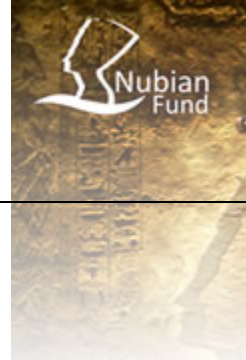


General FAQ



Q: What are Mutual funds?

A: Mutual funds are funds professionally managed by investment managers that pool money from investors and invest them in different financial instruments including stocks, bonds, and money market instruments in a diversified manner with the financial aim of generating high expected rates of returns.

Q: Benefits of Mutual Funds?

A: For investors that do not have in-depth knowledge of the capital market nor the time and expertise to analyze and invest in stocks and bonds, mutual funds offer various benefits which include:

- Affordable access to expensive stocks
- Risk diversification; mutual funds invest in a basket of assets
- Access to professional fund management by fund managers charged with the responsibility of providing them with in-depth research inputs from investment analysts.
- Mutual funds managers have access to crucial corporate information which individual investors cannot access

Q: Drawbacks of Mutual Funds?

A: Mutual Funds have some drawbacks which include:

- High Transaction costs: Some Mutual Funds attract high transaction costs regardless of their performance due to the involvement of professional fund management
- Exclusion of certain instruments: Some mutual funds exclude certain instruments based on factors such as religious beliefs. These excluded instruments could yield high rate of returns
- High expense ratios and sales charges which could affect returns

Q: How many mutual funds exist in Nigeria?

A: Currently there are 21 mutual funds listed on the Nigerian Stock Exchange (NSE) and 16 mutual funds which are not listed on the Exchange.

Q: What are open-ended funds?

A: Open-ended funds are more common than closed-ended funds because they meet the true definition of mutual funds i.e. investors pooling their money together to meet an investment objective. Professional fund managers manage the pooled assets and choose potentially profitable investments which create the fund's portfolio. The fund's portfolio is valued at 'Net Asset Value', which is the closing market value for listed public securities. An open-ended fund can be bought and sold at any time by investors.

Q: What are closed-ended funds?

A: Closed-ended mutual funds constitute financial securities that are traded on the stock market. These types of funds can only issue a fixed number of shares in an initial public offering, of which trading is done on the exchange. The prices of the shares are determined by both the net asset value (NAV) and the level of demand by investors. The investment dealer will raise funds through underwriting and create a particular fund with specific financial objectives.

Q: Can Mutual funds be viewed as Risk-free investments?

A: Mutual fund investments are not totally risk free. However, because the funds are professionally managed, the controllable risks are substantially reduced and diversified

Q: What are the risks involved in mutual fund investments?

A: The risks associated with mutual funds are largely dependent on the diversification strategy adopted. The major risk associated with mutual funds is 'market risk' When the market is bearish, most of the 'equity funds' will also experience a downturn as a result of a decline in equity prices. However, most mutual funds are highly diversified to mitigate or hedge against market risks. Another risk associated with mutual fund is 'liquidity risk'. Liquidity risk is the risk that the Manager may have difficulty selling securities the Fund holds at the time it would like to sell, and at the value the Fund has placed on those securities. In addition, economic policies such as interest rates affect mutual funds, for example, an increase in interest rates could affect the value of 'fixed income funds'.

Q: How do mutual funds diversify their risks?

A: Mutual funds diversify their risks by investing in a variety of financial instruments ranging from stocks, fixed income and money market instruments to real estate investment vehicles and commodities.

Q: How much return should investors expect from mutual funds?

A: Mutual funds are essentially medium to long term investments. Hence, short-term abnormal profits will not be sustainable in the long run. However, in the medium to long run the mutual funds tend to outperform most other avenues of investments at the same time avoiding the risk of direct investment.

Q: Can a mutual fund assure fixed returns?

A: Mutual funds cannot assure fixed returns to their investors. However, funds floated by AMCs of public sector banks and financial institutions are permitted to assure returns to the investors provided the parent sponsor is willing to give an explicit guarantee to honour such a commitment.

Q: How do I invest money in mutual funds?

A: An investor can invest by approaching a registered broker of mutual funds or the respective offices of the mutual funds in that particular town/city. An application form has to be filled providing required information along with the cheque for the amount to be invested.

Q: What proportion of my investments should be in mutual funds?

A: The decision of what proportion to invest in mutual funds will depend on factors such as an individual's income, risk aversion and tax status.

