

# Brass & Books Growth Fund

INVESTMENT OFFERING  
MEMORANDUM





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# IMPORTANT INFORMATION

This Investment Information Memorandum ("Memorandum") has been prepared for the purpose of giving information to potential investors in connection with ("the Offer") in Brass & Books Financial Services ("Brass & Books") or ("the Company"), a company registered under the laws of the Federal Republic of Nigeria for the purpose of conducting financial advisory & consulting business in the Nigerian economy and a multipurpose cooperative society in Lagos State.

This Memorandum contains confidential information about the Company, and is intended mainly for the purpose of giving information to a select list of potential investors, particularly members of Brass & Books MPCs Ltd. to whom it is addressed. It is not a Prospectus and does not constitute a public offer or an invitation to the general public to subscribe to the securities presented herein.

Subscription to the growth fund being offered may only be made by prospective investors who have been specifically invited to take up investments in the fund, in accordance with the terms and conditions contained in this Memorandum. Every prospective investor to whom this document has been addressed is expected to scrutinize the information contained in this Memorandum independently. In making an investment decision, potential investors must rely on their own examination of the opportunity and the terms of this offer, including the merits and risks involved.

An investment in the Fund is an investment by registered members of the cooperative society into an exclusive members-only investment opportunity verified and operated by the company. An investment in the Fund is not a bank deposit, bank security, bank liability, and is subject to investment risk, including the loss of, or delays in the payment of, income or capital. The Directors or officers of Brass & Books do not personally guarantee the repayment of capital from the Fund or the investment performance of the Fund. Investments in the Fund are however guaranteed to be managed with the utmost professionalism and requisite expertise to forestall loss of investors income and capital.

The recipient agrees to keep this Memorandum and all information subsequently supplied or given to it in connection with the proposed Offer, confidential, safe and secure and to prevent any unauthorized person from having access to it. The recipient agrees that the information is proprietary to Brass & Books, and he/she has no rights to such information except as set out in this notice.

The Directors of Brass & Books have taken all reasonable care to ensure that the information contained herein, is to the best of their knowledge and belief, is true and accurate in all material respects. The Directors confirm that to the best of their knowledge and belief there are no other facts, the omission of which would make any fact or opinion herein misleading or untrue. The Directors of Brass & Books individually and collectively accept full responsibility for the accuracy of the information provided in this memorandum.

No person is authorized by us to give any information or to make any representation in connection with the offer of Units to you that is not contained in this memorandum. Any information or representation not contained in this memorandum or the Updated Information cannot be relied upon as having been authorized by us.

By signing and returning the Application Form you consent to the matters outlined in this privacy statement outlined above.



# SUMMARY OF THE INVESTMENT OPPORTUNITY

The following should be read in conjunction with the full text of the Investment Memorandum, from which it was derived:

1. **Issuer:** Brass & Books Financial Services
2. **Investment offer:** N500m Location-Based Corporate Bonds managed as a Private Trust Fund
3. **Purpose:** The Fund is a managed investment scheme established by a registered Multipurpose Cooperative. registered with the Lagos State & Bayelsa State Governments respectively to provide intervention working capital for small and medium enterprises to meet liquidity and on-going business demands.
4. **Payment Terms:** In full on agreement to investment in addition to a 1% Management & Handling fee. Payments should be made in Nigerian Naira. The relevant banking details will be made available on acceptance of the offer.
5. **Investment Type:** This investment proposal is initiated as a contribution of equity into the fund, which is administered as loans to benefiting businesses at agreed coupon rates.
6. **Expected Rate of Return:** 30% - 48% per annum targeted
7. **Principal Return:** Upon receipt of request and processing of funds, Principal is available within a 30 day period from request date.



# KEY INVESTMENT FEATURES

The following summarizes the other key features of an investment in the Fund and provides section references for further information. You should read this memorandum in full to properly understand your investment in the Fund.

## 3.1 Target Return

The Company is seeking to make regular income distributions at a target return rate of 7.5%-12% per quarter. Please note, this is a target and not a forecast. The target rate of 48% p.a. is the net return after the fund Management costs and Expense recoveries. There are no additional fees levied by the fund on the investor except the initial costs associated with subscription.

## 3.2 Risk/Return Profile

Medium — the potential for higher returns than lower risk investments, however, there is also a low potential for below-average returns.

