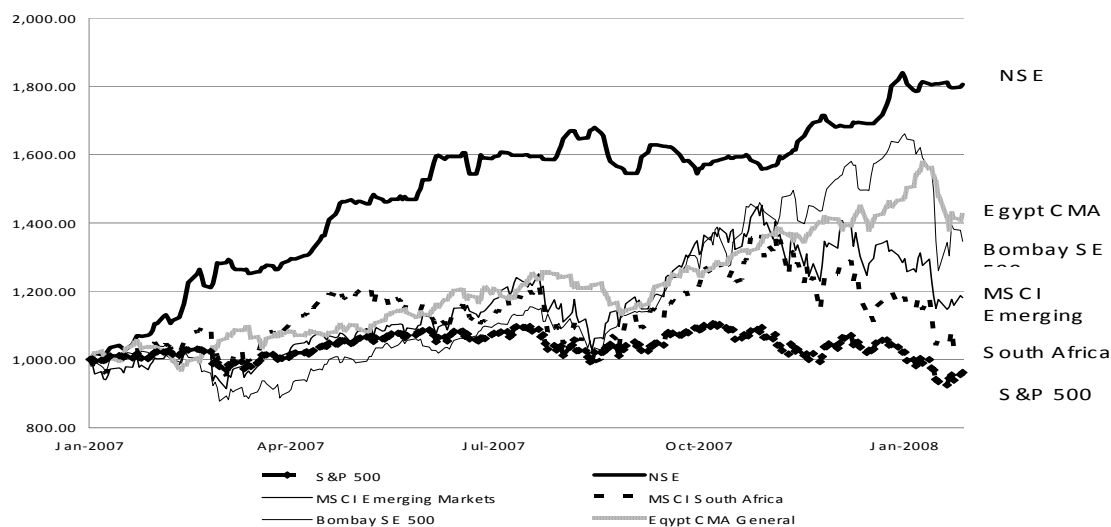
Zenith Bank Plc recently accessed the capital market to raise N130 billion through a combination of a public offer of 1,763,000,000 ordinary shares and a Rights Issue of 1,654,557,911. The offer opened on December 6, 2007 and closed on January 17 2008.

	<-----GROUP----->		<-----BANK----->			Note: Earnings and Dividend per share is based on the profit attributable to shareholders and the number of ordinary shares of 50 kobo each in issue as at 30 June 2007.
	<-----Year ended 30 June----->					
	2007 N'000	2006 N'000	2005 N'000	2004 N'000	2003 N'000	
Interest income	63,624,930	37,686,001	22,885,377	15,707,961	11,996,470	
Interest expense	(19,038,74)	(10,376,926)	(5,620,169)	(3,331,910)	(2,289,282)	
Net interest income	44,586,186	27,309,075	17,265,208	12,376,051	9,707,188	
Bad and doubtful debt expense	(1,832,283)	(1,309,736)	(1,974,966)	(397,149)	(65,405)	
Other operating income	31,255,183	22,316,148	12,028,085	8,223,294	5,847,760	
Operating expenses	(48,332,75)	(32,725,662)	(18,153,540)	(13,797,311)	(10,049,072)	
<b>Profit before taxation</b>	25,676,331	15,589,825	9,164,787	6,404,885	5,440,471	
Taxation	(7,219,213)	(3,771,908)	(2,040,703)	(1,058,578)	(1,063,626)	
<b>Profit after taxation</b>	18,457,118	11,817,917	7,124,084	5,346,307	4,376,845	
Minority interest	(102,799)	1,049	-	-	-	
<b>Profit attributable to Group shareholders</b>	18,354,319	11,818,966	7,124,084	5,346,307	4,376,845	
<b>Appropriations:</b>						
Transfer to statutory reserve	(2,579,266)	(1,753,124)	(1,068,613)	(801,946)	(656,527)	
Transfer to investment in SMEEIS reserve	-	(1,168,749)	(712,408)	(534,631)	(437,685)	
Transfer to bonus issue reserve	(1,158,191)	-	-	(516,185)	-	
Transfer to contingency reserve	(115,953)	(27,121)	-	-	-	
Transfer of proposed dividend to general reserve	(9,265,524)	(6,600,000)	(4,200,000)	(2,167,977)	(1,083,989)	
<b>Transfer to general reserve</b>	<u>5,235,385</u>	<u>2,269,972</u>	<u>1,143,063</u>	<u>1,325,568</u>	<u>2,198,644</u>	
<b>Per share data(Kobo)</b>						
Earnings per share - basic	199	196	135	173	283	
Earnings per share - adjusted	198	128	77	58	47	
Dividend per share - actual	100	72	70	70	70	
Dividend per share - adjusted	100	71	45	23	12	

## 7. GLOBAL INVESTMENT OUTLOOK

The credit crunch experienced by the world's leading economies in 2007 due to the sub-prime credit crisis in the United States of America has far reaching consequences for the growth of the world economy in 2008. The monetary authorities of nations worst hit by this crisis will focus their efforts to keep their economies insulated. Attention will shift to emerging economies and the evolving energy crisis due to rising oil prices. Emerging economies will do well not only as suppliers of capital to the rest of the world; they will also be where global investors will head to in search of new growth opportunities. The returns in emerging equity markets compared to developed markets have made these frontier markets a more convincing alternative for global investors. According to Standards and Poor's global stock market review, 'The World by Numbers' "emerging markets rose 42.0% in 2007 versus a gain of 9.4% for the world's developed markets". India, Nigeria and Egypt have ranked tops in performance in the league of performing emerging capital markets and these markets will be the destination of choice for international investors.

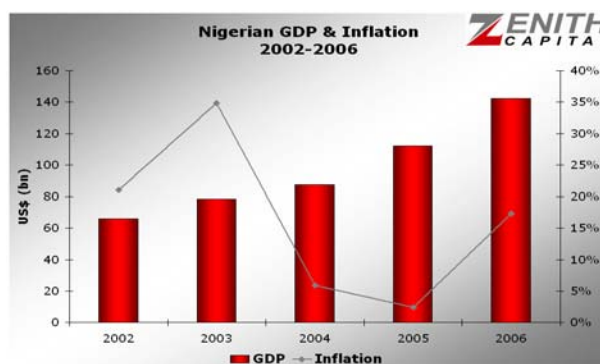
## Index Performance across markets



The Nigerian economy stands to benefit from the unfolding trends in the global economy. The continued surge in oil prices will boost revenue as well as foreign reserves and will aid the government in its infrastructural revamp. The likely inflow of foreign funds from international markets will serve as a source of cheap funds and a catalyst of growth for the nation's stock market. The direction of government economic policy in 2008 points to the direction of an expansion in fiscal policy. This could fuel inflation and raise interest rates further in the first two quarters before the central bank's inflation targeting monetary policy takes effect. In 2008, the depth of the Nigerian equity market will improve with new firms scheduled for listing and old ones revamped by recapitalisation or policy changes.

### ▪ The Nigerian Renaissance

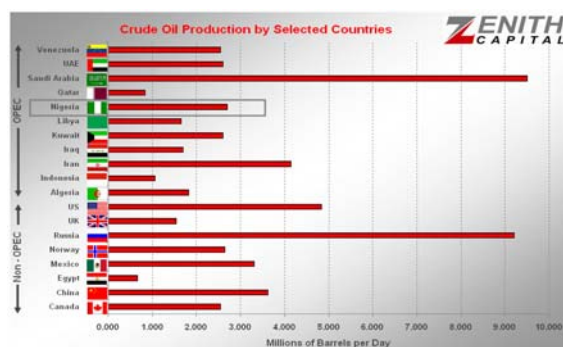
Strong GDP growth supported by the surge in oil price has propelled the Nigerian economy to new heights. Reserves are at an all-time high; fiscal prudence is at the fore and inflation is finally trending downwards. The government has introduced a significant range of reforms that have had an overall positive impact on the landscape. From financial sector reform, banking consolidation, to FGN bond issuance to deregulation/privatisation, the government has set in motion a series of catalysts that have dramatically improved the overall climate from a fiscal and regulatory perspective. The first civilian-to-civilian handover of power since the end of colonisation has placed Nigeria firmly on track to become one of the "Next-11" super economies as predicted by Goldman Sachs.