Q: What is Net Asset Value?

A: NAV is the net asset value of the fund. It represents what the unit held by an investor is worth at current market prices.

Q: Is purchase and redemption in case of open-ended funds done at NAV (net asset value)?

A: The purchase price will be higher than the NAV to the extent of the entry load and the redemption price will be lower than the NAV to the extent of the exit load.

Q: What is The BGL Nubian Fund?

A: The BGL Nubian Fund is an open ended mutual fund that aims to achieve superior returns for investors interested in earning attractive returns in the medium to long term by investing in equities, money market and fixed income instruments.

Q: What is the offer price?

A: Units of the BGL Nubian fund are being offered at N1.00 each.

Q: What are the units of sale?

A: Investors are required to buy a minimum of 5,000 units (N5,000.00) and multiples of 500 units (N500.00) thereafter

Q: Who will manage the Nubian Fund?

A: The Nubian fund will be managed by BGL Asset Management Limited, a wholly owned subsidiary of BGL Plc. BGL Asset Management Limited was incorporated on April 3, 2007 as a private limited liability company. It is designated to act as asset manager for the holders of shares, stocks, debenture stocks, bonds, loans, trusteeship or other obligations or securities and generally to undertake and execute asset management for both public and private clients.

Q: Who will monitor BGL Asset Management's Activities as fund managers?

A: The Nubian Fund, like other mutual funds in Nigeria, will be regulated by the Securities and Exchange Commission. In addition, the Securities and Exchange Commission has approved UBA Trustees Limited to act as trustees of the fund, legally responsible for ensuring that the fund is managed in the best interests of unit-holders.

Q: What is the minimum holding period for the Fund?

A: Minimum holding period is 90 days (3 months).

Q: Will the Nubian fund be listed on the Nigerian Stock Exchange (NSE)?

A: Yes, the funds will be publicly listed.

Q: Why is BGL launching a Mutual Fund now, considering the current economic climate?

A: The role of professional investment managers cannot be overemphasized in our capital market especially during an era of reforms and market instability. Mutual funds pool resources together and further diversify risk by investing in a variety of asset classes and securities and are therefore a less volatile investment option. Our Nubian fund intends to capitalise on the low valuations of the market's blue chip stocks, and to this end we believe we are properly positioned to aid profitable investment through proper planning and execution.

Q: How can I invest in the Nubian Fund?

A: Investors can subscribe through the fund manager or any other agents approved by the fund manager. Investors can download the subscription form from the fund manager's website, <http://www.bglassetmanagement.com/funds>.

Q: Can periodic contributions be made in addition to an initial investment?

A: Yes they can. The funds are open-ended and can serve as an avenue or means for regular savings.

Q: When will I get a certificate or proof of my investment?

A: Certificates will be issued once the allotment process has been concluded and confirmed by the Securities and Exchange Commission. You will however receive immediate proof of your investment, via a receipt or online confirmation.

Q: What will my money be invested in?

A: The funds will be invested in equities (minimum of 70%), money market and fixed income instruments in Nigeria.

Q: Will my investment be guaranteed?

A: As the Nubian fund will be invested primarily in shares, the value of which may go up or down, the fund cannot make guarantees to investors. However, professional fund management, under the guidance of the Trustees, should result in superior returns to unit-holders.

Q: How can I profit from my investment?

A: The projected return on the fund is 19%, 28% and 44% in years 1, 2 and 3 respectively. When the value of the fund appreciates, investors can realise gains by selling some or all of their units in the Fund, if they so desire. There are also projections for dividend payments annually. The projected returns are however not guaranteed and as with all equity investments, the value of the units in the fund may drop.

Q: How can I keep track of my investment?

A: Investors can obtain daily bid and offer prices (price at which units of the fund can be sold and bought respectively) from the NSE Daily Official List and national dailies.

Q: Can I sell my investment at any time? If so, how ?

A: Yes, investors can sell their units in the Fund after the initial 90-day holding period. The redemption process should not exceed five (5) working days from the time the fund manager receives the written sale mandate and proof of investment.

Q: Can I pay for units in the Nubian Fund with a debit/credit card?

A: Yes. However, you can only pay with a **Verve card and Naira debit MasterCard**. We currently do not accept international cards as well as credit cards.

Q: Is there a fee for using a debit card?

A: Yes, there will be a switching transaction fee for using the payment switch.

Q: Is there a limit to how much I can pay using a debit card?

