
YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. BEFORE SUBSCRIBING, PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, BANKER OR AN INDEPENDENT INVESTMENT ADVISER REGISTERED BY THE SECURITIES & EXCHANGE COMMISSION.

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS OF VETIVA FUND MANAGERS LIMITED AND THEY JOINTLY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF ALL INFORMATION GIVEN AND CONFIRM THAT, AFTER HAVING MADE ALL ENQUIRIES WHICH ARE REASONABLE IN THE CIRCUMSTANCES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN MISLEADING.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO "RISK FACTORS" ON PAGES [28] TO [30]

VETIVA SECTOR SERIES ETFs

(VETIVA BANKING ETF | VETIVA CONSUMER GOODS ETF | VETIVA INDUSTRIAL ETF)
(Authorized and Registered as Exchange Traded Funds with the Securities & Exchange Commission)

OFFER FOR SUBSCRIPTION

OF

NAME OF FUND	UNITS	BENCHMARK INDEX
Vetiva Banking ETF	100,000,000	NSE Banking Index
Vetiva Consumer Goods ETF	40,000,000	NSE Consumer Goods Index
Vetiva Industrial ETF	15,000,000	NSE Industrial Index

Payable in Full on Application

At indicative unit prices approximately equal to 1/100 of the value of the relevant benchmark index on the day preceding Subscription

FUND MANAGER



ISSUING HOUSE



Application List Opens: 03 August 2015

Application List Closes: 28 August 2015

THIS PROSPECTUS AND THE UNITS WHICH IT OFFERS HAVE BEEN REGISTERED BY THE SECURITIES & EXCHANGE COMMISSION. THE INVESTMENTS AND SECURITIES ACT NO. 29 OF 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 OR FOR ANY OMISSION OF A MATERIAL FACT IN THE PROSPECTUS.

THIS PROSPECTUS IS DATED 7TH JULY 2015

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1. DEFINITION OF TERMS

In this Prospectus, unless otherwise stated or clearly indicated by the context, the words in the first column shall have meanings stated opposite them in the second column and words in the singular shall include the plural and vice versa. Words importing natural persons shall include incorporated persons and an expression denoting any gender shall include the other genders:

“Allotment Date”	Means the date of the SEC clearance of the basis of allotment in connection with this Offer.
“Application Form”	Means the form for the subscription of Units of the Fund attached hereto.
“Authorised Dealer Agreement”	Means an agreement entered into between the authorized dealer and the fund manager setting out the terms and procedures by which the authorized dealer may request the creation or redemption of units.
“Authorised Dealer/Market Maker”	Means a broker dealer registered with the Commission who is a member of the Nigerian Stock Exchange and is appointed by the Fund Manager to execute the sale and purchase of units with retail investors.
“Basket of Shares” or “Basket”	Means, in the context of the Funds a portfolio of shares/securities which comprises the minimum number of shares and same weighting of each of the Constituent Companies as they are contained in the Index, that can be acquired with an amount of money having a Naira value approximately 1,000 times the Index Value. The composition of specific Baskets can be obtained from the Manager on any Trading Day and will be published by the Manager on a daily basis. This means 100,000 units of the Fund.
“Basket Price”	Means the aggregate quoted market price from time to time of the securities contained in a Basket.
“Block”	Means at the date of issue of this prospectus, 5,000,000 units of the Vetiva Banking ETF (i.e. 50 baskets); 5,000,000 units of the Vetiva Consumer Goods ETF (i.e. 50 baskets) and 5,000,000 units of the Vetiva Industrials ETF (i.e. 50 baskets).
“Business Day”	Means Monday to Friday excluding any day designated as public holidays by the Federal Government of Nigeria.
“CBN”	Means Central Bank of Nigeria.
“CCI”	Means Certificate of Capital Importation.
“VCML” or “Issuing House”	Means Vetiva Capital Management Limited.
“Custodian” or “UBA GIS”	Means UBA Plc. (Global Investor Services).
“Custody Agreement”	Means the agreement dated 7 th July 2015 between Vetiva Fund Managers Limited, UBA Plc. (Global Investor Services) and Union Trustees Limited.
“Daily Official List”	Means the list of market prices of all securities quoted on The NSE and published daily under the authority of the Council of The Exchange.
“Deposited Property”	Means all assets (including cash) for the time being held or deemed to be held in trust on behalf of the Funds by virtue of the Trust Deed.
“Directors” or “Board”	Means the Directors of the Fund Manager, who comprise those persons whose names are set out on pages [46] to [47] as at the date of this document.

“Distribution Amount”	Means the amount of income, calculated at a particular date, received or receivable by the Trust and available for distribution to Holders of the ETF (generally dividends, and interest earned <i>less</i> fees and expenses incurred since the last distribution effected by that Trust).
“Distributions”	Means Income generated by the Fund and paid (less expenses and applicable taxes) to Unitholders.
“Divisor”	Means the number divided into the aggregate market value of the shares included in an Index to calculate the Index Level.
“ETF”	Means Exchange Traded Fund, in this context any of Vetiva Banking ETF, Vetiva Consumer Goods ETF & Vetiva Industrial ETF designed, structured, issued and managed by the Fund Manager under the Vetiva Sector Series ETFs. Each Fund is a separate portfolio of the constituent companies comprising the relevant Index.
“FGN”	Means Federal Government of Nigeria.
“Fund Manager” or “Manager”	Means Vetiva Fund Managers Limited (“VFM”).
“Funds or Series”	Means all the ETFs designed, structured, issued and managed by the Fund Manager under the Vetiva Sector Series ETFs collectively known as the “Funds or Series”
“In Kind” / “in specie” subscriptions	Means, in the context of subscription in the Funds, the subscription of ETF Units by the delivery of one or more whole Baskets of Shares
“Index”	Means, any of the Indices being tracked, i.e. NSE Banking Index or NSE Consumer Goods Index or NSE Industrials Index
“Index Level”	Means, the value of any of the Indices calculated in near real time during a Trading Day by dividing the Divisor into the aggregate market value of the shares included in the selected Index.
“ISA”	Investments & Securities Act No. 29, 2007.
“LFN”	Laws of the Federation of Nigeria.
Listing Date	Means the date on which units of the Funds issued to subscribers <i>in kind</i> under the Offer for Subscription are to be listed on the NSE
“Naira” or “N”	The Nigerian Naira, the official currency of the Federal Republic of Nigeria.
“NAV per Unit”	Means the Net Asset Value attributable to a Fund calculated by dividing the Net Asset Value of the relevant Fund by the units of the Fund, as described in more details under “Determination of Net Asset Value”.
“Net Asset Value” or “NAV”	Means, in respect of a Trust, the Net Asset Value of that Fund, calculated as set out on page [27] of this Prospectus.
“NSE ASI”	The Nigerian Stock Exchange All-Share Index.

“Offer Documents”	This document, advertisements, notices and any other document registered by the Commission, which disclose relevant information in respect of the Fund as required by the ISA and the SEC Rules and Regulations for the purpose of inviting the general public to invest in the Fund.
“Offer”	Offer for Subscription of Units in the ETFs, Vetiva Banking ETF, Vetiva Consumer Goods ETF and the Vetiva Industrial ETF.
“Open-ended Fund”	A Fund that can create and offer additional units outside of its initial offering on a continuous basis throughout its life. Units of such a Fund can also be redeemed in line with the provisions of the trust deed constituting the Fund.
“PenCom”	National Pension Commission.
“PFAs”	Pension Fund Administrators.
“Prospectus”	This document, which is issued in accordance with the provisions of the ISA and the SEC Rules and Regulations and which discloses relevant information about the Funds and the Offer for Subscription.
“Ramp up period”	<p>Means the period during which the Manager/Authorized Dealer will procure the Baskets with the cash proceeds derived pursuant to the Initial Offer or subsequent Cash Subscriptions, as the case may be, which in respect of the Initial Offer, shall commence on the day immediately succeeding the closing date of the Offer. The duration of this period will be variable, depending on prevailing Market liquidity, but shall not exceed –</p> <ul style="list-style-type: none"> (i) Seven Trading Days for Cash Subscriptions equal to or less than ₦1,000,000,000.00; and (ii) Seven Trading Days for Cash Subscriptions for every ₦1,000,000,000.00 thereafter.
“Record Date”	Means the date determined by Fund Manager/Trust for the purpose of determining the holders who are entitled to receive a dividend or distribution.
“RTGS”	Real Time Gross Settlement, the CBN electronic platform for inter-bank transfer of funds.
“SEC Rules and Regulations”	The rules and regulations issued by the SEC pursuant to the ISA.
“SEC” or “Commission”	Securities and Exchange Commission established pursuant to the provisions of the ISA.
“Specified Cash Amount” or “Appropriate Cash Amount” or “Cash Component”	<ul style="list-style-type: none"> •a pro rata portion of the income accruals in the portfolio up to and including the subscription date; and •transfer duties, charges and taxes arising on the acquisition by the portfolio of the underlying basket; and • any other reasonable cost that may be determined by the manager from time to time.
“The Exchange” or “The NSE”	The Nigerian Stock Exchange.
“TIA”	Trustee Investments Act Cap T22, LFN 2004.

“Trading Day”	Means a day on which trading takes place on the NSE.
“Transfer Agent”	Central Securities Clearing System Plc.
“Trust Deed”	The Trust Deed dated 7 th July 2015 constituting the Fund and any document supplemental thereto or executed in pursuance thereof, a summary of which is set out on pages [51] to [58] of this document.
“Trust or ETF Trust”	Means the Trust as constituted by the Trust Deed holding the Underlying Portfolio/Securities in respect of the Funds.
“Trustee”	Union Trustees Limited.
“UBA”	Means United Bank for Africa Plc
“Underlying Portfolio”	Means the underlying portfolio of securities held by a Trust consisting substantially of securities of the Constituent Companies of the relevant Index being tracked in substantially the same weightings.
“Unit(s)”	An undivided share in the assets of the Fund.
“Unitholder(s)”	The person(s) whose names are for the time being entered in the Register of Unitholders as holder(s) of Units of the Fund.
“US\$” or “USD”	United States Dollars, the lawful currency of the United States of America.
“Vetiva Sector Series ETFs”	Means the collective name of the ETFs – Vetiva Banking ETF, Vetiva Consumer Goods ETF & Vetiva Industrial ETF of which the underlying assets are securities of the Constituent Companies of the respective benchmark indices being tracked.
“Yield”	The rate of income/loss generated from a unit of a fund through distributions and/or capital appreciation/depreciation.

2. IMPORTANT NOTICE

This Prospectus has been registered as such by the SEC. No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the offering of Units of the Fund and, if given or made, such information or representations must not be relied upon as having been authorised by the Fund Manager or the Issuing House or the Trustee.

Neither this Prospectus nor any other information supplied in connection with the Fund (i) is intended to provide the basis of any subscription or other evaluation or (ii) should be considered as a recommendation by the Fund Manager, the Issuing House or the Trustee that any recipient of this Prospectus or any other information supplied in connection with the Offer or the Funds should purchase the Units of the Funds. Each investor contemplating purchasing any Units should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Fund Manager. Neither this Prospectus nor any other information supplied in connection with the Offer of the Units of the Fund constitutes an offer or invitation by or on behalf of the Fund Manager, the Issuing House or the Trustee to any person to subscribe for or to purchase the Units.

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Units shall in any circumstances imply that the information contained herein concerning the Fund Manager is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Offer is correct as of any time subsequent to the date indicated in the document containing the same. The Issuing House and the Trustee expressly do not undertake to review the financial condition or affairs of the Fund Manager throughout the life of the Funds or to advise any investor in the Funds of any information coming to their attention.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Units in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Units may be restricted by law in certain jurisdictions. The Fund Manager, the Issuing House and the Trustee do not represent that this Prospectus may be lawfully distributed, or that any Units may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Fund Manager, the Issuing House or the Trustee which is intended to permit a public offering of the Fund or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no units of the Funds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or the Units may come must inform themselves about, and observe any such restrictions on the distribution of this Prospectus and the offering and sale of the Units.

In making an investment decision, investors must rely on their own independent examination of the Fund Manager and the terms of the Units being offered, including the merits and risks involved. None of the Fund Manager, the Issuing House or the Trustee makes any representation to any investor regarding the legality of its investment under any applicable laws. Any investor should be able to bear the economic risk of an investment in the Fund for an indefinite period of time.

1. *Forward Looking Statements*

Certain statements included herein may constitute forward-looking statements that involve a number of risks and uncertainties. Such forward-looking statements can be identified by the use of forward looking terminology such as “estimates”, “believes”, “expects”, “may”, “are expected to”, “intends”, “will”, “will continue”, “should”, “would be”, “seeks”, “approximately”, or “anticipates”, or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, plans or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the Fund Manager’s intentions, beliefs or current expectations concerning, amongst other things, the Fund’s results of operations, financial condition, liquidity, prospects, growth, strategies and the markets in which it operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

2. IMPORTANT NOTICE

Prospective investors should be aware that forward-looking statements are not guarantees of future performance and that the Fund's actual results of operations, financial condition and liquidity and the development of the market in which it invests may differ materially from those made in or suggested by the forward-looking statements contained in this Prospectus. Such forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realised.

The Fund Manager is not obliged to, and does not intend to, update or revise any forward-looking statements made in this Prospectus whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributed to the Fund Manager, or persons acting on the Fund Manager's behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Prospectus. A prospective subscriber to the Fund should not place undue reliance on these forward-looking statements.

2. *Presentation of Information*

Third Party Information

The Fund Manager has obtained certain statistical and market information that is presented in this Prospectus on such topics as the Nigerian economic landscape and related subjects from certain government and other third-party sources described herein. The Fund Manager has accurately reproduced such information and, so far as the Fund Manager is aware and is able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Nevertheless, prospective investors are advised to consider this data with caution. Prospective investors should note that some of the Fund Manager's estimates are based on such third-party information. Neither the Fund Manager nor the Issuing House has independently verified the figures, market data or other information on which third parties have based their studies.

Certain statistical information reported herein has been derived from official publications of, and information supplied by, a number of Government agencies and ministries, including the CBN, the Nigerian Debt Management Office (“**DMO**”) and the Nigerian National Bureau of Statistics (“**NBS**”). Official data published by the Nigerian Government may be substantially less complete or researched than those of more developed countries. Nigeria has attempted to address some inadequacies in its national statistics through the adoption of the Statistics Act of 2007, which established the National Statistical System and created the NBS (which came into existence as a result of the merger of the Federal Office of Statistics and the National Data Bank) as its coordinator.

Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.



2. IMPORTANT NOTICE

3. *Disclaimer*

The Nigerian Stock Exchange and its affiliates are not affiliated with Vetiva Fund Managers Limited or its affiliates (collectively, “Vetiva”) and do not approve, endorse, review or recommend Vetiva or the Funds. The values of the Indices are derived from sources deemed reliable, but The Nigerian Stock Exchange, its affiliates and their respective suppliers do not guarantee the correctness or completeness of the Indices, its values or other information furnished in connection with the Indices. The Nigerian Stock Exchange and its affiliates make no warranty, express or implied, as to results to be obtained by Vetiva, Vetiva’s customers, or any other person or entity from the use of the Indices or any data or values included therein or in connection therewith. The Nigerian Stock Exchange and its affiliates make no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose with respect to the Indices or any data or values included therein or in connection therewith. The Nigerian Stock Exchange and its affiliates and their respective partners, employees, subcontractors, agents, suppliers and vendors shall have no liability or responsibility, contingent or otherwise, for any injury or damages, whether caused by any such party's negligence or otherwise, arising in connection with the Indices or any data or values included therein or in connection therewith and shall not be liable for any lost profits, losses, punitive, incidental or consequential damages. The Nigerian Stock Exchange and its affiliates and their respective partners, employees, subcontractors, agents, suppliers and vendors shall not be responsible for or have any liability for any injuries or damages caused by errors, inaccuracies, omissions or any other failure in, or delays or interruptions of, the Indices or any data or values included therein or in connection therewith, from whatever cause. The Nigerian Stock Exchange and their affiliates and their respective partners, employees, subcontractors, agents, suppliers and vendors are not responsible for the selection of or use of the Indices or any data or values included therein or in connection therewith, the accuracy and adequacy of the Indices or any data or values included therein or in connection therewith or information used by Vetiva and the resultant output thereof.



3. INDICATIVE TIMETABLE

DATE	ACTIVITY	RESPONSIBILITY
03-Aug -15	Application List opens.	VCML/VFML
28-Aug-15	Application List closes.	VCML/VFML
31-Aug-15	Receiving Agents make returns	Receiving Agents
02-Sep-15	Opening Date of Ramp-Up Period	VSL/VCML/VFML
09-Sep-15	Closing Date of Ramp-Up Period*	VSL/VCML/VFML
23-Sep-15	Forward Basis of Allotment to SEC.	VFML
30-Sep-15	Obtain SEC clearance of Basis of Allotment.	VFML
05-Oct-15	Publish Allotment Announcement in national newspapers.	VFML
05-Oct-15	Return rejected applications (if any)/ E-Credit of Units/Distribution of E-Certificates/Statements	CSCS
08-Oct-15	Listing of the Units	VSL
23-Oct-15	Forward Report on completion of Offer to the SEC.	VCML

**Please note that should there be Cash Subscriptions in excess of ₦1,000, 000,000.00, this date and other relevant dates following this, may move out by seven Trading Days and seven Trading Days for every ₦1,000, 000,000.00 thereafter.*

All dates following the opening and closing dates of the Application List are indicative only and, among other things, are subject to all necessary approvals from the SEC. If any of these approvals is not received on the date(s) specified; surrounding key events in the timetable will be subject to adjustments without prior notice.



4. SUMMARY OF THE OFFER

The following is a summary of the terms and conditions of investing in the Vetiva Banking ETF, Vetiva Consumer Goods ETF and the Vetiva Industrial ETF. This summary is qualified in its entirety by the detailed information contained in this Prospectus and the Trust Deed constituting the Funds. Prospective investors are urged to read the entire Prospectus and to consult their own professional advisers as to the tax and legal consequences of investing in any of the Funds. Also, there is no guarantee or assurance of exact or identical replication of the performance of the index.

Investors are advised to seek information on the Fees, Charges & Operating Expenses before investing in any of the Funds.

1	FUND MANAGER	Vetiva Fund Managers Limited.
2	ISSUING HOUSE	Vetiva Capital Management Limited
3	TRUSTEE TO THE FUND	Union Trustees Limited (UTL).
4	CUSTODIAN	UBA Plc. (Global Investor Services) (UBA GIS)
5	AUTHORISED DEALER	Vetiva Securities Limited.
6	TRANSFER AGENT	Central Securities Clearing System Plc.

Offer for subscription of units in the Vetiva Sector Series ETFs, at a subscription price equal to 1/100 of the value of the relevant Index on the day preceding the Subscription:

	NAME OF FUND	UNITS
8	THE OFFER	
	Vetiva Banking ETF	100,000,000
	Vetiva Consumer Goods ETF	40,000,000
	Vetiva Industrial ETF	15,000,000

(Authorized and Registered as Exchange Traded Funds with the Securities & Exchange Commission)

Subscription for units in the initial offer may be via one of two ways:

9	SUBSCRIPTION METHOD	<ol style="list-style-type: none"> 1. By a payment in cash in Naira or 2. By the delivery of one or more Baskets of securities of the constituent companies of the relevant Index (i.e. Securities for Units or in specie Subscriptions).
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Foreign currency subscriptions will be processed at the applicable foreign exchange rate at the time of subscription.

Please refer to page [22-23] for more details on the subscription method and process.

10	NATURE OF THE FUND	<p>The Vetiva Sector Series ETFs comprising the Vetiva Banking ETF, Vetiva Consumer Goods ETF and Vetiva Industrial ETF are open-ended Funds designed to enable Unit holders in the respective ETF obtain market exposure to the securities of the Constituent Companies of the relevant Indices being tracked, and to replicate as closely as possible the price and yield performance of the relevant Index. The investment objective of the ETFs in the Vetiva Sector Series ETFs is to individually track the NSE Banking Index, NSE Consumer Goods Index and NSE Industrials Index respectively.</p>
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The ETF units represent an agreement entered into between the Holder and ETF Trusts, in terms of which the Fund Manager transfers a properly weighted basket of the shares of the selected Index (a “basket”) to the Holder, delivery of which is deferred until required by the Holder and subject to minimum value thresholds. Holders will receive distributions equal pro rata to the Fund Income (i.e. yield return) less expenses, which would be earned if that holder held the constituents of the Index directly.



The ETF units will be held in Trust for the benefit of Unitholders by the independent trustee, Union Trustees Limited. UTL shall have a fiduciary duty to protect the interest of investors at all times. This secures the delivery of the constituents of the basket to holders at a later date as will be agreed.

The issue price payable by an investor subscribing during the initial Offer is as follows:

In-specie subscriptions: A unit price equal to 1/100 of the value of the relevant Index on the day preceding subscription subject to a minimum of one Basket.

Cash Subscriptions: the subscription price per unit during the initial offer period will be based on 1/100 of the closing value of the relevant benchmark Index on the preceding day of the Subscription, subject to a minimum of one Basket. Investors shall initially subscribe for units and deposit an estimated cash consideration for the subscription.

11 ISSUE PRICE

Numerical Example of How Pricing is Determined Assuming the Indices remain the same on the offer date:

S/N	Name of Fund	Index Value	Divisor	Price (₦)
1	Vetiva Banking ETF	351.40	100	3.51
2	Vetiva Consumer Goods ETF	903.54	100	9.04
3	Vetiva Industrial ETF	2139.55	100	21.40

Index Value as at 31st December, 2014.