The World Development Bank recently "World Development Stars" in light of the Nigeria is the ninth largest producer of oil

reserves in the world. Critical to the governments economic reform program is a drive towards the diversification of the country's economic base. The achievements have been notable with non-oil GDP growth at 9% per annum. The government has undertaken steps to encourage the non-energy sector, from supportive import substitution programs to tax holidays to encouraging investment in other sectors. The recent changes have started to filter down, continuing to support the high level of GDP growth. Investors are increasingly seeking "alpha" or outperformance and have turned their attention to the rising star that is Nigeria.

named Nigeria as one of its progress made in reform. and holds the sixth largest gas



The investment platform is evolving rapidly. Significant liquidity has been added to the capital market. In addition, the Federal Government has undertaken a bond issuance program, creating the foundation for a transparent risk-free yield curve. Foreign Direct Investment has increased substantially over the last ten years due to increased political stability, improved corporate governance and market reform programs. Nigeria's sovereign rating has been set as BB- , a significant move away from its status as a pariah state at the end of the last century. The exit from "Paris club" debt marked yet another milestone in Nigeria's economic achievements. The debt buyback has liberated the country from the hitherto extensive debt burden.

## 8. THE NIGERIAN FINANCIAL MARKET

### (a) Structure and Regulatory Framework

The capital market can be classified into the primary and secondary markets. The regulation of the capital market in Nigeria lies in the hands of two main bodies, the Securities and Exchange Commission, although the Central Bank and the Ministry of Finance also play a role. The market consists of the SEC, the NSE, stockbrokers, registrars, issuing houses, trustees, banks, insurers, pension funds, the CBN, and the Ministry of Finance.

### (b) The Securities and Exchange Commission

The Securities and Exchange Commission is the apex regulatory institution of the Nigerian capital market. It is a Federal Government agency established by the Securities and Exchange Commission Act 71 of 1979 which was re-enacted as Decree number 29 of 1988 this has been repealed by the Investment and securities Act of 1999, now the ISA 2007. Since inception, the SEC undertaken playing within the capital market a similar role to that played by the Central Bank of Nigeria in the money market. Before attaining its present status, the commission underwent a number of changes from the initial days of its progenitor, the Capital Issues Committee, which had ad-hoc powers to Capital Issues Commission that was statutorily established by the Capital Issues Decree of 1973. The basic objectives of the SEC include protection of investors and development of the capital market to enhance economic growth and development. In fulfilling these objectives, some of the functions the SEC carries out include registration of securities and trading instruments, public enlightenment programmes, and monitoring of investigation of operator market practices.

### (c) The Nigerian Stock Exchange

The Nigerian Stock Exchange, is a self-regulatory body regulating the activities of operators in the Nigerian stock market. The Exchange started operations in 1961 (trading then, as the Lagos Stock Exchange) with 19 securities listed for trading. Today, there are more than 300 securities listed on the Exchange. Most of the listed companies have foreign/multinational affiliations and represent a cross-section of the economy, ranging from agriculture through manufacturing to services. The branch in Lagos was opened in 1961 after the enactment of the Lagos Stock Exchange Act, 1961; Kaduna, 1978; Port Harcourt, 1980; Kano, 1989; Onitsha and Ibadan, 1990. Lagos is the head office of the Exchange. An office has also been opened in Abuja and Yola.

The call over system was replaced in April, 1999 with the Automated Trading System (ATS), with bids and offers now matched by stockbrokers on the trading floors of the Exchange electronically through a network of computers. The Exchange maintains an All-share Index formulated in January 1984. Only common stocks (ordinary shares) are included in the computation of the index. The index is value-relative and is computed daily. Clearing, settlement and delivery of transactions on the NSE are done electronically by Central Securities Clearing System (CSCS), a subsidiary of the Stock Exchange. The CSCS Limited, also referred to as the "clearing house", was incorporated in 1992 as part of the effort to make the Nigerian stock market more efficient and investor-friendly. Apart from clearing, settlement and delivery, the CSCS also offers custodian services.

The market has witnessed appreciable growth in the past decade, especially with the re-emergence of democratic rule. The cumulative annual growth in the market capitalisation has averaged 58.45% in the last nine years. As of January 21, 2008 the market capitalisation of the equities section of the capital market stood above N10.59trn (Approx USD90.48bn).

Below is a tabulation of the trend in market capitalisation in the last nine years:

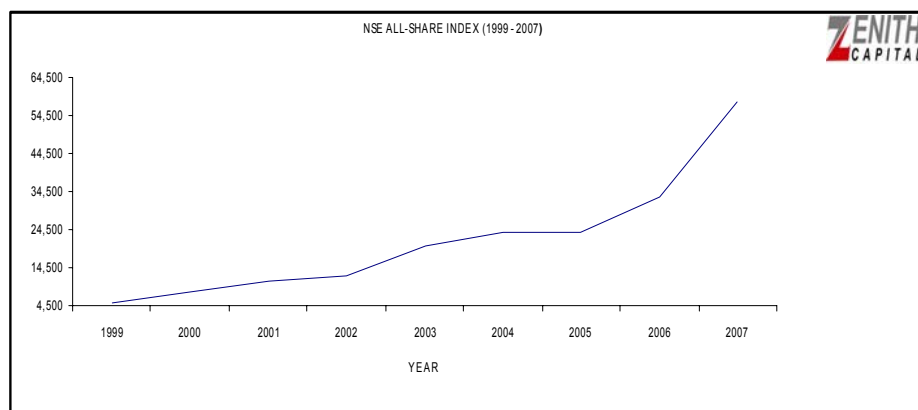
MARKET CAP	2007	2006	2005	2004	2003	2002	2001	2000	1999	CAGR	AAGR
YEAR-START (N) in tr	4,227.13	2,523.49	1,925.94	1,324.84	748.73	644.46	469.06	296.37	256.24		
YEAR-END (N) in tr	10,180.29	4,227.13	2,523.49	1,925.94	1,324.84	748.73	644.46	469.06	296.37	58.45%	54.35%

Much of the growth in the market capitalisation owes to new issues by existing and previously unquoted companies. None the less, the market performance index has continued to perform impressively. The All Share Index appreciated 74.86% in 2007 above the year-opening figure of 33,163.94 points to close the year at 57,990.22 points.

Below is a tabulation of the market's performance in the past nine years (since re-emergence of democratic rule in 1999).

NSE All Share Index (Points)	2007	2006	2005	2004	2003	2002	2001	2000	1999	CAGR	AAGR
Year-Start	33,163.94	24,086.71	23,875.13	20,257.44	12,140.27	10,895.7	8,163.26	5,306.99	5,657.4		
Year -End	57,990.22	33,189.3	24,085.76	23,844.45	20,128.94	12,137.72	10,963.11	8,111.01	5,266.43	30.20%	33.08%

Table showing opening and closing NSE Index levels from 1999 to 2007



The All-share Index since (1999 – 2007)

Graphical illustration of the market performance between 2000 and 2007

## The Market Framework

The DMO is responsible for the management of Nigeria's public debt portfolio. In addition, it advises the government on formulating and implementing sustainable debt strategies, borrowing policies and management of contingent liabilities. The DMO has appointed twenty Primary Dealer and Market Makers ("PDMM") whose principal roles are to underwrite primary issues and quote firm two-way prices in the secondary market to encourage liquidity. The DMO regulates such activities, requiring a regular information flow in order to monitor market activities. The Central Bank acts as the Issuing House and Registrar to each issue. FGN bonds are listed and traded on the Nigerian Stock Exchange.

## History of FGN Bond Issuance

The Federal Government returned to the bond market in 2003, after an absence of 17 years with the issuance of the 1<sup>st</sup> FGN Bond series. The reasons behind the issuance were clear:

- To help government fund its deficits in line with macroeconomic stability and fiscal prudence
- To provide the benchmark reference for bond issuance by other bodies like state governments or corporate entities
- To create and sustain a liquid and deep secondary market

The first series contained both fixed and floating rate bonds and offered 3,5,7 and 10 year tenors. Coupons were set at 17.75% and 18.25% for fixed and T-Bills plus 3.0% and T-Bills plus 3.75% floating. The issues were fully subscribed, raising over N70 billion for government coffers.

