

This document is important, and you are advised to read and understand the contents of this document. If you are in doubt about its contents or the action to take, please consult your stockbroker, solicitor, banker, or an independent investment adviser registered by the Securities and Exchange Commission for guidance. This prospectus has been seen and approved by the directors of Utica Capital Limited and they jointly and individually accept full responsibility for the accuracy of all information given and confirm that, after having made all enquiries which are reasonable in the circumstances, and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

Prospective purchasers of any unit of this fund should ensure that they understand fully the nature of the product and the extent of their exposure to risks, and that they consider the suitability of this investment considering their own circumstances and financial position.

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For information concerning certain risk factors which should be considered by prospective investors, see Risk Factors on pages 66 to 70



**UTICA FILM FUND**

**(Authorised and Registered in Nigeria as a Venture Capital Fund)**

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**SHELF PROSPECTUS FOR THE UP TO ₦20,000,000,000 ISSUANCE PROGRAMME**

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**For up to 20,000 units at ₦1,000,000 per unit**

**FUND MANAGER:**



RC 1680942

This Shelf Prospectus and the Units which it offers have been cleared and registered by the Securities and Exchange Commission. Investors may confirm the clearance of this Shelf Prospectus and the registration of the securities it offers with the Securities and Exchange Commission by contacting the Commission on [sec@sec.gov.ng](mailto:sec@sec.gov.ng) or +234 (0)9 462 1100; +234 (0)9462 1168. The Investments and Securities Act 2025 provides for civil and criminal liabilities for the issue of a Prospectus which contains false or misleading information. Registration of this Prospectus and the Units which it offers does not relieve the parties of any liability arising under the Act for false or misleading statements contained or for any omission of a material fact in this Prospectus.

This Shelf Prospectus is to be read and construed in conjunction with any supplement thereto and all documents which are incorporated herein, by reference and, in relation to any Tranches or Series (as defined herein) of instruments, together with the applicable Supplementary Shelf Prospectus. This Shelf Prospectus shall be read and construed on the basis that such documents are incorporated herein and form part of this Shelf Prospectus.

The registration of the Shelf Prospectus and any applicable Supplementary Prospectus thereafter does not in any way whatsoever suggest that the Securities and Exchange Commission endorses or recommends the securities or assumes responsibility for the correctness of any statement made or opinion or report expressed therein.

**LEAD ISSUING HOUSE**



**JOINT ISSUING HOUSE**



**THIS SHELF PROSPECTUS IS DATED** 📅

## CONTENTS

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<b>1. DEFINITIONS</b>	<b>4</b>
<b>2. IMPORTANT NOTICES</b>	<b>7</b>
<b>3. SUPPLEMENTARY PROSPECTUS</b>	<b>10</b>
<b>4. CORPORATE DIRECTORY OF FUND MANAGER</b>	<b>11</b>
<b>5. THE PROGRAMME</b>	<b>12</b>
<b>6. SUMMARY OF THE PROGRAMME</b>	<b>13</b>
<b>7. PROFESSIONAL PARTIES TO THE OFFER</b>	<b>19</b>
<b>8. OVERVIEW OF NIGERIA</b>	<b>20</b>
8.1 BACKGROUND	20
8.2 OVERVIEW OF THE NIGERIAN ECONOMY	21
<b>9. OVERVIEW OF THE CREATIVE, ART &amp; CULTURE INDUSTRY</b>	<b>23</b>
9.1 CREATIVE, ART & CULTURE OVERVIEW	23
9.2 REVIEW OF KEY TARGET SECTOR – FILM INDUSTRY	27
<b>10. RATIONALE FOR UTICA FILM FUND</b>	<b>36</b>
10.1 INTRODUCTION	36
10.2 FINANCING OF FILM PROJECTS: DEBT VS. EQUITY	36
10.3 CHARACTERISTICS OF ELIGIBLE PROJECTS /TRANSACTIONS FOR THE FUND	37
10.4 ROLE OF UTICA FILM FUND	37
10.5 SUSTAINABLE DEVELOPMENT GOALS (SDG) AND ECONOMIC SOCIAL AND GOVERNANCE (ESG) CONSIDERATIONS	38
<b>11. INFORMATION ON THE UTICA FILM FUND</b>	<b>39</b>
11.1 DESCRIPTION OF THE FUND	39
11.2 BENEFIT TO INVESTORS	39
11.3 MANAGEMENT OF THE FUND	39
11.4 FUND SIZE	39
11.5 COMMITMENTS	39
11.6 TARGET RETURN	40
11.7 STRUCTURE OF THE FUND	40
11.8 OBJECTIVES OF THE FUND	40
11.9 INVESTMENT POLICY	40
11.10 TRANSACTION EXECUTION PROCESS	44
11.11 INVESTMENT EXIT STRATEGIES	46
11.12 INVESTMENT RESTRICTION	46
11.13 CALCULATION OF THE NET ASSET VALUE	47
11.14 INCOME AND DISTRIBUTIONS	47
11.15 DISTRIBUTION WATERFALL	47
11.16 ISSUANCE OF UNITS	47
11.17 WITHDRAWAL OPTION FOR UNITHOLDERS	48
11.18 UNIT STATEMENTS	48
11.19 FEES AND OTHER EXPENSES	48
11.20 BORROWING POLICY	49
11.21 AUDIT AND REPORTING	49
11.22 CONFLICT OF INTEREST AND RELATED-PARTY TRANSACTION	49
11.23 REPLACEMENT OF KEY PERSONS	49
11.24 REMOVAL OF THE FUND MANAGER	49
<b>12. INFORMATION ON THE FUND MANAGER AND TRUSTEES</b>	<b>51</b>
12.1 THE FUND MANAGER	51
12.2 THE TRUSTEES	61
<b>13. RISK FACTORS</b>	<b>66</b>
13.1 RISKS RELATING TO ECONOMIC, POLITICAL AND REGULATORY DEVELOPMENTS IN NIGERIA	66
13.2 RISKS RELATED TO THE FUND AND ITS INVESTMENT OBJECTIVE	68
13.3 RISK RELATED TO THE FUND'S INVESTMENTS	69
13.4 RISKS RELATED TO THE FUND'S UNITS	70
<b>14. STATUTORY AND GENERAL INFORMATION</b>	<b>71</b>

14.1	EXTRACT FROM THE TRUST DEED-----	71
14.2	AUTHORIZATION OF THE PROGRAMME-----	85
14.3	INDEBTEDNESS-----	85
14.4	CLAIMS AND LITIGATIONS OF THE FUND MANAGER-----	86
14.5	COSTS AND EXPENSES-----	86
14.6	RELATIONSHIP BETWEEN THE FUND MANAGER, THE TRUSTEES AND THE CUSTODIAN-----	86
14.7	RELATIONSHIP BETWEEN THE FUND MANAGER AND ITS ADVISERS-----	86
14.8	SHAREHOLDING STRUCTURE-----	86
14.9	BENEFICIAL INTERESTS IN THE FUND MANAGER-----	86
14.10	OFF-BALANCE SHEET ITEMS-----	86
14.11	DECLARATIONS-----	87
14.12	MATERIAL CONTRACTS-----	87
14.13	CONSENTS	87
14.14	MERGERS OR TAKEOVERS – FUND MANAGER-----	88
14.15	DOCUMENTS AVAILABLE FOR INSPECTION-----	88

## 1. DEFINITIONS

Except where expressed otherwise, the following definitions apply throughout this document:

Terms/ Abbreviations	Definitions
Advisory Committee	The advisory committee of the Fund constituted under the Trust Deed
Affiliate or Affiliate of a Related Party	Entity and individuals as ascribed to it in the SEC Rules and Regulations
Application Form	The form to be completed by investors subscribing for Units in the Fund
Business Day	Any day other than a Saturday, Sunday or an official public holiday as declared by the Federal Government of Nigeria
CAGR	Compound Annual Growth Rate
CAMA	Companies and Allied Matters Act 2020
Carry	Also called "carried interest", the percentage of gains in excess of hurdle rate, that are paid to the Fund Manager
CBN	Central Bank of Nigeria
Close-Ended Fund	A fund that is unable to create and offer additional units outside of its initial offering or subsequent offerings, on a continuous basis throughout its life. Units of such a fund cannot be redeemed except under exceptional circumstances as determined by the Fund Manager
Custodian	First Bank of Nigeria Limited
Custody Agreement	means the agreement between the Fund Manager, the Custodian, and the Trustees
Directors	The directors of the Fund Manager
Distributions	The income generated by the Fund and paid (less expenses and applicable taxes) to Unitholders
Equator Principles	means the financial sector's leading voluntary standard for identifying and managing social and environmental risks in relation to projects and project related financing based on the International Finance Corporation's (IFC) Performance Standards (PS) , and the World Bank Group's Environmental, Health & Safety (EHS) Guidelines as released in June 2013
Exchange	Means any exchange in Nigeria recognised by the SEC for the purpose of listing of Units of the Fund
FMDQ	FMDQ Securities Exchange PLC
Fund Manager	Utica Capital Limited
GDP	Gross Domestic Product
Hurdle Rate	The minimum required rate of return as specified in the applicable Supplementary Prospectus
IC	Investment Committee
IMF	International Monetary fund
Initial Offer	The initial offer for subscription for Units of the Fund, pursuant to this Shelf Prospectus
Investment Committee	The committee constituted by the Trust Deed to review and approve opportunities.
ISA	Investments and Securities Act 2025
Issuing Houses	FSDH Capital Limited and Emerging Africa Capital Advisory Limited
Joint Issuing House	Emerging Africa Capital Advisory Limited
Key Person	The Chief Executive and/or the Chief Investment Officer of the Fund
Lead Issuing House	FSDH Capital Limited
LFN	Laws of the Federation of Nigeria
MBA	Masters in Business Administration
Naira or ₦ or N	The Nigerian Naira, the official currency of the Federal Republic of Nigeria

Terms/ Abbreviations	Definitions
National Standards	means the Environmental, Social and Governance (ESG) standards as set out under the Companies and Allied Matters Act 2020, Environmental Impact Assessment Act 1992, Water Resources Act 1993, Climate Change Act 2021, the SEC's Nigerian Sustainable Finance Principles in April 2021 and such other applicable laws as may be subsequently enacted in relation to ESG responsibilities;
NAV or Net Asset Value	the total value, as of any date, of the assets of the Fund, less any fees, charges, expenses and other liabilities accrued by the Fund, in accordance with the accounting policies applicable to the Fund from time-to-time.
NBS	National Bureau of Statistics
Net Asset Value per Unit/NAV per Unit	at any date, the Net Asset Value of the Fund divided by the number of Units of the Fund outstanding.
NGX	Nigeria Exchange Limited
Offer	The Initial Offer or Subsequent Series for subscription of Units in the Fund pursuant to the Programme
OTT	Over the top
Programme	The ₦20,000,000,000 [Twenty Billion Naira] issuance programme described in this Shelf Prospectus and each subsequently updated Supplementary Prospectus pursuant to which the Fund Manager may issue several separate Series or Tranches of Units of the Fund from time to time with varying terms and conditions; provided however that the aggregate face value of the issued Units does not exceed ₦20,000,000,000 [Twenty Billion Naira]
Qualification Date	A specific date at which Unitholders are qualified to receive Distributions or bonuses
Qualified Institutional Investor	A purchaser of securities that is financially sophisticated, as defined in the Rules and Regulation of the Commission.
Register	The record maintained by the Registrars detailing the particulars of the Unitholders and respective Units held by each Unitholder
Registrar	CardinalStone Registrars Limited
Related Party	Fund Manager, Trustees, Custodian of the Fund
Related Parties Transactions	Transactions between Affiliates of Related Parties and the Fund Manager acting on behalf of the Fund
RSA	Retirement Savings Account
Rules and Regulations of the Commission	The rules and regulations of the Commission issued pursuant to the ISA from time to time
SEC or the Commission	Securities and Exchange Commission
Series	Tranche of Units, together with any further Tranche or Tranches of Units which are expressed to be consolidated and form a single series
Series Trust Deed	The trust deed establishing a Series or Tranche
Shelf Prospectus or Prospectus	This document initially dated [ ] and subsequently updated from time-to-time, which is issued in accordance with the provisions of the ISA and the Rules and Regulations of the Commission, and which discloses relevant information about the Fund and an Offer
SPV	Special Purpose Vehicle
Supplementary Prospectus or Supplementary Shelf Prospectus	The document(s) to be issued pursuant to the Shelf Prospectus, which shall provide the final terms and conditions of a specific Series or Tranche of Units of the Fund issued under the Programme and read in conjunction with the Shelf Prospectus
Target Investors	Restricted to Qualified Institutional Investors and High Net Worth Individuals, to whom the Fund Manager may propose that offers for subscription of Units in the Fund be made to, subject to the approval of the Commission
Target Sector	The Film industry and areas of business the Fund aims at investing in or providing capital as provided with the Investment Policy in the Trust Deed
The Fund	Utica Film Fund
Tranche	In relation to any particular Series, all Units which are identical in all respects
Transfer Agent	FMDQ Securities Exchange or the NGX

<b>Terms/ Abbreviations</b>	<b>Definitions</b>
<b>Trust Deed</b>	The trust deed constituting the Fund and any document supplemental thereto or executed in pursuance thereof, a summary of which is set out on pages 75 to 90 of this Shelf Prospectus
<b>Trustees</b>	STL Trustees Limited and CardinalStone Trustees Limited
<b>UK</b>	United Kingdom
<b>UN</b>	United Nations
<b>Unitholder</b>	Any person or company entered in the Register as a holder of the Units including persons so entered as joint Unitholders
<b>Units</b>	The Units of the Fund
<b>USA</b>	United States of America
<b>USD or US Dollars or US\$</b>	United States Dollars, the lawful currency of the United States of America
<b>Validity Period</b>	A period expiring three (3) years from the date of SEC approval of this Shelf Prospectus, during which, Units of the Fund may be issued under the Programme
<b>VCD</b>	Video Compact Disc
<b>VHS</b>	Video Home System

## 2. IMPORTANT NOTICES

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This Shelf Prospectus has been prepared on behalf of Utica Capital Limited (the "Fund Manager") in connection with the ₦20,000,000,000 Utica Film Fund, for the purpose of giving information to prospective investors regarding the Fund Manager and the Fund which, according to the particular nature of the Fund Manager, is necessary to enable prospective investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Fund Manager. The SEC has cleared and registered this Shelf Prospectus and the securities that it offers.

The Board of Directors of the Fund Manager accept full responsibility for the information contained in this Shelf Prospectus and confirm (having taken all reasonable care to ensure that is the case) that the information contained or incorporated by reference in this Shelf Prospectus is correct, does not omit anything likely to affect the import of such information, and is in accordance with the facts and the relevant Rules and Regulations of the Commission.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Shelf Prospectus or any other information supplied in connection with the Programme and, if given or made, such information must not be relied upon as having been authorised by either the Fund Manager or any of the parties to the Programme.

Neither this Shelf Prospectus nor any other information supplied in connection with the Fund: (a) is intended to provide the basis of any credit or other evaluation, or (b) should be considered as a recommendation by either the Fund Manager or any of the parties to the Programme that any recipient of this Shelf Prospectus or any other information supplied in connection with the Programme should purchase Units of the Fund. Each prospective investor that intends to purchase any Units of the Fund should make its own independent investigation regarding the financial condition and affairs, and its own appraisal of the creditworthiness of the Fund Manager. Neither this Shelf Prospectus nor any other information supplied in connection with the Programme or the Fund constitutes an offer or invitation by or on behalf of the Fund Manager or any of the parties to the Programme to any person to subscribe for or to purchase the Units of the Fund.

The Issuing Houses expressly do not undertake to review the financial condition or affairs of the Fund Manager throughout the life of the Programme or the Fund or to advise any investor in the Fund of any information coming to their attention. The Issuing Houses have not separately verified the information contained in this Shelf Prospectus and accordingly no representation, warranty or undertaking, express or implied, is made and to the fullest extent permitted by law, no responsibility or liability is accepted whether in contract or otherwise by the Issuing Houses as to the accuracy or completeness of the information contained in this Shelf Prospectus or any other information supplied in connection with the Units of the Fund or their distribution. Each person receiving this Shelf Prospectus acknowledges that such person has not relied on the Issuing Houses, or any person affiliated with any of them in connection with its investigation of the accuracy of this Shelf Prospectus or such information or its investment decision.

The receipt of this Shelf Prospectus or any information contained in it or supplied with it or subsequently communicated to any person does not constitute investment advice from any of the Issuing Houses to any prospective investor. Prospective investors should make their own independent assessment of the merits or otherwise of subscribing for the Units of the Fund offered herein and should take their own professional advice in connection with any prospective investment by them.

The distribution of this Shelf Prospectus and the offer or sale of Units may be restricted by law in certain jurisdictions. Persons into whose possession this Shelf Prospectus or any Units of the Fund may come must inform themselves about and observe any such restrictions. There are restrictions on the distribution of this Prospectus and the offer or sale of Units of the Fund in the United States of America, the United Kingdom, and certain other jurisdictions. The Fund Manager does not represent that this Shelf Prospectus may be lawfully distributed, or that any Units may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, nor does it assume any responsibility for facilitating any such distribution or offering. No action has been taken by the Fund Manager which would permit a public offering of any Units of the Fund or distribution of this document in any jurisdiction where action for that purpose is required.

Accordingly, no Units of the Fund may be offered or sold, directly or indirectly, and neither this Shelf Prospectus nor any advertisement or other offering material may be distributed or published

in any jurisdiction, except under circumstances that will result in compliance with any applicable law and regulations.

### **Forward Looking Statements**

Certain statements included herein may constitute forward-looking statements that involve a number of risks and uncertainties. Such forward-looking statements can be identified by the use of forward looking terminologies such as "estimates", "believes", "expects", "may", "are expected to", "intends", "will", "will continue", "should", "would be", "seeks", "approximately", or "anticipates", or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, plans or intentions. These forward- looking statements include all matters that are not historical facts. They appear in a few places throughout this Shelf Prospectus and include statements regarding the Fund Manager's intentions, beliefs or current expectations concerning, amongst other things, the Fund's results of operations, financial condition, liquidity, prospects, growth, strategies and the markets in which it operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Prospective investors should be aware that forward-looking statements are not guarantees of future performance and that the Fund's actual results of operations, financial condition and liquidity and the development of the market in which it invests may and will differ materially from those made in or suggested by the forward-looking statements contained in this Shelf Prospectus. Such forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realised.

The Fund Manager is not obliged to, and does not intend to, update, or revise any forward-looking statements made in this Shelf Prospectus whether as a result of new information, future events or otherwise that occur subsequent to the date of this Shelf Prospectus. All subsequent written or oral forward-looking statements attributed to the Fund Manager, or persons acting on the Fund Manager's behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Shelf Prospectus. A prospective subscriber to the Fund should not place undue reliance on these forward-looking statements.

### **Presentation of Information**

#### ***General Information***

The information set forth herein has been obtained from official sources that are believed to be reliable, but the fairness, accuracy, completeness or correctness of the information or opinions contained herein has not been verified. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Shelf Prospectus nor any issue made hereunder, or any future use of this Shelf Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Fund Manager since the date hereof.

All financial and other information presented or incorporated by reference in this Shelf Prospectus have been provided by the Fund Manager from its records, except for information expressly attributed to other sources. The presentation of certain information, including tables of receipts and other revenues, is intended to show recent historical financial information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the Fund Manager. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

A wide variety of other information concerning the Issuer, including financial information, is available from the Issuer's website –[www.uticacap.com](http://www.uticacap.com)– and other authorised publicly available publications. Any such information that is inconsistent with the information set forth in this Shelf Prospectus is neither a part of nor incorporated into this Shelf Prospectus.

#### ***Financial Information***

The Fund Manager's audited financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB and the requirements of the CAMA 2020 and the Financial Reporting Council of Nigeria Act, 2011 and are presented in Naira, the reporting currency of the Issuer.

#### ***Rounding***

Certain figures included in this Shelf Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

### **Third-Party Information**

The Fund Manager obtained certain statistical and market information that is presented in this Shelf Prospectus in respect of the Nigerian economy and the Nigerian political landscape in general from certain government and other third-party sources as identified where it appears herein.

There is not necessarily any uniformity of views among such sources as to such information provided. The Fund Manager has not independently verified the information included in this section. Some of the information in this Shelf Prospectus have been derived substantially from publicly available information, such as annual reports, official data published by the Nigerian government or regional agencies, or other third-party sources as indicated in the text. The Fund Manager has accurately reproduced such information and, so far as the Fund Manager is aware and is able to ascertain, no facts have been omitted that would render the reproduced information inaccurate or misleading. The Fund Manager has relied on the accuracy of this information without independent verification.

Nevertheless, prospective investors are advised to consider these data with caution. Market studies are often based on information or assumptions that may not be accurate or appropriate, and their methodology is inherently predictive and speculative. Neither the Fund Manager nor the Issuing Houses have independently verified the figures, market data or other information on which third parties have based their studies.

### **3. SUPPLEMENTARY PROSPECTUS**

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Following the registration of this Shelf Prospectus, a Supplementary Prospectus will be prepared and issued in relation to each Series Offer of Units that is to be offered for subscription under the Programme. Each applicable Supplementary Prospectus will be approved by the SEC in accordance with Rule 3 of the New Rule and Sundry Amendments 2021.

Statements contained in the relevant Supplementary Prospectus shall, to the extent applicable (whether expressly, by implication, or otherwise), be deemed to modify or supersede statements contained in this Shelf Prospectus. Any statements so modified or superseded shall not, except as modified or superseded, constitute a part of the Shelf Prospectus.

The Fund Manager, in the event of any significant change, material mistake, or inaccuracy relating to information included in this Shelf Prospectus which can affect the assessment of the Units by prospective investors, shall prepare an addendum to this Shelf Prospectus for use in connection with any subsequent Offer under the Programme, which shall be subject to the SEC's approval.

#### 4. CORPORATE DIRECTORY OF FUND MANAGER

Fund Manager:	<p>Utica Capital Limited  <b>Head office and registered address:</b>            124, Norman Williams Street,            Ikoyi,            Lagos, Nigeria.            Tel: +(234) 703 164 8649            Email: info@uticacap.com            Web: <a href="http://www.uticacap.com">www.uticacap.com</a></p>
Directors of the Fund Manager	<p>Dr. Adesegun Akin-Olugbade, OON, Chairman            Moridiyat Yetunde Lawal, Non-Executive Director            Okpapi Omoaka, Non-Executive Director            Dr. Dele Abegunde, Non-Executive Director            Oladayo Orolu, Independent Non-Executive Director            Tajudeen Ahmed, Independent Non-Executive Director            Isiaka Olarongbe Belgore, Managing Director</p>
Members of the Investment Committee of the Fund Manager	<p>Emmanuel Bobola Fatusin – Representative of Fund Manager (CIO of the Fund)            Isiaka Olarongbe Belgore – Representative of Fund Manager            Dr. Ore Sofekun – Independent Member            Mr. Micheal Oyebola - Independent Member            Funmi Ekundayo - Representative of STL Trustees            Ereifemi Akeredolu - Representative of CardinalStone Trustees</p>
Members of the Advisory Committee	<p>Isiaka Olarongbe Belgore - Representative of Fund Manager            Femi Adebayo – Independent Member            Kachi Offiah – Independent Member            Ali Nuhu – Independent Member            Richard Mofe-Damijo - Independent Member            Omoni Oboli - Independent Member            [●] Representative of the Investor            [●] Representative of the Investor</p>

Profiles of the Directors and Principal Officers and Financial Information on the Fund Manager are provided on pages 51 to 55.

## 5. THE PROGRAMME

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A copy of this Shelf Prospectus, together with the documents specified herein have been delivered to the SEC for clearance and registration. The registration of this Shelf Prospectus shall not be taken to indicate that the SEC endorses or recommends the Units of the Fund to be issued under the Programme or assumes responsibility for the correctness of any statements made or opinions or reports expressed herein.

This Shelf Prospectus is being issued in compliance with the provisions of the ISA, the Rules and Regulations of the Commission and the listing requirements of the relevant exchanges and contains particulars in compliance with the requirements of the SEC for the purpose of giving information to the public with regards to the Programme. The Fund has been approved and registered by SEC as a Venture Capital Fund. The Fund Manager on successful completion of an Offer, or later, may seek a listing of the Units under such Series or Tranche on an Exchange

The Directors of the Fund Manager represent that they have taken all reasonable care to ensure that the information concerning the Fund Manager contained in this Prospectus is true and accurate in all material respects on the date of this Shelf Prospectus and that as of the date hereof there are no other material facts in relation to the Fund Manager, the omission of which would make misleading any statement herein, whether in fact or opinion.

Lead Issuing House



RC 276208

Joint Issuing House



RC 1498096

**ON BEHALF OF**



RC 1680942

Is authorised to issue this SHELF PROSPECTUS in respect of the

**₦20 BILLION UTICA FILM FUND**

**Payable upon Capital Call**

This Shelf Prospectus contains:

1. on page 13 - 18 the Terms and Conditions of the Programme.
2. on pages 66 - 70, the Risk factors that relate to an investment
3. in the Fund.

### **Validity Period of the Shelf Prospectus and Delivery of Documents**

This Shelf Prospectus is valid from its date until [•]. No Units will be issued or allotted on the basis of this Shelf Prospectus later than three (3) years after the issue date indicated on the cover of this Shelf Prospectus unless the Validity Period is renewed by the SEC. Copies of this Shelf Prospectus can be obtained free of charge at the office of the Fund Manager and the Issuing Houses and can also be downloaded from the respective websites of the Commission and the Fund Manager, throughout its Validity Period.

## 6. SUMMARY OF THE PROGRAMME

The following is a summary of the principal terms and conditions for any investment in the Fund. This summary does not purport to be complete and is taken from and qualified in its entirety by the remainder of this Prospectus and, in relation to the terms and conditions of any Offer, the applicable Supplementary Prospectus.

Words and expressions defined in the Shelf Prospectus shall have the same meaning in this summary. Prospective investors are urged to read the Shelf Prospectus in its entirety, along with the relevant Supplementary Prospectus, and to consult their own professional advisers as to the financial, tax and legal consequences of investing in the Fund.

Investors are advised to seek information on the fees, charges, and operating expenses before investing in the Fund.

<b>FUND MANAGER/PROMOTER</b>	Utica Capital Limited
<b>ISSUING HOUSES</b>	FSDH Capital Limited Emerging Africa Capital Advisory Limited
<b>TRUSTEES</b>	STL Trustees Limited (Lead Trustee) CardinalStone Trustees Limited (Joint Trustee)
<b>CUSTODIAN</b>	First Bank of Nigeria Limited
<b>PROGRAMME DESCRIPTION</b>	A Programme for the issuance of Units of the Utica Film Fund, under which Units will be issued from time to time.  No Units under this Programme shall be offered based on this Shelf Prospectus or any Supplementary Prospectus after the expiration of the Validity Period or any other validity period as enforced by the SEC from time to time, unless the Validity Period is renewed by the SEC.  The Units under this Programme shall be constituted by the Programme Trust Deed and the applicable Series Trust Deed. A Series Trust Deed will be issued in respect of each Offer, provided that any terms and conditions relevant to additional Units, if any, under the Programme shall be governed by the relevant Series Trust Deed.
<b>LISTING AGENT</b>	FMDQ Securities Exchange and/or the NGX – Memorandum Listing
<b>TRANSFER AGENT</b>	FMDQ Securities Exchange or the NGX
<b>PROGRAMME SIZE</b>	Up to ₦20,000,000,000.00 (Twenty Billion Naira)
<b>PAR VALUE OF EACH UNIT</b>	₦1,000,000.00
<b>METHOD OF OFFER</b>	Units under this Programme may be issued to Target Investors via an offer for subscription, which will be commitment-based as specified in the applicable Supplementary Prospectus approved by the SEC.
<b>ISSUING IN SERIES/TRANCHES</b>	The Units under this Programme will be issued in Series. Details of the terms specific to each Series will be specified in the applicable Supplementary Prospectus.

