CHAPEL HILL DENHAM
NIGERIA INFRASTRUCTURE DEBT FUND

(Authorised and Registered in Nigeria as an Infrastructure Fund)

Offer for Subscription

Of

Series I: 200,000,000 Units of ₦100 Each Issued at ₦101.20

Under the ₦200,000,000,000 ISSUANCE PROGRAMME

Payable in Full on Application

FUND MANAGER:
Chapel Hill Denham Management Limited
RC 250656

Application List Opens: February 10, 2017
Application List Closes: February 28, 2017

This Supplementary Prospectus has been prepared pursuant to Rule 321 of the Rules and Regulations of the Securities & Exchange Commission ("the Commission" or "the SEC") in connection with the issuance of up to 200,000,000 units under the ₦200,000,000,000.00 Issuance Programme established by Chapel Hill Denham Management Limited ("the Fund Manager"). This Supplementary Prospectus is supplemental to, and should be read in conjunction with, the Shelf Prospectus dated February 7, 2017 and any other supplements to the Shelf Prospectus as may be issued by the Fund Manager. Terms defined in the Shelf Prospectus have the same meaning when used in this Supplementary Prospectus.

To the extent that there is any conflict or inconsistency between the contents of this Supplementary Prospectus and the Shelf Prospectus, the provisions of this Supplementary Prospectus shall prevail. This Supplementary Prospectus may be used to offer and sell units of the Chapel Hill Denham Nigeria Infrastructure Debt Fund only if accompanied by the Shelf Prospectus.Copies of the Shelf Prospectus can be obtained from the Issuing Houses.

The registration of the Shelf Prospectus and this Supplementary Prospectus shall not be taken to indicate that the Commission endorses or recommends the Securities or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Shelf Prospectus or this Supplementary Prospectus. No Units will be allotted or issued on the basis of the Shelf Prospectus read together with this Supplementary Prospectus later than three years after the date of the issue of the Shelf Prospectus.

ISSUING HOUSE:

CHAPEL HILL
ADVISORY PARTNERS LIMITED
RC: 62258

www.chapelhilldenham.com

THIS SUPPLEMENTARY PROSPECTUS IS DATED FEBRUARY 7, 2017
INFRASTRUCTURE – AN ENABLER OF ECONOMIC GROWTH

Third Mainland Bridge Lagos

Lekki Ikoyi Bridge Lagos

Airport Road Abuja
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APPLICATION FORM ......................................................................................................................................................... Error! Bookmark not defined.
## 1. ABRIDGED TIMETABLE

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb 10, 2017</td>
<td>Application List opens</td>
<td>Chapel Hill</td>
</tr>
<tr>
<td>Feb 28, 2017</td>
<td>Application List closes</td>
<td>Chapel Hill</td>
</tr>
<tr>
<td>Mar 3, 2017</td>
<td>Receiving Agent make returns</td>
<td>Chapel Hill/ Registrars</td>
</tr>
<tr>
<td>Mar 6, 2017</td>
<td>Forward Allotment Proposal to SEC</td>
<td>Chapel Hill</td>
</tr>
<tr>
<td>Mar 13, 2017</td>
<td>Receive SEC authorisation of allotment</td>
<td>Chapel Hill</td>
</tr>
<tr>
<td>Mar 20, 2017</td>
<td>Pay net offer proceeds to Custodian</td>
<td>Chapel Hill</td>
</tr>
<tr>
<td>Mar 22, 2017</td>
<td>Publish Allotment Announcement</td>
<td>Chapel Hill</td>
</tr>
<tr>
<td>Mar 22, 2017</td>
<td>Return rejected application monies</td>
<td>Chapel Hill</td>
</tr>
<tr>
<td>Mar 24, 2017</td>
<td>Credit CSCS accounts</td>
<td>Registrars</td>
</tr>
<tr>
<td>Mar 28, 2017</td>
<td>List Fund on the FMDQ OTC Exchange</td>
<td>Chapel Hill</td>
</tr>
<tr>
<td>Mar 31, 2017</td>
<td>Forward report on completion to SEC</td>
<td>Chapel Hill</td>
</tr>
</tbody>
</table>

All dates provided are subject to change by the Issuing House in consultation with the Directors of the Fund Manager and subject to obtaining the necessary regulatory approvals.
2. **SUMMARY OF THE OFFER**

The following are the final terms of the Series I Units that are the subject of this Supplementary Prospectus. The information should be read in conjunction with the full text of the Shelf Prospectus, from which it is derived. Investors are advised to seek information on the fees and charges before investing in the Fund:

