

This Abridged Prospectus sets forth information that a prospective investor should know and consider before an investment decision is taken. It should be read carefully and retained for future reference. If you are in doubt about any action to take, please consult your stockbroker, Banker, Solicitor, Accountant or any other professional adviser immediately.

For information concerning certain risk factors which should be considered by prospective investors, see "Risk factors" commencing on page 8.

**ABRIDGED PARTICULARS OF THE PROSPECTUS**

**THE BGL SAPPHIRE FUND**

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

INITIAL PUBLIC OFFERING

OF

**2,000,000,000**

UNITS OF ₦1.00 EACH AT ₦1.00 PER UNIT

PAYABLE IN FULL ON APPLICATION

FUND MANAGER:



ISSUING HOUSE:



Application List: Opens: October 11, 2010

Application List: Closes: November 17, 2010

This Abridged 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 issuance of a Prospectus which contains false or misleading information. Registration of this Prospectus and the units which it offers does not relieve the parties from any liability arising under the Act for false or misleading statements contained or for any omission of a material fact in the Prospectus.

This Abridged Prospectus is dated September 23, 2010

## 1. SUMMARY OF THE OFFER

The following is a summary of the terms and conditions of an investment in the BGL Sapphire Fund. This summary should be read in conjunction with the full text of this Prospectus from which it is derived.

**Investors are advised to seek information on the fees and charges before investing in the Fund**

- |                                   |  |
|-----------------------------------|--|
| <b>1. FUND MANAGER</b>            | BGL Asset Management Limited   |
| <b>2. ISSUING HOUSE</b>           | BGL Plc  |
| <b>3. TRUSTEE TO THE FUND</b>     | UBA Trustees Limited   |
| <b>4. THE OFFER</b>               | 2,000,000,000 Units of ₦1.00 each at ₦1.00 per Unit in the Fund  |
| <b>5. METHOD OF OFFER</b>         | Offer for Subscription   |
| <b>6. NATURE OF THE FUND</b>      | <p>The BGL Sapphire Fund aims to achieve competitive returns for investors interested in earning attractive returns in the medium to long term by investing in a diversified portfolio of investment grade fixed-income securities. The principal sum invested in the Fund is guaranteed against any diminution in value, provided the Units are held for a minimum of three (3) months.</p> <p>During the Offer Period, Units in the Fund may be purchased at the Subscription Price. Subsequent to the Offer Period, additional Units in the Fund will be created and purchased on demand by subscribers on an on-going basis at a price computed in accordance with the SEC's approved basis for computing the Offer Price.</p> <p>The Fund will be open-ended and investors will be at liberty to subscribe to its units through the Fund Manager or any other Agents approved by the Fund Manager after the IPO. Although the Fund has an initial target of 2,000,000,000 units, the Fund Manager will issue additional Units of the Fund to subscribers on demand after the initial tranche of 2,000,000,000 Units has been fully subscribed, subject to the Commission's approval and registration of the additional units.</p> |
| <b>7. UNITS OF SALE</b>           | Minimum 10,000 Units ( <del>₦</del> 10,000) and multiples of 1000 ( <del>₦</del> 1000) units thereafter.   |
| <b>8. OFFER PRICE</b>             | ₦1.00 per Unit<br><br>(Foreign investors subscription will be processed at the applicable foreign exchange rate determined at the auction of the CBN as conducted from time to time).  |
| <b>9. OFFER SIZE</b>              | ₦ 2,000,000,000.00   |
| <b>10. PAYMENT TERMS</b>          | In full on application.  |
| <b>11. UNDERWRITING</b>           | At the instance of the Issuer, the Offer will not be underwritten  |
| <b>12. OPENING DATE</b>           | October 11, 2010   |
| <b>13. CLOSING DATE</b>           | November 17, 2010  |
| <b>14. MINIMUM HOLDING PERIOD</b> | Minimum Holding Period for an Investment is 3 Months   |

**15. MINIMUM UNITS TO BE HELD 500 Units  
AT ANY PERIOD**

**16. FORECAST OFFER STATISTICS**  
(Extracted from the Reporting Accountants' Report)

<b>For the Period Ending December 31</b>	<b>2012 N'000</b>	<b>2013 N'000</b>	<b>2014 N'000</b>
<b>Net Asset Value at Beginning of the Year</b>	2,000,000	2,124,756	2,566,481
<b>Undistributed Income</b>	124,756	189,079	252,646
<b>Net Asset value at the end of the Year</b>	2,124,756	2,313,835	2,566,481
<b>Dividend Per Share (Kobo)</b>	2k	2k	3k
<b>Earnings Per Share (Kobo)</b>	8k	12k	16k
<b>Earnings Yield</b>	8%	12%	16%
<b>Dividend Yield</b>	2%	2%	3%

**17. QUOTATION**

The Fund Manager has made an application to The Council of The Exchange for the admission of the 2,000,000,000 Units being offered for subscription by way of a memorandum listing within six months of receiving clearance of the Basis of Allotment from the Securities & Exchange Commission.

**18. SUPPLEMENTAL  
ALLOTMENT**

In the event that the actual subscription exceeds the 2,000,000,000 units being offered, the Fund manager shall accept excess application monies and allot additional Units, subject to the approval of the SEC and registration of the units.

**19. MANDATORY  
SUBSCRIPTION**

As required under the SEC Rules & Regulations, pursuant to the Investments and Securities Act, the Fund Manager shall subscribe to a minimum of 10% of the initial issue.

**20. REDEMPTION**

Redemption may take place on any Business Day of the week, and payments will be made 5 Business Days after the relevant redemption documents have been filed with the Fund Manager. Minimum permissible holding after partial redemption is 500 units or such balance as advised by the Fund Manager from time to time.