12 MINIMUM ISSUE SUBSCRIPTION LIMIT

S/N	Name of Fund	Minimum (Units)	Additional (Units)
1	Vetiva Banking ETF	100,000	100,000
2	Vetiva Consumer Goods ETF	100,000	100,000
3	Vetiva Industrial ETF	100,000	100,000

Where 100,000 units = 1 Basket of ETF.

The ETFs can be sold in the secondary market through a trade on the NSE. Holders of one or more blocks of the ETF may also decide to take delivery of the prescribed number of baskets on any trading day.

13 MINIMUM REDEMPTION DELIVERY VALUE THRESHOLD

The minimum threshold to qualify for delivery of ETF Securities for the relevant Fund is shown below:

S/N	Name of Fund	Minimum Threshold (Block)	Additional Units (Basket)
1	Vetiva Banking ETF	5,000,000 units	100,000 units
2	Vetiva Consumer Goods ETF	5,000,000 units	100,000 units
3	Vetiva Industrial ETF	5,000,000 units	100,000 units

The objective of the Vetiva Sector Series ETFs is to give investor's access to the NSE Banking Index, NSE Consumer Goods Index and the NSE Industrial Index respectively.

14 INVESTMENT OBJECTIVE

The investment objective of the Fund Manager in respect of the respective ETFs (Vetiva Banking ETF, Vetiva Consumer Goods ETF and the Vetiva Industrial ETF) is to replicate as practicable as possible, the yield and price performance of the relevant benchmark Index.

15 INDEX TO BE TRACKED

NAME OF FUND	BENCHMARK INDEX
Vetiva Banking ETF	NSE Banking Index
Vetiva Consumer Goods ETF	NSE Consumer Goods Index
Vetiva Industrial ETF	NSE Industrial Index



16	POLICY ON INVESTMENT INCOME	Investment income earned will be distributed to unit holders semi-annually less expenses.
17	STATUS	The units being offered for subscription shall rank pari-passu in all respects with other future units.
18	REDEMPTION/ CREATION OF UNITS	Investors who choose not to trade on the Secondary market may purchase/sell units of the ETF through the process of creation/redemption, this is however subject to a minimum holding threshold of 1 Basket for each ETF (refer to item 13). This allows investors to exchange a prescribed basket of shares for a prescribed number of units in the ETFs (and back again).
19	TARGET INVESTORS	Investment in the ETFs can be made by individuals, companies and Societies. Vetiva Fund Managers Limited also welcomes the participation of foreign and non-resident investors.
20	INVESTMENT STRATEGY	<p>The Fund Manager will pursue the objective of replicating, as far as practicable, the price and yield performance of the corresponding benchmark Indices, by holding a portfolio of securities on behalf of unit holders that substantially represents the component securities of the corresponding Indices.</p> <p>The respective ETF Trusts will not be actively managed. The traditional method of active management involves the buying and selling of securities based on economic, financial and market analysis and investing judgment. The standard investment objective and style of the respective ETFs will be replication of the corresponding Index, i.e. passive.</p> <p>The Fund Manager is obliged to ensure tracking of the respective Indices by purchasing and holding, in the requisite quantities, as far as possible, the actual underlying shares comprising the benchmark Indices. However, under certain conditions, the Fund Manager may utilize a representative sampling strategy where it is impracticable to acquire the securities in the benchmark Indices (such as when a security becomes temporarily illiquid or unavailable). Representative Sampling involves holding a sample of securities in a benchmark index as per the methodology of the benchmark index. Hence, there is no guarantee or assurance of exact or identical replication at any time of the performance of the benchmark Indices (NSE Banking Index, NSE Consumer Goods Index, NSE Industrial Index).</p>
21	OPENING DATE	3 rd August 2015
22	CLOSING DATE	28 th August 2015
23	DETERMINATION OF IOPV	The Indicative Optimum Value (IOPV) is computed by dividing the assets of the Fund, less its liabilities, by the number of units in issue in respect of the Fund, adjusted by rounding to such number of decimal places as the Directors may determine.
24	TAX STATUS	Withholding tax paid at source on dividends shall be treated as final tax. Distributions of dividend to holders of the ETFs are not subject to withholding tax. Income from capital appreciation shall not be subject to tax. Please note that this information about the tax status of this investment is meant only as a guide and that taxation-relates issues are subject to changes in legislation. Investors are advised to seek tax advice regarding any investment in the index securities from their professional tax advisers.



25 **QUOTATION** An application has been made to the Council of The Nigerian Stock Exchange for the Quotation and Listing of the ETF units and upon approval, the Securities would be listed under the ETF segment of the Daily Official List of the NSE. Once issued, the ETFs will be traded in the secondary market on the NSE in round lots of 1 unit.

26 **TRACKING ERROR AND STRATEGIES TO MINIMISE SUCH ERRORS** The Fund is subject to tracking error which is the risk that its returns may not correlate accurately to those of the Index. Tracking errors can be caused by the following: distribution, index changes, cash drag, fund expenses and trading fees.

Tracking errors can be minimised by periodically rebalancing the ETF Portfolio to the constituents of the benchmark Index in line with the Index Methodology. Also, dividends received into the Fund will be distributed net of expenses if approved.

	Benchmark Index	Top 5 Securities and Weightings
27 WEIGHTING OF THE MAJOR COMPONENT SECURITIES OF THE INDICES	NSE Banking Index	GTB - 32.65%; Zenith - 25.46%; ETI -13.06%; Access – 6.65%; UBN – 6.34%.
	NSE Consumer Goods Index	NB - 40.43%; Nestle - 25.94%; Guinness - 8.19%; Unilever – 4.38%; 7UP – 3.43%.
	NSE Industrial Index	DangCem – 52.73%; WAPCO – 32.59%; Ashaka – 6.62%; CAP – 3.54%; BETAGLAS – 1.87%

28 **INFORMATION ON THE UNDERLYING SECURITIES** Information on the underlying securities would be published daily on the fund manager’s website – www.vetiva.com/funds

Investors’ attention is drawn to the risks associated with investing in any of the Funds as set out in the section titled “Risks Factors” on pages [28] to [30].

A summary of the key risks are given below:

- 29 **INVESTMENT RISKS**
- (a) Investment Risk - there is no guarantee that the Funds will achieve the investment objective of perfectly tracking the relevant Indices;
 - (b) Index Risk - the past performance of the Index is not necessarily an indication of future performance.
 - (c) Secondary Trading risk – the ETF securities may trade at a discount or premium to their NAV.
 - (d) Operational Risk - Neither the Licensor of the Index, nor the Manager nor the Trustee guarantee the accuracy and/or the completeness of the Index nor any data included in the Index.

30 **OVERSUBSCRIPTION** In the event of oversubscription of the ETFs, additional Units will be registered with SEC and allotted to subscribers subject to the approval of the Commission and registration of the additional units

31. **FORECAST YIELD (EXTRACTED FROM REPORTING ACCOUNTANTS’ REPORT) FOR VETIVA BANKING ETF**

Year ending December 31st	1 N'000	2 N'000	3 N'000
Net Asset Value at the beginning of year	343,210	396,971	468,856
Gross investment income	59,032	77,840	101,156
All Fees, Expenses and Tax	(5,271)	(5,955)	(7,033)
Net Asset Value at the end of year	396,971	468,856	562,980
Increase in Net Asset Value	53,761	71,885	94,124
Return on Investment (%)	15.66%	18.11%	20.08%



32. FORECAST YIELD (EXTRACTED FROM REPORTING ACCOUNTANTS' REPORT) FOR VETIVA CONSUMER GOODS ETF

Year ending December 31st	1	2	3
	N'000	N'000	N'000
Net Asset Value at the beginning of year	353,139	392,567	442,743
Gross investment income	44,849	56,064	75,868
All Fees, Expenses and Tax	(5,421)	(5,888)	(6,641)
Net Asset Value at the end of year	392,567	442,743	511,969
Increase in Net Asset Value	39,427	50,176	69,227
Return on Investment (%)	11.16%	12.78%	15.64%

33. FORECAST YIELD (EXTRACTED FROM REPORTING ACCOUNTANTS' REPORT) FOR VETIVA INDUSTRIAL ETF

Year ending December 31st	1	2	3
	N'000	N'000	N'000
Net Asset Value at the beginning of year	312,937	355,994	409,105
Gross investment income	48,192	58,807	78,899
All Fees, Expenses and Tax	(5,135)	(5,696)	(6,546)
Net Asset Value at the end of year	355,994	409,105	481,458
Increase in Net Asset Value	43,057	53,111	72,353
Return on Investment (%)	13.76%	14.92%	17.69%

The effective yield on the Funds will be a function of the prices at which the underlying assets are acquired. The Funds cannot guarantee future returns and the value of its investments may rise and fall. The above forecast yields, therefore, should not be regarded by an investor as a promise or guarantee of returns, but is provided for indicative purposes. The actual future returns may be materially different from the forecast.

There is no guarantee or assurance of exact or identical replication of the performance of the index.

34. SELLING RESTRICTIONS Under no circumstances shall this Prospectus constitute an offer to sell or the solicitation of an offer to buy or shall there be any sale of these Units in any jurisdiction in which such offer or solicitation or sale would be unlawful.

35. GOVERNING LAW The Offer Documents will be governed by and construed in accordance with the laws of the Federal Republic of Nigeria.



5. THE OFFER

A copy of this Prospectus together with the documents specified herein, having been approved by the Trustee, has been delivered to the Securities and Exchange Commission for registration. This Prospectus is issued under the provisions of the ISA and in compliance with the requirements of the SEC Rules and Regulations for the purpose of giving information to the public with regard to the Offer for Subscription of Units in the Vetiva Sector Series ETFs to be managed by Vetiva Fund Managers Limited.

The Directors of the Fund Manager individually and collectively accept full responsibility for the accuracy of the information contained in this Prospectus. The Directors have taken reasonable care to ensure that the facts contained herein are true and accurate in all respects and confirm, having made all 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 or untrue.



VETIVA

CAPITAL MANAGEMENT LIMITED
RC.485600

ON BEHALF OF



VETIVA

FUND MANAGERS LIMITED
RC: 981804

OFFER FOR SUBSCRIPTION

OF

VETIVA SECTOR SERIES ETFs

NAME OF FUND	UNITS	BENCHMARK INDEX
Vetiva Banking ETF	100,000,000	NSE Banking Index
Vetiva Consumer Goods ETF	40,000,000	NSE Consumer Goods Index
Vetiva Industrial ETF	15,000,000	NSE Industrial Index

(Authorized and Registered as Exchange Traded Funds with the Securities & Exchange Commission)

Payable in full on Application

The Application List for the Units now being offered will open on 3rd August 2015 and close on 28th August 2015



6. CORPORATE DIRECTORY OF THE FUND MANAGER

VETIVA FUND MANAGERS LIMITED:

Plot 266B, Kofo Abayomi Street
Victoria Island
Lagos, Nigeria
Telephone: +234 1 461 7521-3, +234 1 270 0657-8
[Email: info@vetiva.com](mailto:info@vetiva.com)
[Website: www.vetiva.com/funds](http://www.vetiva.com/funds)

DIRECTORS OF THE FUND MANAGER:

CHUKA ESEKA (*Chairman*)
Plot 266B, Kofo Abayomi Street
Victoria Island
Lagos

OLAOLU MUDASIRU (*Non-Executive Director*)
Plot 266B, Kofo Abayomi Street
Victoria Island
Lagos

DAMILOLA AJAYI (*Managing Director/CEO*)
Plot 266B, Kofo Abayomi Street
Victoria Island
Lagos

COMPANY SECRETARY & REGISTERED OFFICE:

ALP NOMINEES
21 Military Street
Onikan
Lagos

PRINCIPAL OFFICERS OF THE FUND MANAGER:

Mr. Damilola Ajayi
Mr. Pabina Yinkere



7. THE TRUSTEE AND PROFESSIONAL PARTIES TO THE OFFER

ISSUING HOUSE:	Vetiva Capital Management Limited Plot 266B, Kofo Abayomi Street Victoria Island Lagos
TRUSTEE TO THE FUND:	Union Trustees Limited Union Bank House 2/4 Davies Street, Lagos Island Lagos
CUSTODIAN TO THE FUND:	UBA Plc (Global Investors Services) UBA House (12th Floor) 57 Marina Lagos
SOLICITORS TO THE OFFER:	Akindelano Legal Practitioners 21, Military Street Onikan, Lagos
SOLICITORS TO THE TRUSTEE:	Abraham and Co 139B Eti Osa Street Dolphin Estate Lagos
REPORTING ACCOUNTANTS:	Rosewater Partners 5 Shagamu Avenue Off Association Avenue Ilupeju, Lagos
AUTHORISED DEALER / MARKET MAKER	Vetiva Securities Limited Plot 266B, Kofo Abayomi Street Victoria Island Lagos
TRANSFER AGENT:	Central Securities Clearing System Plc. 12 th Floor, NSE Building 2/4 Customs Street Lagos
AUDITOR TO THE FUND:	KPMG Professional Services KPMG Tower Bishop Aboyade Cole Street Victoria Island, Lagos
CUSTODY BANK:	UBA Plc (Global Investors Services) UBA House 57 Marina Lagos



8. INFORMATION ON THE VETIVA SECTOR SERIES ETFs

1. About the Vetiva Sector Series ETFs

The Vetiva Sector Series ETFs refers to the collective name of the Exchange Traded Funds (see details below) issued by Vetiva Fund Managers Limited (“VFM” or “Fund Manager”). These securities will be listed and traded on the Daily Official List of The Nigerian Stock Exchange (“NSE”) in much the same way as any listed share.

NAME OF FUND	BENCHMARK INDEX
Vetiva Banking ETF	NSE Banking Index
Vetiva Consumer Goods ETF	NSE Consumer Goods Index
Vetiva Industrial ETF	NSE Industrial Index

By owning units in the ETFs, an investor will obtain market exposure to the constituent companies of the relevant Index (“Index”). This will enable an investor to substantially replicate the price and yield performance of the relevant Index.

Since the ETFs are based on Indices, this means that the unit price of the relevant ETF on the NSE should track the movements of the relevant Benchmark Index. In addition, a Holder ought to receive distributions equal *pro rata* to the distributions (i.e. yield return) less expenses, which would be earned if that Holder held the constituent shares comprising the benchmark Index directly.

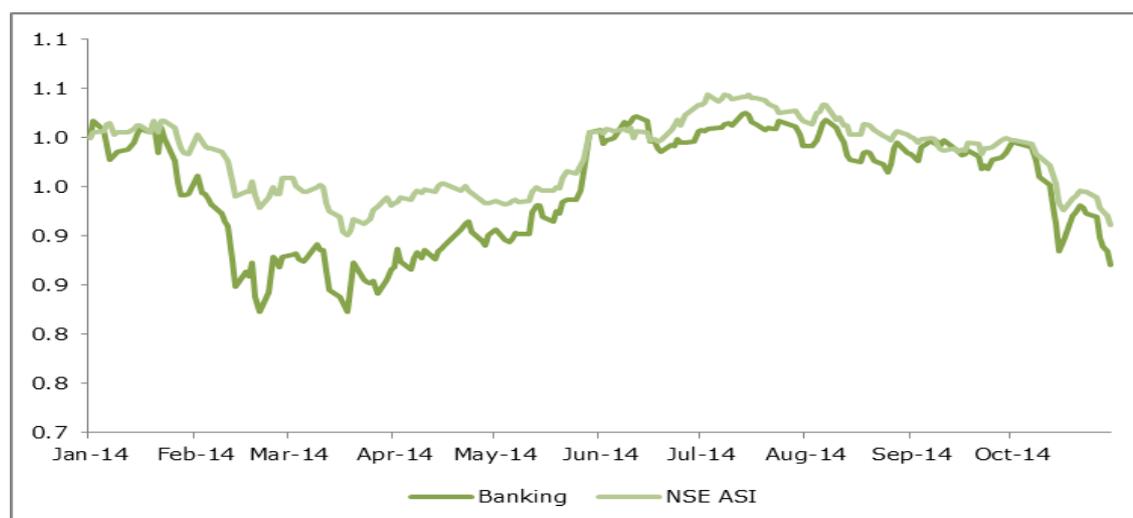
A unit in the ETF represents an agreement entered into between the Holder and the ETF Trust, in terms of which the ETF Trust transfers a properly weighted basket of the constituent companies of the relevant benchmark Index (a “basket”) to the Holder, delivery of which is deferred until required by the Holder and subject to minimum value thresholds.

An application has been made to the Council of the NSE for the Quotation and listing of the ETF units and upon approval, the units would be listed under the “Exchange Traded Fund (ETF)” sector of the Daily Official List of the NSE. Once issued, the ETFs will be traded in the secondary market in a minimum of one unit.

2. About the Benchmark Indices

The NSE Banking Index (NSE BI)

The NSE BI is an index which comprises securities selected from the Banking Sector listed on the NSE. The selection of the constituent securities in the NSE BI is based on the most capitalized and liquid companies in the banking sector. The Index is intended to reflect the performance of the Banking stocks in the Nigerian equity market.



8. INFORMATION ON THE VETIVA SECTOR SERIES ETFs

The index is managed by the NSE and was created to provide an investable benchmark to capture the performance of the banking sector. Permission has been granted to VFM, in terms of license agreement, to use the Index and develop an Index ETF on the NSE BI.

The NSE Consumer Goods Index (NSE CGI)

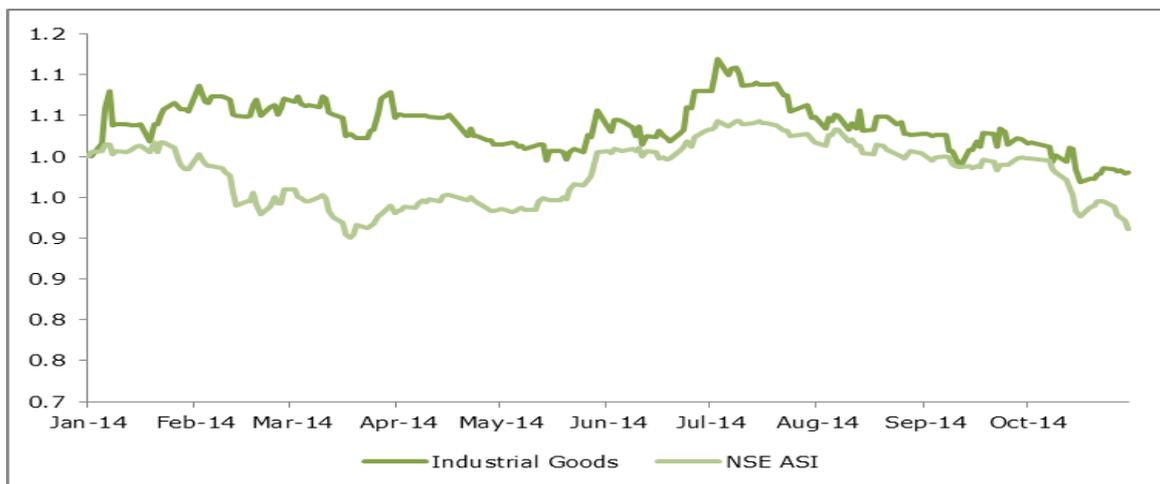
The NSE CGI is managed by the NSE and was designed to provide an investable benchmark to capture the performance of the consumer goods sectors, this index comprises the most capitalized and liquid companies in food, beverage and tobacco.



Permission has been granted to VFM, to use the Index and develop an Index ETF on the NSE CGI.

The NSE Industrial Index (NSE II)

The NSE II is managed by the NSE and was designed to provide an investable benchmark to capture the performance of the Industrial sectors, this index comprises the most capitalized and liquid companies in the industrial sector.



The NSE II is an equity index that has a limit on the weight of any single security. The index is capped so as to prevent any single security from exerting a disproportionate influence on the index. The capping is based on the condition that no individual listed equity can have a weighting of more than 50%.

Permission has been granted to VFM, to use the Index and develop an Index ETF on the NSE II.



8. INFORMATION ON THE VETIVA SECTOR SERIES ETFs

3. Methodology

The benchmark Indices are based on Market Capitalization methodology.

The Stocks are picked based on their market capitalization from the most liquid sectors. The liquidity is based on the number of times the stock is traded during the preceding two quarters. For a stock to be included in any of the Indices the stock must be traded for at least 70 percent of the trading sessions. Only fully paid common shares, denominated in the Nigerian Currency are included in any of the Indices. Preferred shares, convertibles, bonds and mutual funds are all excluded.

Re-Balancing/Re-Weighting

Constituents of the NSE indices are reviewed, re-balanced, re-weighted and changed on a semi-annual basis — on the first business day in January and in July, whereby constituents are changed (added or deleted) based on their market capitalization and liquidity in the previous two quarters.

The components of the Index are subjected to the above rules on a semi-annual basis and rebalanced accordingly. Also, the index is adjusted to account for Corporate Actions distributions from the Constituent Companies. (Please refer to pages 63 & 64 for the full list of the Constituent companies for H2 2014 i.e. rebalanced 31st December 2014).

4. Pricing of the ETF units

The price that would be paid or received for units in the any of the Funds or ETFs will be determined by the prevailing market price on the NSE at the time of the trade. The ETF units are priced so as to ensure that their NSE trading price remains equivalent to 1/100 of the value of the relevant Benchmark Index plus an amount which represents a *pro rata* portion of any accrued net income (income accruals less permissible expenses).

The actual market prices may be affected by supply and demand and other market variables. However, the ability of a holder to claim delivery of a block of the ETFs, should substantially minimise any differential which may otherwise arise between the price at which units in the ETFs trade and the value of the underlying basket of securities.

