

RULEBOOK OF THE NIGERIAN STOCK EXCHANGE (ISSUERS' RULES)

PROPOSED AMENDMENTS TO CHAPTER 5: LISTING FOR OF UNIT TRUSTS

Legend: Additions underlined
 ~~Deletions struck through~~

Rule 5.1: Requirements of Listing ~~for~~ of Unit Trusts

1. Application should be made at the earliest possible date. ~~in the form set out in Appendix 1.~~
2. Applicants shall submit the following documents ~~at least twenty one (21) days~~ prior to the ~~hearing~~ consideration of their application by ~~the Committee~~ The Exchange:
 - a) ~~Two (2) proofs~~ A copy of the prospectus/listing memorandum;
 - b) ~~Two (2) proofs or copies~~ A copy of the trust deed;
 - c) ~~Two (2) copies~~ A copy of the annual report and accounts covering the financial period ~~prescribed by the Listing Standard criteria,~~ immediately before the application is filed ~~or since the creation of the unit trust where the applicant trust is newly formed;~~
 - d) ~~Two (2) copies~~ A copy of the annual reports and accounts covering the financial period ~~prescribed by the Listing Standard criteria~~ immediately preceding the application ~~or since incorporation of the sponsors of the unit trust where the sponsor is newly incorporated.~~
 - e) ~~A proof~~ copy of the definitive certificate or other definitive document of title proposed to be issued;
 - f) ~~Two (2)~~ A copy ~~copies of the most recent annual accounts of the management company in relation to the trust.~~
 - g) ~~Twenty (20) copies~~ A copy of the abridged application in the prescribed format.
 - h) ~~c)~~ A certified copy of the Securities and Exchange Commission's letter of approval/registration of the securities ~~authorization of the trust by Securities and Exchange Commission;~~
 - i) ~~d)~~ A notarized copy of the written consent from all parties/persons whose names appear in the Offer/Listing Document ~~by any expert to the inclusion in the Offer/Listing Document. advertisement of any statement purporting to be a copy of or extract from or summary of a report or valuation by such expert;~~

- 2



b) A written undertaking by the Issuer accepting to comply with the post-listing requirements of The Exchange in the form set out in ~~The form of undertaking set out in~~ Appendix XV and Declaration of Compliance;

c. Indemnity letter provided by the Issuer in favour of The Exchange;

d. Executed copy of poster and advertisement signed by all the parties to the issue;

e. Copy of SEC approval of basis of allotment;

f. Copy of SEC approval of basis of allotment;

g. Newspaper publication of basis of allotment;

h. Evidence of e-allotment of securities;

i. A copy of the executed Trust Deed drawn up in compliance with SEC requirements in addition to any other requirement stipulated under applicable laws guiding the establishment of unit trust schemes.

~~c) — A certified copy of:~~

- ~~i) — A certified copy of the resolution of the Board of directors of the management company Fund Manager authorizing the issue and allotment of all securities for which listing is sought and subsequently allotting same;~~
- ~~ii) The resolution of the Board approving and authorizing the issue of the prospectus.~~

~~4. — The Exchange reserves the right to ask for any further or additional information.~~

~~5. — The management company must be registered with the Commission and resident in Nigeria.~~

~~6 Every trust deed drawn up pursuant to unit trust schemes shall in addition to the requirements of any laws guiding the establishment of unit trust schemes. make provision for:~~

- ~~i) Determining the manner in which the management company's prices for units on sale and a purchase respectively, and the yield from the units, are to be calculated respectively, and for entitling the holder of any units to require the management company to purchase them at a price calculated accordingly.~~