The 2<sup>nd</sup> FGN series was floated in July 2005, the proceeds of which were used to restructure the then existing stock of Nigerian Treasury Bills ("NTBs"), followed by a refinancing programme in 2006 of 91 days and 182 day NTBs. Part of the 2006 issue proceeds were used to fund three developmental finance institutions – namely the Bank of Industry, Federal Mortgage Bank of Nigeria and Nigeria Agricultural Co-operative and Rural Development Bank at a concessional loan rate of 8%.

The Debt Management Office ("DMO") issued two Special Purpose FGN bonds in 2006: the 12.50% 2009 and 13.50% 2011 Pension Arrears Bonds and the 13.50% 2011 Local Contractor Bonds. Five deposit banks participated in the private placement of N75 billion to settle pension arrears. N91.7 billion was floated in order to pay down the debts owed to local contractors.

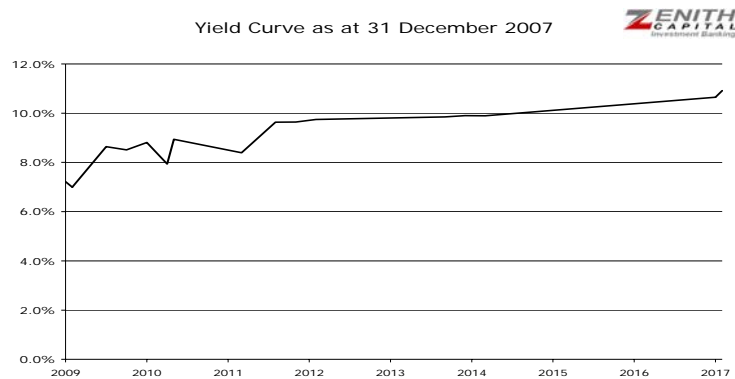
The success of the 3<sup>rd</sup> FGN series was evident with an over 200% subscription rate raising N282 billion. Tenors were set at 3, 5 and 7 years, with most liquidity added at the short end of the yield curve.



The 4<sup>th</sup> series added significant liquidity at the long end of the yield curve with the first issuance of a 10 year fixed coupon bond. The DMO is committed to further lengthening the yield curve and is expected to launch a 15 year FGN bond in 2008.

**The Yield Curve**

The significant demand for FGN bonds has resulted in consistent oversubscription at the primary market level and has translated into a significant shift downwards of yields across the entire spectrum of maturities. The diversified investor base records a substantial international investor base. From a standing start in 2006, the value of transactions has increased to over N500 billion per month in 2007.



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## 9. INFORMATION ON THE FUND MANAGER AND TRUSTEE

### 9.1 Directors And Principal Officers Of The Fund Manager

**Jim Ovia, MFR**, has been the Managing Director/Chief Executive of Zenith Bank Plc since inception and is the Chairman of Zenith Capital. He holds a bachelors degree in Business Administration from the University of Louisiana, Louisiana, U.S.A. (1977) and a Masters degree in Business Administration from Southern University, Louisiana, U.S.A. (1979). He also attended the Owner/President Management Programme of the Harvard Business School, Boston, U.S.A. He has over 23 years banking experience and started his banking career with Barclays Bank, Nigeria. He joined International Merchant Bank Plc (now IMB International Bank Plc) as a Financial Analyst in 1980 and rose to the position of manager in the Corporate Finance Department in 1987, before moving to Merchant Bank of Africa to head their Corporate Finance Department. He left Merchant Bank of Africa in 1990 to co-found Zenith Bank Plc.

In November 2000, he was conferred with the national award of Member of the Order of the Federal Republic (M F R) by President Olusegun Obasanjo. He had previously received the Zik Award for Professional Leadership in April 1999. He is currently serving on the boards of various organizations, including Nigerian Investment Promotion Council, Nigerianet (British Council Internet Portal, Lagos) and Redeemer's University, Lagos (under formation). He is the proprietor of University of Information and Communication Technology, Agbor, Delta State (under formation). He also served on the board of American International School, Lagos (2001-2003) and played a leadership role as the first President of Nigeria Internet Group (2001-2003). He is a motivational speaker and has delivered speeches at several conferences. He has authored several published works and is in the vanguard of promotion and propagation of ICT in Nigeria.

**Godwin Emefiele** is the Deputy Managing Director of Zenith Bank Plc. He holds a Bachelors degree and a Masters degree in Finance from the University of Nigeria, Nsukka and is an alumnus of Executive Education at Stanford University, Harvard Business School and Wharton Graduate Schools of Business. He has over eighteen years banking experience and commenced his banking career with Nigerian-American Merchant Bank Limited (an affiliate of First Bank of Boston). Prior to that, he lectured in Finance and Insurance at the University of Nigeria and University of Port Harcourt. His previous positions in the Bank include Executive Director in charge of Corporate Banking, Treasury and Financial Services, as well as Strategic Planning and he currently oversees the treasury area of the bank

**Peter Amangbo** is an Executive Director of Zenith Bank Plc. He holds a Bachelors degree in Electrical/Electronics Engineering from the University of Benin (1988), a postgraduate Diploma in Computer Science and a Masters in Business Administration from the University of Lagos and the Warwick Business School, UK. He trained with PricewaterhouseCoopers and qualified as a Chartered Accountant before joining Zenith Bank. He was the head of Financial Control and Strategic Planning before moving to head the Bank's Ikoyi branch and Corporate Banking and Correspondent Banking Group. He was also a Group Head of the Bank's Ikeja Zone. He has over seventeen years financial services industry experience and has attended the Advanced Management Programme at INSEAD, France. He is an alumnus of the Warwick Business School, UK.

**Elias Igbin-Akenzua** is an Executive Director of Zenith Bank Plc. He holds a Bachelors degree from the University of Benin (1988) and a Masters degree in Business Administration. He is also a Chartered Accountant. He joined the Bank in 1993 from PricewaterhouseCoopers, where he rose to the position of an Audit Senior. He has worked in various departments in the Bank including Treasury, Corporate Banking, Consumer Banking and Oil & Gas. He has over thirteen years banking experience and has attended several offshore courses including the Advanced Management Programme at INSEAD, France.

**Apollos Ikpobe** is an Executive Director of Zenith Bank Plc. He holds a Masters degree in Finance from the University of Lagos and an HND (Distinction) in Accounting from Yaba College of Technology (1987). He is a Fellow of the Institute of Chartered Accountants of Nigeria and has worked with various organisations including Oni Lasebikan & Co., a firm of Chartered Accountants and Insight Communication, before joining Zenith Bank in 1992. He has worked in various capacities in Treasury & Financial Institutions, Corporate Banking and the Bank's Apapa Zone. He has over thirteen years banking industry experience and has attended several courses including the Advanced Management Programme at INSEAD, France.

**Udom Gabriel Emmanuel** is an Executive Director of Zenith Bank Plc. He holds a Bachelors degree in Accounting from the University of Lagos (1988). He is a Chartered Accountant and he trained with PriceWaterhouseCoopers, where he rose to the position of an Audit Manager. He is also an Associate of the Chartered Institute of Taxation of Nigeria and a Fellow of the Nigerian Institute of Management. He joined Zenith in 1996 from Diamond Bank Limited and was the pioneer Manager of the Bank's Lagos Central Branch. He is presently in charge of the Telecommunications Sector, Income Optimization and Financial & Strategic Planning Group. He has over seventeen years financial services experience and has attended the Advanced Management Programme at INSEAD,

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France.

**Andy Ojei** currently the Managing Director in charge of Zenith Bank (Ghana) Limited, was until his appointment, a General Manager and Chief Inspector of the Bank. He is a Chartered Accountant and holds a Bachelors degree in Accountancy from the University of Lagos (1982). He joined Zenith Bank in 1992, having worked as an Audit Manager in Ibraheem Jimoh & Co. (Chartered Accountants). He has headed a number of branches and departments including Financial Control and Strategic Planning and Corporate Banking. He has over twelve years banking experience and has attended the Advanced Management Programme at Oxford University, U. K.

## 9.2 Afribank Trustees and Investments Limited – Trustee to the Fund

Afribank Trustees and Investments Limited (“The Trustees”) is an incorporated limited liability company which commenced business in year 2000. It is one hundred percent owned subsidiary of Afribank Nigeria Plc, one of the foremost high street banks in Nigeria with over 250 branches, The Company’s systems are characterised by real-time, on-line, multi-site features that enable its employees to capture and integrate the multiplicity of transactions that are required in being Trustees. Afribank Trustees and Investments Limited is a duly registered capital market operator with the Securities and Exchange Commission to perform the functions of Trusteeship and Portfolio Management.