5. Investment Objective and Policy of the ETFs

Fund	Investment Objective and Policy
Vetiva Banking ETF “VB ETF”	<p>VB ETF is designed to enable Holders obtain market exposure to the Constituent Companies comprising the NSE BI in an easily tradable form as listed securities tradable on the NSE (or any other licensed exchange on which VB ETF may be listed) and to replicate, so far as possible, the price and yield performance of the NSE BI by holding only securities in substantially the same weightings in which they are included in the NSE BI.</p> <p>The investment objective of the VB ETF Trust is to track the NSE BI and at all times to match, as closely as possible, VFM’s contractual obligations under the delivery rights attaching to the issued ETF Securities.</p>
Vetiva Consumer Goods ETF “VCG ETF”	<p>VCG ETF is designed to enable Holders obtain market exposure to the Constituent Companies comprising the NSE CGI in an easily tradable form as listed securities tradable on the NSE (or any other licensed exchange on which VCG ETF may be listed) and to replicate, so far as possible, the price and yield performance of the NSE CGI by buying only securities in substantially the same weightings in which they are included in the NSE CGI.</p> <p>The investment objective of the VCG ETF Trust is to track the NSE CGI and at all times to match, as closely as possible, VFM’s contractual obligations under the delivery rights attaching to the issued ETF Securities.</p>



8. INFORMATION ON THE VETIVA SECTOR SERIES ETFs

Vetiva Industrials ETF “VI ETF”

VI ETF is designed to enable Holders obtain market exposure to the Constituent Companies comprising the NSE II in an easily tradable form as listed securities tradable on the NSE (or any other licensed exchange on which VI ETF may be listed) and to replicate, so far as possible, the price and yield performance of the NSE II by buying only securities in substantially the same weightings in which they are included in the NSE II.

The investment objective of the VI ETF Trust is to track the NSE II and at all times to match, as closely as possible, VFM’s contractual obligations under the delivery rights attaching to the issued ETF Securities.

6. Structure

Vetiva Fund Managers Limited is duly regulated and registered by the Securities & Exchange Commission (“SEC”) to carry on business as a Fund/Portfolio Manager.

The Trust is the entity which owns the assets of the respective ETFs and with which the contracts comprising the ETF Securities are concluded. The ETF Securities enable the Holders thereof to track the benchmark Index. The Underlying Portfolios will be held within the ETF Trusts for the benefit of Unitholders. The trustee of the Trusts (VB ETF Trust, VCG ETF Trust, VI ETF Trust) Union Trustees Limited, is an independent trustee appointed by the Directors of Vetiva Fund Managers Limited.

The potential income beneficiaries of the Trusts will comprise all Holders of the corresponding ETF Securities. It is anticipated that the Trusts will distribute semi-annually on any net income available for distribution within the ETF Trusts and that Holders will participate on a pro rata basis in such distributions. However, there can be no guarantee that Holders will receive semi-annual distributions.

The investment policy of both Vetiva Fund Managers Ltd and the respective ETF Trusts will at all times be the establishment and maintenance of a substantially “fully covered” position, so that the ETF Trusts’ assets should at all times at least equal the full extent of the relevant ETF Securities’ liabilities under the terms and conditions of the ETF Securities. Regular returns as required by the regulators will be filed to confirm the “fully covered” status of the ETF Trusts’ assets.

7. Investment policy of the ETF Trusts

The Fund Manager will pursue the objective of replicating, as far as practicable, the price and yield performance of the corresponding benchmark Indices, by holding a portfolio of securities on behalf of unit holders that substantially represents the component securities of the corresponding Indices. The respective Fund aims to achieve its objective by using a passive or index strategy approach to substantially replicate the investment performance of the respective indices.

The composition of the ETF Trusts’ portfolios will be adjusted periodically to conform to changes in the composition and weighting of the securities in the corresponding benchmark Index so as to ensure that the changes made to the underlying portfolios are a reflection of the constituents of the corresponding benchmark Index. The ETF Trusts’ ability to replicate the price and yield performance of the Indices will be affected by the costs and expenses incurred by the respective ETF Trust.

The respective ETF Trusts will not be actively managed. The traditional method of active management involves the buying and selling of securities based on economic, financial and market analysis and investing judgment. The standard investment objective and style of the respective ETFs will be replication of the corresponding Index, i.e. passive. As a result, the financial or other conditions of any Constituent Company will not result in the elimination of its securities from the ETF Trusts’ portfolios unless the securities of that company are removed from the corresponding Index.

The Fund Manager is obliged to ensure tracking of the respective Indices by purchasing and holding, in the requisite quantities, as far as possible, the actual underlying shares comprising the benchmark Indices. However, under certain conditions, the Fund Manager may utilize a representative sampling strategy where it is impracticable to acquire the securities in the benchmark Indices (such as when a security becomes temporarily



8. INFORMATION ON THE VETIVA SECTOR SERIES ETFS

illiquid or unavailable). Representative Sampling involves holding a sample of securities in a benchmark index as per the methodology of the benchmark index. Hence, there is no guarantee or assurance of exact or identical replication at any time of the performance of the benchmark Indices (NSE Banking Index, NSE Consumer Goods Index, NSE Industrial Index).

The Fund Manager may also and only on a temporary basis employ such other investment techniques and acquire such other exchange-listed instruments as will most efficiently give effect to the stated investment policies and objectives of the respective ETF Trust of which the Trustees and the Commission will be informed accordingly.

8. Subscription of Units in the Initial Offer

The price payable by an investor who subscribes for units during the initial offer period may be discharged in one of two ways: either by a payment in cash in Naira or by the delivery of one or more Baskets (i.e. in specie subscription). *Please note that no late applications will be accepted.*

- **Cash Subscription:**

The Fund Manager allows cash purchases of Units in the respective Funds. The Investor indicates the amount of units applied for and deposits an estimated cash consideration for the subscription based on 1/100 of the closing value of the relevant benchmark Index of the preceding day.

On receipt of the Subscription, the Fund Manager/Authorised Dealer will arrange to buy the underlying portfolio securities over the ramp-up period. Consequently, the final issue unit price, with respect to a Basket, for an Investor who subscribed with cash during the Initial Offer, will be determined as the average consideration of the underlying securities of a basket acquired over the ramp period less relevant transaction costs.

If, after the issue of units, it transpires that an applicant's Cash Subscription (net of the transaction costs and any other costs incurred in relation to the acquisition of the Constituent) is not an exact multiple of the Offer Price under the Initial Offer, then the Applicant will be issued with such units of the ETF Securities as may be fully paid-up out of his subscription allocation (less the transaction costs and any other costs incurred in relation to the acquisition of the Constituent Securities).

Accordingly, each Applicant must make arrangements to make necessary payments. The portfolio deposit purchased will then be exchanged for the Units in the Fund.

- **“In specie” Subscriptions:**

In respect of *in specie* subscriptions, the subscribers to any of the Funds, will subscribe on a “Securities for Units” basis. The minimum price payable by an investor is a Basket of the constituent securities. In addition to the delivery of the relevant Baskets, an applicant shall be required to pay, in cash, transactions costs (if any) payable on the transfer of the constituent securities to the relevant Fund’s Custodian account.

Investors are advised that Baskets relating to *in specie* subscriptions on the Initial Offer will only be accepted if such Basket contains the specific number of Constituent Securities as specified by the Manager. The Authorised Dealer will determine if such Basket or Baskets meets the relevant criteria imposed by the Manager prior to delivery of such Basket or Baskets by the Investor.

Investors will then be informed of the number of units of the relevant Fund allocated to them based on the number of the Baskets delivered by such Investor. Investors wishing to subscribe *in specie* should deposit with their Stockbroker on or before the Offer Closing Date, the relevant number of Constituent Securities and cash (to the extent required for costs) to comprise one or more such Baskets.

Investors must instruct their Stockbrokers to deliver to the Manager one or more Baskets as is necessary to set-off against the subscription price (together with any charges thereon, if applicable) to the Custodian Account of the Trustee/Fund.

Accordingly, each Investor must ensure that their Stockbroker is in a position to deal with the Central Securities Clearing System Plc (Depository) to receive units of the ETF against confirmation of the transfer of the Constituent Securities to the Trust.



8. INFORMATION ON THE VETIVA SECTOR SERIES ETFs

- The fees may include Transfer fees (subject to a maximum of 100 basis points of consideration), Stamp duty charges and or the relevant investor's broker's charges;
- Subscribers under the Offer for Subscription should complete the application form accompanying this Prospectus;
- Schedule I-III hereto details the Constituent Companies which the investor is required to deliver;
- Delivery will be by detachments to the relevant Trust's account subsequent to the execution of the relevant documentation;
- Units in the Funds will be issued to subscribers on the Listing Date via the relevant CSCS account specified by the Subscriber, except where a certificate is specifically requested for by the subscriber.

9. Listing of the ETFs

An application has been submitted to the Council of the NSE for the Quotation and Listing of the ETF Securities on the main board of the NSE. The purpose of the proposed listing of the ETFs on the NSE (and any other Exchange on which any of the ETFs may be listed) is to enable Holders buy and sell the ETF on a recognized stock exchange.

The ETFs are structured as open ended funds, i.e. Investors will be able to subscribe for Units for so long as the ETFs remains listed on the NSE.

10. Secondary Market Acquisition of the ETFs

- An investor may buy or sell the ETFs being offered in the Vetiva Sector Series ETFs or any other ETF designed by VFM on the floors of the NSE in the ordinary course of trading.
- As the units of the ETF Securities will be listed on the NSE, purchases (subscriptions) or sales (including redemptions) of the ETF Securities may be made via a stockbroker. This entails that each Investor must open a stockbroking account with a stockbroker of their choice, prior to being able to trade their ETF Securities. Once appointed, such stockbroker will in turn execute such Investor's instructions in the market or transact with the Authorised Dealer. The Manager has outsourced the function of purchasing and selling the ETF Securities to the Authorised Dealer and therefore all purchases and sales of the ETF Securities should be done through the Authorised Dealer.
- As all the units of the ETF Securities will be listed on the NSE, the securities may be freely traded on the NSE on Trading Days during market trading hours. The purchase price for the Securities will be the price of such ETF Securities as trading on the NSE, plus any brokerage fee that may be payable to the Investor's stockbroker. Investors are advised that this price will not necessarily be reflective of the net asset value of the ETF Securities. ETF Securities will only be issued in Dematerialised form. As such, all trades will be settled through the Central Securities Clearing System. Investors can therefore acquire ETF Securities on the secondary market by purchasing through a member of the NSE. There is no minimum trading value for trades made in the secondary market.

11. Post-Listing: Subscription and Redemption

There are two ways in which investors can invest or dispose of units in any of the ETFs:

- Buying or selling in the secondary market of the NSE; or
- Creation (in-specie) and redemption of units in the primary market.

Subscriptions:

Subsequent to the Listing Date, Investors will be able to acquire units in any of the ETFs in the following ways:

(i) *In Specie Subscription*

The minimum price payable by an Applicant investing via in-specie subscription, after the Offer period, is one basket of the constituent Securities. Subscribers should subsequently follow the procedure set out under the sub-heading "Subscription for units in the Initial Offer".



8. INFORMATION ON THE VETIVA SECTOR SERIES ETFs

Furthermore, an investor will be required to deposit the cash component alongside the delivery of the Basket of the constituent securities in the relevant index. The cash component represents accrued dividends, accrued annual charges including Management fees and residual cash in the Fund. In addition the cash component will include transaction costs as charged by the Custodian, Transfer Agent, and other incidental expenses for creating Units. The cash component for creation will vary from time to time and will be made available by the Fund Manager.

(ii) Cash Subscriptions

Investors wishing to subscribe for at least one basket of any of the ETFs with Cash should contact the Authorised Dealer/Fund Manager. The procedure for Cash Subscription(s) shall be as specified by the Authorised Dealer and/or the Manager. However, the procedure for post-listing subscriptions by way of Cash Subscriptions will not be materially different to the process set out under this Prospectus and under the sub-heading "Cash Subscriptions".

Redemptions:

In addition to being able to sell the ETF units in the secondary market through a trade on the NSE, Holders of at least 1 basket of any of the ETFs will be entitled to take delivery of the prescribed number of Baskets on any Trading Day.

The ETF Securities comprising the minimum required block in respect of which the Holder exercises its delivery rights shall be cancelled against delivery of the prescribed number of baskets (together with the appropriate cash amount) to that Holder. A transaction fee will be payable by a Holder exercising its delivery rights under the ETFs. The amount of the aforesaid transaction fee will be published on the Vetiva website on a daily basis. The fees may include Transfer fees, stamp duty charges and or the relevant investor's broker's charges.

A Holder may exercise its delivery rights in respect of one or more whole Blocks of ETF Securities on any Trading Day by:

- Forwarding a properly completed delivery notice to the Fund Manager for onward delivery to the Transfer Agent and Custodians. Delivery notices delivered to the Manager on or before 9.30a.m. will, if accepted, be dealt with using the composition of a Basket of Shares representing the relevant Index close of business on the previous Trading Day. If a delivery notice is received after 9.30a.m. on the relevant Trading Day, the delivery notice will automatically be submitted for acceptance on the next succeeding Trading Day. If a delivery notice is accepted, the relevant Holder will receive confirmation of such acceptance before close of business on the Trading Day on which the delivery notice is received.
- In addition the Holder shall receive confirmation of the number of shares of each of the Constituent Companies comprising the Basket(s) to be delivered to that Holder, the amount of cash (if any) which will be paid to it (after taking into account any stamp duty charges incurred in relation to the Basket or Baskets and any transaction fee which may be charged, all of which will be for the account of the Holder) and details of the account into which such payment shall be made. The cost of any settlement by electronic bank transfer will be passed on to the Holder.

12. Rebalancing of the portfolio of securities held by the ETF Trusts

As the investment objective of the ETF Trusts is to track the price and yield performance of the corresponding Index, any change to any of the benchmark Indices (for example a change in the composition of the Indices and/or in the weighting of the securities within the Indices) will require the ETF Trusts to make corresponding adjustments to its portfolio from time to time.

The Fund Manager may adjust the composition and/or weighting of the securities held in the ETF Trusts' portfolios from time to time and shall, to the maximum extent practicable, immediately conform to changes in the composition and/or weighting of the securities within the relevant Index. Adjustments to the portfolio of securities held by the ETF Trusts will be made when, for example, corporate events occur which result in a change in the composition and/or weighting of the Indices.

Although the investment objective of the respective ETF Trust is to provide investment results which track the performance of the corresponding Indices, it will not always be efficient to replicate the composition and/or weighting of the Indices precisely if the transaction costs incurred by the ETF Trusts in adjusting its portfolio would exceed the expected misweighting. Accordingly, minor misweightings will generally be permitted.



8. INFORMATION ON THE VETIVA SECTOR SERIES ETFs

The Fund Manager will rely ultimately on the NSE for information as to the composition and/or weighting of the Indices. If the Portfolio Manager is unable to obtain such information on any business day then the composition and/or weighting of the most recently published will be used for the purpose of all adjustments.

13. Distributions

It is anticipated that the Funds will effect distributions if approved by the ETF Trusts. All distributions will be paid out of the ETF Trusts' income net of expenses. Distributions will be effected by the Transfer agent on behalf of the ETF Trust.

The costs of effecting distributions will be deducted from the gross income figure. Any distribution which is unclaimed twelve (12) years from the date it became payable shall be forfeited and become the property of the ETF Trusts.

Notwithstanding the foregoing, it should be noted that though Holders are beneficiaries of the ETF Trusts, there can be no guarantee that they will receive distributions.

14. Market Making Process of the ETF Securities

An Authorized Dealer/Liquidity Provider has been appointed to provide market liquidity (execute the sale and purchase) to retail investors on the NSE by continuously providing quotes on the floor of the Nigerian Stock Exchange.

15. Determination of Net Asset Value

The Fund Manager shall ensure that the Net Asset Value of each Fund is determined at close of each Trading Day.

The Net Asset Value of each ETF unit shall be calculated by deducting the liabilities from the assets of the ETF Trust and dividing the Net Asset Value of each Trust by the number of units in the respective ETF in issue. The Net Asset Value may be adjusted to the nearest kobo at the discretion of the Fund Manager.

$$\text{NAV} = \frac{\text{Total Assets} - \text{Liabilities} + \text{Cash Amount}}{\text{Total no. of Units in issue}}$$

The value of the assets of the ETF Trusts shall be determined as set out below:

- I. Assets listed or traded on a regulated market for which market quotations are readily available shall be valued at the official closing price on the relevant market for such investment on the Trading Day in respect of which the valuation is being effected.
- II. If an asset is listed or traded on several regulated markets, the official closing trading price on the NSE will be used. In the event that on the relevant Trading Day any assets are not traded on any regulated market and market quotations are not readily available, then such assets shall be valued at their last traded price on the NSE.
- III. Cash and other liquid assets will be valued at their face value with interest accrued, where applicable. Any Distribution Amount within each Trust shall form part of the assets of the Trusts for the purpose of calculating Net Asset Value of the Trust.
- IV. In the event of it being impossible or impractical to carry out a valuation of a specific asset/investment in accordance with the valuation rules set out above, or if such valuation is not representative of the fair market value in the context of marketability and such other considerations which are deemed relevant, the Portfolio Manager (or its duly appointed agent, as the case may be) is entitled to use other generally recognised valuation methods in order to reach a proper valuation of that specific asset/investment.

16. Fees and Charges (on-Going)

Each ETF Trust is responsible for all of its fees, costs and expenses and any out-of-pocket costs and expenses incurred on behalf of the Fund by Vetiva Fund Managers Limited in relation to the following: (i) management, administration, advisory and other third party services; (ii) taxes (including Value-Added Tax, stamp duty); (iii)



8. INFORMATION ON THE VETIVA SECTOR SERIES ETFs

commissions and brokerage fees; (iv) auditing and legal fees, (v) the costs and expenses of maintaining a listing of the ETF Securities on stock exchanges, and (vi) other operating expenses.

Fund Manager	An annual management fee of 0.4% of the Net Asset Value of the Fund, payable quarterly in arrears.
Trustees	An annual fee of 0.05% of the Net Asset Value, payable annually in arrears subject to a minimum of ₦600,000.00
Custodian	An annual fee of 0.0375% of the Net Asset Value, payable annually in arrears.
Transfer Agent	An annual fee to be paid based on volume.

The annual expense of each Fund comprises all fees, costs and expenses connected with the management and operation of each Fund and the corresponding Trusts and the assets within the ETF Trusts, including, but not limited to, the fees and reasonable out-of-pocket expenses of the Fund Manager, the costs and expenses of maintaining the listing of the ETFs on any stock exchange on which the ETFs are listed, professional fees and expenses, annual audit fees, marketing expenses and trustee fees.

17. Publication of NAV

Except where the determination of the Net Asset Value has been suspended, in the circumstances described below, the Net Asset Value per unit shall be made available on a daily basis on the Fund Manager's website. Such information shall relate to the Net Asset Value of the previous Trading Day and is published for information purposes only. Such information shall not constitute an invitation to subscribe for or convert ETF units at that Net Asset Value.

18. Investor Profile

Investment in the Vetiva Sector Series ETFs is open to the following:

- local institutional investors, foreign investors and individuals;
- Investors looking to avoid the technicalities of stock picking;
- Investors who wish to reduce concentration risk by diversifying their investments; this can be achieved by selecting any of the ETFs.

Foreign currency subscriptions shall be processed at the autonomous exchange rate advised by the Fund Manager. Certificate of capital importation should be issued by the receiving local bank to foreign currency subscribers as it will be required for subsequent repatriation in freely convertible currency of proceeds from redemption of the index securities (in cash) or from any distribution of income.

19. Risk Factors

It is important to note that like any other investment, investment in the Vetiva Sector Series ETFs Series is subject to certain risks. The risks associated with the investment may be divided into the following types: (a) Investment Risk (b) Index Risk (c) Secondary Trading risk (d) Operational Risk.

a) Investment risk

- There can be no assurance that the ETF Trusts will achieve the investment objective (as set out in the section entitled "Investment objectives and policies").
- The Net Asset Value of the ETFs will rise and fall as the capital value of the Underlying Portfolio held by the ETF Trusts fluctuates.
- The total return achieved on the ETF Securities will be impacted upon by the total return achieved on the Underlying Portfolio held by the ETF Trusts and the return achievable on each ETF can be expected to fluctuate in response to changes in the total return achieved by the Underlying Portfolio. The total return achieved will also be impacted upon by distributions, if any, that Holders may or may not receive. It is to be noted that the ambition of the structure is to provide Holders of the ETF Securities with a price and yield return equal to the price and yield return on a pro rata portion of a Basket.