<b>OFFER PRICE</b>	Units under this Programme may be offered at par. The Offer Price of a specific Series or Tranche shall be stated in the applicable Supplementary Prospectus.
<b>CURRENCY</b>	The Units of the Fund shall be denominated in Naira (₦). Foreign currency subscription will be processed at the applicable foreign exchange rate at the time of subscription.
<b>LISTING</b>	A memorandum listing on a recognized exchange.
<b>NATURE OF THE FUND</b>	<p>The Fund is a Close-Ended Specialized Fund domiciled in Nigeria and is classified as a Venture Capital fund under the Rules of the SEC. The Fund has a maximum term of 99 years, subject to early winding up provisions contained in the Programme Trust Deed.</p> <p>The Fund prioritizes investing in or providing financing for projects, companies and SPVs that are set up to provide product or services in the Film Industry, which include but is not limited to the following sub-category; Film Production, Film Distribution &amp; Marketing, Rights Acquisition, Syndication &amp; Licensing, Streaming Services, Content Creation, Merchandizing and Home Entertainment. Therefore, the net proceeds from each Offer under the Programme will be used for providing capital via a broad category of debt and equity security/instruments for the above stated Target Sector unless otherwise stated in the applicable Supplementary Prospectus of a Series or Tranche.</p> <p>Units under the Programme will be issued to Target investors as defined in this shelf prospectus periodically in Series or Tranches based on the pipeline of opportunities, preferences of the Unitholders, and required investment size/ticket. Each Series or Tranche will have its own tenor which shall not exceed the life of the entire Programme. The tenor for each Series or Tranche shall be determined by the Fund Manager and specified in the applicable Supplementary Prospectus for the Units being issued.</p>
<b>TARGET RATE OF RETURN</b>	The annual target yield is expected to be 10% above the prevailing FGN Bond Yield as may be provided in the applicable Supplementary Prospectus.
<b>TRANSACTION DOCUMENTS</b>	<ol style="list-style-type: none"> <li>1. Shelf Prospectus;</li> <li>2. Supplementary Prospectus;</li> <li>3. Programme Trust Deed;</li> <li>4. Series 1 Trust Deed;</li> <li>5. Custodian Agreement;</li> <li>6. Vending Agreement;</li> <li>7. Solicitors' Opinion; and</li> <li>8. Opinion on Claims and Litigation.</li> </ol>
<b>INVESTMENT OBJECTIVE</b>	<p>The Fund's investment objectives include the following:</p> <ol style="list-style-type: none"> <li>1. Provide capital via a broad category of debt and equity securities/instruments to projects, companies and SPVs that: <ol style="list-style-type: none"> <li>i. provide pre &amp; post production services including distribution and marketing, film production and content creation;</li> <li>ii. have strong and predictable cash flows through effective distribution &amp; marketing; and</li> </ol> </li> <li>2. Through equity investments in the film industry, the fund seeks to</li> </ol>

	<p>achieve capital appreciation while generating income from royalties, film sales, and merchandise proceeds.</p> <p>3. Providing Unitholders with an annual target yield expected to be 10% above the prevailing FGN Bond Yield as may be provided in the applicable Supplementary Prospectus. The income generated by the Fund in the form of royalties, fees, proceeds from merchandize and coupon payments received from the investees will be distributed periodically post deduction of the operating expenses as resolved by the Investment Committee.</p>
<p><b>INVESTMENT POLICY</b></p>	<p>The Fund will invest in debt and equity securities/instruments within the Film industry, including projects, companies, or SPVs. The following are the target sub-sectors:</p> <ul style="list-style-type: none"> <li>• Film Production</li> <li>• Film Distribution &amp; Marketing</li> <li>• Rights Acquisition</li> <li>• Home Entertainment</li> <li>• Streaming Services</li> <li>• Syndication &amp; Licensing</li> <li>• Content Creation</li> <li>• Merchandising</li> </ul> <p><i>Other investment policies</i></p> <ul style="list-style-type: none"> <li>• The Fund may also invest in money market instruments up to a maximum of 5% of the Fund asset, with the aim of minimizing the impact of cash drag on return to investors and to effectively manage liquidity and cashflow. The underlying structure of the investments may be in fixed or floating rate instruments and these rates may be priced with a premium above a benchmark instrument.</li> <li>• The Fund shall seek to hold its investments to maturity. However, the Fund Manager may decide, subject to approval by the Investment Committee, to exit investments prior to maturity if such an action is considered to protect or enhance value in the best interest of the subscribers to the Fund.</li> <li>• The nature of the debt would typically be either a bilateral or syndicated debt with adequate protections, and such may be outrightly purchased from an existing creditor to specific projects or companies.</li> <li>• The Fund shall generate income from periodic interest received on loans disbursed or distributions/royalties from equity investments, and such incomes would be passed on to investors net of permissible expenses on a programmed periodic basis (e.g. annually).</li> </ul>
<p><b>INVESTMENT RESTRICTIONS AND LIMITS</b></p>	<p>a. The Fund shall not invest in:</p> <ol style="list-style-type: none"> <li>i. Any unlisted security of the Fund Manager or its associate or group company.</li> <li>ii. Any listed security issued by way of private placement by the Fund Manager or its associate or group company.</li> <li>iii. More than 25% of the maximum 5% allocated for money market investments to instruments issued by a single issuer.</li> </ol>

	<p>b. The Fund's investments in any single company, project, or special purpose vehicle designed to facilitate or promote Film will not exceed 20% of the Fund's total assets.</p>	
<b>ISSUANCE OF UNITS</b>	<p>The Fund may issue Units from time to time, as determined by the Fund Manager. Issuances after the Initial Offer will be subject to the net proceeds from previous Offer(s) being substantially utilized for funding of Film industry projects.</p> <p>Any new Units offered for subscription through subsequent Series shall rank <i>pari-passu</i> in all respects with the existing Units, except for the Distribution to be made by the Fund immediately following the issue of such new Units. The new Units shall be eligible to participate in such Distribution on a pro-rata basis, for the period in which they have been in issuance.</p>	
<b>WITHDRAWAL OPTION FOR UNITHOLDERS</b>	<p>At the request of the Fund Manager, the Trustees shall approve the buyback of Units from Unitholders. The maximum number of Units that can be bought back is restricted to 20% of the aggregate issued Units, during the life of the Fund.</p> <p>The maximum Price for the repurchase, including any applicable brokerage or commission, shall not exceed the Bid Price of the Fund. The repurchase notice shall also specify the other terms of the repurchase including maximum number of units to be repurchased and the other conditions under which such repurchase is to be affected, including the timeframe for execution of the repurchase.</p>	
<b>INCOME AND DISTRIBUTIONS</b>	<p>Considering the amount of income realized, the Fund aims to split the net income to Unitholders in accordance with current regulations. The Fund Manager shall decide what is in the best interest of the Unitholders when evaluating the income of the Fund, net of expenses, to be distributed annually. The Distribution from the Fund will be split among all Unitholders as of the Qualification Date.</p>	
<b>STATUS</b>	<p>The Units qualify as securities in which Pension Fund Assets can be invested under the Pension Reform Act No. 4 of 2014, and securities in which Trustees may invest under the Trustees Investments Act Cap T22 LFN 2004.</p>	
<b>FEES AND OTHER EXPENSES</b>	<p><b>Fund Manager</b></p>	<p>An annual management charge of not more than 2.0% of the Net Asset Value of each Series or Tranche, accruable daily and payable quarterly in arrears.</p> <p>The Fund Manager shall be entitled to a carry if the Fund beats the applicable Hurdle Rate for any Series or Tranche issued under the Programme dedicated particularly to equity investments. A carry shall be charged on the excess returns above the appropriate Hurdle Rate and subject to income distribution waterfall as disclosed in the Programme Trust Deed.</p> <p>The carried interest of 20% of the Fund net profit for each Series or Tranche shall be stated in the relevant Supplementary Prospectus</p>

	<b>Custodian</b>	<p>An annual fee equivalent to 0.05% of the assets under custody is accruable daily, payable quarterly in arrears.</p> <p>This may be reviewed by a supplemental prospectus issued with respect to a Series.</p>
	<b>Trustee</b>	<p>An annual fee equivalent to 0.28% of the Net Asset Value to be shared among the Trustees, accruable daily, payable quarterly in arrears.</p> <p>This may be reviewed by a supplemental prospectus issued with respect to a Series.</p>
	<b>Registrar</b>	<p>An annual fee of ₦2,500,000 is payable semi-annually in arrears to the Registrar</p> <p>This may be reviewed by a supplemental prospectus issued with respect to a Series.</p>
	<b>Due diligence costs</b>	<p>Cost and expenses related to the third-party due diligence by the Fund will be charged to the Fund on actuals, to the extent not reimbursed by the borrower or issuer.</p>
	<b>Others</b>	<p>All other expenses in connection with operating and maintaining the Fund including fees payable to the Registrars, advert, printing, and audit expenses, amongst others, shall be deducted from the income generated by the Fund.</p>
	<b>Total expense ratio</b>	<p>The total expenses of each Series or Tranche under the Fund shall not exceed 3.5% of the Net Asset Value of the Series or Tranche, per annum.</p>
	<b>Offer-related Expenses</b>	<p>The costs, charges, and expenses associated with an Offer, including fees due to the SEC and professional parties, brokerage, printing, and distribution expenditures, are limited to 1.06% of the gross proceeds of the relevant Offer. However, the estimated cost of registering and establishing the programme with the SEC is 0.10% of the Programme Fund Size. The Fund will bear the costs, which will be deducted from the profits of the relevant Offer.</p>
<b>RISKS</b>		<p>An investment in the Fund involves various risks which may or may not occur. Consequently, it is important to have a complete understanding of</p>

	the investment strategies and underlying products from which the Fund derives its value, to evaluate the risks. These risks are outlined in full on pages 66 – 70 of this Shelf Prospectus.
<b>UNIT STATEMENTS</b>	Unitholders will be issued with electronic statements which shall constitute evidence of title to the number of Units specified on such statements.

## **7. PROFESSIONAL PARTIES TO THE OFFER**

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### **LEAD ISSUING HOUSE:**

FSDH Capital Limited  
UAC House (4th Floor)  
1-5 Odunlami Street  
Lagos Island  
Lagos

### **JOINT ISSUING HOUSE:**

Emerging Africa Capital Advisory Limited  
25A Bourdillon Rd  
Ikoyi  
Lagos

### **LEAD TRUSTEE TO THE FUND:**

STL Trustees Limited  
Plot 183  
Moshood Olugbani Street  
Victoria Island  
Lagos

### **JOINT TRUSTEE TO THE FUND:**

CardinalStone Trustees Limited  
5, Okotie Eboh Street  
Ikoyi  
Lagos

### **CUSTODIAN TO THE FUND:**

First Bank of Nigeria Limited  
Samuel Asabia House  
35 Marina  
Lagos

### **SOLICITORS TO THE FUND:**

ALP NG & Co.  
15 Military Street  
Onikan  
Lagos Island  
Lagos

### **REGISTRAR TO THE FUND:**

CardinalStone Registrars Limited  
335/337 Herbert Macaulay Way  
Yaba  
Lagos

### **FUND VALUATION ADVISER:**

Deloitte & Touche Nigeria  
Plot GA1, Civic Towers  
Ozumba Mbadiwe road  
Victoria Island  
Lagos

### **FUND AUDITOR:**

Pricewaterhouse Coopers (PWC)  
Landmark Towers  
5B Water Corporation Road  
Victoria Island, Lagos

## 8. OVERVIEW OF NIGERIA

### 8.1 BACKGROUND

The Federal Republic of Nigeria is a prominent West African country, sharing borders with the Republic of Benin to the west, Niger and Chad to the north, and Cameroon to the east, while its southern coast lies along the Gulf of Guinea. With 36 states and the Federal Capital Territory (FCT) in Abuja, Nigeria is divided into six geopolitical zones: North West, North Central, North East, South East, South South, and South West. The country also has 774 constitutionally recognized local government areas, highlighting its complex administrative structure. Nigeria plays a key role in regional affairs as a founding member of the Economic Community of West African States (ECOWAS), with the Nigerian president currently serving as the chairman of ECOWAS.

Nigeria is blessed with a wealth of natural resources, making it a vital player in the global economy. As Africa's largest oil exporter, the country benefits from vast reserves of oil and natural gas, particularly in the Niger Delta region, both onshore and offshore. Additionally, Nigeria is rich in other mineral resources, including coal, bauxite, tin, iron ore, limestone, lead, and zinc. This abundance has fueled the nation's economic growth and positioned it as Africa's largest economy. However, managing and leveraging these resources sustainably remains a challenge as the country works to diversify its economy beyond oil dependency.

With over 200 million people, Nigeria is Africa's most populous country and the sixth most populous in the world. Nearly half of West Africa's population resides in Nigeria, and the country boasts one of the largest youth populations globally. Despite this demographic strength, Nigeria faces significant social, political, and economic challenges as it works to harness its human capital for sustainable development. The nation's leadership continues to focus on improving governance, strengthening democracy, and tackling developmental hurdles to build a more prosperous future.

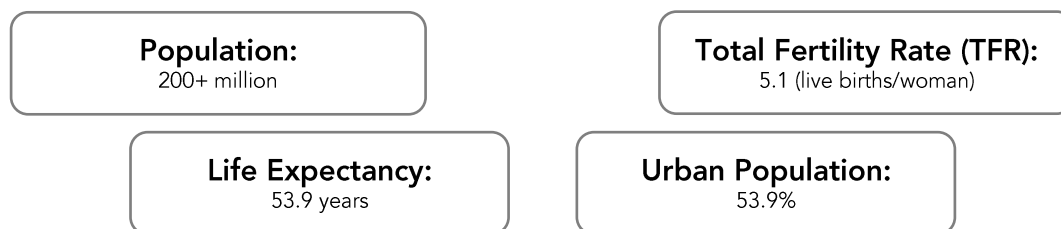
**Figure 1: Key Statistics**



According to the IMF, Nigeria presently holds the title of the most populous country in Africa and the sixth most populous country globally. The IMF projects a CAGR of approximately 2.4%, estimating the population to reach 233.3 million by 2025. Nigeria's population is characterized by its youthfulness, with a median age of 17.2 years. The distribution of the population across the country is uneven, with a notable urbanization rate of 53.5% recorded in 2023. Over the past half-century, urbanization has

surged significantly in Nigeria. As per the UN World Urbanisation Prospects Report, Nigeria, along with India and China, is projected to contribute 35.0% of the global urban population growth between 2018 and 2050. Over this period, Nigeria is anticipated to witness the addition of 189.0 million urban residents.

### Key Demographic Trends in Nigeria (2023)



The country's population growth rate has been consistently high over the years, contributing to its status as a populous nation. The combination of high fertility rates, improved healthcare, and reduced mortality rates has led to rapid population growth. The large and growing population presents both opportunities and challenges for Nigeria. On one hand, it offers a vast labour force and a potentially significant consumer market. However, on the other hand, it also puts strain on infrastructure, healthcare, education, and other public services.

## 8.2 OVERVIEW OF THE NIGERIAN ECONOMY

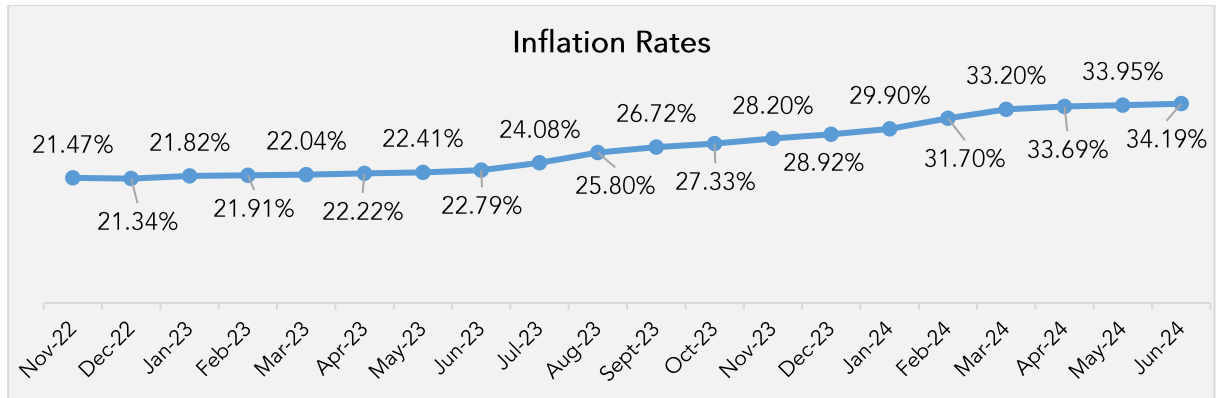
The Nigerian economy is known for its abundant oil and natural gas reserves, which have been the primary driver of the economy for decades. The oil and gas sector contributes a significant portion of government revenue and foreign exchange earnings. In Q4 2023, the Nigerian economy displayed a GDP growth rate of 3.46%, an improvement from 2.54% in Q3 2023, averaging at 2.70% throughout the year. This marks thirteen consecutive quarters of growth since emerging from the recession caused by the pandemic in Q3 2020. The growth in Q4 2023 was primarily driven by the non-oil sector, particularly the services sector which recorded a growth of 3.98% and contributed 56.55% to the aggregate GDP due to finance & insurance (+29.8%) and information & communication (+6.3%). Meanwhile, the oil sector experienced a sharp rebound, ending over 3 years of contraction, as production increased to 1.55 million barrels per day from 1.34 million barrels per day a year earlier (2023).

Looking ahead to 2024, the federal government anticipates real GDP growth of 3.76%, slightly exceeding the 3.75% estimate for 2023. This positive outlook is supported by key government reforms and an expected rise in crude oil prices and production. Additionally, the ongoing push to establish national refineries, including the completion of the Dangote Refinery, is set to reduce Nigeria's dependence on fuel imports, improve the trade balance, and boost economic resilience. The IMF also shares this optimism, citing improved oil production and a better harvest as key drivers of 2024 growth, although challenges such as high inflation, naira weakness, and monetary policy tightening will persist as headwinds.

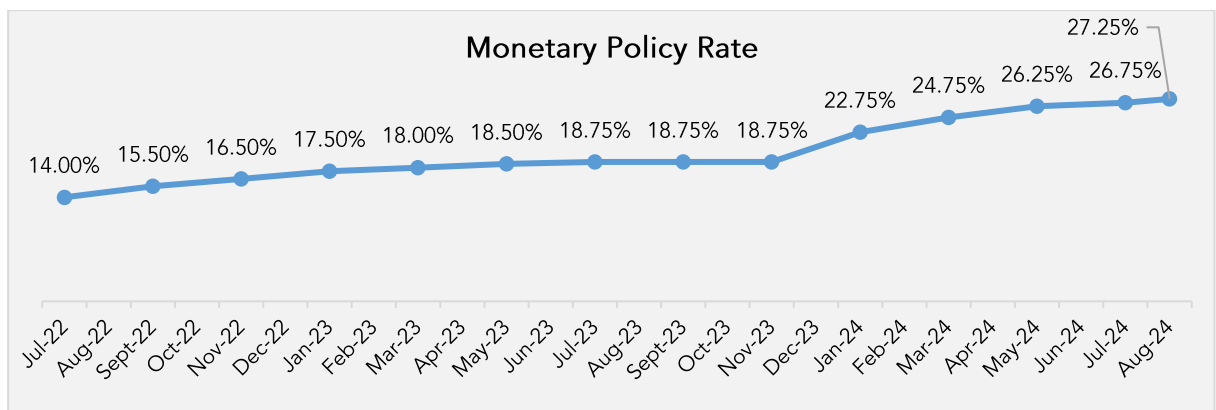
### Inflation and Lending Rates

In response to the worsening situation of rising food and goods prices and shortages, the Central Bank of Nigeria raised its key monetary policy rate by 50bps to a fresh record high of 27.25% on August 24th, 2024, in line with market forecasts, it is an attempt to bring inflation under control. It follows a 150bps increase in the previous meeting, the biggest rise in borrowing costs in 17 years. This shows the committee's commitment to continuous tightening of the economy as the annual inflation rate soared to a fresh 1996-high of 34.19% in June, mainly due to the effects of oil subsidy removal and devaluation of the naira. Initiatives have been put in place, including providing farmers with fertilizers and seeds to offset the effects of subsidy removal. Moreover, a strategic food reserve is being created to function as a price stabilization mechanism for cereals and other food products. President Bola Tinubu, the new leader of Nigeria, has taken measures to address economic challenges, such as the removal of fuel subsidies and loosening restrictions on foreign exchange trading. However, these

actions have resulted in a sharp decline in the value of the naira and a substantial increase in transportation and import costs, further impacting the overall economic situation. Overall, the rate hike signals a shift in monetary policy in Nigeria, as the new administration seeks to address economic challenges and control inflationary pressures.



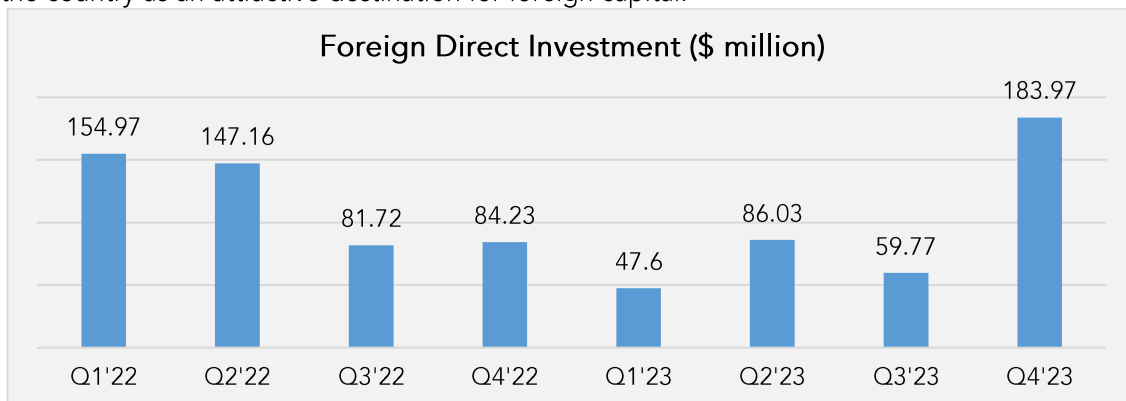
Source: Central Bank of Nigeria



Source: Central Bank of Nigeria

### Foreign Direct Investments in Nigeria

Navigating Nigeria's complex and dynamic business environment can lead to lucrative opportunities for companies. However, certain issues, such as profit repatriation, have hindered investment in recent years and persists due to the scarcity of foreign currency reserves, posing a significant problem for successful ventures and causing Nigeria's capital inflows to fall in 2023. This can be connected to the divestments by major multinational oil and manufacturing companies due to an unfavourable business environment. Specifically, Shell reached a financial close to selling its onshore oilfields in Nigeria at \$2.4 billion. Similarly, a British Pharmaceutical and Biotechnology Company, GlaxoSmithKline Consumer Nigeria, exited the country after 51 years of operation. The other multinational firms that divested from Nigeria in 2023 include Procter & Gamble, Unilever Nigeria, Sanofi, and Bolt Foods. Nevertheless, the Nigerian government actively encourages foreign direct investment and promotes the country as an attractive destination for foreign capital.



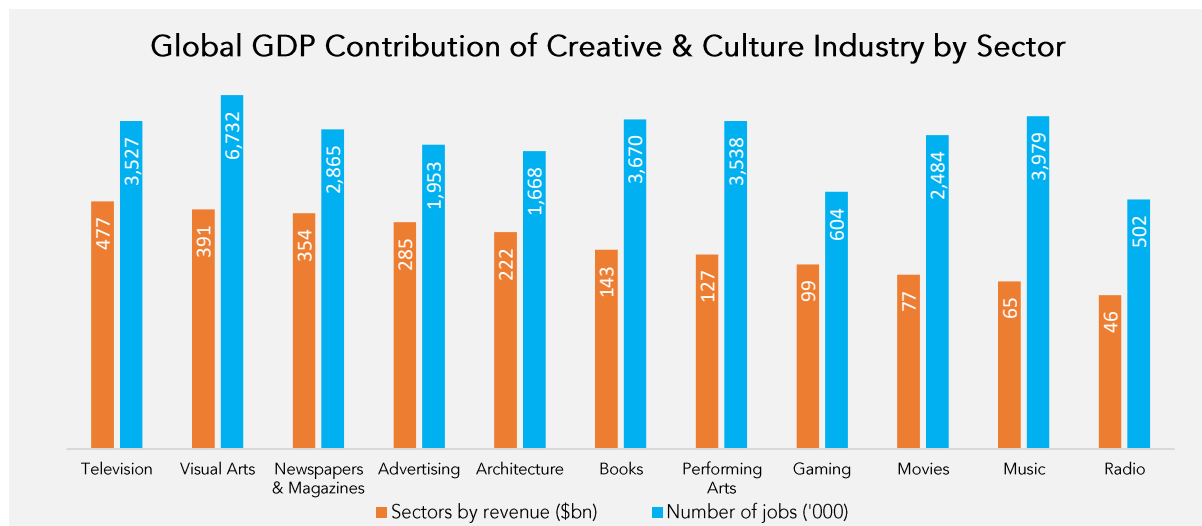
Source: National Bureau of Statistics

## 9. OVERVIEW OF THE CREATIVE, ART & CULTURE INDUSTRY

### 9.1 CREATIVE, ART & CULTURE OVERVIEW

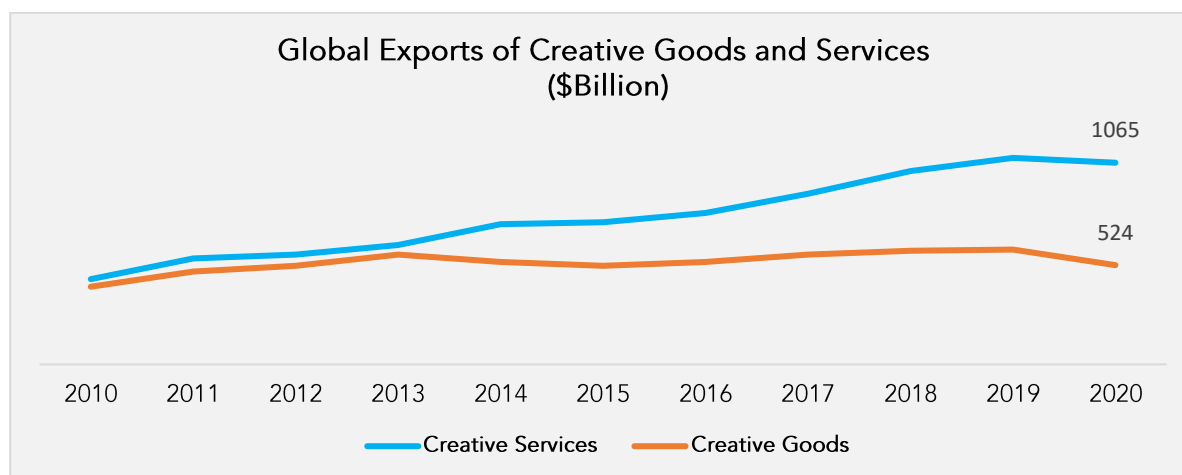
#### Global Creative Economy

The definition of creativity builds on the interplay between human creativity, ideas, intellectual property, knowledge, and technology, while creative economy encompasses all the industries relying on creative activities. Definitions also vary vastly between countries and international organizations. For example, the Islamic Development Bank defines the creative economy as the group of activities through which ideas are transformed into cultural and creative goods and services whose value is or could be protected by intellectual property rights, United Nations Educational, Scientific and Cultural Organization (UNESCO) focuses on the social and economic dimensions of culture defined according to the concepts of cultural and related domains and the culture cycle, WIPO (The World Intellectual Property Organization) concentrates on the importance of copyright and categorizes industries according to the extent to which their activities depend on copyright and United Nations Conference on Trade and Development (UNCTAD) defines it as cycles of creating, producing, and distributing goods and services that use creativity and intellectual capital as primary inputs. They comprise a set of knowledge-based activities that produce tangible goods and intangible intellectual or artistic services with creative content, economic value, and market objectives.



Source: EY Cultural Times

Countries have increasingly turned their attention to capturing the economic contribution of their creative industries. In 2021, UNCTAD conducted an online survey on the creative economy and creative industries and the responses from 33 countries provide insights on how the creative economy has become a sector of growing social, political, and economic significance at the national level. In most countries, several agencies have shared the responsibility of the sector. Countries such as Canada, the Central African Republic, Colombia, Georgia, Germany, Honduras, Nicaragua, Panama, Peru, Slovenia, Turkey, and United Arab Emirates have a single national ministry, vice-ministry, or agency with overall responsibility for the creative economy. Most countries split duties for the creative industries across multiple ministries and agencies, such as ministries of culture, sports, heritage, tourism, youth, trade, foreign affairs, intellectual property, telecommunications, innovation, and education. Exports of cultural goods and services doubled in value from 2005 to reach \$389.1 billion in 2019. Besides the Creative & Culture industry being one of the youngest and fastest growing economic sectors in the world, new and ongoing challenges also make the creative economy one of the most vulnerable sectors that is often overlooked by public and private investment.

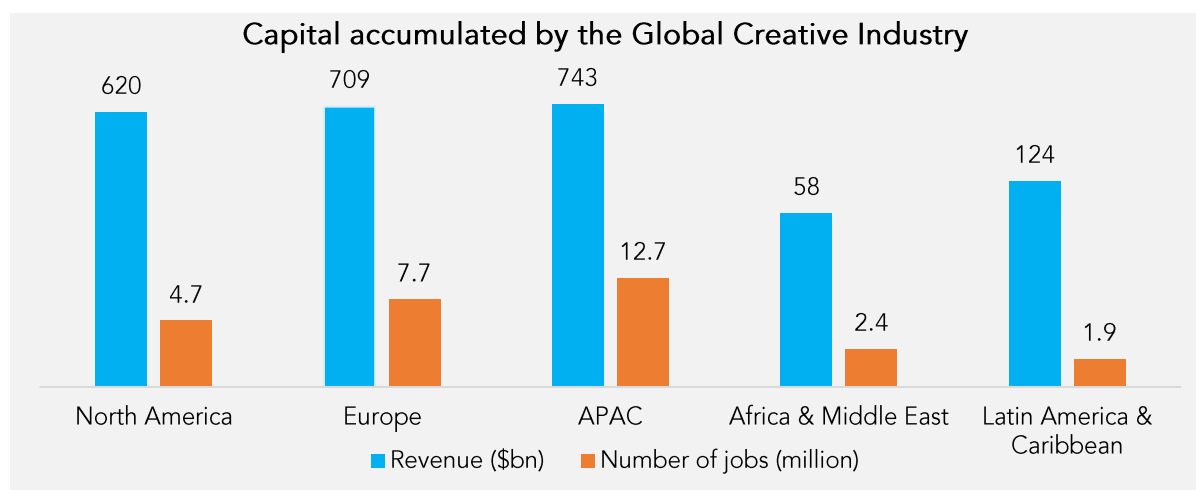


Source: UNCTAD Creative Economy Outlook (2022)

The creative economy contributes just over 6.1% to global GDP, averaging between 2% and 7% of national GDPs around the world. According to UN estimates, the creative economy industries generate annual revenues of over \$2 trillion and account for nearly 50 million jobs worldwide. About half of these workers are women, and these industries employ more people ages 15-29 than any other sector. Television and the visual arts make up the largest industries of the creative economy in terms of revenue, while visual arts and music are the largest industries in terms of employment. Data from the UN estimate that between 2019 and 2020, there was a \$750 billion contraction in gross value added by the creative economy globally due to the pandemic. This corresponds to about 10 million job losses in the sector worldwide.

Globalization and new technologies have accelerated cultural interactions among countries and the export of creative goods has been growing, however, these gains are not equally distributed across the globe. Asia and the Pacific, Europe and North America are seeing rapid and unprecedented growth in the creative economy. By contrast Africa, the Middle-East, and Latin America and the Caribbean have not yet capitalised on their potential. For these regions, the Culture & Creative Industry represents untapped economic potential, and a chance to contribute to the innovation economy and other sectors through supply chain effects.

In 2021, the United Nation General Assembly (UNGA) resolution 74/198 stresses the importance of regular, reliable, and comparable data on the contribution of the creative economy to the achievement of the SDGs. Among other points, the resolution reiterated the importance of global cooperation from all stakeholders, including UN agencies, in fostering creative economy. However, difficulties in measuring the domestic production and international trade in creative products and services remain challenging for most developing countries.



Source: UNESCO and the consulting group EY in 2015

### Creative, Art & Culture Economy in Africa

Culture and creativity are a combination of the human quest for well-being, the artistic quest for beauty, and the scientific quest for truth, which are intrinsic parts of human development. The

creativity and cultural innovations of human artistry are then converted into finished goods and services that impact on societal socioeconomic development by the Culture and creative industries. Culture and creative industries are critical diversification areas that offer a shift to non-agricultural products and guarantee broad and dynamic participation and job opportunities for African youths in private sectors. These areas are service-oriented and largely supported by the proliferation of digital technologies. In 2022, according to the Executive Director of African Technology Policy Studies Network, the Culture & Creative Industry produced a global revenue of \$2.3 trillion and employed 30 million people, however, Africa contributes \$4.2 billion, employing 2.4 million people. The industry serves as a source of income and employment opportunity for the underprivileged. For instance, Africa's most prominent film industry, the Nigerian Nollywood, directly employs 300,000 people and, indirectly, is estimated to employ over one million people, including actors, directors, hair stylists, sound technicians, marketers, and advertisers and contributes USD \$600 million annually to the country's economy. In South Africa, the Creative, Art & Culture Industry account for 2.9% of the GDP and constitute 3.6% of the country's total employment.

According to ACEC (African Creative Economy Conference), there is no shortage of artistic talent on the African continent. However, the continent lags behind when it comes to transforming opportunities into a sustainable and thriving creative economy through creative and cultural producers. Africa's Creative, Art & Culture Industries operate largely in the unstructured/informal sector, which is often characterized by workers with low literacy rates and low levels of education, but who possess impressive artistic skills. The largely unstructured nature of African Creative, Art & Culture Industries, coupled with little understanding of their potential for Africa's sustainable development, often leads to a lack of pragmatism towards the sector. As a result, non-Africans, particularly in the West, frequently underestimate the importance of African Creative, Art & Culture Industry. At the same time, they remain vulnerable to political manipulations within the continent.

Culture and Creative Industries in Africa include functional creation, heritage, arts, and media, as shown below:



In addition, studies have shown that investing in Africa's Creative, Art & Culture Industry is one of the salient strategies that could enhance human development and industrialization, as the eradication of poverty alone is not enough to stimulate development. The demography of sub-Saharan Africa is projected to increase over the next 20 years and have more working age ranges (ages 15-64) than the rest of the world combined by 2035. Africa will need to create 18 million jobs every year until 2035 to absorb these vibrant and talented growing labour forces. In its various sectors, the Creative, Art & Culture Industry could absorb these workforces, giving Africa a comparative advantage in terms of demography and demographic dividends through industrialization. As part of getting creative with development, it becomes vital to adopt the sustainability strategic thinking approach, such that policymakers begin to pay more attention to Creative, Art & Culture Industry issues and seek ways to leverage the talent pool of the workforce for Africa's transformation.

The lack of both infrastructure and capacity (financial and technical support) to transform the potential of the continent's creative talents into concrete output poses a challenge and leads to a minimal contribution to the economies and global output. In addition, Africa's consumption of creative goods is increasing considerably. However, the continent's consumption exceeds its production capacity, leading to imports exceeding exports. Consequently, to better address these challenges, one of the many options (externally) for mobilizing support is presented through the Belt and Road Initiative (BRI). The BRI remains an unprecedented opportunity to attract funding for Creative, Art & Culture Industries

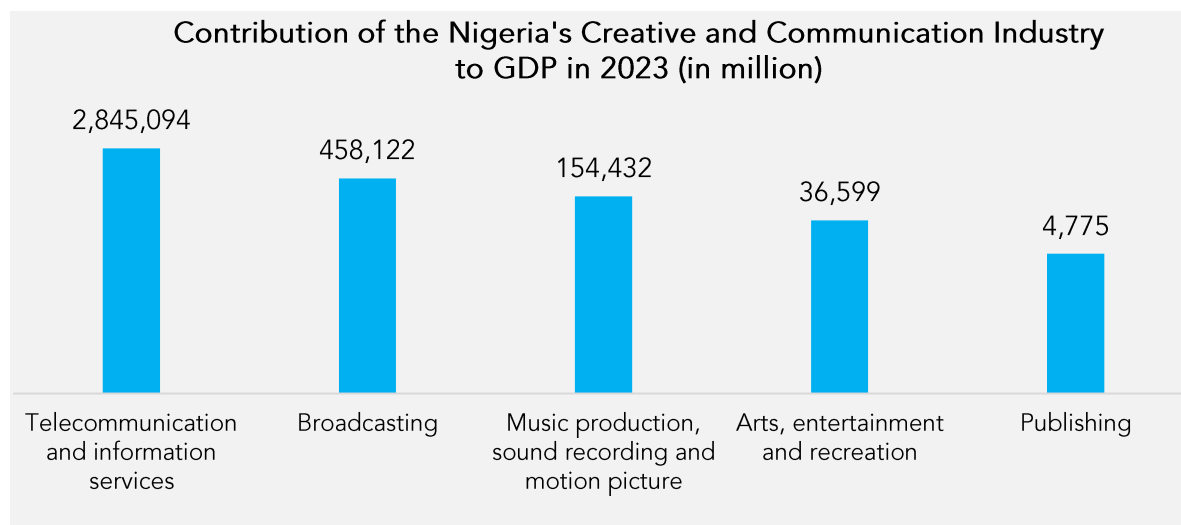
that will drive mutually beneficial economic growth and address vital issues such as job creation, infrastructure development, and improved social services.

