

FICUS CAPITAL AND INVESTMENT MANAGEMENT LIMITED

LIQUID ASSETS PORTFOLIO

INVESTMENT PRODUCT PAPER

FICUS CAPITAL AND INVESTMENT MANAGEMENT LIMITED

LIQUID ASSETS PORTFOLIO (DISCRETIONARY)

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

PRODUCT DETAILS

Name of Product:	Liquid Assets Portfolio (Discretionary)
Fund/Portfolio Manager:	Ficus Capital and Investment Management Limited
Nature/Features of Product:	<ul style="list-style-type: none"> • Short maturity: invests in short-term debt instruments with a maturity period of up to 366 days. • High liquidity: invests in instruments that are tradeable in the secondary market • Low risk: highly liquid instruments are considered low risk.
Nature of Portfolio Management:	Private and discretionary. The fund/portfolio manager will determine asset allocation and security selection of the underlying assets.
Target Clients:	<ul style="list-style-type: none"> • High-Net-Worth Clients (HNIs) • Qualified Institutional Clients (QIIs)
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:	91-day NTB average yield, as published by the Central Bank of Nigeria (CBN).
Minimum Investment Amount:	₦20,000,000 (20 Million Naira). with the flexibility to add to the principal during the investment period and rollover at tenor maturity.
Currency of Issue	Naira (NGN)
Client Returns Structure:	<ul style="list-style-type: none"> • Returns: Quarterly floating returns based on prevailing market rates • Flexible Withdrawals: Given the liquid nature of the product, clients may request ad-hoc distributions subject to agreed notice period and minimum amounts
Income Distribution:	Interest is distributed quarterly. Clients can choose quarterly distributions or allow automatic reinvestment (for compounding)

Valuation Methodology:	Assets are valued using amortized cost methodology to ensure stable returns, with interest accrued daily for consistent growth while monthly reconciliation maintains accuracy and compliance.
Total Expense (fund/portfolio manager fee and other charges):	<p>Fees Paid by Client:</p> <ul style="list-style-type: none"> • Management Fee: 2.5% per annum of AUM, charged quarterly <ul style="list-style-type: none"> • Regulatory Fee: <ul style="list-style-type: none"> ○ 0.25% of AUM for all discretionary and non-discretionary funds/portfolio (other than CIS) for HNIs clients, payable quarterly ○ 0.20% of AUM of all discretionary and non-discretionary funds/portfolio (other than CIS) for qualified institutional (QII) clients, payable quarterly • Transaction Fees (Total = 0.149%): <ul style="list-style-type: none"> ○ Stamp duties - 0.035% ○ Custodial and administrative charges - 0.09% ○ Settlement fee (+ VAT) – 0.0237% on FV <p>Costs Paid by Each Party:</p> <ul style="list-style-type: none"> • Legal and compliance expenses: Each party bears their own costs <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>
Tax Treatment:	<p>Applicable to non-FGN securities ONLY.</p> <p>Interest earned 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>
Investment Objectives:	<ul style="list-style-type: none"> • Stable income: generate regular, immediate income/cash flow • Capital preservation: preserve investor capital • Offer flexible and accessible liquidity for short-term investors

<p>Investment Strategy:</p>	<p>The Liquid Assets Portfolio aims to give clients steady, floating-rate returns while keeping their investments safe and easy to access.</p> <p>It allocates funds to investment grade short-term government and money market instruments, managed actively to balance safety, returns, and liquidity. The liquid assets portfolio also matches investment timelines with client’s withdrawal needs.</p> <p>The strategy includes:</p> <ul style="list-style-type: none"> • Bottom-up security selection: Focus on instruments priced below intrinsic value (e.g., commercial papers with favorable spreads) • Credit and liquidity discipline: Emphasis on “A” rated non-bank issuers and strong liquidity coverage • Tactical asset shifts: Adjusts allocation in response to interest rate cycles and yield curve shifts • Yield curve positioning: Overweight 60–90-day tenors to capture steepness in short-term yield curves • Systematic Investment Plan (SIP): Enables recurring investments by clients at prevailing market yields
<p>Asset Allocation:</p>	<p>100% allocated to investment grade NGN-denominated sovereign and corporate short-term instruments including:</p> <ul style="list-style-type: none"> • Treasury Bills • Commercial Papers • Banker’s Acceptances • Fixed Deposits
<p>Proposed Security Selection Plan:</p>	<p>Short-Term Govt. Securities: 10-60% Money Market Instruments: 30-90% Cash/Bank Deposits: 0-5%</p>
<p>Risk Profile/Category:</p>	<p><i>Conservative</i>: the conservative risk profile prioritizes capital preservation and stable returns over growth potential. These types of clients prefer predictable income with minimal fluctuations in their investment value.</p>
<p>Subscription Mechanisms:</p>	<ul style="list-style-type: none"> • Client application form + Tier 3 client onboarding process • Clients subscribe with cleared NGN into the designated custodian (UBA GLOBAL INVESTMENT SERVICES) account • Allocation is made to pre-vetted assets based on the investment strategy.

Redemption and Exit:	<ul style="list-style-type: none"> • Quarterly interest payouts with option to re-invest • Minimum holding period: 60 days for initial investment • 30% of accrued interest is forfeited if redeemed within 60 days
Subscription Frequency (i.e. essentially the schedule for when new investments are accepted):	Daily subscription frequency. Subscriptions are subject to the availability and maturity profile of the underlying instruments.
Risk Management:	<p><u>Credit Risk</u>: Possibility that an issuer will default before the instrument reaches maturity <u>Mitigation Strategy</u>: Only NGN-denominated instruments; minimum credit rating of 'B' for banks and 'A' for non-banks; internal credit reviews</p> <p><u>Regulatory Risk</u>: The possibility of incurring financial losses due exposure to changes in financial and capital market regulation <u>Mitigation Strategy</u>: Full compliance with SEC/CBN rules; Automated AML/KYC checks in onboarding</p> <p><u>Concentration Risk</u>: The possibility of overexposure to a single issuer or security <u>Mitigation Strategy</u>: 15% single-issuer cap; Real-time monitoring of issuers and sector allocation</p> <p><u>Interest Rate Risk</u>: The possibility that an instrument's price will fall with rising interest rates <u>Mitigation Strategy</u>: Maximum portfolio tenor of 366 days; duration-controlled portfolios with ≤120-day weighted average maturity.</p> <p><u>Liquidity Risk</u>: The possibility that an instrument is illiquid in the secondary market <u>Mitigation Strategy</u>: Portfolio laddering; minimum 5% allocation to near-cash instruments; preference for liquid instruments; in-house credit screening.</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)

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