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You are advised to read and understand the contents of the Abridged Prospectus. Before subscribing, please consult your Stockbroker, Solicitor, Banker or an Independent Investment Adviser registered by the Securities and Exchange Commission. This Abridged Prospectus has been seen and approved by the Directors of Lotus Capital Limited and they jointly and individually accept full responsibility for the accuracy of all information given and confirm that, after having made all inquiries 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.

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FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE SEE RISK FACTORS ON PAGE 12.

## **Abridged Particulars of the Prospectus**

### **INITIAL PUBLIC OFFERING**

**OF**

**1,000,000 UNITS OF ₦1,000.00 EACH**

**AT PAR**

**IN THE**

# **LOTUS HALAL FIXED INCOME FUND**

**(AUTHORIZED AND REGISTERED IN NIGERIA AS A UNIT TRUST SCHEME)**

**PAYABLE IN FULL ON APPLICATION**

**FUND MANAGER**



**LEAD ISSUING HOUSE:**

**JOINT ISSUING HOUSE :**



**AND**



**APPLICATION LIST OPENS: WEDNESDAY, 11 MAY, 2016**

**APPLICATION LIST CLOSES: FRIDAY, 17 JUNE 2016**

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A copy of this Abridged Prospectus and the documents contained herein have been approved by the Trustees and delivered to the Securities & Exchange Commission ("SEC" or "the Commission") for registration.

This Abridged Prospectus is being used in compliance with the provisions of the Investments and Securities Act No 29 2007 and the Rules and Regulations of the Commission and contains particulars in compliance with the requirements of the Commission for the purpose of giving information to the public with regard to the Initial Public Offering of 1,000,000 Units in the Lotus Halal Fixed Income Fund ("the Fund") by Lotus Capital Limited. The Fund has been authorised and registered by the SEC as a Unit Trust Scheme. No application has been made to the Council of The Exchange for the admission to its daily Official List of the 1,000,000 Units being offered for subscription.

The Directors of the Fund Manager individually and collectively accept full responsibility for the accuracy of the information contained in this Abridged 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.

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**This Abridged Prospectus is dated 14 April, 2016**

## ABRIDGED TIMETABLE

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Date	Responsibility	Responsibility
11 May, 2016	Application List opens	Issuing Houses
17 June, 2016	Application List closes	Issuing Houses
01 July, 2016	Receiving Agents make returns	Lotus Capital
22 July, 2016	Forward Basis of Allotment proposal to SEC	Issuing Houses
08 August, 2016	Obtain SEC's clearance of the Basis of Allotment	Issuing Houses
9 August, 2016	Disburse net proceeds to Lotus Capital	GTBank
10 August, 2016	Publish allotment announcement in two national daily newspapers	Lotus Capital/Issuing Houses
15 August, 2016	Return excess/rejected application monies	Lotus Capital
16 August, 2016	Distribute statements of Unit Holdings	Lotus Capital
23 August, 2016	Forward Offer Summary Report to the SEC	Issuing Houses

***The dates given above are indicative only. The timetable has been prepared on the assumption that certain key activities including, but not limited to the receipt of regulatory approvals from the SEC for the Offer will be achieved as stated, if not, then dates surrounding key events in the timetable may be subject to adjustments without prior notice.***

## SUMMARY OF THE OFFER

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The following is a summary of the terms and conditions of an investment in the Lotus Halal Fixed Income Fund. This summary does not contain all of the information a prospective investor in the Fund should consider in making an investment decision. This summary should be read together with the entire Prospectus, from which it is derived. **Investors are advised to seek information on the applicable fees and charges before investing in the Fund.**

<b>FUND MANAGER</b>	Lotus Capital Limited
<b>LEAD ISSUING HOUSE</b>	Vetiva Capital Management Limited
<b>JOINT ISSUING HOUSE</b>	Lotus Financial Services Limited
<b>TRUSTEE TO THE FUND</b>	STL Trustees Limited
<b>CUSTODIAN</b>	Citibank Nigeria Limited
<b>THE OFFER</b>	1,000,000 Units of ₦1,000.00 each in the Fund
<b>METHOD OF OFFER</b>	Offer for Subscription
<b>NATURE OF THE FUND</b>	The Fund is an open-ended unit trust scheme constituted under a Trust Deed. The Fund Manager will continuously offer Units to investors and redeem Units at all times throughout the duration of the Fund.
<b>UNIQUE FEATURE</b>	<p>The Fund offers prospective investors the opportunity to invest in Shari'ah-compliant fixed income securities and investment products. Thus, the Fund affords investors the opportunity to earn competitive returns while avoiding exposure to the risks associated with equity investments.</p> <p>The Fund also seeks to achieve capital preservation whilst maximising returns through investing in strategically diversified portfolio of Shari'ah-compliant fixed income securities and products.</p>
<b>TARGET INVESTORS/INVESTOR SUITABILITY</b>	The Fund is targeted at investors with low risk appetite, who seek safety and capital preservation as well as relatively attractive returns. The Fund is aimed at ethical investors seeking competitive returns without compromising their beliefs. The Fund welcomes participation from retail and institutional investors including Pension Funds Administrators (PFAs), non-profit organisations and collective investment schemes.
<b>FUND SIZE</b>	₦1,000,000,000.00
<b>UNIT PRICE</b>	₦1,000.00 per Unit
<b>MINIMUM SUBSCRIPTION</b>	5 Units (₦5,000.00)
<b>PAYMENT TERMS</b>	In full on application
<b>MANDATORY SUBSCRIPTION</b>	In compliance with the SEC Rules and Regulations which states that promoters of unit trust schemes in Nigeria must subscribe to a minimum of 5% of the initial issue of such schemes, the Fund Manager shall subscribe to 5% of the Offer.
<b>OPENING DATE</b>	Wednesday, 11 May, 2016
<b>CLOSING DATE</b>	Friday, 17 June, 2016
<b>INVESTMENT BASIS</b>	The Fund proposes to receive funds from investors based on a Wakalah (agency/investment management) contract between the Fund Manager and the Investors. The Fund will receive funds from various investors and pool them together to invest in Shari'ah compliant instruments such as sukuk, non-tawarruq Shari'ah compliant fixed term investments and Shari'ah fixed income contracts such as murabaha (cost plus financing), ijara (asset lease) among others.
<b>USE OF PROCEEDS</b>	The Offer proceeds will be utilized in accordance with the Fund's investment objectives and policies. Accordingly, the Fund will invest only in Compliant outlets and would not invest in interest bearing instruments such as treasury bills and conventional bank deposits. The Offer costs and expenses amounting to ₦29,439,000.00 representing 2.94% of the Offer size shall be borne by the Fund. These costs shall be defrayed from the Offer proceeds.

## SUMMARY OF THE OFFER

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### **DISTRIBUTIONS**

All profits received from investment of funds would accrue to the Fund. The Fund does not guarantee any fixed return to Unit Holders. As the Fund will be investing in high quality fixed return instruments or contracts, it will have an indicative return rate which would be reflected in the distribution made. Subject to prevailing economic conditions, the Fund Manager shall distribute up to eighty (80) per cent of the Fund's net income in any Financial Year to Unit Holders on a quarterly basis. Any undistributed profit shall be assigned to individual Unit Holders in proportion to the number of units they own and re-invested for their benefit and accounts. Unit Holders shall have the option to elect to receive their Distribution in cash or reinvest it in purchasing new Units at the offer price on the day the distribution is declared by the Fund Manager. Unit Holders who elect to have their Distributions reinvested in new Units shall be entitled to an issue of Units that shall be equal in value to the amount they would have otherwise received in cash as their Distribution. The preferred distribution option shall be made at the point of subscription.