### Creative, Art & Culture Economy in Nigeria

The Nigerian Creative Economy can be traced back to the advent of Colonialism before the very constitution of Nigeria as it is currently configured. Nok, Terra Cota 500BC-200AD, and Benin Carvings proved to be both culturally and commercially viable both within and outside the shores of Nigeria. This, however evolved in silos of creativity, which in themselves were highly fragmented and have largely remained so. The first time there was an organized gathering with a focus on the creative industries in Nigeria was in 1977, during the Festival of Arts & Culture or FESTAC celebration. Ever since then the industry has more or less evolved in a largely unstructured manner. The current explosion is ignited by an ongoing renaissance, fuelled by the quest for cultural identity, driven by a youthful population who are creatively inquisitive and sustained by the digital, technology, and telecoms revolution. Nigeria has been a notable contributor to Africa’s arts, culture and entertainment scenes, and its entertainment and music industry that emerged in the early 90s is the fastest growing in the world, competing closely with America and India for the global market share.

Every society values its diverse cultural heritage as a valuable asset that fosters a sense of shared identity among its people. Stakeholders in the cultural and creative industries exert considerable effort to conserve this heritage and its diverse cultural expressions. This commitment is evident in Nigeria, where the cultural and creative sectors encompass a broad array of economic activities. This has led to a recent surge in attention towards sectors with high levels of creativity, prompting the need for a comprehensive definition of the Culture and creative industry.

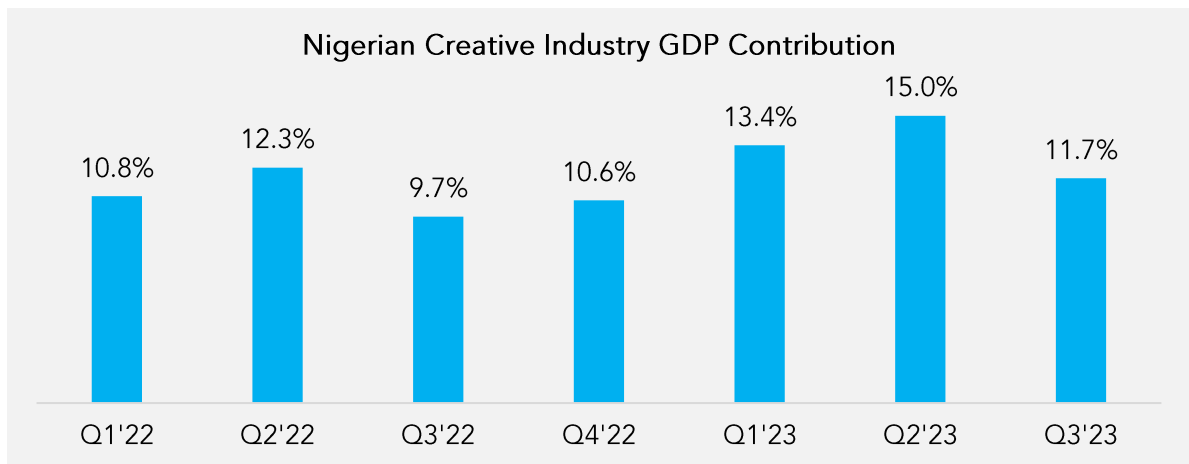
As is the case at the global level, the Culture and creative industries have been generating so much attention at the local level, principally as a result of the interconnection with new media technologies, and because they are considered as an essential source of innovation and contributors to national wealth (De-Miguel-Molina, et al., 2012).



Source: Statista 2023

The Creative, Art & Culture Industry is an umbrella term that covers a range of sub-sectors that all have creativity at their core and have been a breath of fresh air for a lot of Nigerians especially since it has created over one million jobs for the youths in the areas of filmmaking, animation, video productions, movies, and all forms of entertainment, including visual and performing arts, fashion design, ICT, and many more (Source: *StoriesFromNigeria*).

The Arts and Creative Industry is very vibrant in Nigeria and has provided a positive and beneficial growth path for young Nigerians who seek to utilize their talents in creating products and services that offer value at home and abroad. It has created more opportunities for skilful youths, upcoming actors, and performing artists to earn a living, raise their standard of living by profiting from their passion, as well as aid the promotion of social development and improvement of the quality of life.



Source: NBS Nigerian GDP Report Q4 2023

The last years have borne witness to a steady increase in investments into Nigeria’s creative sector. From Netflix’s various acquisition of movies to the launch of Spotify - the world’s largest music streaming platform – in Nigeria as well as the launch of Amazon Prime Video in 2022. These investments provide the needed incentive for content creation, while also allowing previously excluded creators to find expression.

## 9.2 REVIEW OF KEY TARGET SECTOR – FILM INDUSTRY

### General Overview

Film is a unique means of communication; its visual bias gives it a universal appeal and impact. Film is the link between all the aspects or forms of literature – prose, poetry, short story and drama. Film plays an important role in the development of any group of people, ethnicity, and race as a nation or country. It is a veritable tool of national development and a purveyor of culture. It helps to preserve the culture of a people from eroding away and this is a focus of implementation of the Nigerian National policy on film article which states that “film will be produced to protect and promote our rich cultural heritage and our national aspirations in the process of development”. Culture is the totality of the ways of life of a group of people, nation or tribe including their food, costumes, dressing, music, marriage and burial practices etc and it is the bedrock of the essence of being of a people. Films can also be used as a propaganda device. Established and successful film theorist and filmmaker, Sergei Milkahovich Eisenstein (1898-1948) used films to lobby for the public to accept the regime of Josef Stalin who was the General Secretary of the Communist Party of the Soviet Union in the now defunct USSR. Lisa Reinfanel also used film as a propaganda mechanism that projected that the Nazi regime under Adolf Hitler had been the best form of government in the world.

Global box office is estimated to have reached \$33.9 billion for 2023, a 30.5% gain in 2022 levels, according to Gower Street Analytics. While this represents continuing worldwide recovery, the figure remains 15% behind the average of the last three pre-pandemic years (2017-2019). Certainly, the COVID-19 pandemic's influence on the Russian-Ukrainian crisis and the global economy has been noteworthy. Nonetheless, these effects seem to vary across nations and distinct economic zones. The growth in the historic period can be attributed to increased numbers of television channels, increasing internet penetration, increase in me (technology, media and entertainment) mergers, growth in world population, rapid urbanization and strong economic growth in emerging markets.

The film and video market size is expected to see strong growth in the next few years. It will grow to \$390.76 billion in 2028 at a compound annual growth rate (CAGR) of 6.5%. The growth in the forecast period can be attributed to rising demand for video content, rising use of social media platforms, digitization and increase in mobile video viewing. Major trends in the forecast period include autonomous drones aiding film and video production, 3D previsualization, motion capture technology, virtual production, 4K technology and streaming and on-demand platforms.

### Top Grossing Movies (North America 2023)

Rank	Movie	Release Date	Distributor	2023 Gross	Tickets Sold
1	Barbie	Jul 21, 2023	Warner Bros.	\$636,225,983	59,019,108
2	The Super Mario Bros. Movie	Apr 5, 2023	Universal	\$574,934,330	53,333,425
3	Spider-Man: Across the Spider-verse	Jun 2, 2023	Sony Pictures	\$381,311,319	35,372,108
4	Guardians of the Galaxy Vol 3	May 5, 2023	Walt Disney	\$358,995,815	33,302,024
5	Oppenheimer	Jul 21, 2023	Universal	\$326,101,370	30,250,590
6	The Little Mermaid	May 26, 2023	Walt Disney	\$298,172,056	27,659,745
7	Avatar: The Way of Water	Dec 16, 2022	20th Century Studios	\$283,067,859	26,258,614
8	Ant-Man and the Wasp: Quantumania	Feb 17, 2023	Walt Disney	\$214,504,909	19,898,415
9	John Wick: Chapter 4	Mar 24, 2023	Lionsgate	\$187,131,806	17,359,165
10	Sound of Freedom	Jul 4, 2023	Angel Studios	\$184,178,046	17,085,161

Source: The Numbers

Additionally, the Europe Movie Market size is expected to be valued at around \$20.76 billion by 2030 from \$14.54 billion in 2023, growing at a CAGR of 5.22% during 2024-2030. Further, the IMAX website details 292 operational theatres throughout various European countries as of October 2023. These screens, followed by Dolby Atmos sound and 3D technology, enhance the cinematic experience, engaging audiences in theatres. Experimentation with virtual reality and interactive storytelling pushes cinema obstacles, imparting participatory reports. Besides, European governments actively bolster the European film market through economic support, tax incentives, and cultural applications, fostering production and distribution. For instance, France's Centre National du Cinema et de l'photoanimee (CNC) presents sizeable economic backing for film-associated activities. In the UK, as much as a 40% tax remedy on qualifying British movie productions draws widespread investment.

### Film Industry in Africa

Over-the-top (OTT) media platforms which are media services offered directly to viewers via the Internet and bypasses cable, broadcast, and satellite television platforms look to Africa as growth in other markets slow down. As such, the African OTT market has been on the rise just like it has been in the rest of the world. The market is still some ways from reaching the maturity level of the markets in North America and Europe. However, that also means plenty more growth opportunities in the upcoming years. South Africa leads in Africa, posting the highest OTT revenue on the continent. The market growth in the coming years will be bolstered by the fierce competition between global platforms including Amazon Prime Video and domestic options such as eVOD and MultiChoice's Showmax. African streaming platforms have tailored themselves to African viewers with local content to compete with services that boast an established global footprint.

In March 2023, MultiChoice announced that it would be creating a new Showmax group of which it would own a 70% stake, with the remaining 30% held by Sky and NBCUniversal. The partnership enables Showmax to lean on content from Sky and NBC Universal, including live football games from the English Premier League. Nigeria experienced the most significant growth in OTT revenue compared to South Africa and Kenya in 2022, generating \$45.2m. Between 2016 and 2022, it has been reported that these three nations received a collective US\$175m investment into producing content, the bulk of which went towards South Africa. US\$23.6m of the collective funding was invested in Nigerian entertainment, involving the production of more than 250 pieces of nationally produced video content.

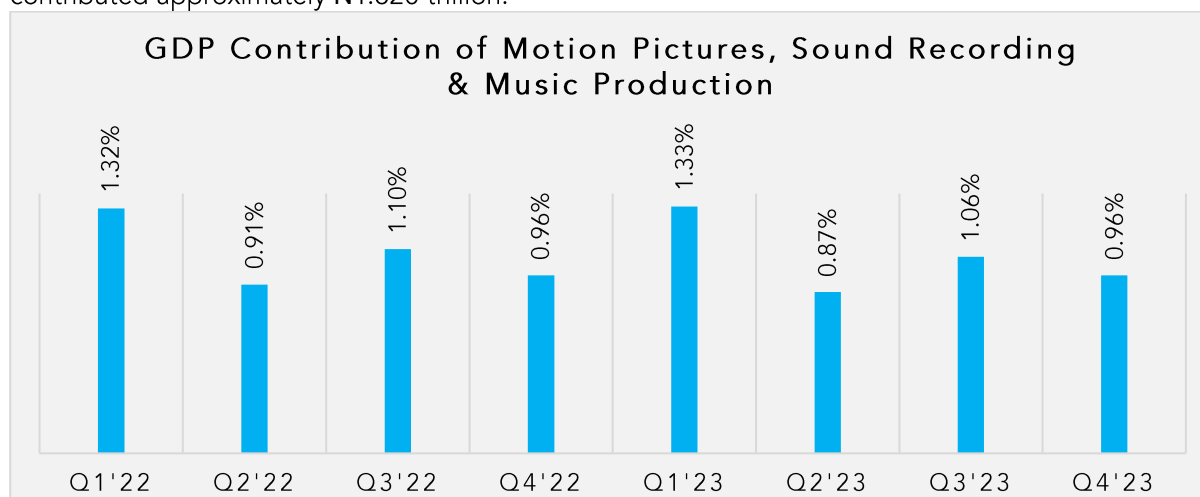
### Film Industry in Nigeria

The Nigerian Film and TV industry, commonly known as Nollywood has undergone significant

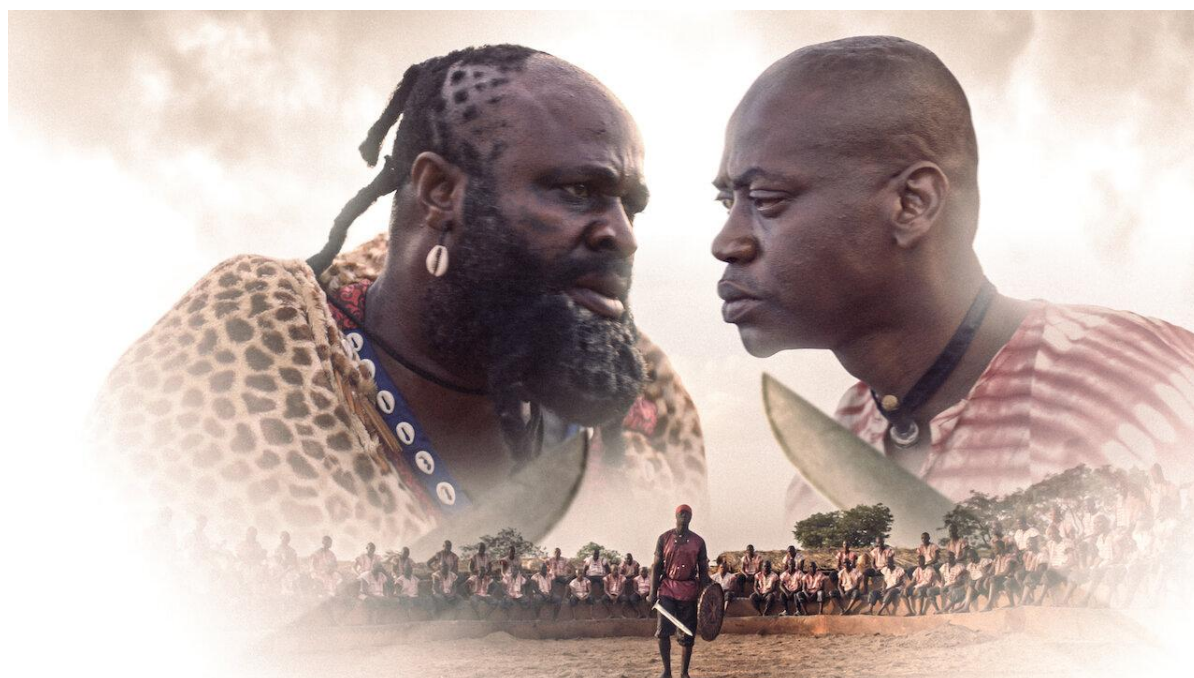
evolution since its modest inception. It is now positioned not only as a lucrative business but also as a crucial instrument for reshaping the global perception of Africa. This transformation is facilitated through many different factors like the resurgence of the cinema culture amongst upper-middle income earners and university students, the influx of global streaming platforms, improved quality of production tools and more daring stories tellers, Nollywood is resonating with both global and local audiences.

Nollywood is one of the most prolific film industries in the world. According to Best Diplomats, it is Africa's largest film industry and ranks third globally, after Hollywood and Bollywood. Data from the censor's board identifies it as the world's second-largest film producer by output, averaging approximately 1,500 movies annually, including both cinema releases and home movies.

It provides over one million direct jobs both in film production and auxiliary services. According to the National Film and Video Censors Board, 280 films were produced in the first quarter of 2023 and 541 films in the second quarter. According to PwC Global Entertainment and Media Outlook for 2022-2026, this industry is one of the fastest growing in the world. In 2021, the film industry contributed 2.3%, \$660 million (₦239 billion), to the country's GDP and is expected to increase its export revenue earnings to over \$1 billion. The motion picture and music combined contributed about \$1.8 billion ₦730 billion naira to the country's GDP in 2020. According to an IMF report, the industry is projected to generate an estimated \$10.8 billion by 2024 and account for 1.4% of GDP. In 2023, this sector contributed approximately ₦1.620 trillion.



Source: NBS Nigerian GDP Report Q4 2023



Jagun Jagun 2023

However, a deeper dive into these record-breaking numbers reveals a concentration risk that cannot be ignored. Much of the year's success is heavily concentrated in the hands of a few key producers, notably Funke Akindele and Toyin Abraham, whose films alone accounted for 46% of Nollywood's total box office gross. Other need to significantly improve their performance over the next few years in order for the industry to reduce the reliance on the super producers thereby reducing the inherent volatility that could put at risk the hard worn gains of the past few years.

The film industry is a big employer of labour in any economy. Film like any other aspect of the theatre arts is a melting pot of all the arts-painting, costumes, writing; prose, drama, poetry, short story, acting, directing, producing, photography, etc and filming is a big art form that requires the involvement and participation of many people who are often employed as actors, costumiers, cameramen, producers, singers, aesthetic workers, scriptwriters, directors, stunters, choreographers, editors, cinematography, acting tutors, special effect technicians, set designers, property personnels, location managers, marketers, etc. More so film plays an important role in education and human resources development. Audio visual aids are now a significant element in teaching and knowledge impartation. Films are produced on different aspects of medicine, law, humanities etc. It is a very important in pre-school education; there are volumes of educational film materials for toddlers and small children, this is based on the premise that the human mind retain information more vividly what is heard and seen better than what is heard or read only. Educational film is a genre of film on its own. Furthermore, documentary film helps to enlighten the public about events and phenomenon in the environment. Film plays a vital role in social mobilization and information. Film is used to popularize government policies and ideologies amongst the masses. Owing to its ability to hold a captive audience.

Films are used more than any other means of mass communication to promote ideas of positive social transformation as well as to consolidate and build new relationship between culture and national development for example, the National Orientation Agency and the Ministry of Information and Culture uses films to promulgate awareness on issues such as the HIV/AIDS endemic, anti-corruption, poverty alleviation, etc. Film also help to inspire and develop a nation's population through the adoption of themes which emphasize the desirable rather than the negative aspect of present social existence and the projection of heroes and heroine that refuse to get involved in the ills and evil around them.



*King of Boys 2023*

Film serves entertainment and therapeutic purposes. The feature and animated films are chiefly made to entertain the viewer and also help him or her relax. It is a tool of national mobilization, unity, a sign of national autonomy and a means of the preservation of heritage and sovereignty. Film is a gizmo of research as in the case of archival and library materials. Reel tapes of national events like the Independence Day, First Visit of Queen Elizabeth to Nigeria, the Declaration of Independence, June 12 Presidential election, the official handover from Military rule to Democratic Governance in 1999. videos also help in documenting political development in the country. This is because it keeps history and records characters of the ruler of the day, it helps in forecasting the political undertone of the day, rescues the future leaders from committing the blunders that their predecessors committed and imbibe the right attitudes and character needed for true leadership. The act of heroism and patriotism

revealed in many films have a great statement on the historical and cultural background of Nigeria. Many benefits being enjoyed today in Nigeria were as a result of the heroic and patriotic deeds of our forefathers. For a nation to develop, the art and act of patriotism can't be undermined. Film is an art form that appeals to the senses of beauty and aesthetics. It combines all the arts of editing, costume, make up, lighting, dance, drama (writing), directing and producing to make it statements. The Nigerian film industry is indisputably diversifying its economy by creating jobs in a country that depends principally on oil and agriculture. The Nigerian film industry is known to be the most popular on the African continent.

## **Production**

This growth in market demand is led by the top movie production companies in Nollywood. Nollywood movies have consistently peaked at the Box Office with Funke Akindele's 'Battle on Buka Street' recently grossing over ₦650 million as well as her movie 'A Tribe Called Judah' in 2023 grossing over ₦1 billion, and is currently holding the record of the top-grossing movie. The top three movie studios in Nollywood include Filmone Entertainment, Anthill, and Greoh studios, according to Comscore. However, it is important to note that some production companies partner to produce films.

### **Filmone Entertainment – 12 movies (₦714m)**

In 2023, Filmone ranks number 1 on the list of the top movies with the highest local box-office performance of the year at ₦714 million generated last year. Being one of the major production and distribution firms in Nigeria, they collaborate with other production companies to ensure that a movie's production and distribution go as seamlessly as possible. The company produced 12 movies in 2022 Some of which include, Dinner at My Place, The Blood Covenant; Ile Owo; The Order of Things; Passport; Battle on Buka Street; Obara'm; Ijakumo, among others. Filmone is an independent film entertainment company that distributes and provides a wide range of production facilitation services for premium Nollywood releases across the world. Their distribution network spans cinema, inflight entertainment, streamers, and linear TV networks amongst others.

### **Anthill Studios – 3 movies (₦376m)**

Anthill Studios is a movie production company owned by Niyi Akinmolayan, a Nigerian filmmaker who directed blockbusters such as 'The Wedding Party 2'; 'The Set Up'; 'Prophetess'; 'Day of Destiny'; and 'Elevator Baby'. Last year, the production company generated ₦376 million making it the second biggest production company of 2022. Anthill was involved in the production of three movies in 2022 which include 'King of Thieves'; 'The man of God'; and 'Hey You'. 'King of Thieves' which was released in April of 2022 was the most successful of the three films raking over ₦320 million at the box office. Anthill inked an exclusive multi-year license deal with Amazon Prime Video, making the global streaming platform the home of Anthill's slate of films after they have completed their theatrical runs in Nigeria.

### **Greoh Studios – 1 movie (₦328m)**

Greoh Studios ranks number three on the top 10 list from just one movie released in 2022. With its fictional tale of two brothers whose lives land them on opposing sides of the law, Jade Osiberu's "Brotherhood" captured the attention of audiences across the nation. The movie became the highest-grossing Nollywood movie of the year raking in over ₦320 million at the Box Office. Jade signed a three-year deal with Amazon Prime Video which saw her release her works on the streaming platform on projects like 'Gangs of Lagos'.

### **Euphoria 360 – 1 movie (₦320m)**

Euphoria 360, ranks number 4 on the list from just one production, 'King Of Thieves'. The movie was the first non-English title film to gross over ₦300 million at the Box Office and was enough to put Femi Adebayo's production company among the most successful in 2022. In 2022, Adebayo signed a deal with Niyi Akinmolayan of Anthill studios to produce big-budget Yoruba films. The deal would see the studios combine unique strengths such as talent, distribution, marketing, and post-production resources to create several projects that will exhibit on the big screens and other ancillary platforms.

### **Funke Ayotunde Akindele Network (FAAN) – 1 movie (₦291m)**

'Battle on Buka Street' produced by FAAN has so far broken all Nollywood box office records and has now become the highest-grossing Nollywood film. Produced in collaboration with FilmOne Entertainment, the film had its theatrical release on 16 December 2022 and opened to extremely

positive reviews from critics. The film also grossed ₦26 million at the box office on 25 December 2022 making it the highest-grossing Nigerian film on a single day in the year 2022.

#### **VSL Media – 2 movies (₦127m)**

Vincent Okonkwo's VSL Media is ranked at number six with two films, 'Passport' by Dimeji Ajibola and 'The WildFlower (₦41.4m) by Biodun Steven with Toyin Abraham as its lead cast. Released in September of 2022, Passport made ₦87 million while 'The WildFlower' raked over ₦41.4 million.

#### **Inkblot – 4 movies (₦119m)**

Inkblots come in at number seven with 4 movies produced in 2022. Theatrical releases such as 'The Blood Covenant', 'Palava', 'The Set Up 2', and 'The Perfect Arrangement' all together grossed ₦119 million at the box office. This might not be the best of years for the company which has seen better years in the movie business scene with previous releases such as The Wedding Party and its sequel whose box office numbers gross almost ₦1 billion.

#### **Toyin Abraham Productions – 1 movie (₦104m)**

Toyin Abraham did not disappoint when her first Christmas holiday release 'Ijakumo: The Born Again Stripper' hit theatres across the country. Sharing the holiday period with heavyweights like 'Battle on Buka Street' the film ended the year grossing over ₦104 million and ranking the company eighth on the top 10 production company list of 2022. The film is still in cinemas at the time of writing this article and has grossed over ₦278 million at the box office.

#### **Film Trybe – 2 movies (₦60m)**

Film Trybe Media in partnership with FilmOne released 'Obara'm', and the horror drama 'Ile Owo'. Both movies together under the creative direction of Kayode Kasum, Creative Director of Film Trybe grossed ₦60 million at the box office. Dare Olaitan who directed 'Ile Owo' may not have gotten the reception that other movies had in the year as the horror genre is not popular among Nigerian moviegoers but will be looking forward to thrilling moviegoers with more horror content.

#### **Shutter Speed Projects –1 movie (₦34m)**

The Biodun Steven's production company started 2022 with the valentine's holiday release of the romance comedy drama 'A Simple Lie'. The movie which starred the likes of Bisola Aiyeola and content skit maker 'Kikie' put the company at the number 10 spot on the list grossing over ₦34 million at the box office.

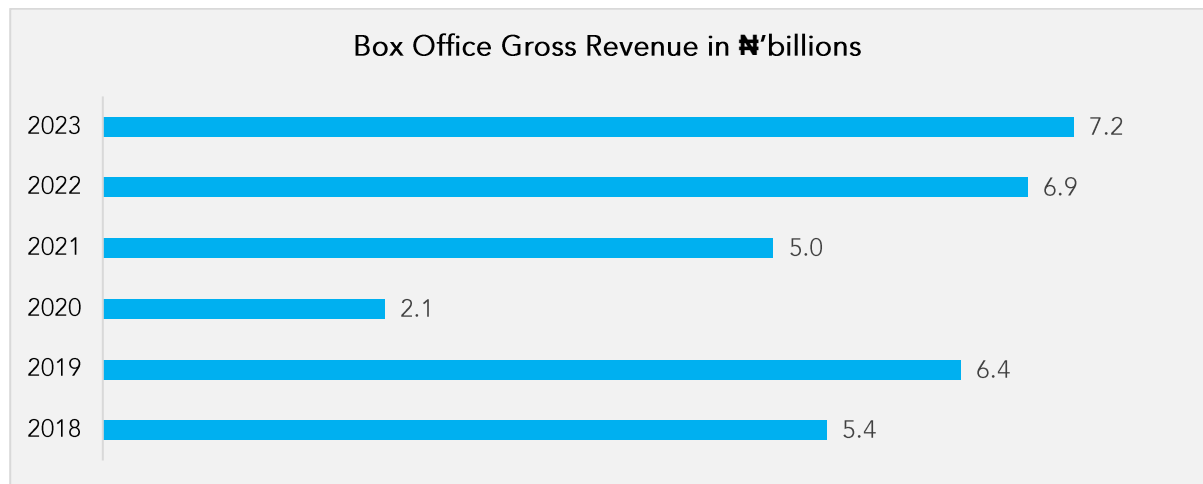
### **Distribution & Marketing**

Nollywood has transitioned through various forms of distribution, from the VHS to VCDs, then cinemas, and now, international streaming platforms like Netflix, Prime Video, and Showmax. Each channel coming with its own opportunities and challenges. In the film supply chain, production and exhibition tend to attract most, if not all, of the public's attention while distribution plays a rather silent, less visible role. However, distribution is the most important part of the film industry, where completed films are brought to life and connected with audience. The National Film and Video Censors Board is the regulatory body set up by Act No. 85 of 1993 to regulate films and video industry in Nigeria. The Board is empowered by law to classify all films and videos whether imported or produced locally. It also seeks to ensure that non-approved films are not exchanged in the market and that only licensed distributors operate in the market.

### **Cinema**

There are 81 cinema screens in Nigeria for a population of over 200 million. Box office revenues are an indicator of commercial success for a film, and they are still low in Nigeria and Africa in comparison to the West and Asia because it has too few cinema screens for the local population thus limited accessibility to see the films. Indigenous Language films and more Nigerian titles are now shown in local cinemas and compete with international films for screen time and revenue. Cinema attendance reduced after the pandemic and is gradually building back up despite the ongoing economic challenges in the country. The cinema audience is not sensitive to the price increase of cinema tickets and the data shows that they will come out for good films and films that have been efficiently promoted. The socio-economic factors that have influenced cinema attendance are school strikes, fuel and cash scarcity, and insecurity. In 2023 alone. The Nigerian box office amassed approximately ₦19

billion. Despite a slight dip in total admissions by -16.6% in 2023, the average ticket price saw a significant upswing of 27% compared to the previous year, reaching ₦2,759.



Source: Nairametrics

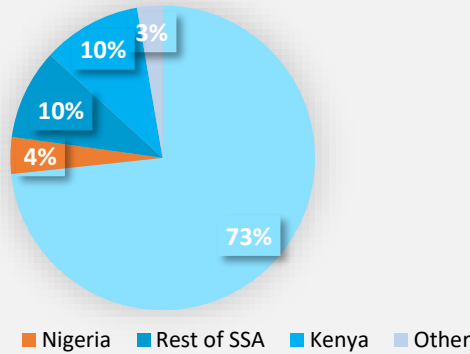
Despite the seemingly lucrative figures, the restricted number of cinemas poses a significant constraint on the potential local expansion of Nigerian films and the income of filmmakers. Nigeria's box office generated a cumulative revenue totalling ₦19 billion over the past three years. This achievement cannot be compared to other countries in the world.

### Streaming

Subscription-based movie streaming is extremely popular globally and players like Netflix, Amazon Prime Video, Showmax, Iroko TV, and Startimes have entered the Nigerian market bringing Nigerian content to global audiences. This also brings with it, the challenge for Nigerian filmmakers to produce films for this global audience and not just the local market. Netflix pays Nigerian filmmakers between \$10,000 and \$90,000 for streaming rights per film, on average, although the amount occasionally goes up, depending on the director, film budget, and projected numbers. For originals, Netflix pays as high as ₦1.4 billion (\$3.8 million), like in the case of Genevieve Nnaji's 2018 film, *Lionheart*. In contrast, the highest-grossing movies in cinemas as of January 2024, like *A tribe called Judah*, made up to ₦1 billion. Prime Video however, takes a different approach and strikes licensing deals with production companies. Between December 2021 and January 2022, the platform struck multi-year deals of undisclosed amounts, with leading production companies Inkblot Productions and Anthill Studios giving it exclusive rights for all theatrical productions by these companies. On the other hand, also, Showmax employs a different tactic where they share revenue from advertising and sponsorship rather than an upfront payment. Xavier Ighorodje, a writer and producer in Nollywood, shares that, while cinema releases generate more money, compared to the VHS and VCD distribution model, the direct-to-streaming route has put even more money in the pockets of filmmakers.

A report by Omdia shows the market uptake of streaming platforms like Netflix by Nigerians is low with a subscription number of less than 200,000 subscriptions from Nigeria this, can be attributed to the high cost of data and fluctuating dollar rates. This means that the local Nigerian market remains relatively untapped by both Digital and exhibition platforms. Pay TV platforms - DSTV, Startimes etc.

### Share of Netflix Consumers in Nigeria to countries in Africa



Source: Omdia Research

To maximize return on investments many films are exhibited in cinemas for a window of time before moving to a streaming platform. A desirable situation would involve a thriving streaming sector with a substantial increase in subscribers and viewers worldwide, alongside a continuously expanding local cinema industry and growing pay TV subscriptions. This collective growth is essential for strengthening Nollywood's competitive edge and enhancing the perceived value of our films.

