

You are advised to read and understand the contents of the Prospectus. Before subscribing, please consult your Stockbroker, Solicitor, Banker or an Independent Investment Adviser registered by the Securities and Exchange Commission.

The rental yield on real estate portfolio held by the REIT is not equivalent to the yield of the units and the value of the real estate may fluctuate.

For information concerning certain risk factors which should be considered by prospective investors, see Risk Factors on Page 14 to 17



Abridged Particulars of the Prospectus

Initial Public Offering

of

3,000,000,000 Units

of

₦10.00 each at par

in the



UPDC Real Estate Investment Trust

(Authorized and Registered in Nigeria as a Real Estate Investment Trust)

Payable in full on Application

Fund Manager:



FSDH

FSDH ASSET MANAGEMENT LIMITED

RC 434206

Lead Issuing House:



Stanbic IBTC Bank

A member of Standard Bank Group

RC 125097

Co - Issuing House:



bgl plc

RC 223042

APPLICATION LIST OPENS: Tuesday, 19 February 2013

APPLICATION LIST CLOSES: Thursday, 28 March 2013

This Abridged Prospectus and the units which it offers have been registered by the Securities & Exchange Commission. The Investments and Securities Act No 29, 2007 ('the Act') provides for civil and criminal liabilities for the issue of an Abridged Prospectus which contains false or misleading information. The registration of this Abridged Prospectus and the units which it offers do not relieve the parties of any liability arising under the Act for false or misleading statements or for any omission of a material fact in this Abridged Prospectus

THIS PROSPECTUS IS DATED 05 February 2013

SUMMARY OF THE OFFER

The following information should be read in conjunction with the full text of this Prospectus, from which it is derived. Investors are advised to seek information on the fees and charges before investing in the REIT:

1. **Sponsor:** UACN Property Development Company Plc.
2. **Fund Manager:** FSDH Asset Management Limited.
3. **Lead Issuing House:** Stanbic IBTC Bank PLC.
4. **Co-Issuing House:** BGL Plc.
5. **Joint Trustees to the REIT:** First Trustees Nigeria Limited and UBA Trustees Limited.
6. **Custodian:** UBA Plc (Global Investor Services Division)
7. **Solicitors to the Joint Trustees:** Udo Udoma & Belo-Osagie
8. **Solicitors to the Offer:** Detail Commercial Solicitors
9. **Reporting Accountants** Ernst & Young
10. **The Offer:** 3,000,000,000 Units of ₦10.00 each at par in the UPDC REIT.
11. **Mode of Offer:** Offer for Subscription.
12. **Nature of the REIT:**

The REIT aims to achieve long-term capital growth of its assets by investing at least 75% of its assets directly in quality real estate (land and/or properties) in strategic locations across Nigeria, which the Fund Manager has identified as offering excellent growth/appreciation potential.

A maximum of 25% of the REIT's assets may be invested in real estate related assets with no more than 10% in liquid assets including investments in fixed income securities.

The REIT is close-ended and its Units will be listed on the floor of The NSE. Once this Offer is concluded, Units of the REIT can only be bought or sold through a licensed Stockbroker on the floor of The Exchange. **Consequently, the price will be market driven and not based on the Net Asset Value of the REIT.**

However the REIT may undertake secondary offerings as the need arises.
13. **Units of Sale:** 10,000 Units and in multiples of 1,000 Units thereafter.
14. **Offer price:** ₦10.00 per Unit.

Foreign currency subscriptions will be processed at the applicable foreign exchange rate at the time of subscription.
15. **Offer size:** ₦30,000,000,000.00.
16. **Payment Terms:** In full on application.
17. **Underwriting:** At the instance of the Sponsor, the Offer is not underwritten.

SUMMARY OF THE OFFER

18. Opening Date: 19 February 2013

19. Closing Date: 28 March 2013

20. Investment objectives: The primary objective of the REIT is to provide unit holders with stable cash distributions from investments in a diversified portfolio of income-producing real estate properties and to improve and maximize unit value through the ongoing management of the REIT's assets, future acquisitions and the development of additional income-producing real estate properties.

21. Quotation: An application has been made to The Council of The Exchange for the admission of 3,000,000,000 Units of the UPDC REIT to its Daily Official List. At the conclusion of the Offer, Units of the REIT will be tradeable on the floor of The Exchange.

22. Status: The Units qualify as securities in which Pension Fund Assets can be invested under the Pension Reform Act 2004, and securities in which Trustees may invest under the Trustee Investments Act Cap T22 LFN 2004.

23. Forecast Offer Statistics:
(Extracted from Reporting Accountants' Report)

Year Ending 31 December	2013	2014	2015	2016	2017
	N'm	N'm	N'm	N'm	N'm
Opening Net asset value	30,000	30,262	30,545	30,877	31,243
Total income	3,987	3,518	4,086	4,472	5,787
Total expenses	251	256	326	354	345
Net asset value, at end of year	30,262	30,545	30,877	31,243	31,741
Earnings Yield	8.7%	9.3%	10.7%	11.7%	15.6%
Distribution Yield	7.8%	8.4%	9.7%	10.5%	14.1%

24. Mandatory Subscription: UPDC intends to hold 40% of the REIT, while 60% will be held by the investing public. The cash being raised from the Offer will be applied towards the purchase of real estate assets from UPDC. UPDC will receive as purchase consideration; a combination of units of the REIT valued at ₦12,000,000,000 and cash payment. Consequently, UPDC will not make any cash subscription in respect of its 40% stake.

25. Distributions: A minimum of 90% of the income earned will be distributed to Unitholders at the end of every financial year. There is no option of reinvesting such income.

26. Rating: The UPDC REIT is assigned a BBB(f) rating by GCR.

27. Oversubscription In the event of oversubscription, 15% of the Offer size will be absorbed subject to the Commission's approval and registration of additional units.

FUND MANAGER:

FSDH Asset Management Limited
UAC House (5th Floor)
1-5 Odulami Street
Lagos
Tel: +234 1 270 4884-5
Email: info@fsdhgroup.com
Website: www.fsdhaml.com

Abuja Office

Abia House
Plot 979, 1st Avenue, Off Ahmadu Bello Way
Cadestral Zone AO
Central Business District
Abuja
Tel: +234 9 670 0532; +234 9 273 1170

Port Harcourt Office

2nd Floor
Mainstreet Bank Building
5 Trans Amadi Road
Port Harcourt
Tel: +234 802 408 1331

DIRECTORS:

Mr Rilwan Nosawaru Belo-Osagie (**Chairman**)
UAC House (7th Floor)
1-5 Odulami Street
Lagos

Mrs Mayowa Ogunwemimo (**Managing**)
UAC House (5th Floor)
1-5 Odulami Street
Lagos

Mrs Hamda Abimbola Ambah
UAC House (5th Floor)
1-5 Odulami Street
Lagos

Mr Ibrahim Yahaya Dikko
UAC House (7th Floor)
1-5 Odulami Street
Lagos

Mr Dave Uduanu
UAC House (7th Floor)
1-5 Odulami Street
Lagos

PRINCIPAL OFFICERS:

Mrs Mayowa Ogunwemimo
Miss Adaobi Ekweanya
Mrs Chinenye Ekwunife
Mr Robert Anwalimobor Ajiamah
Mr Richard Chukwunyeremwa Osuagwu
Mr Gibson Uwaezuoke Mba
Mrs Olufola Wiltshire
Mr Bamidele Samuel Ojo

INVESTMENT COMMITTEE MEMBERS

Mrs Olumayowa Ogunwemimo
Mr Robert Anwalimobor Ajiamah
Mr Hakeem Bamidele Ogunniran
Mrs Folasade Oluwatoyin Ogunde
Mrs Oluwatoyin Sanni
Mr Adenekan Fasiu Olajide
Mr William Bobie (**Independent**)
Mr Kolapo Benjamin Omidire (**Independent**)
Mr Nsikak Titus Ekure (**Independent**)

COMPANY SECRETARIES:

ALSEC Nominees
13th Floor
St. Nicholas House
Catholic Mission Street
Lagos

Profiles of the Directors and Principal Officers and Financial Information on the Fund Manager are provided on pages 31 to 32.

PROFESSIONAL PARTIES TO THE OFFER

SPONSOR/PROPERTY MANAGER:

UACN Property Development Company Plc
UAC House
1-5 Odunlami Street
Lagos

DIRECTORS OF SPONSOR:

Mr Larry Ephraim Ettah (**Chairman**)
Mr Hakeem Bamidele Ogunniran (**Managing**)
Mrs Folashade Oluwatoyin Ogunde (**Executive**)
Mr Babatunde Oladele Kasali
Mrs Halima Tayo Alao
Mr Abdul Akhor Bello
Mr Adekunle Olakitan Awojobi

COMPANY SECRETARY OF THE SPONSOR

Mr Godwin A. Samuel

LEAD ISSUING HOUSE/RECEIVING BANK:

Stanbic IBTC Bank PLC
I.B.T.C. Place
Walter Carrington Crescent
Victoria Island
Lagos

Co- Issuing House:

BGL PLC
Millenium House
12A, Catholic Mission Street
Lagos Island
Lagos.

JOINT TRUSTEES:

First Trustees Nigeria Limited
A. G. Leventis Building
42/43 Marina
Lagos

UBA Trustees Limited
UBA House
57 Marina
Lagos

STOCKBROKERS TO THE OFFER:

Stanbic IBTC Stockbrokers Limited
I.B.T.C. Place
Walter Carrington Crescent
Victoria Island
Lagos

FBN Securities Limited
16 Keffi Street
Off Awolowo Road
South West Ikoyi
Lagos

FSDH Securities Limited
UAC House (8th floor)
1/5 Odunlami Street
Lagos

REGISTRARS TO THE OFFER:

First Registrars Nigeria Limited
Plot 2 Abebe Village Road
Iganmu
Lagos

REPORTING ACCOUNTANTS:

Ernst & Young
2A Bayo Kuku Road
Ikoyi
Lagos

SOLICITORS TO THE JOINT TRUSTEES:

Udo Udoma & Belo-Osagie
St Nicholas House (10th Floor)
Catholic Mission Street
Lagos

SOLICITORS TO THE OFFER:

Detail Commercial Solicitors
DCS Place
Block 132 Plot 8
DCS Street
Off Remi Olowude Way
Lekki Phase 1
Lagos

CUSTODIAN:

UBA Plc (Global Investor Services Division)
UBA House
57 Marina
Lagos

ESTATE VALUERS:

Jide Taiwo & Co.
Plot 136, Sinari Daranijo Street
Off Ajose Adeogun Street
Victoria Island
Lagos

Joe Akhigbe & Associates
19 Tinubu Street
Lagos Island
Lagos

RATING AGENCY:

Global Credit Rating Co.
New Africa House
31 Marina
Lagos

1. PARTICULARS OF THE REIT

The UPDC REIT is authorised and registered in Nigeria as a Collective Investment Scheme under Section 160 of the ISA. The REIT is governed by a Trust Deed with First Trustees Nigeria Limited and UBA Trustees Limited acting as Joint Trustees. 3,000,000,000 Units of the REIT are now being offered for subscription.

The REIT is close-ended and its units will be listed on The NSE. Once the Offer is concluded, Units of the REIT can only be bought or sold through a licensed stockbroker on the floor of The Exchange.

The REIT is established with the principal investment objective of owning and investing in a diversified portfolio of income-producing real estate in Nigeria with high growth potential. The Fund Manager seeks to grow rental yields, produce regular and stable distributions to Unitholders and achieve long-term growth in the Net Asset Value per Unit of the REIT through the following:

- Acquiring properties that meet the Fund Manager's investment objectives;
- Actively managing the REIT's property portfolio; and
- Developing excellent tenant relationships through the provision of proactive property-related services.

The initial portfolio of property to be acquired by the UPDC REIT following the conclusion of the Offer has already been identified. This is a diversified portfolio of residential and commercial properties in choice locations in Lagos, Abuja and Aba including the prestigious Victoria Mall Plaza 1 & 2, Abebe Court, the UAC Office Complex in Abuja. These properties have an aggregate net lettable area of approximately 23,754.1 square metres. Currently, the properties have a projected average occupancy rate of 99.5%, consistent with the historical tenancy rate of the properties. The properties have a diverse mix of individual and corporate tenants operating in various sectors of the economy. The diverse tenant base reduces the REIT's reliance on any particular tenant or industry and increases its ability to provide stable income distributions.

UPDC will receive cash settlement and units in the REIT as consideration for the properties being acquired by the REIT. The REIT would appeal to investors seeking alternative investment outlets with attractive yields. It will also provide an avenue for investors to gain exposure to quality real estate assets.

2. INVESTMENT OBJECTIVE

The primary objective of the REIT is to provide Unitholders with stable cash distributions from investments in a diversified portfolio of income-producing real estate properties and to improve and maximize unit value through the ongoing management of the REIT's assets, acquisitions and the development of additional income-producing real properties.

The REIT will invest primarily in a diversified portfolio of quality residential and commercial real estate properties in Nigeria. Its principal targeted assets are investments in properties in prime locations within Lagos, Abuja and other major cities in Nigeria. There is no specific asset allocation weight with regards to type of property, maximum cost per property or location of property. The REIT will aim to ensure a spread in property held in terms of location and property type in order to reduce the risk of reliance on a particular niche while creating attractive returns. The REIT will also invest in properties under development up to the maximum regulatory allowable limit of 20% of its gross asset value.

The REIT's investment objective will be achieved through a combination of direct and indirect investments in real estate and possibly real estate related assets and fixed income securities.

The REIT will aim to fully own real estate properties that have been identified as potentially offering attractive returns by either investing directly in such properties or indirectly through joint-venture arrangements with third parties. The REIT may engage in purchase, sale or lease transactions with third parties, the Sponsor or its affiliates, provided that prior approval is received from the Joint Trustees before consummation.