- ii) ~~Regulating the mode of execution and the issue of unit certificates and in particular provision that no unit certificates shall be executed or issued in respect of rights or interests in any property until steps have been taken, to the satisfaction of the trustee, to ensure that the property will be vested in him or his nominee.~~
- iii) ~~Prohibiting or restricting the issue **of advertisements, circulars, or other documents** by or on behalf of the management company **of advertisements, circulars, or other documents** containing any statement with respect to the sale price of units, or the payments or other benefits received or likely to be received by holders of units, or containing any invitation to buy units, unless the document in question also contains a statement of the yield from the unit.~~
- iv) ~~Securing that any advertisement, circular or other document containing any statement with respect to the sale price of units or the yield therefrom, or containing any invitation to buy units, shall not be issued by or on behalf of the management company until the trustee has had reasonable opportunity of considering the terms of any such document, and shall not be so issued if within a reasonable time after the document first comes to his attention, he notifies his disapproval of the terms therein by writing to the management company.~~
- v) ~~Establishment of a fund to be applied in defraying the expenses of the administration of the trust and for regulating the application of the fund.~~
- vi) ~~Audit, and the circulation to holders of units, of accounts relating to the trust (including accounts of the management company in relation to the trust and statements of its remuneration in connection therewith).~~
- vii) ~~Requiring the management company (subject to any provisions as to appeal contained in the deed) to retire from the trust if the trustee certifies that it is in the interest of the beneficiaries under the trust that **they management company** should do so.~~
- viii) ~~Notifying The Exchange immediately after the Board resolution recommending the payment of a dividend and to provide that, the notice shall reach The Exchange not ~~later~~ **ess** than **twenty one (21) fourteen (14)** days before the date of closure of books of transfer for payment of such dividend.~~
- ix) ~~Unitholders to have the right to inspect the register on payment of a nominal fee.~~
- x) ~~Notice for termination of **the** trust not to be less than six (6) months.~~

4. The Exchange reserves the right to ask **request** for further and additional information.

RULEBOOK OF THE NIGERIAN STOCK EXCHANGE (ISSUERS' RULES)

PROPOSED AMENDMENTS TO CHAPTER 6: CONTENTS OF PROSPECTUS/LISTING MEMORANDUM FOR UNIT TRUSTS

Legend: Additions underlined
 ~~Deletions struck through~~

Rule 6.1: Contents of Prospectus for Listing of Unit Trusts

a) Where listing is sought for securities of a Unit Trust, the contents of the prospectus shall be as prescribed and approved by the Securities and Exchange Commission.

b) **Contents of Listing Memorandum for Listing of Unit Trusts**

Contents of the Listing Memorandum shall be in the form set out in Appendix I, in addition to any other information material and relevant to this listing. ~~as prescribed in the~~

- ~~1. The full name of the unit trust.~~
- ~~2. The total number of units in existence.~~
- ~~3. The full name of the management company.~~
- ~~4. The full names address and description of every director of the management company and, if required by Council, particulars of:~~
 - ~~(i) any former forenames and surnames;~~
 - ~~(ii) nationality, and~~
 - ~~(iii) nationality of origin if present nationality is not nationality of origin.~~
- ~~5. The full name and qualification of the secretary of the management company and situation of its registered office.~~
- ~~6. The names and addresses of the trustees, bankers, auditors, brokers, solicitors, paying agents, investment advisers and registrars (if any).~~
- ~~7. The date of incorporation of the management company and the authority under which the company was incorporated.~~
- ~~8. The voting rights of unitholders and a summary of the consents necessary for the variation of such rights.~~
- ~~9. Particulars of the borrowing powers exercisable by the trustees or the directors of the management company on account of the trust and how such borrowing powers may be varied.~~



- ~~10. Details of any investment limitations.~~
- ~~11. A statement as to the investment policy of the trust.~~
- ~~12. A report by the auditors of the trust with respect to:~~
 - ~~i) The movements of the trust fund account for each of the three (3) financial years immediately preceding the publication of the prospectus or in respect of each of the years since the unit trust was established, if this occurred less than three (3) years prior to such publication and, if in respect of a period ending on a date earlier than three (3) months before such publication no accounts have been made up, a statement of that fact;~~
 - ~~ii) The income of, and distribution to unit holders from, the trust for the same period;~~
 - ~~iii) Profits accruing to the management company from the trust for the same period;~~
 - ~~iv) The percentage composition of the trust fund at the end of the last completed financial year;~~
 - ~~v) Any other matter which appear to the auditors to be relevant having regard to the purpose of the report.~~

~~In making such report, the auditors shall make such adjustments (if any) as are in their opinion appropriate for the purposes of the prospectus;~~
- ~~13. i) Particulars of any preliminary expenses incurred or proposed to be incurred and to whom the same are payable;~~
 - ~~ii) The cost or estimated cost of the issue and of the application for listing so far as the same are not included in the statement of preliminary expenses and by whom the same are payable.~~
- ~~14. Particulars of any commissions, discounts, brokerages or other special terms granted within one (1) year immediately preceding the publication of the prospectus in connection with the issue or sale of any units of trust.~~
- ~~15. Where the prospectus includes a statement purporting to be made by an expert, a statement that the expert has given and has not withdrawn his written consent to the issue of the prospectus with the statement included in the form and context in which it is included.~~
- ~~16. The dates of, and parties to all material contracts (not being contracts entered into in the ordinary course of business) entered into within two (2) years immediately preceding the publication of the prospectus, together with a description of the general nature of such contracts, and particulars of any consideration passing to or from the trust.~~



