

FREQUENTLY ASKED QUESTIONS (FAQS) NOVA DOLLAR FIXED INCOME FUND

1. **Question:** What is NOVA DOLLAR FIXED INCOME FUND?

Answer:

NOVA DOLLAR FIXED INCOME FUND is an actively managed open-ended unit trust scheme whose main objective is to achieve capital appreciation in the medium to long term for Investors with USD.

2. **Question:** What are the benefits of Investing in NOVA DOLLAR FIXED INCOME FUND?

Answer:

The Fund seeks to achieve income generation in line with the rules of SEC in the short to medium term for investors with USD. The Fund is designed to provide investors access to diversify their income stream by allocating a minimum of 70% and a maximum of 100% of its assets to Dollar-denominated instruments issued by Nigerian entities.

3. **Question:** Who will manage the NOVA DOLLAR FIXED INCOME FUND?

Answer:

The NOVA DOLLAR FIXED INCOME FUND will be managed by NOVAMBL Asset Management Limited, licensed by SEC as a fund/portfolio management company and manned by a crop of professional Fund Managers.

4. **Question:** What is the Issue Price?

Answer:

At commencement, each unit of the NOVA DOLLAR FIXED INCOME FUND was priced at \$1.00. However, Investors can subscribe to the units of the Fund and the prevailing offer price at any time.

5. **Question:** How much can I invest in the Fund?

Answer:

You can invest with a minimum of \$1,000 into the DOLLAR FIXED INCOME FUND, and multiples of \$500 thereafter.

6. **Question:** What is the Minimum Holding Period for the Fund?

Answer:

The Minimum holding period of an Investment into the NOVA DOLLAR FIXED INCOME FUND is **one hundred and eighty (180)** days from the date of subscription to the Fund. A charge of 1.5% is payable on the redemptive value on any redemption effected within 180 days of subscription to the Fund.

7. **Question:** How do interested investors subscribe to the Fund?

Answer:

Investors can subscribe to Units of the Fund by visiting our website at www.novambl.com/assetmanagement and downloading the Application form supported by relevant KYC documents such as Passport Photograph, Government Issued ID card, & Utility Bill etc. and subsequently making payments to the account stated in the subscription form. Payment for units of the Fund can be made via a bank or wire transfer in accordance with instructions provided by the Fund Manager.

8. **Question:** What is the Fund's Asset Allocation?

Asset Class	Asset Allocation (%)	Target Weighting (%)
Sovereign Eurobonds (Issued by FGN)	70% - 100%	50%
Corporate Eurobonds (Issued by Corporate entities in Nig.)	0% - 80%	30%
Fixed Placement / Money Market	5% - 30%	15%
Cash / Call placement	0% - 5%	5%
Total		100%

9. **Question:** Is there a guaranteed Rate of Return on an investment in the Fund?

Answer:

When you invest in the NOVA DOLLAR FIXED INCOME FUND, returns will be dependent upon key macro-economic indicators, interest rates of the financial markets and comparable investment returns in the market. The Fund Manager does not have an influence on these factors. Accordingly, it is impossible to guarantee any rate of return on the investment. However, the Fund Manager will strive to maximize competitive returns to unitholders.

10. **Question:** How often do I get paid my dividend.

Answer:

The Fund Manager intends to distribute income (less expense) as dividend to Unit Holders bi-annually. The Unitholders shall have the option to elect to be paid dividends or to reinvest their dividends in new Units at the Offer Price. Unitholders who elect to have their dividends reinvested in new Units shall be entitled to an issue of Units that shall be equal in value to the amount they otherwise would have received in cash as dividend.

11. **Question:** What is the procedure for selling or redeeming my investment?

Answer:

Unitholders shall have the right to redeem all, or part of the Units held by them at the Bid Price on any Business Day, provided redemption documents are received in accordance with the instructions specified by the Fund Manager from time to time. The minimum permissible holding after partial redemption is 500 units or such balance as advised by the Manager from time to time.

The Fund will make redemption payments within 5 (five) Business Days of receipt of the Redemption Notice.

12. **Question:** Can periodic contributions be made in addition to the initial investment?

Answer:

Yes, periodic contributions can be made. The Fund is open-ended and there is no closing date.

13. **Question:** Who will monitor NOVA DOLLAR FIXED INCOME FUND?

Answer:

The NOVA Fund, like all Unit Trust Schemes in Nigeria is regulated by the SEC. In addition, a Trustee, United Capital Trustees Ltd, has been appointed to act on behalf of the unitholders, legally ensuring that the Fund is managed in the best interests of unitholders and in accordance with the provisions of the Trust Deed.

14. **Question:** Who are the Trustees to the fund and what is their role?

Answer:

The Trustee to the Fund is United Capital Trustees Ltd. The Trustees have a legal duty to protect the interests of unitholders. Their activities would include ongoing supervision of compliance with the investment policies of the fund.

15. **Question:** Who can invest in the NOVA DOLLAR FIXED INCOME FUND?

Answer:

The Fund is targeted at High-Net-Worth Individuals (HNIs), Africans in diaspora, and institutional investors (both local and foreign), who desire exposure to Dollar denominated fixed income securities. The Fund is particularly suitable for investors who seek:

- Medium risk investments with a regular income flow.
- a medium-term investment horizon.
- To reduce concentration risk by diversifying their investments
- Require liquidity.
- To benefit from wholesale deposit return.
- Competitive returns