The REIT's investments shall be made by the Fund Manager with the consent of the Joint Trustees, in any or all of the following asset classes and in accordance with the maximum proportions specified below:

Asset Class		Allocation
▪ Real Estate	-	Minimum of 75%
▪ Real Estate Related Assets	-	Maximum of 25%
▪ Liquid Assets/Cash	-	Maximum of 10%

3. INVESTMENT HIGHLIGHTS

Investors in the REIT are expected to enjoy certain benefits including:

- Immediate investment income;
- Instant cash Payback (Refund of Advance Rent);
- Stable and regular distributions;
- Exposure to a diversified property portfolio of income generating assets;
- Opportunities for future capital growth through the acquisition of additional properties that fit investment criteria and active portfolio management;
- Potential for maximized distributions through a performance based fee structure for the Fund Manager;
- Substantial alignment of Sponsor's interests with those of Unitholders as evidenced by intention to own up to 40% of the REIT;
- Reduced acquisition costs of initial property portfolio as a result of the Declaration of Trust structure; and
- Low maintenance costs – the main assets (i.e. VMP 1 and 2) are brand new properties and the warehouses are traditionally low maintenance assets.

4. INVESTMENT STRATEGY

The Fund Manager's strategy in achieving its stated objectives is described below:

Acquisition Strategy

In acquiring property, a comprehensive selection process will be undertaken to ensure that it meets the REIT's investment criteria. This would involve:

- Identification of the immediate investment needs of the REIT;
- Type of property (occupancy and tenant characteristics);
- Property location; (easy access, availability of proximity to basic infrastructure);
- Valuation of the properties (by an independent firm of valuers registered with the SEC);
- Comprehensive due diligence to de-risk the uncertainty of title;
- Trustees consent to purchase directly or via approved transfer mechanisms.

5. INVESTMENT POLICY

Acquisition and Investment Policies

The REIT will focus on investing in residential, commercial properties or Greenfield sites. However, the Fund Manager will continue to ensure adequate diversity in the REIT's portfolio. The number, size and mix of investments made will depend on market conditions and other circumstances existing at the time of investment. Potential investments should have some or all of the following attributes:

- *Prime Location:* Location often has the single greatest impact on an asset's long-term income-producing potential and value. Assets located in metropolitan areas have the potential to achieve higher returns;
- *Premium Buildings:* The REIT will seek to acquire assets of superior construction, quality finishing and design. Such assets generally attract and retain a greater number of desirable tenants;

- *Quality Tenancy: The REIT will seek to acquire assets that typically attract corporate tenants and High Networth Individuals who may require larger blocks of space and longer leases. Such tenants may make significant improvements to the property, and thus may be more likely to renew their leases prior to expiration.*

Following an acquisition, professional management of the property is critical to achieving attractive investment returns for investors. The experience of UPDC will be brought to bear in ensuring that the property is properly managed. Each individual real estate property acquired will generally have an optimal hold period which may be tied to the current and projected conditions of the overall real estate market, the geographic area, the property's physical attributes or the leasing or tenancy of the property.

In seeking investment opportunities, the Fund Manager will consider the location of the property, the leases and other agreements affecting the property, the reputation of major tenants, income-producing capacity, prospects for appreciation and other asset transfer considerations. Selection of investments will be subject to the Investment Committee's approval. The REIT's obligation to complete any investment will generally be conditioned upon the delivery and verification of certain documents from the seller or developer, including, where applicable:

- plans, specifications, building approvals and surveyor reports;
- evidence of marketable title, and
- financial information relating to the property, including the recent operating histories of properties and lease agreements.

Development and Construction of Properties

The REIT may invest in land and/or properties under development. A typical development takes several years with the expectation of creating significant value (i.e. projected profit margin on cost) at the project level.

Joint Venture Investments

The REIT may enter into joint ventures with third parties including the Sponsor or its affiliates, co-ownership arrangements or participation with real estate developers, and parties for the purpose of owning and/or operating real estate investments. In determining whether to invest in a particular joint venture, the Fund Manager will evaluate the real estate investments that such joint venture will own under the same criteria for the selection of direct real estate investments.

Financing Strategy and Policies

Equity financing may be used from time to time for property improvements, lease inducements, tenant improvements and other working capital needs.

Disposal Policies

The REIT will hold properties for as long as such assets meet its investment criteria and have the potential for increased cash flow and capital appreciation. The decision to dispose properties in the REIT will depend on investment type, economic and market conditions. The Fund Manager will develop a well-defined exit strategy for each investment it makes and generally assign an optimal hold period for such investments. However, The Fund Manager shall hold on to any new development for a minimum of 2 years before disposing same in accordance with the SEC Rules.

The Fund Manager will regularly perform a hold-sell analysis on each investment in order to determine the optimal time to sell and generate maximum total returns. Periodic reviews of each investment will focus on the remaining available value enhancement opportunities and the demand for the investment in the market place. However, the Fund Manager may sell an asset before the end of the expected hold period if market conditions and asset positioning have maximized its value or the sale of the asset would otherwise be in the best interests of Unitholders.

Investment Limitations

The following investment limitations shall apply to the REIT and the Fund Manager shall not:

- enter into real estate contracts of sale or land acquisition contract, unless the contract is in recordable form and the proprietary history and title of the vendor have been duly verified;
- Obtain mortgage loans if the aggregate amount of all mortgage loans would exceed an amount equal to 15% of the net asset value of the REIT;
- Issue debt securities in the absence of adequate cash flow to cover debt service; and
- Acquire real estate or real estate related assets outside Nigeria.

Change in Investment Objectives, Policies and Limitations

The Fund's investment objective, policies and limitations will be reviewed at least annually to ensure that they are in the best interests of Unitholders. Each determination and basis is required to be set forth in the applicable meeting minutes and Unitholders approval will need to be obtained prior to implementation. The methods of the REIT's investment policies also may vary as new investment techniques are developed

6. ROLE OF PROPERTY MANAGER

The Property Manager will be responsible for implementing pro-active measures to enhance the returns from the existing and future properties in the REIT's portfolio. Such measures include:

- Negotiating with prospective tenants to lease or let out available Units within the properties in such a manner as to ensure maximum yield to Unitholders;
- Ensuring full compliance with all or any of the Joint Trustees' obligation under any leases, tenancies and other agreements relating to the properties and to notify relevant parties of any obligations which they are required to fulfill;
- Advice on the quantum of service charges and insurance premium contributions from tenants and other occupiers of the properties;
- Provision of services as may be incidental to its duties as a Manager to tenants and occupiers of the properties provided that the Property Manager hereby indemnifies the Joint Trustees from any losses, costs or expenses occasioned by its failure to meet any of its obligations to third parties in relation to the properties, including tenants, occupiers and contractors;
- To keep the structure and exterior of the Properties (including but not limited to all plumbing and electrical installations) in good state of repairs at all times;
- To keep and repair the interior of the Properties including the floors, windows, fixtures and fittings therein including the electrical wiring installation and the sanitary and water apparatus serving the Properties or any part thereof in good and substantial repair and condition;
- To ensure the safety and security of the properties and take all steps deemed necessary;
- To notify the Fund Manager of its obligation to keep the properties insured at all times with a reputable insurance company approved by the Joint Trustees (to their full reinstatement value);
- To maintain up-to-date records and accounts and books of account relating to the properties as well as monies made available to it with respect to the properties and to render full account of all income and expenditure on a quarterly basis;
- To maintain up-to-date schedules of tenancies, licenses and arrangements for occupation, use and enjoyment of properties, details of rent review dates, periods and dates of notices required to be given, termination dates of tenancies and licenses, other dates material to each tenancy requiring notices to be given by the Joint Trustees;
- To maintain proper file records and correspondences in relation to the properties;
- To maintain accurate records of and avail the Joint Trustees with copies of all agreements, deeds, invoices, payment vouchers, demand notices and such documents relating to the properties;
- To produce for inspection and audit all such records and accounts kept with respect to each individual property.

7. INVESTMENT COMMITTEE

The investment process will be overseen by an Investment Committee made up of a team of portfolio managers and financial consultants with broad experience in real estate investments and finance in Nigeria. The Investment Committee members are listed as follows:

- i. **Mrs Mayowa Ogunwemimo** is the Managing Director of FAML. She holds a Bachelor of Science degree in Accounting, Obafemi Awolowo University (2000). She is currently an Associate Member of the Institute of Chartered Accountants of Nigeria. Prior to her current position, she had worked in the Risk Management and research departments in FSDH between 2000 and 2004.
- ii. **Mr Robert Anwalimobor Ajiamah** is the Head, Risk Management. He holds a Bachelor of Science degree in Political Science from the University of Sokoto (1982), an MSc. Degree in International Relations, Obafemi Awolowo University, Ile-Ife (1985) and an MBA in Finance, University of Lagos (1987). He has over 18 years of varied banking experience. He joined First Securities Discount House Limited in 1999 and became the head of the Abuja regional office in 2003. He has been the Head of risk management for the FSDH group since 2007.
- iii. **Mr Hakeem Bamidele Ogunniran** is the Managing Director of UPDC. He holds a Bachelor of Law degree (1984) and an LLM (1987) from the University of Lagos, and was called to the Nigerian Bar in 1985. He also holds an MBA from the University of Lagos (2000) and is a Chartered Secretary and Arbitrator. He worked as a Law Lecturer at the University of Lagos prior to joining UAC in 1995 as Manager, Legal Services. He was appointed Western Area Manager and Marketing Manager of GBO/MDS Logistics Division of UAC, and Divisional Managing Director of MDS Logistics in April 2000, a position he held until assuming his appointment as Managing Director of UPDC in January 2010.

Mr Ogunniran, a former Fulbright Visiting Scholar at the Yale Law School, USA has attended several high level management training programmes including the General Management Programme (AMP) of Ashridge Management College, U.K., Strategic Leadership Programme of Cranfield University, U.K and the Real Estate Management Program of Harvard Business School, U.S.A.

Mr Ogunniran is also a past President and Chairman of the Institute of Chartered Secretaries and Administrators.
- iv. **Mrs Folasade Oluwatoyin Ogunde** is the Finance Director of UPDC. She holds a Bachelors degree in Economics from the University of Ife (now Obafemi Awolowo University), Ile-Ife (1984) and is a Fellow of the Institute of Chartered Accountants of Nigeria. She started her career with the firm of Deloitte Haskins & Sells (Chartered Accountants) in 1985, where she gained accounting and auditing experience before joining UAC in 1997. She has held various positions at UAC including Management Accountant, UAC Foods, Divisional Commercial Director, Mr Biggs, and Group Treasurer of UAC. Mrs Ogunde joined the Board of UPDC in 2005 as Finance Director.
- v. **Mrs Oluwatoyin Sanni** is the Managing Director/CEO of UBA Trustees. She is a Lawyer, Chartered Secretary and Stockbroker with over 25 years experience in Trusteeship, Law, Asset Management and Corporate Finance. Prior to joining the UBA Group, she was an Assistant General Manager, with First Trustees Nigeria Limited and later Managing Director of Cornerstone Trustees Limited. She is the President of the Association of Corporate Trustees.
- vi. **Mr Adenekan Fasiu Olajide** is the Head, Financial Reporting and Performance Management Unit of First Trustees. He holds a HND in Accountancy from the Federal Polytechnic Ilaro (1993) and an MBA in Finance from the Lagos State University (2004). He is a Fellow of the Institute of Chartered Accountants of Nigeria and an Associate of the Chartered Institute of Taxation. He started his career with Morpol Industrial Corporation as an accountant (2002) before joining First Trustees as an Assistant Manager, Operations department. He rose to become a Deputy Manager in the same year and was subsequently appointed the Head, Financial Reporting and Performance Management unit (2008).

- vii. **William Bobie** holds a Bachelors degree in Land Economy from the Kwame Nkrumah University of Science and Technology, Ghana and a Master of Arts degree in Property Valuation and Law from Cass Business School, UK. He also holds a post graduate diploma in property investment from the College of Estate Management, Reading, UK. William is a chartered surveyor and a member of the Royal Institute of Chartered Surveyors in the United Kingdom.

William has over 15 years experience in real estate investment management and development of large scale commercial projects. William commenced his career in 1999 with Royal & Sun Alliance Property Investment Ltd, UK as a pension fund asset manager. In 2003, William joined ISIS Asset Management plc (now F&C Asset Management plc) as portfolio manager responsible for a sector portfolio of industrial and distribution warehouses spread across the UK with a portfolio value of £500m. In June 2004, he joined AXA Real Estate Investment Managers as a portfolio manager to assist with the growth of a unitised life fund. William is currently the CEO of Uruga Real Estate Limited Nigeria and also an Executive Director at Assenta Real Estate Investment Managers in Ghana. He has completed many land and property related transactions in Nigeria and Ghana including the 5 Star Radisson Blu Anchorage Hotel in Lagos and is currently leading a number of development projects all at concept stage.

- viii. **Mr Kolapo Benjamin Omidire** holds a Bachelor of Law degree (1984) and an LLM (1987) from the Obafemi Awolowo University, and was called to the Nigerian Bar in 1985. He holds an MBA from the Ogun State University, Ago-Iwoye (1998) and an LLM from the University of the Witwatersrand (2006). He is an associate of the Chartered Insurance Institute, England (ACII) and also an associate of the Chartered Institute of Arbitrators, England (ACI Arb) (2000). He started his career as lecturer in the University of Lagos in 1986 before joining Dunlop Nigeria plc as the Company secretary/legal adviser in 1992. He left the company to join Guaranty Trust Bank Plc in 1996 as a Senior Manager and rose through the ranks to become a General Manager and the Company Secretary/legal Adviser. He was appointed the acting Managing Director, Guaranty Trust Assurance Plc in 2003. He left the position to continue his role as a Company Secretary – GTB in 2005. He was appointed the Managing Director, GTHomes Limited in 2007, which he held until 2009 when he left to become Managing Consultant, KB Professional Services.