A: The maximum limit that can be paid using this platform is N250,000.00 only.

Q: How do I make a debit card payment?

A: You can make a debit card payment by visiting our secure site <https://www.bglgroupng-einvest.com/> creating a personal profile and following the simple step-by-step instructions on the site.

Sapphire Fund FAQ



Q: What is The BGL Sapphire Fund?

A: The BGL Sapphire Fund is an open-ended fixed income fund that 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.

Q: What is the offer price?

A: Units of the BGL Sapphire fund are being offered at N1.00 each.

Q: What are the units of sale?

A: Investors are required to buy a minimum of 10,000 units (N10,000.00) and multiples of 1,000 units (N1,000.00) thereafter

Q: Who will manage the Sapphire Fund?

A: The Sapphire fund will be managed by BGL Asset Management Limited, a wholly owned subsidiary of BGL Plc. BGL Asset Management Limited was incorporated on April 3, 2007 as a private limited liability company. It is designated to act as asset manager for the holders of shares, stocks, debenture stocks, bonds, loans, trusteeship or other obligations or securities and generally to undertake and execute asset management for both public and private clients.

Q: Who will monitor BGL Asset Management's activities as fund managers?

A: The Sapphire Fund, like other mutual funds in Nigeria, will be regulated by the Securities and Exchange Commission. In addition, the Securities and Exchange Commission has approved UBA Trustees Limited to act as trustees of the fund, legally responsible for ensuring that the fund is managed in the best interests of unit-holders.

Q: What is the minimum holding period for the Fund?

A: Minimum holding period is 90 days (3 months).

Q: Will the Sapphire fund be listed on the Nigerian Stock Exchange (NSE)?

A: Yes the funds will be publicly listed.

Q: Why is BGL launching a Mutual Fund now, considering the current economic climate?

A: The role of professional investment managers cannot be overemphasized in our capital market especially during an era of reforms and market instability. Mutual funds pool resources together and further diversify risk by investing in a variety of asset classes and securities and are therefore a less volatile investment option. With our Sapphire fund, we intend to take advantage of the tremendous growth witnessed in the bond market in recent years with new FGN bond issues and various sub-national issues providing decent yields to investors.

Q: How can I invest in the Sapphire Fund?

A: The investor can subscribe through the fund manager or any other agents approved by the fund manager. Investors can download the subscription form from the fund manager's website, <http://www.bglassetmanagement.com/funds>

Q: Can periodic contributions be made in addition to an initial investment?

A: Yes they can. The funds are open-ended and can serve as an avenue for regular savings

Q: When will I get a certificate or proof of my investment?

A: Certificates will be issued once the allotment process has been concluded and confirmed by the Securities and Exchange Commission. You will however receive immediate proof of your investment, via a receipt or online confirmation.

Q: What will my money be invested in?

A: The fund will be invested in high quality bonds –Sovereign, Sub-Sovereign and Corporate Bonds (minimum of 75%) and other money market instruments.

Q: Will my investment be guaranteed?

A: Yes, the principal investment is guaranteed, subject to a minimum holding period of 3 months (90 days).

Q: How can I profit from my investment?

A: The projected return on the fund is 8%, 12% and 16% in years 1, 2 and 3 respectively. There are also projections for dividend payment annually. While the projected returns are not guaranteed, the principal invested in the fund is.

Q: How can I keep track of my investment?

A: Investors can obtain daily bid and offer prices (price at which units of the fund can be sold and bought respectively) from the NSE Daily Official List and national dailies.

Q: Can I sell my investment at any time? If so, how?

A: Yes, investors can sell their units in the Fund after the initial 90-day holding period. The redemption process should not exceed five (5) working days from the time the fund manager receives the written sale mandate and proof of investment.

Q: Can I pay for units in the Sapphire Fund with a debit/credit card?

A: Yes. However, you can only pay with a **Verve card and Naira debit MasterCard**. We currently do not accept international cards as well as credit cards.

Q: Is there a fee for using a debit card?

A: Yes. The switching transaction charge is a flat fee of N2,000.00 per transaction. This is considered a transaction fee for using the payment switch.

Q: Is there a limit to how much I can pay using a debit card?

A: The maximum limit that can be paid using this platform is N250,000.00 only.

Q: How do I make a debit card payment?

A: You can make a debit card payment by visiting our secure site <https://www.bglgroupng-einvest.com/> creating a personal profile and following the simple step-by-step instructions on the site.