### **MINIMUM INVESTMENT PERIOD**

The minimum holding period for an investment in the Fund during the IPO is ninety (90) calendar days from the Allotment Date. Thereafter, there shall be minimum holding period of thirty (30) days.

### **REDEMPTION**

Redemption shall be effected on a continuous basis throughout the life of the Fund. Unit Holders shall have the right to redeem all or part of the Units held by them at the Bid Price on any Business Day immediately following the receipt of a redemption notice (in accordance with the instructions specified herein) by the Fund Manager from time to time.

Minimum permissible holding after partial redemption is 5 Units or such Unit as may be advised by the Manager from time to time.

The Fund will make redemption payments within five (5) Business Days of receipt of the Redemption Notice. No additional charges will be made on Redemption. However, Units may be redeemed before the expiration of the Minimum Investment Period provided that the Fund Manager shall be entitled to deduct from the Unit Holder's investment any charges directly incurred as a result of such redemption.

### **QUALIFICATION**

The Units qualify as securities in which Trustees may invest under the Trustee Investment Act Cap T22 LFN 2004.

### **QUOTATION**

No application has been made to the Council of The NSE for the listing of the Fund. However, the Fund Manager on the successful completion of the Offer, or at a later date, may seek a Memorandum Listing of the Fund on The NSE.

### **STATUS**

The Units being offered for subscription shall rank *pari-passu* in all respects with other future Units to be issued by the Fund.

### **SPONSOR**

The Fund is sponsored by Lotus Capital Limited. Lotus Capital Limited is duly registered with the SEC to carry out fund management services.

## SUMMARY OF THE OFFER

### FORECAST OFFER STATISTICS

(Extracted from the Reporting Accountants' Report)

	2016	2017	2018
	₦'000	₦'000	₦'000
<b>Income</b>			
Corporate Sukuk	25,145	27,580	32,384
Sovereign/Sub Sovereign/Supranational Sukuk	47,035	53,617	60,462
Murabaha and Ijara Contracts	33,093	46,922	69,653
Shari'ah Compliant Fixed Investments	57,125	67,132	87,066
<b>Total income</b>	<b>162,398</b>	<b>195,251</b>	<b>249,565</b>
<b>Operating Expense</b>			
Management Fee	10,850	12,751	16,123
Fees and operating expenses	3,336	3,641	4,182
Offer expenses	29,439	-	-
<b>Total Expenses</b>	<b>43,625</b>	<b>16,392</b>	<b>20,305</b>
<b>Net Income</b>	118,773	178,859	229,260
<b>Less: Distribution to the investors</b>	(95,018)	(143,087)	(183,408)
<b>Retained earnings for the year</b>	<b>23,755</b>	<b>35,772</b>	<b>45,852</b>

### FORECAST YIELD

(Extracted from the Reporting Accountants' Report)

	2016	2017	2018
	₦'000	₦'000	₦'000
Net assets at the beginning of the year		1,108,755	1,310,839
Offer proceeds	1,000,000	-	-
Additional subscriptions during the year	100,000	221,751	393,252
Redemption of investments during the year	(15,000)	(55,438)	(91,759)
Total Investors' deposits	1,085,000	1,275,068	1,612,332
Retained earnings for the year	23,755	35,772	45,852
Net Asset Value at the end of the year	1,108,755	1,310,839	1,658,184
Increase in Net Asset Value	108,755	202,085	347,345
Growth rate	11%	18%	26%
Forecast Net Asset Value per unit of ₦1,000.00	1,022	1,048	1,068

**The annual yield on the fund will be determined by the net income accrued to the Fund (after the deduction of all applicable Fund charges), relative to the opening Net Asset Value for the year. The Fund cannot guarantee future returns and the value of its investments may rise and fall. The above forecast yield, therefore, has been provided for indicative purposes only and, should not be regarded by an investor as a promise or guarantee of returns. The actual future returns may be materially different from the forecast.**

<b>OVERSUBSCRIPTION</b>	Any oversubscription would be absorbed by the Fund subject to the approval of the Commission.
<b>INVESTMENT RISKS</b>	The risks associated with an investment in the Fund are set out in the section titled "Risk Factors" on page 12 of this Abridged Prospectus.
<b>SELLING RESTRICTIONS</b>	Under no circumstances shall this Abridged 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, solicitation or sale would be unlawful.
<b>GOVERNING LAW</b>	The Offer Documents will be governed by and construed in accordance with the laws of the Federal Republic of Nigeria.

## DIRECTORS OF THE FUND MANAGER AND OTHER CORPORATE INFORMATION

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<b>CHAIRMAN</b>	<b>TAJUDEEN AFOLABI ADEOLA</b> 1b Udi Street Osborne Foreshore Estate Osborne Road, Ikoyi, Lagos
<b>MANAGING DIRECTOR</b>	<b>HAJARA ABDULLAHI ADEOLA</b> 1b Udi Street Osborne Foreshore Estate Osborne Road, Ikoyi, Lagos
<b>DIRECTOR</b>	<b>LATEEFAH OKUNNU</b> 1b Udi Street Osborne Foreshore Estate Osborne Road, Ikoyi, Lagos
<b>DIRECTOR</b>	<b>AMINA OYAGBOLA</b> 1b Udi Street Osborne Foreshore Estate Osborne Road, Ikoyi, Lagos
<b>DIRECTOR</b>	<b>MUHAMMAD NURUDEEN LEMU</b> 1b Udi Street Osborne Foreshore Estate Osborne Road, Ikoyi, Lagos
<b>CORPORATE DIRECTORY OF THE FUND MANAGER</b>	<b>LOTUS CAPITAL LIMITED</b> 1B, Udi Street Osborne Foreshore Estate Ikoyi Lagos, Nigeria Telephone: +234 1 2713280 Email: <a href="mailto:info@lotuscapitallimited.com">info@lotuscapitallimited.com</a> Website: <a href="http://www.lotuscapitallimited.com">www.lotuscapitallimited.com</a>
<b>COMPANY SECRETARY</b>	<b>MAS'UD BALOGUN</b> 1B, Udi Street Osborne Foreshore Estate Ikoyi Lagos
<b>PRINCIPAL OFFICERS OF THE FUND MANAGER</b>	Hajara Adeola Mas'ud Balogun Gregory Ogbebor Adebola Samson-Fatokun Ibitayo Ogbebor Moshood Babatunde
<b>MEMBERS OF THE FUND INVESTMENT COMMITTEE</b>	Hajara Adeola Moshood Babatunde Gregory Ogbebor Ndako Mijindadi Akin Oni (Trustee Representative) Banke Orimolade (Independent Member) Lateefah Oyefeso (Alternate Member)
<b>MEMBERS OF THE FUND MANAGER'S SHARI'AH BOARD</b>	Monzer Kahf Muhammad Lawal Bashar