**21. STATUS**

The Units qualify as securities in which the trustees may invest under the Trustee Investments Act.

## **2. THE FUND MANAGER, TRUSTEES AND OTHER PARTIES TO THE OFFER**

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<b>FUND MANAGER:</b>	BGL Asset Management Limited 1061, Abagbon Close Off Ologun Agbaje Street Victoria Island
<b>DIRECTORS OF THE FUND MANAGER:</b>	<p><b>Mr. Albert E. Okumagba</b> – <i>Chairman</i> 12A, Catholic Mission Street Lagos Island Lagos</p> <p><b>Mr. Chibundu N. Edozie</b> – <i>Non Executive Director</i> 12A, Catholic Mission Street Lagos Island Lagos</p> <p><b>Mr Henry O. Laraiyetan</b> – <i>Non Executive Director</i> 12A, Catholic Mission Street Lagos Island Lagos</p> <p><b>Hajia Fatima Isa Wali</b> – <i>Non Executive Director</i> 12A, Catholic Mission Street Lagos Island Lagos</p> <p><b>Mr. Tamunoye Alazigha</b> – <i>Non Executive Director</i> 12A, Catholic Mission Street Lagos Island Lagos</p> <p><b>Mrs. Modupe Mujota</b> – <i>Managing Director</i> Plot 1061, Abagbon Close Off Ologun Agbaje Street Victoria Island, Lagos</p> <p><b>Ms. Anne Omezi</b> – <i>Deputy Managing Director</i> Plot 1061, Abagbon Close Off Ologun Agbaje Street Victoria Island, Lagos</p>
<b>COMPANY SECRETARY:</b>	<b>Loratto Onyenorah</b> 12A, Catholic Mission Street Lagos Island Lagos
<b>ISSUING HOUSE:</b>	<b>BGL Plc</b> 12A, Catholic Mission Street Lagos Island Lagos
<b>TRUSTEE TO THE FUND:</b>	<b>UBA Trustees Limited</b> UBA House 57, Marina Lagos
<b>SOLICITORS TO THE TRUSTEE:</b>	<b>Udo Udoma &amp; Belo-Osagie (Barristers &amp; Solicitors)</b> 10th Floor St. Nicholas House Catholic Mission Street Lagos Island Lagos

<b>SOLICITORS TO THE OFFER:</b>	<b>Chuma Anosike &amp; Co.</b> <b>(Barristers &amp; Solicitors)</b> 13, Military Street Onikan Lagos
<b>AUDITORS TO THE FUND:</b>	<b>Akintola Williams Deloitte</b> <b>(Chartered Accountants)</b> 235 Ikorodu Road Ilupeju Lagos
<b>REPORTING ACCOUNTANTS</b>	<b>Ernst &amp; Young</b> 2A, Bayo Kuku Road Ikoyi Lagos
<b>RECEIVING BANKERS:</b>	<b>Oceanic Bank International Plc</b> 270, Ozumba Mbadiwe Street Victoria Island Lagos  <b>United Bank of Africa pLC</b> UBA House 57 Marina Lagos
<b>STOCKBROKER TO THE OFFER:</b>	<b>BGL Securities Limited</b> 20, Catholic Mission Street Lagos Island Lagos
<b>REGISTRARS TO THE FUND:</b>	<b>Meristem Registrars Limited</b> 213, Herbert Macaulay Way Adekunle, Yaba Lagos
<b>INVESTMENT COMMITTEE MEMBERS:</b>	Ms. Loratto Onyenorah (Member) Mr. Dennis Ifesinachi (Member) Mr. Chuka Onwuchekwa (Independent Member) Mr. Robert Mbonu (Independent Member) Mr. Mansur Ahmed (Independent Member) Ms. Tokunbo Ajayi (Trustee Representative)

### **3. INFORMATION ON THE BGL SAPPHIRE FUND**

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#### **3.1 The Fund**

The BGL Sapphire Fund is authorized and registered in Nigeria as a Unit Trust Scheme under Section 160 of the ISA. The Fund is governed by the Trust Deed with UBA Trustees Limited as the Trustee. The Fund Manager, BGL Asset Management Limited, is offering 2,000,000,000 Units of N1.00 at N1.00 per unit to the investing public. The principal amount invested in the Fund is guaranteed, so Unitholders are assured of realising the principal sum invested upon redemption.

The primary objective of the Fund is to achieve competitive returns on its assets with minimal risk as capital preservation is its main focus. The Fund aims to achieve its investment objective by investing in a diversified portfolio of high quality bonds including FGN bonds, state government bonds, corporate bonds, and other fixed income securities. The Fund shall also invest a portion of its assets in quality money market instruments.

##### **3.1.1 Target Investors**

The Fund is aimed at investors who are interested in earning attractive returns in the medium to long term by investing in a diversified portfolio of high quality bonds and money market instruments.

Target investors are described as follows:

- Investors with low risk appetite and who do not want any exposures to equities
- Investors who want little volatility or price fluctuation
- Investors who wish to benefit from attractive returns earned by the pooling together of funds to obtain better bargaining power
- Investors who wish to reduce concentration risk by diversifying their investments
- Investors looking for returns better than returns on banks time deposits.

The Fund is appropriate for investors who wish to subscribe to a fund that offers a pool of fixed income instruments.

The Fund is open-ended and investors will be at liberty to subscribe to its units through the Fund Manager or any other Agents approved by the Fund Manager after the IPO. Although the Fund has an initial target of 2,000,000,000 units, the Fund Manager will issue additional Units of the Fund to subscribers on demand after the initial tranche of 2,000,000,000 Units has been fully subscribed, subject to the Commission's approval of the additional units.