Investors should not invest in the Fund unless they understand and are comfortable with the risks associated with investing in the Fund

## 3.3 Minimum Investment Timeframe

Twelve (12) months.

Please note, the Fund is illiquid. Withdrawals out of/of the principal sum can only be made at the end of the investing cycle of 12 months. The company shall make routine withdrawal offers every 12 months.

We require a 60 days prior notice with a formal request for such funds before the maturity of the investment.

## 3.5 Distributions

Distributions (interest due) will be paid monthly & quarterly as the case may apply, within fourteen (14) Business Days after the last day of each month into the account nominated by the investor.

## 3.6 Investment Capital

Minimum initial N5,000,000

Subsequent investments N1,000,000

## 3.7 Minimum Withdrawal

N1,000,000

## 3.8 How to Invest

To invest,

- pay registration & fund management fees, investment subscription to designated bank account;
- complete the Application Form attached to this memorandum and send back to any of our Office(r) in Lagos, Abuja, Port Harcourt or Bayelsa or directly to

## Investor Relations

### Brass & Books Financial Services

**18 Amore Street,  
Off Toyin Street,  
Ikeja, Lagos**

All Payments are made payable to

### Brass & Books

### Guaranty Trust Bank

**0560126203**



# FUND STRUCTURE

## 4.1 Fund structure

The Fund is a unit trust established by the law. It is a managed investment scheme which has been registered with the Lagos State Government.

Under a managed investment scheme, investors' funds are pooled with those of other investors to facilitate larger scale investments.

Investors hold units in the scheme which represent a proportional entitlement in the assets of the scheme based on the amount invested and the application price of the units at the time of entry to the scheme.

The unit price reflects the value of the assets in the scheme and may increase or decrease over time with the value of the underlying assets.



## 4.2 Fund Units

Interests in the Fund are divided into Units. Each day the company accepts an application for Units, it will make an investment in secured credit notes issued by Brass & Books Multipurpose Cooperative Society Limited using the application monies received.

Each of those investments will represent the assets for the Units issued. Each Unit will receive the income attributable to its assets and must bear the liabilities associated with its investments.

### 4.3.1 Brass & Books Financial Services (issuer)

Brass & Books Financial Services is a financial Intelligence & Business Management company dedicated to providing comprehensive financial planning and wealth creation solutions to families, entrepreneurs, executives and other High Networth Individuals.

The company is registered with the Corporate Affairs Commission (**RC1607716**) as a financial consultancy with the object to raise capital privately.



## KEY ENTITIES INVOLVED WITH THE FUND

### 4.3.2 Brass & Books Multipurpose Cooperative Society (Operator)

Brass & Books Multipurpose Cooperative Society (BBMPCS) is a fully owned subsidiary of Brass & Books Financial Services with license number **17251** allowing it operate in the financial services market as a credit provider.

BBMPCS, as a foremost Credit Union provides intervention working capital funds for small and medium enterprises. The company has done credibly well with an **under 5% average annual loan-default rate** with over 650 loans disbursed successfully since its inception in May 2013.

It is responsible for the day-to-day operation of the Fund in accordance with its license, the Constitution, Compliance Plan, Corporations Act and general trust law.

### 4.3.3 Compliance Committee

In accordance with legal requirements, the company has appointed an independent Compliance Committee for the Fund to assist it meet its compliance responsibilities.

In particular, the Compliance Committee's role is to monitor the company's compliance with the Compliance Plan and Constitution in operating the Fund. The Compliance Committee reports directly to the Board and, in certain circumstances, to the regulatory agencies.

The Compliance Committee is required to have a minimum of three members, the majority of whom must be external to the company.





# THE FUND'S INVESTMENT

## 5.1 Investment objective

The objective of the Fund is to provide regular distributions to investors at a target distribution rate of 30% - 48% per annum (pre-tax, post fund management fees and expenses).

## 5.2 Investment strategy

The Fund will lend money to, or invest in secured and unsecured credit notes issued by BBMPCS customers that participate in the small, medium and personal loan segment of the credit market. The investments the Fund will make will be either the acquisition of unsecured short-term notes issued by the customers with duration of maximum 60days or short-term secured loans on similar terms.

