

FICUS CAPITAL AND INVESTMENT MANAGEMENT LIMITED

# DOLLAR INVESTMENT NOTE

INVESTMENT PRODUCT PAPER

FICUS CAPITAL AND INVESTMENT MANAGEMENT LIMITED  
3RD SEPTEMBER 2025

**FICUS CAPITAL AND INVESTMENT MANAGEMENT LIMITED**

**DOLLAR INVESTMENT NOTE (DISCRETIONARY)**

(FOR HIGH NET-WORTH CLIENTS AND QUALIFIED INSTITUTIONAL CLIENTS)

**PRODUCT DETAILS**

Name of Product:	Dollar Investment Note
Fund/Portfolio Manager:	Ficus Capital and Investment Management Limited
Nature/Feature of Product:	<ul style="list-style-type: none"> <li>• Short to medium-term USD denominated investment</li> <li>• Biannual coupon payments (with option to re-invest)</li> <li>• Low-Moderate risk profile – backed by Sovereign/Corporate USD credit</li> <li>• Yields offered to each client is subject to negotiation for each tenor</li> </ul>
Nature of Portfolio Management	Private; discretionary (Fund/portfolio manager will determine asset allocation and security selection of underlying assets)
Target Clients:	<ul style="list-style-type: none"> <li>• High-Net-Worth Clients (HNIs)</li> <li>• Qualified Institutional Clients (QILs)</li> </ul>
Method of Sales:	ONE-ON-ONE BASIS - Distributed directly by Ficus Capital business development/sales team
Custodian:	UBA GLOBAL INVESTMENT SERVICES
Proposed Launch Date:	<i>To commence immediately after SEC approval</i>
Proposed Tenor:	Tailored to the maturity of the underlying instrument
Benchmark:	Nigerian Sovereign Eurobond yields – fixed rate determined at onboarding remains constant throughout investment period.
Minimum Investment Amount:	US\$5,000, with the flexibility to add to the principal during the investment period and rollover at tenor maturity.
Currency of Issue:	United States Dollar (USD)
Client Returns Structure:	<ul style="list-style-type: none"> <li>• Clients receive interest payments twice a year</li> <li>• Interest rates are negotiated based on tenor and size of investment</li> <li>• Interest can be reinvested at current market rates</li> </ul>
Income Distribution:	interest payments are made to clients biannually (every 6 months).
Valuation Methodology:	Assets are valued using marked-to-market pricing methodology which reflects current market prices using

	<p>industry-standard sources and includes custody costs. Prices are updated regularly following standard market practices.</p>
<p>Total Expense (fund/portfolio manager fee and other charges):</p>	<p>Fees Paid by Client:</p> <ul style="list-style-type: none"> <li>• Management Fee: 2.5% of the yield is retained as the fund/portfolio manager's spread (charged from interest earned)</li> <li>• Regulatory Fee: <ul style="list-style-type: none"> <li>○ 0.25% of AUM of all discretionary and non-discretionary funds/portfolio (other than CIS) for HNI clients, payable quarterly</li> <li>○ 0.20% of AUM of all discretionary and non-discretionary funds/portfolio (other than CIS) for qualified institutional (QII) clients, payable quarterly</li> </ul> </li> <li>• Transaction Fees (Total = 0.149%): <ul style="list-style-type: none"> <li>○ Stamp duties - 0.035%</li> <li>○ Custodial and administrative charges - 0.09%</li> <li>○ Settlement fee (+ VAT) – 0.0237% on FV</li> </ul> </li> <li>• Withholding Taxes - 10% (<i>Corporate Eurobonds ONLY</i>)</li> </ul> <p>Costs Paid by Each Party:</p> <ul style="list-style-type: none"> <li>• Legal and compliance expenses: Each party bears their own costs</li> </ul> <p><i>All such fees and expenses must be wholly, reasonably, exclusively, and necessarily incurred for the benefit of the Client's portfolio.</i></p>
<p>Tax Treatment:</p>	<p>Applicable to non-FGN Eurobonds ONLY.</p> <p>Interest earned on the Dollar Investment Note is subject to a 10% withholding tax (WHT) under Nigerian tax law.</p> <p>Clients with tax-exempt status may be eligible for exemption upon submission of valid documentation.</p>
<p>Investment Objectives:</p>	<ul style="list-style-type: none"> <li>• Stable income: generate regular USD income through interest payments</li> <li>• Capital preservation: preserving capital by investing in investment-grade USD-denominated instruments</li> <li>• Currency Diversification: Hedge against Naira devaluation via USD-denominated assets</li> </ul>