The Board of Directors of Afribank Trustees and Investments Limited is currently constituted as follows:

**Mr Dayo Lawuyi, MON (Chairman)** - is a renowned industrialist with an excellent record of corporate administration, Dayo Lawuyi is the current Chairman of Dunlop Nigeria Plc, a position he has taken after many years as the Group MD of Dunlop Nigeria Plc. Dayo is the Chairman of the Board, Afribank Trustees & Investments Limited. He is also a non- Executive Director in the Board of Afribank Nigeria Plc.

**Alhaji Jibrin Isah** is Executive Director (Treasury & Financial Institutions) Afribank Nig. Plc. A versatile capital market strategist, Alhaji Jibrin Isah is the Line Executive Director to Afribank Trustees & Investments Limited, who bridges the interest of the company with that of the parent company.

**Alhaji B. M. Wali** is the Group Company Secretary/Legal Adviser of Afribank Nigeria Plc. He is a seasoned Company Secretary who plays a major role in ensuring that the company operates within its bounds in all spheres of its operation.

**Alhaji Usman Zarma** a Deputy General Manager in Afribank Nigeria Plc. As a Director in the company, he is a major agent of synergy by bringing to bear the marriage between his function in Afribank Nigeria Plc and his directorship in the company.

### The Profile of the Management Team

**Ben I. Nwoji** is the Managing Director and Chief Executive of Afribank Trustees and Investments Limited. Mr. Ben Nwoji holds a B.Sc Honours degree in Management Science from the University of Nigeria and an MBA with Specialisation in Finance from the University of Stirling, Scotland, UK. He is also a Fellow of the Institute of Chartered Secretaries & Administrators, UK. With over 26 years of banking experience, spanning from mortgage banking (Federal Mortgage Bank of Nigeria) and into retail and wholesale banking, Ben Nwoji has headed many portfolios, covering credits, treasury investment, corporate finance, foreign operation and consortium loan financing in the industry before his appointment as the Chief Executive of Afribank Trustees & Investments Ltd.

A well exposed banker, Mr Ben Nwoji is very enriched with training in notable institutions both local and international such as Chase Manhattan (New York), Midland Bank (UK), Euromoney Training (UK), Harvard Business School, Boston and Lagos Business School. He is the author of the book “**Corporate Finance, Guide to Application in Banking & Finance in Nigeria**”. An international awardee in the field of **Corporate Finance** by both American Biographical Institute and International Biographical Centre, Cambridge, UK; Mr. Ben Nwoji is an active member of the Institute of Directors of Nigeria.

**Bunkaya B. Gana** is the Deputy General Manager – Trustee and Administration Services. Mr. Gana holds LL.B and B.L degrees. A 1988 Graduate of Ahmadu Belo University, Zaria, Mr Gana has over Eighteen years working experience. He worked with L. D. Nzadon & Co. Legal Practitioners between 1990 and 1992 and Taraba Investment & Properties Ltd between 1992 and 1997 before joining Afribank Trustees & Investments Ltd in 1997 as a Manager. He has attended several courses including Euromoney organized Mortgage Securitisation Course in Kampala, Uganda and Management and Leadership programme also organised by Euromoney in Lagos, Nigeria.

**Akpabio.T.N (Mrs.)** is Deputy General Manager Treasury Operations. Mrs. Akpabio holds a B.Sc. Honours degree in Insurance from the University of Lagos. She is also an Associate of the Chartered insurance Institute, London. Mrs. Akpabio has both local and international working exposure in Insurance business, having worked in the following Sun Insurance Group Plc. London and Sun

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Insurance Nigeria Plc Lagos. She joined the service of Afribank Trustees & Investments Ltd in 1999; a Manager. She has attended several courses including a Euromoney organized course on Risk and Credit Management in South Africa and Management and Leadership programme also organised by Euromoney

**Ololade K. Razaaq (Mrs.)** is a Senior Manager/Head, Marketing. Mrs. Razaaq graduated from Moshood Abiola Polytechnic, Abeokuta in 1998 with HND Accounting. She also has MBA from Ondo State University (now called Adekunle Ajasin University). Mrs. Razaaq worked with a firm of Chartered Accountants between 1999 and 2000 before joining Afribank Trustees & Investments Ltd as an Assistant Manager in 2001.

**Augustina N. Ozodinobi (Ms.)** is Senior Manager/Head of Finance/Accounts. Ms Ozodinobi holds an HND Accounting from Federal Polytechnic, Nekede Owerri (1990). She is an Associate member of the Institute of Chartered Accountant of Nigeria (ICAN)(1999) and the Institute of Taxation of Nigeria. Her working experience spans through Multi Mix Investments Limited (1992 – 1993), Global Express Courier (1993 – 1997), Samash Insurance Brokers (1997 – 2002) and IMBI Investments Company Ltd (2002 – 2004), before she joined Afribank Trustees & Investments in December 2004 as Deputy Head of Finance/Account.

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## 10. **EXTRACTS FROM THE TRUST DEED**

### *I. Constitution and Structure of the Fund*

#### *1.1. Establishment of the Trust*

The Manager as settlor confirms that to constitute and settle the trusts established or continued hereunder it has given to the Trustee the sum of =N=1,000 in respect of the Fund and has established for the benefit of the holders of Units in the Fund from time to time, the trusts under the names of the Fund set forth in the First Schedule hereto from time to time.

#### *1.2. Appointment of Trustee*

The Trustee agrees to act as the trustee of the Fund and shall hold the same upon and subject to the provisions of this Trust Deed.

#### *1.3. Constitution of the Fund*

1.3.1. The Fund shall, in addition to the =N=1,000 contributed by the Manager to constitute and settle it, consist of the assets of the Fund contributed by investors and received by the Trustee together with the investments of the Fund (including substitutions or additions thereto) made from time to time by the Manager on behalf of the Fund.

1.3.2. The Deposited Property of the Fund shall be held separate and distinct and shall not be co-mingled with any other fund.

#### *1.4. Division of the Fund into Units*

1.4.1. The beneficial interest in the Fund shall be divided into interests of equal value referred to as “**Units**”; and the units and fractions thereof shall be issued at a price calculated in accordance with clause 6 of the Trust Deed.

1.4.2. Units, and fractions thereof, shall be issued only as fully paid.

1.4.3. No Unit of the Fund or fraction thereof shall have any rights, preferences or priorities over any other Unit of the Fund, except that no holder of a fraction of a Unit, as such, shall be entitled to notice of, or to attend or to vote at, meetings of Unitholders.

### *II. Description and Objective of the Zenith Equity Fund*

2.1. The Fund is an actively managed open-ended collective fund which offers investors a diverse investment choice.

2.2. Details of the Investment objectives and Authorised Investments of the Fund are contained in the First Schedule hereto.

2.3. The Manager shall use its best efforts to achieve a return on investment of 10 per cent per annum.

### *III. Voting Rights on Fund Assets*

3.1. All rights of voting conferred by any investments forming part of the Deposited Property shall be exercised in such manner as the Manager may in writing direct and the Manager may refrain at its own discretion from the exercise of any voting rights and no Unitholder shall have any right to interfere or complain. Upon written request and at the expense of the Manager, the Trustee shall from time to time execute and deliver or cause to be executed or delivered to the Manager or their nominees such powers of attorney or proxies in such name and names as the Manager may request authorising such attorneys and proxies to vote, consent or otherwise act in respect of all or any part of the Deposited Property.

3.2. The Manager shall be entitled to exercise the said rights in what it considers to be the best interest of the Unitholders. Subject to section 168 of Investments and Securities Act, neither the Manager nor the Trustee shall be under any liability or responsibility thereof in respect of the management of the investment in question nor in respect of any vote, action or consent given or taken or not given or taken by the Manager whether in person or by proxy and neither the Trustee, the Manager, the Unitholder or any such proxy or attorney shall incur any liability or responsibility by reason of any error of

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law or mistake of fact or any matter or thing done or omitted or approval voted or given or withheld by the Trustee or Manager or by the Unitholder and the Trustee shall be under no obligation to anyone with respect to any action taken or caused to be taken or omitted by the Manager or by any such proxy or attorney.