##### **3.1.2 Tax Consideration**

Income from capital appreciation shall not be subject to tax. Income from the Fund shall be subject to income tax while withholding tax paid at source on dividends and interest income shall be treated as final tax. Foreign investors are required to contact their respective tax authorities for the treatment of capital gains income earned in Nigeria.

##### **3.1.3 Termination Provisions**

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

1. The Trustee receives written notice from the Fund Manager to the effect that it believes the investment objectives of the Fund are no longer achievable in accordance with the investment policies stipulated.
2. The Fund Manager gives 6 months notice of termination of its services to the Trustee, the Unitholders of the Fund and the Commission and a new fund manager cannot be appointed.
3. Any law makes it illegal; or a regulation, decision of a court of competent jurisdiction, or government policy is made, which in the Fund Manager's opinion renders it impracticable to continue operating the Fund.
4. A special resolution for termination is passed by the Unitholders.
5. Any of the events of termination specified in the Trust Deed.

Where an event of termination occurs, the Fund Manager shall, on a best-effort basis, effect a market sale of all of the Fund's assets for the best price available at that time. The Unitholders will subsequently be entitled to receive a distribution in proportion to their respective interests in the Fund

of the net cash proceeds derived from the realization of the assets of the Fund and which are available for distribution.

### **3.2 Investment Objective**

The main investment objective of the Fund is to provide investors and/or their beneficiaries and dependants with income, as well as an attractive total return in the medium to long-term.

The Fund will be invested in a variety of fixed income securities. The Fund Manager will draw on decades of experience in the Nigerian debt market to ensure that investors enjoy returns that exceed the applicable market benchmarks (e.g. bank deposit rates). Accordingly, the Fund Manager intends to make investment decisions based on the continuous assessment of the specific investments that offer the strongest prospects in the medium-to-long-term.

#### **3.2.1 Investment Incentives**

The Fund offers an opportunity to achieve good returns (while minimising risks), from a diversified portfolio of investments, which may not otherwise be available, in significant quantities to individual investors. The Fund will enable investors to spread their risks over carefully chosen fixed income instruments approved by the Trustees and the Commission.

The Fund also offers an opportunity to subscribe for Units on behalf of and in the name of minors or charitable organizations. When such minors reach legal maturity (i.e. 18 years) they can either continue with the investment or redeem some or all of the units held in their name, provided that they hold the number of units prescribed by the manager from time to time.

#### **3.2.2 Income and Distribution**

The Fund will operate as a growth fund and consequently its main focus will be capital preservation. The Manager however intends to make distributions of the Fund's income or capital gains provided the Fund makes a profit in the financial year in respect of which such distributions are made. These distributions will not however, attract withholding tax. Redemption of Units will be possible at any time after the allotment of such Units, subject to provisions regarding minimum subscription levels as may be set by the Fund Manager from time to time.

### **3.3 Investment Policy**

The Fund seeks to achieve its stated objective of long term capital appreciation by investing its assets in high quality Bonds and in high quality fixed income Instruments as approved by the Commission and the Trust Deed.

The Fund will invest at least 75% of its assets in high quality bonds including sovereign bonds, sub-sovereign bonds, corporate bonds, and other fixed income securities, while a maximum of 25% will be invested in quality money market instruments including Treasury Bills, Bankers Acceptances, Commercial Papers, Promissory Notes, Call Money, Certificates of Deposit and Fixed Deposits with banks rated 'A' and above in Nigeria.

#### **3.3.1 Investment Committee**

The investment management of the Fund will be undertaken by an experienced team of portfolio managers employed by BGL Asset Management Limited. The investment process will be overseen by an investment committee made up of an experienced portfolio management team with broad experience of operating in Nigeria. The Investment Committee members are listed as follows:

- Ms. Loratto Onyenorah (Member)
- Mr. Dennis Ifesinachi (Member)
- Mr. Chuka Onwuchekwa (Independent Member)
- Mr. Robert Mbonu (Independent Member)
- Mr. Mansur Ahmed (Independent Member)
- Ms. Tokunbo Ajayi (Trustee Representative)

### 3.3.2 Asset Allocation

The Fund will be invested in high quality bonds, and money market instruments. Assets would be allocated along the following percentages:

Asset Class	Percentages (%)
High quality Bonds	≥ 75
Money Market Instruments	≤ 25
<b>Total</b>	<b>100</b>

### 3.4 Projected Return

The return on investment for the Fund is projected to be 6.24%, 9.45%, 12.63% in August 2011, 2012 and 2013 respectively.

### 3.5 Risk Factors

The Fund Manager will exercise all necessary caution in investing monies mobilized by The Fund. However, no guarantees can be given that The Fund's objectives will be realized. A subscription to the Fund should therefore be considered to be a calculated risk as it is subject, among other things, to the price movements of Bonds and Money Market Instruments.

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

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

### 3.6 Subscription to the Fund

Following the conclusion of this Offer, Units of the Fund can be purchased exclusively from the Fund Manager or any other Agent(s) appointed by the Fund Manager by completing a Subscription Form. Subscription may be by one of the following means:

- a. Directly to the Fund Manager at any designated agent. Completed Forms should be returned to any such designated agent along with a bank draft for the amount being invested.
- b. By downloading a Subscription Form from the Fund Manager's website, [www.bglassetmanagement.com](http://www.bglassetmanagement.com). The downloaded and duly completed Form should be sent to the Fund Manager's Lagos office address or other BGL Branches as indicated in the prospectus and on the subscription Forms. Payment for Units of the Fund can be made by a bank draft made payable in Lagos or via a wire transfer made in line with instructions on the subscription Form.
- c. Through any other Agent(s) appointed by the Fund Manager in the future.