Asset Allocation:	<p>100% in USD-denominated fixed income securities (sovereign, supranational, and corporate Eurobonds) with a minimum tenor of 180 days.</p> <p><i>Instruments must meet internal liquidity, size, and credit rating thresholds (minimum 'B' foreign currency rating from recognized rating agencies).</i></p>
Proposed Security Selection Plan:	<ul style="list-style-type: none"> <li>• Sovereign Eurobonds - Minimum 'B' FCY rating (Moody's/S&amp;P)</li> <li>• Corporate Eurobonds - Minimum 'B' FCY rating</li> </ul> <p><i>\$150K - \$200K per tenor (tenors are tied to the underlying assets)</i></p>
Investment Strategy:	<p>The Dollar Investment Note invests in US dollar-denominated government and corporate bonds that provide regular, predictable interest payments.</p> <p>The fund/portfolio manager carefully matches clients' investment with eurobonds that align with tenor and payment schedule, ensuring proper liquidity management and minimizing reinvestment risk.</p> <p>This Note provides fractional ownership in investment grade Nigerian sovereign and corporate USD bonds, making these institutional-grade investments accessible with a minimum investment of just \$5,000.</p>
Subscription Mechanisms:	<ul style="list-style-type: none"> <li>• Client application form + Tier 3 client onboarding process</li> <li>• Clients subscribe with cleared USD into the designated custodian (UBA GLOBAL INVESTMENT SERVICES) account</li> <li>• Allocation is made to pre-vetted assets based on the investment strategy.</li> </ul>
Penalty:	25% of accrued interest if exited before agreed tenor
Interest Payment Frequency:	Biannual (twice yearly) interest payments
Subscription Frequency (i.e. essentially the schedule for when new investments are accepted):	<p>Daily subscription frequency.</p> <p>Subscriptions are subject to the availability and maturity profile of the underlying instruments.</p>

<p>Risk Management:</p>	<p><u>Credit Risk</u>: Possibility that an issuer will default before the instrument reaches maturity  <u>Mitigation Strategy</u>: We will invest only in sovereign/corporate issuers with minimum 'B' FCY ratings. We will maintain a 10% issuer cap to mitigate concentration risk.</p> <p><u>FX Risk</u>: The risk of incurring financial losses due to fluctuations in exchange rates between currencies (i.e. USD-Naira)  <u>Mitigation Strategy</u>: The USD-denominated structure of the Note minimizes direct exposure to Naira fluctuations</p> <p><u>Market Risk</u>: The risk that an instrument's value will fluctuate with changing market conditions  <u>Mitigation Strategy</u>: We will restrict investments to hold-to-maturity instruments to reduce impact of market price volatility</p> <p><u>Interest Rate Risk</u>: The possibility that an instrument's price will fall with rising interest rates  <u>Mitigation Strategy</u>: We will maintain moderate tenors and floating tranche structure reduce exposure to rate shifts</p> <p><u>Political Risk</u>: The risk that returns could suffer from unforeseen regulatory and political changes  <u>Mitigation Strategy</u>: Develop early warning systems</p> <p><u>Liquidity Risk</u>: The possibility that an instrument is not tradeable in the secondary market  <u>Mitigation Strategy</u>: We will focus on large-issue Eurobonds (&gt; \$500 million) with an active secondary market.</p> <p><u>Operational Risk</u>: The possibility of errors or breakdowns in settlement, reporting, or execution  <u>Mitigation Strategy</u>: Dual-authorization settlements</p>
-------------------------	--

## GOVERNANCE STRUCTURE

### Investment Management Committee

#### Responsibilities:

- Asset allocation, portfolio construction, and liquidity management
- Security selection, execution, and pricing analysis

#### Members:

- CEO
- Head of Investments
- Compliance/Risk Officer
- CFO

### Operations

#### Responsibilities:

- Funds confirmation and settlement
- Client investment advisories (email/hard copy)
- Bank and securities reconciliation

### Financial Control

#### Responsibilities:

- Accurate ledger entries and profitability tracking

### Technology

- System: Symplus IM (existing infrastructure)
- Features: Auto-fee/VAT calculation at maturity

### Marketing & Communication (Outsourced)

- Product launch support, branding, and client awareness campaigns
- Perception analysis and response strategy

### Legal

- Documentation review and liability mitigation

### Risk & Compliance Committee

#### Responsibilities:

- Guideline adherence and limit monitoring
- Daily non-financial risk oversight
- Quarterly stress testing and issuer credit reviews

#### Members:

- CEO
- COO

- Head of Investments
- Compliance Officer

#### Regulatory & Legal Considerations

- Complies with SEC Nigeria investment guidelines
- Adheres to domestic & global AML/KYC standards
- Investor Eligibility: Accredited investors only (per Nigerian/other country regulations)

[END OF DOCUMENT]