The Fund will invest the first N500 million of investment monies it receives into unsecured notes issued by BBMPCS, a fully owned subsidiary of the issuing company, for the primary purpose of funding the loan book of BBMPCS.

Although the notes issued by BBMPCS will be secured by a guarantors deed over the guarantors present income sources and after acquired property, the notes will be unsecured loans recoupable daily from sales proceeds of the customer.

## 5.3 Investment Timeframe

Your Investment in the fund is for a period of 12 months minimum. You will be able to withdraw your investment in the Fund at the end of the 12 months Cycle.

We would make consistent withdrawal offers at the 11th month from the date of your investment and so that you are able to withdraw at the end of the cycle.

Your response to the withdrawal offer helps us to make your funds (principal sum) available by the next distribution date.



# BENEFITS & RISKS OF INVESTING IN THE FUND

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## 6.1 Benefits of investing in the Fund

Some of the benefits of investing in the Fund are summarised as follows:

### • Regular Returns

The fund pays distributions on a monthly/quarterly basis with undeterred regularity. We seek to achieve a regular income return to Investors equal to 30 - 48% per annum flat (pre-tax, post-fund management fees and expenses). The Investor thus, enjoys a quarterly distribution of 7.5%-12% guaranteed into the nominated account.

### • Regular Withdrawal Offers

We make a withdrawal offer to each class of units every 11th month from the date of issue of that class. This ensures that the investor has access to his/her fund by the end of the 12th month if the investment isn't rolled over. The principal sum can be withdrawn at the end of every investment cycle of 12 months.

## 6.2 Risks of investing in the Fund

Before deciding whether to invest in the Fund, it is important that you understand the risks that can affect your investment. All investments are subject to risk, and investments may not perform as expected. Please speak with an investment officer on the possible risks

As matter of due diligence and in our **fiduciary position**, been accountable to the investors and ensuring that our investors do not lose their funds; we have taken thorough measures and have also taken a Credit Life Insurance policy **with Mutual Benefits Life Assurance(CLP/19/100384/OWR)** to significantly minimize the risk elements associated with the investment.

The company seeks therefore to be held liable for loss of capital or income of the investors funds

You should give consideration to our **mitigating strategies** outlined in the next section, as well as the other information contained in this memorandum before making a decision to invest in the Fund.





## RISK MANAGEMENT STRATEGY

The Fund is primarily exposed to the risks of the business model of BBMPCS. BBMPCS takes steps to reduce to the barest minimum its exposure to fraud. These steps include identity verification process as well as using proprietary and third party provider's fraud detection services.

BBMPCS also applies the skills and resources of its team to detect signs of fraudulent intent within loan applications.

Measures implemented by BBMPCS to minimise vulnerability to fraud & defaults will include:

- a) Carrying out a comprehensive credit assessment to determine the suitability of the loan;
- b) Contacting borrowers for further information or clarification of issues arising from the credit assessment;
- c) Assessment of the bone fide nature of any documents provided to support the loan application;
- d) An assessment of the applicants' bank statement information, in particular the last 90 days' worth of transaction history from their income account.
- e) Verification procedures to ensure that loan funds being disbursed are paid into the correct bank account.
- f) Daily collection of agreed repayments by BBMPCS Staff as scheduled.
- g) All loans are insured with an insurance company, to cover possible defaults or incapacity of borrower
- h) All Loans are guaranteed by the deed of payment of credible verified guarantors
- i) Borrowers are signed up for the Brass & Books virtual accounting service for monitoring and control purposes.
- j) All loans are usually short term loans of maximum 60days, with a clean-up cycle that is only allowed to extend 30days longer.