- ix. **Mr Nsikak Titus Ekure** holds a Bachelor of Science Degree from the Obafemi Awolowo University, Ile Ife (1979) and an MBA degree from the University of Port Harcourt (1982). He is an associate of the Chartered Institute of Stockbrokers (1985) and also holds an LL.B Degree from the University of Calabar (1992). He was called to the Nigerian bar in 1993 as a Solicitor and Advocate of the Supreme Court of Nigeria.

He joined ICON Limited Merchant Bankers in 1982 as an officer and rose to become a Senior Manager. He joined Co-operative Development Bank in 1994 as an Assistant General Manager, he left the bank to join Grand Treasurers Limited as a Principal Consultant in 1996. He stayed in that position till 1999 when he joined First Trustees Nigeria Limited as the Managing Director/Chief Executive. He left First Trustees Nigeria in 2007 to join NEEANI Investment Limited as its Executive Chairman, a position he currently maintains.

Mr Ekure is a Paul Harris fellow of Rotary International. He has served on the Boards of Companies including UACN Property Development Plc, JDI Investment Limited (owners of NOVOTEL Port Harcourt), Anchorage Leisure Limited (owners of RADISSON SAS Hotel, Lagos), 1004 Estates Limited, Lagos. He also served as a member of the investment committee of Capital Alliance Private Equity, the first indigenous Venture Capital Fund in Nigeria. He is currently a member of the governing Board of Ritman College, Chairman Elim Microfinance Bank Limited, Lagos and an independent member of the Investment Committee of Union Homes Real Estate Investment Trust.

Members of the Investment Committee collectively have over 100 years of investment management, asset management and property development experience gained locally and internationally. The Fund Manager presents its recommendations to the Investment Committee which makes the ultimate decision on the portfolio's composition. Such decisions will be made in accordance with the provisions of the Trust Deed and SEC Rules and Regulations governing REITs.

8. TARGET INVESTORS

The REIT is suitable for value approach investors with long term horizons including institutional investors such as Pension Funds, Insurance Companies, Asset/Fund Managers, Co-operatives, Investment Clubs and Associations as well as high networth and retail investors.

9. FOREIGN CURRENCY INVESTORS

Foreign currency subscriptions shall be processed at the autonomous exchange rate i.e N/\$, advised by Stanbic IBTC on the date of subscription. Foreign currency subscribers are requested to complete the Application Form and follow the instructions at the back of the Form.

Certificates of Capital Importation will be issued by Stanbic IBTC to foreign currency subscribers within 24 hours of the receipt of payment. The CCI should be kept by the foreign currency subscriber as it will be required for a subsequent repatriation of any surplus/return monies based on the applicable exchange rate on the conversion date. The CCI will also be required to repatriate in a freely convertible currency of proceeds from sale of Units or from any distribution of the REIT's income that the Fund Manager may undertake.

10. INCOME AND DISTRIBUTIONS

A minimum of 90% of the net income earned will be distributed to Unitholders at the end of every financial year.

11. UNITHOLDERS' MEETINGS AND VOTING RIGHTS

The Fund Manager shall with the consent of the Joint Trustees or at the request of the Joint Trustees in each year after the year of the REIT's inception, not later than 4 months after the end of each financial year call a general meeting as the REIT's Annual General Meeting to consider the ordinary business of the meeting including the REIT's audited accounts, the reports of the Fund Manager and the appointment and fixing of the remuneration of the auditors. The Joint Trustees or the Fund Manager shall at the request in writing of the Unitholders holding not less than 25% in value of the Units then outstanding convene a meeting of Unitholders. Any resolution put to vote shall be decided on a show of hands, each Unitholder shall have one vote. Where a poll is demanded each Unitholder shall have one vote for every Unit held by him.

12. TAX CONSIDERATIONS

Though it is expected that the REIT will be deemed a pass through vehicle, and its income only taxable in the hands of the investors, the income may still be subject to tax at the REIT level. However, this income, when in the hands of the investors, become franked investments which would not be subject to further tax.

13. UNIT CERTIFICATES

Unitholders will have their CSCS accounts credited upon allotment of Units, however Unitholders with no CSCS accounts will be issued Unit certificates which will constitute evidence of the number of Units held by the Unitholder.

14. FEES AND OTHER EXPENSES

The fees and Offer expenses payable in respect of the REIT are detailed below:

Fund Manager	An annual management fee of 0.4% of the Net Asset Value of the REIT, payable quarterly in arrears. An incentive fee which shall not exceed 10% of the total returns in excess of 10% of the REIT's Net Asset Value per annum.
Joint Trustees	An initial fee of ₦8,000,000 and an annual fee of ₦4,000,000 payable annually in arrears.
Registrars	An initial fee of ₦10,000,000 and an annual fee of ₦500,000
Custodian	An annual fee of 0.075% of the Net Asset Value, payable quarterly in arrears.
Property Manager	An annual fee of 3% of the Gross Rental Income, payable quarterly in arrears.
Offer expenses	The costs, charges and expenses of and incidental to the Offer including fees payable to the Securities & Exchange Commission, The Nigerian Stock Exchange, Central Securities Clearing System Limited and professional parties, brokerage, printing and distribution expenses, estimated at about ₦673.7 million 2.25% of the Offer size, will be borne by Unitholders and written off in the first year of the REIT. All future costs and expenses of maintaining the REIT shall be deducted from the income generated by the REIT.

15. VALUATION OF THE REIT

The valuation of the REIT shall be done quarterly or such other period that the Fund Manager may advise from time to time, based on a formula approved by SEC from time to time. The Fund Manager will advise The Exchange and investors of the Net Asset Value of the REIT after the valuation. However, the price at which Units are traded will be determined by market forces of demand and supply, since the REIT will be listed on the main board of The Exchange.

A valuation report of the REIT's real estate assets shall be filed with the Commission every two years by a real estate valuer appointed by the Fund Manager and registered with the Commission

The current formula approved by SEC is provided below:

ADD

1. Total market value of Real Estate Assets in the REIT based on a professional valuation of the Properties
2. Total market value of investments in Real Estate Related Assets based on The Exchange's daily official list as at the date of valuation (highest market bid price)
3. Total value of Liquid Assets
4. Uninvested cash
5. Undistributed income to date less expenses

LESS

6. Stamp Duties
7. Brokerage fee
8. SEC fee

$$\text{Value per unit} = \frac{(\text{Sum of 1 to 5}) - (\text{Sum of 6 to 8})}{\text{Total Number of units}}$$

16. MANDATORY SUBSCRIPTION BY UPDC

UPDC intends to hold 40% of the REIT, while 60% will be held by the investing public. UPDC intends to participate in the REIT by contributing a portion of its existing real estate portfolio. In exchange for its real estate portfolio, a portion of the funds raised from the Offer will be paid to UPDC, as well as the issuance of additional units of the REIT, following the conclusion of the Offer. Consequently, UPDC will not make any cash subscription to the Offer

	N'000		N'000
Offer Size	30,000,000	Value of REIT Property	20,820,105
Value of Units issued to UPDC	(12,000,000)	Consideration:	
Estimated Offer Costs	(673,724)	Cash	8,820,105
Estimated Net Proceeds	17,326,276	Value of REIT Units Issued	12,000,000
Purchase of Properties	(8,820,105)		<u>20,820,105</u>
Value Added Tax (20,820,105 * 5%)	(1,041,005)		
Other Investible Funds	<u>7,465,165</u>		

17. THE REIT'S RELATIONSHIP WITH UPDC

The portfolio of the initial properties to be vested in the REIT is currently owned by UPDC. Following conclusion of the Offer, the funds raised will be applied towards purchasing the property from UPDC. UPDC in exchange will receive a combination of cash proceeds and units in the REIT. It is intended that UPDC will hold a 40% stake in the REIT. Consequently, UPDC will not make any cash subscription to the Offer. UPDC will also act as Property Manager to the REIT and have representation on the Investment Committee of the REIT.

18. INSURANCE

The properties to be acquired are currently insured by a consortium of 9 Insurance companies led by Leadway Assurance Company Limited. The Fund Manager will ensure that all properties held by the REIT are adequately insured in accordance with industry practice in Nigeria. This includes property damage and public liability insurance policies. There are no significant or unusual excess or deductible amounts required under such policies. There are, however, certain types of risks that are not covered by such insurance policies, including acts of war.

19. RISK FACTORS

Investments in the REIT are susceptible to a number of risks associated with the investment. Accordingly, prospective investors should carefully consider, amongst other things, the risk factors described below, together with all of the other information included in this Prospectus, and reach their own views or obtain such professional advice as they deem appropriate before investing in the REIT.

The risks described below are not the only risks and uncertainties applicable to the REIT. Additional risks and uncertainties not presently known to the Fund Manager, or that it currently believes are immaterial, can have substantial impact on the REIT's overall performance and viability.

In carrying out its duties, the Fund Manager will exercise the necessary degree of care and diligence to identify, assess, mitigate, control and monitor risks in relation to the REIT, acting in the best interest of Unitholders.

I. Risks Associated with Investing in Real Estate

Market Risk

This is the risk that prevailing market forces of demand and supply may negatively impact the REIT's underlying asset values and its ability to attain projected performance based on declining rental income and therefore result in reduced distributions to investors.

Over-supply and/or softening demand for real estate as a function of general economic conditions, will impact property values and rental income, as demand and supply imbalance will have a negative impact on real estate prices. Consequently, reduced occupancy levels and declining rental values will affect the REIT's operating performance, portfolio valuation and ultimately its capacity to distribute returns to investors.

With the expertise and track record of the Fund Manager, Property Manager and members of the Investment Committee, we expect that adverse changes in market conditions will be effectively managed to ensure minimal impact on the operations and value of the REIT.

Political Risk

This is the risk that political events and occurrences may negatively impact real estate values, operational activities, financial performance and ultimately the REIT's income earning ability. Socio-political challenges can potentially undermine the general economic environment and in turn the development, valuation and operations of real estate assets.

The Federal Government has expressed its commitment to permanently resolve the current security challenges and is optimistic that the recent success achieved in the Niger Delta region of the country can be replicated in other areas. The REIT's portfolio will always consist of a diversified range of real estate assets both geographically and between residential and commercial real estate. This will ensure a diversified pool of tenants involved in a range of businesses thereby avoiding undue concentration in tenants that may be disproportionately affected by any economic downturn.

Real Estate Industry Risk

These are the risks generally facing the real estate sector.

The REIT is dependent on the certainty of the title to the properties i.e. potential for disputes over the properties purchased from previous landowners.

The Fund Manager will utilize the experience, expertise and acquisition capabilities of the Sponsor and members of the Investment Committee as well as reputable and experienced legal advisers to better manage the risks associated with the acquisition of additional properties.

Higher vacancy rates will amount to less revenue, which in turn can result in smaller distributions to investors:

Proper management of real estate properties including value added services contributes to an improved customer experience which results in longer and stable property leases and rents. The properties to be purchased by the REIT at inception currently have a 99% occupancy rate.

The real estate industry may be affected by a number of factors, some of which include macro-economic indices, including but not limited to inflation, unemployment, tight fiscal regime, declining economic environment, poor state of the financial markets, political and social occurrences. Also, related trends in ancillary industries such as building materials will have an impact on the real estate industry. Specifically, these factors may affect the underlying value of real estate assets, the ability to attract sustainable demand at optimal rental bands, the capacity to finance new developments etc. Collectively, these factors may have an adverse effect on the performance of any investment in real estate assets.

II. Real Estate Property Type Risk

Different property types present investors with different risks considerations as enumerated below:

Apartments: There is the possibility of not securing long terms leases during the start-up period of new properties and obtaining good property management services on a long term basis.

The apartments the REIT will consider for investment will be located in prime locations across the country, which typically attract long term leases. Also, the REIT has appointed UPDC, a renowned property developer in the Nigerian real estate industry as property manager.

Office Buildings: The major risks associated with investing in an office property occur during start-up, maintaining quality management and obsolescence.

The management of the properties lies in the Property Manager. UPDC has the requisite industry experience and capabilities to adequately carry out this role.

III. Risks Associated with Investing in the REIT

Business Risk

These are the risks that the REIT faces in its operations which include the following:

The REIT may, directly or indirectly, acquire real estate or other assets from the Sponsor or parties related to the Sponsor.

The Fund Manager will ensure that transactions with the Sponsor are undertaken at an arm's length basis with prior approval from the Investment Committee and where applicable from SEC, hence the terms of every acquisition and/or future acquisition of real estate asset from the Sponsor, will not be adverse to the REIT. In addition, the Sponsor intends to maintain a 40% holding in the REIT which will ensure that the interests of the Sponsor are aligned with that of the REIT. The representatives of the Sponsor on the investment committee shall not be involved in any decision taking regarding the acquisition of properties from it or any of its affiliates.

The REIT has no established operating history and the Fund Manager may not be able to implement its investment strategy and earn the desired returns as envisaged:

The Fund Manager, the Sponsor and other members of the Investment Committee collectively have extensive experience and a strong track record in fund and asset management, as well as in sourcing, acquiring and financing real estate assets necessary to implement the planned strategies. The Sponsor is also the foremost company involved in real estate in Nigeria with a successful track record of over 14 years. The Fund Manager will leverage on this experience and that of independent real estate advisers to ensure the successful operation of the REIT.

Declaration of Trust Structure

These are the risks involved with the DOT structure.