## PROFESSIONAL PARTIES TO THE OFFER

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### **ISSUING HOUSES**

#### **VETIVA CAPITAL MANAGEMENT LIMITED**

Plot 266B, Kofo Abayomi Street  
Victoria Island  
Lagos

#### **LOTUS FINANCIAL SERVICES LIMITED**

1B, Udi Street  
Osborne Foreshore Estate  
Ikoyi  
Lagos

### **TRUSTEE TO THE FUND**

#### **STL TRUSTEES LIMITED**

3<sup>rd</sup> Floor, Skye Bank Plc  
30, Marina  
Lagos

### **CUSTODIAN TO THE FUND**

#### **CITIBANK NIGERIA LIMITED**

Charles S. Sankey House  
27, Kofo Abayomi Street  
Victoria Island  
Lagos

### **SOLICITORS TO THE TRUSTEE**

#### **G.ELIAS & Co.**

6, Broad Street  
Marina  
Lagos

### **SOLICITORS TO THE OFFER**

#### **KOLA AWODEIN & Co.**

6<sup>th</sup> Floor, UBA House  
57, Marina  
Lagos Island  
Lagos

### **REPORTING ACCOUNTANTS**

#### **ROSEWATER PARTNERS**

5, Shagamu Avenue  
Off Association Avenue  
Ilupeju  
Lagos

### **RECEIVING BANK**

#### **GUARANTY TRUST BANK PLC**

178, Awolowo Road  
Ikoyi  
Lagos

### **A BRIEF ON THE FUND**

The Lotus Halal Fixed Income Fund is duly authorised and registered as an open-ended collective investment scheme under Section 160 of the ISA. The Fund is governed by a Trust Deed with STL Trustees Limited as Trustees. The Fund is offering 1,000,000 Units for subscription at a price of ₦1,000.00 per Unit. The subscription application is payable in full on application with a minimum investment of 5 Units. Upon successful completion of the Offer, the net proceeds and the resultant investments will constitute the Fund and will be held in trust for the beneficial interest of the Unit Holders.

The Fund will invest strictly in Shari'ah-compliant fixed income instruments and contracts. Given the open-ended structure of the Fund, the Fund Manager will continuously offer and redeem Units throughout the life of the Fund.

### **PROSPECT OF THE FUND**

The Fund offers investors the opportunity to invest in high quality Shari'ah-compliant fixed income instruments and contracts. The Lotus Halal Fixed Income Fund will leverage on the bargaining power derived from pooling funds to generate competitive returns while minimising risk. The Fund seeks to attract investors with low risk appetite who require liquid investments. The Fund specifically targets investors who desire to benefit from Shari'ah-compliant wholesale investment return.

### **CONSTITUTION OF THE FUND**

The Fund shall be constituted out of the proceeds from the sale of Units in the Fund under the Initial Public Offering ("IPO"). The net proceeds of the Offer and assets of the Fund will be vested in the Trustee. The Trustee shall enforce the provisions of the Trust Deed as well as other regulatory provisions. The assets of the Fund shall be held by the Custodian. The Fund Manager shall make all required regulatory filings with the SEC in accordance with the SEC Rules and Regulations. The Fund will bear all expenses incurred by it.

### **OPERATION OF THE FUND**

The Fund Manager shall be responsible for the operations of the Fund and shall effect such operations in accordance with the provisions of the Trust Deed.

### **INVESTMENT OBJECTIVE AND POLICY**

The primary objective of the Fund is to generate competitive returns on investment in a Shari'ah Compliant manner whilst ensuring capital preservation. This objective will be realised through investments in a carefully selected and well diversified portfolio of Shari'ah-compliant fixed income instruments and products while leveraging on the bargaining power from pooling funds to earn competitive returns.

The Fund Manager shall deploy active fund management tools and seek quality investible assets to optimise returns. To achieve this objective, the Fund Manager shall determine/adjust the investment mix of the portfolio from time to time in accordance with the asset allocation guidelines stated below.

### **ASSET CLASSES AND ALLOCATION**

The Fund shall invest in Shari'ah-compliant fixed income instruments. The permissible asset classes within the Fund are as follows:

- a. **Sovereign and Sub-Sovereign Sukuk:** Sukuk are certificates of equal value representing undivided shares in the ownership of tangible assets, usufructs and services or (in the ownership of) the assets of particular projects or special investment activity and entitle the holder to the receipt of periodic returns derived from the underlying asset. Sovereign and sub-sovereign Sukuk are Shari'ah-compliant certificates issued by the Federal Government or its agencies (national/sovereign) or States or their agencies (sub-national/sub-sovereign).
- b. **Corporate Sukuk:** These are sukuk issued by rated corporate national or supranational, local or international organisations and multinationals.



- c. **Shari’ah-Compliant Fixed Term Investments:** These are term investments with reputable financial institutions based on the Islamic contracts of, Murabaha (cost-plus financing), or other Islamic financial contract structures. The Fund may use the instrument of Murabaha line of credit with reputable financial houses, Islamic or conventional. The investment outlet by the financial institution would be in trusted businesses with proven track record of certain yields.
- d. **Murabaha (cost-plus financing) Contracts:** Murabaha contracts are stable return contracts based on known and predetermined profit between the buyer and the seller. The Fund will enter into an agreement for the purchase and sale of certain compliant assets at an agreed mark-up price, with a deferred payment agreement.
- e. **Ijarah (lease) Contracts:** These are contracts for the lease of certain compliant assets to customers. Each customer will pay an agreed rent to the Fund for the use of the asset over a specific period and will also undertake to buy the asset itself gradually.

The table below highlights the proposed asset allocation within the Fund:

Proposed Asset Class	Asset Allocation Range (%)	Target Allocation (%)
Cash	0 - 5	5
Sovereign and Sub-Sovereign Sukuk	0 - 90	30
Corporate Sukuk	0 - 60	15
Shari’ah Compliant Fixed Term Investments	0 - 100	30
Murabaha, Ijara and other Fixed Income Contracts	0 - 70	20

**INVESTMENT STRATEGY**

The Fund Manager’s core objective is the generation of competitive returns on the Fund’s investment while ensuring long-term capital protection, value creation and preservation. The Fund Manager intends to achieve this objective by adopting a bottom-up investment approach and leveraging on its expertise and extensive network to identify secure and high quality Shari’ah-compliant investments. Comprehensive due diligence and robust research and analysis, will be carried out on prospective investments prior to making a final investment decision. The Fund Manager also intends to make investment decisions based on a continuous assessment of eligible investment opportunities whilst maintaining strict adherence to the asset allocation policy.

**INVESTMENT INCENTIVES**

Investment in the Lotus Halal Fixed Income Fund will provide investors with:

- ✓ Capital preservation;
- ✓ Competitive returns;
- ✓ Diversified portfolio; and
- ✓ Regular and steady income stream not generally associated with other forms of investment.

**TARGET INVESTORS**

The Lotus Halal Fixed Income Fund targets investors who seek exposure to Shari’ah-compliant investment opportunities but have low risk appetite and do not want exposure to the risks associated with equity investments. The Fund specifically targets:

- ✓ Investors with low risk appetite;
- ✓ Investors with short/medium term investment horizon;
- ✓ Investors who desire no exposure to stock market volatility;
- ✓ Ethical investors;
- ✓ Investors who seek capital preservation over the medium to long-term; and
- ✓ Investors who wish to benefit from wholesale investment return.

The Fund welcomes participation from retail and institutional investors such as Pension Fund Administrators, not-for-profit organisations, and collective investment schemes.

### **INVESTMENT DISCRETION**

Investments of the Fund will be undertaken at the discretion of the Fund Manager, subject to the policies instituted by the Investment Committee, pursuant to the Trust Deed with such modifications as may be made from time to time and in accordance with the provisions of the Investment and Securities Act and the Rules and Regulations of the SEC, as prescribed from time to time. The Fund Manager will be responsible for all decisions regarding investment strategies, assets, size and timing of the Fund's investments.