8. INFORMATION ON THE VETIVA SECTOR SERIES ETFs

- The ETF Trusts may not be able to replicate exactly the performance of the corresponding indices because the total return generated by the Underlying Portfolio held by the ETF Trust will be reduced by certain costs and expenses incurred by the ETF Trusts. Such costs and expenses are not incurred in the calculation of the Indices. The ETF Trusts may also not fully replicate the performance of the corresponding Index owing to the temporary unavailability of certain securities in the secondary market or owing to other extraordinary circumstances and, accordingly, there may be a deviation from the precise weighting of the Indices.
- Where securities comprising the Indices are suspended from trading or where other market disrupting events occur it may not be possible to immediately rebalance the portfolio of securities held by the ETF Trust and this may lead to a tracking error.
- There is a risk that Vetiva Fund Managers Limited will exercise its right to place a temporary moratorium on the exercise by holders of the delivery rights attaching to the ETF Securities. In any given year Vetiva Fund Managers Limited shall not suspend the delivery rights attaching to any of the ETF Securities being issued for more than 90 Trading Days, in aggregate, provided that the approval of the Trustee and the Commission is obtained before any such suspension. The imposition of any such moratorium shall not affect the tradability of the ETF Securities on the NSE. A temporary moratorium may be placed if:
 - pursuant to a request by an investor for delivery of one or more baskets, the manager is unable to deliver any of the constituent securities to an investor due to the fact that trading in any one or more of the securities in the underlying portfolio is restricted, terminated or suspended and/or assets are not at the manager's disposal as a result of a suspension or de-listing of any of the Index constituents or for any other reason (in which event, such security or securities shall be excluded from the portfolio and delivered to the investor after the suspension is lifted or after the de-listed securities become available, as the case may be); or
 - The computer or other facilities of the NSE malfunctions, calculation of the Index Level of the Indices may be delayed and trading in the ETF Securities may be suspended for a period of time.
- Holders holding less than 1 Block of any of the ETFs may not demand delivery by Vetiva Fund Managers Limited of the prescribed basket(s) of shares and, if it is the intention of such Holders to reduce their holding of the ETF they may have to do so by selling or otherwise disposing of such ETF Securities in the secondary market.
- It is anticipated that the ETF Trusts will effect semi-annual distributions from net income available for distribution within the ETF Trusts. However, there can be no guarantee that Holders will receive semi-annual distributions and holders will have no right to require the trustee of the respective ETF Trust to effect semi-annually distributions.

b) Index Risk

- There is no assurance that the Indices will continue to be calculated and published on the same or a similar basis indefinitely. The Indices were created by the NSE as a measure of market performance and not for the purpose of trading in ETF Securities. Accordingly, the NSE, as proprietor of the Indices may adjust or withdraw the indices without regard to the particular interests of Holders.
- The past performance of the Indices is not necessarily a guide to its future performance.
- If for any reason the Indices ceases to exist then if, in the reasonable opinion of the Directors, there are successor Indices composed and weighted according to substantially similar criteria as are applied with respect to The Index, the portfolio of securities held by the ETF Trusts shall be adjusted to track the agreed successor Indices.
- If in the reasonable opinion of the Directors there are no appropriate successors to any of the Indices, then the ETF Trusts will continue to hold the portfolio of securities which it held at close of trading on



8. INFORMATION ON THE VETIVA SECTOR SERIES ETFs

the last day on which the Indices existed. The ETF Securities will thereafter track the price and yield performance of that particular portfolio, of which portfolio will thereafter cease to be adjusted. Exercise of the delivery rights attaching to a Block of the ETF Securities will, in this circumstance, give rise to the right to claim delivery of a Basket as constituted on the last day on which the Indices existed.

c) *Secondary Trading Risk*

- There can be no certainty as regards the liquidity in the ETF Securities on the NSE or that the unit market price of any of the ETFs will be the same (or substantially the same) as its Net Asset Value.
- There can be no guarantee that, once the ETF Securities are listed on a stock exchange, they will remain listed.

d) *Operational Risk*

- If shares in Constituent Companies are suspended or cease trading for any reason, the suspended shares will not be delivered to a Holder exercising its right to take delivery of a Basket of Shares until the suspension on trading in respect of those shares is lifted.
- If the computer or other facilities of the NSE malfunction, calculation of the Indices may be delayed and trading in the ETF Securities may be suspended for a period of time.
- Adjustments to the portfolio held by the ETF Trust (necessitated by adjustments to the Indices) could affect the underlying market in shares of Constituent Companies which, in turn, would be reflected in the values of the Indices and the Basket Price. Similarly, issue of the ETF Securities may result in an impact on the market for shares of the Constituent Companies caused by buying or borrowing of shares of the Constituent Companies to constitute Baskets of Shares for deposit with the ETF Trusts, or by virtue of the ETF Trusts purchasing shares in Constituent Companies in acquiring its Underlying Portfolios.

20. *Benefits of Investing in the Vetiva Sector Series ETFs*

- **Diversification:** The ETFs will serve as an important diversification tool for pension fund administrators, funds of funds, individual investors, foreign investors and all portfolio managers, amongst others who seek to profitably invest in the Nigerian equities markets.
- **Professional Management:** The Funds will offer investors the opportunity to gain from professional portfolio management and advisory team with experience in successfully managing investment portfolios similar to the Fund through different market cycles.
- **Accessibility:** Tracking an index through a direct investment in its constituents is very difficult, particularly for a small investor. To track the Index effectively, investors need to monitor the Index and any index developments on a daily basis. All constituents of the Index have to be traded individually and dividends have to be managed whenever paid. The ETF Securities confer on the Unitholder of one security a proportionate share in the economic benefits of all of the securities issued by the constituent companies comprising the Index. The ETF securities are attractive to professional investors, providing a useful asset allocation and cash management tool.
- **Excellent Fund Structure:** The structure of the Funds shall promote good governance, enhanced investor protection and successful investment outcomes. The Funds structure separates investment decision making functions from asset custody, in line with recommended best practice.
- **Economies of Scale:** The Fund Manager aims to use the advantage of the Fund size and the platform of the Fund Sponsor to reduce transaction costs and consequently enhance portfolio returns.
- **Liquidity:** ETFs are a fast, liquid, convenient and cost-effective way to invest in Indices, as a single security purchase gives exposure to the relevant index.



8. INFORMATION ON THE VETIVA SECTOR SERIES ETFs

21. Fund Reporting

The Manager shall take steps to ensure that the quarterly reports of the ETFs are published on its website. Such quarterly reports shall be published within a period of one month of the period to which each quarterly report relates.

The Trustee and the Manager shall ensure that the Custodian carries out a reconciliation of all the Units of the ETF and its underlying assets on a quarterly basis and also, both shall ensure that the Custodian submits such reports to the Commission.

22. Information available to the public

The following details would be made available to the Public via the Fund Manager's website, www.vetiva.com/funds

- The indicative optimum value (IOPV) per unit at the close of the day;
- The portfolio deposit and NAV per unit at end of the trading day, daily;
- The number of units in circulation, monthly;
- Index level for the preceding day;
- The constituents of the Indices, on a quarterly basis.

23. Issuers track record

Vetiva Fund Managers Limited ("VFML"), since it commenced operations in November, 2013 has issued two Funds, the Vetiva Griffin 30 ETF (VG 30 ETF) and the DV Balanced Fund.

VETIVA GRIFFIN 30 EXCHANGE TRADED FUND ("VG 30 ETF")

VFML launched the first Equity Exchange Traded Fund to raise ₦2.9Billion and recorded an oversubscription of 154%. The VG 30ETF was listed on the floors of the Nigerian Stock Exchange in March 2014. The VG 30 ETF tracks the NSE 30 Index; the ETF is designed to provide investors quick, easy and transparent access to the 30 most capitalized stocks listed on the Nigerian Stock Exchange. The VG 30 ETF has consistently tracked the NSE 30 Index and is strongly correlated as expected.

PERFORMANCE			
	13-Mar-14*	31-Dec-14	Performance
NAV Per Unit	16.96	15.68	(7.58%)
VG 30 ETF Price	17.27	15.57	(9.84%)
NSE 30 Index	1,727.31	1,563.22	(9.50%)

*Listing Date

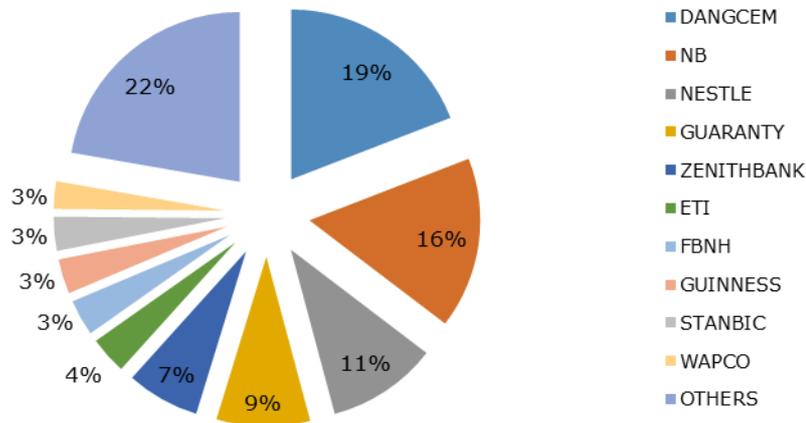
Price Movement vs NAV vs NSE 30



8. INFORMATION ON THE VETIVA SECTOR SERIES ETFs

TOP TEN HOLDINGS AS AT 31ST DECEMBER, 2014

The VG 30 ETF is a 100% equity based fund. The chart below shows the top ten holdings of the Fund as at 31st December, 2014.

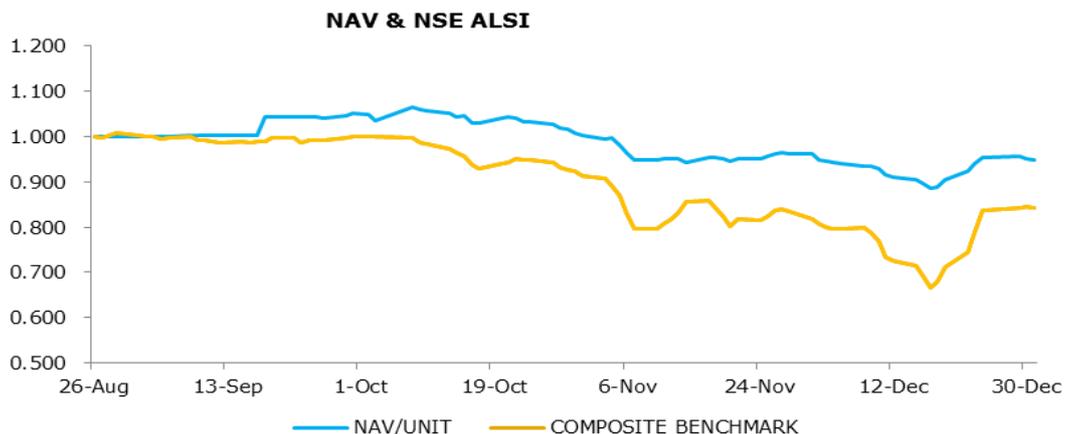


DV BALANCED FUND

The DV Balanced Fund (“The Fund”) is an open-ended unit trust scheme which seeks to invest in a range of securities, including quoted Equities, Fixed Income securities and Money Market instruments. The Fund employs an asset mix strategy which achieves consistent growth primarily from a well-diversified portfolio of stocks. The asset mix also seeks to mitigate volatility associated with Nigerian equities market by holding an appropriate allocation of the Fund’s assets in fixed income instruments. The Fund outperformed the Composite Benchmark at the end of 2014.

PERFORMANCE			
	25-Aug-14*	31-Dec-14	Performance
NAV Per Unit	97.60	91.94	(5.80%)
NSE ALSI	41,339.48	34,657.15	(16.16%)
FMDQ Bond Index	1,012.57	1,145.92	(13.17%)
Composite Benchmark (50:50)	21,123.91	17,901.53	(15.73%)

*Launch Date



9. FINANCIAL FORECAST - VETIVA BANKING ETF

1. Letter from the Reporting Accountants – Vetiva Banking ETF

The following is a copy of the letter on the Financial Forecast by RoseWater Partners, the Reporting Accountants to the Offer:



01 December 2014

The Directors
Vetiva Fund Managers Limited
Plot 266B Kofo Abayomi Street
Victoria Island
Lagos.

Gentlemen,

We have reviewed the accounting bases and calculations for the profit forecast of Vetiva Banking Exchange Traded Fund (for which the Directors of the Fund Manager, Vetiva Fund Managers Limited, are solely responsible) for the years ending 31 December 2015, 2016 and 2017.

In our opinion, the annexed forecast, so far as the accounting bases and calculations are concerned, has been properly compiled based on the bases and assumptions made by the Directors as set out on pages 2 to 4 and is presented on a basis consistent with the accounting policies normally adopted by the company. However, there will usually be differences between forecasts and actual results, because events and circumstances frequently do not occur as expected and these differences may be material.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Yours faithfully
RoseWater Partners
Reporting Accountants


Kayode Sunmola
Managing Partner/CEO
FRC/2013/ICAN/00000004166



9. FINANCIAL FORECAST - VETIVA BANKING ETF

2. Memorandum on the Profit Forecast for Years Ending 31 December 2015, 2016 and 2017

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 forecast of the profits for the years ending 31 December 2015, 2016 and 2017.
- 1.2 The Directors are of the opinion that subject to unforeseen circumstances, the net income before taxation for the years ending 31 December 2015, 2016 and 2017 will be approximately ₦26,304,000; ₦36,301,000 and ₦45,373,000 respectively.
- 1.3 The bases and principal assumptions used by the Directors in the preparation of the profit forecast are stated below.

2. BASES AND ASSUMPTIONS

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

2.1 Bases

(a) *Subscription to the Offer*

The 100,000,000 units of the Fund will be fully subscribed within the initial subscription period under the terms and conditions of the offer. The Offer price shall be determined on the day of the subscription as 1/100th of the value of the NSE Banking Index as at the said date. For the purpose of the Forecast, it is assumed that the index will remain relatively stable (Index value as at reference date of 31st December, 2014 was 351.40 points). Therefore, a tentative initial offer price of N3.51 has been applied in the forecast. During the offer period, the price will change daily in line with movements in Vetiva Banking Index.

(b) *Initial Cost of the Offer*

Total cost associated with the Offer is estimated at 2.33% of the gross proceeds i.e. N8,190,254.50. The amount will be deducted immediately from the Gross Offer Proceeds. Accordingly, net Offer proceeds will amount to approximately N0.343 billion.

(c) The ETF is based on the **NSE BANKING INDEX**.

(d) *Investment of Funds*

The Fund Manager will invest in a portfolio consisting of solely quoted equities (in substantially the same weightings as the NSE Banking Index). The portfolio may be rebalanced occasionally to reflect current market conditions. However, the following strategic asset allocation ranges are generally expected to apply:

Asset Class	Range
Quoted securities	100%

(e) *Fund Management Fees*

A management fee of 0.40% per annum shall be payable quarterly in arrears (i.e. at a rate of 0.10% of the net asset value per quarter).

2.2 Assumptions

The following underlying general assumptions have been used for the Profit Forecast:

- (a) The Fund Manager will be successful at raising the required fund of approximately N0.351 billion to achieve a long-term capital growth of the Fund's assets by investing in a portfolio of securities and instruments to replicate the constituents of the NSE Banking Index.
- (b) The quality of the Fund Manager, Trustee, Custodian and Transfer Agent will be sustained during the forecast period.
- (c) *Political and Economic Factors*
There will be no significant changes in Federal Government's fiscal and monetary policies that will adversely affect the operations of the fund. Also, there will be no significant change in the political and economic environment that will adversely affect the operations of the Fund.
- (d) The annual inflation rate is estimated at 8.9%, 8.4% and 8.7% per annum (2015, 2016 and 2017 respectively).



9. FINANCIAL FORECAST - VETIVA BANKING ETF

- (e) Dividend income is estimated at 8%, 10% and 11% per annum (2015, 2016 and 2017 respectively) of the market value of securities in the Fund's portfolio throughout the forecast period. Dividend is subject to 10% WHT.
- (f) Capital Gains of the stock is projected at an average return of 10%, 12% and 15% per annum (2015, 2016 and 2017 respectively) on the equity portion of the portfolio throughout the forecast period. It is estimated that realized and unrealized gains will average 20% and 80% respectively of the returns on equity investments over the forecast period.
- (g) ROI is estimated at 15.66%, 18.11% and 20.08% for 2015, 2016 and 2017 respectively
- (h) It is anticipated that Vetiva Banking ETF Trust will effect semi-annual distributions of net income (i.e. its income comprising dividends and other investment income less expenditures) to Registered Holders on the relevant Record Dates. Distribution will be effected proportionately (according to the number of Vetiva Banking ETF Securities held by each registered holder on the relevant Record Date).
- (i) The Fund will bear the cost of licensing, acquiring, valuing and disposing of investments. All administrative, custodial, research and other related expenses to be incurred in the day-to-day operation of the Fund will also be payable by the Fund. Other Operating expenses are estimated to be 1.1% of the opening Net Asset Value for the three years.
- (j) Dividend and interest receipt are subject to relevant taxes. Tax expense is assumed at 10% withholding tax on dividend income over the forecast period. The Fund will not be subject to capital gains tax on realisation of its unrealised gains as all transaction on Nigerian Stock Exchange are exempted from Capital Gains Tax.
- (k) The remuneration of the Manager and all other administrative fees shall accrue on a daily basis.
- (l) All charges and fees for establishing the Fund, including the fees payable to receiving agents, the Securities & Exchange Commission and The Nigerian Stock Exchange, legal and all other related expenses is estimated at 2.33% of the Offer proceeds and amounting to N8.2 million, are payable by the Fund and deductible from the monies raised by the Fund.

3. PROFIT FORECAST FOR THE YEARS ENDING 31 DECEMBER 2015, 2016 AND 2017

The Directors are of the opinion that subject to unforeseen circumstances, and based on the assumptions in note 2.2, the forecast income after taxation for the Vetiva Banking ETF for the years ending 31 December 2015; 2016 and 2017 will be in the order of N26,304,000; N36,301,000 and N45,373,000 respectively as detailed below:

	2015	2016	2017
	N'000	N'000	N'000
INCOME			
Dividend income (Net of WHT)	24,711	33,360	40,219
Realised gain from securities trading	6,864	8,896	12,188
	-----	-----	-----
Gross income	31,575	42,256	52,406
	-----	-----	-----
EXPENSES			
IPO expenses	-	-	-
Fees and operating expenses	(3,865)	(4,367)	(5,157)
Management fees	(1,406)	(1,588)	(1,875)
	-----	-----	-----
Total expenses	(5,271)	(5,955)	(7,033)
	-----	-----	-----
Net income before taxation	26,304	36,301	45,373
Taxation	-	-	-
	-----	-----	-----
Net income after taxation	26,304	36,301	45,373
	=====	=====	=====



9. FINANCIAL FORECAST - VETIVA BANKING ETF

Comprehensive Income Forecast and Appropriations:

	2014	2015	2016
	N'000	N'000	N'000
Net income	26,304	36,301	45,373
Unrealised capital gains	27,457	35,584	48,750
	-----	-----	-----
Retained earnings	53,761	71,885	94,124
Appropriation:			
Retained earnings brought forward	-	27,457	63,041
Distribution	(26,304)	(36,301)	(45,373)
	-----	-----	-----
Retained earnings carried forward	27,457	63,041	111,791

FORECAST YIELD

	2015	2016	2017
	N'000	N'000	N'000
Net Asset Value at the beginning of year	343,210	396,971	468,856
Dividend income (Net of WHT)	24,711	33,360	40,219
Realised gain from securities trading	6,864	8,896	12,188
Unrealised capital gains	27,457	35,584	48,750
	-----	-----	-----
Gross Asset Value at the end of year	402,242	474,811	570,013
Fees and operating expenses	(3,865)	(4,367)	(5,157)
Management fees	(1,406)	(1,588)	(1,875)
Taxation	-	-	-
	-----	-----	-----
Net Asset Value at the end of year	396,971	468,856	562,980
	=====	=====	=====
Increase in Net Asset Value	53,761	71,885	94,124
	=====	=====	=====
Return on Investment (%)	15.66%	18.11%	20.08%
	=====	=====	=====



9. FINANCIAL FORECAST - VETIVA CONSUMER GOODS ETF

3. Letter from the Reporting Accountants – Vetiva Consumer Goods ETF

The following is a copy of the letter on the Financial Forecast by RoseWater Partners, the Reporting Accountants to the Offer:



01 December 2014

The Directors
Vetiva Fund Managers Limited
Plot 266B Kofo Abayomi Street
Victoria Island
Lagos.

Gentlemen,

We have reviewed the accounting bases and calculations for the profit forecast of Vetiva Consumer Goods Exchange Traded Fund (for which the Directors of the Fund Manager, Vetiva Fund Managers Limited, are solely responsible) for the years ending 31 December 2015, 2016 and 2017.

In our opinion, the annexed forecast, so far as the accounting bases and calculations are concerned, has been properly compiled based on the bases and assumptions made by the Directors as set out on pages 2 to 4 and is presented on a basis consistent with the accounting policies normally adopted by the company. However, there will usually be differences between forecasts and actual results, because events and circumstances frequently do not occur as expected and these differences may be material.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Yours faithfully
RoseWater Partners
Reporting Accountants


Kayode Sunmola
Managing Partner/CEO
FRC/2013/ICAN/00000004166



9. FINANCIAL FORECAST - VETIVA CONSUMER GOODS ETF

4. Memorandum on the Profit Forecast for Years Ending 31 December 2015, 2016 and 2017

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 forecast of the profits for the years ending 31 December 2015, 2016 and 2017.
- 1.2 The Directors are of the opinion that subject to unforeseen circumstances, the net income before taxation for the years ending 31 December 2015, 2016 and 2017 will be approximately ₦11,176,000.00; ₦13,562,000.00; and ₦19,066,000.00 respectively.
- 1.3 The bases and principal assumptions used by the Directors in the preparation of the profit forecast are stated below.

2. BASES AND ASSUMPTIONS

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

2.1 Bases

- (a) *Subscription to the Offer*
The 40,000,000 units of the Vetiva Consumer Goods ETF will be fully subscribed within the initial subscription period under the terms and conditions of the Offer. The Offer price shall be determined on the day of the subscription as 1/100th of the value of the NSE Consumer Goods Index as at the said date. For the purpose of the Forecast, it is assumed that the index will remain relatively stable (Index value as at reference date of 31st December, 2014, was 903.54 points). Therefore, a tentative initial offer price of N9.04 has been applied in the forecast. During the offer period, the price will change daily in line with movements in Vetiva Consumer Goods Index.
- (b) *Initial Cost of the Offer*
Total cost associated with the Offer is estimated at 2.29% of the gross proceeds i.e. N8,276,785.70. The amount will be deducted immediately from the Gross Offer Proceeds. Accordingly, net Offer proceeds will amount to approximately N0.353 billion.
- (c) The ETF is based on the **NSE CONSUMER GOODS INDEX**.
- (d) *Investment of Funds*
The Fund Manager will invest in a portfolio consisting of solely quoted equities (in substantially the same weightings as the NSE Consumer Goods Index). The portfolio may be rebalanced occasionally to reflect current market conditions. However, the following strategic asset allocation ranges are generally expected to apply:

Asset Class	Range
Quoted securities	100%

- (e) *Fund Management Fees*
A management fee of 0.40% per annum shall be payable quarterly in arrears (i.e. at a rate of 0.10% of the net asset value per quarter).