There are thousands of films produced daily, but only very few of them make it to the big streaming platforms. This leaves a large number of other—often smaller—filmmakers without many viable options for distributing their films. While cinemas are an option, foreign movies or big-budget Nollywood films get more attention in them, taking over 75% of the market share.

The market is driven by subscription revenue, which accounted for 72.26% of total TV/video sector revenue in 2018. TV advertising accounts for 21.31% of total revenue, while physical home videos account for 5.33%. Subscription-based movie streaming are very popular in Nigeria, attracting players like Netflix, Iroko TV, and StarTimes. Although Netflix subscription has long been available in Nigeria, they made their official debut in Nigeria in February 2020, joining several major distributors of filmed content in Nigeria. In August 2022, Amazon Prime Video announced the launch of the localized version of its streaming service in Nigeria. A new study by Research and Markets by Broadcast Media Africa shows that Nigeria is set to lead the rest of Africa in pay TV subscriptions, with an expected 55 million subscribers by 2029. and about 10 million or 21.2% of Africa's pay television subscribers by 2025. These are good platforms for films to go to after doing the cinema and streaming route.

### CHALLENGES



Piracy remains a big challenge as a significant portion of Nigerians continue to consume films through unauthorized channels such as DVDs, social media platforms like Telegram groups, and illegal streaming platforms. This persistent issue significantly impacts the revenue generated by film



The industry faces the challenge of having limited and competitive access to streaming platforms and cinemas. This is why the industry's high productivity does not necessarily translate to real financial benefits for its professionals as its distribution problem makes it difficult for filmmakers to recoup their investment in filmmaking.



The high cost of equipment rentals makes good film production capital-intensive. There is still limited access to post-production, VFX (Video Effects) and special effects facilities.

## OPPORTUNITIES IN THE MARKET

African culture is being exported and showcased to a global audience through platforms such as Netflix, Amazon Prime, Disney Plus, and Showmax. There is a growing demand for indigenous language films, epic storytelling, and authentic narratives. The international success of Nigerian film "Blackbook," produced with a budget of approximately \$1 million and streamed in numerous countries beyond Nigeria, underscores the global appeal of Nigerian content when adequately financed. This production reached top positions on Netflix charts in countries like South Korea. Similarly, "Gangs of Lagos" achieved significant success as a top 10 hit on Amazon Prime in both the United States and the United Kingdom. Nigerian films can be produced with cost-effective budgets compared to Western counterparts and can yield returns on investment within a short timeframe.

The focus of investment should be on supporting films and documentaries that convey compelling stories about Africa, aiming to positively influence the perception of Nigeria and the continent among Nigerians, Africans, and the global community. Untapped investment opportunities include:

- Increasing community cinema infrastructure to boost local consumption of both Nollywood and international films, thereby unlocking the true financial potential of the Nigerian film market.
- Expanding distribution companies in the industry for both international and local productions to reach a larger audience, thereby increasing returns for stakeholders.
- Encouraging diverse genres of movies, particularly those with strong scripts, adequate budgets, and robust distribution plans, to enhance the sector's contribution to the nation's GDP.
- Investing in films produced by women, who have demonstrated their prowess as compelling storytellers and producers with successful movies like "King of Boys" by Kemi Adetiba, "Gangs of Lagos" by Jadesola Osiberu, "Wedding Party" by Mo Abudu, and "A Tribe Called Judah" by Funke Akindele.
- Supporting businesses that provide animation and visual effects services in movies to foster innovation and creativity.
- Investing in post-production services such as picture editing, sound editing and mixing, and color correction to enhance the quality of films.
- Creating opportunities for businesses interested in equipment rentals to meet the growing demands of the industry.

## RECENT INDUSTRY HIGHLIGHTS IN NIGERIA

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<b>Oct 2023</b>	<ul style="list-style-type: none"><li>• Governor Babajide Sanwo-Olu commenced the \$100 million Lagos Film City project to foster economic growth and job creation through filmmaking.</li><li>• Sony in collaboration with the International Finance Corporation (IFC) launched the "Sony Innovation Fund: Africa" allocating \$10 million to invest in seed to early-stage start-ups in the entertainment industry in Africa.</li><li>• Afreximbank announced a \$1 billion film fund in 2024 to support the creative industry by overseeing film finance, co-financing with large studios, and financing African filmmakers, finance producers and directors of film projects.</li></ul>
<b>May 2023</b>	<ul style="list-style-type: none"><li>• The African Development Bank, French government, through the Agence Française de Développement, and the Islamic Development Bank partnered to launch an investment in Digital and Creative Enterprises (iDICE) program.</li></ul>

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## 10. RATIONALE FOR UTICA FILM FUND

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### 10.1 INTRODUCTION

On film financing in Nigeria, during the early days of Nollywood, a movie would be entirely self-financed by the producer/director, who would then look to film marketers to distribute the finished movie. The opaque, semi-formal nature of distribution in Nigeria gave rise to many disputes around sales figures, hence, it became common for marketers to buy-out film rights. Eventually, some marketers got more involved in producing as well as making key decisions on talent and story.

However, the informality of the industry meant that contracts are rarely signed to determine ownership of the underlying intellectual property rights. In recent years, with awareness of Nollywood's growing global impact growing in governmental and corporate circles, some efforts have been made to improve Nollywood's access to formal finance has evolved over the years, with some banks exploring innovative approaches to support the industry. Historically, filmmakers in Nollywood often relied on personal assets to secure loans, which essentially functioned as personal loans rather than production financing tied to the intellectual property (IP) assets created even in finished form. Other banks provided financing for production slates, but usually for films or television programs that included promotion for bank, so these projects constituted a mix of non-recourse financing and sponsorship/advertising. However, these efforts have not appreciably expanded the options available to filmmakers in Nollywood.

Majority of the debt funding hitherto provided for projects was structured with a substantial portion denominated in US\$ and limited to tenors of less than 10 years. These funding structures exposed infrastructure projects to NGN/USD exchange rate volatility as their revenues are largely denominated in Naira. In addition, considering that the underlying assets typically have a useful life well above 10 years and therefore cause a misalignment between the funding available and the funding needs of the projects.

Over the years, other initiatives to improve access to financing were introduced by the government in form of grants such as the "Project Act Nollywood" which was a ₦3 billion-grant programme set up by the Federal Government for the sustainable development of the Nigerian film industry. The Modalities issued by CBN in July 2019, for the Implementation of the Creative Financing Industry is also a Creative Financing Industry Initiative, to provide debt financing support for the creative industry in Nigeria, specifically, the Fashion, Movie Production/Distribution, Information Technology and Software Development verticals of the "creative economy". The idea is to provide cheaper and long-term financing for Nigerian companies in the creative industry.

The Modalities make certain that at the very least, 6 film distribution companies will have access to a principal amount of ₦500 million each, whilst up to 60 film producers, will be able to access up to ₦50 million, each for a 10-year tenor.

The film production landscape in Nollywood faces numerous challenges, including funding constraints as mentioned earlier, subpar production quality, the necessity for reorientation and technical skill development, as well as difficulties in scripting, story development, and character portrayal. The industry's inability to consistently meet global standards has hindered its potential for international expansion, with insufficient financing and infrastructure being key contributing factors.

Addressing these challenges necessitates broadening access to funding beyond traditional sources such as banks and government grants. A compelling example is the financing approach employed by the creators of the film "Black Book," who successfully secured approximately \$1 million in production costs by establishing a specialized fund. This innovative strategy enabled them to aggregate resources and capital from diverse investors, ensuring ample funding for the project and ultimately leading to its global recognition, including its distribution as a Netflix Original.

This case underscores the feasibility of local, structured financing models within Nigeria's film industry. By showcasing successful outcomes and demonstrating the potential for substantial returns on investment, such approaches have the capacity to attract greater participation from local investors. This is particularly advantageous for ambitious, large-scale projects that require significant financial backing to achieve their full potential.

### 10.2 FINANCING OF FILM PROJECTS: DEBT VS. EQUITY

The total capital required to finance film projects typically consists of equity and debt. Project sponsors and other equity-focused investors typically provide the required equity while debt is provided by banks

and other institutions.

The equity component of the investment, given its role in the capital structure, bears the maximum risk, while the debt component benefits from the priority enjoyed by such instruments in the cash-flow waterfall of the project. The cash flow profile of film projects through distribution provides a degree of comfort to lenders.

The Utica Film Fund will primarily provide equity and senior debt to eligible companies (project and corporate) while subordinated and mezzanine debt will be provided on opportunistic basis.

### **10.3 CHARACTERISTICS OF ELIGIBLE PROJECTS /TRANSACTIONS FOR THE FUND**

The Fund will exclusively invest in Film Projects led by Nigerians. It will prioritise investments that exhibit, but are not confined to, any of the following features:

#### **Experienced Team**

The Fund would invest in projects that seeks to possess an experienced team of filmmakers, including directors, producers, writers, and crew, with a track record of delivering quality films and managing successful productions.

#### **Compelling Story & Great Revenue Potential**

The Fund will prioritise projects that have a well-developed and engaging story that resonates with target audiences, potentially leading to commercial success. With such compelling story, there are potential revenue streams beyond box office receipts which could include merchandising, licensing, international sales, and ancillary rights, to maximize revenue opportunities and recoup investment.

#### **Distribution Strategy**

To attain the investment returns to investors, the Fund will invest in film projects with a well-defined distribution strategy to ensure the film reaches its intended audience through theatrical releases, streaming platforms, DVD sales, or other distribution channels.

### **10.4 ROLE OF UTICA FILM FUND**

#### **Strategic Objective**

The primary investment objective of the Fund is to provide investors with the potential for capital appreciation and periodic returns by focusing on equity and debt investments in diverse film projects across Nigeria. The Fund's strategy is centered on building a well-diversified portfolio, spanning various genres such as drama, comedy, action, thriller, horror, and documentary, with the aim of supporting creative growth while generating value for investors.

In addition, the selected projects must have the potential to raise sufficient cashflows, a compelling storyline and also a great distribution strategy. To ensure the achievement of its objectives, the Fund will prioritize investments that provide a high degree of certainty regarding future cash flows. Simultaneously, it will diligently work to preserve the capital value of its investment over the long term. The investment portfolio will predominantly consist of equity and debt investments, with the aim of achieving an annual gross yield higher which is 10% above the prevailing FGN Bond Yield equivalent to the tenor of the project. This targeted yield will be accomplished through a combination of underlying coupon payments and additional fees paid by borrowers upon legal commitment, which include arrangement and commitment fees. The generated income from the investments will be periodically distributed to the Unitholders after deducting the operating expenses of the Fund. As a Close-Ended Fund, the Fund's strategy involves diversification of its investment portfolio over time. This strategic approach is expected to yield better risk management and lower overall volatility, as diversification reduces the concentration of risk associated with specific investments.

In summary, the Fund aims to provide investors with a potential for capital appreciation and periodic returns by focusing on equity investments in Nigerian Film projects and stable returns from debt investments. By adhering to its well-defined investment strategy and diligent risk management, the Fund seeks to deliver attractive returns to Unitholders while contributing to the growth and development of impactful projects in the country and across the continent.

## 10.5 SUSTAINABLE DEVELOPMENT GOALS (SDG) AND ECONOMIC SOCIAL AND GOVERNANCE (ESG) CONSIDERATIONS

By its underlying nature, the Utica Film Fund investments in film or target sector assets will be interconnected with economic growth and social progress addressing specific developmental and consumer needs. Target projects to be invested will also contribute significantly to the well-being of the population, the productivity of the workforce, and facilitate broader education of the populace.

In its selection of target projects, the Fund will pay attention to:

- A robust due diligence/screening process that includes a framework that would assess the overall impact of the Fund's investments on areas such as human rights, discrimination, child labour, forced or compulsory labour and the rights of citizens.
- In general, the Fund would have in place an identification, evaluation and execution strategy aligned to global standards and best practice.

Theme	Impact Areas	Description of potential areas
<b>Environmental</b>	Climate Change and Sustainable Finance	The fund will support projects that encourage renewable energy or seeks to carry out the production of the projects with the aim of reducing carbon footprint and contributing to a greener, more sustainable future.
<b>Social</b>	Promotion of Nigerian Culture, Religion, and Beliefs for Social Enrichment	The fund will invest in projects in the Film industry that contribute to the preservation & promotion of Nigerian culture, languages and customs as many Nigerian films explore themes related to religion, morality, human rights and societal norms, reflecting the values cherished by African communities.
<b>Economic</b>	Job Creation & Empowerment	Film production requires several personnel thereby creating various significant job opportunities. It offers opportunities for local talent which creates economic empowerment, particularly in communities with limited resources.
	Africa Trade & Investment	The Fund will seek to invest in films with the potential to reach a wider range of audience within & also outside the borders of Nigeria, extending its influence beyond Africa to international audiences.
<b>Governance</b>	Ethical and Transparent Business Practices	The fund will prioritize investments in projects and companies that demonstrate strong governance practices, including accountability, compliance with legal and regulatory standards, and ethical production processes. Emphasis will be placed on partnerships with stakeholders who adhere to high standards of corporate governance, transparency, and inclusive decision-making.

## 11. INFORMATION ON THE UTICA FILM FUND

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### 11.1 DESCRIPTION OF THE FUND

Utica Film Fund (“UFF” or “the Fund”) is a close-ended Specialised fund classified as a Venture Capital fund constituted under a Trust Deed and duly registered with the Securities and Exchange Commission (“SEC”). The Fund is managed by Utica Capital Limited (“UCL”), an asset management company duly registered and licensed by the SEC to act as fund/portfolio manager. The beneficial interests in the Net Asset Value and net income of the Fund are divided into transferable units of the Fund (the “Units”).

### 11.2 BENEFIT TO INVESTORS

The potential benefits that investors may derive from the Fund are as follows:

- **Diversification of Portfolio:** By participating in the Fund, investors can effectively diversify their investment portfolio by gaining exposure to an asset class that boasts of a notably low correlation with traditional investments like stocks and bonds. This diversification can aid in minimising overall portfolio risk.
- **Access to bespoke investments:** The investments to be made by the Fund shall be originated and structured by the Fund Manager, thus the investors will have access to bespoke investment advisory services and proprietary deals by the Fund Manager, the Advisory Committee, and the Investment Committee.
- **Potential for High Returns:** Successful films can generate significant profits, and investors in film funds can benefit from these returns. If a film becomes a box office hit or performs well in ancillary markets like streaming and DVD sales, investors may earn substantial returns on their investment.
- **Passive Investment:** Investing in a film fund allows you to participate in the film industry without being actively involved in the production process. You can leave the management and execution to the professionals while potentially reaping the rewards.
- **Cultural Impact:** Some investors are attracted to film funds because they offer the opportunity to support the creation of artistic and culturally significant works. Investing in films can contribute to the creation of entertainment that resonates with audiences and has a lasting impact on popular culture.
- **SRI (Socially Responsible Investing):** SRI is an investment approach that considers not only financial returns but also the social and environmental impact of investment decisions. Also known as sustainable, responsible, or ethical investing, SRI seeks to align investors' values with their investment choices.

Like all investments, an investment in the Fund is subject to risks. These are included in Section 13 (Risk Factors) of this Shelf Prospectus.

### 11.3 MANAGEMENT OF THE FUND

The Fund is governed by a Programme Trust Deed with Utica Capital Limited as Fund Manager and STL Trustees and CardinalStone Trustees Limited as Trustees to the Fund and a Programme Trust Deed. The assets of the Fund will be held by First Bank of Nigeria Limited as Custodian, for the benefit of the Fund.

### 11.4 FUND SIZE

The Fund will have a target size of ₦20,000,000,000 comprising 20,000 registered units of ₦1,000,000 each. Through multiple fund/capital commitments (Commitment Series) from investors over the life of the Fund, the Fund shall achieve the target exposure to ₦20,000,000,000 to diverse asset class within the Film Industry.

### 11.5 COMMITMENTS

The Fund will secure capital commitments from Investors in multiple series to allow the Fund to achieve the target investment level of ₦20,000,000,000 (Twenty Billion Naira). The Fund Manager will draw on these capital commitments based on approved projects disbursement schedule. These capital calls will be dedicated to funding the Fund's capital obligations in respect of the approved projects as well as associated costs and expenses.

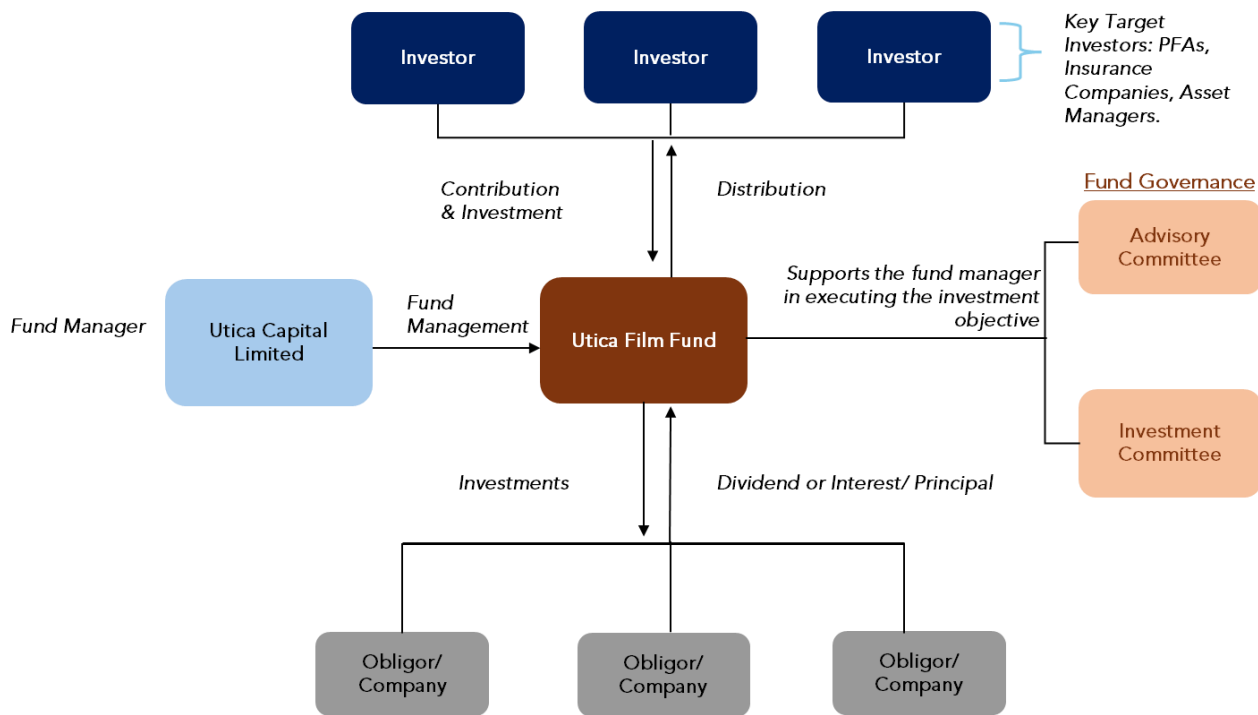
Commitments shall be secured following the registration and launch of the Fund as detailed in the supplementary prospectus. The Fund Manager will draw on capital commitments under the Series Issuances to fund approved projects, investments, companies and SPVs in the Film Industry and to meet

associated costs and expenses.

## 11.6 TARGET RETURN

The Fund's investment will target a minimum return/yield of 10% above the prevailing FGN Bond Yield equivalent to the tenor of the project. This will be achieved through royalties, fees, proceeds from merchandize and coupon payments received from the investees.

## 11.7 STRUCTURE OF THE FUND



## 11.8 OBJECTIVES OF THE FUND

The primary investment objective of the Fund is to provide investors with the potential for capital appreciation and periodic returns by focusing on equity and debt investments in diverse film projects across Nigeria, set up to provide products or services in the Film Industry that:

- i) provide pre & post-production services including distribution and marketing, film production and content creation.
- ii) have strong and predictable cash flows through effective distribution & marketing.

Utilising the net proceeds raised in each Series or Tranche, the Fund will make investments with the overarching aim of delivering Unitholders an annual yield of 10% higher than the prevailing FGN Bond Yield equivalent to the tenor of the project, as outlined in the relevant Supplementary Prospectus. This goal is achieved by harnessing the underlying royalties, fees, proceeds from merchandize and coupon payments received from the investees. The income generated by the Fund will be periodically distributed to Unitholders, following deductions for the operational expenses of the Fund and relevant withholding tax. The Fund's focus will be directed towards investments that offer substantial safeguards against anticipated and known risks that might jeopardize returns on invested capital and prospective investors' committed funds.

As a Close-Ended Fund, the Fund's strategy involves diversification of its investment portfolio over time. This strategic approach is expected to yield better risk management and lower overall volatility, as diversification reduces the concentration of risk associated with specific investments.

## 11.9 INVESTMENT POLICY

### 11.9.1 Investment Strategy

The Fund's investment strategy is rooted in its ability to deliver reliable cash flows for distribution to investors, effectively liquidate investments upon maturity, attain returns at a premium exceeding relevant benchmark, and manage risk at a level suitable for investors.

The Fund Manager's primary focus lies in cultivating the Fund's portfolio through the identification and the strategic support of creative opportunities that embody various advantageous traits. These include companies, SPVs and projects that hold promising and feasible prospects.

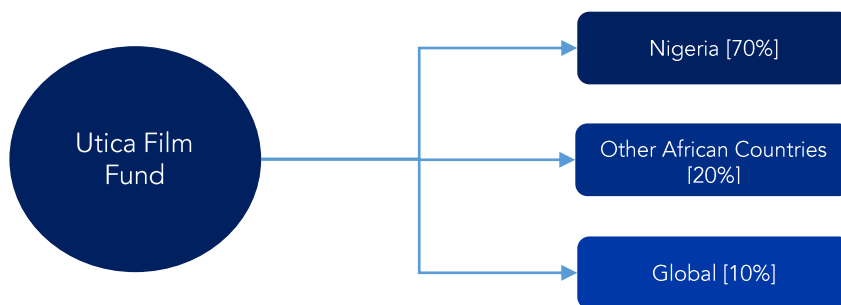
To ensure investor confidence, the Fund Manager insists on the presence of substantial covenants, commitments, and protective measures. This could involve secured off-take agreements backed by reputable partners, particularly when relevant.

### 11.9.2 Investment Criteria

The Fund will target film projects that have sponsors/companies with strong track record of success and market positioning, and that are highly appealing to the market. Specifically, it will invest in projects that:

- Offer products or services related to the target sector.
- Have reputable sponsors (including an industry superstar) with proven entrepreneurial experience, leading technologies, and dynamic, imaginative, and skilled marketing leadership in the Nigerian film industry.
- Demonstrate significant market demand and growth potential.
- Present a unique value proposition to avoid copyright issues.
- Have well-planned distribution and marketing strategies, increasing the likelihood of achieving investors' return targets.
- Offer high profitability with great industrial dominance.
- Involve high value-added properties, ensuring early returns to investors.
- Face no dominant competitor with monopolistic gross profit margins.

The allocation of the fund would be diversified across multiple jurisdictions to mitigate risks and capitalize on diverse market opportunities. This strategic approach ensures that investments are not concentrated in a single region, thereby spreading potential risks associated with local economic conditions, regulatory changes, or geopolitical factors.



### 11.9.3 Investment Instruments

Debt and equity typically make up the total amount of capital needed to finance investments. Due to the significant risk that equity capital entails, the debt component benefits from the priority enjoyed by such instruments in the cash-flow waterfall of a project. The investment strategy of the Fund will be guided by several key factors, including its capacity to generate regular cash flows that can be subsequently distributed to investors. Additionally, the strategy will prioritise the Fund's ability to achieve liquidity upon reaching maturity, as well as its potential to yield a net return that surpasses the applicable benchmark. All these aspects will be executed while maintaining a risk level that is moderate, in line with the investor profile.

The overarching strategy is geared towards engaging in opportunities that have undergone thorough de-risking procedures to attain an acceptable level of risk.

To achieve effective risk diversification, the Fund's approach will involve investing across a broad spectrum of options, encompassing different security types.

### 11.9.4 Asset Allocation

The majority of the Fund's assets (at least 70%) will be invested in equity relating to projects in the target sectors, with 0 - 30% invested in debt instruments, including senior project finance debt issued by the target companies or SPVs and the remaining 0-5% allocated to Cash & Cash Equivalent.

The following asset allocation is anticipated:

Instruments Indicative Allocation	(% of net assets)	Risk Profile
Equity investments relating to target sector projects.	70 - 100%	High
Debt instruments, including senior project finance debt, issued by target companies or SPVs to fund or support revenue-generating projects in the target sectors.	0 - 30%	Medium
Money Market Instruments and Bank Deposits with high yields.	0 - 5%	Low

### 11.9.5 Target Sector

The Fund Manager will focus on building a robust and diversified pipeline of financial assets within the Film Industry. Investments by the Fund will broadly target suitable subsectors within Nigeria. The Fund will seek opportunities within the following sectors:

Film Industry	<ul style="list-style-type: none"> <li>▪ <b>Film Production:</b> This involves financing the entire process of film development and production, from scriptwriting and casting to crew hiring, set design, filming, post-production, and final delivery. The Fund will provide capital to filmmakers and production companies, enabling the creation of high-quality content, including feature films, documentaries, and short films.</li> <li>▪ <b>Film Distribution &amp; Marketing:</b> This sector focuses on the logistics and strategies for distributing films to various media outlets, including cinemas, television networks, streaming platforms, and other channels. It also encompasses marketing campaigns aimed at promoting films to a wide audience, driving viewership and revenue.</li> <li>▪ <b>Rights Acquisition:</b> This involves the purchase of legal rights to adapt scripts, books, and other intellectual properties for film production. It may also include acquiring rights to pre-existing films, television shows, or other content, allowing for repackaging or re-release.</li> <li>▪ <b>Home Entertainment:</b> This area covers the distribution and sale of films via physical media (e.g., DVDs, Blu-rays) and digital downloads or rentals. Despite global declines, home entertainment continues to be a significant revenue stream in markets such as Nigeria and Africa,</li> <li>▪ <b>Streaming Services:</b> This sector is centered on delivering films directly to audiences through digital platforms, including global providers like Netflix and Amazon Prime, as well as regional platforms like Showmax and IROKOtv.</li> </ul>
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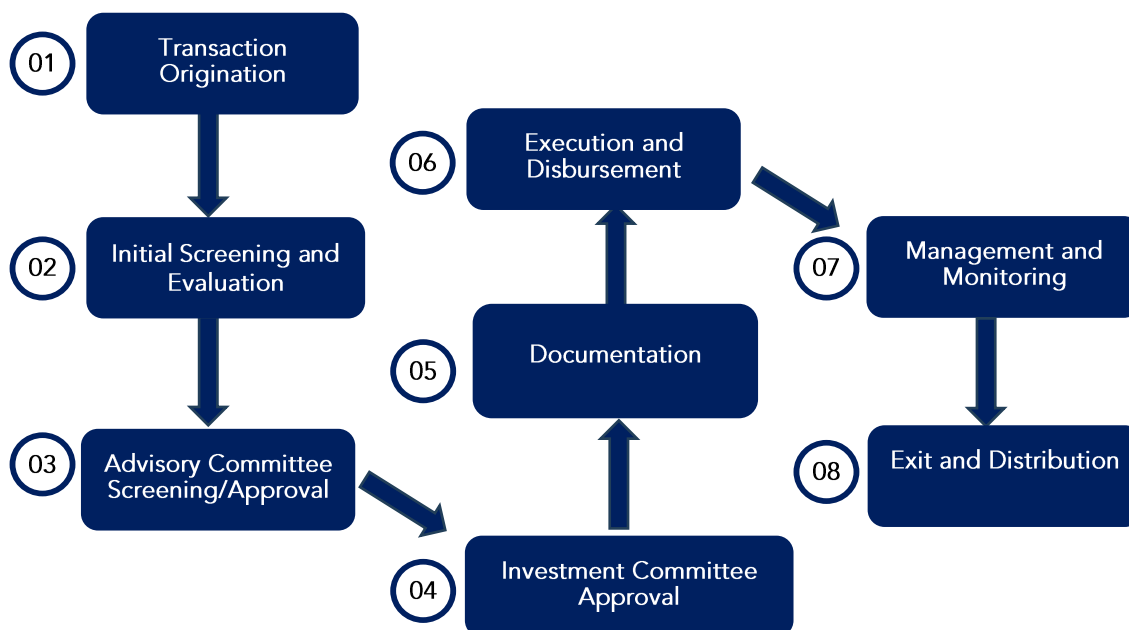
- **Syndication & Licensing:** Syndication involves selling broadcast rights to multiple platforms, such as TV stations, streaming services, and digital platforms across different territories. Licensing grants rights to use content in various formats and markets, further expanding the revenue potential of film assets.
- **Content Creation:** Content Creation refers to the production of original material such as web series, short films, documentaries, or episodic content for digital platforms. It also includes the development of scripts, screenplays, and other forms of creative storytelling.
- **Merchandizing:** This sector leverages popular films to create and sell branded products such as clothing, toys, accessories, etc. Successful films can generate substantial additional revenue through the sale of these goods.

### 11.9.6 Other Investment Policies

- The Fund will invest in specific film project opportunities using conventional project finance, working capital, and bridge finance structures, all in with the terms of each Series/Tranche.
- The Fund will encourage investment opportunities that can generate returns above the prevailing FGN Bond Yield over the course of the instruments.
- The underlying structure of the investments may comprise fixed or floating rate instruments, with the rates potentially being assessed at a premium above a benchmark instrument. The magnitude of this premium will be contingent upon prevailing business and economic conditions, and industry risk, as well.
- The Fund retains the option to make investments in money market instruments up to a maximum of 5%. This strategy serves the dual purpose of maintaining liquidity and effectively managing cashflows, thereby mitigating the adverse effects of cash drag on investor returns.
- The Fund will generate income through the periodic interest payments/dividends it receives from the loans/investment it disburses. These income streams will be distributed annually to investors after deducting allowable expenses.
- The Fund primary aim is to offer financing in NGN and advocate for the utilization of the local currency in supporting long-midterm projects. However, the Fund will retain the flexibility to engage in investments connected to or denominated USD when it is considered suitable. This may be applicable when the project in question receives some or all its income in USD.
- The investments undertaken by the Fund will typically have a maximum tenor of up to twenty years. However, if the investment framework and particular project justifies it, the Fund may consider longer tenors. The repayment schedules for these investments will be tailored to the projected cash flows of individual projects. Depending on these financial projections, the Fund's investment terms may include a moratorium during which the repayment of the principal amount is deferred until the project stabilizes its operations.
- The Fund will strictly adhere to established National Standards on environmental and social risk governance and, in cases where these standards are not defined, it will follow the Equator Principles on same.
- The Fund will direct issues relating to conflicts of interest to the Investment Committee for resolution. For investments that go beyond the agreed-upon investment policy, the Fund will seek approval from the Investment Committee, Trustees, and, if necessary, the SEC.
- The Fund may invest up to 5% of the net proceeds from a Series Capital Call in bank deposits and money market instruments for up to 90 days, subject to a maximum of 25% in any one financial institution. However, 5% of the net proceeds may be invested in short-term government securities such as Treasury Bills.

## 11.10 TRANSACTION EXECUTION PROCESS

### Investment Process Overview



#### 11.10.1 Deal Sourcing/Transaction Origination

The Fund Manager will utilise its partnership with institutions and personnel within the Film industry to source transactions. These relationships include production houses, distribution companies, film festival conveyors, film associations and guilds, film schools and training institutes amongst others. These networks will be a valuable source of potential investment opportunities.

#### 11.10.2 Initial Screening and Evaluation

The Fund Manager will assess each eligible transaction to determine whether it is appropriate and in line with the Fund's goals.

The purpose of the Initial Screening is to determine whether, on a preliminary basis a prospective investment is attractive, actionable, and warrants the commitment of the Fund Manager on the project. The fund manager shall present an overview of the opportunity to the Advisory Committee ("AC"), wherein the members highlight specific areas of concern. The Fund Manager will seek the initial approval of the AC to pursue the transaction and dedicate resources to the potential investment.