- 3.3 The phrase “right of voting” or the word “vote” used in this Clause shall be deemed to include not only a vote at a meeting but any consent to or approval of any arrangement, scheme or resolution or any alteration in or abandonment of any rights attaching to any part of the Fund’s assets and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

**IV. Issuance of Certificates and/or Statements of Unitholding**

- 4.1. Upon the issue of Units, the Manager shall notify the Unitholder of the number of Units and fractions thereof, if any, purchased by such Unitholder in a Statement of Unitholding which shall indicate the total holding of that Unitholder in respect of the Fund including any Units held prior to the issue of such Units.
- 4.2. A Unitholder may select, at its discretion, whether to receive a Unit certificate evidencing its ownership of Units of the Fund or alternatively to receive a statement of Unitholding, such statement of Unitholding shall be issued periodically and shall indicate to total number of units held by the Unitholder in the Fund.
- 4.3. All Unitholders will be sent quarterly statements indicating their Unitholding and any sale or purchase of Units recorded in the period covered by the Statement.
- 4.4. Joint Unitholders shall be entitled to only one Statement of Unitholding or Certificate (where applicable) for Units held jointly by them, which Statement of Unitholding or Certificate shall be issued in the names of the joint Unitholders and delivery of a Certificate or Statement of Unitholding to one of the joint Unitholders shall be sufficient delivery to all such Unitholders.
- 4.5. Notwithstanding anything contained in these presents, a Unitholder shall be entitled to waive his right to the issuance of a Certificate.
- 4.6. For all Certificates that are issued, such Certificates may be duly issued in any denomination provided that a person shall not be registered in respect of less than 2,500 (two thousand, five hundred) Units or any other number of Units as may otherwise be prescribed by the Manager except where such units are issued pursuant to a reinvestment of the distributions for the Funds.

**V. Payment**

- 5.1 Any monies payable by the Trustee or by the Manager to a Unitholder or former Unitholder under the provisions of these presents may be paid by electronic money transfer, crossed-cheque or warrant made payable to the registered address of such Unitholder. Every cheque or warrant shall be sent at the risk of the Unitholder or former Unitholder and payment of any such cheque or warrant shall be satisfaction of the monies payable thereby and shall be a good discharge of the Trustee and Manager. Where an authority in writing shall have been received by the Trustee or Manager from the Unitholder or former Unitholder in such form and signed or sealed in such manner as the Trustee or Manager shall direct, authorising the Trustee or Manager to pay any monies due to him to a banker, agent or nominee, the Trustee, Manager or Registrar shall pay the monies payable to the Unitholder as the case may be in the same manner and with the same effect as hereinbefore provided as if such banker, agent or nominee were the Unitholder.
- 5.2 Without prejudice to the application of sub-clause 5.1 above, a receipt signed or purported to be signed by a Unitholder or former Unitholder for any monies payable in respect of Units held or formerly held by him shall be a good discharge to the Trustee and Manager.

**VI. Forfeiture of Units by Unitholders**

If any purchaser of Units from the Manager or subscriber for Units (whether as principal or agent) shall make default in paying the purchase price or subscription monies or any part thereof the Manager may on such evidence being furnished to it as it shall in its entire discretion deem sufficient and on delivery up to it of any Certificate which may have been delivered in respect of the Units contracted to be purchased or subscribed thereupon instruct the Registrar to cancel such Certificate and make or procure any necessary deletion or alteration in the Register and thereafter in the case of Units contracted to be purchased, the Manager shall

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retain the Units in respect of which the defaulting Unitholder has been removed from the Register until the same be sold by it to a purchaser and in the case of Units contracted to be subscribed, the same shall be deemed never to have been issued and such part of the subscription monies as shall have been paid to the Manager who after deduction of the Trustee's and the Manager's expenses in respect of the issue in default shall account to the defaulting subscriber for any of such subscription monies as were provided by him.

**VII. *Redemption and Transfer of Units***

*Redemption of Units*

- 7.1. Except as provided herein there is no restriction on Unitholders' access to their investment proceeds by way of redemption of Units.
- 7.2. All Redemptions shall be made through the Manager or any of its agents as may be appointed from time to time;
- 7.3. Subject to Clause 7.4 below Units shall be redeemed at the Bid Price and where the redemptions are being made within 90 days of initial acquisition of the Units by a Unitholder, the Manager shall have the right to charge a redemption fee as may be published by the Manager from time to time, but not exceeding 1% of the net redemption value.
- 7.4. Notwithstanding anything contained in this clause 10, a Unitholder shall not be entitled to redeem part of his holding of Units if such redemption would result in his holding being reduced to less than the Minimum Number of Units.
- 7.5. Unitholders can redeem their Units in the Fund within 5 (five) business days of receipt of the latest Statements of Unitholding, Unitholder's Certificate (if one was issued) and a Redemption Notice by the Manager or any of its agents.
- 7.5.1. The form of Redemption Notice shall be as set out in the Third Schedule hereto and the Manager will notify a Unitholder of any deficiencies in the notice of redemption.
- 7.5.2. Redemption shall be effected, at the Bid Price subject to clause 7.3 above and clause 7.6 below.
- 7.5.3. Unitholders seeking to redeem only a part of their holding shall be required to maintain the Minimum Number of Units applicable to the Fund.
- 7.5.4. Payments in respect of each redemption shall be by cheque or electronic transfer sent within 5 (five) business days of receipt of the Unitholders Certificates and/or Statements of Unitholding and redemption notices.
- 7.6. Where only part of the Units comprised in a Certificate are to be redeemed the Unitholders shall pay to the Manager the stamp duty (if any) arising upon the issue of a balance Certificate and thereupon the Manager shall procure a balance Certificate to be issued free of charge for the balance of the Units comprised in the Certificate.
- 7.7. The Trustee shall use all reasonable endeavours to ensure that the calculations with respect to Unitholders' interests are correct and where a Unitholder notifies it of an error in any computation of such Unitholder's interest, any such error shall be rectified as soon as possible. The Trustee shall be entitled at any time to require the Manager to justify any errors in the computation of the Unitholders interests.
- 7.8. In no event shall the Trustee be bound to make any payment to the Manager or any Unitholder except out of the Deposited Property held by it for that purpose under the provisions of this Deed.
- 7.9. The Manager shall be entitled in the name and on behalf of the Unitholder to execute an instrument of transfer in respect of any Units to be redeemed hereunder and to endorse and sign on the appropriate Certificate, in respect of the Units to be redeemed, such statement as may be necessary or desirable as evidence that the Unitholder no longer has any interest in the said Units PROVIDED that in either event the Manager shall within a reasonable period thereafter furnish to the Trustee with the authority under which it acted.
- 7.10. Units redeemed may be re-sold to existing or incoming Unitholders.
- 7.11. All Units which the Fund is required to redeem shall be deemed to be outstanding until payment for such units is made in accordance with this clause 10.

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### *Transfer of Units*

- 7.12. Every Unitholder shall be entitled to transfer the Units or any of the Units held by him through the Manager upon the execution by the transferor and the transferee and the delivery to the Manager of such transfer instrument as may be prescribed by the Manager from time to time.

PROVIDED however that no transfer of part of a holding of Units shall be registered if in consequence thereof either the transferor or the transferee would hold less than the Minimum Number of Units.

- 7.13. Every instrument of transfer must be signed by the transferor and the transferee and the transferor shall be deemed to remain the holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof. The instrument of transfer need not be a deed.
- 7.14. Every instrument of transfer must be duly stamped and lodged with the Manager for transmission to the Registrar accompanied by any necessary declarations or other documents that may be required in consequence of any regulation or legislation for the time being in force and by the Certificate or Certificates relating to the Units to be transferred and or such other evidence as the Registrar may require to prove the title of the transferor or his right to transfer the Units and thereupon the Registrar shall register the transferee as holder of the Units referred to in such instrument of transfer and shall issue to such transferee a new certificate representing the Units so transferred.
- 7.15. All instruments of transfer that shall be registered may be retained by the Manager or by the Registrar on its behalf.
- 7.16. A fee of such amount as the Manager and the Trustee may from time to time agree may be charged by the Manager upon any transfer of Units and the Registrar shall issue a new Certificate in the name of the transferee and a balance Certificate (if necessary) in the name of the transferor.
- 7.17. A receipt signed or purported to be signed by the Unitholder in respect of any monies payable in respect of the Units represented by any Certificate shall be a good discharge to the Trustee and the Manager and if several persons are registered as joint Unitholders or in consequence of the death of a Unitholder, are entitled so to be registered, any one of them may give an effectual receipt for any such monies.