### **INVESTMENT GUIDELINES AND RESTRICTIONS**

The Fund Manager shall adhere strictly to the investment objective of the Fund and shall invest only in such instruments as are permissible under the Trust Deed and as authorised by the Investment Committee. The Fund Manager is bound by certain restrictions contained in the Trust Deed, the main provisions of which are summarised in the Prospectus.

### **SUBSCRIPTION TO THE FUND**

Subsequent to the IPO, investors who desire to purchase Units of the Fund may do so through the Fund Manager or any of its designated agents, representatives or any medium that may be approved and provided by the Fund Manager from time to time. Purchase of Units after the Offer Period will be at the offer price on the Valuation Day preceding the day on which the Fund Manager receives the investor's funds.

### **MINIMUM INVESTMENT PERIOD**

The minimum investment period for investors who subscribe during the IPO shall be a period of ninety (90) calendar days from the date of allotment and 30 days thereafter.

### **MEETING OF UNIT HOLDERS AND VOTING RIGHTS**

The Fund Manager in consultation with the Trustee shall call a meeting of Unit Holders whenever this is required. Each Unit Holder shall be entitled to vote in person or by proxy. The quorum for any meeting of the Fund shall be 5 Unit Holders holding not less than 25% of the Fund's outstanding Units whether present in person or by proxy.

### **INCOME AND DISTRIBUTION**

The Fund shall earn returns and other incomes and may also realise capital gains from its investments. The distribution shall reflect the average accrued income to the Fund net of operating expenses. Subject to prevailing economic conditions, the Fund Manager shall distribute up to eighty (80) per cent of the Fund's net income in any Financial Year to Unit Holders on a quarterly basis. Any undistributed profit shall be assigned to individual Unit Holders in proportion to the number of Units they own and re-invested for their benefit and accounts.

### **DISTRIBUTION OPTION AND PAYMENTS**

Investors may select either of the following distribution methods:

- **Reinvestment Option:** Distributions are automatically reinvested in additional Units of the Fund at the Offer price on the day the Distribution is declared by the Fund Manager.
- **Cash Option:** Distributions are paid via electronic transfer to the Unit Holder's bank account.

### **TAX CONSIDERATIONS**

Investment of Fund assets in sovereign and sub-sovereign sukuk bonds are tax exempt. However, income derived from other investments may be subject to tax.

This summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of Units of the Fund and does not purport to deal with the tax consequences applicable to all categories of investors. In addition, the summary is not intended to be, and should not be construed to be tax advice to any particular investor. Any prospective investor who is in any doubt as to his/her tax position should consult his/her own professional advisers

as to the consequences of an investment in the Fund in view of his/her peculiar circumstances. The Fund Manager, the Trustee or the Custodian shall not be liable to any investor in any manner for placing reliance upon the contents of this section.

### **STATEMENT OF UNIT HOLDING**

Except where a certificate is specifically requested, Holders shall be notified of their holding via electronic mail, text messages or other electronic channel of communication. In addition, Holders may be granted access to a portal where they can confirm their holdings.

### **REDEMPTION OF UNITS**

The Fund Manager shall effect redemptions on a continuous basis throughout the life of the Fund at the Bid Price on any Business Day immediately following the receipt of a valid redemption notice.

Minimum permissible holding after partial redemption is five Units. The Fund shall make redemption payments within five (5) business days following the receipt of the redemption notice(s). Investments made during the IPO will be subject to a ninety (90) calendar day lock-in period subsequent to the Allotment date, while purchases made after the IPO will be subject to a lock-in period of thirty (30) calendar days from the date of purchase. No fees will be charged on redemption for Units after the lock-in period; however, any redemption during the lock-in period shall be subject to a deduction, from the Unit Holders investment as a result of such redemption.

### **TRANSFER AND TRANSMISSION OF UNITS**

Every Unit Holder shall be entitled to transfer the Units or any of the Units held by him through the Fund Manager in accordance with the provisions of the Trust Deed. In the case of death of a Unit Holder, the legal representative of such deceased may apply to have the Units transferred to him/her/it or his/her/its nominee. Every Unit Holder shall be entitled to transfer its Units subject to a minimum of five (5) Units and where the entire Units held are not being transferred, the balance Units held by such holder shall also not be less than five Units.

### **VALUATION OF UNITS OF THE FUND**

The Net Asset Value of the Fund shall be estimated at the close of each Business Day. The NAV of the Fund shall be determined on the basis of the amortized cost method in line with the SEC Rules and Regulations. The Fund Manager would publish the NAV, Bid and Offer price on its webpage: [www.lotuscapitallimited.com](http://www.lotuscapitallimited.com).

### **FEES, CHARGES AND EXPENSES OF THE FUND**

**Offer Expenses:** The Fund shall bear all charges and fees (including VAT where relevant) for establishing the Fund, including regulatory fees payable to the SEC, professional fees payable to the transaction parties, brokerage commission, printing, distribution and other related administrative expenses, amounting to and estimated at ₦29,439,000.00 (Twenty Nine Million, Four Hundred and Thirty Nine Thousand Naira only) representing 2.94% of the Offer Size. These costs shall be defrayed from the Offer proceeds.

**Management Fee:** The Fund Manager shall earn an annual management fee of 1% of the Fund's NAV before distribution to Unit Holders. The fee will accrue daily and be paid quarterly in arrears. The Manager is also entitled to an incentive fee of not more than 30% of the total returns in excess of 10% of the Fund's NAV per annum.

**Operating Expenses:** The Trustee and the Custodian shall each be entitled to annual fees corresponding to 0.05% of the Fund's NAV.

All operating and management fees/ charges incurred in connection with the management of the Fund shall not exceed 5% of the Fund's NAV.

### **RISK FACTORS**

The Fund Manager will exercise all reasonable caution in investing monies mobilised by the Fund. However, it should be noted that all investments carry an element of risk. While there are a number of factors that may affect the performance of any given asset class, a summary of the major risks that can significantly affect the Fund's performance, and should therefore be considered when investing in the Fund, are listed below:

**Market Risk:** The rates of fixed income securities which forms part of the asset class of the Fund are influenced by market forces including the prevailing rates of the CBN and conventional financial institutions. Fluctuations in these rates may have a significant impact on the NAV of the Fund. Fund managers cannot always fully estimate the impact of market risk on their portfolios.

**Shari'ah Compliance Risk:** Islamic finance is still an emerging and developing field. There are few scholars knowledgeable in this field and sometimes there is no general consensus on issues relating to the suitability of certain investment vehicles or instruments. Thus, a product may be Shari'ah compliant and acceptable to one scholar and be non-compliant and objectionable to another.

**Investment/Loss Risk:** Investments in capital markets are generally volatile and there is no assurance that any projected returns would be achieved. In accordance with the principles of Islamic commercial jurisprudence, investment in the Fund is at the sole risk of the investor. The Fund Manager shall use its skills and expertise to invest the Funds in safe and secured investments but does not take responsibility nor provide any assurance or guarantee that any objective or any particular returns would be achieved.

**Operational Risk:** The business operation of the Fund Manager may be affected by unpredictable business risk factors and may thus impact the operations of the Fund.

## INFORMATION ON THE FUND MANAGER AND THE TRUSTEE

### BRIEF PROFILE OF THE FUND MANAGER

Lotus Capital Limited ("Lotus Capital") is an Investment Management company specializing in Asset Management according to the Islamic system of Financial Management. Lotus Capital was founded in June 2004 with the objective of providing cost-effective ethical financial solutions to individuals, businesses and organizations across West Africa. The Company is duly registered with the SEC as a Fund Manager.