#### 3.6.1 Foreign Investors

Subscriptions by foreign investors shall be processed at the prevailing official exchange rate as published by the CBN. Foreign investors are requested to complete the Purchase Order Form and follow the instructions at the back of the form. Certificates of Capital Importation (CCI's) will be issued by the Receiving Banks, facilitated by the Fund Manager or its Agents, to foreign investors within 48 hours of the receipt of payment. CCIs are required to enable subsequent repatriation, in a freely convertible currency, of proceeds from redemption of Units or from any distribution of the Fund's income that the Fund Manager may undertake.

#### 3.6.2 Investment Discretion

Investments of the Fund's assets will be undertaken at the discretion of the Fund Manager, subject to the policies established by the Investment Committee in accordance with the Trust Deed and in

compliance with the provisions of Section 171 (2) of the ISA 2007. Within these limits, the Fund Manager will be responsible for all the decisions as to investment strategies, types, amounts and timing of the investments to be undertaken by the Fund.

### 3.6.3 Investment Restrictions

The Fund shall invest only in such instruments as are permissible under the Trust Deed, Trustees and Investment Act and as approved by the SEC.

### 3.7 Fund Statements/Certificates

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

### 3.8 Valuation of the Units

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

#### 3.8.1 Bid Price:

##### ADD

1. Total value of Fixed Income Instruments in the Fund
2. Uninvested cash
3. Undistributed income to date less expenses
4. Total values of current money market instruments

##### LESS

5. Stamp Duties
6. Brokerage Fee
7. SEC/CSCS Fees

$$\text{Value per Unit} = \frac{\sum (1 \text{ to } 4) - \sum (5 \text{ to } 7)}{\text{Total Number of Units}}$$

#### 3.8.2 Offer Price:

##### ADD

1. Stamp Duties
2. Brokerage Fee
3. SEC/CSCS Fee
4. Cash not invested
5. Undistributed income to date less operating expenses
6. Total value of money market instruments
7. Total value of fixed income instruments

$$\text{Value per unit} = \frac{\sum (1 \text{ to } 7)}{\text{Number of Units}}$$

### 3.9 Investor Services/Relations

For easy access to prospective investors, the application forms and other relevant documents can be collected from the offices of the Issuing House and all Receiving Agents listed on page 17 of the Prospectus.

Alternatively, the forms can be downloaded at [www.bglassetmanagement.com](http://www.bglassetmanagement.com). The Fund Manager would also open desks at dedicated branches of BGL Securities Limited across Nigeria, banks, post offices and other strategic locations across Nigeria where inquiries about the Fund can be answered.

### 3.10 BGL Sapphire Fund Value Proposition

The following is a summary of the value proposition of the Fund:

- **Diversification** – BGL Sapphire funds would invest in a number of individual bonds of varying maturities and features. Historically, bonds have offered a higher yield than money market investments, and exhibited less volatility than stocks. In addition, the return on bonds has often offset the negative return on stocks during periods of market downturn. As a result, adding bonds to an all-stock portfolio generally lowers overall portfolio risk.
- **Professional management** – Professional portfolio managers and analysts employed by the Fund Manager, BGL Asset Management Limited, have the expertise and analytical tools to research and analyze market information before making investment decisions. Securities included in the Fund's investment portfolio will be identified through unique security analysis, sector allocation, and yield curve positioning.
- **Liquidity and convenience** – BGL Sapphire Bond funds will allow the investor to buy or sell Units of the Fund on a daily basis. In addition, investor will have the opportunity to automatically reinvest interest income and to make additional investments at any time. The minimum initial investment amount is substantially less than what investors will have to pay for a diversified portfolio of individual bonds.
- **Tax Advantages:** Bonds issued by Federal, State, Local governments and corporates are exempt from federal and/or state income taxes. Frequently, because of their tax-free status, tax-exempt fixed income investments offer higher equivalent yields than otherwise taxable securities. However, depending on your tax bracket, they may actually generate more income on an after tax basis than higher yielding taxable investments.
- **Income Opportunities:** The BGL Sapphire Fund provides an opportunity to earn higher returns than traditional bank deposit products. Recently, deposit rates have dropped significantly and are expected to remain at low levels for now. The Fund, while minimizing risk of capital depreciation, would seek to maximize the returns potential of the bond market.

### 3.11 Fees and Expenses

The initial cost of establishing the Fund will be charged against the expected proceeds of the Offer. This charge includes the expenses of this Offer, which comprises of regulatory and professional fees, printing, advertising and publicity and brokerage commission amongst others. All future costs and expenses of maintaining the Fund, which shall include management of its assets, administration and other services, shall be deducted from the income generated by the Fund.

The Fund will pay the Fund Manager an annual management fee plus other expenses of an amount not exceeding 5% of Net Assets Value of the fund in accordance with Rule 247 (J) of the SEC Rules and Regulations of which the management fee will not exceed 1.5% of the Net Asset Value of the Fund in accordance with Rule 247 (L) of the SEC Rules and Regulations. This fee represents the remuneration due to the Fund Manager for the management, advisory and administrative roles involved in the day to day management of the Fund. The Fund will also pay an incentive fee to the Fund Manager, not exceeding 30% of total returns in excess of 10% of the Fund's NAV per annum.