### ***VIII. Meetings***

- 8.1 The Manager shall call an Annual General Meeting of Unitholders with the consent of the Trustee, not later than 4 (four) months after the end of each financial year to consider the accounts and other matters affecting the Fund.
- 8.2 The provisions of the Fifth Schedule to this Deed shall have effect as if the same were included herein and shall apply to Meetings of the Fund in so far as that Schedule does not conflict with any applicable law.
- 8.3. Notices
- 8.3.1. All notices or other documents directed to be given or sent by the Trustee or the Manager to a Unitholder shall (unless the Trustee or the Manager be otherwise directed in writing) be sent by post, fax, via the internet or courier to him at his address as appearing in the Register. Any notice shall be deemed to have been received by the Unitholder on the same day as shown on the notice if sent by fax or on the 3<sup>rd</sup> day following the day on which the notice was sent by post or courier on the same day via the internet.
- 8.3.2 A notice required to be given to the Trustee or the Manager shall be sent to the registered office of the Trustee or the Manager as the case may be.

### ***IX. Issuance of Certificates and/or Statements of Unitholding***

- 9.1 Upon the issue of Units, the Manager shall notify the Unitholder of the number of Units and fractions thereof, if any, purchased by such Unitholder in a statement of Unitholding which shall indicate the total holding of that Unitholder in respect of the Fund including any Units held prior to the issue of such Units.
- 9.2 All Unitholders will be sent quarterly statements indicating their Unitholding and any sale or purchase of Units recorded in the period covered by the Statement.



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- 9.4 Joint Unitholders shall be entitled to only one Statement of Unitholding or Certificate (where applicable) for Units held jointly by them, which Statement of Unitholding or Certificate shall be issued in the names of the joint Unitholders and delivery of a Certificate or Statement of Unitholding to one of the joint Unitholders shall be sufficient delivery to all such Unitholders.
- 9.5 Notwithstanding anything contained in these presents, a Unitholder shall be entitled to waive his right to the issuance of a Certificate.
- 9.6 For all Certificates that are issued, such Certificates may be duly issued in any denomination provided that a person shall not be registered in respect of less than 2,500 (two thousand, five hundred) Units or any other number of Units as may otherwise be prescribed by the Manager except where such units are issued pursuant to a reinvestment of the distributions for the Funds.

X. ***Removal, Retirement and Appointment of Trustee***

- 10.1. In the event of the Trustee desiring to retire, it shall give not less than 3 month's notice in writing to the Manager of its desire to retire, and the Manager shall use its best endeavours to appoint a new Trustee within 3 (three) months of notice to both the Commission and the Manager by the Trustee to of its intention to retire. The new Trustee shall be an incorporated company registered with the Commission and approved by a majority of the Unitholders. If no new Trustee can be identified within that period the Manager may terminate the Trust.
- 10.2. The Trustee shall be subject to removal by notice in writing from the Manager in any of the following circumstances **PROVIDED THAT** in either case the proposed removal has been approved by the Commission or 1 (one) month has passed since notice was served on the Commission without the Commission having notified the Manager that the proposed removal is not approved before service on the Trustee:
- 10.2.1. if Unitholders holding not less than 75% of the Units outstanding of the Fund deliver to the Manager a request in writing that the Trustee should retire;
- 10.2.2. if the Trustee goes into liquidation (except for a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Manager) or if a receiver is appointed over any of its assets;
- 10.2.3. if in the opinion of the Manager, which opinion is confirmed by Unitholders holding a simple majority of the Units Outstanding attending the meeting in person or by proxy, the Trustee shall be incapable of performing or shall have in fact failed to perform its duties satisfactorily or shall have done any other thing which is calculated to bring the Fund into disrepute or be harmful to the best interests of the Unitholders or is a breach of the Trustees fiduciary duties to the Fund. Upon removal of the Trustee, the Manager shall by writing under its seal subject to the approval of the Commission appoint some other qualified corporation to be the Trustee and such corporation shall enter such Deed or Deeds as the Manager deems it necessary or desirable to be entered by such corporation in order to secure the due performance of its duties as Trustee.

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## **11. ZENITH EQUITY FUND – STATUTORY AND GENERAL INFORMATION**

### **11.1 Indebtedness**

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

### **11.2 Claims and Litigation**

The Bank is, in its ordinary course of business, presently involved in a total of 27 (twenty-seven) cases. The said 27 (twenty-seven) cases comprise of, 26 (twenty-six) cases of court of first instance instituted against the Bank as Defendants and 1 (one) appeal lodged against the Bank in connection with one (1) case in which judgment had previously been delivered in favour of the Bank. The Bank had Counter-Claimed in 3 (three) out of the said 27 (twenty-seven) cases. The total sum being claimed against the Bank in the 26 (twenty-six) cases is approximately N501,906,900.00 (Five Hundred and One Million, Nine Hundred and Six Thousand, Nine Hundred Naira only ) and USD2,500 (Two Five Thousand US Dollars), while the total sum being claimed by the Bank in the 3 (three) cases it had Counter-Claimed is appropriately N216,314,893.65 (Two Hundred and Sixteen Million, Three Hundred and Fourteen Thousand, Eight Hundred and Ninety Three Naira Sixty Five Kobo only).The Solicitors to the Bank are of the opinion that the possible liability that may accrue to the Bank from the cases pending against the Bank is unlikely to exceed the sum of N16,332,000 (Sixteen Million Three Hundred and Thirty two Thousand Naira only).

### **11.3 Material Contracts**

1. A Trust Deed dated 23 April, 2008 between Zenith Bank Plc and Afribank Trustees & Investments Limited under which the Fund was constituted.

2. A Vending Agreement dated 23 April, 2008 under the terms of which Zenith Capital Limited has agreed to offer for subscription, 500,000,000 Units of ₦10 each at par in the Zenith Equity Fund Other than as stated above, the Fund Manager has not entered into any material contracts except in the ordinary course of business.

### **11.4 Cost and Expenses**

The initial cost of establishing this Fund will be charged against the expected proceeds and will not exceed 5.07% of the total offer proceeds. This cost includes regulatory and professional fees, printing, advertising and publicity and the statutory brokerage commission.

### **11.5 Relationship between the Issuer and its Advisers**

As at the date of the Prospectus and in compliance with SEC Rule 184(1) as amended The Fund Manager and the Trustee do not have any common shareholder and neither is a subsidiary or holding company of the other. They do not have common Directors.

Zenith Capital Limited and Zenith Securities Limited both of whom are acting as, the Issuing House and Joint Stockbroker respectively are subsidiaries of Zenith Bank Plc, The Fund Manager. Save as disclosed, there is no other relationship between the Bank and any of its Advisers except in the ordinary course of business.

### **11.6 Consents**

The following parties have given and have not withdrawn their written consents to act as parties to the Offer with their names included, in the form and context in which they appear:

**Fund Manager and Sponsor** Zenith Bank Plc

### **Directors and principal Officers of the Fund Manager**

Mr. Jim Ovia, MFR  
Mr. Godwin Emefiele  
Mr. Peter Amangbo  
Mr. Elias Igbin-Akenzua  
Mr. Apollos Ikpobe  
Mr. Emmanuel Udom  
Mr. Andrew Ojei

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<b>Company Secretary/Legal Adviser</b>	Mr. Michael. O. Otu
<b>The Issuing House</b>	Zenith Capital Limited
<b>Trustees to the Fund</b>	Afribank Trustees & Investments Limited
<b>Solicitors to the Trustees</b>	Udo Udoma & Belo-Osagie
<b>Solicitors to the Offer</b>	The Law Union
<b>Stockbrokers to the Issue</b>	Meristem Securities Limited
	Zenith Securities Limited
<b>Auditors to the Fund</b>	PricewaterhouseCoopers
<b>Reporting Accountants</b>	J.K.Randle & Co.
<b>Registrars to the Fund</b>	Meristem Registrars Limited
<b>Receiving Banker</b>	Afribank Nigeria Plc

#### **11.7 Documents Available For Inspection**

The following documents relating to the Fund are available for inspection at the offices of Zenith Capital Limited, Zenith Heights 4th Floor, Plot 87 Ajo Adegun Street, Victoria Island, Lagos during any normal business hours of any week-day except public holidays, from 5<sup>th</sup> May, 2008 to 11 June, 2008.