17. ~~A place in Nigeria and reasonable time (not less than fourteen (14) days) during which the following documents or copies thereof where applicable may be inspected:~~

~~i) The trust deeds;~~

~~ii) each contract disclosed pursuant to sub-rule 16 above, or, in the case of a contract not reduced into writing, a memorandum giving full particulars thereof;~~

~~iii) all reports, letters, or other documents, balance sheets, valuation and statements by any expert any part of which is extracted or referred to in the Prospectus;~~

~~iv) a written statement signed by the auditors or accountants setting out the adjustments made by them in arriving at the figures shown in their report and giving the reasons thereof, and the audited accounts of the trust fund for each of the five (5) financial years preceding the publication of the prospectus.~~

18. ~~Details of the duration of the trust and the circumstances and conditions under which it may be terminated.~~

19. ~~Details of the circumstances and condition under which the trust may be modified.~~

20. ~~It should be noted that **Council The Exchange** shall not grant an initial listing where the figures reported on by the auditors, as required by sub-rule (a) 12, are more than nine (9) months old.~~

~~(b)21. In cases where it is contended that contracts cannot be offered for inspection without disclosing to competitors important information the disclosure of which might be detrimental to the trust's interests, application may be made to The Exchange for approval to dispense with the offering of such documents for inspection. However, such document must be made available to The Exchange.~~

~~(c)22. In the case of trusts where no units are being offered to the public in connection with or as a result of the application for admission to the official list, the report by the auditors required in sub-rule (a)(12) need only be in respect of the last completed financial year immediately preceding the publication of the prospectus or in respect of the period since the unit trust was established, if this occurred less than one (1) year prior to such publication.~~

APPENDIX I

APPLICATION FORM NSE/LRD302C

LISTING OF FUNDS BY INITIAL PUBLIC OFFERS

Notes: Use of Application Form NSE/LRD302C

- a. This Application Form NSE/LRD302C must be used for filing an application for **Listing by Initial Public Offers of Funds** on the Daily Official List of the Exchange (other than index fund and REITs).
- b. It is the responsibility of the sponsoring stockbrokers to ensure that the application meets the relevant requirements stipulated in the following:
 - Chapter 5: Listing of Unit Trust on The Exchange, Rulebook of The Exchange, 2015 (Issuers' Rules).
 - Chapter 6: Contents of prospectus for Unit Trusts, Rulebook of The Exchange, 2015 (Issuers' Rules).

Name of Issuer/Fund Manager:

Names of Stockbrokers:

Application Details: Listing of..... units of each of theFund

1. Introduction

We hereby file the above application and provide information contained in the following paragraphs.

2. Professional parties to the Listing

The parties to the proposed Listing are as shown in the table below:

<u>Professional parties</u>	<u>Name of party</u>	<u>Address</u>
<u>Fund Manager/Issuer</u>		
<u>Issuing House</u>		
<u>Sponsor</u>		
<u>Stockbrokers</u>		
<u>Trustees</u>		
<u>Solicitors to the Listing</u>		
<u>Rating Agencies (state the ratings of each)</u>		
<u>E.t.c (insert more rows as required)</u>		

3. Listing Data

The details of the share capital base of the Issuer and the proposed listing data are contained in the table below:

<u>Name of the fund</u>	
<u>Method of listing</u>	
<u>Price per unit</u>	
<u>Gross proceed</u>	
<u>Fund rating (and year)</u>	
<u>Date offer opens</u>	
<u>Date offer closes</u>	
<u>The stock exchange(s) where the Fund is listed (if any)</u>	
<u>Net assets of the Fund Manager</u>	
<u>Total value of assets currently managed by the Fund Manager</u>	

4. Reason for Listing

Give reasons why the Issuer intends to list the security on The Exchange.

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.....

.....

5. Background information about the Fund

- a. Date of incorporation
- b. Date commenced business.....
- c. Legal status.....
- d. Share capital.....
- e. Assets under management
- f. Others.....
-
-
-

6. Proposed Utilisation of Funds

The assets of the Funds will from time to time be allocated as stated in the table below.

<u>Description of Proposed Asset</u>	<u>Asset Allocation Range (%)</u>	<u>Target Weighting (%)</u>
Total		100

7. Investment Objectives and Policies of the Fund



.....
.....
.....
.....

8. Valuation of units of the Funds

- What will be the process to value the Fund (NAV)? ...
- How often will the NAV be valued? ...
- How will the NAV of the Fund be communicated to the market? ...
- (For open ended funds), how will the bid and offer prices be determined? ...