Lotus Capital is a Nigerian pioneer in the emerging financial niche with a unique equitable interest-free solution for personal and business needs. Interest-free financial services, primarily known as "Islamic Finance" is the world's fastest growing financial sector with over US\$1.067 trillion in assets worldwide growing at 14 - 20% per annum and is virtually untapped in Nigeria. Lotus Capital provides value-added alternative financial solutions in line with principles that most ethical investors share. It offers investors a convenient way to link their money with their values in a competitively performing portfolio.

The Company is dedicated to supporting individuals and independent businesses with honest, fair and equitable solutions. It adheres to a strict code of ethics and does not deal in unethical businesses such as alcohol, casinos, adult-entertainment, tobacco etc.

Lotus Capital manages financial assets for individual, institutional, retail and corporate clients. It offers investment strategies in vehicles ranging from collective investments to institutional portfolios. As at 31 March 2015, the Company had assets worth ₦11.1billion under management.

Lotus Capital is managed by experienced and knowledgeable professionals who have global exposure in the professional management of funds. In addition, the members of the Fund Manager's Board of Directors are highly respected professionals with strong backgrounds in finance, asset management and capital markets.

### HISTORICAL FINANCIAL INFORMATION OF LOTUS CAPITAL LIMITED

#### Statement of Financial Position

The table below shows Lotus Capital's Statement of Financial Position as at 30 April 2010, 30 April 2011, 30 April 2012, 30 April 2013, 31 December 2013 and 31 December 2014.

Statement of Financial Position						
	December 2014	December 2013	April 2013	April 2012	April 2011	April 2010
<b>Assets</b>						
Cash and cash equivalents	250,227,050	68,446,571	337,085,590	539,398,534	10,312,424	40,270,802
Financial assets:						
Fair Value through profit or loss	106,186,158	97,269,645	96,111,881	151,085,893		
Investment Securities	27,658,783	494,543,277	224,157,483	254,930,670	488,116,163	491,653,591
Trade and other receivables	130,514,859	78,865,663	99,450,063	265,311,547	143,721,533	18,553,681
Prepayments	11,437,377	23,989,958	15,987,917	53,569,352	35,275,372	23,822,481
Property under construction	423,257,920	287,275,461	-	-	-	-
Property and equipment	25,589,712	16,501,999	9,445,540	8,808,968	13,185,249	19,559,759
Intangible assets	12,407,163	9,556,210	5,663,515	6,440,535	7,094,992	-
Deferred tax assets	2,923,203	3,809,821	25,603,228	67,095,141	65,878,535	55,270,641
<b>Total Assets</b>	<b>990,202,225</b>	<b>1,080,258,605</b>	<b>813,505,217</b>	<b>1,346,640,640</b>	<b>763,584,268</b>	<b>649,130,955</b>
<b>Liabilities</b>						
Current tax liabilities	20,512,395	10,300,370	9,793,918	14,472,496	9,090,000	3,402,795
Other liabilities	143,165,397	30,087,753	63,504,480	673,794,377	108,013,913	14,230,130
Financing liability	-	187,500,007				
<b>Total Liabilities</b>	<b>163,677,792</b>	<b>227,888,130</b>	<b>73,298,398</b>	<b>688,266,873</b>	<b>117,103,913</b>	<b>17,632,925</b>
<b>Equity</b>						
Share Capital	505,000,000	505,000,000	505,000,000	505,000,000	505,000,000	505,000,000
Retained earnings	318,979,952	223,750,640	232,768,001	151,993,439	141,480,355	126,498,030
Fair value reserves	2,544,481	123,619,835	2,438,818	1,380,328	-	-
<b>Total equity</b>	<b>826,524,433</b>	<b>852,370,475</b>	<b>740,206,819</b>	<b>658,373,767</b>	<b>646,480,355</b>	<b>631,498,030</b>
<b>Total liabilities and equity</b>	<b>990,202,225</b>	<b>1,080,258,605</b>	<b>813,505,217</b>	<b>1,346,640,640</b>	<b>763,584,268</b>	<b>649,130,955</b>

## INFORMATION ON THE FUND MANAGER AND THE TRUSTEE

### Statement of Comprehensive Income

The table below shows Lotus Capital's Statement of Comprehensive Income for the financial years ended 30 April 2010, 30 April 2011, 30 April 2012 and 30 April 2013; eight months ended 31 December 2013; and financial year ended 31 December, 2014.

Statement of Comprehensive Income						
	December 2014	December 2013	April 2013	April 2012	April 2011	April 2010
Mudaraba Profit	93,131,428	78,830,765	-	-	-	-
Management fees	71,529,968	29,410,844	228,605,907	74,168,245	137,631,771	86,772,232
Financial advisory services fee income	33,858,947	54,493,735	81,451,856	277,557,566	72,882,671	11,526,274
Profit from investment	150,985,045	44,077,537	58,500,767	37,209,045	57,458,851	21,350,250
Net trading income	91,064,168	6,929,175	69,069,562	(55,451,469)	20,783,253	19,758,785
Other income	1,967,705	5,944,872	831,184	685,718	44,734,504	84,844,286
<b>Operating income</b>	<b>442,537,261</b>	<b>219,686,928</b>	<b>438,459,276</b>	<b>334,169,105</b>	<b>333,491,050</b>	<b>224,251,827</b>
Net impairment/write off of financial assets	7,337,455	(504,250)	24,001,250	81,468,816	14,886,931	2,125,236
Personnel expenses	178,868,190	105,971,462	171,813,860	151,192,543	194,878,451	104,109,297
Depreciation and amortisation	10,452,390	5,276,841	6,870,217	6,849,378	8,646,605	10,578,212
Other operating expenses	116,344,531	76,547,013	104,796,165	70,746,400	89,867,427	73,176,822
	<b>313,002,566</b>	<b>187,291,066</b>	<b>307,481,492</b>	<b>310,257,137</b>	<b>308,279,414</b>	<b>189,989,567</b>
<b>Profit before income tax</b>	<b>129,534,695</b>	<b>32,395,862</b>	<b>130,977,784</b>	<b>23,911,968</b>	<b>25,211,636</b>	<b>34,262,260</b>
Minimum tax	-	-	(4,459,399)	(4,545,000)	-	-
Income tax	(21,680,383)	(28,788,223)	(45,743,823)	979,856	4,920,689	7,244,225
<b>Profit for the period</b>	<b>107,854,312</b>	<b>3,607,639</b>	<b>80,774,562</b>	<b>20,346,824</b>	<b>30,132,325</b>	<b>41,506,485</b>

### Statement of Cash Flows

The table below shows Lotus Capital's Statement of Cash Flows for the financial years ended 30 April 2010, 30 April 2011, 30 April 2012, 30 April 2013; eight months ended 31 December 2013; and financial year ended 31 December, 2014.