#### 11.10.3 Advisory Committee Screening/Approval

The Fund Manager will submit an overview of the opportunities or projects to the advisory committee, which consists of experts in film production, technical, social, financial modelling, tax, and accounting domains. The committee will focus on conducting due diligence, evaluating the sponsor's positioning and strength, assessing opportunity attractiveness, verifying technical assumptions, reviewing the financial model, examining regulatory compliance, and addressing tax considerations.

The committee will combine quantitative and qualitative models to assess profitability and default risk. It evaluates income, cost, capital structure and cash flow, serving as a tool to gauge vulnerability to defaults. The qualitative model will examine the project sponsors integrity in the film industry across various categories.

These committee members will begin the project's due diligence process and verify the technical and economic presumptions underlying the investment opportunity.

The due diligence process may include, among other crucial information such as:

- Social, Economic and Environmental impacts;
- Insurance or guarantee;

- Technical requirements;
- Promoters' history and background;
- Legal due diligence;
- Management/Sponsors/Producers;
- Determination of major risks associated with the project;
- Investment analysis and evaluation of investment/loan terms;
- Evaluation of the company/project;
- Financial performance and capital structure;

A Final Investment Memorandum, based on the results of thorough due diligence and the terms of the financing structure and its accompanying documents, will be put together by the Advisory Committee to be submitted to the Investment Committee for approval. Upon concluding the exercise, the members will vote on the sponsors' projects to advance for investment committee approval.

#### **11.10.4 Investment Committee Approval**

The Final Investment Memorandum will be presented by the Advisory Committee through the Fund Manager to the Investment Committee of the Fund. Upon a thorough review of the final investment memorandum, the IC will provide its opinion for the investment and may grant the approval to the Fund Manager to proceed with the finalization of the investment documentation.

It is important to note that prior to reaching this stage, no legally binding investment commitment can be undertaken on behalf of the Fund, whether by the Fund Manager or the Trustees.

Upon receipt of the final approval from the Fund's IC, the requisite documentation for each investment will be meticulously finalized and subsequently executed by the Fund Manager. The closing and funding of each individual investment will adhere to specific conditions that are associated with that particular investment. These actions will be efficiently coordinated by the Fund Manager.

#### **11.10.5 Documentation**

After obtaining approval from the Investment Committee, the Fund Manager will collaborate with legal consultants to conclude ongoing negotiations and wrap up the necessary documentation for the facility agreement. Supported by the legal advisor, the Fund Manager will ensure compliance with the Conditions Precedent (CP) fulfilment process.

The Investment Committee will then draft a pre-disbursement report, meticulously outlining the terms of the investment as approved by it and the final terms agreed in the facility agreement. Finally, in adherence to the designated authority, the Fund Manager officially signs the financing documents.

#### **11.10.6 Execution and Disbursement**

The Fund Manager will issue clear instructions to the Custodian, for capital calls based on investor commitments and the approved investment sum. Subsequently, the Trustee takes on the responsibility of disbursing the requisite funds. These funds are directed towards the designated project, company, or borrower, in full adherence to the disbursement schedule as advised by the Fund Manager.

#### **11.10.7 Management and Monitoring**

The Fund Manager will be responsible for monitoring transactions through regular engagements with promoters of executed opportunities with a clear focus on ensuring the counterparties remain committed to agreed covenants, proactively identifying potential challenges, and taking steps to manage such issues.

Given their integration of projects into the film fund's portfolio, their roles in management and monitoring will be specialized to encompass both strategic and operational oversight of the projects. This includes, but is not limited to:

- Production oversight and management of processes of their projects, ensuring adherence to budgets, timelines, and quality standards.
- Optimizing the use of resources across projects, drawing from their internal capabilities and networks to enhance production efficiency.

- Providing regular financial reports and updates to the fund, ensuring full transparency of costs and financial performance.
- Collaborating with the fund to develop cohesive marketing strategies that leverage both the fund's and the production company's networks and expertise.
- Actively identifying and mitigating risks associated with their projects, utilizing their industry experience and insights.
- Establishing and tracking key performance indicators (KPIs) for their projects, ensuring they meet the expected performance benchmarks and providing the film fund with regular progress reports, highlighting milestones achieved and any potential issues.
- Implementing industry best practices across all projects to ensure high standards of production and management and leveraging their experience to build competencies and improve project outcomes.
- Acting as a liaison between the film fund and other stakeholders, ensuring transparent and effective communication. Ensuring transparent operations to manage any potential conflicts of interest between the production company and the film fund.
- Implementing independent oversight mechanisms to ensure that the fund's interests are protected and prioritized.

### 11.11 INVESTMENT EXIT STRATEGIES

These are the various strategies for exiting investments, both for the film fund and for investors, allowing for the realization of returns.

For Investors:

- Redemption Option for Unitholders.

For Fund:

Equity	Debt
<ul style="list-style-type: none"> <li>• <b>Distribution Deals:</b> Securing distribution deals with major streaming platforms, or distributors e.g. Netflix, Amazon Prime etc through licensing fees or revenue-sharing arrangements.</li> <li>• <b>Revenue Sharing:</b> Revenue sharing through box office sales, streaming royalties, and other revenue streams.</li> <li>• <b>Sale of Film Rights:</b> Selling the film's rights to other parties, such as international distributors or media companies e.g. DSTV, Showmax etc</li> <li>• <b>Equity Stake Sale:</b> Selling the fund's equity stake to another investor or buyer.</li> <li>• <b>Buyout:</b> The fund can negotiate structured buyouts with stakeholders involved in the film projects e.g. selling to the film-maker.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Principal &amp; Coupon Payments:</b> Structured principal and annual or bi-annual coupon payments.</li> </ul>

### 11.12 INVESTMENT RESTRICTION

The Fund shall not invest in:

- Any unlisted security of the Fund Manager or its associate or group company;
- Any listed security issued by way of private placement by the Fund Manager or its associate or group company;
- More than 25% of the maximum 5% allocated for money market investments to instruments issued by

a single issuer.

- The Fund's investments in any single company, project, or special purpose vehicle designed to facilitate or promote Film will not exceed 20% of the Fund's total assets; and
- Investment in Units of the Fund is restricted to Qualified Institutional Investors and High Net Worth Individuals .

### **11.13 CALCULATION OF THE NET ASSET VALUE**

The Fund Manager shall compute and announce the NAV (and Nav per Unit) of the Fund on a semi-annual basis. The Fund's NAV will be computed using acceptable valuation methodologies based on the Trustees-approved principles.

The Net Asset Value and Net Asset Value per Unit will be calculated by the Fund Manager by adding the fair valuations of all investments held by the Fund and making any necessary adjustments that account for cash held by the Fund, accrued liabilities, expenses, prepayments, and any other creditors and debtors.

Along with the valuation, the Fund Manager's valuation factors, such as interest rates, inflation, GDP growth, and foreign exchange conversion rate, must be stated.

The Fund shall also engage a SEC-registered consultant to value the Fund's assets semi-annually or as required by applicable SEC requirements. The consultant must be replaced every three years as required by the SEC.

### **11.14 INCOME AND DISTRIBUTIONS**

Subject to revenue realization, the Fund will attempt to distribute net income to Unitholders in accordance with existing regulations. The Fund Manager shall determine the Fund's revenue, net of expenses, to be distributed annually in the best interests of the Unitholders. The Fund's distributions will be paid to all Unitholders as of the Qualification Date. Unitholders can choose to receive the distribution in their chosen account or reinvest it in the Fund. Also, the Net Income of the Fund shall be distributed to the Unitholders annually, provided that the Fund Manager with the consent of the Trustees may in addition to the annual dividends, distribute special dividends in a particular year.

### **11.15 DISTRIBUTION WATERFALL**

The Fund shall make periodic distribution annually based on the returns from underlying investments – both debt and equity instruments. The income generated by the Fund, in the form of royalties, fees, proceeds from merchandize and coupon payments received from the investees, shall be distributed periodically to the Unitholders, after deducting the operating expenses of the Fund in accordance with the distribution waterfall.

The Fund will adopt a distribution waterfall methodology that ensures distributions are implemented as follows to the Fund Investors and the Fund Manager.

- i. First, all fees and expenses of the Fund will be paid.
- ii. Second, the invested capital (cost of units subscribed to) and unpaid target returns to investors will be paid.
- iii. Third, the remaining profits will be split between the investors and the fund manager in accordance with the carried interest of 20% of the Fund's net profit payable to the Fund Manager, subject to a hurdle rate.

### **11.16 ISSUANCE OF UNITS**

Following the substantial investment of net proceeds from the Initial Offer in Film investments, the Fund Manager reserves the right to issue new Units in the Fund through Subsequent Series Issuance. The Fund Manager shall set the number and price of units offered in Subsequent Series from time to time.

Any Subsequent Series Issuance is subject to the Trustees' approval and the applicable SEC Rules and Regulations. When Subsequent Series are launched, the Fund Manager must amend the Shelf Prospectus. Under this Shelf Prospectus, the maximum number of Units that can be issued is 20,000.

Any new Units offered for subscription through a Subsequent Series shall rank equally with the existing Units in all respects, apart from the Distribution to be paid by the Fund immediately following the issuing of the new Units. The new Units will be able to participate in such Distribution on a pro-rata basis for the duration of their issue.

### 11.17 WITHDRAWAL OPTION FOR UNITHOLDERS

At the request of the Fund Manager, the Trustee shall approve the buyback of Units from Unitholders. The maximum number of Units that can be bought back is restricted to 20% of the aggregate issued Units, during the life of the Fund.

The maximum Price for the repurchase, including any applicable brokerage or commission, shall not exceed the Bid Price of the Fund. The repurchase notice shall also specify the other terms of the repurchase including maximum number of units to be repurchased and the other conditions under which such repurchase is to be affected, including the timeframe for execution of the repurchase.

### 11.18 UNIT STATEMENTS

Unitholders will receive Unit Statements, which will serve as proof of title to the number of Units listed on such statements.

### 11.19 FEES AND OTHER EXPENSES

<b>Fund Manager</b>	<p>An annual management fee, the percentage of which is to be determined under each Series or Tranche but not more than 2.0% of the Net Asset Value of each Series or Tranche, which shall be accruable daily and payable quarterly in arrears.</p> <p>For any Series or Tranche issued under the Programme dedicated specifically for equity investments, the Fund Manager may charge an incentive fee where the Fund outperforms the applicable Hurdle Rate for such Series or Tranche. The incentive fee shall be chargeable on the total annualized returns above the applicable Hurdle Rate and up to 20% of the excess returns.</p> <p>The annual management fee and incentive fee (if applicable) for each Series or Tranche shall be stated in the relevant Supplementary Prospectus.</p>
<b>Custodian</b>	<p>An annual fee equivalent to 0.05% of the assets under custody is accruable daily, payable quarterly in arrears.</p> <p>This may be reviewed by a supplemental prospectus issued with respect to a Series.</p>
<b>Registrar</b>	<p>An annual fee of ₦2,500,000 is payable semi-annually in arrears to the Registrar</p> <p>This may be reviewed by a supplemental prospectus issued with respect to a Series.</p>
<b>Trustee</b>	<p>An annual fee equivalent to 0.28% of the Net Asset Value to be shared among the Trustees, accruable daily, payable quarterly in arrears.</p> <p>This may be reviewed by a supplemental prospectus issued with respect to a Series.</p>
<b>Due diligence costs</b>	<p>Third-party due diligence charges and expenses for projects being reviewed for financing by the Fund will be charged to the Fund based on actual amounts incurred, if not reimbursed by the borrower.</p>
<b>Others</b>	<p>The Fund will also bear the costs and expenditures associated with its operation and administration, such as auditing, valuation, reporting, listing, transferring Units, and paying Distributions to Unitholders. Legal fees, brokerage, stamp duty, and other taxes will also be borne by the Fund. The Fund will also cover the costs of organizing meetings of Unitholders and the Fund's Advisory Committee.</p>
<b>Total expense ratio</b>	<p>The total expenses of any Series or Tranche under the Fund shall not exceed 3.5% of the Series or Tranche's Net Asset Value every year.</p>

## Offer Related Expenses

The costs, charges and expenses incidental to an Offer including fees payable to SEC and professional parties, brokerage, printing and distribution expenses, is capped at a maximum of 1.06% of the gross proceeds of the relevant Offer. The costs will be borne by the Fund and will be offset from the proceeds of the relevant Offer.

### 11.20 BORROWING POLICY

The Fund shall be permitted to borrow and shall use borrowings for the purpose of meeting its operating expenses, including distributions to investors making new investments or to finance buyback of its Units. The Fund shall restrict its borrowings to a maximum of [25%] of its NAV at any point in time.

### 11.21 AUDIT AND REPORTING

The auditor for the Fund shall be appointed by the Fund Manager upon consultation with the Trustees, in accordance with the current SEC Rules and Regulations.

The Fund must be audited on an annual basis, and the audited financial statements must be filed with the SEC within three months of the Fund's fiscal year-end. The Fund's annual report thereof shall be emailed to Unitholders at their registered email address and made available on the Fund Manager's website. The Fund Manager's website will provide a copy of the Fund's annual report.

The Fund Manager must also provide quarterly reports on the Fund's operations to the Trustees and the SEC as required by SEC Rules and Regulations. The Fund Manager must also take steps to ensure that the Fund's quarterly reports are published on its website. Such quarterly reports must be issued within one month of the end of the fiscal term to which they pertain.

### 11.22 CONFLICT OF INTEREST AND RELATED-PARTY TRANSACTION

The Fund Manager shall make every effort to ensure that circumstances that create conflicts of interest between the Fund and the Fund Manager, its associates, or group companies performing financial, investment, or other professional activities, including the allocation of investment opportunities to different clients, are satisfactorily resolved. Any such conflict shall be fully disclosed to the Trustees, subject to applicable requirements.

The Fund shall not enter any related party transaction without first obtaining approval from the Advisory Committee, and a fairness opinion or third-party audit or evaluation in respect of such transactions from a duly qualified independent adviser may be provided at the request of the Advisory Committee and the Trustee.

### 11.23 REPLACEMENT OF KEY PERSONS

Before removing any of the Key Persons, the Fund Manager must give the Trustees and Unitholders ninety days' notice. The new Key Persons must have extensive professional experience comparable to the Key Person they wish to replace. The nomination of replacement Key Person(s) is subject to approval by the Trustee and notification to the SEC of such appointment or replacement.

### 11.24 REMOVAL OF THE FUND MANAGER

The Fund Manager may be removed by the Trustees by written notice, subject to SEC requirements and approval, if:

- the SEC withdraws or revokes the Fund Manager's certificate of registration as a capital market operator; or
- the Trustees certify that the Fund Manager was fraudulent or engaged with unacceptable conduct or recklessness in the Fund's management; or
- the Fund Manager voluntarily resigns; or
- unitholders representing [75%] of outstanding Units (This shall exclude any units held by the Fund Manager in its capacity as unitholder) submit a written request to the Trustee for the removal of the Fund Manager; or
- the Fund Manager is in the process of being liquidated or a receiver has been appointed to take over its affairs.

On removal of the Fund Manager, subject to provisions of the ISA, the Trustees shall, with the approval of SEC, select a substitute fund manager who can demonstrate the appropriate track record and experience for the management of the Fund.

## 12. INFORMATION ON THE FUND MANAGER AND TRUSTEES

### 12.1 THE FUND MANAGER

#### 12.1.1 PROFILE

Utica Capital Limited is an asset management company, licensed as a fund/portfolio management firm by the Securities and Exchange Commission (SEC) on 21 December 2020, Nigeria under the Investment and Securities Act (ISA) 2025 to provide top-notch investment and fund/portfolio management services to individuals/institutions, corporate, and the mass affluent.

Utica Capital Limited consists of a team of experienced fund managers with a breadth of strong performing products across multiple asset classes, easily accessible to individuals and institutions.

Utica Capital Limited offers its clients a range of products and services which includes SEC registered collective investment schemes, Impact Investing, and Fixed Deposit Investing. Utica Capital Limited employs strategies which are dedicated to preserving investors' wealth while maximizing the value that they receive. The company is positioned to build wealth for clients across all economic classes and are the trusted partner in growing wealth. Utica Capital Limited services are provided to both institutional and private investors. Assets managed and funds administered on behalf of third parties include:

	2023 (₦'000)	2022 (₦'000)	2021 (₦'000)
Portfolio Managed Account	8,837,272	5,319,495	1,146,394
<b>Total Asset Under Management</b>	<b>8,837,272</b>	<b>5,319,495</b>	<b>1,146,394</b>

The Net Asset Value of the Collective Investment Scheme (CIS) held by Utica is as follows:

	Dec 2024 (₦'000)	Dec 2023 (₦'000)
Utica Custodian Assured Fixed Income Fund	93,570	81,640

Utica Capital Limited has operated for a long time in the Nigerian financial services space and has established itself as a highly trusted asset manager and has established strategic partnerships with its clients ranging from retail, ultra, and high net-worth individuals and institutional investors. This positions Utica to fully understand the and technical requirements to develop products and services that deliver high returns while efficiently managing all associated risk.

#### 12.1.2 BOARD OF DIRECTORS

##### **Dr. Adesegun Akin-Olugbade – Chairman**

Dr Adesegun Akin-Olugbade is an international lawyer and leading finance and corporate governance expert, with extensive legal, financial services and corporate management experience. He is the founder and Principal Partner of Luwaji Nominees, Of Counsel at Clifford Chance and International Counsel at Aelix Partners. Dr. Adesegun Akin-Olugbade was formerly Executive Director and Chief Operating Officer of Africa Finance Corporation, General Counsel and Senior Director of the African Development Bank and founding Chief Legal Officer of African Export-Import Bank.

He was appointed the first African member of the World Trade Board in 2019 and has been on the Monetary Law Committee of the International Law Association (MOCOMILA) for 20 years. He has over 30 years of legal and operating management experience primarily with leading commercial law firms, multilateral development banks and international financial institutions.

A graduate of the Harvard Law School (1991) and LLM (International Financial Law) from Kings College London in 1985, Dr. Akin-Olugbade has served on the boards of leading multinational corporations and financial services companies, including Ecobank Transnational Inc (as a non-Executive Director and Chairman of the Governance Committee), Asset & Resources Management Company Limited, Nigeria (as a founding director) and Mouka Limited (as Vice-Chairman).

He is currently chairman of NSIA Insurance Limited, Southern Marine Petroleum Limited, Axion Realty & Development Company Limited and Dr. Adesegun Akin-Olugbade Foundation. He is Vice-Chairman of OBA

International Limited, OBA Transport Limited and ARC (Nigeria) Limited. He is a Non-Executive Director of NGClearing Limited.

A life member of the Nigerian Conservation Foundation and Trustee of charitable organisations, he was conferred with the National Honour of Officer of the Order of the Niger (OON) by the Federal Republic of Nigeria in 2012.

### **Isiaka Olarongbe Belgore – CEO/Managing Director**

With close to 20 years' experience gained in the Financial Industry, Ola's diverse and rich professional career started in 2003 and has seen him handling different challenging roles in Stockbroking, Asset Management, Portfolio Advisory and Business Development.

A graduate of Microbiology from the University of Lagos, Nigeria in 2004, Ola received his MBA in International Business from the prestigious Lincoln University, California USA in 2010. He began his career at TRW Stockbrokers Limited from where he joined Meristem Securities Limited in 2006. In 2008, he rose rapidly to become the pioneer Head of the Wealth Management Department of Meristem Wealth Management Limited, a subsidiary which he helped set up alongside two other colleagues.

Recognized as a valuable asset to the organization for his strategic skills at driving projects, he was redeployed to Group Business Development with the herculean responsibility of coordinating, integrating and driving Business Development of the five companies in Meristem.

Ola's background has immensely aided him in carving an unbeatable niche for himself as a positive influencer both in the professional and personal fronts. He brings deep insight, objectivity and honesty into issues and projects, and as with everything he sets his mind on, he performs excellently at them all.

He is the Chairman, Board of Directors of Moneywise Microfinance Bank Limited. and the immediate past Managing Director of Afrinvest Asset Management Limited. He is currently the Chief Executive Officer of Utica Capital Limited.

He is a Chartered Wealth Manager (CWM); Member of the American Academy of Financial Management (AAFM); Associate of the Nigerian Institute of Management (NIM); Fellow, Institute of Credit Administration; Associate member, Commodity brokers association of Nigeria – CBAN; Honorary Senior Member, Chartered Institute of Bankers – CIBN and a Fellow of the Association of Investment Advisers and Portfolio Managers (IAPM), An Associate of the Chartered Institute of Arbitration (CiArb) and a Council Member of the Association of Corporate and Individual Investment Advisers (CIIA).

A highly enthusiastic and passionate person, he has been instrumental to the growth and sustenance of many helpful policies in the various organizations he has had the privilege of serving and continues to set the bar high.

### **Moridat Yetunde Lawal - Non-Executive Director**

Yetunde Lawal is currently a senior sql server database administrator with Intercontinental Exchange Inc, USA. She has more than 8 years of experience implementing and managing complex SQL Server database systems with a robust background in the implementation of multiple database technologies with focus on performance tuning, security, high availability solutions and disaster recovery with strong analytical and organizational skills, which allows her to quickly understand a new business process and its relation to the end user.

Prior to Intercontinental Exchange, she worked as a database engineer with Strategic link consulting, a loan management system company where she managed and provided technology solutions in various aspects of database management and availability.

She has worked with financial institutions (Oceanic Bank PLC, Guaranty Trust Bank Nigeria and First Bank PLC) in the early years of her career as head, customer service relationship management across various states in Nigeria.

She earned a Bsc in Computer Science from University of Ilorin, Nigeria in 2006. She is a Microsoft certified systems administrator and a member of Professional Association for SQL Server (PASS). Yetunde is currently enrolled in Masters Data Analytics at Georgia Institute of Technology.

### **Okpapi Omoaka - Non-Executive Director**

Okpapi is a thorough-bred Information Technology Professional and Business Leader with expertise in Systems Analysis, Business Analysis, Project Management, Technology Sales, IT Consulting, Business

Development, and General Management. Okpapi has over 15 years of varied experience spanning Project Management, IT Consulting, New Business Incubation, and Strategic Business Development.

Okpapi commenced his career as a pupil telecoms project engineer in Telnet Limited where he designed Virtual Private Networks for Private and Public Organizations. He also managed the Project delivery for the first 3.5 GHz WIMAX project in Nigeria on behalf of Cyberspace Network Limited as Telecoms Project Lead.

Okpapi currently provides Information Systems advisory and Business Consulting Services to Vatebra's Clients across the African Region. Okpapi also drives business expansion for Vatebra in the African region. Okpapi chairs the IT Steering Committee and Brand & Culture Committee of Vatebra Limited. Okpapi is a Non- Executive Director at Utica Capital Limited, where he provides advisory in Legal & Ethical Compliance, Strategic Direction, and Oversight.

Okpapi earned a BEng in Electrical Electronics Engineering in 2003 and a Master's in Business Administration (MBA) from the University of South Wales in 2019. He has attended many management courses, seminars, and workshops, both locally and internationally. He is a member of the Nigerian Institute of Management.

### **Dr. Dele Abegunde - Non-Executive Director**

Dr. Dele Abegunde has over 20 years of Global Health Economics and International Public Health experience leading operational and research projects in leading multilateral and non-profit organizations, including the World Health Organization, John Snow Inc. Research and Training.

He has a Master's Degree in Health Economics from the University of Ilorin, Nigeria (2000).

He is currently an International Consultant for UNFPA; Islamic Republic of IRAN; UNICEF; The World Health Organisation (WHO), South Sudan; Gavi/Deloitte, USA; UNFPA, Maldives; WHO Afro, Botswana; WHO Afro, UNICEF; and Institute of Human Virology of Nigeria.

Prior to becoming an International Consultant, he was the Director of Monitoring and Evaluation for John Snow Inc. Research and Training in Boston; Principal Consultant/Lead Health Economist for Institute for Africa Health and Economic Research and Consultancy (iaHERC) in Nigeria; Medical Officer/Health Economist for World Health Organization in Switzerland; Health economist for Catalyst Health Economics Consultant in United Kingdom.

A former Associate Lecturer, University of Ilorin, Dr. Abegunde has well over 20 publications and papers on public health in both local and international conferences. His recent abstracts and posters presentation in scientific conferences includes: Universal Health Insurance Coverage and Reimbursement for Medicines in Countries, Inefficiencies due to poor access to and irrational use of medicines to treat acute respiratory tract infections in children etc.

### **Oladayo Orolu – Independent Non-Executive Director**

Oladayo Orolu is a finance and business strategy expert with close to 20 years experience in corporate finance, accounting, business and market development activities across the Power, Oil and Gas sectors of the economy.

He is a Fellow of the Institute of Chartered Accountant and formerly Head of Accounting and Finance at Siemens Nigeria. He was the pioneer Head of Finance and Administration at Camac Petroleum Limited where he was instrumental in major Assets acquisition and project finance activities. He was Senior Associate at PricewaterhouseCoopers and Audit Associate at Akintola Williams Deloitte at different times.

He is currently Head of Business Development and Government Affairs at Siemens Nigeria with responsibilities for Corporate Strategy, Government Affairs, Partner Management, and Technical Vocational Education Training. In addition, Oladayo serves as a member of the Private Sector Advisory Group, European Business Organization, Nigerian German Chamber of Commerce and Infrastructure Policy Commission of the Nigerian Economic Summit Group. He is an Independent Member of the Advisory Committee of Afrinvest Dollar Fund and member of the Advisory Committee of Howbury Schools Lagos.

He holds an MBA degree from University of Warwick (2017), Bachelor's degree in Industrial Chemistry from University of Lagos (2002) and Diploma in International Financial Reporting by the ACCA (2010). He is a Fellow of the Institute of Credit Administration of Nigeria, member of International Association of Energy Economics, Global Association of Risk Professionals and Association of Corporate Treasurers of Nigeria. He has attended Leadership Program at the Siemens Global Leadership Academy, among many others senior executive programs.

### **Tajudeen Ahmed – Independent Non-Executive Director**

Tajudeen Ahmed has had an eventful, over 20 years' career, spanning three sectors: Consulting, Banking, and Manufacturing. Currently, he is the General Manager/Group Head Business Development at BUA Group.

Previously, he was a Senior Consultant at the globally-acclaimed professional firm, Arthur Andersen (now known as KPMG), and later, Head of Strategy at Financial Control & Strategic Planning Department of Zenith Bank Plc.

He moved to Skye Bank Plc in 2008 to start and head its Strategy Department; and in 2012, he rose to become Assistant General Manager (AGM)/Group Head of Strategic Planning & Project Management Office (PMO), where he led and executed several organization-defining projects.

Mr. Ahmed holds B.Sc. Accounting from Ahmadu Bello University (ABU) Zaria, as Best Graduate in department and faculty in 1999, and an MBA (Distinction) from University of Leeds, United Kingdom in 2007.

He is a Fellow (FCA) of the Institute of Chartered Accountants of Nigeria (ICAN), Fellow of the Institute of Credit Administration (FICA), Fellow of Nigeria Leadership Initiative (FNLI) awarded by Yale University, USA; Honorary Senior Member (HCIB) of the Chartered Institute of Bankers of Nigeria (CIBN). He is also an Associate Member of Nigerian Institute of Management (AMNIM), member of Society for Corporate Governance Nigeria (SCGN); and an alumnus of Lagos Business School (LBS) Senior Management Program 42 (SMP 42) where he was initially elected Class Alumni Vice President in 2011, and subsequently elected as President, since 2013.

### **12.1.3 PRINCIPAL OFFICERS OF FUND MANAGER**

The management of Utica Capital Limited is led by Isiaka Olarongebe Belgore and supported by the following principal officers:

#### **Isiaka Olarongebe Belgore – CEO/Managing Director**

detailed profile provided above.

#### **Emmanuel Bobola Fatusin – Chief Investment Officer of the Fund**

Emmanuel is a highly accomplished professional with over 20 years of diverse experience spanning Investment Banking, Consulting, Private Equity, Venture Capital, FMCG, and Technology. He has held senior leadership roles, including Director-level positions, and has a proven track record of driving strategic growth and operational excellence across global markets in Europe, Africa, Middle East and Asia.

Renowned for expertise within the financial services sector, he brings a unique combination of analytical rigor, innovative problem-solving, and cross-industry insights. His career highlights include leading transformative projects, managing high-value investments, and delivering exceptional results in dynamic, fast-paced environments. With a deep understanding of global markets and cultural nuances, he excels at building strong partnerships, fostering innovation, and unlocking value in complex ecosystems.

He has worked with various international organisations such as KPMG, Citi Bank, Fidelity International, Royal Bank of Scotland and Barclays Capital. He was former Group Head of Credit for Dangote Group.

He graduated from the Wharton School, University of Pennsylvania on Leadership and Management in 2021, Queen Mary University (Msc. E-Commerce Engineering) in 2002 and City University (BEng. Computing) in 2001.

#### **Aderonke Osho – Portfolio Manager**

Aderonke D. Osho is a Business Operations Executive with almost two decades of experience in the Nigerian financial services sector specialising in Funds/Portfolio Management, Customer Relationship Management, and Business Development. She has a proven track record of driving business growth and fostering strong client relationships. Aderonke D. Osho is a seasoned Business Operations Executive with nearly two decades of expertise in Nigeria's financial services sector. Renowned for her strategic acumen and ability to foster enduring client relationships, she specializes in Funds/Portfolio Management, Customer Relationship Management, and Business Development.

Currently serving as a Portfolio Manager at Utica Capital Ltd, Aderonke has spearheaded the establishment of dynamic business development and client service desks, introduced innovative mutual fund products, and managed substantial client portfolios with precision. Her forward-thinking approach has significantly elevated client engagement and driven the achievement of critical business objectives.

Prior to her tenure at Utica Capital Ltd, Aderonke held key roles that honed her wealth management expertise. At GTL Trustees Ltd, she was instrumental in designing new processes and marketing materials, driving investment campaigns, and securing substantial assets under management. Her tenure as a Wealth Advisor at SCM Capital Ltd further demonstrated her prowess in managing client portfolios, credit administration, and regulatory reporting.

Aderonke graduated with a B.Sc. in Insurance from the University of Lagos in 2005 and is a SEC Sponsored Individual. She recently completed the Chartered Institute of Stockbrokers exam, further cementing her standing in the funds and asset management sub sector.

#### **Aiyegbeni Kanabe – Compliance Officer**

Mr. Ayegbeni Kanabe has over 25 years of cognate experiences in different financial institutions in Nigeria.

He started his banking career in the then Savannah Bank PLC before moving over to Prudent Bank Ltd (Now Polaris). He later joined then Oceanic Bank before he again moved to Ecobank Nigeria Ltd.

He joined the Capital Market when he qualified as a Stockbroker in 2019 as Head of Operations in Hedge Securities and Investment Company Ltd - a Stockbroking firm in Lagos. He later moved to Cedar of Lebanon Securities Ltd as Head, Broker/Dealer Unit.

He joined Utica Capital Ltd on 1st July 2024 as a Compliance Officer. He holds his first and second degrees in Economics (B.Sc.) 1997 and Business Administration (MBA) all at the University of Ilorin, Ilorin – Nigeria in 2008.

He is also a member of different professional bodies; Fellow - Chartered Institute of Bankers of Nigeria (FCIB), Associate - Chartered Institute of Stockbrokers (ACS), Member - Nigerian Institute of Management (MNIM), Member - Compliance Institute, Nigeria, Dealing Member - Nigeria Exchange Ltd (NGX), Sponsored Individual - Securities & Exchange Commission.

#### **Itunu Ajayi – Financial Controller**

Itunu Adedeokun Ajayi, FCA is a seasoned finance professional with a Bachelor of Science Degree in Finance from the University of Ilorin in 2012, where she graduated with a Second-Class Upper Division. She is an Associate Member of the Association of Accounting Technicians of West Africa. She became a Fellow of the Institute of Chartered Accountants of Nigeria in 2024. She is also a Sponsored Individual of the Securities and Exchange Commission of Nigeria (SEC).

She began her career as a Financial Analyst in the Research Department at Meristem Securities Limited, covering various sectors of the Nigerian Exchange Group (NGX). She further honed her skills as an auditor at Murtala Gbadamosi and Co. and as a Financial Analyst at BGL Plc. providing crucial investment recommendations to clients and stakeholders based on in-depth analysis of companies listed on the NGX.