#### 4. FINANCIAL FORECAST

##### 4.1 Forecast Profit and Loss Account

	<b>2011</b>	<b>2012</b>	<b>2013</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
Interest Income	177,500	265,595	352,860
Other Income	3,550	5,312	7,057
	-----	-----	-----
Gross Investment Income	181,050	270,907	359,917
Operating Expenses	(25,105)	(34,558)	(44,109)
	-----	-----	-----
Net Profit before Tax	155,945	236,349	315,808
Provision for Taxation	-	-	-
	-----	-----	-----
Net Profit after Tax	155,945	236,349	315,808
Dividend	(31,189)	(47,270)	(63,162)
	-----	-----	-----
Retained Profit	124,756	189,079	252,646
	=====	=====	=====
Earnings per share	8k	12k	16k
Dividend per share	2k	2k	3k
Earnings Yield	8%	12%	16%
Dividend Yield	2%	2%	3%

##### 4.2 Balance Sheet Forecast

	<b>2011</b>	<b>2012</b>	<b>2013</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
Cash	26,427	28,923	34,444
Money Market Instruments	504,762	549,538	654,447
Long Term Fixed Income Instruments	1,593,567	1,735,374	1,877,590
Total	2,124,756	2,313,835	2,566,481
<b>FINANCED BY</b>			
Fund Account	2,000,000	2,000,000	2,000,000
Retained Income	124,756	313,835	566,481
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Total	2,124,756	2,313,835	2,566,481
	=====	=====	=====

## **5. INFORMATION ON THE FUND MANAGER AND TRUSTEE**

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### **5.1 The Fund Manager**

BGL Asset Management Limited (“BAML”), the Fund Manager, is a wholly owned subsidiary of BGL Plc (“BGL”), a leading investment banking company in Nigeria, providing financial advisory, corporate finance and wealth management services to an expanding client base.

In a bid to expand its portfolio of products and services, BGL established BAML, to take advantage of market opportunities in the fund management sector in Nigeria. BAML established and manages the BGL Sapphire Fund.

Following the revision in the minimum capital base requirements for portfolio managers by the Commission from ₦20 million to ₦500 million, BAML was established and capitalized to the tune of ₦500 million.

In order to take advantage of the high level of growth expected in the mutual fund market, BAML has adopted the following operational strategies:

- Substantial investment in research to facilitate optimal investment decisions and derive above average returns on investment
- Acquisition of up-to-date technology for research, settlement, e-commerce etc
- Recruitment of skilled and experienced personnel in asset management
- Excellent customer service culture to promote customer appreciation and constitute a demand generator through recommendations.
- Acquisition of a sizeable market share, particularly, from the informal sector (which forms a larger demand segment), as the revenue of asset management companies depends on the quantum of assets under management
- Effective management of cost profile which has a direct impact on potential returns

BAML is managed by experienced and knowledgeable professionals who have global exposure in the professional management of funds and various asset classes. In addition, the members of the Fund Manager’s Board of Directors are highly respected professionals with strong backgrounds in finance, asset management, stock broking, insurance and capital markets.

### **5.2 Directors of the Fund Manager**

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

- *Mr. Albert E. Okumagba - Chairman*
- *Chibundu N. Edozie – Non-Executive Director*
- *Mr. Henry O. Laraiyetan – Non-Executive Director*
- *Hajia Fatima Isa Wali – Non-Executive Director*
- *Tamunoye Zifere Alazigha – Non-Executive Director*
- *Mrs. Modupe Mujota – Managing Director*
- *Ms. Anne Omezi –Deputy Managing Director*

### **5.3 BGL Asset Management Limited Management Team**

- *Ms. Loratto C. Onyenorah*
- *Omini Ofem*
- *Olumide Ogunsanwo*
- *Andre Ewubare*
- *Ademola Aofolaju*
- *Emmanuel Ben-Edet*
- *Chinwe Nnite*

### **5.4 The Trustee**

UBA Trustees Limited is an offshoot of UBA Capital & Trust Limited (“UCAT”), a wholly owned subsidiary of United Bank of Nigeria Plc (“UBA”), one of the leading banks in Nigeria and the winner of the Euromoney 2005 “Best Bank Award for Excellence”. UCAT (now UBA Trustees Limited) commenced business over four decades ago as UBA Trustees Limited before its subsequent change of name and reorganisation which led to the re-incorporation of the new UBA Trustees Limited. Over the years, UBA

Trustees Limited has earned a reputation as one of the most respected corporate trustees in the Nigerian money and capital markets.

The Board of Directors of UBA Trustees Limited is currently constituted as follows:

- *Emmanuel N. Nnorom - Chairman*
- *Vincent Omoike – Director*
- *Tomi Soyode - Director*
- *Oluwatoyin Sanni - Managing Director/Chief Executive*

#### **UBA Trustee's Management**

The UBA Trustees' management team is led by the Managing Director and the following experienced individuals:

- *Tokunbo Ajayi - Corporate Trust (Syndicates & Project Finance)*
- *Taiwo Sonola - Business Development & Relationship Management*
- *Olukemi Tawoju - Trust Funds Management*

## **6. STATUTORY AND GENERAL INFORMATION**

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### **6.1 Indebtedness**

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

### **6.2 Claims and Litigation**

As at the date of this Prospectus, the Fund Manager is not aware of any claims or litigation pending or threatened against it that will adversely affect this Fund.

### **6.3 Costs and Expenses**

The costs, charges and expenses of and incidental to the Offer including fees payable to the Securities and Exchange Commission, The Nigerian Stock Exchange, professional parties' fees, brokerage commission and printing and distribution expenses are estimated at N59.45Million or 2.97% of the gross Offer proceeds and are payable by the Fund and deductible from the monies raised by the Fund.