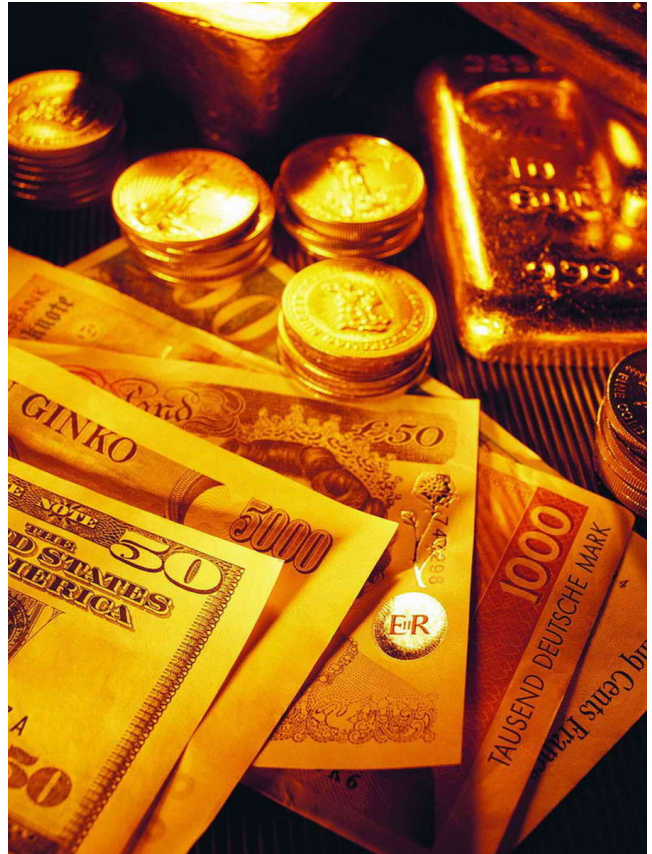
# INVESTOR INFORMATION

## Who Can Invest?

To be eligible to invest in the Fund, Investors must be Nigerian residents with a registered address within Nigeria, registered members of Brass & Books Multipurpose Cooperative Ltd and must fall into at least one of the following categories:

- a) Individuals (either singly or jointly) over 18 years of age;
- b) Companies;
- c) Partnerships;
- d) Cooperatives

**THERE IS NO COOLING-OFF  
PERIOD RELATING TO AN  
INVESTMENT IN THE FUND.**



## Initial & Additional Investment

### Initial Investment

The minimum initial investment as a lump sum is N1,000,000.00 with a 1% management fee on any amount invested.

### Additional investments

If you already hold Units in the Fund, you can make additional investments. The minimum additional investment is N500,000.

You will need to make reference to your investor number and clearly state your investment amount. Before making any additional investment, we recommend you check the Updated Information and the most recent memorandum for the Fund which can be found on our website.

## Transferring Investments

The fund is a transferable asset i.e. Investors may transfer Units in a Fund to any other person. However, we have the discretion to refuse transfers of Units without giving any reasons for this refusal. This is because to effect such transfer, there may have procedural and operational considerations.

To effect a transfer to another person, the following will be required:

- a) A signed and completed standard unit transfer form (with duty paid, if applicable), and
- b) Notification of the transferee's Investor name and number (or if a new Investor, an Application Form). Standard unit transfer forms are available by contacting us or from our website.

## Withdrawal Of Principal Sum

Investors may wish to renew their investment in the fund after the cycle of 12 months.

If not, the principal sum is paid into the nominated account at the end of the 12th month with the interest due for that month, at the request of the investor.

## Distributions

We will seek to make distributions monthly & quarterly. A distribution is a payment of the Fund's dividends and **may** include distributions from the Fund and other income.

Cash distributions will only be paid to a bank account. The account nominated by the Investor must be in the name of the Investor, as it is our policy not to make third party payments.

Investors will need to advise us in writing of any change to distribution nomination and account payment details. For a change to be reflected in the next distribution, such advice must be received by us no later than five(5) Business Days prior to the last day of the financial year.

## Investor Reporting

The Fund is structured to be a "disclosing entity" and as such is subject to regular reporting and disclosure obligations.

These include the preparation of annual reports and half yearly reports. A copy of the audited annual financial report for the Fund will be made available on your portal page on our website by the end of November each year.

You may elect to receive a hard copy of the annual report by completing the relevant section of the Application Form or by contacting us.

As an Investor in the Fund, you will receive the following advices and reports:

- a) Investment confirmation advice, indicating your initial investment in the Fund, together with details of application price and number of Units issued (generally sent within 5 Business Days of the acceptance of the application).
- b) Redemption confirmation, providing details of Unit redemptions and redemption prices (generally sent within 5 Business Days of the redemption request being processed).
- c) An annual taxation statement, detailing all relevant taxation information relating to distributions from the Fund required for Investor taxation returns (generally sent by the end of August each year). Included with the statement will be historical and current financial information of the Fund.