2.2 Assumptions

The following underlying general assumptions have been used for the Profit Forecast:

- (a) The Fund Manager will be successful at raising the required fund of approximately N0.361billion to achieve a long-term capital growth of the Fund's assets by investing in a portfolio of securities and instruments to replicate the constituents of the NSE Consumer Goods Index.
- (b) The quality of the Fund Manager, Trustee, Custodian and Transfer Agent will be sustained during the forecast period.
- (c) *Political and Economic Factors*
There will be no significant changes in Federal Government's fiscal and monetary policies that will adversely affect the operations of the fund. Also, there will be no significant change in the political and economic environment that will adversely affect the operations of the Fund.
- (d) The annual inflation rate is estimated at 8.9%, 8.4% and 8.7% per annum (2015, 2016 and 2017 respectively).



9. FINANCIAL FORECAST - VETIVA CONSUMER GOODS ETF

- (e) Dividend income is estimated at 3%, 3% and 3.50% per annum (2015, 2016 and 2017 respectively) of the market value of securities in the Fund's portfolio throughout the forecast period. Dividend is subject to 10% WHT.
- (f) Capital Gains of the stock is projected at an average return of 10%, 12% and 15% per annum (2015, 2016 and 2017 respectively) on the equity portion of the portfolio throughout the forecast period. It is estimated that realized and unrealized gains will average 20% and 80% respectively of the returns on equity investments over the forecast period.
- (g) ROI is estimated at 11.16%, 12.78% and 15.64% for 2015, 2016 and 2017 respectively
- (h) It is anticipated that Vetiva Consumer Goods ETF Trust will effect semi-annual distributions of net income (i.e. its income comprising dividends and other investment income less expenditures) to Registered Holders on the relevant Record Dates. Distribution will be effected proportionately (according to the number of Vetiva Consumer Goods ETF Securities held by each registered holder on the relevant Record Date).
- (i) The Fund will bear the cost of licensing, acquiring, valuing and disposing of investments. All administrative, custodial, research and other related expenses to be incurred in the day-to-day operation of the Fund will also be payable by the Fund. Other Operating expenses are estimated at 1.1% of the Net Asset Value of the Fund.
- (j) Dividend and interest receipt are subject to relevant taxes. Tax expense is assumed at 10% withholding tax on dividend income over the forecast period. The Fund will not be subject to capital gains tax on realisation of its unrealised gains as all transaction on Nigerian Stock Exchange are exempted from Capital Gains Tax.
- (k) The remuneration of the Manager and all other administrative fees shall accrue on a daily basis
- (l) All charges and fees for establishing the Fund, including the fees payable to receiving agents, the Securities & Exchange Commission and The Nigerian Stock Exchange, legal and all other related expenses is estimated at 2.27% of the Offer proceeds and amounting to N8.2million, are payable by the Fund and deductible from the monies raised by the Fund.

3. PROFIT FORECAST FOR THE YEARS ENDING 31 DECEMBER 2015, 2016 AND 2017

The Directors are of the opinion that subject to unforeseen circumstances, and based on the assumptions in note 2.2, the forecast income after taxation for the Vetiva Consumer Goods ETF for the years ending 31 December 2015; 2016 and 2017 will be in the order of ₦11,180,000.00; ₦13,565,000.00; and ₦19,070,000.00 respectively as detailed below:

	2015	2016	2017
	N'000	N'000	N'000
INCOME			
Dividend income (Net of WHT)	9,535	10,298	13,167
Realised gain from securities trading	7,063	9,153	12,540
	-----	-----	-----
Gross income	16,598	19,451	25,707
	-----	-----	-----
EXPENSES			
IPO expenses	-	-	-
Fees and operating expenses	(3,976)	(4,319)	(4,870)
Management fees	(1,446)	(1,570)	(1,771)
	-----	-----	-----
Total expenses	(5,421)	(5,888)	(6,641)
	-----	-----	-----
Net income before taxation	11,176	13,562	19,066
Taxation	-	-	-
	-----	-----	-----
Net income after taxation	11,176	13,562	19,066
	=====	=====	=====



9. FINANCIAL FORECAST - VETIVA CONSUMER GOODS ETF

Comprehensive Income Forecast and Appropriations:

	2015	2016	2017
	N'000	N'000	N'000
Net income	11,176	13,562	19,066
Unrealised capital gains	28,251	36,613	50,160
	-----	-----	-----
Retained earnings	39,427	50,176	69,227
Appropriations:			
Retained earnings brought forward	-	28,251	64,865
Distribution	(11,176)	(13,562)	(19,066)
	-----	-----	-----
Retained earnings carried forward	28,251	64,865	115,025
	=====	=====	=====

FORECAST YIELD

	2015	2016	2017
	N'000	N'000	N'000
Net Asset Value at the beginning of year	353,139	392,567	442,743
Dividend income (Net of WHT)	9,535	10,298	13,167
Realised gain from securities trading	7,063	9,153	12,540
Unrealised capital gains	28,251	36,613	50,160
	-----	-----	-----
Gross Asset Value at the end of year	397,988	448,631	518,610
Fees and operating expenses	(3,976)	(4,318)	(4,870)
Management fees	(1,446)	(1,570)	(1,771)
Taxation	-	-	-
	-----	-----	-----
Net Asset Value at the end of year	392,567	442,743	511,969
	=====	=====	=====
Increase in Net Asset Value	39,427	50,176	69,227
	=====	=====	=====
Return on Investment (%)	11.16%	12.78%	15.64%
	=====	=====	=====



9. FINANCIAL FORECAST - VETIVA INDUSTRIAL ETF

5. Letter from the Reporting Accountants – Vetiva Industrial Goods ETF

The following is a copy of the letter on the Financial Forecast by RoseWater Partners, the Reporting Accountants to the Offer:



02 December 2014

The Directors
Vetiva Fund Managers Limited
Plot 266B Kofo Abayomi Street
Victoria Island
Lagos.

Gentlemen,

We have reviewed the accounting bases and calculations for the profit forecast of Vetiva Industrials Exchange Traded Fund (for which the Directors of the Fund Manager, Vetiva Fund Managers Limited, are solely responsible) for the years ending 31 December 2015, 2016 and 2017.

In our opinion, the annexed forecast, so far as the accounting bases and calculations are concerned, has been properly compiled based on the bases and assumptions made by the Directors as set out on pages 2 to 4 and is presented on a basis consistent with the accounting policies normally adopted by the company. However, there will usually be differences between forecasts and actual results, because events and circumstances frequently do not occur as expected and these differences may be material.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Yours faithfully
RoseWater Partners
Reporting Accountants


Kayode Sunmola
Managing Partner/CEO
FRC/2013/ICAN/00000004166



9. FINANCIAL FORECAST - VETIVA INDUSTRIAL ETF

6. Memorandum on the Profit Forecast for Years Ending 31 December 2015, 2016 and 2017

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 forecast of the profits for the years ending 31 December 2015, 2016 and 2017.
- 1.2 The Directors are of the opinion that subject to unforeseen circumstances, the net income before taxation for the years ending 31 December 2015, 2016 and 2017 will be approximately ₦18,022,000.00; ₦20,666,000.00; and ₦27,903,000.00 respectively.
- 1.3 The bases and principal assumptions used by the Directors in the preparation of the profit forecast are stated below.

2. BASES AND ASSUMPTIONS

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

2.1 Bases

(a) *Subscription to the Offer*

The 15,000,000 units of the Vetiva Industrial ETF Index Securities will be fully subscribed within the initial subscription period under the terms and conditions of the Offer. The Offer price shall be determined on the day of the subscription as 1/100th of the value of the NSE Industrial Index as at the said date. For the purpose of the Forecast, it is assumed that the index will remain relatively stable (Index value as at reference date of 31st December, was 2,139.55 points). Therefore, a tentative initial offer price of N21.40 has been applied in the forecast. During the offer period, the price will change daily in line with movements in the NSE Industrial Index.

(b) *Initial Cost of the Offer*

Total cost associated with the Offer is estimated at 2.49% of the gross proceeds i.e. ₦7,995,871.53. The amount will be deducted immediately from the Gross Offer Proceeds. Accordingly, net Offer proceeds will amount to approximately N0.313 billion.

(c) The ETF is based on the **NSE INDUSTRIAL INDEX**.

(d) *Investment of Funds*

The Fund Manager will invest in a portfolio consisting of solely quoted equities (in substantially the same weightings as the NSE Industrial Index). The portfolio may be rebalanced occasionally to reflect current market conditions. However, the following strategic asset allocation ranges are generally expected to apply:

Asset Class	Range
Quoted securities	100%

(e) *Fund Management Fees*

A management fee of 0.40% per annum shall be payable quarterly in arrears (i.e. at a rate of 0.10% of the net asset value per quarter).

2.2 Assumptions

The following underlying general assumptions have been used for the Profit Forecast:

- (a) The Fund Manager will be successful at raising the required fund of approximately N0.320 billion to achieve a long-term capital growth of the Fund's assets by investing in a portfolio of securities and instruments to replicate the constituents of the NSE Industrial Index.
- (b) The quality of the Fund Manager, Trustee, Custodian and Transfer Agent will be sustained during the forecast period.
- (c) *Political and Economic Factors*
There will be no significant changes in Federal Government's fiscal and monetary policies that will adversely affect the operations of the fund. Also, there will be no significant change in the political and economic environment that will adversely affect the operations of the Fund.
- (d) The annual inflation rate is estimated at 8.9%, 8.4% and 8.7% per annum (2015, 2016 and 2017 respectively).



9. FINANCIAL FORECAST - VETIVA INDUSTRIAL ETF

- (e) Dividend income is estimated at 6%, 6% and 7% per annum (2015, 2016 and 2017 respectively) of the market value of securities in the Fund's portfolio throughout the forecast period. Dividend is subject to 10% WHT.
- (f) Capital Gains of the stock is projected at an average return of 10%, 12% and 15% per annum (2015, 2016 and 2017 respectively) on the equity portion of the portfolio throughout the forecast period. It is estimated that realized and unrealized gains will average 20% and 80% respectively of the returns on equity investments over the forecast period.
- (g) ROI is estimated at 13.76%, 14.92% and 17.69% for 2015, 2016 and 2017 respectively.
- (h) It is anticipated that Vetiva Industrial ETF Trust will effect semi-annual distributions of net income (i.e. its income comprising dividends and other investment income less expenditures) to Registered Holders on the relevant Record Dates. Distribution will be effected proportionately (according to the number of Vetiva Industrials ETF Securities held by each registered holder on the relevant Record Date).
- (i) The Fund will bear the cost of licensing, acquiring, valuing and disposing of investments. All administrative, custodial, research and other related expenses to be incurred in the day-to-day operation of the Fund will also be payable by the Fund. The Operating expenses are estimated at 1.2% of the Net Asset Value of the Fund.
- (j) Dividend and interest receipt are subject to relevant taxes. Tax expense is assumed at 10% withholding tax on dividend income over the forecast period. The Fund will not be subject to capital gains tax on realisation of its unrealised gains as all transaction on Nigerian Stock Exchange are exempted from Capital Gains Tax.
- (k) The remuneration of the Manager and all other administrative fees shall accrue on a daily basis
- (l) All charges and fees for establishing the Fund, including the fees payable to receiving agents, the Securities & Exchange Commission and The Nigerian Stock Exchange, legal and all other related expenses is estimated at 2.51% of the Offer proceeds and amounting to N8.06million, are payable by the Fund and deductible from the monies raised by the Fund.

3. PROFIT FORECAST FOR THE YEARS ENDING 31 DECEMBER 2015, 2016 AND 2017

The Directors are of the opinion that subject to unforeseen circumstances, and based on the assumptions in note 2.2, the forecast income after taxation for the Vetiva Industrials ETF for the years ending 31 December 2015; 2016 and 2017 will be in the order of ₦18,017,000.00; ₦20,661,000.00; and ₦27,897,000.00 respectively as detailed below:

	2015	2016	2017
	₦'000	₦'000	₦'000
INCOME			
Dividend income (Net of WHT)	16,899	18,250	23,336
Realised gain from securities trading	6,259	8,111	11,113
	-----	-----	-----
Gross income	23,157	26,362	34,449
	-----	-----	-----
EXPENSES			
IPO expenses	-	-	-
Fees and operating expenses	(3,851)	(4,272)	(4,909)
Management fees	(1,284)	(1,424)	(1,636)
	-----	-----	-----
Total expenses	(5,135)	(5,696)	(6,546)
	-----	-----	-----
Net income before taxation	18,022	20,666	27,903
Taxation	-	-	-
	-----	-----	-----
Net income after taxation	18,022	20,666	27,903
	=====	=====	=====



9. FINANCIAL FORECAST - VETIVA INDUSTRIAL ETF

Comprehensive Income Forecast and Appropriations:

Net income (realised) after taxation	18,022	20,666	27,903
Unrealised capital gains	25,035	32,445	44,450
	-----	-----	-----
Retained earnings	43,057	53,111	72,353
Appropriations:			
Retained earnings brought forward	-	25,035	57,480
Dividend/Distribution (from realised income)	(18,022)	(20,666)	(27,903)
	-----	-----	-----
Retained earnings carried forward	25,035	57,480	101,930
	=====	=====	=====

4. FORECAST YIELDS FOR THE YEARS ENDING 31 MARCH 2015, 2016 AND 2017

FORECAST YIELD

	2015	2016	2017
	N'000	N'000	N'000
Net Asset Value at the beginning of year	312,937	355,994	409,105
Dividend income (Net of WHT)	16,899	18,250	23,336
Realised gain from securities trading	6,259	8,111	11,113
Unrealised capital gains	25,035	32,445	44,450
	-----	-----	-----
Gross Asset Value at the end of year	361,129	414,801	488,004
Fees and operating expenses	(3,851)	(4,271)	(4,909)
Management fees	(1,284)	(1,424)	(1,636)
Taxation	-	-	-
	-----	-----	-----
Net Asset Value at the end of year	355,912	409,105	481,458
	=====	=====	=====
Increase in Net Asset Value	43,057	53,111	72,353
	=====	=====	=====
Return on Investment (%)	13.76%	14.92%	17.69%
	=====	=====	=====



10. FINANCIAL FORECAST

5. LETTER FROM ISSUING HOUSE

The following is a copy of the letter from the Issuing House on the Financial Forecast:



Wednesday, 12 March 2014

THE DIRECTORS

Vetiva Fund Managers Limited
Plot 266B Kofo Abayomi Street
Victoria Island
Lagos

Dear Sirs,

OFFER FOR SUBSCRIPTION OF UNITS IN THE VETIVA SECTOR SERIES EXCHANGE TRADED FUND

We write further to the Prospectus issued in respect of the Offer for Subscription of units in the Vetiva Sector Series Exchange Traded Fund, the draft of which we have had the privilege of reviewing. The Prospectus contains financial forecasts of the Funds – Vetiva Banking ETF, Vetiva Consumer Goods ETF & Vetiva Industrials ETF for the years ending 31 December 2015, 2016 and 2017.

We have discussed the bases and assumptions upon which the forecasts were made with you and with Messrs. Rosewater Partners, the Reporting Accountants. We have also considered the letters from the Reporting Accountants regarding the accounting bases and calculations upon which the forecasts were compiled as per pages 34, 38 and 42.

Having considered the assumptions made by you as well as the accounting bases and calculations reviewed by Messrs. Rosewater Partners, 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
For: Vetiva Capital Management Limited

CHUKA ESEKA
Managing Director/CEO



10. INFORMATION ON THE FUND MANAGER AND THE TRUSTEE

1. *Brief Profile of the Fund Manager*

Vetiva Fund Managers Limited was incorporated on September 22, 2011 to carry on the business of fund and asset management through sponsoring and issuance of collective investment schemes, exchange traded funds and publicly or privately managed funds. VFM is registered with the SEC to carry on business as Fund/Portfolio Manager. The Company is a wholly owned subsidiary of Vetiva. The corporate objective of VFM is to provide asset management solutions which adequately hedge against market swings while delivering sustainable returns to investors.

VFM's personnel have prior experience in asset and wealth management and in-depth knowledge of the Nigerian capital markets. The Fund Manager's ability to tap from the research capabilities of Vetiva will enable VFM to accurately forecast market trends and make timely investment decisions. The key personnel of the research and risk management departments of Vetiva also form part of the VFM's management team.

The advent of VFM into the Fund Management landscape is expected to bring a long-term and value-oriented approach to collective investment management as well as high quality professional service delivery. VFM's core investment principles include the:

- Value of in-depth global and local research;
- Need for a disciplined investment process;
- Commitment to reducing operating expenses for investors;
- Adequate risk management techniques; and
- Protection of investors' wealth at all times.

VFM's risk management approach is designed to ensure that investment risks in the various portfolios of securities invested in are kept at an optimal level. VFM also operates a multiple portfolio counsellor system, which combines teamwork with individual accountability in the management of assets under its care, and is driven by its team of experienced investment professionals.

2. *Directors of the Fund Manager*

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

Chuka Eseka (Chairman)

Mr. Chuka Eseka is an investment banker with extensive experience covering merchant and investment banking activities. He is a graduate in Accounting from the University of Lagos in 1989, a Fellow of the Chartered Institute of Stockbrokers (became a member in 1993) and a member of the Institute of Chartered Accountants of Nigeria (1991). He is also an Authorised Dealer of The Exchange. Mr. Eseka has managed the emergence of Vetiva into one of the most respected, innovative and efficient investment banks in Nigeria. Mr. Eseka is especially formidable in deal origination, structuring and execution and is vastly experienced in corporate restructuring / repositioning as well as privatisation advisory structures; having been involved in a number of significant transactions in the financial services and real sectors of the Nigerian economy. He is regarded as one of the foremost investment bankers in Nigeria today with broad complementary competences covering financial, operational and legal related issues in the real sectors of the Nigerian economy over the past 20 years.

Dr. Olaolu Mudasiru (Non-Executive Director)

Dr. Olaolu Mudasiru is an investment banker with extensive experience covering Stock-broking, Asset Management and other aspects of investment banking activities. He holds an MSc. in International Securities, Investments and Banking from the ICMA Centre of The University of Reading, UK in 1998, an M.B B.S. Degree from the College of Medicine, University of Lagos, Nigeria and he is an Alumnus of the Stanford University Graduate School of Business (2007). He is a Dealing Member of the London Stock Exchange, a Fellow of the Chartered Institute of Stockbrokers, Nigeria as well as being a member of the Medical & Dental Council of Nigeria (1990). He is also a recipient of the Chevening Scholarship, which is granted to 'mid-career high flyers' globally by the British Government. Dr. Mudasiru is quite versatile and his 19 years of experience span the spectrum of Investment Banking covering Wealth Management, Financial Intermediation, Trading & Dealing and executing various transactions in the Financial Services Industry.



10. INFORMATION ON THE FUND MANAGER AND THE TRUSTEE

Damilola Ajayi (Managing Director/CEO)

Mr. Damilola Ajayi is an investment management specialist with over 10 years of experience. He has distinct competence in equities research, equity sales and portfolio fund management in both domestic and international equity markets. Prior to joining Vetiva, Damilola had worked at Arthur Anderson (now KPMG) and Sectrust (now Afrinvest). He is currently in charge of all Asset Management activities managed by Vetiva. He obtained a BSc. Computer Science, University of Ibadan in 1999, and is an Associate Member, Institute of Chartered Accountants of Nigeria (2001) and an Associate Member, Institute of Certified Pension Fund Managers of Nigeria (2005). He is currently in charge of all Asset Management activities managed by Vetiva.

3. Financial Statements

A. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Vetiva Fund Managers Limited
Financial statements for the year ended 31 March 2014
Together with Directors' and Auditors' Reports

Statement of profit or loss and other comprehensive income

For the year ended 31 March

<i>In thousands of naira</i>	Note	2014	2013
Fee income	6	16,249	-
Operating expenses	7	(10,422)	(212)
Net operating income/(loss) before tax		5,827	(212)
Taxation	12(b)	(4,566)	-
Profit/(loss) after tax		1,261	(212)
Other comprehensive income:			
Items that will never be reclassified to profit or loss			
Fair value loss on available-for-sale financial assets		(441)	(1,071)
Related tax			-
Other comprehensive income for the year, net of tax		(441)	(1,071)
Total comprehensive income for the year		820	(1,283)
Basic and diluted profit/(loss) per share (kobo)	14	1.91	(0.32)

The accompanying notes form an integral part of these financial statements.



10. INFORMATION ON THE FUND MANAGER AND THE TRUSTEE

B. STATEMENT OF FINANCIAL POSITION - FOR THE YEAR ENDED 31 MARCH 2014

Vetiva Fund Managers Limited
Financial statements for the year ended 31 March 2014
Together with Directors' and Auditors' Report

Statement of financial position

As at 31 March

In thousands of naira

	Note	31 March 2014	31 March 2013
Assets			
Cash and cash equivalents	8	998	998
Investment securities	9	139,641	55,026
Other assets	10	467,193	2,149
Total assets		607,832	58,173
Liabilities			
Other liabilities	11	544,273	-
Current tax liabilities	12	4,566	-
Total liabilities		548,839	-
Equity			
Share capital	13	66,000	66,000
Retained earnings	13(b)	(5,286)	(6,547)
Fair value reserves	13(c)	(1,721)	(1,280)
Total equity		58,993	58,173
Total liabilities and equity		607,832	58,173



10. INFORMATION ON THE FUND MANAGER AND THE TRUSTEE

4. *Brief Profile of the Trustee*

Union Trustees Limited (UTL) formerly known as Barclays (Nig) Nominees Ltd was incorporated in 1966. Its main business then was to act as a Nominee company in whose name shares and insurance policies offered as securities to Barclays Bank (Nig) Limited (now Union Bank of Nigeria Plc) were transferred for easy realization in case of default by the mortgagor.