1. Certification of Incorporation of the Fund Manager;
2. Certification of Incorporation of the Trustees;
3. Memorandum & Articles of Association of the Fund Manager;
4. Memorandum & Articles of Association of the Trustees;
5. The Prospectus issued in connection with the Offer, duly signed by the Fund Manager, Trustees and other parties to the Offer;
6. The Resolution of the Board of Directors of the Fund Manager authorizing the establishment of the Zenith Equity Fund and the issuance of 500,000,000 units of the Fund;
7. The audited accounts of the Fund Manager for five years ended June 30 2003 to 2007;
8. The Report of J. K. Randle & Co Reporting Accountants, on the Profit Forecast for three (3) years ending 2009, 2010 and 2011;
9. The material contracts referred to above;
10. The written consents referred to above;
11. The Trust Deed constituting the Fund
12. The Letter of approval from the Securities and Exchange Commission

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## 12. PROCEDURE FOR APPLICATION AND ALLOTMENT

### 12.1 Application

- i. The general investing public is hereby invited to apply for the Units through any of the Receiving Agents listed on Page 45.
- ii. Applications for the Units now being offered must be made in accordance with the instructions set out at the back of the Application Form. Care must be taken to follow these instructions, as applications which do not comply with the instructions will be rejected.
- iii. The initial subscription period for the Units now being offered for subscription will be from 5<sup>th</sup> May, 2008 to 11 June, 2008. Applications for the Units by subscribers must be for a minimum of 10,000 units and in multiples of 2,500 thereafter. The number of Units for which an application is made and the amount on the cheque or bank draft attached should be entered in the boxes provided. Where the amount applied for is not readily divisible by ten, the equivalent number of Units will be issued to 4 decimal places.
- iii. Individual/ Corporate applicants should sign the declaration and write his/her name and address in the section marked (1) on the Application Form, whilst section (2) should be completed in the case of joint applicants. A corporate client should affix its seal in item (3) in the box and state its Incorporation (RC) Number.
- iv. An application on behalf of an individual under the age of 18 years (a minor) should be in the name of the minor and be signed by his/her guardian who must also indicate the minor's date of birth on the Application Form. The Application form should be completed for applications on behalf of minors.
- v. Each application should be forwarded with the cash, cheque, certified cheque, bank draft for the full amount of the purchase price to any of the banks or the Stockbrokers listed on page 45. Cheques and bank drafts must be crossed "Zenith Equity Fund" and made payable to the bank or stockbroker to whom the application is submitted. All transfer charges to Lagos, if any, must be paid by the applicant and no application will be accepted unless this has been done. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected.
- vi. An application from a pension or other retirement fund must be in the name of each individual trustee unless the Trustee is a limited liability company.
- vii. Foreign currency subscribers are advised to contact the Receiving Bank for the applicable currency exchange rate on the day the remittance is being effected.

#### a. Allotment

Mandatory Subscription: As required under SEC Rules & Regulations pursuant to Investments and Securities Act as amended in 2007, the Fund Manager shall subscribe to a minimum of 10% of the initial issue.

Zenith Bank Plc, Zenith Capital Limited and Afribank Trustees & Investments Limited reserve the right to accept or reject any application in whole or in part. The allotment proposal will be subject to the clearance of the Securities & Exchange Commission. All irregular or suspected multiple applications will be rejected.

#### b. Application Monies

All application monies will be retained in a separate bank account with the Receiving Bank pending allotment. If any application is not accepted, or is accepted for fewer Units than the number applied for, a cheque for the full amount or the balance (as the case may be) of the amount paid on application will be returned by registered mail at the applicant's risk within 5 (five) working days of allotment. Unit Certificates or Statement of Unitholdings will be sent by registered mail at the applicant's risk not later than 15 (fifteen) working days from the date of allotment.

## LIST OF RECEIVING AGENTS

Application forms may be obtained free of charge from any of the following banks and stockbrokers licensed and/or authorised to do so by SEC, to whom brokerage at the rate 75 kobo per Unit allotted in respect of applications submitted through them and bearing their official stamp will be paid.

The Fund Manager cannot accept responsibility for the conduct of any of the institutions listed below. Investors are therefore advised to conduct their own enquiries before choosing an agent to act on their behalf. Evidence of lodgement of funds at any of the receiving agents listed below, in the absence of the corresponding evidence of receipt by The Fund Manager, cannot give rise to a liability on the part of The Fund Manager under any circumstances.






### BANKS

Access Bank Nigeria Plc Afribank Nigeria Plc Diamond Bank Nigeria Plc Ecobank Nigeria Plc Equatorial Trust Bank Plc Fidelity Bank Plc First Bank of Nigeria Plc First City Monument Bank Plc First Inland Bank Plc Guaranty Trust Bank Plc Stanbic IBTC Bank Plc Intercontinental Bank Plc	Oceanic Bank International Nigeria. Plc PlatinumHabib Bank Plc Skye Bank Plc Spring Bank Plc Sterling Bank Plc United Bank for Africa Plc Union Bank Nigeria Plc Unity Bank Plc Wema Bank Plc Zenith Bank Plc
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### STOCKBROKERS

Adamawa Securities Ltd AMYN Investments Ltd Anchoria Investment & Securities Ltd APT Securities & Funds Ltd Bacad Finance & Investment Co Ltd Beachgrove Securities & Invest Co Ltd Best Link Investment Ltd Bestworth Assets & Trust Ltd BFCL Assets & Securities Ltd BGL Securities Ltd BIC Securities Ltd BSD Securities Ltd Capital Assets Ltd Capital Bancorp Ltd Capital Express Securities Ltd Capital Trust Brokers Ltd Cashville Investment & Security Ltd Centre Point Investment Ltd Century Securities Ltd City-Code Trust & Investment Co Ltd Clearview Investment Company Ltd Cooper Fleming Stockbrokers Ltd Crossworld Securities Ltd CSL Stockbrokers Ltd DBSL Securities Ltd De -Lords Securities Ltd Denham Manage Dependable Securities Ltd Dominion Trust Ltd Dynamic Portfolio Ltd EBN Finance and Securities Ltd Empire Securities Ltd Enterprise Stockbrokers Plc EPIC Investment Trust Ltd Euro Comm Securities Ltd Excel Securities Limited F & C Securities Ltd Falcon Securities Ltd Fidelity Union Securities Ltd Financial Trust Co Ltd Finmal Finance Company Ltd	First Stockbrokers Ltd FIS Securities Ltd Fittco Securities Ltd Floodgate Finance & Securities Ltd Forte Asset Management Ltd Forthright Securities & Investments Ltd Fountain Securities Ltd FSDH Securities Limited Future View Securities Ltd Global Assets & Management Trust Ltd Golden Securities Ltd Great Africa Trust Ltd Greenwich Trust Ltd GT I Capital Ltd Heartbeat Investments Ltd Heritage Investment & Securities Ltd HP Securities Ltd IBN Securities Ltd IBTC Asset Management Ltd ICON Stockbroker Ltd IMB Morgan Plc Independent Securities Intercontinental Securities Ltd International Capital Securities Ltd International Standard Securities Ltd Interstate Securities Ltd Investor & Trust Co Ltd Jenkins Investment Ltd Kinley Securities Ltd Lakeworth Investment & Securities Ltd LB Securities Ltd Lead Investment Ltd Lion Stockbrokers Ltd LMB Stockbro kers Ltd Lynac Securities Ltd M & F Investment Ltd Maclaize Trust & Securities Ltd Magnartis Finance & Investment Ltd Mainland Trust Ltd Maninvest Securities Ltd Marina Securities Ltd Maxifund Investments & Securities Ltd	Meristern Securities Limited Molten Trust Ltd Newdevco Finance Securities Ltd Nigerian Stockbrokers Ltd OMF Securities & Finance Ltd Optimus Finance & Securities Ltd Options Securities Ltd P.S.I. Securities Ltd Pilot Finance Limited Platinum Capital Ltd Premium Securities Ltd Profund Securities Ltd Rainbow Securities & Investment Co Ltd Resort Securities & Trust Ltd Reward Investments & Services Ltd Riverside Trust Limited Sanbros Trust & Securities Ltd Securities Solutions Ltd Securities Swaps Ltd Shallom Investment & Securities Ltd Sigma Securities Ltd Signet Investments Securities Limited SMADAC Securities Limited Solid -Rock Securities & Investment Ltd Source Finance & Trust Co Ltd Spring Trust & Securities Ltd Springboard Trust & Investment Ltd Stanbic Equities Nigeria Ltd Stanwal Securities Ltd Summa Guaranty & Trust Co Ltd Summit Finance Company Ltd Tiddo Securities Ltd Tradelink Securities Ltd Trust and Financial Services Ltd Trusthouse Investment Ltd TRW Stockbrokers Ltd UNEX Securities & Investment Ltd Union Stockbrokers Ltd Valmon Securities Ltd Valueline Securities & Investment Ltd Vision Trust & Investment Ltd Wall Street Trust Co Ltd Zenith Securities Limited
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# APPLICATION FORM