Statement of cashflows						
	December 2014	December 2013	April 2013	April 2012	April 2011	April 2010
<b>Cash flows from operating activities</b>						
Profit for the year	107,854,312	4,007,639	80,774,562	20,346,824	30,132,325	41,506,485
Adjustments for:						
Depreciation and amortization	10,452,390	5,276,841	6,870,217	6,849,378	8,646,605	10,578,212
Loss on disposal of property and equipment	(105,000)	323,177	487,377	-	-	(216,185)
Dividend received	(584,195)	(405,648)	(3,478,130)	(6,154,189)	(20,783,253)	(19,758,785)
Exchange Gain	(42,863,956)	-	-	-	-	-
Net loss/(gain) on investment securities as fair value through profit or loss	14,721,502	(6,999,376)	-	-	-	-
Other assets written off	(13,795,783)	-	-	-	-	458,176
(Reversal of Impairment)/Impairment loss of other	7,337,455	(504,250)	24,001,250	81,468,816	-	-
Income tax expense	21,680,383	28,788,223	50,203,222	3,565,144	-	-
	<b>104,697,108</b>	<b>30,486,606</b>	<b>158,858,498</b>	<b>106,075,973</b>	<b>17,995,677</b>	<b>32,567,903</b>
Changes in trade and other receivables	(45,190,868)	20,688,650	144,622,044	(193,654,040)	-	-
Changes in prepayments	12,552,581	(8,002,042)	37,581,435	(27,698,770)	-	-
Changes in other liabilities and provisions	(69,923,620)	159,768,752	(610,289,897)	566,381,210	-	-
	<b>2,135,201</b>	<b>202,941,966</b>	<b>(269,227,920)</b>	<b>451,104,373</b>	<b>17,995,677</b>	<b>32,567,903</b>
Income tax paid	(10,581,740)	(6,488,364)	(13,389,887)	-	(4,920,689)	(7,244,225)
VAT paid (net)	(4,498,743)	(5,685,472)	-	-	-	-
<b>Net cash (used in)/from operating activities</b>	<b>(12,945,282)</b>	<b>190,768,130</b>	<b>(282,617,807)</b>	<b>451,104,373</b>	<b>13,074,988</b>	<b>25,323,678</b>
<b>Cash flows from investing activities</b>						
Acquisition of property and equipment	(16,282,479)	(11,470,142)	(8,672,900)	(430,000)	(9,367,087)	(11,359,862)
Proceeds on disposal of fixed assets	316,120	500,000	-	-	-	550,000
Acquisition of intangible assets	(6,319,697)	(5,579,029)	(1,306,056)	(1,388,640)	-	-
Net (outflow)/inflow on Investment securities	186,188,666	(430,638,626)	86,805,689	88,796,188	3,537,428	84,167,382
Dividend received	584,195	405,648	3,478,130	6,154,189	20,783,253	19,758,785
<b>Net cash (used in)/from investing activities</b>	<b>164,486,805</b>	<b>(446,782,149)</b>	<b>80,304,863</b>	<b>93,131,737</b>	<b>14,953,594</b>	<b>93,116,305</b>
<b>Cash flows from financing activities</b>						
Dividends paid	(12,625,000)	(12,625,000)	-	(15,150,000)	(15,150,000)	(15,150,000)
<b>Net cash (used in)/from financing activities</b>	<b>(12,625,000)</b>	<b>(12,625,000)</b>	<b>-</b>	<b>(15,150,000)</b>	<b>(15,150,000)</b>	<b>(15,150,000)</b>
<b>Net increase in cash and cash equivalents</b>						
Cash and cash equivalents at beginning of year	68,446,571	337,085,590	539,398,534	10,312,424	40,270,802	178,630,616
Net (decrease)/increase in cash and short-term funds	138,916,523	(268,639,019)	(202,312,944)	529,086,110	(29,958,378)	(138,359,814)
Impact of exchange difference on cash yield	42,863,956	0	-	-	-	-
<b>Cash and cash equivalents at end of year</b>	<b>250,227,050</b>	<b>68,446,571</b>	<b>337,085,590</b>	<b>539,398,534</b>	<b>10,312,424</b>	<b>40,270,802</b>

### **DIRECTORS OF THE FUND MANAGER**

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

- Mr. Tajudeen Afolabi Adeola (Chairman)
- Mrs. Hajara Abdullahi Adeola (Managing Director)
- Mrs. Lateefah Okunnu (Director)
- Mrs. Amina Oyagbola (Director)
- Mr. Muhammad Nuruddeen Lemu (Director)

### **THE FUND MANAGEMENT TEAM**

The Fund Management team is comprised of the following individuals:

- Mrs. Hajara Adeola
- Mr. Gregory Ogbemor
- Mr. Ndako Mijindadi
- Ms. Lateefah Oyefeso

### **SHARI'AH ADVISERS TO THE FUND**

The Shari'ah Advisers to the Fund are:

- Professor Dr. Monzer Kahf
- Professor Muhammed Lawal Bashar

### **BRIEF PROFILE OF THE TRUSTEES**

STL Trustees Limited ("STL") was incorporated on the 02 May, 1991 as EIB Trustees Limited before the merger of EIB International Bank, Prudent Bank, Bond Bank, Reliance Bank and Cooperative Bank which resulted in its former parent company (Skye Bank Plc) in 2005.

The Company is experienced in all aspects of trusteeship including Corporate Trusts, Private Trusts and Estate Planning, Charitable Trusts, Endowments & Foundations. Clientele base cuts across State Governments and Parastatals, corporate entities as well as private individuals whilst scope of business spans the Money Market, Capital Market and Real Estate.

STL is registered with the Securities and Exchange Commission as Trustee and Funds/Portfolio Managers. Skye Bank Plc recently divested its holdings in Skye Trustees Limited through a management buy-out led by its MD/CEO, Funmi Ekundayo, following which its name was changed to STL Trustees Limited.

- Mr. Olawale Edun (Chairman)
- Mrs. Funmi Ekundayo (Managing Director)
- Mr. Kayode Falowo (Director)
- Mrs. Connie Ogundare (Director)
- Mr. Afolabi Caxton-Martins (Director)
- Mrs. Chioma Jennifer Okee-Aguguo (Director)

### **MANAGEMENT PROFILE OF THE TRUSTEES**

The management team of STL is led by Mrs. Funmi Ekundayo. Other members of the management team are:

- Mr. Akin Oni (Head, Trust Services)
- Mrs. Nimi Animashaun (Head, Marketing and Business Development)
- Mr. Oko U. Mba (Head, Accounts & Operations)
- Mrs. Sade Ademokunwa (Head, Human Capital Management & Administration)

### INDEBTEDNESS

As at the date of this Abridged Prospectus, Lotus Capital has no material indebtedness or obligations.

### CLAIMS AND LITIGATION

The Fund Manager is presently involved in one (1) suit. The total monetary claim jointly against the Fund Manager and the co-defendants are approximately US\$458,040 (Four Hundred and Fifty-Eight Thousand and Forty Dollars) and ₦200,112,980.33 (Two Hundred Million, One Hundred and Twelve Thousand, Nine Hundred and Eighty Naira, Thirty Three Kobo).

The solicitors are of the opinion that the claim against the Fund Manager is unlikely to have any material or adverse effect on the finances of the Fund Manager with respect to the Fund. The Fund Manager's directors are also of the opinion that the cases mentioned above are not likely to have any material adverse effect on the Fund Manager and/ or the Fund, and are not aware of any other material pending and or threatened claims or litigation against it as at the date of this Abridged Prospectus.

### COST AND EXPENSES

The costs, charges and expenses of and incidental to the Offer, including fees payable to the SEC, professional parties, brokerage, printing and distribution expenses, are estimated at about ₦29,439,000.00 representing 2.94% of the gross Offer proceeds and are payable by the Fund and deductible from the monies raised by the Fund.