9. Profile of the Fund Manager

- Date of incorporation, change of name, briefs of other significant corporate restructuring: ...
- Principal line(s) of business: ...
- Prospects: ...
- Names of promoters or controlling shareholders of the fund manager...
- A diagrammatic structure of the fund manager showing the parent(s) and subsidiaries (if any) ...
- If the fund manager is a subsidiary of another company, names of promoters or controlling shareholders of its ultimate parent ...

10. Directors of the Fund Manager

The names of the directors of the Fund Manager are contained in the table below:

<u>S/N</u>	<u>Names of Directors</u>	<u>Date of Appointment</u>	<u>Designation</u>

11. Profile of the directors

A brief profile of each director is provided below

- ...
- ...

12. Outstanding Debt Obligation

(Provide brief details of the Issuer's current debt obligations, other than in the ordinary course of business. Include material conditions of the debt obligations, e.g. stringent covenants, interest rate, etc.)

.....
.....



13. **Claims and Litigation**

- Total number of cases that the Issuer/Fund Manager is involved in:
- Total number of cases instituted against the Issuer/Fund Manager and the amount claimed:
.....
- Total number instituted by the Issuer/Fund Manager and the amount being claimed:
- State whether, in the opinion of the directors, the cases will have material adverse effect on the business of the Fund and/or on the listing):

14. **Material Contracts**

The Issuer/Fund Manager has entered into the following agreements and contracts which are considered material to the listing or to the business of the Fund, other than in the ordinary course of business:

- ...
- ...

15. **Financial Projection of the Funds**

Give brief details about the financial projections and the underlying assumptions.

<u>Period ended</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
<u>Income</u>	<u>N'm</u>	<u>N'm</u>	<u>N'm</u>	<u>N'm</u>	<u>N'm</u>
<u>Dividend received</u>					
<u>Gains/loss from securities disposed</u>					
<u>Unrealised gain/loss</u>					
<u>Gross profit</u>					
<u>Expenses</u>					
<u>Corporate expenses</u>					
<u>Cost of offer</u>					
<u>Admin</u>					
<u>Management fees</u>					
<u>Custodian</u>					
<u>Trustees fees</u>					
<u>Auditors remuneration</u>					



<u>Index licensing fee</u>					
<u>Brokerage %</u>					
<u>Others:</u>					
<u>Profit before Tax</u>					
<u>Tax expense:</u>					
<u>Tax on dividend received</u>					
<u>Tax on dividend paid to unit holders</u>					
<u>Profit for the year</u>					
<u>Appropriation:</u>					
<u>Retained earnings b/f</u>					
<u>Profit for the year</u>					
<u>Less dividend declared during the year</u>					
<u>Retained earnings c/f</u>					
<u>Statement of financial position - forecast</u>					
<u>Assets:</u>					
<u>Financial assets:</u>					
<u>i)</u>					
<u>ii)</u>					
<u>iii)</u>					
<u>Cash</u>					
<u>Total asset</u>					
<u>Liabilities:</u>					
<u>i) Accrued expenses</u>					
<u>ii)</u>					
<u>ii)</u>					
<u>Total current liabilities</u>					
<u>Net assets</u>					
<u>Financed by:</u>					
<u>Unit holders' interest</u>					
<u>Pre-offer expenses</u>					
<u>Retained earnings</u>					
<u>Number of unit holders</u>					
<u>Return on Investment</u>					

16. Estimated Cost of the Transaction:

The transaction costs are detailed below (please list all the items of cost):

<u>Parties</u>	<u>Description</u>	<u>Amount</u>	<u>% of gross proceed</u>
<u>SEC</u>	...		
<u>NSE</u>	<u>Application and listing fee and VAT</u>		
<u>CSCS</u>	<u>Eligibility fee and VAT</u>		
<u>Transaction</u>	<u>printing, etc</u>		
<u>Financial Adviser</u>	...		
<u>Joint Stockbrokers</u>	...		
<u>Joint Financial Adviser</u>	...		
<u>Etc.</u>	..		
<u>Total</u>			

17. Declaration

I confirm that the above information is accurate to be best of my knowledge and information available.

Sign & Date.....

Name

Managing Director of a Dealing Member

For NSE Internal Use Only

Checked by:

Name.....

Sign & Date...