With over a decade of experience in Financial Analysis, Reporting, Auditing, Corporate Finance, and Asset Management, Itunu has established herself as a highly analytical, detail-oriented, and goal-driven professional. As Group Investment Manager at Truebond Global Investments Limited, she managed the activities of four subsidiaries, significantly boosting the profitability and return on investments for Truebond Private Equity Limited. In her previous role as Head of Finance and Business Support at Vesselnet Integrated Services Limited, She built the Finance department from the ground up. She created operational manuals, made pivotal decisions in accounting and finance, handled international and local procurements and logistics, and secured critical lines of credit for financing capital-intensive projects.

At Utica Capital Limited, Itunu leverages her extensive expertise in financial reporting, analysis, and asset management to drive strategic financial and accounting decisions. She played a critical role in structuring the Finance and Operations departments, including their processes and workflow. Her contributions are poised to significantly enhance the company's bottom line while ensuring full compliance with all relevant statutory and regulatory requirements.

#### **12.1.4 ADVISORY COMMITTEE FOR THE FUND**

The Fund Manager shall form the Advisory Committee, which comprises of Eight (8) members, which includes one (1) representative of the Fund Manager, Five (5) independent members and Two (2) Representatives of Investors.

**Isiaka Olarongbe Belgore – Representative of Fund Manager**

detailed profile provided above

### **Richard Mofe-Damijo – Independent Member**

Richard Mofe-Damijo (RMD) is an acclaimed Nigerian actor, film producer, and industry leader with over three decades of experience in the Nigerian film industry, also known as Nollywood. RMD is widely regarded as one of the most influential and respected figures in Nollywood, having significantly contributed to the growth and global recognition of Nigerian cinema. RMD has starred in over 100 films and television series, earning critical acclaim for his diverse roles. Some of his notable works include *Out of Bounds*, *Diamond Ring*, *The Wedding Party*, and *True Citizens*. His powerful performances have made him a beloved figure both within Nigeria and internationally. In addition to acting, RMD has contributed to the production side of Nollywood, playing an instrumental role in the creation and development of several films. His experience as both an actor and producer provides him with a holistic understanding of the film industry. As a respected thought leader, RMD has continuously advocated for the growth of Nollywood, pushing for better infrastructure, funding, and opportunities for local filmmakers. His contributions extend beyond his on-screen presence, as he is an advocate for the preservation and promotion of African culture through film. RMD's career has been marked by numerous awards and recognitions, including the Best Actor in a Leading Role at the African Movie Academy Awards (AMAA). His achievements have solidified his position as one of Nollywood's most celebrated actors.

### **Femi Adebayo – Independent Member**

He is an Actor, Producer, Influencer, Media Consultant and trained Lawyer. Femi holds a Master in Law Degree (LLM) from the University of Ibadan. He won the award for the best indigenous language movie at the 10th Africa Magic Viewers Choice Awards (AMVCA) for his movie "Jagun Jagun". He has starred in over 1,000 Nigerian movies and has gotten several nominations and won several international awards which include African Movies Viewer's Choice Awards (AMVCA) Nigeria, Afro-Heritage Broadcasting & Entertainment Award (AHBEA), Zulu African Film Academy Awards (ZAFAA) in London, Africa International Film Festival (AFRIFF) in Toronto, Golden Movies Award (GMA) Ghana and several others. Following his achievements in the entertainment industry, he was appointed Special Adviser to the State Governor of Kwara on Arts, Culture, and Tourism from 2017 to 2019. With a mindset to impact the younger generation, he established the J15 School of Performing Arts which recently celebrated its 12th anniversary and has graduated over 800 individuals in different fields of filmmaking. He has managed advocacies for several agencies which include Sustainable Development Goals (SDG) and Non-Governmental Organizations such as the Leah Foundation on Cancer campaigns. Femi has produced movies such as "Diamonds in the Sky", "Survival of Jelili", "Ile Alayo", "Etiko Onigedu", and "Sisi". He is also the CEO of Euphoria360 Media, a production company that produced the highest-grossing Nollywood movie at the box office for the year 2022, (KING OF THIEVES) also Jagun Jagun (2023).

### **Ali Nuhu – Independent Member**

He is a Nigerian actor and the current Managing Director of the Nigerian Film Corporation, appointed by President Bola Ahmed Tinubu in January 2024. He is known for his roles in both Hausa and English films and is often referred to by the media as the "King of Kannywood" or "Sarki Ali". Ali Nuhu has appeared in over 500 Nollywood and Kannywood films, earning numerous accolades along the way. He is widely considered one of the greatest and most influential actors in the history of both Hausa and Nigerian cinema. In terms of audience reach, popularity, and earnings, he is often described as the most successful Hausa film star globally. Ali Nuhu starred in several sequel films, including *Azal*, *Jarumin Maza*, and *Stinda* was awarded Best Actor in a supporting role during the Africa Movie Academy Awards in (2007). In 2019, Nuhu celebrated his 20th anniversary in the entertainment industry. He has appeared in about five hundred movies. He holds a Bachelors of Art degree in Geography from the University of Jos. He also did courses on Filmmaking from [Asian Academy of Film and Television Noida, Delhi], Transmedia Story Telling in the University of Southern California Dept of Cinematic Arts and Acting for the Camera in the Los Angeles Center Studios, Relativity Education.

### **Kachi Offiah - Independent Member**

Kachi Offiah is a dynamic media personality with over 8 years of experience across the television spectrum, from development and packaging to directing and producing. Her keen eye for innovative projects and ability to tap into broad audience appeal make her a powerful storyteller, driven by the belief that "there is beauty in everything—you just need to step back and take a second look." Starting her career as an intern at 99.9 Kiss FM Abuja, Kachi quickly made her mark as a results-oriented producer in the media industry. Today, she serves as a producer and presenter at Arise News Channel, where she has covered prestigious

international events such as the OSCARS and MET GALA. Kachi currently hosts the daily entertainment and lifestyle show, *ARISE 360*, which showcases groundbreaking moments in Entertainment, Arts, and Culture and features interviews with key figures in the industry. In addition to her media career, Kachi is a co-founder and board member of Kavita, a company dedicated to creating supportive structures for creatives. She holds an LLB in Law and is currently pursuing an LLM, further strengthening her versatile skill set.

#### **Omoni Oboli – Independent Member**

She is a Nigerian actress, scriptwriter, film director, producer and digital filmmaker. She studied at the New York Film Academy and has written several screenplays, including *The Figurine* (2009), *Anchor Baby* (2010), *Fatal Imagination*, *Being Mrs Elliott*, *The First Lady* and *Wives on Strike* (2016). In 2018, she starred and directed the comedy film, *Moms at War*. She is also the first actress from Nollywood to win Best Actress in two international festivals, (that are not organized by Nigerians or Africans), in the same year (2010). She has won several awards locally and internationally, including Best Actress for both the Harlem International Film Festival and the Los Angeles Movie Awards for *ANCHOR BABY*, two-time Best Actress African Movie Academy Awards (AMAA) nominee for *THE FIGURINE* and *FIFTY*.

[•] Representative of the Investor

[•] Representative of the Investor

The following are the Advisory Committee's terms of reference:

- Provide strategic guidance and direction for potential investments in the Film Industry, aligning investment decisions with the organization's overall goals and objectives;
- Offer industry-specific expertise and insights into the Film Industry, including trends, emerging opportunities, and potential risks;
- Utilize networks and connections within the Film Industry to identify investment opportunities, forge partnerships, and leverage resources for mutual benefit; and
- Consider any other matters referred to it by the Fund Manager, the Trustees, or the Investment Committee.

In order to mitigate conflict of interest, the advisory committee may:

- determine that the AC member should be required to excuse himself or herself from specific business of the committee
- determine that the AC member should abstain from voting and/or that the AC Member shall be prevented from being provided or from accessing relevant information.
- in other instances, decide that the AC member be removed from the Advisory Committee. Any decision of the Investment Committee in this regard shall be final and binding.

#### **12.1.5 INVESTMENT COMMITTEE FOR THE FUND**

The Investment Committee will advise and guide the Fund Manager on its investment strategies and policies in order to ensure that its activities conform with the Fund's established investment objectives and in the overall interests of the Unitholders. In addition, the Investment Committee will pay special regard to the SEC guidelines regarding restrictions on investments as prescribed from time to time. The Investment Committee will also review the portfolio periodically to assess liquidity positions and evaluate the risk parameters and will, from time to time, rebalance the portfolio.

The investment committee shall meet at least quarterly; where required, they may meet more frequently to review or approve transactions.

The Investment Committee comprises of a minimum of six (6) members, including two representatives from the Fund Manager, two independent members and a representative each from the Trustees:

**Emmanuel Bobola Fatusin – Chief Investment Officer of the Fund (Representative of the Fund Manager)**

Detailed profile provided above

**Isiaka Olarongbe Belgore – Representative of the Fund Manager**

Detailed profile provided above

#### **Dr. Ore Sofekun PH.D, MBA – Independent Member**

Dr. Ore Sofekun, is passionate about helping individuals achieve their investment goals and love building sustainable businesses with strong corporate governance. She was a one-time president of the Fund Managers Association of Nigeria (FMAN) and has served on several capital market committees including the National Savings Scheme working group recently launched by the Honorable Minister of Finance. Her 20 years experience spans Venture Capital, Funds Management, Investment Banking, Management Consulting, and Manufacturing sectors. Dr. Sofekun is the Founder and Chief Executive Officer at Foothold Advisors, bringing experience from previous roles at Investment One Financial Services Limited, Investment One Financial Services, Cardinalstone Partners and Goldman Sachs. She holds a MBA (Management and Finance) from the University of Pennsylvania in 2004, and a Ph.D in Chemical Engineering from the Iowa State University in 1996. Dr. Sofekun brings a robust skill set that includes Business Strategy, Management, Financial Modeling, Operational Excellence, Investment Banking and more.

#### **Mr. Micheal Oyebola – Independent Member**

Mr. Micheal Oyebola the founder & CEO of Money Counsellors is a brilliant internationally regarded fund manager. He was a one time President of Fund Manager Association of Nigeria FMAN, Managing Director Chapelhill Denham Management, Managing Director, FBNQuest Asset Management etc. His strengths are in quantitative analysis and markets. He understands the markets in a way that amazes the very best. He has vast experience of over 24 years across asset & wealth management, advocacy and financial services, utilising wealth of financial, strategic and commercial insight to drive organisations forward on a local and global level. He has a proven record of heading business operations across strategy, planning, and operational development; working collaboratively with stakeholders at Board level to achieve success. In the course of his career, he addressed issues of compliance and governance and instilled high quality standards to ensure the delivery of challenging KPI's/financial targets. Mr. Oyebola is an effective and adaptable Manager and Strategist, with a wealth of readily transferable business change and business improvement skills and a 'hands-on' approach. He holds a Higher National Diploma in Accounting (1987), a Master's degree in Finance (1998), and an MSc in Investment Analysis (2001).

#### **Funmi Ekundayo - Representative of STL Trustees**

Funmi Ekundayo is an alumna of the prestigious Harvard Business School where she attended the General Management Programme, the Lagos Business School (Chief Executive Programme) and the IESE Business School, Barcelona, Spain. She holds a Bachelor of Law degree (LL.B) (1995) and Master of Laws degree from the University of Lagos, Nigeria (LL.M) (1998) and is also a member of the Nigerian Bar Association.

Funmi is a Fellow and the First Female President of the Institute of Chartered Secretaries & Administrators of Nigeria. She is an associate member of the Institute of Chartered Secretaries & Administrators United Kingdom and served as the President of the Association of Corporate Trustees of Nigeria from 2014-2016.

Funmi is a Fellow of both the Institute of Investment and Portfolio Managers, Portfolio Management Institute (Chartered) and an Honorary Senior Member of the Chartered Institute of Bankers, Nigeria.

She joined STL Trustees (Formerly Skye Trustees Limited) as an Assistant General Manager, Business Development, from where she rose to become the MD/CEO of the Company. Funmi has distinguished herself in her area of core competence as a seasoned trust specialist engaging in the structuring of complex corporate finance, legal and trust instruments. Funmi Ekundayo has 25 years of work experience.

#### **Ereifemi Akeredolu - Representative of CardinalStone Trustees**

Ms. Ereifemi Akeredolu is the Managing Director of CardinalStone Trustees Limited. She was formerly the Head, Private Trust at United Capital Trustees Limited, a subsidiary of United Capital PLC. With over 15 years of experience in the financial services industry, her expertise spans Trust Services, Asset Management & Wealth Advisory, Fund & Portfolio Management, Retirement Benefit Administration, Personal Finance Advisory, Private Banking, Insurance and Underwriting, Financial Planning, Customer Relationship Management, etc. in her past roles at organizations like Investment One Financial Services, Afrinvest West Africa, etc.

She is an Associate of the Chartered Insurance Institute of Nigeria (2019). She holds an MBA in Business Administration and Strategic Management from Business School Netherlands (2017), a professional

qualification from the Chartered Insurance Institute, UK (2015), a Barrister-at-Law (B.L) from the Nigerian Law School (2009), and a Bachelor of Laws (LL. B) degree from Ondo State University (2008).

## 12.1.6 FINANCIAL SUMMARY OF THE FUND MANAGER

### Profit or Loss Account

	Dec-23 ₦' 000	Dec-22 ₦' 000	Dec-21 ₦' 000
<b>Revenue</b>			
Interest Income	1,159,100	596,194	106,109
Direct Operating Expenses	(756,546)	(436,898)	(50,267)
Net Interest Income	402,554	159,296	55,842
Fees And Commissions	10,573	10,480	2,576
Other Income	23,477	24,252	5,402
Net Operating Profit	436,604	194,028	63,820
<b>Expenses</b>			
Employee Cost	104,498	84,716	68,556
Depreciation	17,907	14,867	6,446
Amortisation Of Right Of Use Asset	5,043	4,655	4,654
Administration And Other Operating Expenses	131,597	56,630	65,365
<b>Total Expenses</b>	<b>259,045</b>	<b>160,868</b>	<b>145,021</b>
Profit for the Year	177,559	33,160	(81,201)
Tax Expense	(54,825)	-	-
<b>Profit/Loss After Income Tax</b>	<b>122,734</b>	<b>33,160</b>	<b>(81,201)</b>

### Other Comprehensive Income

<b>Total Comprehensive Income/(Loss) for the year</b>	<b>122,734</b>	<b>33,160</b>	<b>(81,201)</b>
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Appropriation Of Profit After Tax			
Transfer To Equity Reserve	61,367	-	-
Transfer For Dividend Reserve	61,367	-	-
<b>Transfer To Retained Earnings</b>	<b>122,734</b>	<b>33,160</b>	<b>(81,201)</b>

### Statement Of Financial Position

	Dec-23 ₦' 000	Dec-22 ₦' 000	Dec-21 ₦' 000
<b>Assets</b>			
<b>Current Asset</b>			
Cash And Cash Equivalent	9,259,639	5,766,529	1,344,941
Trade And Other Receivables	482,608	264,197	62,381
Total Current Assets	9,742,247	6,030,726	1,407,322
<b>Non-Current Assets</b>			
Property, Plant and Equipment	52,834	53,158	57,765

Intangible Asset - Right of use Assets	10,655	13,964	18,618
Total Non-Current Assets	63,489	67,122	76,383
<b>Total Assets</b>	<b>9,805,736</b>	<b>6,097,848</b>	<b>1,483,705</b>
<b>Liabilities and Equity</b>			
<b>Current Liabilities</b>			
Portfolio under Management	8,837,272	5,319,495	1,146,394
Trade And Other Payables	541,322	457,393	49,512
Current Tax Liability	53,078	-	-
Total Current Liabilities	9,431,672	5,776,888	1,195,906
<b>Total Liabilities</b>	<b>9,431,672</b>	<b>5,776,888</b>	<b>1,195,906</b>
<b>Equity</b>			
Share Capital	369,000	369,000	369,000
Retained Profit/ (Loss)	5,064	(48,040)	(81,201)
Total Equity	374,064	320,960	287,799
<b>Total Equity And Liabilities</b>	<b>9,805,736</b>	<b>6,097,848</b>	<b>1,483,705</b>

## **12.2 THE TRUSTEES**

### **12.2.1 STL TRUSTEES**

STL Trustees Limited (STL) was incorporated in 1991 and registered with the Securities & Exchange Commission as a Corporate Trustee in 1996 to carry out Trusteeship Functions in Nigeria. STL is managed by a team of highly skilled professionals in all relevant areas of its functions. Over the years, STL has built an outstanding track record and pedigree and is currently a leading Brand in the trusteeship sector in Nigeria with a business size in excess of ₦3 trillion and balance sheet size in excess of ₦40 billion as at December 2024.

The core areas of our corporate trust business include trusteeship of Bond Issues, Debenture Trust Issues under Consortium Financing/Loan Syndications and Project/Structured Finance as well as Collective Investment Schemes (including REITs). Other areas of our business include Private Trusts and Estate Planning Services, Real Estate Trusts and Employee Benefit Schemes.

STL is reputed to be the leading Trustee Company in the area of Non-Interest Issuances and other Sub-National Debt Issuances by transaction size and complexity of structures, having pioneered Sukuk Issuance in Nigeria with the Osun State Sukuk and thereafter gained tremendous experience, pedigree and track record over the years.

#### **12.2.1.1 BOARD OF DIRECTORS**

##### **Mr Afolabi Caxton-Martins – Chairman**

Afolabi Caxton-Martins is a Founding Partner at the law firm of Adepetun, Caxton-Martins, Agbor & Segun (ACAS). He holds a Bachelor of Law degree (LL. B) from the University of London (1983). He is a fellow of the Chartered Institute of Arbitrators (FCIArb), a member of the Nigerian Bar Association (NBA) (1985) and the International Bar Association (IBA). He specializes in international commercial mergers and acquisitions, corporate finance and international commercial arbitration. Caxton-Martins has over 3 decades work experience in corporate and commercial transactions particularly in relation to advising on foreign investment and joint ventures, private equity investments, international mergers & acquisitions, infrastructure projects particularly in the ports and telecoms sectors, anti-corruption and compliance, due diligence and advisory and arbitration.

##### **Mrs Connie Ogundare - Director**

Mrs. Connie Ogundare holds a Bachelor of Science degree (B.Sc) in Major Chemistry and Minor Psychology (1990) from the Marymount College Tarrytown, New York, USA as well as Bachelor of Science (B.Sc) degree in Pharmacy (1994) and a Master of Science (M.Sc) in Clinical Pharmacy (1997) from St. John University, New York, USA. She has over two decades of working experience in the United States of America and Nigeria spanning clinical pharmacy, real estate, investment banking, and consultancy. She is currently the Management Director of Business Objects Limited, and a partner in JASTCO Mayfair International Property Management LLC and CSS Corporate Solution LLC, both located in New York, USA. She is also on the Board Fadco Investment Limited.

##### **Mrs Chioma Jennifer Okee-Aguguo – Non-Executive Director (Independent)**

Chioma Jennifer Okee-Aguguo holds a Bachelor of Law degree (LL. B) (1987) from the Abia State University and a Master of Law degree (LL.M) (1990) from the University of Lagos with emphasis in Corporate and Commercial Law, Secured Credit transactions and International Economic Law. She had a stint at Steelways Limited (1991) before joining Midas Bank which later merged with other banks to become FCMB in 1992. She rose to become the Company Secretary/Legal Adviser and served in that capacity from 1997 to 2006. She was appointed as the Head, Legal Department of Bank PHB in 2006 and in 2010 she left for private law practice in the Firm of Associated Attorneys where she is a Partner till date. Chioma Okee-Aguguo has over three decades work experience.

##### **Dr Temitope Oshikoya – Non-Executive Director**

Dr. Temitope Oshikoya is a seasoned Economist, Chartered Accountant and a banker. A commonwealth scholar, he holds PhD Economics from McMaster University, Ontario 1988; MBA, Finance & Strategy from the University of Liverpool 2010 and a B.Sc. First Class Honors Degree in Economics from Ahmadu Bello University, Zaria 1983. He is a member of Association of Chartered Certified Accountant (ACCA, UK) 2004, Certified Management Accountant, (CMA, USA) 2010, and Fellow Chartered Institute of Bankers (FCIB, England and Nigeria).

He has over two decades of professional and leadership experience in the private sector, public sector, consulting, and academia, at both national and international levels including as Director General, West African Monetary Institute, Senior Adviser to Group CEO at Ecobank Transnational Incorporated, Chief Economist at Africa Finance Corporation, a Director at the African Development Bank, and a consultant to the World Bank amongst other Institutions.

#### **Mr Oluwatobi Edun – Non-Executive Director**

Tobi Edun is a Partner at Agrolay Ventures, an avid financial advisor and investor in Africa's real sector. He graduated from Corpus Christi College Cambridge in 2010.

Tobi was a Technical Adviser to the Commissioner for Finance in Lagos State from 2015-2016 where he advised on fiscal policy and debt management. He assisted on re-engineering the State's debt portfolio as well as various policy initiatives aimed at boosting government revenues to fund capital projects.

Tobi worked as an Associate at Travant Capital, an Investment Advisory Firm. He has also held investment banking roles at Renaissance Capital and Standard Bank. He holds an MA (Cantab) from the University of Cambridge 2010. Tobi has 13years work experience.

#### **Mrs. Funmilayo T. Ekundayo – Managing Director**

Profile detailed above.

#### **Akinwumi Oni – Executive Director, Trust Services/Legal**

Akin Oni is an Alumnus of the Lagos Business School Senior Management Programme 2019. He holds a bachelor's degree in law (LL. B) (1997) and a master's degree in law (LL.M) (2000), both from the Obafemi Awolowo University, Ile Ife. He has several years of experience in private legal practice and as in-house counsel to corporate organizations.

Akin Oni is an Associate of the Institute of Chartered Secretaries & Administrators of Nigeria as well as Chartered Institute for Securities and Investment. He has over 25years working experience.

Akin has exceptional flair for Securitization, Project finance and structuring specialized transactions.

### **12.2.1.2 MANAGEMENT TEAM**

#### **Mrs. Funmilayo T. Ekundayo – Managing Director**

Profile detailed above.

#### **Akinwumi Oni – Executive Director, Trust Services/Legal**

Profile detailed above.

#### **Oko U. Mba - Head, Accounts & Operations**

Oko Mba attended Yaba College of Technology, Ondo State University and Lagos State University, Ojo at different times where he graduated with HND Statistics (1990), Ondo State University; P.G.D Banking & Finance (1998) and Masters in Business Administration (2006) respectively. An Associate member of Institute of Chartered Accountants of Nigeria (ICAN) and Nigerian Institute of Management, he has 25 years working experience. Before joining STL Trustees Limited, he worked with S. S. Afemikhe & Co (Chartered Accountants). He has attended several local and international management and leadership courses.

#### **Folasade Ademokunwa- Head, Marketing and Business Development**

Sade holds a Masters in Business Administration (MBA) from the Lagos State University (2004) and HND Secretariat Studies from Federal Polytechnic, Ilaro (1990). She worked with Armour Savings and Loans Limited before joining STL Trustees Limited. She has over 25 years working experience.

#### **Jibril Yanda Mohammed - Head, Northern Region**

Jibril attended Kaduna Polytechnic, Kaduna and Abubakar Tafawa Balewa University, Bauchi where he obtained HND in Accountancy (1994) and Master of Business Administration specializing in Finance (2005). He has over 25 years' experience in the financial services Industry having worked with Union Bank of Nigeria Plc and Consolidated Discounts Limited. Jibril is a member of the Association of National

Accountants of Nigeria, Nigerian Institute of Management and an Associate of the Certified Pension Institute of Nigeria.

He has been exposed to several trainings relevant to the Financial Services Industry both locally and internationally.

### **12.2.2 CARDINALSTONE TRUSTEES LIMITED**

CardinalStone Trustees Limited ('CST') is a SEC-licensed trustee registered in 2021 and a member of CardinalStone Partners. Our sole business is trusteeship, as we play a key role and act as an intermediary in financial and non-financial transactions. We oversee financing transactions, charged with protecting the interests of Lenders and Investors, keeping custody of assets, documents, rights, shares, funds and other holdings in financial transactions.

We act as Trustees in:

- Corporate Bond Issues/Private Note Issuances
- Debenture Trusts under Consortium Finance/Syndicated Lending or Project Finance as well as
- Structured Finance transactions.
- FGN-backed Bonds and State Bond Issuances
- Collective Investment Schemes
- Real Estate Investment Trust (REITS)
- Mutual Funds
- Gratuity Savings Scheme
- Employee Share Option Co-operatives

#### **12.2.2.1 BOARD OF DIRECTORS**

##### **Mr. Ayuli Jemide – Chairman**

- Ayuli Jemide is the Founder and Lead Partner of Detail Commercial Solicitors, Nigeria's first commercial solicitor firm.
- Ayuli has a Bachelor of Laws (LL.B) (1987), a Master of Laws degree from Northwestern University, Illinois, United States (2007), and a postgraduate certificate in business administration from the IE Business School, Spain. He is a regular facilitator at the Lagos Business School's Center for Infrastructure, Policy, Regulation, and Advancement (CIPRA).
- Ayuli's expertise is in PPP, and project finance, and has garnered working knowledge on cognate subject matters, including Accounting, Banking, finance-structured; projects; private equity and funds, Procurement - private and public, Financial Inclusion and Payment Systems, Corporate Governance and Investments.

##### **Mr. Michael Nzewi – Managing Director/CEO**

- Mr. Michael Nzewi is one of the founding partners of CardinalStone and has been Managing Director of the Company since January 2017.
- Michael served as a Director in the Capital Markets division of Standard Chartered Bank (SCB), London. Prior to SCB, Michael served as the Head of Investment Banking at Vetiva Capital Management. He began his career at PriceWaterhouseCoopers before joining Stanbic IBTC.
- Michael holds a BSc. in Accounting from the University of Benin, Nigeria and an MBA from Said Business School, Oxford University, UK.
- He is an Associate of the Institute of Chartered Accountants of Nigeria.

##### **Mr. Mohammed Garuba – Non-Executive Director**

- Mr. Mohammed Garuba is one of the founding partners of CardinalStone.
- Prior to founding CardinalStone, Mohammed served as Director of Equity Securities at Renaissance Capital before joining Renaissance Capital, Mohammed served as the Managing Director of Zenith Securities Limited.

- He began his professional career in the Finance & Treasury department of Intercellular before joining the Asset Management Division of Stanbic IBTC.
- Mohammed holds a BSc. in Insurance from the University of Lagos and an MBA from London Business School. He is a Fellow of the Institute of Chartered Accountants of Nigeria and Chartered Institute of Stockbrokers.

#### **Ms. Adenike Tokunbo Ajayi – Non-Executive Director**

- Tokunbo has over 45 years of experience that cuts across Capital Market, Corporate Trust, Real Estate, and Private Trust transactions.
- With 33+ years in the financial services sector, she previously held the role of MD/CEO at United Capital Trustees Limited. After retiring in March 2021, she served as an Independent Non-Executive Director at United Capital Plc and its Subsidiaries until April 2022.
- She brings extensive expertise in Capital Market, Corporate Trust, Real Estate, and Private Trust transactions, managing assets worth approximately N6.0 trillion.
- Tokunbo is a qualified Barrister & Solicitor, admitted to the Supreme Court of Nigeria in 1986 after earning her Bachelor of Law Degree from the University of Ife, Nigeria, in 1985 and affiliated with various professional bodies including the Institute of Directors Nigeria, and INSOL International.

### **12.2.2.2 MANAGEMENT TEAM**

#### **Ms. Erefemi Akeredolu – Managing Director**

Profile detailed above.

#### **Mr. Tosin Oshinubi – Chief Operating Officer**

- Before joining the Firm, He was an Associate Director at Ernst & Young (EY) where he led the Strategy and Transformation practice for West Africa.
- He specializes in corporate and business unit strategy formulation and execution, go-to-market strategy, performance improvement, business and operating model design and reinvention, and business process improvement amongst others.
- He previously worked as a Management Consultant at Phillips Consulting (PCL) and McKinsey & Co where he was on secondment for 2 years to support one of the largest business transformation engagements in Nigeria.
- Tosin trained as a medical doctor and has an MBA from China Europe International Business School (CEIBS).

#### **Mr. Nzubechukwu Anisiobi – Chief Financial Officer**

- Mr. Nzubechukwu Anisiobi is the Group Chief Financial Officer of CardinalStone Partners.
- Before joining the Firm, he was a Senior Manager-Audit & Assurance services with KPMG. He started his career as a Personal and Business Banker with Stanbic IBTC bank where he managed a portfolio of the Bank's customers to ensure they had a hitch-free banking experience.
- Nzubechukwu holds an MBA from the University of Lagos and a B.Sc. in Economics from the University of Porth Harcourt where he graduated as best student in the Department of Economics and the Faculty of Social Sciences. He is a member of the Institute of Chartered Accountants in Nigeria (ICAN) and Association of Chartered Certified Accountants (ACCA).

#### **Ms. Omotoyosi Kola-Ojo – Company Secretary / General Counsel**

- Omotoyosi Kola-Ojo is the Company Secretary and Head, Legal and Compliance, CardinalStone Partners.
- She was previously the Company Secretary (Head Legal & Compliance) of Coronation Registrars where she ensured the company complied with financial and legal requirements, as well as maintained its high standards of corporate governance.
- Prior to that, she worked with various law firms, where she specialised in family law, debt recovery and corporate law.

- Omotoyosi has an LLB (Hons) Law degree from the University of Buckingham, and a B.Sc. in International Law and Diplomacy from Babcock University. She is a member of the Nigerian Bar Association.

## 13. RISK FACTORS

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There are several risks associated with investing in the Fund. The Fund's performance and investor capital repayment could be impacted by these risk factors. There are a lot of risk factors that are beyond the control and mitigation of the Trustee and the Fund Manager. The Fund's investors ought to be prepared to put up with a high level of volatility in the Unit price and the possibility of significant losses.

Only those risks which the Fund Manager considers to be material and are currently known to the Fund Manager have been included below. Additional risks and uncertainties not currently known to the Fund Manager, or that the Fund Manager deems to be not material, may also have an adverse effect on the performance of the Fund.

No assurance can be given that the Unitholders will realize a profit or will avoid a loss on their investment. Investment in the Fund is suitable only for persons who can bear the economic risk of a substantial or entire loss of their investment and who can accept that there may be limited liquidity in the Units.

This list is non-exhaustive, hence, prospective investors ought to allude to, and cautiously consider the risks described below and the information contained elsewhere in this Prospectus, which may describe additional risks associated with the Fund.

### 13.1 RISKS RELATING TO ECONOMIC, POLITICAL AND REGULATORY DEVELOPMENTS IN NIGERIA

Changes in the political landscape, changes in the legal system, and adjustments to market conditions can all have an impact on the performance of the Fund.

#### **Market and economic risks**

Nigeria's economy is still largely import-dependent, consumption-driven, and undiversified. The economy, government finances, and foreign exchange of the nation are all dependent on oil. In contrast to the manufacturing sector, which accounts for less than 1% of total exports, oil accounts for more than 90% of exports and foreign exchange earnings. Any further drop in oil prices could further tighten Nigeria's fiscal and macroeconomic conditions, forcing the government to implement a contractionary policy regime that is likely to have a negative effect on the country's business climate.

The Fund Manager's investment returns and the value of the Fund's holdings may be affected by various factors, some of which are beyond their control. The Fund's investment performance is influenced by various factors, including economic conditions, market shifts, interest rate fluctuations, and financing availability. Changes in governmental laws, regulations, and compliance costs also play a role.

In addition, operational expenses and the potential impact of unforeseen events like civil unrest, acts of war, terrorism, and natural disasters, including pandemics and floods, must be considered. Such events can lead to uninsured or underinsured losses for the underlying investments, requiring careful management to achieve favourable outcomes for investors.

A general economic recession could have a negative impact on the Fund's performance. The asset values of the Fund investments may decrease in a recessionary environment. As a result, the Fund's non-performing investments are likely to grow, and their value may decline during these times. Insolvencies of investee companies, defaults, and losses typically increase during recessions or slowdowns in the economy. Any extended period of higher default rates, delinquencies, or losses may negatively impact the Fund's ability to continue financing loans in the future.

The current administration is nonetheless steadfast in its commitment to economic reforms designed to diversify Nigeria's economy, boost macroeconomic stability, and support a market-driven private sector.