The legal title of the applicable REIT properties will remain in the name of the Sponsor (i.e. UPDC) rather than the Joint Trustees.

The Joint Trustees will hold all the benefits accruing from the properties, whilst UPDC shall be a bare trustee lacking capacity to deal with the properties except as directed by the Joint Trustees. Original title documents shall also be deposited with the Custodian to the REIT.

Liquidity Risk

Currently, there is no active secondary market for a REIT in Nigeria; therefore, Investors may not be able to trade their units easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market:

The Fund Manager will ensure it abides by the listing requirements of The NSE including maintaining a continuous flow of timely information to the investing public about the operation and performance of the REIT, in order to ensure an increase in the demand for the investment and boost liquidity.

Unit prices will be dependent on market forces i.e. demand and supply, increased disclosure of the REITs performance should spur trading activity and influence the unit price positively.

Legal and Regulatory Risk

Investors in the REIT face the risk that changes in government regulation and prevailing legal framework for the real estate industry may negatively impact the operation of the REIT.

The Fund Manager will actively participate in lobby groups that will engage pro-actively with both the executive and the legislative arms of government to ensure the regulation evolves in a business friendly direction that will ultimately benefit the country as a whole.

Concentration Risk

This is the risk that investments in the REIT will be adversely affected in the event that the Nigerian real estate industry experiences a downward trend on property prices in a particular location.

The REIT portfolio provides for a diversified allocation across multiple segments of the real estate industry and also provides for an appreciable level of geographic dispersion of the assets across major locations in Nigeria

Perception Risk

Real Estate investment instruments as an alternative asset class in Nigeria is yet to gain substantial market acceptance. Currently, there are only two REITs listed on The NSE. Consequently there is a likelihood that investor perception of REITs as a viable/sustainable asset class may not attain appreciable levels and as such the REIT may not benefit from substantial levels of investor participation thereby limiting the liquidity of the instrument.

The Fund Manager will provide periodic reports on the real estate industry and ensure timely release of information in respect of the REIT, thereby giving prospective investors additional comfort.

20. OVERVIEW OF REIT PROPERTIES

Abebe Court, Ikoyi (Residential)

Abebe Court was constructed by Bouygues Construction in 1987 and is located on Bourdillon Road in Ikoyi, Lagos.

Ikoyi is an upmarket residential land separated by a narrow waterway from Lagos Island to the west. One of the main attractions in Ikoyi is Awolowo Road, which is a high street lined with upscale shops and boutiques.

Ikoyi boasts several recreational clubs such as the Motor Boat Club, the Ikoyi Club, the Polo club and Golf club.

Abebe Court is a luxury estate comprising 32 units of 3-bedroom and 4-bedroom flats with a land size of 11,654 square metres. The property is fully tenanted.

Facilities provided in the estate include swimming pool, sewage/borehole/water treatment plants, 2 stand-by generators, lawn tennis court and gymnasium. This Property is multi-tenanted by well known corporates.



Victoria Mall Plaza 1 (Residential)

The construction of Victoria Mall Plaza 1 was undertaken by Cappa & D'Alberto and completed in 2010 and is located in Victoria Island, Lagos.

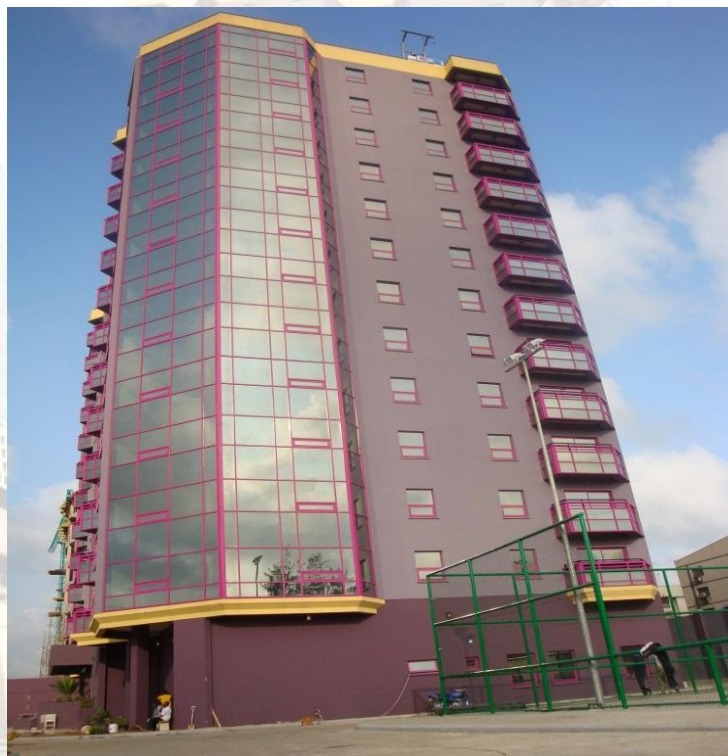
Victoria Island is an affluent town that encompasses a former island of the same name that sits between Lagos Island and the Lekki Peninsula in the Lagos Lagoon. It is the main business and financial centre of Lagos, Nigeria.

Victoria Island is one of the most exclusive and expensive areas to live in Nigeria. Due to the array of world-class restaurants, shopping malls, hotels, bars, night clubs, movie theatres, schools and businesses located in Victoria Island, investing in property here is a lucrative business.

Victoria Island is rapidly developing as a favourite spot for Nigerians and foreigners to live, work and play.

The Property is a 12-level luxury apartment block comprising 24 units of 3-bedroom flats, 12 units of 3 bedroom maisonettes and 12 units of 1-bedroom studio apartments.¹ It has a gross floor area of 11,568 square metres and sits on a land size of 4,982 square metres. The property is presently on lease to a multinational oil and gas company.

Facilities provided include swimming pool, sewage/borehole/water treatment plants, 2 stand-by generators, lawn tennis court and gymnasium.



¹ 46 units owned by UPDC are being vested in the REIT

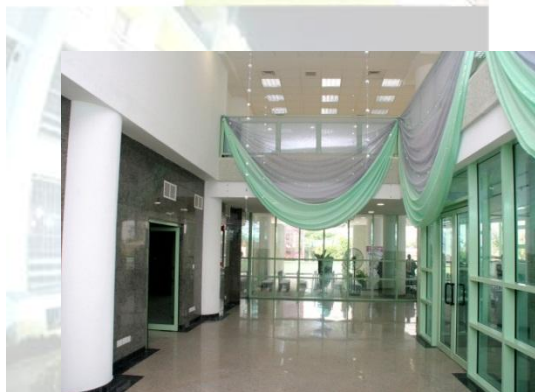
Victoria Mall Plaza 2 (KPMG Towers)

Victoria Mall Plaza 2 was constructed by Cappa & D'Alberto in 2011 and is also located in Victoria Island, Lagos. It is a 15-level purpose-built office complex with 7,454m² lettable space.

Facilities provided include sewage/borehole/water treatment plants, 2 stand-by generators, Closed Circuit Television installation, and central cooling system. National Panasonic Private Automatic Branch Exchange and Card key and Access Control systems with Uninterruptible Power Supply backups as well as close circuit cameras for enhanced security, water sprinklers and heat/smoke detectors on all floors of the building.

The hue of the curtain wall made up of pastel green powder coated aluminium profile and stopsol super silver green reflective glass will ensure energy preservation.

The property is presently on lease to a world class firm of auditors, tax and financial advisers.



Interior view of the Reception Area



Multiple views of the Elevations

UAC Commercial Complex, Abuja (Commercial)



UAC Commercial Complex is in the central business district of Abuja, the capital city of Nigeria. The property is a 4-level office complex with standard facilities and 17 rental units, which are currently fully occupied. The property has a net lettable space of 3,462 m². This Property is multi-tenanted occupied largely by Banks with tenancies of not more than 2 years.

1-2 Factory Road, Aba (Commercial)



This multi-purpose commercial property in Aba comprises of offices, banks, restaurants and warehouses.

It is made up of 13 rental units, 12 of which are currently occupied. This Property is multi-tenanted with tenancies of not more than 2 years.

Aba is a city and big trading center in Abia State. Aba is an important market town and is a major urban settlement and commercial center in a region that is surrounded by small villages and towns.



INFORMATION ON THE UPDC REIT

The table below provides further details on the Properties to be vested in the REIT:

Residential:

Description/ Location Property	of	Open Market Value	Transfer Value to REIT	Age (years)	Net Lettable Area (sq.m)	Projected Occupancy Rate	Average Annual Rental Income	
		₦'millions	₦'millions				Historical ₦'millions	Projected ₦'millions
1. Victoria Mall Plaza, Phase 1, Victoria Island, Lagos		8,278	7,864	1	7,656	100%	600	729
2. Abebe Court, Ikoyi, Lagos		4,320	4,104	25	5,182	98%	233	173

Commercial:

Description/ Location Property	of	Open Market Value	Transfer Value to REIT	Age (years)	Net Lettable Area (sq.m)	Projected Occupancy Rate	Average Annual Rental Income	
		₦'millions	₦'millions				Historical ₦'millions	Projected ₦'millions
3. Victoria Mall Plaza, Phase 2, Victoria Island, Lagos		7,426	7,054	0.17	7,454	100%	350	553
4. UAC Commercial Complex, Abuja		1,300	1,235	16	3,462	98%	80	97
5. 1-2 Factory Road, Aba		740	562	5	6,230	95%	34	56

The REIT will initially invest in and own the above properties. The REIT will initially invest in and own the above properties. At the conclusion of the Offer, the Fund Manager will seek other real estate investments in line with its investment policy with the aim of generating attractive returns for Unitholders through various means.

The competitive strengths of the properties currently identified include: strategic locations, quality of construction, high quality of tenants, historic high occupancy rates etc.

21. DEED OF DECLARATION OF TRUST

The DOT is a tax efficient legal structure that seeks to minimize the potential transfer costs and the tax impact related to properties to be vested in the REIT by UPDC upon completion of the Offer. The structure is such that UPDC transfers only the beneficial ownership in the real estate properties to be accommodated in the REIT via a Deed of Declaration of Trust instead of a Deed of Assignment while retaining in trust, the legal title on behalf of the Joint Trustees to the REIT.

Characteristics of the DOT are as follows:

- All of UPDC's beneficial interests and powers in the properties, including right to rental incomes and capital appreciation will be legally assigned to the Joint Trustees;
- UPDC shall have absolutely no right/powers to independently sell, mortgage, transfer title of properties without express authorisation from the Joint Trustees;

* The property was leased out in early 2009 when the property market was at the bottom of the recession. However, the current lease expires in 2014 and income from 2015 onwards will reflect prevailing market prices which have improved significantly compared with 2009

- The DOT is bankruptcy remote, thus the properties transferred to the REIT will be segregated from the general assets of UPDC and cannot be used to offset debts owed by UPDC in the unlikely event that UPDC becomes bankrupt;
- The DOT is irrevocable. Consideration would have been offered and accepted and the REIT will have clear legal rights to claim title to the properties;
- The physical legal title documents of the real estate portfolio (subject matter of the DOT) shall be deposited with the Custodian on behalf of the Joint Trustees. In addition, a notice stating the interest of the REIT shall be affixed on all the properties.

Potential Benefits of the DOT include:

- Minimizes transaction costs that will be borne by the REIT;
- Protects investors' interests by vesting beneficial interest of the property in the Joint Trustees;
- Creates a platform for increased income distribution to unitholders;
- Reduces the tax impact on the Sponsor and investors in the REIT; and
- Preserves the Net Asset Value of the REIT.

The properties covered by the DOT include:

- Abebe Court, Ikoyi, Lagos
- Victoria Mall Plaza 1 & 2, Victoria Island, Lagos;
- UAC Commercial Complex, Abuja; and
- 1-2 Factory Road, Aba, Abia State.

22. VALUATION OF PROPERTIES

The above properties have been valued by Jide Taiwo & Co and Joe Akhigbe & Associates:

In reaching their opinion of value and as expressed in the Valuation Report dated 16 November 2011, the following assumptions were made about each of the properties:

- Information provided about the Title held in the subject property is correct;
- Title is good and marketable;
- Property is free from all encumbrances; and
- Subject property is not adversely affected by or subject to compulsory acquisition by the Government for road widening scheme in the future

The valuation methods utilised for valuing the properties include:

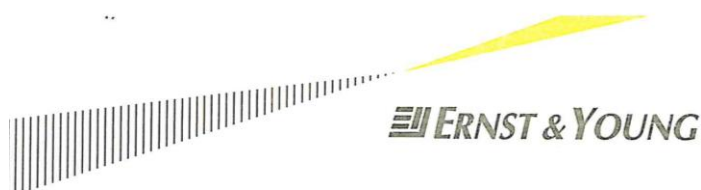
- Open market value
- Forced sale value
- Income capitalization method
- Direct market comparison method; and
- Depreciated replacement cost approach.

However, the open market value method was adopted as it utilizes the best price at which interest in a property might reasonably be expected to realise in a sale by private treaty assuming the following:

- A willing seller;
- A willing buyer;
- The property is freely exposed to the market;
- That value remains static throughout the review period;
- A reasonable period within which to negotiate sale, taking into account the nature of the property and the state of the market;
- No account is to be taken of an additional bid by a special purchaser.