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

The Fund Manager is a wholly owned subsidiary of BGL Plc the Issuing House to the Fund. BGL Securities Limited, one of the appointed Stockbrokers, is also a wholly owned subsidiary of BGL Plc. The Fund manager, BGL Plc and BGL Securities all have common directors. The Fund Manager and the Trustee do not have any common shareholder and neither is a subsidiary or holding company of the other. They do not have common Directors.

### **6.5 Material Contracts**

1. A Trust Deed dated September 23, 2010 between BGL Asset Management Limited and UBA Trustees Limited under which the Fund was constituted.
2. A Vending Agreement dated September 23, 2010 under the terms of which BGL Plc have agreed to offer for subscription 2,000,00,000 Units of ₦1.00 each at par on behalf of the Fund Manager.
3. Other than as stated above, the Fund Manager has not entered into any material contracts except in the ordinary course of business.

### **6.6 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:**

Mr. Albert E. Okumagba  
Mr. Chibundu N. Edozie  
Mr. Henry O. Laraiyetan  
Hajia Fatima Isa Wali  
Mr. Tamunoye Alazigha  
Mrs. Modupe Mujota  
Ms. Anne Omezi

#### **Company Secretary:**

Loratto Onyenorah

#### **Issuing House:**

BGL Plc

#### **Receiving Banks:**

Oceanic Bank International Plc  
United Bank for Africa Plc

#### **Trustee to the Fund:**

UBA Trustees Limited

#### **Reporting Accountants:**

Ernst & Young

#### **Registrars to the Fund:**

Meristem Registrars Limited

#### **Solicitors to the Trustee:**

Udo Udoma & Belo-Osagie

#### **Solicitors to the Offer:**

Chuma Anosike & Co.

#### **Auditors to the Fund:**

Akintola Williams Deloitte

#### **Stockbroker to the Offer:**

BGL Securities Limited

## **6.7 Documents Available for Inspection**

Copies of the following documents may be inspected at the offices of BGL Plc, 12A, Catholic Mission Street, Lagos Island, Lagos, during normal business hours on any weekday (except public holidays).

1. Certificate of Incorporation of the Fund Manager;
2. Certificate of Incorporation of the Trustee;
3. Memorandum and Articles of Association of the Fund Manager;
4. Memorandum and Articles of Association of the Trustee;
5. The Prospectus issued in respect of the Offer;
6. The Report of Ernst & Young, Reporting Accountants, on the Financial Forecasts of the Fund for years ending August 2011, 2012 and 2013 respectively;
7. The Resolution of the Board of Directors of the Fund Manager authorising the creation of the Fund and the issuance of 2,000,000,000 units of the Fund.
8. The Resolution of the Board of Directors of the Trustee to the Fund, approving to act as Trustees to the Fund.
9. The material contracts referred to in 6.5 above.
10. The written consents referred to in 6.6 above.

## **7. PROCEDURE FOR APPLICATION AND ALLOTMENT**

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### **7.1 APPLICATION**

- I. The general investing public is hereby invited to apply for units of the Fund through any of the Receiving Agents listed on page 17.
- II. Applications for units 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.
- III. The Application List for the Units now being offered will open at 8 am on October 11, 2010 and close at 5.00 pm on November 17, 2010. Applications must be for a minimum of 10,000 units and in multiples of 1,000 thereafter. 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.
- IV. A single applicant should sign the declaration and write his/her full names, address, daytime telephone number and mobile telephone number in item "1" on the Application Form. Where the application is being made on behalf of a child, the full names of the applicant and the child, and the date of birth of the child should be provided under Item "2". Item "3" should be used by joint applicants. A corporate applicant should affix its seal in the box provided and state its Incorporation (RC) Registration Number.
- V. Each application should be forwarded together with the cheque or bank draft for the full amount of the purchase price to any of the Receiving Agents listed on page 20. Applications must be accompanied by a cheque or bank draft made payable to the Receiving Agent to whom the application is submitted, for the full amount payable on application. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "**THE BGL SAPPHIRE 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.
- VI. Foreign investors are advised to contact Oceanic Bank International Plc and United Bank for Africa Plc for the applicable US Dollar exchange rate on the day the remittance is being effected.  
The Receiving Banks will issue CCIs to foreign investors to enable repatriation of dividends from the proceeds of future sale of the units acquired through this Offer.

### **7.2 ALLOTMENT**

**Mandatory Subscription:** As required under SEC Rules & Regulations pursuant to Investments and Securities Act., the Sponsor of the Fund shall subscribe to a minimum of 10% of the initial issue. The Fund Manager reserves the right to accept or reject any application in whole or in part. All irregular or suspected multiple applications will be rejected. In the event of an over subscription, additional units of the Fund will be allotted subject to the Commission's approval of the additional units.

### **7.3 APPLICATION MONIES**

All application monies will be retained in a separate interest yielding bank account by the Receiving Banker pending allotment. If any application is not accepted, a crossed cheque for the full amount paid will be returned by registered post at the applicant's risk to the address on the Application Form within 5 working days of allotment. A Fund Statement and/or Certificate will be sent by registered post at the applicant's risk to the address on the Application Form not later than 15 working days from the date of allotment.

## 8. RECEIVING AGENTS

Application Forms may be obtained free of charge from any of the following Receiving Agents registered as capital market operators by SEC, to whom brokerage will be paid at the rate of 75 Kobo per ₦100 worth of units allotted in respect of applications bearing their official stamps.

