

FREQUENTLY ASKED QUESTIONS (FAQs) NOVA HYBRID FUND (A BALANCED FUND)

1. **Question:** What is NOVA HYBRID FUND?

Answer:

NOVA HYBRID FUND is an actively managed open-ended unit trust scheme whose main objective is income generation and capital growth for Investors with Naira.

2. **Question:** What are the benefits of Investing in NOVA HYBRID FUND?

Answer:

The Fund is designed to suit the needs of discerning prudent investors with medium risk appetite seeking to achieve capital appreciation over time. The Fund is particularly appropriate for investors with medium to long term investment horizons who aim to achieve levels of return more than traditional fixed income yields (such as FGN bond yields) without being fully exposed to the down-side risk of investing exclusively in equities.

3. **Question:** Who will manage the NOVA HYBRID FUND?

Answer:

The NOVA HYBRID 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 HYBRID 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 a minimum of ₦10,000 into the NOVA HYBRID FUND, and multiples of ₦5,000 thereafter.

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

Answer:

There will be a lock-in period of six months (180 days) from Subscription Date during which investors may not exit or redeem their investment. Investors that want to exit before six months will suffer penalty charge of 2% flat on the net redemption amount.

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 (%)
Quoted Equities	40% -60%	40%
Short Term Money Market Securities (T. Bills, FDs, & CPs)	20% - 40%	30%
Government Bonds	20% - 40%	30%
Total		100%

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

Answer:

When you invest in the NOVA HYBRID 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 every quarter of each financial year. 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 5000 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 HYBRID 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 HYBRID FUND?

Answer:

The Fund is appropriate for investors with medium to long term investment horizons who aim to achieve levels of return more than traditional fixed income yields (such as FGN bond yields) without being fully exposed to the down-side risk of investing exclusively in equities. The NOVA HYBRID FUND is an attractive investment option to individual investors, institutions and high net worth individuals who are interested in term deposit placement or hybrid current accounts and are looking to achieve higher returns from such investments than are ordinarily obtainable.

The Fund is particularly suitable for investors who seek:

- Long-term growth of capital.
- To reduce concentration risk by diversifying their investments.
- A medium-term investment horizon.
- Liquidity.
- To benefit from wholesale deposit return.