1. LETTER FROM THE REPORTING ACCOUNTANTS

The following is a copy of the letter on the Profit Forecasts by Ernst & Young, the Reporting Accountants to the Offer:



Ernst & Young

2A, Bayo Kuku Road, Ikoyi
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Lagos, Nigeria

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22 November 2012

The Directors

UPDC Plc
1-5 Odunlami Street,
UAC House (4th Floor)
Marina
Lagos

The Managing Director

Stanbic IBTC Bank Plc
IBTC Place,
Walter Carrington Crescent
Victoria Island
Lagos

The Managing Director

BGL Plc
Millennium House,
12A, Catholic Mission Street
Lagos Island
Lagos

The Managing Director

FSDH Asset Management Limited,
UAC House (5th Floor)
1-5 Odunlami Street,
Lagos

The Managing Director

First Trustees Nigeria Ltd,
A.G. Leventis Building,
42/43, Marina,
Lagos

The Managing Director

UBA Trustees Ltd,
UBA House,
57 Marina,
Lagos

Dear Sirs

MEMORANDUM OF PROFIT FORECAST FOR REGISTRATION OF UPDC REAL ESTATE INVESTMENT TRUST ("UPDC REIT")

We have reviewed the accounting policies and calculations of the profit forecast of the REIT (for which the FSDH Asset Management Limited as UPDC REIT Fund Managers are solely responsible) for the years ending 31 December 2013, 2014, 2015, 2016 and 2017.

In our opinion, the profit forecast, so far as the accounting policies and calculations are concerned, have been properly compiled on the footing of the assumptions made by the Directors and are presented on a basis consistent with the accounting policies of the REIT. However, there will usually be differences between forecast and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Yours faithfully

FINANCIAL FORECAST

2. PROFIT FORECAST

The Directors estimate that, in the absence of unforeseen circumstances and based on the assumptions contained on page 28 - 29, the REIT's profit forecasts for the years ending 31 December 2013, 2014 and 2015, 2016 and 2017 will be shown as below:

	2013 N'm	2014 N'm	2015 N'm	2016 N'm	2017 N'm
Rental Income	1,496	1,433	1,987	2,567	2,953
Other Income	2,491	2,085	2,099	1,905	2,834
Total Income	3,987	3,518	4,086	4,472	5,787
Total Expenses	(251)	(256)	(326)	(354)	(345)
Profit before tax	3,736	3,262	3,760	4,118	5,441
Offer expenses	(674)	---	---	---	---
Depreciation	(444)	(426)	(440)	(459)	(475)
Profit after tax	2,618	2,835	3,321	3,659	4,966
Distribution					
Dividend	2,357	2,552	2,988	3,293	4,450
Retained earnings b/f	---	262	545	877	1,243
Retained earnings for the year	262	284	332	366	497
Retained earnings c/f	262	545	877	1,243	1,740
Earnings per unit (N)	0.87	0.95	1.11	1.22	1.66
Dividend per unit (N)	0.79	0.85	1.00	1.10	1.49
Earnings yield	8.7%	9.3%	10.8%	11.7%	15.7%
Distribution yield	7.8%	8.4%	9.7%	10.5%	14.1%

3. FORECAST BALANCE SHEET

The Directors also estimate that, in the absence of unforeseen circumstances and based on the assumptions contained on pages 28 - 29, the REIT's forecasts balance sheet as at 31 December 2013, 2014, 2015, 2016 and 2017 be as shown below:

	2013	2014	2015	2016	2017
	N'm	N'm	N'm	N'm	N'm
Non-current Assets:					
Investment Properties	23,390	21,973	22,298	22,901	23,366
Real Estate related securities	4,765	5,144	5,093	5,238	5,238
Total non-current assets	28,155	27,117	27,391	28,139	28,604
Current Assets:					
Cash	50	55	60	65	71
Short Term Investments	3,499	3,823	3,386	2,987	3,006
Accounts receivable, net	30	29	40	52	60
Total current assets	3,579	3,907	3,486	3,104	3,137
Creditors Due within one Year:					
Deferred income	(1,472)	(479)	---	---	---
Net current assets	2,107	3,428	3,486	3,104	3,137
Amounts falling due after one Year	---	---	---	---	---
NET ASSETS	30,262	30,545	30,877	31,243	31,741
CAPITAL AND RESERVES					
REIT Capital	30,000	30,000	30,000	30,000	30,000
Retained earnings	262	545	877	1,234	1,741
SHAREHOLDERS FUND	30,262	30,545	30,877	31,243	31,741

FINANCIAL FORECAST

4. CASHFLOW FORECAST

The Directors also estimate that, in the absence of unforeseen circumstances and based on the assumptions contained on pages 28 - 29, the REIT's Cashflow forecasts balance as at 31 December 2013, 2014, 2015, 2016 and 2017 will be as shown below:

	2013	2014	2015	2016	2017
	N'm	N'm	N'm	N'm	N'm
Cash flows from operating activities:					
Add non-cash items	2,618	2,835	3,321	3,659	4,966
Depreciation	444	426	440	459	475
Changes in Working Capital					
Accounts receivables	(30)	2	(11)	(12)	(8)
Deferred income	1,472	(994)	(478)	---	---
VAT paid	(1,041)	---	---	---	---
Net cash flow from operating activities	3,463	2,269	3,272	4,106	5,433
Investing activities					
Initial acquisition from UPDC	(8,820)	---	---	---	---
Acquisition of buildings	(3,699)	(900)	(2,757)	(2,572)	(3,572)
Property Sales	2,430	1,890	2,006	1,513	2,647
Structural Improvement	(30)	---	(13)	(2)	(15)
Investments in Real Estate Related Securities	(4,765)	(379)	50	(145)	---
Net cash flows used in investing activities	(14,884)	611	(714)	1,206	(940)
Financing activities					
Dividend paid	(2,357)	(2,552)	(2,988)	(3,293)	(4,470)
Offer costs	674	---	---	---	---
Net Cash flows provided in financing activities	(3,031)	(2,552)	(2,988)	(3,293)	(4,470)
Net increase/(Decrease) in cash and cash equivalents	(14,452)	328	(430)	(393)	23
Cash and cash equivalents at the beginning of period	18,000	3,549	3,878	3,446	3,052
Cash and cash equivalents at end of period	3,549	3,878	3,446	3,052	3,077

5. BASIS AND ASSUMPTIONS FOR THE PROFIT FORECAST**Basis**

The profit forecast for the years ending 31 December 2013, 2014, 2015, 2016 and 2017 have been prepared under the historical cost convention and on a basis consistent with the current accounting policies of the Industry.

The basis and assumptions have been reviewed as the basis for determining the reasonableness of the forecast for the years ending 31 December 2013 to 31 December 2017.

Assumption

The following underlying assumptions were applied in preparing the profit forecast for the years 2013 to 2017:

- i. Macro-Economic and Political Indicators:
 - Stable political and economic environment are expected to prevail during the forecast period.
 - There will be no significant changes in the Federal Government's monetary and fiscal policies that will adversely affect the operations of the REIT.
 - GDP growth is expected to range between 6% and 7% during the forecast period.
 - Inflation is expected to range between 10% in the forecast period.
- ii. The vacancy allowance which represents a provision created to reflect voids in occupancy is expected to be 0.68% of the rental revenue from multi-tenanted properties. No void is assumed for single tenanted properties.
- iii. Rental account receivable will be 2% of annual rental income.
- iv. The interest rate is expected to average 13% during the forecast period.
- v. Rental income has been estimated on a property by property basis with rates reviewed biennially in the range of 10% to 15%. The exception being properties with long leases where rates may exceed the aforementioned range.
- vi. The other income of the REIT represents the expected income from the property sales and income from the REIT's investment in Real Estate Securities. Income from property sales has been adjudged to be difference between the property sales value and the net book value of the asset. The Real Estate related securities portfolio is expected to provide an annual return of 15%.
- vii. The REIT properties have been depreciated over 50 years on a straight line basis.
- viii. The annual expenses of the REIT are assumed to be:
 - Property tax at 0.05% of the value of properties
 - Property management fee at 3% of total rental income
 - Fund management fee at 0.39% of fund Net Assets Value
 - Insurance premium at 0.20% of the value of properties
 - Custodian fee at 0.075% of fund Net Assets Value
 - Trustee fee of ₦4.0m, ₦4.4m, ₦4.4m, ₦4.8m, and ₦4.8m in 2013, 2014, 2015, 2016 and 2017 respectively
 - Registrar fee of ₦0.5m, ₦0.525m, ₦0.551m, ₦0.579m, and ₦0.609m in 2013, 2014, 2015, 2016 and 2017 respectively
 - Auditors fee of ₦5.5m, ₦6.05m, ₦6.66m, ₦7.32m and ₦8.05 in 2013, 2014, 2015, 2016 and 2017 respectively

FINANCIAL FORECAST

ix. The total expense of the REIT is as shown below:

	2013 N'm	2014 N'm	2015 N'm	2016 N'm	2017 N'm
Owner expenses	4	4	51	54	36
Property tax	12	12	12	12	---
Property mgt fee	45	43	60	77	88
REIT fund mgt fee	118	119	120	122	124
Insurance premium	14	15	17	19	21
Trustee fee	4	4	4	5	5
Custodian fee	23	23	23	23	24
General administration	33	36	39	43	47
	<u>253</u>	<u>256</u>	<u>326</u>	<u>355</u>	<u>345</u>

* General administration expense is inclusive of registrar and audit fees

- x. The offer is assumed to be fully subscribed.
- xi. An annual revaluation of each investment property shall be carried out. However, the estimated annual capital appreciation/impairment has not been included in the forecast balance sheet.
- xii. The dividend payout is projected to be 90% of the profit after tax.
- xiii. The properties that form the basis of the forecast are listed below:
- Abebe Court, Ikoyi Lagos
 - VMP Phase 1, Victoria Island Lagos
 - VMP Phase 2, Victoria Island Lagos
 - Abuja Office Complex, Abuja
 - 1-2, Factory Road, Aba
- xiv. The forecast assumes the REIT will remain a going concern during the forecast period.

The following is a copy of the letter from the Issuing Houses on the Financial Forecast:

6. LETTER FROM THE ISSUING HOUSES



The Board of Directors
FSDH Asset Management Limited
1-5 Odunlami Street
Lagos

Dear Sirs

OFFER FOR SUBSCRIPTION OF 3,000,000,000 UNITS IN THE UPDC REAL ESTATE INVESTMENT TRUST

We write further to the Prospectus issued in respect of the Offer for Subscription of 3,000,000,000 Units in the UPDC Real Estate Investment Trust ("REIT"), the draft of which we have had the privilege of reviewing. The Prospectus contains financial forecasts of the REIT for the years ending 31 December 2013, 2014 and 2015, 2016 and 2017.

We have discussed the bases and assumptions upon which the forecasts were made with you and with Ernst & Young, the Reporting Accountants. We have also considered the letter dated 22 November 2012 from the Reporting Accountants regarding the accounting bases and calculations upon which the forecasts were compiled.

Having considered the assumptions made by you as well as the accounting bases and calculations reviewed by Ernst & Young, we consider that the forecasts (for which you as Directors are solely responsible) have been made by you after due and careful enquiry.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Sola David-Borha'.

Sola David-Borha
Chief Executive Officer

A handwritten signature in blue ink, appearing to read 'Albert Okumagba'.

Albert Okumagba
Group Managing Director

1. THE FUND MANAGER

Profile

FAML, a wholly owned investment management subsidiary of FSDH, commenced operations on 01 November 2003. FAML was initially a department in the FSDH Group which was set up in 2000 when FSDH, recognized the need to provide asset management services mainly to institutional investors.

FAML is the Fund Manager to the Coral Growth Fund and the Coral Income Fund, both of which have been in operation since 2001 and 2006 respectively. Currently, FAML manages and administers segregated portfolios such as gratuity schemes, provident schemes, endowment funds and other special purpose funds of several large corporations. FSDH's assets under management are in excess of ₦11 billion.

The Company relies on its experience in fixed income and equity securities markets to assist investors to develop unique financial solutions, using traditional financial assets as well as alternative assets to enable investors achieve their aspiration. Prior to the pension reforms in 2004, FAML managed and administered pension schemes to a number of large corporations. Pensions Alliance Limited, FSDH's affiliate company has taken over most of the pension fund portfolios previously held by FAML.

FAML is registered with the Securities & Exchange Commission as a Fund/Portfolio Manager, Corporate Investment Adviser. One of its unique advantages is the synergy that exists within the FSDH Group, which allows for the best financial market services to its clients at the best possible value.

Board of Directors

The Board of Directors of the Fund Manager is currently constituted as follows:

- Mr Rilwan Nosawaru Belo-Osagie
- Mrs Mayowa Ogunwemimo
- Mrs Hamda Abimbola Ambah
- Mr Ibrahim Yahaya Dikko
- Dave Uduanu

Management

- Mrs Mayowa Ogunwemimo
- Adaobi Ekweanya
- Chinenye Ekwunife
- Mr Robert Anwalimobor Ajiamah
- Mr Richard Chukwunyeremwa Osuagwu
- Mr Gibson Uwaezuoke Mba
- Mrs Olufola Wiltshire
- Mr Bamidele Samuel Ojo.