# BRASS & BOOKS GROWTH FUND



## APPLICATION FORM

Title:		Affix Passport Photograph here
Surname:		
Other Names:		
Residential Address:		
Date of Birth: DD/ MM/ YY/		Sex: <input type="checkbox"/> <input type="checkbox"/>
Nationality:		Town/City:
Address:		
Email:		Mobile No's:
Company's Name:		Post Held:
Office Address:		
Office Phone No's:		
Marital Status: Single <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Others (Specify):		
Next of Kin:		
Relationship:		Wedding Anniversary (If Spouse):
Address:		
Email:		Mobile No:
Investment Value (₹):		
Cheque/Bank Draft Attached:		
Bank Nominated for Distribution:		
Account Number:		

Attach a Valid means of Identification &  
2 passports to your application

### Signature & Date

This investment product herein offered by this document is not registered with the Securities and Exchange Commission (SEC).

FOR OFFICIAL USE ONLY

INPUT BY:  
SIGNATURE:

AUTHORIZED BY:  
DATE:



PASSIVE INCOME

**2.5%**

MONTHLY  
DISTRIBUTION

PAID DIRECTLY INTO  
NOMINATED BANK  
ACCOUNT.

ANNUAL RETURNS  
ON INVESTMENT  
WITH NO HASSLES

**30%**

# REGULAR MONTHLY CASH FLOW

**SAFE, SECURED & INSURED PRINCIPAL**

**BRASS & BOOKS BOND FUND**

The Brass & Books Bond Fund invests in SMEs across the Niger Delta

- Building the businesses and economy of the region
- Providing jobs for the teeming growing school leavers
- Providing sustainable returns on investment for investors



# ADDITIONAL INFORMATION

## Complaints resolution

If you have a complaint about any aspect of your investment in the Fund, please write to us at:

Investor Relations

Brass & Books Financial Services

18 Amore Street,

Off Toyin Street,

Ikeja

Alternatively, you can call us on 0903 048 7810, 0806 452 9095, 0808 266 5718 or email us at [info@brassandbooks.com.ng](mailto:info@brassandbooks.com.ng)

## Privacy

The company takes all reasonable steps to protect your personal information. In addition to the collection of information pursuant to the Anti-Money Laundering Act 2003, personal information is collected for the purpose of providing investment products to Investors and the RE will use your personal information for:

- a) processing your Application for Units;
- b) informing you or any potential investment opportunities in funds to be promoted and/or managed by the company or any of its related entities (if you do not wish to receive this information please contact the RE);
- c) administering the Fund (including calculation of entitlements and distributions, and ownership and interests in Units); and
- d) any purpose related to the above purposes.

If you provide incomplete or incorrect information, we may be unable to provide you with the product or service for which you are applying.

The company may need to collect personal information about a third party from you as part of this application. If we do this, you agree you will advise that person that we have collected their information and that in most cases they can access and seek correction of the information we hold about them.

Your personal information may be disclosed to related entities of the company and any organisation (such as an accountant or auditor) involved with the administration of the Fund for any of the above purposes.

The provision of the personal information requested is needed to allow your application to be processed.

By completing the Application Form, you consent to receiving commercial e-mails from the company, related entities of the company or any other entity involved in the administration of the Fund.

In most cases, you can gain access to and seek correction of your personal information. Should you wish to do so, or if you have any queries about your information, please contact us on 0903 048 7810.

## Interests of the Company and its Directors

Pursuant to the Constitution, our employees and officers are entitled to apply for Units. It is our policy to review any such application, which must be on the same basis as that of other applicants.

The Fund may invest in other products for which we act as responsible entity, manager or agent.





# THE BRASS & BOOKS GROWTH FUND

GROWTH FUND FOR SMALL & MEDIUM  
BUSINESSES



[www.bbfs.ng](http://www.bbfs.ng)

## IKEJA

18 Amore Street,  
Off Toyin Street  
Ikeja - Lagos

## LEKKI

2nd Floor, The Garnet Building,  
Km 14 Lekki-Epe Expressway,  
Lekki, Lagos

## ABUJA

2XL Mall  
Christiana Ajayi Okunuga Street,  
3rd Avenue, Gwarinpa Estate  
Abuja

## YENAGOA

62 Erepa road,  
Off Mbiama/Yenagaoa Road  
Yenizue gene ,  
Yenagoo Bayelsa