#### **Inflation risk**

A change in the rate of inflation could mean that returns from an investment differ from those predicted by the Fund Manager, depending on the inflation assumptions relating to anticipated cashflows from an investment and how asset revenue is calculated in relation to such investment. Given that the Fund may invest in financial instruments domiciled in several countries, there have been instances lately where certain countries have experienced inflationary pressures. The general market environment and the securities markets in some economies have been negatively impacted by inflation and the erratic changes in inflation rates, and this trend will likely continue. There can be no guarantee that inflation won't escalate into a significant issue in the future and impart the Fund's returns.

### **Interest rate risk**

Given that the Fund may invest in securities such as bonds, and other debt instruments which may be offered at fixed interest, such securities may vary inversely with changes in the current interest rates, making them subject to price fluctuations. In other words, where interest rates rise, prices of fixed-rate securities fall and when interest rates drop, the prices increase. There is a possibility that market interest rates will rise by becoming significantly higher than the yield on investments like bonds, which would decrease market value. The value of the securities in the portfolio and, inevitably, the performance of the Fund, are inversely correlated with changes in short-term and long-term interest rates, depending on the structure of the Fund's portfolio.

### **Currency risk**

This risk, also known as exchange risk, develops when the value of one currency varies in relation to another. Exchange rates may significantly fluctuate due to the devaluation of the Naira, being the specified currency for the Fund or the revaluation of an investor's currency. And the risk also involves such that authorities with jurisdictions over the investor's currency may impose or modify exchange controls. The Fund might well make investments, some of which may have a foreign currency component. Investors should be aware that any gains or losses resulting from changes in the applicable exchange rates could thus further boost or lower the returns on investments in the Fund. Exchange rates are subject to quick and unpredictable change, making it challenging for the Fund to reduce its exposure to a particular currency in time to prevent losses.

*The current administration has taken steps in the right direction to strengthen the Naira by unifying the multiple exchange rates in June 2023.*

### **Political and regulatory risk**

This includes potential changes in the political climate, a change in the government, government interference, or instability in the nation over the course of investments. The ability of the Fund legal changes, successfully pursue its investment policy and achieve its investment objective may be negatively impacted by regulatory requirements, and/or government policy that the Fund is subject to.

Laws and regulations on a national and international level could change, which could have a negative impact on the operations of the Fund and the investment returns available to investors. Uncertainties like changes in government policies, international political developments in nations where the Fund may make investments, and constraints on foreign investment and currency repatriation may have an impact on the value of a fund's underlying assets.

*Nigeria's democracy has matured over the past 24 years, this progress can be seen from the successful democratic transition of power in May 2023. Political and economic stability is being promoted and encouraged with the aim of further strengthening the institutional arrangements that provide a stable and cohesive economic environment for investment.*

### **Overreliance on Oil**

The Nigerian economy is significantly affected by the global slide in oil prices evidenced by the weakening of the currency, substantial drop in foreign currency reserves, withdrawal of foreign portfolio capital, and a corresponding decline in stock market performance and government revenues. While the federal government advances in its efforts to diversify the economy from its dependence on oil revenue, a further decline in global oil prices may have an adverse effect on the Nigerian economy which in turn might impact the Fund's operations and profitability.

*The current federal government administration of Nigeria reiterated their commitment to continued economic diversification by steadily investing in the growth of other sectors. Nigeria's Real GDP today has a 6.4% contribution from the oil and gas sector, so 94.6% of the Nigerian economy is from other sectors.*

### **Taxation Risk**

Any changes in the Fund's current taxation status, or taxation legislation or practice, (in particular in relation to any obligation to withhold tax in respect of payments to the Fund by the borrowers or Distributions made by the Fund to the Unitholders) in Nigeria or any jurisdiction in which the Fund may invest, or in the Fund's tax treatment, may affect the value of the investments held by the Fund or the Fund's ability to successfully pursue and achieve its investment objective and investment policy, or alter the after-tax returns to the Unitholders.

## 13.2 RISKS RELATED TO THE FUND AND ITS INVESTMENT OBJECTIVE

### ***The Fund May Not Achieve Its Investment Objective***

The Fund's investment objective is to offer Unitholders consistent cash flows and competitive investment returns within rational risk parameters that are in line with the expectations of potential investors. The Fund's investments determine how well it performs. The performance of the Fund and its ability to offer competitive returns to its Unitholders or returns commensurate with the risk of investing in the kinds of financial instruments described in this Prospectus will suffer if the investments of the Fund do not perform as anticipated.

In addition, the timing and size of any future distributions from the Fund will be determined by a few factors, including the amount of income generated by the investment portfolio, the availability of distributable profit after paying for fund expenses, the provisions of any applicable laws, and any applicable accounting standards that may be in effect from time to time. While the Fund Manager cannot guarantee the performance of the Fund and cannot use past successes or experience as a predictor of the performance of the Fund, the Fund Manager will make sure that potential investments are thoroughly investigated to reduce performance risk. This will involve consulting outside third-party advisors as required to verify the technical, economic, and financial underpinnings of the investments.

Investors thinking about buying Units in the Fund should be aware that their market value can change and might not always correspond to their intrinsic value. The performance of the Fund's overall investment portfolio has a significant impact on the returns that it generates. Due to various factors influencing the performance of the underlying assets in its portfolio, the Fund may experience fluctuations in its operating results. These variables may include, but are not limited to: changes in the market value of the investments or loans made by the Fund; changes in the distributions, principal repayment, and interest payments made by investments in the portfolio; changes in the Fund's operating expenses; currency and exchange rate fluctuations; International and Local economic and market conditions; and changes in law, taxation, regulation, or governmental policies in the industries or nations in which the Fund invests.

The trading price of the Fund's Units may become volatile because of these fluctuations, which could prevent the performance of the Fund in one period from being a reliable indicator of how it will perform in subsequent periods. Therefore, there is no guarantee—express or implied—that the Fund's forecasted or projected results will or can be realized, and that the Unitholders will receive those distributions or their initial investment in the Units.

### ***The Cash Balances and Money Market Investments made By the Fund will be Subject to Counterparty and Credit Risks***

The Fund will occasionally have cash balances with banks and other financial institutions. The Fund will also frequently invest in other money market instruments. The Fund would risk losing the amount deposited or the investment if any bank, financial institution, or counterparty of the Fund were to go bankrupt or default on its obligations. Consequentially, the Net Asset Value, earnings, and returns to Unitholders will all suffer a materially negative impact.

The Fund Manager will work to diversify the issuers of its money market investments, including the federal government, state governments, financial institutions, and high-credit-rating corporations. To ensure that the counterparty and credit risk that the Fund faces from such investments is properly managed, the Fund Manager will monitor the investments and the respective issuers.

### ***Competition Risks***

Due to competition, it is difficult to predict how well the Fund will be able to locate and gain access to suitable investment assets. The Fund might experience a rise in competition from domestic and international rivals (investors and other lenders), who might have more capital and resources and thus be able to offer superior services or pursue more aggressive pricing strategies than the Fund. Such competition could lower expected returns or yields on investments and have a negative impact on how well the Fund operates. There can be no guarantee that the Fund will be able to determine investments, arrange financing, or provide capital that meets its return objective. If the Fund only makes a small number of investments, the underperformance of those few investments could have a big impact on investor returns.

Changes in the market for leveraged loans or other general market events, which may include the Fund's

inability to purchase investments at favourable yields, changes in interest rates or credit spreads, or other circumstances that may negatively affect the price of securities, whether individually or collectively, are additional factors that could affect the Fund's ability to find suitable investments. The Fund may also be unable to reinvest the proceeds from its investments.

#### ***The Investments made by the Fund Will be Highly Illiquid***

The fund will make very illiquid and very challenging to value or realize. As a result, the market price that can be obtained for such investments may be significantly less than the assets' value as determined by the Fund Manager and/or the valuation consultant hired for the Fund's valuation.

The Fund Manager intends to keep the investments that the Fund will make until they mature. Only when commercially viable and deemed by the Fund Manager to be in the best interests of the Unitholders will the sale of an investment prior to its maturity be taken into consideration.

#### ***The Fund may make investments in currencies other than naira***

For the Fund's loans and investments that are made in other than Naira, particularly in US Dollars, the Fund may offer financing or make investments in those other than Naira. If the value of the Naira fluctuates against other currencies while the loan or investment is in effect, it could have an impact on the potential yield or return that was calculated in Naira terms. The yield or return on the loan and investment will be lower than expected if the Naira exchange rate appreciates or depreciates by less than that assumed at the time of providing the loan or making the investment, and vice versa.

To the extent that such loans and investments are available on commercially favourable terms, the Fund Manager seeks to maximize the proportion of Naira-denominated debts and investments in the Fund's portfolio.

#### ***The Fund will make a limited number of investments***

The Fund is expected to finance or invest in a select few investments. This could result in the Fund being significantly exposed to borrowers from the same industry. The value of the investments in the Fund and, consequently, its net asset value, may fluctuate more when there is a higher concentration of investments exposed to one or more of the aforementioned factors.

The Fund Manager will seek to diversify the Fund's investment portfolio across types of projects and borrower groups, to achieve prudent management of the concentration risk. The total number of investments in the Fund's portfolio is also expected to increase, over a period, as and when additional Units are issued by the Fund.

### **13.3 RISK RELATED TO THE FUND'S INVESTMENTS**

#### ***Risk Of Default by the Borrower***

The borrowers in which the Fund invests run the risk of going out of business and being unable or unwilling to timely pay principal and/or interest to the Fund. Such a default could negatively impact the income the Fund receives, which could negatively impact the Fund's net asset value, earnings, and distributions to unitholders.

The Fund Manager will thoroughly evaluate each borrower's and each investment's creditworthiness before making any proposed investments. The extensive due diligence will profit from the professional team's track record and, as necessary, external advisers. Furthermore, a counterparty of the borrower defaulting under an active contract for the offtake of the borrower's output is the most likely reason for such a default. The likelihood of such a default is typically regarded as low because the counterparty in the majority of the Fund's investments is an entity backed by the government.

#### ***Demand Risk***

The Fund will also invest in projects whose output and service demand are influenced by market conditions and are subject to change over time. Accurate projections of such demand for the future are not feasible. The borrower runs the risk of having trouble paying off its debts to the extent that demand and the resulting revenues are less than anticipated.

The Fund Manager will consider the accuracy of the borrower's forecasts when determining the project's overall credit quality as part of its thorough due diligence. It will perform sensitivity analyses by considering the likelihood that such demand will be lower than anticipated, and it will look for credit support mechanisms from the borrower such as contingent equity, debt service reserves, and escrow accounts.

### ***Operational Risk***

There is a chance of suffering a loss as a result of internal processes, personnel, and system failures or uncontrollable external events. The effective operation and upkeep of the Fund's assets are necessary for its long-term financial success. The Fund's capacity to continue making dividend or interest payments to investors could be hampered if the financial assets are not efficiently maintained and run. Additionally, failing to obtain adequate insurance or failing to maintain the asset properly could result in significant losses and damages.

### ***Valuation Risk***

The value of the investments in the Fund may change due to changes in the economy's interest rates. This could have a negative impact on the Fund's income and net asset value, especially if the investments don't produce returns with floating rates. Governmental, monetary, and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements, and other factors outside the control of the Fund Manager all have a significant impact on interest rates. The value of the investments in the Fund may change because of changes in the economy's interest rates. This could have a negative impact on the Fund's income and net asset value, especially if the investments don't produce returns with floating rates. Interest rates are extremely sensitive to a variety of variables, including monetary, fiscal, and governmental ones.

To the extent that it is practical and contingent upon the willingness of the borrower and other co-lenders, the fund manager will attempt to make its investments on a floating rate basis. The Fund Manager will consider the information about the likely direction of interest rates and other macroeconomic factors when pricing fixed-rate investments.

## **13.4 RISKS RELATED TO THE FUND'S UNITS**

### ***Transferability Risk***

It's possible that the Units won't have a public market. Units may not be able to be redeemed or transferred in certain situations. As a result, only those who are financially capable of maintaining their investment for a long period of time and who can afford to lose all or a significant portion of it should consider investing in the Fund.

### ***Regulatory Risk***

The laws regulating the listing and trading of the Units could occasionally change. The Fund shall be subject to the regulatory requirements (and any modifications thereto) applicable at any time to the Funds and/or close-ended funds listed on a recognized exchange in Nigeria. If these rules and regulations were to change in the future, the performance of the Fund could suffer significantly.

### ***Return Risk***

The return risk is the chance that an investment's return to unitholders over the period from purchase to sale will not be known at a point before the sale. Additionally, it is uncertain whether the investment goal will be accomplished. The value of the investments changes because of changes in prices and is influenced by the asset classes in which they are made. There is a chance that there won't be enough opportunities for investments, which would prevent or reduce the intended return. Therefore, there are no guarantees that the Fund will be able to fully invest its capital possible or that there will be enough suitable investment opportunities found. It is not promised or guaranteed that the Fund will succeed in its investment goals.

## 14. STATUTORY AND GENERAL INFORMATION

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### 14.1 EXTRACT FROM THE TRUST DEED

Below are the relevant clauses (cl) extracted from the Fund's Programme Trust Deed.

#### 5. DESCRIPTION AND OBJECTIVE OF THE FUND

- 5.1 The Fund is a close-ended specialised fund classified as a venture capital fund constituted under this Deed and duly registered with the SEC. The Fund is managed by the Fund Manager, an asset management company duly registered and licensed by the SEC to act as fund/portfolio manager. The beneficial interests in the Net Asset Value and Net Income of the Fund are divided into transferable Units of the Fund (the "Units").
- 5.2 The primary objective of the Fund is to provide Unitholders with the potential for capital appreciation and income generation through investments in projects, companies, and SPVs located in Nigeria that are set up to provide products or services in the Film Industry that:
- 5.2.1 Provide capital via a broad category of debt and equity securities/instruments to projects, companies and SPVs that
- a. provide pre and post production services in the film industry, including film production, distribution and marketing, film and content creation
  - b. have a strong and predictable cash flows through effective film production, distribution and/or marketing.
- 5.2.2 Through equity investments in the film industry, the fund seeks to achieve capital appreciation while generating income from royalties, film sales, and merchandise proceeds.
- 5.2.3 Providing Unitholders with a n annual target yield expected to be 10% above the prevailing FGN Bond Yield as may be provided in the applicable Supplementary Prospectus. The income generated by the Fund in the form of royalties, fees, proceeds from merchandize and coupon payments received from the investees will be distributed periodically post deduction of the operating expenses as resolved by the Investment Committee.
- 5.3 Utilising the net proceeds raised in each Series or Tranche, the Fund will make investments with the overarching aim of making Distributions to Unitholders as outlined in the relevant Supplementary Prospectus and provided hereunder.

#### 6. TERMS OF THE UNITS

- 6.1 The Fund has a maximum term of 99 years, subject to early winding up provisions contained in this Deed.
- 6.2 The Units under this Fund may be issued to Investors via an Offer for subscription or any other methods specified in the Shelf Prospectus, or any other applicable Supplementary Prospectus approved by the SEC.
- 6.3 Funds may be raised in accordance with this Deed and Shelf Prospectus not exceeding the Aggregate Fund Amount.
- 6.4 No Units under this Fund shall be offered based on the Shelf Prospectus or any Applicable Supplementary Prospectus after the expiration of the Validity Period or any other Validity Period as enforced by the SEC from time-to-time, unless the Validity Period is renewed by the SEC.
- 6.5 The Units under this Fund shall be constituted by this Deed. A Series Trust Deed will be issued in respect of each Offer, provided that any terms and conditions relevant to subsequent issuance of Units, if any, under the Fund shall be governed by the applicable Series Trust Deed.
- 6.6 The Fund may issue Units from time-to-time in Series, as may be determined by the Fund Manager, such Series issuance will be subject to the net proceeds from previous Offer(s) being at least 70% utilised as stated in the SEC Rules April 2025.

- 6.7 Any Units offered for subscription through any subsequent Series shall rank pari-passu in all respects with the existing Units, except for the Distribution to be made by the Fund immediately following the issue of such Series. The Series shall be eligible to participate in such Distribution on a pro-rata basis, for the period in which they have been in issuance.
- 6.8 Provisions relating to repurchase of Units are contained in clause 13 of this Deed.
- 6.9 The Units shall qualify as securities in which Pension Fund Assets can be invested under the Pension Reform Act No. 4 of 2014 and securities in which trustees may invest under the Trustees Investments Act Cap T22 LFN 2004.
- 6.10 The Fund shall be subscribed to within the minimum and in the multiples and in the manner set forth in the Shelf Prospectus or the Supplementary Prospectus.
- 6.11 The Unit shall be a memorandum listing on any recognised exchange and issued in denominations specified in the Applicable Supplementary Prospectus relating to the relevant Series or Tranche and transferable in units or amounts to be determined by the Fund Manager.
- 6.12 The Units will be offered to Target Investors, specified in the Shelf Prospectus or any other Applicable Supplementary Prospectus approved by the SEC.
- 6.13 A Target Investor may subscribe to the Fund by way of binding commitment to subscribe to a specified number of Units. Where subscription is by binding commitment, the Fund shall issue Capital Call to a Unitholder/Target Investor specifying the amount and due date for payment. The Capital Call shall be issued to the Unitholder/Investors at least fourteen (14) days prior to the due date, where the Unitholder/Target Investor fails to make payment on the due date, such Unitholder/Target Investor shall be deemed to have forfeited the Units. Provided that where the Funding Rounds are more than one (1), the failure of a Unitholder/Target Investor to fund its commitment during a particular round of Capital Call shall not preclude such Unitholder/Investor from participating in another round of Capital Call.
- 6.14 Upon the close of Offer, the Units will be issued to successful Target Investors provided that such Target Investor shall fund the Capital Call for the Units subscribed to by the binding commitment.
- 6.15 Unitholders will be issued with a Statement of Unitholding which shall constitute evidence of ownership to the number of Units specified on such statements.
- 6.16 Other than as provided in this Deed, there are no restrictions on the transferability of the Units.

## 7. RIGHTS OF UNITHOLDERS

- 7.1 Unitholders shall not have or acquire any right against the Fund Manager or Trustees in respect of Units save for such rights as are expressly conferred upon them by this Deed or by any law, subsidiary legislation, regulations or any order of court. No person, firm or corporation shall be recognised as a Unitholder except in respect of Units registered in its name.
- 7.2 Unitholders shall have the right to share in the Assets of the Fund proportionate to the number of Units held.
- 7.3 Unitholders shall have the right to receive Distributions and all other rights which attach and or accrue to the Units, pursuant to the provisions of this Deed, and shall be entitled, throughout the duration of the Fund, to receive a Statement of the Unitholding from the Fund Manager stating the number of Units issued as at the date of the Statement of Unitholding.
- 7.4 A Unitholder or Unitholders holding not less than twenty-five per cent (25%) in value of the Issued Units may in writing request the Trustees or the Fund Manager to convene a meeting of Unitholders.

- 7.5 A Unitholder shall have the right to pledge, charge, and mortgage or otherwise use his Units to secure a debt, a loan or an obligation and in any such case, shall notify the Fund Manager, in writing, of the pledge, charge, mortgage or obligation; as well as the discharge of such pledge, charge, mortgage or obligation. The Fund Manager shall be obliged to immediately make the information of such pledge, charge, and mortgage or obligation available to the Trustees. Where there is a failure to notify either the Fund Manager or the Trustees as provided in this clause 7.5, neither Party shall be held responsible for a failure to honour the terms of such pledge, charge, mortgage or obligation.
- 7.6 Except as provided in this Deed and under the terms of the application form required to be completed by the Investors prior to an investment in the Fund, no Unitholder shall incur or assume any liability or be required to make any payment to the Trustees or the Fund Manager in respect of Units held by it.
- 7.7 All information required by the SEC Rules, which the Fund Manager must make available will be made available to both the existing and prospective Unitholders.

## **8. CONSTITUTION OF THE FUND**

- 8.1 The Fund is a close-ended, venture capital collective investment fund established as a Unit Trust Scheme constituted by a Programme Trust Deed and duly registered with the Securities and Exchange Commission ("SEC") comprising of separate Series or Tranches of the Assets to be held by the Trustees for the benefit of the Unitholders. The Fund shall be constituted from the proceeds received in respect of the issuance of Units in accordance with the provisions of Clause 9.
- 8.2 All cash proceeds of the sale of Units shall be paid into the Cash Account and shall form part of the Assets.
- 8.3 A portion of such proceeds will from time to time, as hereinafter provided for, be paid from the Cash Account into the Administration Account or such other designated cash account for the payment of the Charges.
- 8.4 All stamp duty and all other taxes and any applicable Charges payable on this Deed or upon the constitution of Units under a Series shall be payable out of the Administration Account.
- 8.5 The Designated Account shall be opened and managed by the Custodian who shall render monthly/quarterly reports to the Fund Manager and Trustees, and file quarterly returns on all their activities to the Commission in the prescribed format.
- 8.6 The Trustees shall be vested with and stand possessed of the Assets upon trust for all the Unitholders. The Assets shall be held as a single common fund and no Unit shall confer any interest or share in any particular part of the Assets.
- 8.7 The Trustee shall have all the rights and powers conferred upon trustees by the ISA, the SEC Rules as though these laws, and other relevant laws were expressly set out in this Deed.
- 8.8 The Trustees and the Fund Manager shall comply with the provisions of the ISA, and all regulations, rules, and guidelines made pursuant to it.
- 8.9 The powers hereby conferred on the Trustees shall be in addition to any powers which may from time-to-time be vested in it by general law or as holder of the Assets in so far as it does not and shall not conflict with the rights and powers vested in the Fund Manager by virtue of this Deed.
- 8.10 The Trustees shall at all times retain with the Custodian all the investments and all documents of title or value connected with the Fund and the Custodian shall be responsible for the safe custody and so far, as practicable, the realisation of the Income proceeds in respect of such part of the investments as may be within it or its nominee's control.

- 8.11 The Fund Manager shall subject to the provisions of Section 171 of ISA, Custodian Agreement, this Deed and other relevant provisions of the ISA, the SEC Rules, any other applicable regulation or guideline for the management of the Fund have the exclusive right and absolute power at any time to manage the Assets.
- 8.12 Subject to the resolution of the Board of Directors of the Fund Manager, the Fund Manager and the Trustees shall with the prior approval of the SEC establish Series Offers from time to time and the following provisions shall apply thereto:
- i. separate records and accounts of each Series Offer shall be maintained as the Fund Manager and the Trustees shall from time to time determine;
  - ii. the proceeds from the issue of Units in each Series Offer (excluding the subscription fee) shall be applied in the records and accounts of the Fund for the relevant Series and the assets and liabilities and Income and expenditure attributable thereto shall be applied to such Series subject to the provisions of this Deed and relevant Series Trust Deed;
  - iii. where any asset is derived from any asset (whether cash or otherwise), such derivative asset shall be applied in the records and accounts of the Fund to the same Series as the asset from which it was derived and on each re-valuation of an Investment the increase or diminution in value shall be applied to the relevant Series;
  - iv. in the case of any asset of the Fund which the Trustee does not consider as attributable to a particular Series or Tranche, the Trustee shall have discretion, subject to the approval of the Investment Committee and the Auditors, to determine the basis upon which any such asset shall be allocated between Series and the Trustees shall have power at any time and from time to time, subject to the approval of the Investment Committee and the Auditors to vary such basis PROVIDED THAT the approval of the Auditors shall not be required in any case where the asset is allocated between all Series pro rata to their Net Asset Values at the time when the allocation is made;
  - v. each Series shall bear its own liabilities as may be determined at the discretion of the Trustees with the approval of the Investment Committee. The Fund is not liable as a whole to third parties PROVIDED HOWEVER that if the Trustees and the Investment Committee are of the opinion that a particular liability does not relate to any particular Series that liability shall be borne jointly by all Series pro rata to their respective Net Asset Values at the time when the allocation is made. The fees payable pursuant to the Fund may be different from Series to Series and shall be calculated on that proportion of the Net Asset Value of the relevant Series; The fees of the Fund Manager and the Trustee shall be calculated on the Net Asset Value of the Fund as a whole and shall be borne jointly by all the Series pro-rata to their respective Net Asset Values at the time when the allocation is made. The expenses of the Fund Manager and Operational Expenses, shall be similarly borne jointly by all the Series, save that any expenses which are directly or indirectly attributable to a particular Series shall be borne solely and exclusively for that Series
  - vi. the Assets of each Series shall belong exclusively to that Series, shall be segregated from the other Series, shall not be used to discharge directly or indirectly, the liabilities of or claims against any other Series and shall not be available for such purpose. The liabilities of a Unitholder shall be limited to the amount agreed to be contributed by for the subscription of Units.

## 9. ISSUANCE OF UNITS

- 9.1 The Fund Manager shall subscribe to a minimum of five percent (5%) of the Fund at inception and shall hold such units throughout the life of the Fund, in accordance with SEC Rules 450(2), or as may be stipulated by the SEC from time to time.

- 9.2 The minimum investment in the Fund that one or Joint Unitholder(s) may make is ₦10,000,000.00 (Ten Million Naira) for 10 units at the price of ₦1,000,000.00 per unit. The subscription of Units made by foreign Investors shall be processed at the applicable foreign exchange rate on the date of payment, as determined by the applicable CBN's Auction System subject to a minimum investment of ₦10,000,000.00 (Ten Million Naira). Units issued in consideration of foreign currency subscriptions will be denominated in Naira, subject to the Investor complying with the requirements of Rule 408 of the SEC Rules.
- 9.3 Unitholders shall be issued with electronic statements which shall constitute evidence of title to the number of Units specified on such statements.
- 9.4 Investors may subscribe to Units on behalf of and in the name of minors and exercise all rights attached to the Units as provided in this Deed until the minor reaches the age of eighteen (18) years or any other age of legal maturity whereupon such minor can elect to retain the Units or to have all or some of them redeemed or transferred in accordance with the provisions of this Deed.
- 9.5 The Fund Manager shall within twenty-one (21) days of the end of every quarter furnish the Trustees with: management accounts providing a valuation of the investments of the Trust on a quarterly basis and from time to time on demand; a statement of all issues, sales, redemption and repurchases of Units specifying the price at which such Units were issued or sold and giving such other information as may be necessary to enable the Trustees ascertain at any particular time the value of the Assets.
- 9.6 Where a Unitholder is desirous of receiving the monetary value of his Units, he shall do so by way of withdrawal under the provisions of clause 31.
- 9.7 Monies paid in subscription for Units under subsequent Series and monies transferred in consequence of any Offer or issue shall be paid or transferred to the Cash Account and the Units issued under the Series shall be deemed to have been constituted and to be in issue. Monies paid or transferred shall be vested in the Trustees and held by the Custodian as part of the Assets.
- 9.8 The Fund shall be domiciled in Nigeria and shall be denominated in Naira. Foreign currency subscription shall be processed at the applicable foreign exchange rate at the time of subscription.
- 9.9 The Fund Manager shall also have the power to:
- 9.9.1 effect the issue of such new Series during the Validity Period as the Fund Manager may reasonably and diligently deem fit subject to consultation with the Trustees and the registration of such new Series with the Commission;
- 9.9.2 instruct the Custodian to open the accounts contemplated under this Deed and accept all moneys due and receive all payments required under the terms of this Deed as the circumstances may determine;
- 9.9.3 subject to the provisions of clause 11, have exclusive right to issue Units in exchange or part exchange for any Authorised Investments which shall become vested in the Trustees and which may be issued partly in consideration of such vesting and partly for cash. Such issue shall be made upon such terms including the provision for paying out of the assets, the duties, Charges, costs, fees and disbursements consequent upon the transaction. Save for the Units issued pursuant to this clause 9.9.3, the Fund Manager may issue Units as it may deem fit with the consent of the Trustees; and
- 9.9.4 generally do all other acts and things, which the Fund Manager may consider desirable in connection with the effective management of the Fund.

## 10. ADVISORY AND INVESTMENT COMMITTEES

- 10.1 The Fund shall have an Advisory Committee which shall be responsible for advising the Fund Manager on the financial implications and viability of each proposed investment.

- 10.2 The Advisory Committee shall include industry-specific experts to provide specialized insights and recommendations related to the particular sectors or markets relevant to the Fund's investment strategy.
- 10.3 The Advisory Committee shall conduct the first level of review for all submitted projects to ensure they meet the predefined criteria and standards set by the Fund, create a shortlist of projects that pass the initial review and make recommendations to the Investment Committee.
- 10.6 The Fund Manager and Trustees may develop and implement additional policies or terms of reference to guide the activities and operations of the Investment and Advisory Committee. Such policies or terms of reference, once established, shall be deemed to be incorporated into and form an integral part of the terms of this Deed, provided they do not vary or contradict the terms of the Trust Deed as approved by the Commission.
- 10.7 The Fund shall have an Investment Committee which shall act as a secondary oversight over the Fund's investment activities.
- 10.8 The Investment Committee shall make the final decisions on which projects to fund based on recommendations from the Advisory Committee, track the performance of funded projects, regularly report to the Fund Manager, Trustee(s) and Unitholders on the status and outcomes of investments.
- 10.9 The Investment Committee comprises of a minimum of six (6) members, including two representatives from the Fund Manager, two independent members and a representative each from the Trustees. The independent members will be nominated by the Fund Manager and approved by the Trustees.

**11. INVESTMENT POLICY AND INVESTMENT OUTLETS**

- 11.1 To achieve the objectives of the Fund, the Fund Manager shall adopt and maintain an investment policy that is designed to provide capital appreciation and income generation, while maintaining adequate liquidity.
- 11.2 The Fund's focus will be directed towards investments that offer substantial safeguards against anticipated and known risks that might jeopardize returns on invested capital and prospective Investors' committed funds.
- 11.3 The Fund will invest in debt and equity securities/instruments within the Film industry, including projects, companies, or SPVs.
- 11.4 The Fund Investment Policy shall be structured as follows:

<b>Allocation</b>	<b>% of net assets</b>	<b>Risk Profile</b>
Equity investments relating to target sector projects.	70-100%	High
Debt instruments, including senior project finance debt, issued by target companies or SPVs to fund or support revenue-generating projects in the target sectors.	0-30%	Medium
Money Market Instruments and Bank Deposits with high yields.	0-5%	Low

- 11.5 The Fund shall also invest in money market instruments up to a maximum of 5% of the net asset, with the aim of minimizing the impact of cash drag on return to Investors and to effectively manage liquidity and cashflow. The underlying structure of the investments may be

in fixed or floating rate instruments and these rates may be priced with a premium above a benchmark instrument.

- 11.6 The underlying structure of the investments may comprise fixed or floating rate instruments, with the rates potentially being assessed at a premium above a benchmark instrument. The magnitude of this premium will be contingent upon prevailing business and economic conditions, and industry risk, as well.
- 11.7 The Fund shall seek to hold its investments to maturity. However, the Fund Manager may decide, subject to approval by the Investment Committee, to exit investments prior to maturity if such an action is considered to protect or enhance value in the best interest of the subscribers to the Fund.
- 11.8 The Fund will generate Income through the periodic interest payments/dividends it receives from the loans/investment it disburses. These Income streams will be distributed annually to Investors after deducting allowable expenses.
- 11.9 The nature of the debt would typically be either a bilateral or syndicated debt with adequate protections, and such may be outrightly purchased from an existing creditor to specific projects or companies.
- 11.10 The Fund's primary aim is to offer financing in NGN and advocate for the utilization of the local currency in supporting mid to long-term projects. However, the Fund will retain the flexibility to engage in investments connected to or denominated in USD when it is considered suitable. This may be applicable when the project in question receives some or all its Income in USD.
- 11.11 The investments undertaken by the Fund will typically have a maximum tenor of up to [twenty (20) years]. However, if the investment framework and particular project justifies it, the Fund may consider longer tenors. The repayment schedules for these investments will be tailored to the projected cash flows of individual projects. Depending on these financial projections, the Fund's investment terms may include a moratorium during which the repayment of the principal amount is deferred until the project stabilizes its operations.
- 11.12 The Fund will strictly adhere to established National Standards on environmental and social risk governance and, in cases where these standards are not defined, it will follow the Equator Principles on same.
- 11.13 The Fund will direct issues related to conflicts of interest to the Advisory Committee for resolution. For investments that go beyond the agreed-upon investment policy, the Fund will seek approval from the Advisory Committee, Investment Committee, Trustees, and the SEC.
- 11.14 The Fund Manager shall not:
  - 11.14.1 invest all or any part of the Assets or make any investments in any units or Securities of any unit trust scheme or fund managed by it or its Affiliates; or in any security or asset of any other Related Party and their Affiliates except as otherwise permitted by the Commission from time to time; and
  - 11.14.2 enter into any investment or any transaction which results in all or any part of the Assets being pledged, charged, mortgaged or in any other way offered security
  - 11.14.3 invest in any unlisted security of the Fund Manager or its associate or group company;
  - 11.14.4 invest in any listed security issued by way of private placement by the Fund Manager or its associate or group company;
  - 11.14.5 invest more than 5% of its net assets in money market instruments issued by a single issuer when it comes to such investments; and
  - 11.14.6 the Fund's investments in any single company, project, or special purpose vehicle designed to facilitate or promote Film will not exceed 20% of the Fund's total assets.
- 11.15 Units of the Fund are restricted to the Target Investors as defined in this Deed.