Profit and Loss Accounts of the Fund Manager

	←12 months ended 31 December→		6 months ended 31 December	←-----12 months ended 30 June-----→		
	2011	2010	2009	2009	2008	2007
	N'000	N'000	N'000	N'000	N'000	N'000
Gross earnings	417,662	454,953	213,023	760,343	1,414,822	655,701
Interest expense	(18,526)	(32,068)	(27,612)	(328,306)	(376,735)	(106,682)
Operating expenses	(250,011)	(295,217)	(142,265)	(771,601)	(260,672)	(155,028)
Write back of allowance on margin accounts	30	111	---	---	---	---
Profit/(loss) before tax	149,115	127,779	43,146	(339,564)	777,415	393,991
Tax	(46,014)	(39,367)	(12,907)	(10,324)	(206,621)	(118,304)
Profit after tax	103,101	88,412	30,239	(349,888)	570,794	275,687
(Loss)/Earnings per share (kobo)	52	44	15	(175)	286	138

Balance Sheet of the Fund Manager

	←12 months ended December→		6 months ended 31 December	←-----12 months ended 30 June-----→		
	2011	2010	2009	2009	2008	2007
	N'000	N'000	N'000	N'000	N'000	N'000
Assets						
Cash and bank balances	109,551	331,278	49,159	188,476	765,177	682,969
Short term investments	---	---	1,091,283	798,730	452,112	448,196
Investment securities	1,248,616	938,992	---	---	---	---
Debtors and prepayments	130,326	109,329	421,798	572,385	630,621	232,089
Margin accounts	18,762	21,272	31,017	130,937	1,550,730	1,490,197
Long term investments	---	---	517,467	1,029,208	113,377	114,637
Retirement benefit scheme asset	4,971	3,183	---	---	---	---
Total Assets	1,512,226	1,404,054	2,110,724	2,719,736	3,512,017	2,968,088
Liabilities						
Short term borrowings	---	---	575,031	1,070,970	1,269,183	908,491
Other liabilities	47,154	58,963	201,589	192,927	140,705	94,607
Due to customers	164,757	159,993	134,057	153,743	561,060	1,081,882
Tax payable	114,698	102,582	72,945	62,270	223,043	134,518
Provisions	---	---	---	20,739	4,273	5,631
Retirement benefit obligation	---	---	30,936	---	---	---
	326,609	321,538	1,014,558	1,500,649	2,198,264	2,225,129
Net Assets	1,185,617	1,082,516	1,096,166	1,219,087	1,313,753	742,959
Capital and Reserves						
Share capital	200,000	200,000	200,000	200,000	200,000	200,000
Revaluation reserve	---	---	102,062	255,222	---	---
General reserve	985,617	882,516	794,104	763,865	1,133,753	542,959
Shareholders' Fund	1,185,617	1,082,516	1,096,166	1,219,087	1,313,753	742,959

2. THE SPONSOR/PROPERTY MANAGER

History

In 1879, the United African Company was formed following the merger of four European companies trading up the River Niger: Alexander Miller Brother & Company, Central African Trading Company Limited, West African Company and James Pinnock. The merged company's trading activities required the use of warehouses for produce, offices and exclusive residential accommodation for the mostly expatriate managers. The United African Company thus ended up with a significant real estate holding in all parts of Nigeria to meet these ends.

UPDC operated first as a department to manage these holdings and thereafter as a division of UAC. In 1997, UPDC was incorporated as a public limited liability company and all the investment properties held by UAC were transferred to the Company via a Scheme of Arrangement. The Company's shares were listed on The Exchange on 19 November 1998. The Company had a total of 119 employees as at 31 December 2011, comprising 60 management and 59 non-management staff.

Nature of Business

UPDC is one of the leading real estate company in Nigeria and it has successfully and profitably engaged in property development and management, focusing on the provision of quality residential apartments and housing estates, as well as commercial buildings.

Following a comprehensive review of its business, UPDC changed its strategic thrust to focus on the premium and classic segment of the real estate market in carefully selected key cities of Nigeria. The Company is however well positioned to take advantage of emerging opportunities in the middle segments of the market as well as commercial developments such as shopping malls, car parks, markets and event centres.

The Company has significant land holdings in prime locations such as Ikoyi in Lagos, and aims to provide leadership to the industry through exceptional customer service, stakeholder engagement supported by a vibrant corporate responsibility agenda and the delivery of superior returns.

The Company owns 96% of UPDC Hotels Limited, a company incorporated to manage the assets of the former Festac '77 Hotel purchased from the Federal Government in 2002. The hotel was renamed Golden Tulip Festac and it opened to customers in January 2010. It is managed by Golden Tulip Hospitality Group, a worldwide hospitality company with considerable experience in hotel management spanning Europe and Asia, as well as operations in Accra, Tanzania and Cairo.

UPDC is currently one of the leading private developers in the Nigerian real estate market with its current total properties under management at ₦41.89 billion. As at 31 December 2011, the Company had about 27,604 shareholders made up of Nigerian citizens and institutions. Its major shareholders are UAC of Nigeria Plc and First Trustees of Nigeria Limited with shareholding of 46% and 12% respectively. Individuals and other corporate bodies account for the remaining 42% of the Company's equity.

The Company has undertaken several major developments such as the Victoria Mall & Plaza Residential Block in Victoria Island; Niger Towers, Abebe Court, Bourdillon Court and Trenchard Place in Ikoyi; Treasure Gardens in Lekki, Hillview Estate in Abuja and some commercial office developments such as the UAC Office Complex Phases 1 & 2 in Abuja and 26 Aba Road in Port Harcourt. The Company has also been involved in joint venture developments such as Romay Gardens in Lekki, Anchorage Estate in Amuwo-Odofin and Salatu Royal Estate in Abuja.

Some on-going and new projects planned for delivery between 2011 and 2014 are Metro Gardens, in Lekki, Emerald court in Abuja, Pinnock Beach Estate in Lekki; Metro City in Abuja, Vintage Gardens in Port Harcourt, Victoria Mall Plaza Phases 3 & 4 in Victoria Island (comprising an office block, residential apartments, a shopping mall and a multi-storey car park), Glover Green, Cameron Green and Legacy Apartments in Ikoyi.

Directors of the Sponsor/Property Manager

- Mr Larry Ephraim Ettah (Chairman)
- Mr Hakeem Bamidele Ogunniran (Managing Director)
- Mrs Folasade Oluwatoyin Ogunde
- Mr Babatunde Oladele Kasali
- Mrs Halima Tayo Alao
- Mr Abdul Akhor Bello
- Mr Adekunle Olakitan Awojobi

Principal Officers of the Sponsor/Property Manager

- Mr Emmanuel Oluyemi Ejdiran
- Engineer Andrew Salawu Daudu
- Miss Titilayo Ajayi
- Mr Brian T. Greenaway

3. THE JOINT TRUSTEES**First Trustees Nigeria Limited****Profile**

First Trustees is a wholly owned subsidiary of First Bank of Nigeria Plc, the oldest, largest and leading bank in Nigeria. First Trustees was incorporated on 08 August 1979 as a private limited liability company to render trusteeship services to Public, Corporate bodies and individuals. The Company also provides asset management and financial and investment advisory services.

First Trustees is duly registered with the Securities and Exchange Commission, the Corporate Affairs Commission as well as the Association of Corporate Trustees (a self regulating organisation) to carry on the business of Trusteeship in Nigeria. Its operations and activities are monitored and supervised by these agencies to ensure adherence to professional standards and protection of investors' interests.

First Trustees is also a leading asset manager with over ₦73billion in assets under management and backed by the support and contacts of its parent company, First Bank of Nigeria, which has one of the largest branch networks in the banking industry. First Trustees provide strategies that span the full spectrum of asset classes including: equity, fixed income, real estate and private equity.

Its primary objective of helping protect, enhance and transfer assets remains a strong inclination towards driving its business and providing specialist Trustee and Asset Management services to Government, Banks and other Financial Institutions, Public and Private Corporations, Corporative Societies as well as High Networth Individuals. These range of services are delivered by highly trained and motivated investment professionals.

Its experience in Trusteeship, spanning over 30 years of doing business, ranges from Security Trusteeship to Trusteeship of Public Trust, covering areas as: Loan Syndication, Consortium Lending, Unit Trust Schemes and Equity Funds, Government Bonds, other public funds and Central Collection Centre. Its Trusteeship services also extend to many of the major business corporations in Nigeria. Currently, its Trusteeship portfolio (i.e. Total Trust Assets under management stand at an aggregate value of ₦62.6 billion, of which about ₦10.3 billion represents clients' funds under management).

Directors of First Trustees

- Lt. Gen. Garba Duba (Rtd.)
- Mr Adekunle Awojobi
- Mr Tony Aneni
- Mr Abdul S. Kofarsauri
- Mrs Adijat T. Malik

Management

The management team of First Trustees is made up of the following experienced professionals:

- Mr Babajide Fetuga
- Mr Frederick Obodozie

UBA Trustees Limited**Profile**

UBA Trustees Limited commenced business about 47 years ago as a trustee company. It is a wholly owned subsidiary of Africa's Global Bank, United Bank for Africa Plc, the leading Nigerian trustee company with trust mandates in excess of ₦5.0 trillion as well as ₦760 million in Shareholders' Funds

UBA Trustees is a leading provider of world class Bond Trustee services. Its services include, but are not limited to; safeguarding Bondholders' interests, monitoring compliance with Trust Deed covenants, management of Sinking Funds, independent reporting to Bondholders and Regulators, as well as convening general meetings of Bondholders.

UBA Trustees is governed by a Board composed of experienced and credible individuals, including a non-executive member with extensive background in regulation and compliance. Its policies, procedures and practices ensure strong regulatory compliance. It has a robust risk management and control systems in place with comprehensive disaster recovery systems and procedures, which are tested periodically.

UBA Trustees partners actively with its clients by giving them total support and guidance and bringing its experience to bear to ensure the success of transactions. It is committed to providing clients with the highest quality security trust services, characterized by high level professionalism, proactivity, accurate information, prompt and efficient services and flexibility where required, to achieve the transaction objectives and to secure the interests of the client.

UBA Trustees has a distinguished track record in public and corporate trust services to Nigeria's leading multinational and corporate leaders, Federal and State Government agencies.

Its capabilities include but are not limited to:-

- Best Trustee skills with direct Trustee experience spanning decades.
- Superior technology.
- Access to UBA's wide Branch and electronic network of outlets
- Track record of transactions with highest volumes and complexities, amounting to about ₦5.0 trillion in value.

Directors of UBA Trustees Limited

- Mr Emmanuel. N. Nnorom
- Mr Vincent Omoike
- Mrs Tomi Somefun
- Mrs Oluwatoyin Sanni.

Management Team

- Mr Johnson Osobu
- Miss Tokunbo Ajayi
- Mr Shuaibu Kasandubu
- Mr Austin Akpe

4. THE CUSTODIAN**UBA Plc (Global Investor Services Division)**

UBA Plc (Global Investor Services Division) commenced business in September 2007 as a division of the United Bank for Africa Plc offering custodial services to Global Custodians, Institutional Investors, direct participants and investments in Africa. UBA (Global Investor Services Division) process securities trades, safe-keep financial assets and service associated portfolios. As a full fledged Division of the Bank, UBA (Global Investor Services Division) enjoys the cover of the Bank's balance sheet.

All clients' assets are held exclusively by UBA Nominee Limited, a holding entity which does not operate any business except to hold these assets in line with CBN guidelines and global best practice.

UBA (Global Investor Services Division) is registered by both the Securities & Exchange Commission and the Central Bank of Nigeria. UBA (Global Investor Services Division) currently operates in Nigeria and the 8 (eight) francophone countries namely: Niger, Mali, Togo, Benin, Senegal, Burkina Faso, Guinea Bissau and Cote D'Ivoire. Its clientele includes Global Custodians and Depositary Banks, Fund/Asset Managers, Nigerian Banks, Insurance Companies, Nigerian Discount Houses, Mutual Funds and other Collective Investment Schemes, Trustees and other institutional investors.

Its range of services include but are not limited to:

- Asset registration
- Safe custody
- Securities verification and settlement
- Portfolio valuations
- Client reporting – Cash/securities
- Credit lines
- Corporate Actions
- Cash management services
- Back office administration
- Euroclear account service

In 2010, the Global Investor Services Division ("GIS") of UBA Plc's superior service quality was attested to by the Global Custodian Agent Banks in Major markets survey as it was awarded the Best client treatment in the industry.

UBA GIS has hands on domestic custody experience in Nigeria as it currently acts as custodian to 23 Collective Investment Schemes, sub-custodian to 3 Global custodians, sole custodian to 2 Nigerian insurance companies with regional/international shareholding, Euroclear account services to Banks, Discount Houses and Trustees. UBA GIS was involved in the drafting of custody guidelines and rules for the CBN and SEC.

UBA GIS's staff are excellently trained and certified to UK securities institutions standards in the custody of securities.

Management Team

- Mrs Oluwatoyin Sanni.
- Mrs Taiwo Sonola
- Mrs Tolulope Odita
- Mr Tom Audu
- Mrs Regina Asala
- Mr Deoye Oduntan
- Mr Pacôme-H. Zahabi

UPDC Real Estate Investment Trust

Nigeria Fund Analysis

October 2012

Security class	Rating scale	Expected rating	Rating outlook	Expiry date
Fund Rating	National	BBB _(f)	Stable	10/2013

GCR Contacts:

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Trustee/Custodian Contact:

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Rating Methodology/Research

Fund rating criteria (January 2012)

Leadway insurance report (February 2012)

First Securities group reports (June 2012)

Fund Features:

Size of primary offering [§]	3,000m Units
Size of private placement	1,800m Units
Minimum subscripion [†]	10,000 Units
Primary offering price [°]	₦10/Unit
Gross offering proceeds [‡]	₦18bn
Investment structure	Pooled
Benchmark returns [*]	ALSI DIVY
Distributed returns [*]	7% average
Payment frequency	Annual

[§] Allotments (> this offer) will be accepted.

[†] And mulpl of 1,000 Units thereafter.

[°] Initial lots will be offered at par value.

[‡] Before accounting for issuing expenses.

^{*} Only dividend yield, not absolute returns.

Transaction Summary

The UPDC Fund ("the fund") is constructed to be a listed, non-cumulative, non-redeemable, closed-end, Real Estate Investment Trust Scheme ("REITS"). The fund will act as a platform to pool together capital from investors intent on exploring investments in property, who may lack sufficient skill or time to act on their own.