### MATERIAL CONTRACTS

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

1. A Trust Deed, dated 14 April, 2016, between Lotus Capital and STL, under which the Fund is constituted;
2. A Vending Agreement, dated 14 April, 2016, between Lotus Capital, Vetiva and Lotus Financial Services Limited, under which the Issuing Houses have agreed to offer 1,000,000 Units of ₦1,000.00 each in the Fund to the general public; and
3. A Custody Agreement, dated 14 April, 2016, between STL, Lotus Capital and Citibank Nigeria Limited, pursuant to which the Fund Manager has appointed Citibank Nigeria Limited to act as custodian of the Fund's 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.

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

### CONSENTS

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

<b>DIRECTORS OF THE FUND MANAGER</b>	Mr. Tajudeen Afolabi Adeola ( <i>Chairman</i> ) Mrs. Hajara Abdullahi Adeola ( <i>Managing Director</i> ) Mrs. Lateefah Okunnu Mrs. Amina Oyagbola Mr. Muhammad Nuruddeen Lemu
<b>COMPANY SECRETARY</b>	Mr. Mas'ud Balogun
<b>ISSUING HOUSES</b>	Vetiva Capital Management Limited Lotus Financial Services Limited
<b>TRUSTEE TO THE FUND</b>	STL Trustees Limited
<b>CUSTODIAN TO THE FUND</b>	Citibank Nigeria Limited
<b>SOLICITORS TO THE TRUSTEE</b>	G.Elias & Co.
<b>SOLICITORS TO THE OFFER</b>	Kola Awodein & Co.
<b>REPORTING ACCOUNTANTS</b>	RoseWater Partners
<b>RECEIVING BANK</b>	Guaranty Trust Bank Plc



### **RELATIONSHIP BETWEEN THE FUND MANAGER AND THE TRUSTEE**

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

### **RELATIONSHIP BETWEEN THE FUND MANAGER AND THE CUSTODIAN**

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

### **RELATIONSHIP BETWEEN THE FUND MANAGER AND THE ISSUING HOUSES**

The Fund Manager and Vetiva Capital Management Limited do not have any common shareholder and is not a subsidiary or holding company of the Fund Manager. They do not have common Directors.

The Fund Manager and Lotus Financial Services Limited have one common shareholder and is a subsidiary of the Fund Manager. They have common Directors.

### **DOCUMENTS AVAILABLE FOR INSPECTION**

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

- Certificates of Incorporation of the Fund Manager and the Trustee;
- Memoranda and Articles of Association of the Fund Manager and the Trustee;
- The resolution of the Board of Directors of the Fund Manager authorising the creation of the Fund and the issuance of 1,000,000 Units of the Fund;
- The duly executed version of the Prospectus issued in respect of the Offer;
- The Report of RoseWater Partners on the Financial Forecast of the Fund for the 3 years ending 31 December, 2016, 2017 and 2018;
- The material contracts referred to above;
- The written consents referred to above; and
- The letter from the SEC authorising the Fund and registering the Units being offered.

# PROCEDURE FOR APPLICATION AND ALLOTMENT

## 1. Application

- 1.1 The general public is hereby invited to apply for Units of the Fund through any of the Receiving Agents listed in this Abridged Prospectus.
- 1.2 Applications for Units must be made in accordance with the instructions set out at the back of the Application Form attached hereto. Care must be taken to follow these instructions, as applications which do not comply will be rejected.
- 1.3 The Application List for the Units now being offered will open on Wednesday, 11 May, 2016 and close on Friday, 17 June, 2016. Applications must be for a minimum of 5 Units. The number of Units for which an application is made and the value of the cheque or bank draft attached should be entered in the boxes provided on the Application Form.
- 1.4 A single applicant should sign the declaration and write his/her full names, address, daytime telephone number and mobile telephone number in the appropriate space on the Application Form. Where the application is being made on behalf of a minor, the full names of the applicant and the minor as well as the date of birth of the minor should be provided. Item "2" should be used by joint applicants. A corporate applicant should affix its seal in the box provided and state its Incorporation Registration (RC) Number.
- 1.5 Applications in Naira below ₦10 million should be forwarded together with a bank draft for the full amount of the purchase price made payable to any of the Receiving Agents listed in this Abridged Prospectus via NEFT or RTGS to the Offer proceeds account indicated below. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "**LOTUS HALAL FIXED INCOME FUND**" with the name, address and daytime telephone number of the applicant written on the back. All bank commissions and transfer charges must be prepaid by the applicant. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected and returned through the post at the applicant's risk.
- 1.6 Applications in Naira above ₦10 million should be transferred via RTGS into the Offer proceeds account indicated below:

Bank Name:	<b>Guaranty Trust Bank PLC</b>
Account Name:	Lotus Capital Halal Fixed Income Account
Account Number/Sort Code:	0005364304 / 058152052
Applicant/Sender:	<i>Please complete as appropriate</i>

## 2. Allotment

The Issuing Houses and the Directors of the Fund Manager reserve the right to accept or reject any application in whole or in part for not meeting the conditions of the Offer. In the event of an over subscription, additional Units of the Fund will be allotted, subject to the Commission's approval.

## 3. Application Monies

All application monies will be retained in a separate bank account by the Receiving Bank pending allotment. If any application is not accepted or is accepted for fewer Units than the number applied for, a crossed cheque for the full amount paid or the balance of the amount paid (as the case may be) will be returned by registered post within five (5) Business Days of allotment or through a bank transfer within 48 hours of allotment.

Statements of Unit Holding will be sent by registered post to the physical address provided by the subscriber on the attached Application Form and/or by electronic mail to the email address provided on the attached Application Form, not later than fifteen (15) Business Days from the date of allotment.

## RECEIVING AGENTS

**All capital market operators with current SEC registration as at the date of this Abridged Prospectus are eligible to act as Receiving Agents to the Issue.** A brokerage commission of 0.50% will be paid on the value of allotted Units in respect of applications bearing their official stamps.

*The Issuing Houses/Receiving Bank 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 lodgement of funds with any Receiving Agent, in the absence of corresponding evidence of receipt by the Issuing Houses/ Receiving Bank, cannot give rise to a liability on the part of the Issuing Houses/Receiving Bank under any circumstances.*

Banks			
Access Bank PLC Citi Bank Nigeria Limited Diamond Bank PLC EcoBank Transnational Incorporated Enterprise Bank Limited	Fidelity Bank PLC First Bank of Nigeria Limited First City Monument Bank Limited Guaranty Trust Bank PLC Keystone Bank Limited	Skye Bank PLC Stanbic IBTC Bank Limited Standard Chartered Bank Nigeria Limited Sterling Bank PLC Union Bank of Nigeria PLC	United Bank for Africa PLC Unity Bank PLC Wema Bank PLC Zenith Bank PLC

  