The company, a fully owned subsidiary of Union Bank of Nigeria Plc is duly licensed and registered by the Securities and Exchange Commission as Trustees and Fund / Portfolio Managers. Union Trustees Limited (UTL) has a paid-up share capital of ₦1 Billion.

5. *Directors of the Trustee*

Mrs. Oyinkan Adewale, Chairman

Mrs. Oyinkan Adewale obtained a degree in French from the University of Ibadan in 1979; she trained with Coopers & Lybrand (now part of Price Water Coopers) and qualified as a Chartered Accountant, ACA in May 1984. She has been a Fellow of the Institute of Chartered Accountants of Nigeria for almost 30 years. She joined Nigeria International Bank/Citigroup in 1989 as Deputy Financial Controller and rose to the position of Citigroup Chief Financial Officer for the West African Cluster, with responsibility for 7 countries (Cote d'Ivoire, Senegal, Cameroon, Gabon, Congo, Ghana and Nigeria).

She was appointed to the Board of Directors as an Executive Director in February 1998. In 2004, Mrs. Adewale co-founded SIAO, a leading indigenous accounting firm. From April 2006 to March 2007, Mrs. Adewale was jointly engaged by First Bank Nigeria Plc and Ecobank Transnational Incorporated, the two banking giants, as Business Combination Manager for the (now aborted) FBN/ETI merger. Mrs. Adewale joined Renaissance Group in April 2007 as pioneer Managing Director, Chief Operating Officer for Africa.

She was Executive Secretary to Renaissance's Africa Advisory Board and a member of its Africa Management Board. In August 2009, after the Central Bank of Nigeria intervened in the affairs of Oceanic Bank International Plc, she was appointed the bank's Executive Director / CFO, with responsibility for all the bank's 13 subsidiaries, the Risk Management Group, Finance Group and Strategic Planning. In January 2012, after the acquisition of Oceanic Bank by Ecobank Transnational Inc. (ETI), Mrs. Adewale joined ETI as Integration Manager for the merger of Oceanic Bank with Ecobank Nigeria; a position she combined with the role of ETI's Group MIS Implementation Head. Towards the end of October 2012, she joined Union Bank of Nigeria Plc as Executive Director/ Chief Financial Officer.

Mr. Ibrahim Abubakar Kwargana, Director

Mr. Ibrahim Abubakar Kwargana holds Masters Degree in Corporate Governance, Leeds Metropolitan University, Leeds and Second Class Upper Division, Political Sciences, Bayero University, Kano. He has attended various local and international banking courses in Oxford, Hong Kong, Cambridge and Warsaw.

He is a consummate banker with over 28 years working experience out of which 23 years are in banking. His areas of expertise include personnel administration and industrial relations, internal audit, banking operations, marketing and consumer relationship management. He has been Deputy General Manager and the Chief Auditor, (2006-2007), all at First Bank of Nigeria PLC and later, General Manager, Operations and Resources, FBN (Merchant Bankers) Limited, (2004-2005). He also worked for Nigerian International Bank Limited, a subsidiary of Citigroup between 1993 and 2004, holding strategic positions including Deputy General Manager and Head, Branch Operations. He has responsibility for the Bank's Commercial and Retail Banking – North and Public Sector Business.

Dr. Saidu .M. Moruppa, Director

Dr. Saidu .M. Moruppa holds a Ph.D. degree in Genetics from University of Edinburgh, a Masters degree in Animal Science from University of Ibadan, and B.Sc. Agriculture with option in Animal Science from University of Maiduguri.

He joined the Adamawa State University, Mubi in April 2006. Before then he was a senior lecturer of Animal Breeding and Quantitative genetics at University of Maiduguri and Provost, Adamawa State College of Agriculture, Mubi. He also served as a Commissioner in Adamawa State Government.

Dr Moruppa has served as a Board member of many companies with Government interest. He has attended many administrative courses, notably Management Development for Senior Executives, Crown Agents, Worthing, United Kingdom and Executives/Legislative Collaborating for high impact Policy Initiatives, Mississippi Consortium for International Development (MCID) Obudu Cattle Ranch, Nigeria.



10. INFORMATION ON THE FUND MANAGER AND THE TRUSTEE

Mrs. Abiola Oluyemisi Agbaje, Director

Mrs. Abiola Oluyemisi Agbaje graduated from the University of Ife, Osun State in 1978 with an honours degree in Law before proceeding to the Nigerian Law School. She gained a wealth of experience in the Legal department, Mortgage Administration schemes and turn key projects for such Corporations as Lagos State Property and Development Corporation (LSDPC), Defence Industries of Nigeria (DICON) and Nigeria Airways. Mrs. Abiola Oluyemisi Agbaje has held various offices which include, the Company Secretary /Legal Adviser of Mutual Trust Savings and Loans Ltd, the Company Secretary/Legal Adviser Jay Kay Pharmacy Ltd, a Company with a retail pharmacy outlets and a manufacturing Section. She is also a member of Council, Nigeria Society for the Blind.

Oluseyi Olufunke Aiyepola, Managing Director/CE

Mrs. Oluseyi Olufunke Aiyepola studied Law at the University of Ife before proceeding to the Nigerian Law School. She also holds an MBA from the Pan African University. With over 21 years of Banking/Trusteeship experience, having worked in the Legal Department of Union Bank of Nigeria Plc and Head of Trust services, Union Trustees Ltd. She has also held the position of an Executive Vice-Chairman of Retwells Properties Ltd.

Prior to her appointment as MD, Union Trustees Ltd, she was the General Manager/CE of Oceanic Trustees Ltd. Mrs. Aiyepola has attended various professional courses locally and abroad, some of which include, Entrepreneurship, Capital Market Conference, International Financial Law, Institute of Advanced Legal Studies, Law and Practice of Banking. She is a Director of UBN Insurance Brokers Limited, and also a Member of the Association of Corporate Trustees, as well as a Council Member of the Association of Pension Funds of Nigeria.



11. STATUTORY & GENERAL INFORMATION

THE VETIVA BANKING ETF, VETIVA CONSUMER GOODS ETF & VETIVA INDUSTRIAL ETF EXTRACTS FROM THE TRUST DEED

1. *Extracts from the Trust Deed*

Below are the relevant clauses extracted from the Funds' Trust Deed

4 **The Trust Deed**

The provisions of this Deed and of any duly executed deed supplemental hereto shall be binding on the Trustee, the Manager and all persons claiming through them respectively as if such person had been party to this Deed and such supplemental deed.

7 **Offer of Units**

7.1 The Manager shall subscribe to a minimum of five percent (5%) of the Initial offer of 80,000,000 Units in respect of the Vetiva Banking ETF, five percent (5%) of the Initial offer of 30,000,000 Units of the Vetiva Consumer Goods ETF and five percent (5%) of the Initial offer of 15,000,000 Units in respect of the Vetiva Industrial ETF.

7.2 Subsequent offers of Units in the ETFs may be made to a select investor group or to the public with the approval of the Commission and may be made of such a number of Units of such value as determined by the Manager.

8 **Financial Year**

The Financial Year of the ETFs shall run from 1st January of every year to the 31st December of the year.

9 **Appointment of a Custodian**

The Trustee and Manager shall jointly appoint a Custodian to provide custodial services to the ETFs.

10 **Rights of Holders**

10.1 The Holders shall not have or acquire any right against the Manager or the Trustee in respect of their investments save such as are expressly conferred upon them by this Deed or any Deed supplemental hereto or any legislation, regulation or court order.

10.2 The Underlying Portfolio shall be held as a single common fund and no Unit of the ETFs shall confer on any Holder thereof any interest or share in any particular part of their Underlying Portfolio.

10.3 A Holder shall be able to sell Units in the Secondary Market through a trader on the NSE.

10.4 A Holder of a block shall have the right to take delivery of the prescribed number of baskets on any Trading Day.

10.5 Holders shall be paid semi-annual distributions, if any, subject to the performance yield of the relevant NSE Index and the recommendation of the Manager.

10.6 The Manager shall not be treated for all the purposes of this Deed as the Holder of each Unit during such time as neither the Manager nor any other person is registered or entitled to be registered as the Holder but nothing herein contained shall prevent the Manager from subscribing for and becoming the Holder of Units.



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- 10.7 A Holder shall have the right to pledge, charge, mortgage, or otherwise offer his Units to secure a debt, a loan or an obligation and in any such case shall notify the Manager of the pledge, charge, mortgage or obligation.
- 10.8 Without prejudice to the provisions of Clause 10.7 hereof, every Holder is entitled to assign, by way of security, all or any part of his or her investments to third parties PROVIDED THAT the Manager is duly informed of such assignment so that necessary documentation can be effected to reflect the change in the Holder's holding in the relevant ETF.

14 Investment Policy and Objectives

- 14.1 Subject to the provisions of this Trust Deed, each ETF will substantially replicate the price and yield performance of the relevant NSE Index, as far as is practicable, by holding a portfolio of securities that substantially represent all of the component securities of the applicable NSE Index in substantially the same weighting as such NSE Index.
- 14.2 The financial condition of any Constituent Company will not result in the elimination of its securities from the ETFs' portfolio unless the securities of that company are removed from the relevant NSE Index.
- 14.3 The Manager shall not alter the Investment Policy of the ETFs without the consent of the Trustee and prior approval of the Commission. In the event of a change in the investment policy and objectives of the ETFs, reasonable notice will be given by the Manager to Holders to enable Holders decide whether to request the delivery of the prescribed number of baskets of shares of the Constituent Companies.

16 Realisation of Investment

Any monies accruing from investments of the ETF (i.e. dividends, accrued interests) shall be treated as realised income. The Manager shall have the discretion to apportion the realised income derived from the ETF at any time PROVIDED ALWAYS THAT the Manager acts with diligence and prudence in exercising this discretion.

19 Delivery Rights

- 19.1 In addition to being able to sell the Units on the NSE, Holders of at least 10 Blocks of Units of any of the ETFs will be entitled to take delivery of the prescribed number of Baskets on any Trading Day.
- 19.2 In the unlikely event that the Manager will not be able to meet the delivery obligations attaching to all the Units in issue at any relevant time, the Manager shall be entitled to place a moratorium on the exercise by Holders of the delivery rights attaching to issued Units provided the approval of the Trustee and the Commission is obtained.
- 19.3 The Manager shall not, in any given year, suspend the right to exercise such delivery rights for more than 90 Trading Days in the aggregate. It is anticipated that such a moratorium will not affect the tradability of the Units in the ordinary course of trading on the NSE.
- 19.4 As at the date of setting up this Trust, for every Block in respect of which a Holder exercises the delivery rights, the Holder shall be entitled to take delivery of five (5) Baskets of Shares.
- 19.5 In addition to the delivery of one or more Baskets of Shares, a Holder exercising his delivery rights shall be entitled to receive from the Manager, an amount in cash representing a proportionate interest in any Distribution Amount within the ETF which may be attributed to the Block/s in respect of which the Holder is exercising his delivery rights, on receipt of the distribution amount by the Manager.
- 19.6 The Units comprising the Block in respect of which the Holder exercises its delivery rights shall be cancelled against delivery of the prescribed number of Baskets (together with the appropriate cash amount) to that Holder.
- 19.7 The delivery rights attaching to Units may only be exercised in respect of one or more whole Blocks.



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- 19.8 A transaction fee, as published on the Manager's website will be payable by a Holder exercising his/its delivery rights.
- 19.9 A Holder may exercise its delivery rights in respect of ten or more whole Blocks on any Trading Day by forwarding a properly completed delivery notice to the Manager for subsequent advice to the Transfer Agent and the Custodian.
- 19.10 Delivery notices delivered to the Manager on or before 9.30 a.m. on any Trading Day will, if accepted, be dealt with using the composition of a Basket of Shares representing the NSE Banking Index at close of business on the previous Trading Day.
- 19.11 If a delivery notice is received after 9.30 a.m. on any Trading Day, the delivery notice will automatically be submitted for acceptance on the next succeeding Trading Day. If a delivery notice is accepted, the relevant Holder will receive confirmation of such acceptance before close of business on the Trading Day on which the delivery notice is received.
- 19.12 The Holder shall also receive confirmation of the number of shares of each of the Constituent Companies comprising the Basket/s to be delivered to that Holder, the amount of cash (if any) which will be paid to it (after taking into account any stamp duty charges incurred in relation to the Basket or Baskets and any transaction fee which may be charged, all of which will be for the account of the Holder) and details of the account into which such payment shall be made. The cost of any settlement by electronic bank transfer will be passed on to the Holder.

20 Transfer of Units

- 20.1 Every Holder shall be entitled to transfer the Units held by him to a third party upon the execution of an instrument in writing in the usual or common form and shall state the full name and address of the transferor and the transferee.
- 20.2 The transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered into the Register.
- 20.3 Unless certificates are specifically requested, Holders will receive electronic statements issued by the Transfer Agent in respect of Units beneficially owned by them.
- 20.4 Every instrument of transfer must be duly stamped and lodged with the Manager for transmission to the Transfer Agent 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 electronic statement or certificate(s) relating to the Units to be transferred and or such other evidence as the Transfer Agent may require to prove the title of the transferor or his right to transfer the Units and thereupon the Transfer Agent shall register the transferee as holder of the Units referred to in such instrument of transfer and shall issue to such transferee an electronic statement a new Certificate representing the Units so transferred.
- 20.5 All instruments of transfer that shall be registered may be retained by the Manager or by the Transfer Agent on its behalf.
- 20.6 A reasonable fee of such amount as the Manager and the Trustee may from time to time agree subject to the approval of the Commission may be charged by the Manager upon any transfer of Units. Where the transfer relates to part of the Units of a Holder, and the Transfer Agent shall (subject to Clause 20.3) issue an electronic statement representing the Units transferred in the name of the transferee and a balance electronic statement in the name of the transferor.
- 20.7 A receipt signed by the Holder in respect of any monies payable or a Basket receivable in respect of the Units or a Block of Units in respect of the Units represented by any Certificate or any suitable electronic confirmation shall be a good discharge to the Trustee and the Manager and if several persons are registered as joint Holders or in consequence of the death of a Holder, are entitled so to be registered, any one of them may give an effectual receipt for any such monies.



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22 Registration of Holders

- 22.1 A Register of Holders shall be kept by the Transfer Agent(s) or a Registrar in respect of each of the ETFs.
- 22.2 The Register shall contain the names of Holders of the ETFs, the number of Units held, the nominal value, the date of purchase, the certificate number (if applicable) and any other information that may be deemed necessary by the Manager and the Trustee. Where there are Joint Holders, their respective names and addresses may be inserted provided that the details of not more than two Holders shall be entered in the Register in respect of any one Holding.
- 22.3 The Holder shall notify the Transfer Agent immediately of any change of name or address of such and upon the Transfer Agent's satisfaction thereof and in compliance with all such formalities as it may require shall cause the Register to be altered or the change to be registered accordingly.
- 22.4 The Register shall be conclusive evidence of the persons entitled to the Units stated in it and no notice of any trust, express, implied or constructive shall be entered upon the Register in respect of any such units. PROVIDED that any person claiming to be interested in any Units or the dividends on them may protect his interest by serving on the Manager a notice and an affidavit of interest whereupon the Transfer Agent shall cause to be entered on the Register the existence of such notice and shall not register transfer or make a payment or return[s] in respect of the relevant Units contrary to the terms of the notice until the expiration of thirty (30) days' notice to the claimant of the proposed transfer or payment.
- 22.5 A body corporate may be registered as a Holder or one of joint Holders.
- 22.6 In the event of the death of a Holder, only the legally appointed executors or administrators of estate of the deceased Holder (not being one of the joint Holders) or the surviving Holder(s) of joint Holders shall be recognized by the Transfer Agent as having any title to or interest in the deceased Holder's Units.
- 22.7 Any person becoming legally entitled to any Units in consequence of the death or bankruptcy or dissolution or winding up of any Holder or upon the order of a Court or upon a declaration that a Holder is a lunatic shall, upon producing such evidence to the satisfaction of the Transfer Agent be registered or to have some other persons nominated by him registered as the holder of such Unit(s) and to have his CSCS account credited accordingly.
- 22.8 The number of Units held by a Holder shall be registered and recorded by the Transfer Agent as a book entry.
- 22.9 The Manager may, upon giving notice to the Holders by advertisement in one or more of the following: a daily newspaper, its website or by e-mail notification to Holders close the Register. Such periods of closure shall not, in aggregate, exceed sixty (60) days in a year.

26 Voting Rights on Underlying Portfolio

- 26.1 All rights of voting conferred by any investments forming part of the Underlying Portfolios of the ETFs shall be exercised by the Trustee in the best interest of the Unit Holders. The Trustee shall upon written request by and at the expense of the Manager 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 authorizing such attorneys and proxies to vote consent or otherwise act in respect of all or any part of the Underlying Portfolios.
- 26.2 The Trustee shall be entitled to exercise the said rights in what it considers to be the best interest of Unit Holders but subject to section 168 of Investments and Securities Act 2007 which provides that any provisions of a trust deed shall be void where it exempts the trustee from liability of breach of trust resulting from its negligent acts. Neither the Manager nor the Trustee shall be under any liability or responsibility therefore in respect of the management of the investment in question or in respect of any vote action or consent given or taken or not given or taken by the Manager or Trustee whether in person or by proxy and neither the Trustee nor the Manager nor the holder or any such proxy or power of attorney shall incur any liability or responsibility by reason of any error of law or mistake of fact or any matter or thing done or omitted to be done or approval voted or given or withheld by the Trustee or Manager or by the proxy or attorney by reason of any error of law or mistake of fact or any matter or thing done or omitted to be done or approval given or withheld by the Trustee and the Trustee shall be under no obligation to



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anyone with respect to any action taken or caused to be taken or omitted by the Manager or by any such proxy or attorney.

26.3 The phrase “right of vote” 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 Underlying Portfolios 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.

26.4 The Trustee shall when necessary, forward to the Manager all notices of meetings, reports, circulars and other documents of a like nature received by it or its nominee as a registered holder of any investment.

27 Distribution of Income

27.1 The Manager will make semi-annual distributions of any net income. All distributions will be paid out of the ETFs’ incomes (whether received in the form of dividends, interest or otherwise) net of expenses.

27.2 Distribution will be effected by the Transfer Agent and the cost of distribution will be borne by each ETF. The anticipated distribution dates would be September and March.

27.3 Any distribution which is unclaimed will be forfeited after 12 years and become the property of the relevant ETF Trust.

27.4 Distributions shall be effected upon the recommendation of the Manager and Holders of the Funds shall have no right to demand that the Manager of the ETFs effect semi-annual distributions in so far as the Manager distributes not less than 25% of the Funds income annually.

36 Removal or Retirement of Manager

36.1 In the event of the Manager desiring to retire, the Trustee shall use its best endeavours to find a new Manager. If within six (6) months of notice by the Manager seeking to retire, no suitable replacement Manager is identified, the Trustee may terminate the Trusts by giving six (6) months’ notice to the Holders, Manager and the Commission.

36.2 The Manager shall be subject to removal by notice in writing given by the Trustee in any of the following circumstances; PROVIDED THAT in every case, the proposed removal has been approved by the Commission or one month has passed since notice was served on the Commission without the Commission having notified the Trustee that the proposed removal is not approved before service on the Manager:

36.2.1 if the Manager goes into liquidation (except for a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of its assets; or

36.2.2 if the Trustee certifies and provides evidence to the satisfaction of the Commission to the effect that the Manager has been fraudulent or has acted with gross misconduct in its management of any of the ETFs and that it is in the best interests of the Holders that the Manager should be removed.