Rating Panel Highlights

The rating is based on the following key factors:

- Considering that pooled property investment vehicles are still a relatively new asset class, a lot of emphasis is placed on the capabilities of the asset manager and the promoter/sponsor (given their respective roles in the structure) to successfully manage the asset pool (through the set out mandate) for the benefit of the underlying unit holders in the structure; herein, the agency assessed the parties' capabilities, within each ones corporate framework, access to all resources and experience - although under different mandate and rating types, the parties are considered suitably proficient for their designated roles (these ratings are freely available, although not attached here).
- Though structured to be a standalone/ring fenced business unit, the limited partnership between the fund and the promoter/sponsor creates an unintended, though unavoidable linkage - nonetheless, while financial loss is limited to the promoter/sponsor's percentage equity participation, reputational risk, in the case of failure, remains and should be factored in by investors (given the fallout of investor losses, in any market).
- Though the current tenant base is considered suitably granular, the lease expiration schedules do raise a potential flag, with a large percentage of lease showing less than twelve months to expiry (the issue was raised with the promoter/sponsor which assured the agency that lease are automatically renewed sans lessee input, thus making replacement delays a non-issue; nevertheless, while this might be market practice, the legal grounds could not be pulled from the sample lease agreements) - hence, the pass through mismatch between contractual and behavioural maturities/pay schedules must not be overlooked.
- The conversion of the expected rating into a final rating is contingent upon the receipt of satisfactory final and executed /signed transactional and all corporate instatement documents.

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1. CORPORATE GOVERNANCE AND OPERATING STRUCTURE

The Fund Manager is responsible for the management of the REIT which includes the monitoring and rebalancing of the portfolios on a regular basis and has adopted an overall corporate governance framework designed to meet best practice principles. The portfolio monitoring process involves the under listed:

- regular review of the asset composition;
- review of the projected rental yield of the REIT and assets of the REIT, with particular reference to its projected performance, level of investment risk and scope of investment portfolio; and
- review of the assets and strategies to anticipate changes or opportunities in the real estate market during a given phase of an investment cycle.

The key controls in place to ensure the ongoing performance of the REIT include the under listed:

Limits

Besides the restrictions, which may be imposed by the Trust Deed, the Fund Managers' Risk Management team puts in place a risk management framework, which has the objective of reducing concentration risk and achieving a well diversified portfolio;

Reporting

The Fund Manager acknowledges the importance of regular communication with Unitholders and investors to ensure that they are well informed of the activities and performance of the REIT. The Fund Manager is responsible for the preparation of the annual financial statements which give a true and fair view of the state of affairs of the REIT. In addition, quarterly reports, on the performance of the REIT, will be filed with the SEC.

Meeting

A minimum of 4 quarterly investment committee meetings will be held annually. The investment committee shall be responsible for:

- Reviewing the acquisition, investment and disposal of real estate assets of the REIT in relation to the investment policies and guidelines, including policies and guidelines regarding asset classes, asset allocation ranges, and prohibited investments.
- Overseeing investment, sale and reinvestment options of the funds under management.
- Monitoring the management of the REIT by reviewing the reports of the Fund Manager. In addition to this, the committee will have discussions with the Fund Manager on the primary determinants of return, including asset allocation and investment strategy.
- Evaluating investment performance of the REIT based on a comparison of actual returns with the REIT's absolute return objective. The evaluation will take into account compliance with investment policies and guidelines and risk levels.
- Periodically review and assess the adequacy of the investment policy and guidelines and make any necessary recommendations to the Joint Trustees.

Annual Review of Investment Guidelines

An annual review of the Investment Guidelines as contained in the Trust Deed, in order to align the scheme's investment with changes in the social, political and economic environment.

Monitoring and management of investment risk

Monitoring and managing of investment risk shall be carried out under the FSDH Group Enterprise Risk Management framework. Investment risk management is embedded in the framework.

The investment risk management framework also adheres to regulatory requirements in relation to investment policies; assets mix, valuation, diversification, asset and liability matching, and risk management. It also includes setting market, credit, liquidity, and other investment risk management strategies and policies, developing management procedures to ensure that investments are only transacted in line with these policies, and having an appropriate system of measurement, monitoring, reporting and control underpinning investment activities.

Investment risk management is a separate and distinct function from the investment management function. The Trust Deed will state and provide the investment guidelines in respect of the REIT

Internal Audit

Internal audit provides the independent assurance to the Board, through the audit committee on the effectiveness of the Fund Manager's systems and controls for investment risk management and make recommendations where appropriate. Regular risk based audit is conducted to review compliance with overall risk management policies and procedures.

Role of the Board of Directors of the Fund Manager

The board of Directors is ultimately responsible for ensuring that sound and comprehensive investment and risk management policies which adhere to applicable regulations are developed and for ensuring compliance with these policies.

External Auditor

The Fund Manager and its board maintain a transparent relationship with the external auditors. The appointment of external auditors by the Fund Manager is approved by the Joint Trustees. The auditors appointed must be independent of the Fund Manager and Trustee.

Appointment of Custodian

In accordance with SEC Rules, and in line with global best practices, all relevant transaction documents such as original Certificate of Occupancy, executed deed of mortgages/assignments, etc would be in the custody of the Custodian approved by the Securities & Exchange Commission.

2. INDEBTEDNESS

As at the date of this Prospectus, the Fund Manager had no outstanding debentures, mortgages, loans, charges or similar indebtedness, other than in its ordinary course of business.

3. UPDC'S ₦30 BILLION DEBT ISSUANCE PROGRAM

UPDC issued a ₦15 billion Corporate Bond in 2010. The Trust Deed for that transaction contained a Negative Pledge to the tune of the unpaid value of the bond plus the coupon. During the subsistence of the Bond, UPDC is required to deposit adequate security with the Trustees to the Bond to cover its indebtedness. Having complied with this obligation, UPDC has sought the consent of the Trustees to the Bond to proceed with the REIT. This has been granted on the basis that the properties covered by the REIT are excluded from the Bond security.

4. CLAIMS AND LITIGATION OF THE FUND MANAGER

As at the date of this Prospectus, the Fund manager is only involved in a single litigation instituted by it, against one of its Customers in the ordinary course of business. The Defendant in the case have however filed a counterclaim.

The Solicitors to the Issue are of the opinion that the Fund Manager's liability in the unlikely event of an unfavourable resolution of the pending litigation will not have any material adverse effect on the Issue or the fund Managers capacity to discharge its obligations under the Issue.

5. CLAIMS AND LITIGATION OF THE PROPERTIES TO BE VESTED IN THE REIT

The table below shows the existing claims and litigation on the properties to be vested into the REIT:

1. Name of Property	Victoria Mall Plaza 1
2. Name of Suit	Alhaja Sinatu Ojikutu v. Lagos State Government & UPDC Plc
3. Suit Number	LD/555/07
4. Summary of claim	That the claimant has a valid certificate of occupancy over a portion of the said property. That the revocation of the certificate of occupancy is invalid.
5. Portion of VMP1 affected	Approximately 1154.20 square meters.
6. Status of the Suit	Parties are currently negotiating settlement out of court.

The pending litigation involving VMP1 as stated above is not likely to have any material adverse effect on the Issue. Furthermore UPDC shall sufficiently indemnify the REIT against any defects in its title which will mitigate any loss(es) that could be suffered by the REIT in the event of an unfavourable resolution of the matter.

6. COSTS AND EXPENSES

The costs, charges and expenses of, and incidental to, the Offer including fees payable to the Securities & Exchange Commission, professional parties, brokerage and printing and distribution expenses are estimated at ₦673.7 million or 2.25% of the gross Offer proceeds. This cost will be borne by the Unitholders and written off in the first year of the REIT.

7. RELATIONSHIP BETWEEN THE FUND MANAGER AND SPONSOR REGARDING REAL ESTATE TO BE VESTED BY THE REIT

UPDC is also the Property Manager of the real estate portfolio of the REIT upon conclusion of the Offer. There exists no relationship between the Fund Manager and the Sponsors except in the ordinary course of business

8. RELATIONSHIP BETWEEN THE FUND MANAGER AND ITS ADVISERS

There exists no other relationship between the Fund Manager and any of its Advisers except in the ordinary course of business

9. RELATIONSHIP BETWEEN THE SPONSOR AND ITS ADVISERS

First Trustees Nigeria Limited, one of the Joint Trustees to the Offer, is a shareholder in UPDC. Mr Adekunle Olakitan Awojobi, a non executive director of the Company, is also the Acting Managing Director of First Trustees Nigeria Limited. Save as disclosed, there was no other relationship between the Company and its advisers as at the date of this prospectus other than in the ordinary course of business.

10. MATERIAL CONTRACTS

The following agreements have been entered into and are considered material to this Offer:

- A Vending Agreement dated [•] 2013 under the terms of which the Issuing Houses have agreed to offer 3,000,000,000 units of ₦10.00 each at par in the UPDC Real Estate Investment Trust.
- A Trust Deed dated [•] 2013 between FSDH Asset Management Limited, First Trustees Nigeria Limited and UBA Trustees Limited under the terms of which the Joint Trustees have agreed to act as Trustees to the REIT for the benefit of the Unitholders.

STATUTORY AND GENERAL INFORMATION

- A Deed of Declaration of Trust dated 05 February 2013 under which UPDC has agreed to vest in the Joint Trustees, the beneficial interest in the trust properties.
- A Deed of Assignment of Receivables dated 05 February 2013 under which the legal title and interest accruing from the receivables under the Trust Property are assigned to the Joint Trustees.
- A Property Management Service Agreement dated 05 February 2013 under the terms of which UPDC has agreed to act as property manager to the REIT.
- A Safe Custody Agreement dated 05 February 2013 under the terms of which UBA GIS has agreed to act as Custodian to the REIT.

Other than as stated above, the Fund Manager has not entered into any material contracts except in the ordinary course of business.

11. CONSENTS

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

The Fund Manager	FSDH Asset Management Limited
Directors of the Fund Manager	Mr Rilwan Nosawaru Belo-Osagie (Chairman) Mrs Mayowa Ogunwemimo (Managing) Mrs Hamda Abimbola Ambah Mr Ibrahim Yahaya Dikko Mr Dave Uduanu
Company Secretary to the Fund Manager	Alsec Nominees Limited
Sponsor / Property Manager	UACN Property Development Company Plc
Directors of UPDC	Mr Larry Ephraim Ettah (Chairman) Mr Hakeem Bamidele Ogunniran (Managing) Mrs Folasade Oluwatoyin Ogunde (Executive) Mr Babatunde Oladele Kasali Mrs Halima Tayo Alao Mr Abdul Akhor Bello Mr Adekunle Olakitan Awojobi
Company Secretary of UPDC	Mr Godwin Abimbola Samuel
Lead Issuing House & Receiving Banker	Stanbic IBTC Bank PLC
Co-Issuing House	BGL Plc
Reporting Accountants	Ernst & Young
Stockbrokers to the Offer	Stanbic IBTC Stockbrokers Limited FBN Securities Limited FSDH Securities Limited
Joint Trustees	First Trustees Nigeria Limited UBA Trustees Limited
Solicitors to the Joint Trustees	Udo Udoma & Belo-Osagie
Solicitors to the Offer	Detail Commercial Solicitors
Custodian	UBA Plc (Global Investor Services Division)
Registrars	First Registrars Nigeria Limited
Rating Agency	Global Credit Rating Co.
Estate Valuers	Jide Taiwo & Co. Joe Akhigbe & Associates

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the documents listed may be inspected at the offices of Stanbic IBTC Bank PLC and BGL Plc, during normal business hours on every Business Day from Tuesday, 19 February 2013 to Thursday, 28 March 2013:

1. Certificate of Incorporation of the Fund Manager;
2. Memorandum and Articles of Association of the Fund Manger;
3. Certificate of Incorporation of the Joint Trustees;
4. Memorandum and Articles of Association of the Joint Trustees;
5. The Prospectus issued in respect of the Offer;
6. The audited financial statements of the Fund Manager for the five years ended 31 December 2011;
7. The Report of Ernst & Young, Reporting Accountants on the Financial Forecast of the REIT for the years ending 31 December 2013, 2014, 2015, 2016, 2017;
8. The Resolution of the Board of Directors of UPDC authorising the creation of the REIT and the issuance of 3,000,000,000 units of the REIT;
9. Consent granted by the Trustees under the UPDC ₦30 billion Debt Issuance Program;
10. Claims and Litigation report of the Fund Manager;
11. The Rating Report issued by Global Credit Rating Co. in respect of the REIT;
12. The Valuation Report issued by Jide Taiwo & Co. and Joe Akhigbe & Associates in respect of the properties to be acquired by the REIT dated 16 November 2011;
13. The material contracts referred to in Section 10 on page 40
14. The written consents referred to in Section 11 on page 41;
15. The letter of authorisation from the Securities & Exchange Commission; and
16. The letter of approval from The Nigerian Stock Exchange.

1. APPLICATION

- 1.1 The general investing public is hereby invited to apply for Units of the REIT through any of the Receiving Agents listed on Page 44
- 1.2 Applications for Units must be made in accordance with the instructions set out at the back of the application form. Care must be taken to follow these instructions, as applications which do not comply will be rejected.
- 1.3 The Application List for the Units now being offered will open on 19 February 2013 and close at on 28 March 2013. Applications must be for a minimum of 10,000 Units and in multiples of 1,000 Units thereafter. The number of Units for which an application is made and the value of the cheque or bank draft attached should be entered in the boxes provided.
- 1.4 A single applicant should sign the declaration and write his/her full names, address, daytime telephone number and mobile telephone number in item "1" on the Application Form. Item "2" should be used by joint applicants. A corporate applicant should affix its seal in the box provided and state its Incorporation (RC) Registration Number.

Any applicant who does not want to receive a physical Unit Certificate and would rather have his/her CSCS account credited, should specify the name of his/her Stockbroker and his/her CSCS account number and CHN number in the boxes provided.