APPENDIX I
FORMAL APPLICATION FOR LISTING (UNIT TRUSTS)

TO: ~~The Chief Executive Officer~~
~~The Nigerian Stock Exchange~~

..... 20

Dear Sir,

We are instructed by
(Name of Company)

To make application for permission to deal in and for listing of its units. In compliance with your rules; furnish information and undertakings, as under:

1) ~~NAME OF TRUST~~

2) ~~ISSUE OF PROSPECTUS OR EXPLANATORY MEMORANDUM~~

Signed copy attached

Dated this day of 20

3) ~~Number of Units for which admission to the Official List is sought are~~

.....

4) ~~Number of Units for which admission is not sought are~~

.....

The Units are/are not respectively identical in all respects.

(“If not identical it must be stated what date, if ever, the Units will become identical and the definitive certificates must be enfaced with a note to this effect”).

We forward herewith all documents required under the Rules governing Official Listing on The Nigerian Stock Exchange, together with a cheque forbeing amount payable in respect of Date where applicable.

.....
Sponsoring Member of The Exchange

Dated this Day of 20

APPENDIX XV

FORM OF GENERAL UNDERTAKING (UNIT TRUSTS)

To: The Chief Executive Officer
The Nigerian Stock Exchange

.....acknowledges

thatshall remain on the Official List of The Exchange only at the pleasure of The Exchange and hereby resolves and undertakes as follows:

1. Notices

- (i) To immediately notify the Chief Executive Officer of The Exchange without delay of:
 - (a) any announcement of distribution or any other moves that could affect the price of the trust's units on the market;
 - (b) any change in the management of the trust;
 - (c) any proposed alteration of the instrument or supplemental instruments of the trusts;
 - (d) any proposed change in the basic investment policy of the trust;
 - (e) any other information necessary to enable unitholders to appraise the position of the trust and avoid the establishment of a false market in the units of the trust;
 - (f) the date on and from which purchases and sales of units by the managers will take place ex-distribution;
 - (g) the bid price of units which shall be fixed on conditions corresponding with the regulations laid down by Securities and Exchange Commission for sale price and that the **fund** managers will supply the market with bid and offer prices daily through the Exchange's Issuers' Portal or any other medium approved by the Exchange in that regard; before the closure of business in the last day of the week;
 - (h) any intention to review, vary or terminate the trust.
- (ii) To forward to the Chief Executive Officer of The Nigerian Stock Exchange **for vetting and prior approval of: two (2) copies of:**



- (a) all circulars, notices, reports or other documents at the same time as they are issued to unitholders;
- (b) all resolutions passed by the unitholders within ~~seven (7) days~~ twenty four (24) hours of the passing of such resolutions.;
- ~~(c) all advertisements issued or intended to be issued by the management of the trust.~~
- (iii) To notify the Chief Executive Officer of The Exchange at least three (3) days in advance giving the dates and times of any meeting at which the declaration or recommendation or payment of a distribution (dividend) is expected to be considered and decided upon.
- (iv) To clearly set out on an annual basis on the capital value of the trust fund, the amount of the annual management charge, which, in the case of new trusts, is to be taken out of subscribed fund.
- ~~(v) To maintain a complete file of all advertisements, brochures, leaflets and other documents issued with a view to effecting or stimulating sales or purchases of units.~~

2. **Reports and Accounts**

- (i) To submit to unitholders and to The Exchange not later than two (2) months ~~as soon as possible~~ after the first six months of each financial year a report concerning the trust's activities for the half year and to notify The Exchange of the total number of outstanding registered units in existence at the conclusion of that period.
- (ii) to include in or circulate with each annual report an audited statement of account of the trust, a statement of asset value of the trust and of the investments comprised in the trust. There shall also be included details concerning the total number of units issued and redeemed during the period, and outstanding at the end of the period.
- (iii) To promptly supply copies of the report and accounts for use of members of The Exchange as required.
- (iv) To submit to The Exchange and make available to unitholders the annual accounts of the managers in relation to the trust, not later than four (4) ~~six~~ months after the period to which it relates.

3. ~~Certificates~~



- ~~(i) To issue definitive certificates within twenty one (21) days of the lodgement of application.~~
- ~~(ii) To notify the holder of a registered certificate as soon as a transfer out of the holder's name has been certified.~~

34. General

To recognize that Council reserves the right to remove any security from the Official List if:

- ~~(a) it is considered that there is insufficient public interest in the trust viz, insufficient unit in the hands of the public; or~~
- ~~(a)~~ any of the foregoing terms and conditions are not complied with; or
- (be) the Council so resolves at its absolute discretion.

Director.....

Secretary

Date

EXPOSURE DRAFT