36.3 In any of the cases, enumerated in 36.2 above, the Manager shall upon notice by the Trustee ipso facto cease to be the Manager and the Trustee shall, by writing under its seal, subject to approval by the Commission appoint some other qualified corporation to be the Manager. Such Fund Manager shall enter such Deed or Deeds as the Trustee may be advised are necessary or desirable to secure the due performance of its duties as Manager which deed or deeds shall if so required by the retiring Manager, provided that the Funds shall as soon as practicable cease to use the phrase “Vetiva” in their names and that neither the Trustee nor the new manager shall hold themselves out as being connected with the retiring manager in any way;

37 Removal or Retirement of Trustee

37.1 In the event of the Trustee desiring to retire:



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- 37.1.1 The Trustee shall give not less than six (6) months' notice in writing to the Manager and the Commission of its desire to retire; and
- 37.1.2 The Manager shall use its best endeavours to find a new Trustee within six (6) months of notice by the Trustee to retire. The new Trustee shall be an incorporated company registered with the Commission and approved by a majority of the Holders. If no new Trustee can be identified within that period, the Manager may terminate the Trust.
- 37.2 The Trustee shall be subject to removal by notice in writing from the Manager in any of the following circumstances; PROVIDED THAT in each case, the Manager shall give notice to the Commission giving reasons for the removal as well as the suitability of the new Trustee to be appointed and the notice of proposed removal shall be approved by the Commission. The approval of the Commission shall be deemed after the expiration of one (1) month of service of notice on the Commission without the Commission having notified the Manager that the proposed removal is not approved:
- 37.2.1 if Holders holding not less than 75% of the Units outstanding deliver to the Manager a request in writing that the Trustee should retire;
- 37.2.2 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;
- 37.2.3 if in the opinion of the Manager, which opinion is confirmed by Holders holding a simple majority of the Units outstanding attending the meeting in person or by proxy, the Trustee has become incapable of performing or has in fact failed to perform its duties satisfactorily or has done any other thing which, in the opinion of the Manager and of Holders is calculated to bring the ETFs into disrepute or be harmful to the best interests of the Holders or is a breach of the Trustees fiduciary duties to the ETFs.
- 37.3 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 secure the due performance of its duties as Trustee.
- 37.4 The new Trustee taking the place of the Trustee retiring pursuant to Clause 37.1 or removed pursuant to Clause 37.2 above shall sign a Deed of Accession in terms set out in the Fourth Schedule.
- 37.5 Where the appointment of the Trustee is terminated pursuant to Clause 37.2 or where the Trustee retires pursuant to clause 37.2.1 the Trustee shall within seven (7) days submit a report to the Commission stating the following:
- a) the assets and liabilities of the ETFs;
 - b) whether any irregularity or undesirable practice has taken place or is taking place in the conduct of the affairs of the ETFs which has caused or is likely to cause financial loss to investors in the ETFs;
 - c) particulars of any such irregularity or undesirable practice; and
 - d) the reason, if known, for the termination of the appointment.
- 37.6 The retiring trustee shall, within 14 days, hand over all properties and documents of the ETFs in its possession to the new trustee.
- 39 **Auditor**
- 39.1 The Auditors shall be appointed by the Manager in consultation with the Trustee. The Auditor shall be a person who is qualified for appointment as an Auditor of a Company under Section 315 and 184(1) of the Investments and Securities Act and shall be duly registered with the Commission.
- 39.2 Within thirty (30) days of the date of appointment of the Auditor, the Manager shall apply to the Commission for approval of the appointment of the Auditor; and the Commission may at any time withdraw its approval of the appointment of an Auditor.



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- 39.3 Any Auditor appointed may be removed by the Manager in consultation with the Trustee by notice thereof to the Auditor.
- 39.4 The remuneration of the Auditor or Auditors shall be fixed by the Manager.
- 39.5 An Auditor of the ETFs or any of the ETF may resign their office by serving a notice in writing to that effect at the registered office of the Trustee and any such notice shall operate to determine his office on the date on which notice is received or on such later date as may be specified therein.
- 39.6 An Auditor's notice of resignation shall not be effective unless it contains either:
- 39.6.1 a statement to the effect that there are no circumstances connected with their resignation which they consider should be brought to the notice of the Holders; or
- 39.6.2 a statement setting out circumstances connected with their resignation which they considers should be brought to the notice of the Holders.
- 39.7 Where a notice under this section is served at the Manager's registered office the Manager shall within fourteen (14) days send a copy of the notice to the Trustee.
- 39.8 The Manager shall inform the Commission of the removal or resignation of the Auditors.
- 39.9 The Auditors shall have the following obligations amongst others:
- 39.9.1 audit the financial statements of the ETFs or any of the ETFs at the end of its financial year in accordance with the approved accounting standards, the ISA 2007 and the provisions of this Trust Deed.
- 39.9.2 report to the Manager, any irregularity or undesirable practice in the administration of the ETFs which has come to their notice in the ordinary course of fulfilling its audit obligations or performing other functions under this Trust Deed, the ISA 2007 and the SEC Rules and Regulations.
- 39.9.3 submit a copy of the report in Clause 39.9.2 to the Commission if they have reasonable cause to believe that such report is or might be of material significance to the Commission.
- 40 Duration and Termination of the Trusts**
- 40.1 The Trusts constituted by this Deed shall be for a period of 21 years subject only to the provisions for termination as are herein contained. The provisions of the Trusts shall be renewed upon reaching their duration by mutual consent of the Manager and the Trustee subject to the approval of the Commission.
- 40.2 It is within the absolute discretion of the Trustee or Manager to terminate any of the Trusts by issuing no less than 6 (six) months' notice thereof in writing to the other as well as to the Holders and the Commission.
- 40.3 Any of the Trusts may be terminated upon no less than 6 months' notice in writing by the Trustee in writing to the Manager, respective Holders and the Commission if such Trust becomes illegal or if in the opinion of the Trustee it is impracticable or inadvisable to continue the Trust.
- 40.4 Any of the Trusts may at any time be terminated by a Special Resolution of the Holders at a meeting of the applicable ETF duly convened and held in accordance with the provisions herein contained in respect of the ETFs regarding meetings and such termination shall take effect no less than six (6) months from the date on which the said Special Resolution is passed or on such later date (if any) as the said Special Resolution may provide.
- 40.5 Any of the Trusts may be duly terminated by the Commission where any of their activities is outside the ambit of permissible activities as provided for by the Investments and Securities Act, any relevant regulations enacted thereunder and/or any other applicable laws or where the Commission's approval of the ETFs is withdrawn.



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- 40.6 The Manager may, by notice to the Commission, Holders and the Trustee terminate any of the ETFs if in the opinion of the Manager the value of the Underlying Portfolios is insufficient to justify the continued operation of such ETF or if, due to a change in law or other circumstance deemed appropriate by the Manager, the continued operation of the ETF is no longer justified.
- 41 Procedure after Termination of the Trust
- Upon the termination of the Trusts, the Trustee shall proceed as follows:
- 41.1 To effect delivery of the prescribed number of Baskets represented by the number of Units of the ETFs. Such delivery shall be carried out in such manner and within such period after the termination of the Trusts as the Trustee thinks advisable. That where the ETFs will not be able to meet the delivery obligations attaching to all the Units in issue at the relevant time of termination, the Manager will be entitled to place a moratorium, for not more than 90 Trading Days in the aggregate, on the exercise by Holders of the delivery rights attached to issued Units provided the approval of the Trustee and the Commission is obtained.
- 41.2 Every such delivery shall be made on condition of lodging such form of delivery notice that the Trustee may, in its absolute discretion, require PROVIDED THAT the Trustee shall be entitled to retain out of any monies standing to the credit of the distribution account, a provision for all costs, charges, expenses, claims and demands incurred, made or apprehended by the Trustee in connection with or arising out of the termination of this Trust and out of the monies so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands.
- 45 **Copies of Trust Deed to be Made Available**
- 45.1 A copy of this Deed and of any Deed supplemental hereto shall, at all times, during usual business hours be made available by the Manager and the Trustee at their respective head offices and on their respective websites for inspection by Holders and any Holder shall be entitled to receive from the Manager a copy of such Deed(s) as aforesaid on production of his certificate(s) and making payment to the Manager of the prescribed amount for each copy of the document.
- 45.2 The Trustee shall keep a counterpart copy of the Trust Deed.



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2. *Indebtedness*

As of 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

3. *Claims & Litigation*

As at the date of this circular, the company is not involved in any litigation. The solicitor to the company is not aware of any pending claim or litigation against Vetiva Fund Managers Limited which may be material to the offering.

4. *Costs & Expenses*

The initial expenses of establishing the Fund, comprising the fees payable to the SEC, professional fees, Receiving Agents, Transfer agent as well as printing, advertising and all other related expenses, which are estimated below are payable by the Fund and deductible from the amount raised by the Fund. These initial costs and expenses will be deducted immediately from the Offer proceeds:

5. *Material Contracts*

The following agreements have been entered into and are considered material to this Offer:

1. Trust Deed dated 7th July 2015 between Vetiva Fund Managers Limited and Union Trustees Limited under which the Funds were constituted.
2. Authorised Dealer Agreement dated 7th July 2015 between Vetiva Fund Managers Limited, Union Trustees Limited and Vetiva Securities Limited.
3. Vending Agreement dated 7th July 2015 between Vetiva Fund Managers Limited and Vetiva Capital Management Limited under the terms of which Vetiva Capital Management Limited has agreed to an offer for subscription of units in the Vetiva Sector Series ETFs.
4. Custody Agreement dated 7th July 2015 between Vetiva Fund Managers Limited, Union Trustees Limited and UBA Plc. (Global Investor Services) pursuant to which the Fund Manager and the Trustees have appointed UBA Plc. (Global Investor Services) to act as custodian of the Funds' investments, cash and other assets and to accept responsibility for the safe custody of the Deposited Property which is delivered to and accepted by the Custodian.
5. Index License Agreement dated 7th July 2015 between Vetiva Fund Managers Limited and the Nigerian Stock Exchange to use the Indices;

Other than as stated above, the Fund Manager has not entered into any material contracts except in the ordinary course of business.

6. *Consents*

The following have given and not withdrawn their written consents to the issue of this Prospectus with their names and reports (where applicable) included in the form and context in which they appear:

Directors of the Fund Manager:	Chuka Eseka (Chairman) Dr. Olaolu Mudasiru Damilola Ajayi (Managing Director/CEO)
Company Secretary:	Akindelano Legal Practitioners
Issuing House:	Vetiva Capital Management Limited
Trustee to the Fund:	Union Trustees Limited
Custodian:	UBA Plc (Global Investor Services)
Solicitors to the Offer:	Akindelano Legal Practitioners
Solicitors to the Trustee:	Abraham & Co.
Reporting Accountants:	RoseWater Partners
Stockbroker to the Offer:	Vetiva Securities Limited
Transfer Agent:	Central Securities Clearing System Plc.



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7. Relationship between the Fund Manager and the Trustee

The Fund Manager and the Trustee do not have any common shareholder and neither is any a subsidiary or holding company of another. They do not have common Directors.

8. Relationship between the Fund Manager and Issuing House

The Fund Manager and the Issuing House are affiliated companies (i.e., the Fund Manager is a subsidiary of the Issuing House). In addition, the Fund Manager and the Issuing House have common directors.

9. Documents available for inspection

Copies of the following documents may be inspected at the offices of the Issuing House at its business address during normal working hours on any Business Day during the Offer Period:

1. Certificate of Incorporation of the Fund Manager, the Custodian and the Trustee;
2. Memoranda and Articles of Association of the Fund Manager, the Custodian and the Trustee;
3. The resolution of the Board of Directors of the Fund Manager authorising the creation of the Fund and the ensuing Units of the Fund thereof;
4. The duly executed Prospectus issued in respect of the Offer;
5. The Memorandum of RoseWater Partners on the Financial Forecast of the Funds for the years ending 31st December 2015, 2016 & 2017.
6. The audited Financial Statements of the Fund Manager as at 31st March 2014;
7. The negative statement issued by the Solicitors to the Offer;
8. The material contracts referred to above;
9. The written consents referred to above;
10. The letter of authorisation of the Fund and registration of the Units by the SEC; and
11. The agreement between the NSE and Vetiva Fund Managers Limited to use the Indices.



12. OVERVIEW OF THE ETFs

1. THE BENCHMARK INDICES

- **NSE Banking Index (NSE BI):** The NSE BI is an index which comprises securities selected from the Banking Sector listed on the NSE. The selection of the constituent securities in the NSE BI is based on the most capitalized and liquid companies in the banking sector. The Index is intended to reflect the performance of the Banking stocks in the Nigerian equity market.
- **NSE Consumer Goods Index (NSE CGI):** The NSE CGI is managed by the NSE and was designed to provide an investable benchmark to capture the performance of the consumer goods sectors, this index comprises the most capitalized and liquid companies in food, beverage and tobacco.
- **NSE Industrial Index (NSE II):** The NSE II is managed by the NSE and was designed to provide an investable benchmark to capture the performance of the Industrial sectors, this index comprises the most capitalized and liquid companies in the industrial sector.

The current composition of the Indices is set out in pages 63 - 64. The NSE has granted Vetiva Fund Managers Limited and the respective ETF Trusts permission to use and track the respective Indices.

2. HOW DOES AN INVESTOR BUY OR SELL THE ETF SECURITIES?

Initial Subscription during the Offer:

- An investor can subscribe to the fund during the initial subscription by completing the relevant application form accompanying this Prospectus.
- The investor will subscribe either by a payment in Cash in Naira or on a “Securities for Units” basis i.e. deliver baskets of the Index Portfolio in exchange for units in the relevant ETF ;
- The minimum delivery threshold for subscribing in any of the ETFs during the initial offer is 100,000 units of the Vetiva Banking ETF (i.e. 1 basket); 100,000 units of the Vetiva Consumer Goods ETF (i.e. 1 basket) and 100,000 units of the Vetiva Industrials ETF (i.e. 1 basket);
- Schedule I-III hereto details the Constituent Securities which the investor is required to deliver;
- The applicable unit price will be equal to 1/100th of the value of the relevant Index on the day preceding the Subscription. A numerical example of how pricing is determined assuming the indices remain the same on the offer date is shown below:

S/N	Name of Fund	Index Value	Divisor	Price (₦)
1	Vetiva Banking ETF	351.40	100	3.51
2	Vetiva Consumer Goods ETF	903.54	100	9.04
3	Vetiva Industrial ETF	2139.55	100	21.40

Index Value as at 31st December, 2014.

- In addition to the delivery of a Basket of Securities, an applicant may be required to pay, in cash, any applicable transaction fee for the transfer of the Baskets to the custodian.
- Delivery will be by detachments to the relevant ETF Trust account subsequent to the execution of the relevant documentation;

Subsequent Purchase or Sale:

- An investor may buy or sell the ETF Securities through any registered member of the NSE or, in sufficient amounts, directly through the Authorized Dealer.

3. HOW DOES AN INVESTOR FIND OUT THE PRICE AND OTHER INFORMATION RELATING TO THE ETF SECURITIES?

Such information will be made available on the Vetiva Fund website (www.vetiva.com/Funds)

4. WHAT DISTRIBUTION WILL BE EFFECTED BY THE ETF TRUST?

It is anticipated that the ETF Trusts will effect semi-annual distributions of its net income

5. WHAT HAPPENS IF THE INDICES IS ADJUSTED?

The Indices may be adjusted from time to time because of mergers, amalgamations, re-organisations, unbundlings, changes in liquidity and market capitalisation and the like involving Constituent Companies. These adjustments may require removing a Constituent Company from the Indices and substituting a new Constituent Company or a change in the weighting of the shares in the Constituent Companies. The Fund Manager will use its best endeavours to ensure that the portfolio of securities held by the ETF Trusts is adjusted to reflect any such adjustments to the Indices.

Certain events, such as share splits or consolidations by a Constituent Company, will result in an automatic adjustment to the number of shares of that Constituent Company included in the portfolio of shares held by the ETF Trusts. In other circumstances, whenever there is a reweighting of the Constituent Companies within the Indices, the ETF Trusts will acquire or dispose of the appropriate number of shares of the applicable Constituent Company.

6. WHAT HAPPENS IF A CORPORATE ACTION TAKES PLACE IN A CONSTITUENT COMPANY?

If there is a corporate action involving take-over bid for shares of a Constituent Company included in the Indices, the ETF Trusts will not tender shares in respect thereof. Shares in the ETF Trusts which are subject to a takeover bid will only be surrendered if such surrender is mandatory in terms of the Act or other applicable legislation.

If a corporate action results in a Constituent Company no longer qualifying for inclusion in the Indices, it will be removed from the Indices and another company substituted. Any shares of the Constituent Company still held by the ETF Trusts after the corporate action will be disposed of by the ETF Trusts and the proceeds will be applied in effecting the appropriate adjustments to the Underlying Portfolio.

7. DO HOLDERS HAVE VOTING RIGHTS IN RESPECT OF THE SHARES HELD BY THE ETF TRUSTS?

- Holders do not have any voting rights over shares in the Constituent Companies held by the ETF Trusts.
- However, all rights of voting conferred by any investments forming part of the Underlying Portfolio shall be exercised by the Trustee, who is entitled to exercise the said rights in what it considers to be the best interest of Unit Holders.

8. HOW ARE SHAREHOLDER DECISIONS CONCERNING CONSTITUENT COMPANIES MADE?

Subject to the provision of section 171 of the Investments and Securities Act 2007, the Manager shall have the right to decide as to the purchase, selection, sale or alteration of any investments under the provisions of this Deed, with prior notification to the Trustee before investments are finalized; provided that the securities purchased by the Manager reflects the Investment objectives and Policy of the ETF.

The Trustee may upon written request by and at the expense of the Manager from time to time execute and deliver to the Manager or their nominees such powers of attorney or proxies in such name and names as the Manager may request authorizing such attorneys and proxies to vote consent or otherwise act in respect of all or any part of the Underlying Portfolio.

9. WHAT ARE THE COSTS AND EXPENSES OF THE ETF TRUSTS?

The principal expenses of the ETF Trusts are statutory audit and filing fees, listing fees payable to any exchange on which the ETF Securities are listed, management fees and fees payable for administrative expenses, stamp duty, professional expenses and advertising and promotional expenses.

13. COMPOSITION OF THE INDICES

SCHEDULE I - NSE BANKING INDEX

	CONSTITUENTS	WEIGHTING*
1	GUARANTY	32.65%
2	ZENITHBANK	25.46%
3	ETI	13.06%
4	ACCESS	6.65%
5	UBN	6.34%
6	UBA	6.25%
7	DIAMONDBNK	3.56%
8	STERLNBANK	2.42%
9	FIDELITYBK	2.07%
10	SKYE BANK	1.55%

SCHEDULE II - NSE CONSUMER GOODS INDEX

	CONSTITUENTS	WEIGHTING*
1	NB	40.43%
2	NESTLE	25.94%
3	GUINNESS	8.19%
4	UNILEVER	4.38%
5	7UP	3.43%
6	FLOURMILL	3.33%
7	PZ	3.06%
8	INTBREW	2.47%
9	DANGSUGAR	2.46%
10	CADBURY	2.43%
11	CHAMPION	1.63%
12	HONYFLOUR	0.89%
13	DANGFLOUR	0.74%
14	NASCON	0.53%
15	VITAFOAM	0.11%



SCHEDULE III - NSE INDUSTRIAL INDEX

	CONSTITUENTS	WEIGHTING*
1	DANGCEM	52.73%
2	WAPCO	32.59%
3	ASHAKACEM	6.62%
4	CAP	3.54%
5	BETAGLAS	1.87%
6	CCNN	1.76%
7	BERGER	0.35%
8	PORTPAINT	0.21%
9	PAINTCOM	0.16%
10	CUTIX	0.15%

* Kindly note that the above are constituents of the Indices as at 31st December, 2014. Weightings change on a daily basis. Also, the indices are rebalanced semi-annually (i.e. June and December of every year) therefore the composition of the index is subject to change. Please refer to the Fund website for updated details.



14. PROCEDURE FOR APPLICATION AND ALLOTMENT

The process for participating in this offering involves the key steps discussed below:

1. APPLICATION FOR UNITS

- 1.1 Prospective investors to whom this prospectus has been addressed are hereby invited to apply for the units of the ETF Securities through Vetiva Fund Managers Limited.
- 1.2 Applications for the Index Securities 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 will be rejected.
- 1.3 The Application List for the Index Securities will be open from 03 August, 2015 to 28 August, 2015. The minimum to be applied for is indicated on the relevant application form. The number of units for which an application is made and number of baskets of securities tendered should be entered in the boxes provided.
- 1.4 Applicants should sign the form; write their names, address, daytime telephone number and other information as indicated in the boxes provided. A corporate applicant should affix its seal and state its Incorporation (RC) Number in the boxes provided.

2. ALLOTMENT OF UNITS

Vetiva Fund Managers Limited reserves the right to accept or reject any application in whole or in part for not meeting the conditions of the Offer. The allotment proposal will be subject to the clearance of the Board of Vetiva Fund Managers Limited. Please note that the Directors reserve the right to allot the units on a “first come first serve” basis. The basis of allotment will be subject to the approval of the Commission.



15. RECEIVING AGENTS

All capital market operators with current SEC registration as at the date of this Prospectus are eligible to act as Receiving Agents to the Issue. A brokerage commission of 0.20% will be paid on the value of allotted Units in respect of applications bearing the Receiving Agent's official stamp.

The Issuing House/Fund Manager cannot accept responsibility for the conduct of any Receiving Agent. Investors are therefore advised to conduct their own independent enquiries before choosing an agent to act on their behalf. Evidence of deposit of securities with any Receiving Agent, in the absence of corresponding evidence of receipt by the Issuing House/Fund Manager, cannot give rise to a liability on the part of the Issuing House/Fund Manager under any circumstances.