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

### BANKS

Access Bank Plc Afribank Nigeria Plc Diamond Bank Plc Ecobank Plc Equitorial Trust Bank Plc Fidelity Bank Plc First Bank Plc First City Monument Bank Plc	Fin Bank Plc Guaranty Trust Bank Plc Nigeria International Bank Plc Intercontinental Bank Plc Oceanic International Bank Plc Platinum Habib Bank Plc Skye Bank Plc Spring Bank Plc	Sterling Bank Plc Stanbic IBTC Bank Plc Standard Chartered Bank of Africa Union Bank Plc United Bank for Africa Plc Zenith Bank Plc Unity Bank Plc Wema Bank Plc
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### STOCKBROKERS

A.A.A Stockbrokers Limited Adamawa Securities Limited AIL Securities Ltd Alliance Capital Management Company Ltd Altrade Securities Ltd AMYN Investments Ltd Anchoria Investment & Securities Ltd Apel Asset & Trust Limited APT Securities & Funds Ltd Associated Asset Managers Ltd Atlas Portfolio Ltd Belfry Investment & Securities Ltd Best link Investment Ltd Best Worth Assets & Trust Ltd BFCL Assets & Securities Ltd BGL Securities Ltd BSD Securities Ltd Bytofel Trust & Securities Ltd Calyx Securities Ltd Camry Securities Ltd Capital Asset Ltd Capital Bancorp Ltd Capital Express Securities Ltd Capital Trust Brokers Limited Cash Craft Securities Ltd Centre-Point Investment Ltd Century Securities Ltd City-Code Trust & Investment Ltd Consolidated Investment Ltd Cooper Fleming Stockbrokers Ltd Cordross Capital Ltd Coretrust & Investment Ltd Counters Trust Securities Ltd Cowry Asset Management Ltd Crossworld Securities Ltd CSL Stockbrokers Ltd Davandy Finance & Securities Ltd De-Canon Investment Ltd De-Lords Securities Ltd Denham Management Ltd Dependable Securities Ltd Dynamic Portfolios Ltd EBN Securities Ltd ECL Asset Management Ltd Emerging Capital Ltd Empire Securities Ltd Enterprise Stockbroker Plc ESL Securities Ltd ESS Investment & Trust Ltd Eurocomm Securities Ltd Excel Securities Ltd Express Portfolio Services Ltd F & C Securities Ltd Falcon Securities Ltd Finmal Finance Services Ltd First Alstate Securities Ltd First Equity Securities Ltd First Stockbrokers Ltd FIS Securities Ltd Foresight Securities Investment Ltd Forte Asset Management Ltd Foresight Securities Investment Limited	Forte Asset Management Ltd Forthright Securities & Investments Ltd Fountain Securities & Investment Ltd Future View Securities Ltd Gidauniya Investment & Securities Ltd Global Assets Management (Nig) Ltd Golden Securities Ltd Greenwich Trust Ltd GTI Capital Ltd Heartbeat Investments Limited Hedge Securities & Investment Company Ltd Horizon Stockbrokers Ltd IBTC Asset Management Ltd ICMG Securities Limited ICON Stockbrokers Ltd Ideal Securities & Investments Ltd Independent Securities Ltd Intercontinental Securities Ltd Integrated Trust & Investments Ltd International Standard Securities Ltd Interstate Securities Ltd Investment Centre Ltd Investment Masters & Trust Ltd Jenkins Investment Ltd Kapital Care Trust & Securities Ltd Kinley Securities Ltd Kundila Finance Services Ltd Lambeth Trust & Investments Company Ltd LB Securities Ltd Lead Capital Ltd Lighthouse Asset Management Ltd Maclaize Trust & Securities Ltd Mainland Trust Ltd Maninvest Asset Management Ltd Marimpex Finance & Investment Ltd Marina Securities Limited Maven Asset Management Ltd Maxifund Investment & Securities Ltd Mayfield Investment Ltd MBC Securities Ltd MBL Financial Services Ltd Mega Equities Ltd Mercov Securities Ltd Meristem Securities Ltd Metropolitan Trust Nigeria Ltd Midas Stockbrokers Limited Mission Securities Ltd Molten Trust Ltd Mountain Investment & Securities Ltd Newdevco Investment & Securities Ltd Nigerian International Securities Ltd Nigerian Stockbrokers Ltd Omas Investment & Trust Ltd OMF Securities & Finance Ltd Options Securities Ltd P.S.I Securities Ltd Partnership Investment Company Limited Perfecta Investment Trust Ltd Peninsula Asset Management Limited Pilot Securities Ltd Pine Fields Investment Services Ltd	Pivot Trust & Investment Company Ltd Premium Services Ltd Professional Stockbrokers Ltd Profund Securities Ltd PSL Securities Ltd Pyramid Securities Ltd Quantum Securities Ltd Reading Investments Ltd Regency Assets Management Ltd Resano Securities Limited Resort Securities & Trusts Ltd Reward Inv & Sec Ltd RivTrust Securities Limited Rolex Securities Ltd Rostrum Inv. & Inv Securities Limited Royal Crest Finance Ltd Santrust Securities Ltd Securities Solutions Ltd Securities Trading and Investment Ltd Securities Transaction & Trust Company Ltd Security Swaps Ltd Shelong Investment Ltd Sigma Securities Ltd Signet Investments Securities Limited SMADAC Securities Limited Solid Rock Securities & Investment Ltd Spring Stockbrokers Ltd Spring Trust & Securities Ltd Springboard Trust & Investment Ltd Stanbic Euties Nig. Ltd Stanwal Securities Ltd Strategy & Arbitrage Ltd Summa Guaranty & Trust Co Summit Finance Company Ltd Supra Commercial Trust Ltd TFS Securities & Investment Ltd Tiddo Securities Ltd Tomil Trust Ltd Topmost Finance & Investment Ltd Tower Assets Management Ltd Tower Securities & Investment Ltd Traders Trust & Investment Company Ltd Trans Africa Financial Services Ltd Transworld Investment Ltd Tropics Securities Ltd Trust Yield Securities Ltd Trusthouse Investments Ltd TRW Stockbrokers Limited UBA Global Markets Limited UNEX Securities & Investment Ltd Union Capital Markets Ltd Valmon Securities Ltd ValueLine Securities & Investment Ltd Vetiva Capital Management Ltd Vision Trust & Investment Ltd Viva Securities Ltd Wizetrade Capital Asset Management Ltd WSTC Financial Services Ltd Yobe Investment Company Ltd Zenith Securities Ltd
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## 9. BGL PLC - BRANCHES