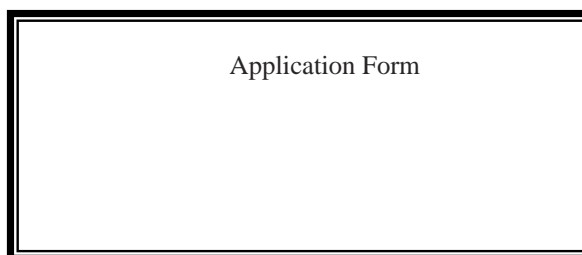
Application List opens 5th May, 2008	 <b>ZENITH EQUITY FUND</b> <small>(Incorporated and Registered in Nigeria as a Unit Trust Scheme)</small> <b>INITIAL PUBLIC OFFERING of</b> <b>500,000,000 Units of ₦10 each at PAR</b> <b>PAYABLE IN FULL ON APPLICATION</b>	Application List Closes 11th June, 2008
<b>Fund Manager:</b> 	<b>Issuing House:</b> 	
<small>Applications must be made in accordance with the instructions set out on the back of this application form. Care must be taken to follow these instructions as applications that do not comply may be rejected. If you are in any doubt, please consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance.</small>		
<b>DECLARATION</b> <input type="checkbox"/> I/We am/are 18 years of age or over. <input type="checkbox"/> I/We authorise you to send a unit statement and/or cheque for any amount overpaid by registered post to the address given below and to procure registration in my/our name as the holder(s) of such number of shares or such smaller number, as aforesaid. <input type="checkbox"/> I/We attach the amount payable in full on application for the number of units in Zenith Equity Fund at ₦10.00 per unit. <input type="checkbox"/> I/We agree to accept the same or any smaller number of units in respect of which allotment may be made upon the terms of the Prospectus and subject to the Trust Deed of Zenith Equity Fund. <input type="checkbox"/> I/We declare that I/we have read a copy of the Prospectus for the Offer dated 23 April, 2008 issued by the issuing House/Financial Adviser on behalf of Zenith Equity Fund.		
<b>GUIDE TO APPLICATION</b> Number of units applied for 10,000 minimum Subsequent multiples of 2,500	Amount payable ₦ 100,000.00 ₦ 25,000.00	Date (DD/MM/YYYY) <div style="border: 1px solid black; display: inline-block; width: 30px; height: 30px; text-align: center; line-height: 30px;"> </div> / <div style="border: 1px solid black; display: inline-block; width: 30px; height: 30px; text-align: center; line-height: 30px;"> </div> / <div style="border: 1px solid black; display: inline-block; width: 30px; height: 30px; text-align: center; line-height: 30px;">2</div> <div style="border: 1px solid black; display: inline-block; width: 30px; height: 30px; text-align: center; line-height: 30px;">0</div> <div style="border: 1px solid black; display: inline-block; width: 30px; height: 30px; text-align: center; line-height: 30px;">0</div> <div style="border: 1px solid black; display: inline-block; width: 30px; height: 30px; text-align: center; line-height: 30px;">8</div>
Number of Units Applied for: <div style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></div> Value of units applied for / Amount Paid <div style="border: 1px solid black; display: inline-block; width: 150px; height: 20px;"></div>		
<b>1. INDIVIDUAL / CORPORATE APPLICANT</b> Title: <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Miss <input type="checkbox"/> Others <div style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></div> Surname/Company's Name <div style="border: 1px solid black; display: inline-block; width: 700px; height: 20px;"></div> Other Names (for individual applicant only) <div style="border: 1px solid black; display: inline-block; width: 700px; height: 20px;"></div> Full Postal Address <div style="border: 1px solid black; display: inline-block; width: 700px; height: 20px;"></div> City <div style="border: 1px solid black; display: inline-block; width: 300px; height: 20px;"></div> State <div style="border: 1px solid black; display: inline-block; width: 150px; height: 20px;"></div> Land Phone Number <div style="border: 1px solid black; display: inline-block; width: 300px; height: 20px;"></div> Mobile (GSM) Phone Number <div style="border: 1px solid black; display: inline-block; width: 200px; height: 20px;"></div> Email Address <div style="border: 1px solid black; display: inline-block; width: 700px; height: 20px;"></div> Next of Kin <div style="border: 1px solid black; display: inline-block; width: 700px; height: 20px;"></div>		
<b>2. NAME OF CHILD (IF INVESTING IN CHILD'S NAME)</b> Title: <input type="checkbox"/> Mr. <input type="checkbox"/> Miss Surname <div style="border: 1px solid black; display: inline-block; width: 700px; height: 20px;"></div> Other Names <div style="border: 1px solid black; display: inline-block; width: 700px; height: 20px;"></div>		
<b>3. JOINT APPLICANT</b> Title: <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Miss Surname <div style="border: 1px solid black; display: inline-block; width: 700px; height: 20px;"></div> Other Names <div style="border: 1px solid black; display: inline-block; width: 700px; height: 20px;"></div>		
<b>4. BANK DETAILS (for E-Dividend)</b> Bank Name: <div style="border: 1px solid black; display: inline-block; width: 400px; height: 20px;"></div> Bank Name: <div style="border: 1px solid black; display: inline-block; width: 400px; height: 20px;"></div> Bank Account No: <div style="border: 1px solid black; display: inline-block; width: 600px; height: 20px;"></div>		
Signature or Thumbprint 	Signature or Thumbprint <div style="border: 1px solid black; display: inline-block; width: 150px; height: 40px;"></div> Stamp of Receiving Agent	Company Seal & Incorporation Number (Corporate Applicant) <div style="border: 1px solid black; display: inline-block; width: 200px; height: 20px;"></div> 0652639809



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## INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

1. Applications should be made only on the Application Form. However, applications made on Photostat or scanned copies of the Application Form will be accepted.
2. Applications must not be for less than the minimum number of units stated on the Application Form. Applications for more than the minimum number of units must be in the multiples stated on the application form. The number of units for which an application is made and the amount of the cheque or bank draft attached should be entered in the boxes provided.
3. The application form when completed should be lodged with any of the Receiving Agents listed on page 45. Applications must be accompanied by a cheque or bank draft made payable to the Receiving Agent to whom the application is submitted, 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 "ZENITH EQUITY 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.
4. Afribank Nigeria Plc shall issue Certificate of Capital Importation (CCI) to foreign currency subscribers. CCIs are required to enable subsequent repatriation in a freely convertible currency, of the dividends from or proceeds of any future sale of units acquired in this Initial Public Offering.
5. The applicant should make only one application, whether in his own name or in the name of a nominee. Multiple or suspected multiple applications will be rejected.
6. Joint applications must all sign the application form.
7. An application from a group of individuals should be made in the names of those individuals with no mention of the name of the group. An application by a firm which is not registered under the Companies and Allied Matters Act 1990 should be made either in the name of the proprietor or in the names of the individual partners. In neither case should the name of the firm be mentioned.
8. An application from a corporate body must bear the corporate body's seal and be completed under the hand of a duly authorized official.
9. An application from a pension or provident fund must be in the name of each individual trustee unless the trustee is a limited liability company.
10. An application by an illiterate should bear his right thumb print on the application form and be witnessed by an official of the company or stockbroker at which the application is lodged who must first have 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 thumb impression.
11. The 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



Zenith Heights, Plot 87 Ajose Adeogun Street, Victoria Island Lagos.