- 1.5 Each application should be forwarded together with the cheque or bank draft for the full amount of the purchase price to any of the Receiving Agents listed on Page 44. Applications must be accompanied by a cheque or bank draft made payable to the Receiving Agent to whom the application is submitted, for the full amount payable on application. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "**UPDC REIT**" with the name, address and daytime telephone number of the applicant written on the back. All bank commissions and transfer charges must be prepaid by the applicant. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected and returned through the post.

2. ALLOTMENT

The Issuing Houses and the Directors of the Fund Manager reserve the right to accept or reject any application in whole or in part for not meeting the conditions of the Offer. The allotment proposal will be subject to the clearance of the Securities & Exchange Commission.

3. APPLICATION MONIES

All application monies will be retained in a separate interest yielding bank account by the Receiving Bank pending allotment. If any application is not accepted or is accepted for fewer Units than the number applied for, payment for the full amount paid or the balance of the amount paid (as the case may be) will be returned via RTGS or NEFT into the bank account number stated on the Application Form within 5 working days of allotment.

A Unit Certificate will be sent by registered post and the CSCS accounts credited (only for applicants who elect not to receive physical statements) not later than 15 working days from the date of allotment.

RECEIVING AGENTS

Application Forms may be obtained free of charge from any of the following Receiving Agents registered as capital market operators by SEC, to whom brokerage will be paid at the rate of 75k per ₦100 worth of units allotted in respect of applications bearing their official stamps.

The Issuing Houses cannot accept responsibility for the conduct of any of the institutions listed below. Investors are advised to conduct their own independent enquiries before choosing an agent to act on their behalf. Evidence of lodgement of funds at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by the Issuing House, cannot give rise to a liability on the part of the Issuing Houses under any circumstances.

BANKS

Access Bank Plc Citibank Nigeria Limited Diamond Bank Plc Enterprise Bank Limited Ecobank Nigeria Plc Fidelity Bank Plc	First Bank of Nigeria Plc First City Monument Bank Plc Guaranty Trust Bank Plc Keystone Bank Limited	Mainstreet Bank Limited Skye Bank Plc Stanbic IBTC Bank Plc Standard Chartered Bank Nig Limited	Sterling Bank Plc Union Bank of Nigeria Plc United Bank for Africa Plc Unity Bank Plc Wema Bank Plc Zenith Bank Plc
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STOCKBROKERS AND OTHERS

Adamawa Securities Ltd Adonai Stockbrokers Limited Afribank Securities Limited Afrinvest(West Africa) Ltd AIMS Asset Management Ltd Alangrange Securities Ltd Altrade Securities Limited Aryn Investments Limited Anchorage Securities and Finance Limited Anchoria Investment and Securities Limited Apel Asset & Trust Limited APT Sec. & Funds Limited ARM Securities Limited Associated Asset Managers Limited Atlass Portfolio Limited Belfry Stockbrokers Limited Bestlink Investment Limited Bestworth Assets & Trust Ltd BFCL Assets & Sec Ltd BGL Securities Limited BIC Securities Ltd Bytofel Trust & Securities Ltd Cadington Securities Ltd Calyx Securities Limited Camry Securities Limited Capital Assets Ltd Capital Bancorp Limited Capital Express Securities Ltd Capital Trust Brokers Ltd CardinalStone Securities Ltd Cashcraft Asset Mgt. Ltd Cashville Inv & Sec. Ltd Centre-Point Inv. Ltd Century Securities Limited Chapel Hill Denham Securities Ltd Chartwell Securities Limited Citi Investment Capital Limited City-Code Trust & Inv Ltd Clearview Inv Co. Ltd Colvia Securities Limited Compass Inv and Sec Ltd Consolidated Inv Ltd Cordros Capital Limited Core Trust & Investment Ltd Covenant Securities & Asset Management Limited Cowry Asset Mgt Ltd Cradle Trust Fin & Sec. Ltd Crane Securities Ltd Crossworld Securities Ltd Crown Capital Limited CSL Stockbrokers Ltd Dakal Securities Ltd Davandy Finance & Sec Ltd DBSL Securities Limited De-canon Investments Ltd	Deep Trust Investment Ltd Delords Securities Ltd Dependable Securities Ltd Diamond Securities Ltd Dominion Trust Ltd Dynamic Portfolios Ltd ECL Asset Management Ltd EDC Securities Ltd Emerging Capital Ltd EMI Capital Resources Limited Empire Securities Limited Enterprise Stockbroker Plc Epic Investment Trust Ltd Equity Capital Solutions Ltd ESS Investment & Trust Ltd Eurocomm Securities Ltd Excel Securities Ltd Express Portfolio Services Ltd F & C Securities Limited Falcon Securities Ltd FBC Trust & Securities Limited FBN Securities Ltd Financial Trust Company Nigeria Limited Fidelity Securities Ltd FinBank Securities Ltd Finmal Finance Company Ltd First Inland Capital Ltd First Inland Sec. & Asset Mgt. Ltd FIS Securities Limited Fitcoo Securities Limited Forte Financial Ltd Forthright Securities & Investments Ltd FSDH Securities Ltd Future View Securities Ltd Genesis Securities & Inv. Ltd. Global Asset Investment Ltd Gosord Securities Limited Greenwich Securities Ltd GTB Asset Mgt Ltd GTB Securities Ltd GTI Capital Ltd Hedge Sec. & Inv. Co. Ltd Heritage Capital Mkt Ltd Horizon Stockbrokers Ltd ICMG Securities Limited ICON Stockbroker Ltd Imperial Assets Mgt Ltd Integrated Trust & Investments Ltd International Capital Securities Ltd	International Standard Securities Ltd Interstate Securities Ltd Investment Centre Ltd Investors & Trust Co Ltd ITIS Securities Limited Kakawa Asset Mgt Ltd Kapital Care Trust & Sec. Ltd Kedari Securities Limited Kinley Securities Ltd Kofana Securities & Inv. Ltd Kundila Finance Services Ltd Lambeth Trust & Inv. Co. Ltd LB Securities Ltd Lead Securities and Investments Ltd Lighthouse Asset Management Ltd Lion Stockbrokers Limited LMB Stockbrokers Ltd Mact Securities Limited Magnart's Fin & Inv Ltd Mainland Trust Ltd Maninvest Securities Ltd Marina Securities Ltd Maven Asset Mgt Ltd Maxfund Invest & Sec. Ltd Mega Equities Ltd Mercov Securities Ltd Meristem Securities Molten Trust Limited MorganCapital Sec Ltd Mountain Investment & Securities Limited Mutual Alliance Investments and Securities Limited, Network Securities & Finance Limited Newdevco Investments & Securities Co Ltd Nigerian Intl Sec Ltd Nigerian Stockbrokers Ltd Nova Finance & Securities Limited Omas Investments & Trust Company Limited Options Securities Limited PAC Securities Limited Partnership Investment Company Limited Peace Capital Market Limited Peninsula Asset Mgt & Inv Co. Ltd Perfecta Inv Trust Limited Phronesis Sec Limited Pilot Securities Limited Pinfields Inv Serv Ltd PIPC Securities Limited Pivot Trust and Investment Co Limited	Platinum Capital Limited PML Securities Company Limited Portfolio Advisers Limited Primera Africa Securities Primewealth Capital Limited Professional Stockbrokers Limited, Profund Securities Limited Prominent Securities Limited, Prudential Securities Limited PSI Securities Limited PSI Securities Limited Pyramid Securities Ltd Quantum Securities Limited, Rainbow Securities and Investment Co. Limited Readings Investment Limited Redasel Investment Limited Regency Assets Mgt Ltd Rencap Securities (Nig.) Ltd Resano Securities Limited Resort Securities & Trust Ltd Reward Investments and Services Limited Rivtrust Securities Limited Rostrum Inv & Sec Ltd Rowet Capital Mgt Ltd Royal Crest Finance Limited Royal Trust Securities Limited Santrust Securities Limited Securities Solutions Limited Securities Trading & Investments Limited Security Swaps Limited Shalom Investment & Securities Transactions Limited Shelong Investment Limited Sigma Securities Limited, Signet Investments & Securities Limited Sikon Securities and Investment Trust Ltd
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RECEIVING AGENTS

Skyebrokers Limited Skyview Capital Limited SMADAC Securities Limited Solid-Rock Securities & Investment Limited Spring Trust & Securities Ltd Stanbic IBTC Stockbrokers Limited Standard Alliance Capital & Asset Management Limited Standard Union Securities Limited Stanwal Securities Limited Strategy and Arbitrage Limited Summa Guaranty & Trust Co. Plc Summit Finance Company Limited	Support Services Limited, Supra Commercial Trust Limited TFS Securities & Investment Limited The Bridge Securities Limited Tiddo Securities Limited Tomil Trust Limited Topmost Securities Limited Tower Asset Management Ltd Tower Securities & Investment Co. Limited Trade Link Securities Limited Traders Trust & Investment Company Limited	TransAfrica Financial Services Limited Transglobe Investment & Finance Co. Limited, Transworld Investment & Securities Limited Tropics Securities Limited Trust Yields Securities Limited Trusthouse Investments Limited TRW Stockbrokers Limited UBA Stockbrokers Limited UIDC Securities Limited UNEX Capital Limited Union Capital Markets Limited	Valmon Securities Limited Valueline Securities & Investments Limited Vetiva Securities Limited Vision Trust & Investment Limited Wizetrade Capital & Asset Management Limited WSTC Financial Services Limited WT Securities Limited Yobe Investment & Securities Limited Yuderb Investments & Securities Limited Zenith Securities Limited
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Application List Opens 19 February 2013	Initial Public Offering 3,000,000,000 Units of ₦10.00 each at par	Application List Closes 28 March 2013
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FSDH ASSET MANAGEMENT LIMITED
RC434206



<u>Number of Shares applied for</u>	<u>Amount Payable</u>
10,000 minimum	₱100,000
Subsequent multiples of 1,000	₱10,000

Number of Shares applied for										Value of Shares applied for/Amount Paid														
INDIVIDUAL/CORPORATE APPLICANT																								
Title:					Mr					Mrs					Miss					Others (please specify)				
Surname/Company Name																								
Other Names (for individual applicants only)																								
Full Postal Address																								
City										State														
Daytime Telephone Number										Mobile (GSM) Telephone Number														
E-mail Address:																								
Next of Kin																								
JOINT APPLICANT																								
Title:					Mr					Mrs					Miss					Others (please specify)				
Surname																								
Other Names																								
Name of Your Stockbroker																								
CHN Number (Clearing House Number)										CSCS Number														
BANK DETAILS (FOR E-DIVIDEND)																								
Name of Bank																								
Branch:										Account Number:														

Signature or Thumbprint	Signature or Thumbprint	Company Seal/Incorporation Number (Corporate Applicant)											
Stamp of Receiving Agent													

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

1. Applications should be made only on the Application Form or photocopy, downloaded or scanned copies of the Application Form.
2. Applications must be for a minimum of 10,000 Units. Applications for more than 10,000 Units must be in multiples of 1,000. The number of Units for which an application is made and the value and details of the cheque or bank draft attached should be entered in the boxes provided.
3. The Application Form when completed should be lodged with any of the Receiving Agents listed on Page 44. Applications must be accompanied by a cheque or bank draft made payable to the Receiving Agent to whom the application is submitted, for the full amount payable on application. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "**UPDC REIT**" with the name, address and daytime telephone number of the applicant written on the back. All bank commissions and transfer charges must be prepaid by the applicant. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected.
4. Any application from ₦10 million and above must be transferred via **RTGS or NIBBS** into the designated Offer Proceeds account domiciled with Stanbic IBTC Bank PLC with the following details:
Account Name: UPDC REIT IPO
Account Number: 0003878911
Narration: *"[Name of Subscriber]'s investment in the UPDC REIT"*.
5. Foreign currency subscribers are advised to contact Stanbic IBTC for the applicable US Dollar exchange rate on the day the remittance is being effected. Payment can be made in US Dollars, for credit to:
Stanbic IBTC Bank PLC Account number 04433866 at Deutsche Bank Trust Company Americas, Church Street Station, New York, N.Y. 10015, USA, (Swift code: SBICNGLX) with the narrative *"[Name of Subscriber]'s investment in the UPDC Real Estate Fund"*.
6. Stanbic IBTC will issue CCI's to foreign currency subscribers. CCI's are required to enable subsequent repatriation, in a freely convertible currency, of the distributions from or proceeds of any future sale of the Units acquired in this Initial Public Offering.
7. An applicant should make only one application, whether in his own name or in the name of a nominee. Multiple or suspected multiple applications will be rejected.
8. Joint applicants must all sign the Application Form.
9. An application from a group of individuals should be made in the names of those individuals with no mention of the name of the group. An application by a firm which is not registered under the Part B of Companies and Allied Matters Act Cap C20 LFN 2004 should be made either in the name of the proprietor or in the names of the individual partners. In neither case should the name of the Firm be mentioned.
10. An application from a corporate body must bear the corporate body's common seal and be completed under the hand of a duly authorised official.
11. An application by an illiterate should bear his right thumbprint on the Application Form and be witnessed by an official of the Bank or stockbroker at which the application is lodged who must have first explained the meaning and effect of the Application Form to the illiterate in his own language. Above the thumb print of the illiterate, the witness must record in writing that he has given this explanation to the illiterate in a language understandable to him and that the illiterate appeared to have understood same before affixing his thumb impression.
12. The applicant should not print his signature. If he is unable to sign in the normal manner he should be treated for the purpose of this Offer as an illiterate and his right thumbprint should be clearly impressed on the Application Form.

APPLICATION FORM

UPDC REAL ESTATE INVESTMENT TRUST