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Completed Application Forms may be submitted to any of the branches of BGL Plc listed below:

### Lagos State

Corporate Head Office  
20 Catholic Mission Street  
Lagos Island  
Lagos  
Tel: 234 (0) 1 280 5544  
Email:  
customer@bglgroupng.com

### Lagos Mainland Region

*Alaba Branch*  
23 Olojo Drive  
Ojo Alaba

*Apapa Branch*  
6 Olofin Street  
Off Warehouse Road  
Apapa

*Festac Branch*  
House 42 2<sup>nd</sup> Avenue  
By Road 208 Road  
Festac, Lagos

*Ikeja Branch*  
70 Opebi Road  
Ikeja  
Lagos

*Surulere Branch*  
52, Ogunlana Drive  
Lagos

### South South Region

*Calabar Branch*  
6 Marian Road  
Laber  
Calabar

*Port Harcourt Branch*  
59 King Perekule Street  
G.R.A  
Phase II Port Harcourt  
Rivers State

*Uyo Branch*  
52 Wellington Bassey Street  
Uyo Akwa Ibom  
Yenogua Branch

*Opili Plaza*  
2<sup>nd</sup> Floor  
Azikoro Road  
Ekeki Yenagoa  
Bayelsa

### Lagos Island Region

*Lagos Island Branch*  
20 Catholic Mission  
Street  
Lagos

*Victoria Island Branch*  
Plot 1061 Abagbon  
Close  
Street, V/I, Lagos

### North Region

*Maitama Branch*  
Plot 417 Tigris  
Crescent, Off Aguyi  
Ironsi, Maitama Abuja

*Kaduna Branch*  
1B Sokoto Road  
Off Independence  
Way  
Kaduna

### South West Region

*Abeokuta Branch*  
Laderin House  
3<sup>rd</sup> Floor 23 Quarry  
Road, Abeokuta

*Ibadan Branch*  
16 Aare Avenue  
New Bodija  
Ibadan

*Ilorin Branch*  
Olabimpe House  
5 Unity Road  
Ilorin

### Mid West Region

*Asaba Branch*  
276 Nnebisi Road  
Asaba  
Delta State

*Benin Branch*  
131, Sapele Road  
Benin City  
Edo State

*Warri Branch*  
Effurun Sapele  
Near Water Board  
Warri, Delta State

### South East Region

*Aba Branch*  
34 Brass Street  
Aba  
Abia State

*Enugu Branch*  
Plot 44 Independence  
Layout, Rangers Avenue  
Enugu

*Onitsha Branch*  
90 Upper New Market  
Road, Onitsha  
Anambra State

*Owerri Branch*  
72 Housing Area 'A'  
New Owerri  
Imo State



## **10. INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

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1. Applications must be made only on the Application Form, or photocopies, or scanned copies of the Application Form.
2. The Application List for the Units will be open to prospective investors for the duration specified in the prospectus.
3. Applications must not be for less than the minimum number of Units stated on the Application form. Applications for more than the minimum number of Units must be in multiples stated on the application form. The number of Units for which an application is made and the value and details of the cheque or bank draft attached should be entered in the boxes provided.
4. The Application Form when completed should be lodged with any of the Receiving Agents listed on page 17. Applications must be accompanied by a cheque or bank draft made payable to the Receiving Agent to whom the application is submitted, for the full amount payable on application. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "**BGL SAPPHIRE 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.**
5. Foreign investors are advised to contact BAML for the applicable US Dollar exchange rate on the day the remittance is being effected. Payment can be made in US Dollars, for credit to: The BGL Sapphire Fund Account.
6. CCIs will be issued to foreign investors. CCIs are required to enable subsequent repatriation, in a freely convertible currency, of the dividends from or proceeds of any future sale of the Units acquired in this Initial Public Offering.
7. An application on behalf of an individual under the age of 18 years (a minor) should be in the name of the minor and be signed by his/her guardian who must also indicate the minor's date of birth on the Application form. Item (2) should be completed for applications on behalf of minors.
8. Joint applicants must all sign the Application Form.
9. 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.
10. An application from a pension or provident fund must be in the name of each individual trustee unless the trustee is a limited liability company.
11. An application by a non-literate should bear his/her right thumb print on the application form and be witnessed by an official of the bank or stockbroking firm at which the application is lodged, who must first have explained the meaning and effect of the Application Form to the non-literate person in his/her own language. Above the thumbprint of the non-literate person, the witness must record in writing that he/she has given this explanation to the non-literate in a language understandable to him/her and that the non-literate person appeared to have understood same before affixing his/her thumb impression.
12. The applicant should not print his/her signature. If he/she is unable to sign in the normal manner he/she should be treated for the purpose of this Offer as an illiterate and his/her right thumbprint should be clearly impressed on the Application Form.

<p><b>APPLICATION FORM</b></p> <p><b>THE BGL SAPPHIRE FUND</b></p>
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