

FICUS CAPITAL AND INVESTMENT MANAGEMENT LIMITED

**PORTFOLIO MANAGEMENT
SERVICES (DISCRETIONARY)**

INVESTMENT PRODUCT PAPER

FICUS CAPITAL AND INVESTMENT MANAGEMENT LIMITED
3RD SEPTEMBER 2025

FICUS CAPITAL AND INVESTMENT MANAGEMENT LIMITED
PORTFOLIO MANAGEMENT SERVICES (DISCRETIONARY)
(FOR HIGH NET-WORTH CLIENTS AND QUALIFIED INSTITUTIONAL CLIENTS)

PRODUCT DETAILS

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| Name of Product: | Portfolio Management Services (Discretionary) |
| Fund/Portfolio Manager: | Ficus Capital and Investment Management Limited |
| Nature/Feature of Product: | <ul style="list-style-type: none"> ● Customized portfolio construction ● Active management ● Tactical asset allocation ● Strategic portfolio rebalancing ● Customized Investment Policy Statement (IPS) |
| Nature of Portfolio Management | Private and discretionary. The fund/portfolio manager will determine asset allocation and security selection of the underlying assets and execute investment decisions. |
| 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> |
| Benchmark: | <p>Benchmarks are defined per client IPS. Typical references include the NGX 30 or NGX All Share Index for equity-focused portfolios, and the 1-year NTB yield for fixed income portfolios.</p> <p>Blended benchmarks may be used for multi-asset mandates.</p> |
| Minimum Investment Amount: | ₦150,000,000 (One Hundred and Fifty Million Naira) minimum investment amount |
| Currency of Issue | NGN |
| Client Returns Structure: | Client returns are based on performance of selected assets per portfolio, aligned with client risk profile and asset allocation model. Returns are variable and dependent on market conditions. |
| Income Distribution: | Income generated from client portfolios is credited back to clients based on agreed terms. Clients may choose to reinvest or withdraw income periodically. |

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| Valuation Methodology: | Portfolios are valued based on market prices for listed instruments and amortized cost for short-term debt instruments. Pricing data is sourced from custodians, recognized pricing providers, or internal models for SEC-approved private instruments. |
| 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 • Fund/Portfolio Manager's spread: based on enhanced returns above an agreed benchmark. • 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 • Non-Equity 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 • Equity market transaction fees (2.58% total) <ul style="list-style-type: none"> ○ NGX Fee (Sell Side): 0.3% ○ CSCS Fee (Sell Side): 0.3% ○ Trade Alert Fee: 4.00 Naira per trade ○ SEC Fee (Buy Side): 0.3% ○ Stamp Duty (Buy & Sell Sides): 0.08% ○ Brokerage Commission (Buy & Sell Sides): ≤1.35% ○ VAT – only on statutory + brokerage fees, not on stamp duty (7.5%) <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. Also, fee structures are defined per client mandate and aligned with IPS.</i></p> |
| Investment Objectives: | <ul style="list-style-type: none"> • Growth: Focus on capital appreciation over the long term • Income: Prioritizing consistent stable income generation • Income and Growth: Balance between stable income and gradual capital appreciation |

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| Asset Allocation: | Assets are selected based on client risk tolerance and returns expectations* (see table below). |
| Investment Strategy: | <p>Our discretionary Portfolio Management Service is tailored to each client’s risk tolerance and investment objectives, with asset allocation across equities, fixed income, and cash guided by defined risk profiles.</p> <p>Asset allocation is tailored to the client’s investment risk profile. Each portfolio is designed to match the investment horizon and return expectations using diversified asset classes and periodic rebalancing.</p> <p>The investment process will include:</p> <ul style="list-style-type: none"> ● Strategic asset allocation based on client goals ● Tactical shifts to capture market opportunities ● Diversified exposure across equities, fixed income, and cash ● Professional oversight and systematic rebalancing ● Dedicated portfolio manager support |
| Subscription Mechanisms: | <ul style="list-style-type: none"> ● Client application form + Tier 3 client onboarding process ● Clients transfer funds to dedicated custodian (UBA GLOBAL INVESTMENT SERVICES) accounts. ● Portfolios are then constructed and managed according to the IPS. |
| Redemption and Exit: | Early redemption penalty of up to 35% of accrued interest applies for liquidations before maturity. |
| Risk Management: | <p><u>Investment Risk</u>: The risk of market fluctuations impacting portfolio value. <u>Mitigation Strategy</u> Thorough credit research, limits per rating tier, regular monitoring.</p> <p><u>Liquidity Risk</u>: The risk of inability to exit positions quickly or cost-effectively. <u>Mitigation Strategy</u>: Liquidity buffers, tiered asset liquidity tiers, position sizing.</p> <p><u>Credit Risk</u>: Possibility of default or deterioration in issuer quality. <u>Mitigation Strategy</u>: Credit research, limits per rating tier, regular monitoring.</p> <p><u>Counterparty Risk</u>: The risk from counterparty default or settlement failure. <u>Mitigation Strategy</u>: Due diligence, exposure limits, use of collateral arrangements.</p> |

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| | <p><u>Concentration Risk</u>: Overexposure to a single issuer, industry, or region. <u>Mitigation Strategy</u>: Exposure caps, portfolio diversification, ongoing monitoring.</p> <p><u>Currency Risk</u>: The risk of the impact of FX fluctuations on portfolio returns. <u>Mitigation Strategy</u>: Currency hedging, currency overlays, base-currency alignment.</p> <p><u>Interest Rate Risk</u>: The risk of decline in bond value due to rising rates. <u>Mitigation Strategy</u>: Yield curve positioning, laddered maturities.</p> <p><u>High Yield Risk</u>: The risk of volatility and potential default of low-rated securities. <u>Mitigation Strategy</u>: Exposure limits, credit screening, diversification across sectors.</p> <p><u>Special Situation Risk</u>: The risk of event-driven risk (e.g., M&A, restructurings). <u>Mitigation Strategy</u>: Exposure limits, probability-based sizing, ongoing deal tracking.</p> <p><u>Operational Risk</u>: The possibility of errors or breakdowns in settlement, reporting, or execution, and other control systems. <u>Mitigation Strategy</u>: Dual-control procedures, system automation, incident response framework.</p> <p><u>Regulatory Risk</u>: The possibility of impact from changes in rules or policies. <u>Mitigation Strategy</u>: Compliance oversight, SEC alignment, documentation reviews.</p> |
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*Asset Allocation (Tentative): Each portfolio is tailored to the client's specific needs, with strategic allocation usually across the following asset classes:

| Risk Profile | Equities | Fixed Income | Cash |
|----------------------------------|----------|--------------|--------|
| Conservative (Model Portfolio 1) | 10 – 30% | 50 – 70% | 0 – 5% |
| Balanced (Model Portfolio 2) | 20 – 40% | 30 – 60% | 0 – 5% |
| Growth/Aggressive (Model 3) | 50 – 70% | 20 – 40% | 0 – 5% |

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 regulations)

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