- 11.16 The Fund will not invest more than 5% of its net assets in debt instruments of any company or project or special purpose vehicles which is created for the purpose of facilitating or promoting investment in the Film industry in respect of completing revenue generating projects of any single company or project or special purpose vehicle, which is rated below investment grade or unrated; provided that such investment limit may with good cause, be extended up to [30%] of the net assets of the scheme, with the prior approval of the Trustees, the Fund's Investment Committee and the Board of the Fund Manager.
- 11.17 The Fund Manager may, upon obtaining SEC's approval in accordance with the provisions of Section 187 (1) (a) of the ISA, alter the investment policy of the Fund set out in this clause to protect the value of the Fund for the benefit of Unitholders.

### **13. WITHDRAWAL OPTION FOR UNITHOLDERS/REPURCHASE OF UNITS**

- 13.1 Subject to Clause 31.1 of this Deed, at the request of the Fund Manager, the Trustees shall approve the repurchase of Units from Unitholders as a withdrawal option for Unitholders. The maximum number of Units that can be repurchased is restricted to 20% of the aggregate Issued Units, during the life of the Fund.
- 13.2 The maximum Price for the repurchase, including any applicable brokerage or commission, shall not exceed the Bid Price of the Fund. The repurchase notice shall also specify the other terms of the repurchase including maximum number of units to be repurchased and the other conditions under which such repurchase is to be affected, including the timeframe for execution of the repurchase.

### **14. VALUATION OF UNITS**

- 14.1 The Fund Manager shall compute and announce the NAV (and NAV per unit) of the Fund semi-annually.
- 14.2 The Fund's NAV will be computed using acceptable valuation methodologies based on the Trustees-approved principles.
- 14.3 The NAV and NAV per Unit will be calculated by the Fund Manager by adding the fair valuations of all investments held by the Fund and making any necessary adjustments that account for cash held by the Fund, accrued liabilities, expenses, prepayments, and any other creditors and debtors. Along with the valuation, the Fund Manager's valuation factors, such as interest rates, inflation, GDP growth, and foreign exchange conversion rate, must be stated.
- 14.4 The Fund shall also engage a SEC-registered consultant to value the Fund's Asset semi-annually or as required by applicable SEC requirements. The consultant must be replaced every three years as required by the SEC.

### **19. MANAGEMENT OF CONFLICT OF INTEREST**

- 19.1 The Fund Manager shall put in place policies and procedures for the management of real and potential conflict of interest/Related Party Transactions between the Fund Manager, the Trustees, Custodian and their Affiliates in the Fund Management Charter.
- 19.2 All services or transactions undertaken by the Fund Manager on behalf of the Fund with any Affiliate shall be done at arm's length and at terms based on cost, price, and prevailing market conditions in the interest of the Fund.
- 19.3 The Fund Manager shall disclose to the Commission by way of periodic reports (quarterly and annually), any Principal Transaction, Related Party Transaction or, any service contract between the Fund Manager, Trustees, Custodian and an Affiliate which may give rise to a potential conflict of interest between the Fund and any Affiliate.

- 19.4 The Fund Manager shall in accordance with Rule 450 of the SEC Rules (i) obtain the consent of the Trustees to purchase Securities on behalf of the Fund in which an Affiliate of the Fund Manager acts as Issuing House/underwriter (ii) disclose to the Commission purchase of such Securities in line with Rule 450 (B) (2) ( e) and (iii) generally disclose in its quarterly reports to the Commission such information required pursuant to Rule 450 (B) 4 of the SEC Rules.
- 19.5 The Fund Manager shall obtain the Trustees consent in respect of:
- 19.5.1 Principal transactions on behalf of the Fund by the Fund Manager with its affiliate as counter party or vendor; and
- 19.5.2 Principal transaction for sales or purchase of Securities in the secondary market where the Affiliate act s as broker or intermediary for such sale or purchase.

### 23. REGISTRATION OF UNITHOLDERS

- 23.1 There shall be a Register containing the names of Unitholders which shall be kept by the Registrar.
- 23.2 The Trustee shall have access to the Register at all reasonable times to inspect same
- 23.3 There shall be entered in the Register:
- 23.3.1 the full names, addresses and e-mail addresses of the Unitholders and if the Units are held jointly, the names, addresses and e-mail addresses of the Joint Unitholders except that not more than four (4) Joint Unitholder shall be entered in the Register in respect of anyone holding of Unit;
- 23.3.2 the number of Units held by each Unitholder, and each Unitholder's account number with the Fund Manager opened for lodgement of Units held by him in the Fund;
- 23.3.3 the date on which the name of each Unitholder was entered in respect of the Unit standing in his name and, where he became the Holder by virtue of an assignment or a transmission, a sufficient reference to enable the name and address of the assignor or Holder to be identified;
- 23.3.4 the date on which any assignment or transmission is register ed and the name and address of the assignee or Survivor; and
- 23.3.5 the name of the bankers to the Unitholder, the branch at which his account is held and his account number.
- 23.4 Any change of name or address on the part of any Unitholder shall forthwith be notified in writing to the Fund Manager who on being satisfied thereof and on compliance with all such formalities as it may require shall alter the Register or cause it to be altered accordingly.
- 23.5 Any Unitholder or his nominee shall be entitled at all reasonable times during business hours to inspect the Register. PROVIDED ALWAYS that if the Register is maintained in or by some mechanical or electronic system, the provisions of this clause will be satisfied by the production of legible evidence of the contents of the Register.
- 23.6 The Registrar may close the register at such times and for such period from time-to-time so long as it shall not exceed one calendar month in any one calendar year.
- 23.7 The Register shall be conclusive evidence as to the persons respectively entitled to the Units represented by a Statement of Unitholding entered therein. No notice of any trust express, implied or constructive shall be entered into the Register in respect of any such Units nor shall the Fund Manager, save as herein otherwise provided and except as ordered by a court of competent jurisdiction or as by statute, be bound to recognise (even when having notice thereof) any trust or equity affecting the ownership of such Units or the rights incidental thereto.
- 23.8 On the bankruptcy or liquidation or death of anyone of Joint Unitholders, the Survivor of the Joint Unitholder shall be the only person or persons recognized under this Deed as having any title to or interest in the Units represented by such Statement of Unitholdings as the case may be and upon producing such evidence of bankruptcy or liquidation or death as the Registrar may require and delivering up the Statement of Unitholding, the Survivor shall be entitled to have the duly endorsed or to have a fresh Statement of Unitholding duly issued in the Survivor's name as may be appropriate.

23.9 A body corporate may be registered as a Unitholder or as one of Joint Unitholders.

23.10 The Register shall be closed for a maximum period of thirty (30) days in one calendar year and for such periods as the Trustee may from time to time determine and upon giving to the Unitholders at least two (2) weeks' notice of the intention to close same by publication in at least two national daily newspapers.

#### **24. EXECUTION AND ISSUANCE OF STATEMENT OF UNITHOLDING**

24.1 Every Unitholder shall be entitled to a Statement of Unitholding issued in electronic form, which shall be evidence of their title to the number of Units specified on such document. A Unitholder may elect, at its discretion, to receive a Statement of Unitholding. Election to receive a Statement of Unitholding shall be made by Unitholders at the time the Units are subscribed to or purchased. Joint Unitholders shall be entitled to one (1) Statement of Unitholding in respect of the Units held jointly by them which shall be delivered to the joint Holder whose name first appears on the Register.

24.2 Statements of Unitholding shall be issued by the Fund Manager.

24.3 In the event that a Statement of Unitholding shall have been issued but before it is received by the Unitholder to whom it was issued, the Fund Manager ceases to be manager of the Trust Fund, such Statement of Unitholding shall be as valid and binding as though the Fund Manager had continued to be manager of the Fund up to the date of the Unitholder's receipt of such Statement of Unitholding.

24.4 A Statement of Unitholding shall bear a serial number and specify the number of Units represented thereby and shall be in the form set out in the Third Schedule to this Deed or in such other form as the Fund Manager and Trustees may agree.

24.5 A Unitholder shall be entitled to exchange statement of Unitholding for one or more other Statements of Unitholding representing the aggregate number of Units of the same type PROVIDED that Statement of Unitholding shall only be issued in respect of such minimum number of Units as may for the time being generally or otherwise be prescribed in writing by the Fund Manager with the approval of the Trustee. Before carrying out any such exchange as aforesaid the Unitholder shall surrender to the Fund Manager for delivery to the Trustees the Statement of Unitholding which is to be exchanged. Every new Statement of Unitholding shall be issued in the name of the Unitholder of the surrendered Statement of Unitholding which shall thereafter be cancelled.

#### **25. WORN OUT, DEFACED, LOST OR DESTROYED STATEMENT OF UNIT-HOLDING**

25.1 If any Statement of Unitholding is worn out, mutilated or defaced then the Fund Manager upon having the Statement of Unitholding produced to it shall cancel the same and shall arrange for the issue of another Statement of Unit-Holding in place of the cancelled one.

25.2 If any Statement of Unitholding is lost, stolen or destroyed, then upon proof thereof to the satisfaction of the Fund Manager and on such indemnity (if any) as the Fund Manager may deem adequate being given, a Statement of Unitholding in lieu thereof may be given to the person entitled to such lost, stolen or destroyed Statement of Unit -Holding. An entry of the issue of the new Statement of Unitholding and indemnity (if any) shall be made in the Register.

#### **30. AUDITORS**

30.1 The Fund Manager in consultation with the Trustees shall appoint the Auditors. The Auditors shall be a firm qualified for appointment as an auditor of a company under Section 358 of CAMA and registered by the Commission according to Section 184 (1) of the ISA for the purpose of auditing the whole of the business of the Fund.

30.2 The remuneration of the Auditor shall be fixed by the Fund Manager with the approval of the Trustees.

- 30.3 Any Auditor appointed may be removed by either the Fund Manager or the Trustees with the approval of either the Trustees or the Fund Manager (as the case may be) by notice thereof to the Auditor.
- 30.4 Notwithstanding any agreement between the Fund Manager and the Auditor, the Unitholders may by resolution remove the Auditor before the expiration of the Auditor's term of office and where a resolution removing an Auditor is passed at a Meeting, the Fund Manager shall within fourteen (14) days of such Meeting give formal notice of that fact to the Trustees, Auditors and SEC.
- 30.5 The Auditor of the Fund may resign their office by serving a notice in writing to that effect at the registered office of the Trustees and the Fund Manager and any such notice shall operate to determine its office on the date on which such notice is received or on such later date as may be specified therein.
- 30.6 An Auditor's notice of resignation shall not be effective unless it contains either:
- 30.6.1 A statement to the effect that there are no circumstances connected with his resignation which it considers ought to be brought to the notice of the Unitholders; or
  - 30.6.2 A statement setting out circumstances connected with its resignation, which it considers should be brought to the notice of the Unitholders.

### **31. UNITHOLDERS RIGHT OF REDEMPTION AND TRANSFER**

- 31.1 The Trustees acknowledge that this investment is structured as a close-ended fund, and as such, Units cannot be redeemed by Unitholders at any time prior to the termination of the Fund or maturity of the Units, except specifically provided herein or as required by applicable law.
- 31.2 Early redemption/withdrawal of units may be permitted under exceptional circumstances as determined by the Fund Manager in their sole discretion. Exceptional circumstances may include, but are not limited to, severe financial hardship, terminal illness, or other situations deemed appropriate by the Fund Manager.
- 31.3 A Unitholder seeking early redemption under exceptional circumstances must submit a written request to the Fund Manager. The request must detail the reasons for the early redemption and include any supporting documentation. The Fund Manager shall review and decide on such requests within thirty (30) Business Days.
- 31.4 If early redemption is approved, a redemption fee of 30% of the NAV of the units being redeemed will be applied to cover administrative costs and potential market impact.
- 31.5 Unitholders may transfer their units to other Target Investors, subject to the Fund Manager's approval and compliance with applicable laws and regulations. Any such transfer must be in accordance with the fund's transfer procedures.
- 31.6 Transfers may be subject to certain restrictions, including but not limited to minimum holding periods, lock-up periods, and the fund's transfer policies. The Fund Manager reserves the right to refuse or delay the registration of any transfer that does not comply with these terms.
- 31.7 The Fund Manager, upon obtaining the Commission's prior approval to any changes made to the redemption policies or any material amendments to the terms of the Fund, shall notify the Trustees of any changes to the redemption policies or other material amendments to the terms of the Fund at least 30 days prior to their implementation.

### **32. POWERS, RIGHTS, RESPONSIBILITIES, AND INDEMNITIES OF THE TRUSTEES AND FUND MANAGER**

- 32.1 Subject to the provisions of Section 168 of the ISA, and without prejudice to any indemnity allowed by law or elsewhere herein given to the Trustees or to the Fund Manager the following

provision shall apply in addition to any other powers, duties, and indemnities that may be given or excluded by law:

- 32.2 The Trustees and the Fund Manager shall not be responsible for the authenticity of any signature on or any seal affixed to any endorsement on any Statement of Unitholding or to any transfer or form of application or endorsement or other document affecting the title to or transmission of Units or securities or be in anyway liable for any forged or unauthorised signature on or a seal affixed to such endorsement, transfer or other document or for acting on or giving effect to any such forged or unauthorised signature or seal PROVIDED that they exercised due care and diligence in examining the signature.
- 32.3 Neither the Trustees nor the Fund Manager shall incur liability in respect of any action taken or thing suffered by them in good faith in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganisation or other paper or document believed to be genuine and to have been passed sealed or signed by the proper parties.
- 32.4 Neither the Trustees nor the Fund Manager shall be liable to the Unitholders for any actions taken or not taken due to any current or future law, regulation, court order, or government directive. This includes any requests or announcements made by a person or body acting with or claiming government authority, whether legally binding or not.
- 32.5 The Trustees or the Fund Manager shall be entitled to require that the signature of any Unitholder or Joint Unitholder to any document required to be signed by him under or in connection with this Deed shall be verified by a banker or broker or other responsible person or otherwise authenticated to its or their reasonable satisfaction.
- 32.6 The Trustees shall not by reason of their office be precluded from purchasing, holding, dealing in or disposing of Units or other transaction with the Fund Manager or any Unitholder or any company or body of any part of the securities which form part of the Authorized Investment or from being interested in any such contract or transaction or from holding any shares or any investment in any such company or body and the Trustees shall not except as otherwise herein provided be in anyway liable to account either to the Fund Manager or to the Unitholders or any of them for any profits or benefits made or derived by the Trustees thereby or in connection therewith PROVIDED such actions are not prejudicial to the interest of the Fund.
- 32.7 The Trustees shall prosecute or defend any action or suit in respect of the provisions hereof or in respect of the Assets or any part thereof or take part in or consent to any corporate or shareholders' or stockholders' action.
- 32.8 Subject to the consent of the Trustees and after consultation with the Investment Committee, the Fund Manager shall have absolute and uncontrolled discretion as to the purchase, selection, sale, exchange or alteration of any Investment and the Trustees shall not in any circumstances be responsible for any loss howsoever arising from the exercise of such discretion by the Fund Manager.
- 32.9 The Trustees shall not be liable to account to any Unitholder for any payment made or suffered by the Trustees in good faith to any duly empowered fiscal authority of Nigeria or elsewhere for taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under these presents, notwithstanding that any such payments ought not to be or need not have been made or suffered.
- 32.10 The Trustees shall not be under any liability on account of anything done or suffered by it in good faith in accordance with or in pursuance of any request notice, direction or advice of the Fund Manager. Whenever any request notice or other communication is to be given by the Fund Manager to the Trustees, the latter may accept sufficient evidence thereof a document signed on behalf of the Fund Manager by any two persons whose signatures the Trustee is for the time being authorized in writing by the Fund Manager to accept.

- 32.11 The Trustees shall as regard all the powers and discretions vested in it by these presents have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and in the absence of fraud or negligence the Trustees shall not in any way be responsible for any loss, costs, or damages that may result from the exercise or non-exercise thereof.
- 32.12 The Trustees may act upon the advice of or information obtained from legal practitioners whether instructed by it or by the Fund Manager and it may also act upon statements of or information or advice obtained from the Fund Manager or any bankers accountants, brokers, legal practitioners and other persons believed by the Trustees in good faith to be experts in relation to the matters upon which they are consulted and the Trustees shall not be liable for anything done or omitted or suffered to be done by it in reliance upon such advice statement or information.
- 32.13 The Trustees shall not be responsible for any misconduct, mistake, oversight, error of judgement or want of prudence on the part of the Fund Manager. However, the Trustee shall be liable for the misconduct, mistake, oversight, error of judgment or want of prudence on the part of any its agents (including attorney, banker, accountant, broker, legal practitioner or other agent or adviser of the Trustee) acting within the instruction of the Trustees.
- 32.14 The Trustees shall in no way be liable to make any payment hereunder to any Unitholder except out of the funds held by or paid to it for that purpose under the provisions hereof.
- 32.15 The Trustees shall be liable for the breach of its duties where it fails to carry out its responsibilities under this Deed or report breach of terms of this Deed to SEC.
- 32.16 The Trustees shall (subject as hereinafter provided) be entitled to destroy all instructions of transfer which have been registered at any time after the expiration of six (6) years from the date of registration thereof; all Statements of Unitholding which have been cancelled at any time after the expiration of three (3) years from the date of cancellation thereof; and all statements of the Register and other records and documents relating to the Trust at any time after the expiration of six (6) years from the date of cancellation thereof and from the termination of the Trust. The Trustees shall be under no liability whatsoever in consequence thereof and (unless the contrary be proved) every instrument of transfer so destroyed shall be deemed to have been a valid and effective instrument duly and properly registered by the Trustees and every Statement of Unitholding so destroyed shall be deemed to have been a valid Statement of Unitholding duly and properly cancelled. PROVIDED always that:
- 32.16.1 the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
  - 32.16.2 nothing in sub-clause 32.16.1 above shall be construed as imposing upon the Trustees any liability in respect of the destruction of any document later than as aforesaid in clause 32.16 above;
  - 32.16.3 references herein to the destruction of any document include references to the disposal thereof in any manner.
- 32.17 If for any reason it becomes impossible or impracticable to carry out any of the provisions of this Deed neither the Fund Manager nor the Trustees shall be under any liability therefore or thereby and neither shall incur liability by reason of any error of law or in the absence of fraud or negligence any matter or thing done or suffered to be done or omitted to be done by them or it in good faith hereunder. PROVIDED ALWAYS that nothing in this clause shall be construed as exempting the Trustees from, or indemnifying the Trustee against, liability for breach of trust where having agreed to the provisions of this Deed conferring on the Trustees any powers, authorities or discretions, the Trustees fail to exercise the degree of care and diligence required of them as trustees.
- 32.18 The Fund Manager shall not be liable to account to any Unitholder or otherwise for any payment made or suffered by the Fund Manager reasonably and in good faith to any duly empowered

fiscal authority in Nigeria or elsewhere for taxes or other charges in any way arising out of or relating to any transaction of whatever nature in accordance with the provisions of this Deed.

### **33. DUTIES OF THE TRUSTEES AND FUND MANAGER**

- 33.1 The Trustees shall have the following duties:
- 33.1.1 holding the Assets in trust for the benefit of the Unitholders;
  - 33.1.2 monitoring of the activities of the Fund Manager and Custodian on behalf of and in the interest of Unitholders;
  - 33.1.3 ensuring that the Custodian takes into custody all of the Assets and holds it in trust for the Unitholders in accordance with this Deed;
  - 33.1.4 monitoring of the Register;
  - 33.1.5 ascertaining and ensuring compliance with the provisions of the ISA, the SEC Rules and this Deed by the Fund Manager;
  - 33.1.6 ascertaining that monthly and other periodic returns/reports relating to the Fund are sent by the Fund Manager to the Commission;
  - 33.1.7 taking all steps and executing all documents which are necessary to secure acquisitions or disposals properly made by the Fund Manager in accordance with this Deed;
  - 33.1.8 forwarding to the Fund Manager within a reasonable time all notices of meetings, reports, circulars, proxy solicitations and any other document of a like nature for necessary action;
  - 33.1.9 ensuring that the fees and expenses of a scheme are within the prescribed limits;
  - 33.1.10 attending the periodic Investment Committee meetings of the Fund; and
  - 33.1.11 acting at all times in the interest of and for the benefit of Unitholders of the Fund.
- 33.2 The Fund Manager shall have the following duties:
- 33.2.1 selection and management of the portfolio of Authorised Investments in accordance with this Deed;
  - 33.2.2 keeping and maintain books and records of the Fund;
  - 33.2.3 preparing periodic accounting records of the Fund in accordance with the ISA and the applicable rules issued by the Commission from time-to-time;
  - 33.2.4 filing monthly and other periodic returns and reports with the Commission, and the Trustees;
  - 33.2.5 organising the Investment Committee meetings and other meetings of the Fund;
  - 33.2.6 keeping proper records in relation to the Fund; and
  - 33.2.7 establishing well defined compliance procedures and risk management policies.

### **34. FUND MANAGER AND TRUSTEES MAY ACT AS FUND MANAGER AND TRUSTEE OF OTHER TRUSTS**

The Fund Manager and the Trustees shall be entitled in conjunction or separately to establish and act as fund manager or trustee for trust separate and distinct from the Fund. PROVIDED that where the Trustees and Fund Manager act as trustee and fund manager of other trusts which are authorised unit trust schemes, the effective control of the company which is the Fund Manager under such authorised unit trust scheme shall be exercised independently of the company which is the Trustee under that scheme.

### **42. DURATION OF THE FUND**

The Trust constituted by this Deed shall be for a period of Ninety-Nine (99) years, subject only to the provisions for termination as are herein contained.

### **43. TERMINATION OF THE FUND**

- 43.1 If at any Meeting held in accordance with the provisions of the First Schedule, it should be resolved by Special Resolution to determine the Fund on a date specified in such resolution (being a date not earlier than three (3) months after the date of the resolution) the Fund shall accordingly be determined, and this Trust Deed shall cease to be of effect.
- 43.2 Notwithstanding any other provision herein contained, the Fund hereby created may be terminated on the happening of all or any of the following circumstances:

- 43.2.1 If the Fund Manager believes that the investment objective of the Fund is no longer achievable;
  - 43.2.2 If any law is passed or regulation or a government policy is made which in the judgment of the Fund Manager and/or the Trustee renders it illegal or impractical to continue the Fund;
  - 43.2.3 If the Commission revokes the authorization of the Fund Manager in accordance with section 61(6) of the ISA and a replacement fund manager cannot be appointed within six (6) months; and
  - 43.2.4 If within a reasonable time (not exceeding six months) of the Fund Manager vacating office under the provisions of clauses 35 and 36 hereof the Trustee fails to find such company as aforesaid ready to accept the office of Fund Manager of the Trust and of which the Trustee and SEC shall approve.
- 43.3 In the termination of the Fund, the Trustee shall comply with Section 453 of the SEC Rules on winding up of schemes.

#### **44. PROVISIONS UPON TERMINATION OF FUND**

- 44.1 Upon the Fund being terminated the liquidation of the Fund and redemption of the Unitholders' Units will be satisfied solely out of the Assets of the Fund without recourse to the assets of the Fund Manager.
- 44.2 The Trustees shall from time to time and at such other times as it shall deem convenient and in its absolute discretion distribute to the Unitholders according to their respective interest in the Fund all net cash proceeds derived from the realization of the Fund and any other cash forming part thereof and available for the purpose of such distribution PROVIDED THAT the Trustees shall be entitled to retain out of any monies in its possession for costs, charges, expenses, claims and demands incurred, made, or apprehended by the Trustees in connection with or arising out of the liquidation of the Fund.
- 44.3 Any unclaimed net proceeds or other cash held by the Trustees may at any time after the expiration of twelve (12) months from the date on which the same were made payable be paid into an Unclaimed Monies Trust Fund subject to the right of the Trustees to deduct therefrom any expenses it may incur in carrying out this provision.
- 44.4 The Trustees shall comply with SEC Rules 453 on the winding up of collective investment schemes.

#### **50. POWER OF MODIFICATION BY SUPPLEMENTAL TRUST DEED**

The Trustees and the Fund Manager shall be entitled with the prior approval of SEC by deed supplemental to this Deed to modify, alter or add to the provisions of this Deed in such manner and to such extent as they may consider expedient for any purpose (including in particular and without prejudice to the generality of the foregoing any sub-division or consolidation of units) PROVIDED THAT:

- i. the Trustees shall certify in writing that in its opinion such modification, alteration, or addition does not prejudice the interests of the Unitholders and does not operate to release the Trustees or the Fund Manager from any responsibility to the Unit holders.
- ii. the Unitholder shall be notified of such modification alterations or additions soon as practicable thereafter.
- iii. no such modification, alteration or addition shall impose upon any Unitholder any obligation to make any further payment in respect of his Units or to accept any liability in respect of them.

#### **14.2 AUTHORIZATION OF THE PROGRAMME**

At a meeting held on 15 July 2024, the Board of Directors of the Fund Manager passed a resolution approving the establishment of the closed-end venture capital fund to be known as the Utica Film Fund ("Fund"). The Board of Directors also resolved that the size of the Fund would be ₦20,000,000,000.00 (Twenty Billion Naira).

#### **14.3 INDEBTEDNESS**

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

#### 14.4 CLAIMS AND LITIGATIONS OF THE FUND MANAGER

As of the date of this Shelf Prospectus, Fund Manager is not engaged (whether as Defendant or otherwise) in any claims, legal actions, suits, arbitration, alternative dispute resolution proceedings, or other proceedings (collectively, "Claims") with any person or body corporate that is likely to have any material adverse effect on the Fund, nor is the Fund Manager aware of any other threatened or pending claims or litigation involving the Fund Manager which may be detrimental to the Fund.

#### 14.5 COSTS AND EXPENSES

The costs, charges, and expenses in respect of any issuance of Units of the Fund under this Programme, including fees payable to the Securities & Exchange Commission, professional parties, brokerage commission and printing and distribution expenses shall be borne by the Fund and offset from the proceeds of the relevant Offer and shall be disclosed in the applicable Supplementary Prospectus relating to the Units of the Fund being issued.

#### 14.6 RELATIONSHIP BETWEEN THE FUND MANAGER, THE TRUSTEES AND THE CUSTODIAN

The Fund Manager, the Custodian and the Trustees do not have any common shareholder or director, and neither is any a subsidiary or holding company of the other.

#### 14.7 RELATIONSHIP BETWEEN THE FUND MANAGER AND ITS ADVISERS

The Fund Manager and the Issuing Houses have no common shareholder or common director.

#### 14.8 SHAREHOLDING STRUCTURE

As at 28 October 2024, the shareholding structure of the Fund Manager was as follows:

Name of Shareholder	No. of Ordinary Shares Held	%
Bilkisu Tinuola Belgore	10,810,810	3.0%
Fosug Nigeria Limited	22,522,522	6.3%
Olusegun Oyebanji	22,522,522	6.3%
Kazeem Lawal & Yetunde Lawal	45,045,045	12.6%
The Incorporated Trustees of Ihen Abegunde Legacy Initiative	45,045,045	12.6%
Yellow Petals Limited	45,045,045	12.6%
Ola Belgore	66,441,441	18.6%
Vatebra Nigeria Limited	100,000,000	27.9%
	357,432,430	100.0%

#### 14.9 BENEFICIAL INTERESTS IN THE FUND MANAGER

The following Directors have listed shareholdings in the Fund Manager:

Name of Shareholder	Position	No. of Ordinary Shares Held	%
Ola Belgore	Managing Director	66,441,441	18.6%
Yetunde Lawal	Non-Executive Director	45,045,045	12.6%

#### 14.10 OFF-BALANCE SHEET ITEMS

As at 31 December 2023, the Fund Managers had no off-balance sheet Items other than in the ordinary

course of business.

#### 14.11 DECLARATIONS

Except as otherwise disclosed in this Shelf Prospectus:

- No share of the Fund Manager is under option or agreed conditionally or unconditionally to be put under option;
- No commissions, brokerages, or other special terms have been granted by the Fund Manager to any person in connection with the Fund or sale of any securities of the Fund Manager;
- There are no material service agreements between the Fund Manager or any of its Directors and employees other than in the ordinary course of business;
- There are no long-term service agreements between the Fund Manager or any of its Directors and employees other than in the ordinary course of business;
- No Director of the Fund Manager has had any interest, direct or indirect, in any property purchased or proposed to be purchased by the Fund Manager in the five years prior to the date of this Shelf Prospectus;
- No prosecution has commenced against the Fund Manager or any of its subsidiaries in respect of any breach of any securities or banking laws or CAMA; and
- It is further declared that to the best of knowledge of Directors as at 26th June 2024:
  - None of the above is under any bankruptcy or insolvency proceedings in any court of law;
  - None of them has been convicted in any criminal proceeding.
  - None of them is subject of any order, judgment, or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty.

#### 14.12 MATERIAL CONTRACTS

The following contracts have been entered into and are considered material to this Fund:

- i. The Shelf Prospectus
- ii. A Custodian Agreement dated [●] between Utica Capital, the Trustees and the Custodian to the Fund;
- iii. The Programme Trust Deed dated [●] between Utica Capital and Trustees under which the Fund was constituted;
- iv. A Programme Vending Agreement dated [●] between the Issuing Houses and Utica Capital; and
- v. Other than as stated above, the Fund Manager has not entered into any material contracts in respect of the Programme except in the ordinary course of business.

#### 14.13 CONSENTS

The following individuals have provided and have not withdrawn their written consents to this Prospectus with their names and reports (where applicable) in the form and context in which they appear:

<b>The Fund Manager</b>	Utica Capital Limited
<b>Directors of the Fund Manager</b>	Dr. Adesegun Akin-Olugbade, OON, Chairman Moridat Yetunde Lawal, Non-Executive Director Okpapi Omoaka, Non-Executive Director Dr. Dele Abegunde, Non-Executive Director Oladayo Orolu, Independent Non-Executive Director Tajudeen Ahmed, Independent Non-Executive Director Isiaka Olarongebe Belgore, Managing Director
<b>Company Secretary</b>	Worrington & Co.

Issuing Houses	FSDH Capital Limited Emerging Africa Capital Advisory Limited
Trustees to the Fund	STL Trustees Limited CardinalStone Trustees Limited
Custodian	First Bank of Nigeria Limited
Solicitor to the Fund	ALP NG & Co.
Registrar to the Fund	CardinalStone Registrars Limited
Fund Valuation Adviser	Deloitte & Touche Nigeria
Fund Auditor	Pricewaterhouse Coopers (PWC)

#### **14.14 MERGERS OR TAKEOVERS – FUND MANAGER**

As at the date of this Shelf Prospectus the Directors of the Fund Manager are not aware of the following during the preceding financial year or current financial year:

- A merger or takeover offer by third parties in respect of the Company's securities; and
- A merger or takeover by the Company in respect of another Company's securities.

#### **14.15 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected at the office of the Lead Issuing House FSDH Capital Limited at its business address during normal business hours on any Business Day during the offer period.

- Memorandum and Articles of Association of the Fund Manager, Trustee and Custodian;
- Certificate of Incorporation of the Fund Manager, Trustee and Custodian;
- The resolution of the Board of Directors of the Fund Manager authorizing the creation of the Fund;
- The duly executed Shelf Prospectus issued in respect of the Programme;
- The 3-Year Audited financial summary of the Fund Manager;
- The material contracts referred to in page 91;
- The written consents referred to in page 91;
- The Programme Trust Deed and
- The letter of approval of the Fund and registration of Units by the SEC.