AAA Stockbrokers Limited	Fidelity Union Securities Limited	PML Securities Company Limited
Adamawa Securities Limited	Financial Derivatives Company Limited	Professional Stockbrokers Limited
Adonai Stockbrokers Limited	Finmal Finance Securities Limited	Pivot Trust & Investment Limited
Afrinvest (West Africa) Limited	First Equities Securities Limited	Profund Securities Limited
AIL Securities Limited	First Stockbrokers Limited	Prominent Securities Limited
Alangrange Securities Limited	FIS Securities Limited	PSL Securities Limited
Alliance Capital Management Limited	Foresight Securities & Investment Limited	PSI Securities Limited
AMYN Investments Limited	Forte Asset Management Limited	Pyramid Securities Limited
Anchoria Investment & Securities Limited	Forthright Securities & Investment Limited	Quantum Securities Limited
Apel Asset & Trust Limited	Fountain Securities Limited	Rainbow Securities & Investment Limited
APT Securities & Fund Limited	Futureview Financial Services Limited	Reading Investment Limited
Aquila Capital Limited	Gidauniya Investment & Securities Limited	Regency Assets Management Limited
Asset Resource & Management Limited	Global Asset Management (Nigeria) Limited	Resano Securities Limited
Associated Asset Managers Limited	Golden Securities Limited	Resort Securities and Trust Limited
Atlas Portfolio Limited	Greenwich Trust Limited	Reward Investment & Securities Limited
Belfry Invest. & Sec. Limited	GTB Asset Management Limited	Rivtrust Securities Limited
Best Link Investment Limited	GTB Securities Limited	Rolex Securities Limited
Bestworth Assets & Trust Limited	GTI Capital Limited	Rostrum Investment & Securities Limited
BFCL Assets & Securities Limited	Heartbeat Investments Limited	Royal Crest Finance Limited
BIC Securities Limited	Hedge Securities & Investment Company Limited	Santrust Securities Limited
BSD Securities Limited	Horizon Stockbrokers Limited	Securities Trading & Investment Limited
Bytofel Trust & Securities Limited	Stanbic IBTC Asset Management Limited	Securities Solutions Limited
C & I Heritage Limited	ICMG Securities Limited	Security Swaps Limited
Calyx Securities Limited	ICON Stockbrokers Limited	Shelong Investment Limited
Camry Securities Limited	Independent Securities Limited	Sigma Securities Limited
Capital Assets Limited	Intercontinental Securities Limited	Signet Investments & Securities Limited
Capital Bancorp Limited	International Standard Securities Limited	Smadac Securities Limited
Capital Express Sec. Limited	Interstate Securities Limited	Solid-Rock Securities & Investment Limited
Capital Trust Brokers Limited	Investment Centre Limited	Spring Capital Markets Limited
Cash Craft Asset Management Limited	Investment Masters & Trust Limited	Spring Trust & Securities Limited
Centre-Point Investment Limited	Jamkol Investments Limited	Springboard Trust & Investment Limited
Century Securities Limited	Kapital Care Trust & Securities Limited	Stanwal Securities Limited
Chapel Hill Advisory Partners Limited	Kundila Finance Services Limited	Sterling Capital Markets Limited
Citi Investment Capital Limited	Lambeth Trust & Investment Company Limited	Strategy and Arbitrage Limited
City Investment Management Limited	LB Securities Limited	Summa Guaranty & Trust Company Limited
Clearview Investment Company Limited	Lead Capital Limited	Summit Finance Company Limited
Compass Investment & Sec. Limited	Lighthouse Asset Management Limited	Supra Commercial Trust Limited
Core Trust & Investment Limited	Maclaize Trust & Securities Limited	TFS Securities and Investment Company Limited
Cowry Asset Management Limited	Mainland Trust Limited	The Bridge Securities Limited
Cradle Trust Finance & Sec. Limited	Mainvest Asset Management Limited	Tiddo Securities Limited
Crownwealth Assets Management Limited	Marimpex Finance & Investment Limited	Tomil Trust Limited
CSL Stockbrokers Limited	Marina Securities Limited	Topmost Finance & Investment Limited
De-Canon Investments Limited	Marriot Securities Limited	Tower Asset Management Limited
Deep Trust Investment Limited	Maven Asset Management Limited	Tower Securities & Investment Company Limited
De-Lords Securities Limited	Maxifund Invest & Securities Limited	Traders Trust & Inv. Co. Limited
Denham Management Limited	MBC Securities Limited	Trans Africa Fin. Services Limited
Dependable Securities Limited	MBL Financial Services Limited	Transworld Investment & Finance Company Limited
Diamond Securities Limited	Mega Equities Limited	Tropics Securities Limited
EBN Securities Limited	Mercov Securities Limited	Trust Yields Securities Limited
Emerging Capital Limited	Meristem Securities Limited	Trusthouse Investment Limited
EMI Capital Resources Limited	Metropolitan Trust Nigeria Limited	TRW Stockbrokers Limited
Empire Securities Limited	Midland Capital Markets Limited	UBA Capital Limited
Enterprise Stockbrokers Plc	Molten Trust Limited	UBA Stockbrokers Limited
Epic Investment & Trust Limited	Mountain Investment & Securities Limited	UIDC Securities Limited
Equity Capital Solutions Limited	Mutual Alliance Investment & Securities Limited	UNEX Securities & Investment Limited
ESL Securities Limited	Networth Securities & Finance Limited	Union Capital Markets Limited
Eurocomm Securities Limited	Newdevco Investment & Securities Limited	Valmon Securities Limited
Excel Securities Limited	Nigerian International Securities Limited	ValueLine Securities & Investment Limited
Express Discount Asset Mgt. Limited	Nigerian Stockbrokers Limited	Vetiva Capital Management Limited
Express Portfolio Services Limited	Nova Finance & Securities Limited	Vision Trust and Investment Limited
F& C Securities Limited	Oasis Capital Limited	Viva Securities Limited
Falcon Securities Limited	Omas Investment & Trust Limited	Wizatrade Capital Asset Management Limited
FBC Trust and Securities Limited	Options Securities Limited	WSTC Financial Services Limited
FBN Securities Limited	P.S.I. Securities Limited	Yobe Investment and Sec. Limited
FCMB Capital Markets Limited	Peninsula Asset Management Limited	Yuderb Investment & Securities Limited
Fidelity Finance Co. Plc	Pilot Securities Limited	Zenith Securities Limited
	Pinefields Investment Services Limited	Zuma Securities Limited



KNOW – YOUR – CUSTOMER DOCUMENTATION (All Investors should provide attested KYC documents. Please see instruction for requirements)Please tick in the box to indicate that KYC documents are attached **OCCUPATION**

Professional Business Housewife Retired Student Public Sector/ Government Service Private Sector Service
 Proprietorship Others (please specify) _____

Is any person associated with this account a current/former head of state, senior official in any government, senior executive of state-owned enterprise or senior politician in/outside of Nigeria; or an immediate family member or close advisor of such an individual; or is this account held by an organization controlled by such an individual? (Please ✓) Yes No

BANK ACCOUNT DETAILS FOR E-DISTRIBUTIONS (Please refer to instructions)NUBAN Account No.:

--	--	--	--	--	--	--	--	--	--	--

Account Name: _____

Bank Name: _____ Bank Branch: _____

State: _____ Sort Code: _____

Account Type: Savings Current Others (please specify) _____**INVESTMENT DETAILS: (PLEASE TICK APPROPRIATE BOX)**

CASH SUBSCRIPTION IN- SPECIE SUBSCRIPTION (BASKET DELIVERY)

No. of Units _____ (in words) _____

(Please include the number of Units you wish to Subscribe for/ Redeem. Please refer to Instruction)

PAYMENT DETAILS:Direct transfer Cheque/Bank Draft

Cheque No./ DD No.	Cheque./ Bank Draft Date	Bank Name	
Amount in figures (₦)		Bank Branch	
Amount in words			

CENTRAL SECURITIES CLEARING SYSTEM ACCOUNT DETAILS:

Name of Stockbroker _____

CSCS A/C No. _____

CHN A/C No. _____

* Investors must ensure that the sequence of names as mentioned in this Application Form matches that of the account held by the Investor with the CSCS.



APPLICATION FORM – VB ETF

SECURITIES TENDERED (FOR IN-SPECIE SUBSCRIPTION):

NUMBER OF BASKET(S) TENDERED			
S/No.	SECURITIES	WEIGHTS (%)	NUMBER OF SHARES
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
	CASH COMPONENT (if applicable)		₹

CONFIRMATION, AUTHORISATION AND SIGNATURE(S)

SIGNATURE	2 ND SIGNATURE (Corporate/Joint)	OFFICIAL SEAL/RC. No.
		OR *THUMBPRINT* (For Illiterates only)
NAME OF AUTHORISED SIGNATORY (Corporate only)	NAME OF AUTHORISED SIGNATORY (Corporate/Joint)	
DESIGNATION (Corporate only)	DESIGNATION (Corporate only)	

Please note that by signing this Application Form, the Investors also give the Important Declarations set out in the instructions section of the Application Form.

I/We hereby apply for the allotment / Purchase of Units of the ETF, as indicated in this form and confirm that I/we have read, understood and are bound by the terms and conditions of this Application Form, including the Important Declarations in the instructions to the Application Form, the contents of the Prospectus for the Offer, and am/are fully capable of assessing and bearing the risks involved in purchasing the Units, and agree to abide by the terms, conditions, rules and regulations of the ETF.

I /We hereby authorise Vetiva Fund Managers Limited and its agents to disclose personal data / details of my investment to anyone as may be necessary or expedient for the purposes of administration of investments in the Units of the ETF.

I/We hereby undertake to pay the required money/payment towards Subscription of the Units of the ETF made through this Application Form within one day of making such application or within such time as directed by Vetiva Fund Managers Limited.

FORM OF ATTESTATION (Compulsory requirement for a witness of a thumbprint impression only)

I, _____ [please insert full name of person attesting] of [insert address] hereby testify that the above *thumbprint* was affixed in my presence this.....day of.....201....., and is the true right thumb print of [insert name of person executing] who has acknowledged to me after due explanation of the Application Form in the language understandable to him that (i) he/she has voluntarily executed this instrument and (ii) he/she understands the contents and effect thereof.

As witness my hand this.....day of..... 201....

Witness Signature:



APPLICATION FORM – VCG ETF

SECURITIES TENDERED (FOR IN-SPECIE SUBSCRIPTION):

NUMBER OF BASKET(S) TENDERED			
S/No.	SECURITIES	WEIGHTS (%)	NUMBER OF SHARES
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
	CASH COMPONENT (if applicable)		₹

CONFIRMATION, AUTHORISATION AND SIGNATURE(S)

SIGNATURE	2 ND SIGNATURE (Corporate/Joint)	OFFICIAL SEAL/RC. No.
		OR *THUMBPRINT* (For Illiterates only)
NAME OF AUTHORISED SIGNATORY (Corporate only)	NAME OF AUTHORISED SIGNATORY (Corporate/Joint)	
DESIGNATION (Corporate only)	DESIGNATION (Corporate only)	

Please note that by signing this Application Form, the Investors also give the Important Declarations set out in the instructions section of the Application Form.

I/We hereby apply for the allotment / Purchase of Units of the ETF, as indicated in this form and confirm that I/we have read, understood and are bound by the terms and conditions of this Application Form, including the Important Declarations in the instructions to the Application Form, the contents of the Prospectus for the Offer, and am/are fully capable of assessing and bearing the risks involved in purchasing the Units, and agree to abide by the terms, conditions, rules and regulations of the ETF.

I /We hereby authorise Vetiva Fund Managers Limited and its agents to disclose personal data / details of my investment to anyone as may be necessary or expedient for the purposes of administration of investments in the Units of the ETF.

I/We hereby undertake to pay the required money/payment towards Subscription of the Units of the ETF made through this Application Form within one day of making such application or within such time as directed by Vetiva Fund Managers Limited.

FORM OF ATTESTATION (Compulsory requirement for a witness of a thumbprint impression only)

I, _____ [please insert full name of person attesting] of [insert address] hereby testify that the above *thumbprint* was affixed in my presence this.....day of.....201....., and is the true right thumb print of [insert name of person executing] who has acknowledged to me after due explanation of the Application Form in the language understandable to him that (i) he/she has voluntarily executed this instrument and (ii) he/she understands the contents and effect thereof.

As witness my hand this.....day of..... 201.....

Witness Signature:



APPLICATION FORM – VI ETF

SECURITIES TENDERED (FOR IN-SPECIE SUBSCRIPTION):			
NUMBER OF BASKET(S) TENDERED			
S/No.	SECURITIES	WEIGHTS (%)	NUMBER OF SHARES
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
	CASH COMPONENT <i>(if applicable)</i>		₹

CONFIRMATION, AUTHORISATION AND SIGNATURE(S)		
SIGNATURE	2 ND SIGNATURE <i>(Corporate/Joint)</i>	OFFICIAL SEAL/RC. No.
		OR *THUMBPRINT* <i>(For Illiterates only)</i>
NAME OF AUTHORISED SIGNATORY <i>(Corporate only)</i>	NAME OF AUTHORISED SIGNATORY <i>(Corporate/Joint)</i>	
DESIGNATION <i>(Corporate only)</i>	DESIGNATION <i>(Corporate only)</i>	

Please note that by signing this Application Form, the Investors also give the Important Declarations set out in the instructions section of the Application Form.

I/We hereby apply for the allotment / Purchase of Units of the ETF, as indicated in this form and confirm that I/we have read, understood and are bound by the terms and conditions of this Application Form, including the Important Declarations in the instructions to the Application Form, the contents of the Prospectus for the Offer, and am/are fully capable of assessing and bearing the risks involved in purchasing the Units, and agree to abide by the terms, conditions, rules and regulations of the ETF.

I /We hereby authorise Vetiva Fund Managers Limited and its agents to disclose personal data / details of my investment to anyone as may be necessary or expedient for the purposes of administration of investments in the Units of the ETF.

I/We hereby undertake to pay the required money/payment towards Subscription of the Units of the ETF made through this Application Form within one day of making such application or within such time as directed by Vetiva Fund Managers Limited.

FORM OF ATTESTATION (Compulsory requirement for a witness of a thumbprint impression only)

I, _____ *[please insert full name of person attesting]* of *[insert address]* hereby testify that the above *thumbprint* was affixed in my presence this.....day of.....201...., and is the true right thumb print of *[insert name of person executing]* who has acknowledged to me after due explanation of the Application Form in the language understandable to him that (i) he/she has voluntarily executed this instrument and (ii) he/she understands the contents and effect thereof.

As witness my hand this.....day of..... 201....	Witness Signature:



INSTRUCTIONS FOR COMPLETING THE APPLICATION

1. GENERAL:

- a. Applications must be made only on this Application Form, or photocopy, downloaded or scanned copy of the Application Form.
- b. The Application List for the Units will be open to prospective investors for the duration specified in the Prospectus.
- c. Please refer to the Prospectus carefully before filling the Application Form. All Investors are deemed to have read and accepted the terms in this Offering Documents and instructions in this Application Form subject to which this offer is being made and bind themselves to the terms thereof upon signing the Application Form and tendering the payment.
- d. The Units of the Schemes may be bought / sold like any other stock on the NSE. Alternatively, the Authorised Dealer can directly buy/sell Units with the Fund in Creation Unit size. Please refer to the Prospectus for definitions of Authorised Dealer and details regarding Subscription / Redemption of Units of the Schemes on the NSE.
- e. All applications are subject to detailed scrutiny and verification. Applications which are incomplete, invalid or ambiguous in any respect are liable to be rejected after acceptance and verification. Application Form may be accepted or rejected at the sole and absolute discretion of the Trustees / Fund Manager. Please refer to the Prospectus for further details on rejection of applications.
- f. Investors shall ensure that any overwriting or correction shall be countersigned by the Investors, failing which the Fund Manager / Trustees may at its sole discretion reject such application.
- g. Irrespective of mode of holding, all communication and payments shall be made by the Fund only in the name of and favouring the main applicant, including all transaction advices, Dividend or Redemption payments, and all other relevant correspondence.

2. CSCS DETAILS:

- a. The Units of the Schemes are issued / repurchased and traded compulsorily in dematerialized form. As the Units of the Scheme will be issued in dematerialized form, relevant details of the Central Securities Clearing System (CSCS) and the beneficiary account should be provided in the “CSCS Account Details” section in the Application Form.
- b. Investors must ensure that the sequence of names as mentioned in the Application Form matches that of the account held by the Investor with the CSCS and are required to indicate in the application the relevant account numbers of the Investor.
- c. Only those applications where the details are matched with the CSCS data will be treated as valid applications. If the details mentioned in the application are incomplete, incorrect, and not matched with the CSCS data, the application shall be treated as invalid and shall be liable to be rejected.

3. APPLICANT INFORMATION:

- a. An application for a minor must include the full names and date of birth of the minor, as well as the full names and address of the adult (Parent or Guardian) making the application on such minor's behalf.
- b. An application from a corporate body must bear the corporate body's common seal and be completed under the hand of a duly authorised official.
- c. Name of the contact person with designation should be mentioned in case of investments by a company, body corporate, partnership, society, mutual fund, trust and other non-individual Investors. Further, a document providing evidence of the authority of the organisation to invest in the Fund, along with the updated specimen signature list of authorised signatories and a certified copy of memorandum and articles of association and / or bye-laws and / or trust deed and / or partnership deed and certificate of registration or any other documents as the case may be shall be furnished along with the Application Form. In case of a trust / fund, it shall submit a certified true copy of the resolution from trustee(s) authorising such Purchases. The officials should sign the application under their official designation and furnish the list of authorised signatories. Please refer to the 'Investor's Documentation and Particulars Grid', provided in this Prospectus and also available on our website www.vetiva.com/funds for further details on supporting documents to be provided along with the Application Form.



- d. Joint applicants must all sign the Application Form.
- e. An application by an illiterate should bear his right thumbprint on the Application Form and be witnessed by an official of the Receiving Agent at which the application is lodged who must have first 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. An 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.

4. KNOW YOUR CUSTOMER (“KYC”):

- a. KYC is mandatory, under the Money Laundering (Prohibition) Act (MLPA), 2011, SEC Rules and Regulations and Anti-Money Laundering /Combating Financing of Terrorism (AML/CFT) Compliance Manual (developed by the SEC), for all applications/ investments in mutual funds (fresh Purchases / additional Purchases). Each Investor (including joint Unit holder, guardian, minor, institutional investors, other non-institutional investors) who wishes to invest any amount in the Schemes, needs to submit the relevant KYC documents as set out in the ‘Investor’s Documentation and Particulars Grid’, provided in this Prospectus and also available on our website www.vetiva.com/funds.
- b. Applications where KYC is not completed will be rejected. All documents submitted should be in original along with a self-attested copy. The original will be returned after verification. Alternatively, Investors may submit copies duly attested by a manager of a scheduled commercial bank (the designation seal should be affixed), notary public or gazetted officer.
- c. In case the Investor/Unit holder is a minor, then the KYC documents of both the minor and the guardian shall be submitted.

5. BANK ACCOUNT DETAILS

- a. Investors should provide the name of their bank, branch address, account type and account number. Applications without complete bank details shall be treated as incomplete and may be rejected.
- b. By default, all Dividend and Redemption proceeds will be electronically credited directly into your bank account. However, if we do not have the required information to do the credit electronically, we will make the payment by cheque. If you do not wish to receive your Dividend and Redemption payments electronically and would prefer to receive the same by cheque, please contact the Transfer Agent in this respect.

6. MINIMUM APPLICATION

Applications must be for a minimum of 100,000 Units. Applications for more than 100,000 Units must be in multiples as specified in the relevant application form. The number of Units for which an application is made and the applicable value should be entered in the boxes provided

7. INVESTMENT DETAILS

a) Portfolio Deposit

Portfolio Deposit means a pre-defined basket of Securities that represent the underlying index and will be defined and announced on a daily basis and can change from time to time. Please refer to our website, www.vetiva.com/funds, for the latest underlying index before investing in the Scheme.

The Portfolio Deposit will only be accepted in electronic form (dematerialised mode) and the stocks will have to be credited to the CSCS account of the relevant Fund with the Custodian. Details of the Portfolio Deposit to be submitted are available at our website, www.vetiva.com/funds. The CSCS account details of the Funds are as follows:

ETF	VB ETF	VCG ETF	VIETF
Account Name:	UBA NOM/VETV.BANKING EXCH.TRADED FD	UBA NOM/VETV.CON.S.GOODS. EXCH.TRAD.FD.	UBA NOM/VETV.INDUSTRIAL EXCH.TRAD.FD
CSCS Account No:	4857412	54676775	55265516
CHN No:	C5594894UB	C5594893UB	C5594895UB



b) Cash Component

The Cash Component represents the difference between the Applicable NAV of a Creation Unit and the market value of the Portfolio Deposit (the cash component will be nil during the initial offer) .The Cash Component for creation will vary from time to time and will be decided and announced by the Fund Manager on its website and other data providers and media at large. Please refer to our website (www.vetiva.com) for details on the Cash Component.

For Cash Component all cheques and bank drafts should be drawn in favour of the relevant Fund’s account name with the Custodian and marked “Account Payee only”. Please also refer to the table below for details of the respective Fund A/C names and account numbers, for direct transfers:

ETF	VB ETF	VCG ETF	VIETF
Bank Name:	UBA PLC	UBA PLC	UBA PLC
Account Name:	UBA NOMINEE / VETIVA BANKING EXCHANGE TRADED FUND	UBA NOMINEE /VETIVA CONSUMER GOODS EXCHANGE TRADED FUND	UBA NOMINEE/VETIVA INDUSTRIAL EXCHANGE TRADED FUND
Account Number:	1019092499	1019092815	1019092482

- c) The Investor is required to transfer the requisite Securities constituting the Portfolio Deposit to the relevant Fund’s CSCS account while the Cash Component has to be paid to the Custodian. On confirmation of the same by the Custodian, the Fund Manager will transfer the respective number of Units of the relevant Scheme into the Investor’s CSCS account.

8. CANCELLATION

Please note that application once submitted cannot be cancelled under any circumstances. Once an application for Subscription is submitted, the Investor will have to submit a Redemption request for redeeming the Units.



INVESTOR DOCUMENTATION AND PARTICULARS GRID

Reference	Yes/No	N/A
<p>The following documents / information are required in addition to executing the duly completed application/subscription forms</p>		
A	Individuals	
1		
2		
3		
B	Corporate Bodies/Institutional Investors	
1		
2		
3		
4		
5		
6		
C	Trustees	
1		
2		
3		
D	Deceased/Executorship Accounts	
1		
2		
3		
4		
<hr/> <p><i>Please list any additional information/documentation submitted</i></p> <p>1. _____</p> <p>2. _____</p>		
<p>The Investor Name: _____</p> <p>(Signature) _____</p> <p>(Date) _____</p>		
FOR OFFICIAL USE ONLY		
<p>Verified by & signed off by: _____</p> <p>Comments (if any): _____</p>		
<p>Signed off by Vetiva Fund Managers Limited: _____</p> <p>Comments (if any): _____</p>		



APPLICATION FORM
VETIVA SECTOR SERIES ETFs