Stockbrokers and Others			
Adamawa Securities Ltd Adonai Stockbrokers Ltd African Alliance Stockbrokers Ltd Afrinvest Securities Ltd Afrinvest West Africa Ltd Allico Capital Ltd Alpha Morgan Capital Managers Ltd Alternative Capital Partners Ltd Altrade Securities Ltd Amyn Investments Ltd Anchorage Securities And Finance Ltd Anchoria Investment And Securities Ltd Apel Asset Ltd Apt Securities And Funds Ltd Aquila Asset Management Ltd Argentil Capital Partners Ltd Arian Capital Mgt Ltd Arm Harith Infrastructure Investment Ltd Arm Investment Managers Ltd Arm Securities Ltd Arthur Steven Asset Management Ltd Asset & Resource Management Co. 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Ltd Rand Merchant Bank Nigeria Ltd Readings Investments Ltd Regency Assets Management Ltd Renaissance Securities Ltd Rencap (Securities) Nigeria Ltd Resort Securities & Trust Ltd Reward Investments & Services Ltd	Rostrum Investment And Securities Ltd Rowet Capital Management Ltd Royal Crest Finance Ltd Royal Guaranty And Trust Ltd Royal Trust Securities Ltd Santrust Securities Ltd Securities Africa Financial Ltd Securities And Capital Mgt. Company Ltd Security Swaps Ltd Sfc Securities Ltd Sfs Capital Nigeria Ltd Sfs Financial Services Ltd Shalom Investment Financial Services Ltd Shelong Investment Ltd Sigma Securities Ltd Signet Investments & Securities Ltd Sim Capital Alliance Ltd Skyview Capital Ltd Smadac Securities Ltd Solid-Rock Securities & Investment Plc Spring Trust & Securities Ltd Springboard Trust & Investment Ltd Stanbic Ibtcc Capital Ltd Stanbic Ibtcc Stockbrokers Ltd Stanbic Union Securities Ltd Sterling Asset Management & Trustee Ltd Sterling Capital Markets Ltd Strand Capital Partners Ltd Tak Asset Management Ltd Taraba Investment & Properties Ltd Tfs Securities & Investment Company Ltd The Bridge Securities Ltd Tib Asset Management Ltd Tiddo Securities Ltd Tomil Trust Limited Topmost Securities Ltd Tower Assets Management Ltd Tower Securities & Investment Company Ltd Tradelink Securities Ltd Traders Trust And Investment Company Ltd Transafrika Financial Services Ltd Transworld Investment & Securities Ltd Treasure Capital & Trust Ltd Trust Yields Securities Ltd Trustbanc Asset Management Ltd Trustbanc Capital Management Ltd Trusthouse Investments Ltd Trw Stockbrokers Ltd Tyndale Securities Ltd Unex Capital Ltd Union Capital Markets Ltd United Capital Asset Management Ltd United Capital Plc United Capital Securities Ltd Valmon Securities Ltd Value Capital Ltd Valueline Securities & Investment Ltd Vetiva Capital Mgt Ltd Vetiva Securities Ltd Woodland Capital Market Plc Wstc Financial Services Ltd Zenith Asset Management Ltd Zenith Capital Ltd Zenith Securities Ltd

**APPLICATION LIST  
OPENS  
11 MAY 2016**
**INITIAL PUBLIC OFFERING OF 1,000,000  
UNITS AT ₦1,000.00 PER UNIT**
**APPLICATION LIST  
CLOSES  
17 JUNE 2016**
**ISSUING HOUSES**

**IN THE**
**FUND MANAGER**

**LOTUS HALAL FIXED INCOME FUND**  
 (Authorised and registered in Nigeria as a Unit Trust Scheme)

Applications must be made in accordance with the instructions set out on the reverse side of this application form. Care must be taken to follow these instructions as applications that do not comply may be rejected. If you are in doubt as to the action to take please consult your Stockbroker, Accountant, Banker, Solicitor, or any other professional adviser for guidance immediately.

**Please Complete All Relevant Sections of This Form Using Block Letters Where Applicable**

**Guide to Application**

Number of Units applied for	Amount payable
5 minimum	₦5,000
Subsequent multiples of 5	₦5,000
Units Applied	
Value of Units Applied/ Amount Paid	
Date (DD/MM/YYYY)	
Control No. (For Fund Manager's Use Only)	

**Declaration**

- I/We declare that I/We have read the Prospectus dated 14 April, 2016 issued by Vetiva Capital Management Limited and Lotus Financial Services Limited on behalf of Lotus Capital Limited
- We the undersigned, confirm that we have full capacity to contract and hereby irrevocably apply for the number of Units specified hereon
- I/We attach the amount payable in full on application for the number of units indicated in the Lotus Halal Fixed Income Fund at ₦1,000.00 per Unit
- I/We agree to accept the same or any smaller number of Units in respect of which allotment may be made upon the terms of the Prospectus dated 14 April, 2016 and subject to the Trust Deed constituting the Fund

**Applicant Details (Individual/Corporate/Joint) (Please use one box per alphabet leaving one box blank between the first word and second)**

Surname/Corporate Name			
First Name (For Individuals Only)		Other Names (For Individuals Only)	
Joint Applicant's First Name (If Applicable)		Other Names (For Joint Applicant Only)	
Contact Person (For Corporate Applicant)/ Next of Kin (For Individual Applicant)			
Occupation			
Form of Identification		Identification Number	
Address In Full (Please Do Not Repeat Applicant(s)' Name. Post Office Box No. Alone Is Not Sufficient)			
City		State	Tel.
			Email

**Beneficiary Details (For Individual Only)**

Surname		Other Names	
Address In Full (Please Do Not Repeat Applicant(s)' Name. Post Office Box No. Alone Is Not Sufficient)			
City		State	Tel.
			Email

**Please Complete This Section If This Application Is Being Made On Behalf Of A Minor :**

Surname Of Minor		Other Names	
Date Of Birth (DD/MM/YYYY)		Gender	Nature of Relationship( Parent/Guardian)
		Male <input type="checkbox"/> Female <input type="checkbox"/>	
Address In Full (Please Do Not Repeat Applicant(s)' Name. Post Office Box No. Alone Is Not Sufficient)			
City		State	Tel.
			Email

**Income**

**Please Tick The Box To Indicate The Preferred Option**

<input type="checkbox"/> Cash	<input type="checkbox"/> Reinvestment
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**Bank Details (For E- Distribution)**

Bank Name		Branch	
Account Number		Bank Sort Code	
Bank Verification Number		CHN	

**Authorisations**

Signature	2nd Signature (Corporate/Joint)	Official Seal / RC No.
		<b>OR *Thumbprint* (For Illiterates Only)</b>
Name of Authorised Signatory / Designation (Corporate Only)	Name of Authorised Signatory / Designation (Corporate Only)	

**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 \_\_\_\_\_ 2016, 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/her 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 \_\_\_\_\_, 2016. Witness Signature: \_\_\_\_\_

## INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

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1. Applications must be made only on this Application Form, or on a photocopy, downloaded or scanned copy of the Application Form.
2. The Application List for the Units will be open to prospective investors for the duration specified in the Abridged Prospectus.
3. Applications must be for a minimum of 5 Units in the first instance. The number of Units for which an application is made and the applicable value should be entered in the boxes provided.
4. 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.
5. Joint applicants must all sign the Application Form.
6. An application from a corporate body must bear the corporate body's common seal and be completed under the hand of a duly authorized official.
7. 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 whom is to have first explained the meaning and effect of the Application Form to the illiterate in his own language. Above the thumbprint 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.
8. 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.
9. Applications in Naira below ₦10 million should be forwarded together with a bank draft for the full amount of the purchase price made payable to any of the Receiving Agents listed in this Abridged Prospectus or via NEFT or RTGS into the Offer proceeds account specified on Page 18 of this Abridged Prospectus. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "LOTUS HALAL FIXED INCOME FUND" with the name, address and daytime telephone number of the applicant written on the back. All bank commissions and transfer charges must be prepaid by the applicant. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected and returned through the post at the applicant's risk.
10. Applications in Naira above ₦10 million should be transferred via RTGS into either of the Offer proceeds account specified on Page 18 of this Abridged Prospectus.
11. An applicant must provide bank details in the space provided in the Application Form (Applications without bank details will be treated as invalid and thus rejected).

**APPLICATION FORM**  
**LOTUS HALAL FIXED INCOME FUND**