<table>
<thead>
<tr>
<th>Fund Manager/Sponsor</th>
<th>Chapel Hill Denham Management Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuing House</td>
<td>Chapel Hill Advisory Partners Limited</td>
</tr>
<tr>
<td>Series Number</td>
<td>1</td>
</tr>
<tr>
<td>The Offer</td>
<td>Offer for Subscription of up to 200,000,000 Units of Chapel Hill Denham Nigeria Infrastructure Debt Fund</td>
</tr>
<tr>
<td>Units of Sale</td>
<td>100,000 Units and multiples of 50,000 Units thereafter</td>
</tr>
</tbody>
</table>
| Offer Price                  | ₦101.20 per unit  
Foreign currency subscriptions will be processed at the applicable foreign exchange rate at the time of subscription. |
| Par value                    | Each Unit of the Fund will have a par value of ₦100.00 |
| Offer Size                   | ₦20,240,000,000 |
| Nature of the Fund           | The Fund is classified as an infrastructure fund under the Rules for Infrastructure Funds issued by the SEC.  
The Fund is a Close-Ended Fund, domiciled in Nigeria, and shall be denominated in Naira. The Fund has a maximum term of 99 years, subject to early winding up provisions contained in section 11.18 of the Shelf Prospectus.  
The Fund will invest the net proceeds from each Offer in loans, securities and securitized debt instruments of infrastructure companies or projects or special purpose vehicles which are created for the purpose of facilitating or promoting investment in infrastructure.  
The Fund shall seek to generate steady, predictable income through regular interest payments on its investments, while preserving the value of its investment principal.  
Proceeds from the Fund will be used to purchase securitised participations in senior infrastructure loan obligations from Nigerian commercial banks. Specifically, the fund will seek investments in private sector-led long term loans which are currently “in-the-money”, in the following sectors: power generation (captive power plants, power to grid), toll roads, airports, seaports and port infrastructure, utilities and telecoms infrastructure. |
The portfolio of the Fund will consist of 6-8 investments. The tenor of the underlying loans of the Fund may be up to 15 years door-to-door.

These participations may be in interests in, or assignments of, the loan and may be acquired from banks that have made the loan or members of the lending syndicate.

As a unitholder in the Fund, an investor will obtain market exposure into high-quality infrastructure projects. This will enable an investor to substantially reduce their investment risk while improving their investment returns.

CHDM provides or oversees the provision of all investment advisory and portfolio management services for the Fund, including developing the investment program for the Fund and managing the Fund’s overall exposures.

### Investment Objectives of the Fund

The Fund will aim to provide investors regular and stable income by making primarily debt investments in infrastructure projects located in Nigeria. The Fund will seek to build a diversified portfolio of investments in projects that (i) provide essential economic and social services (ii) have long-term predictable cash flows (iii) have asset base with long useful life.

The Fund will focus on making investments that offer high degree of certainty about the future cash flows to be received by the Fund, while seeking to preserve the capital value of its investment assets over the long term. The Fund’s investment portfolio of infrastructure loans and other securities will target a gross return of 3.00% to 4.50% over and above the comparable government bond yields prevailing from time-to-time in Nigeria. The income generated by the Fund shall be distributed periodically to the Unitholders, after deducting the operating expenses of the Fund.

### Investment Policy and Restrictions

The Fund will invest in senior and subordinated debt of private or public sector led infrastructure projects in the following sectors and businesses:

- Generation of electricity, including from renewable sources, and its transmission and distribution
- Transportation & logistics, including ports, airports, highways, railway transportation, mass transit systems, industrial zones and warehouses
- Infrastructure for provision of telecommunication services including mobile telecom towers, fibre optic networks and data centres
- Storage and transportation facilities for hydrocarbons, including natural gas
- Water treatment, transmission and distribution for domestic, commercial or industrial use, wastewater treatment and water recycling
- Provision of utilities as well as municipal and industrial waste management
- Social infrastructure such as hospitals, schools, training facilities, accommodation and similar facilities, developed primarily on PPP basis

The Fund may also invest, directly or indirectly, in the working capital loans, subordinated debt, preferred shares or warrants of such borrowers and related
2. SUMMARY OF THE OFFER

assets. At least 80% of Fund’s assets will be invested in senior debt, securitised debt or loans to government agencies. Not more than 20% could be invested in working capital loans, subordinated debt, preferred shares or warrants. The Fund may also invest, from time-to-time, in securities that are or will be listed.

The Fund shall also invest in money market instruments, from time-to-time, primarily to manage the overall cash flows of the Fund. Initially, net proceeds from the Initial Offer shall be invested in money market instruments, which will be withdrawn to fund the infrastructure loans and investments of the Fund as they are finalised and closed. Similarly, the net proceeds from Follow-on Offers may also be invested in money market instruments for the duration prior to their deployment into infrastructure loans and investments.

The senior loans provided by the Fund will be collateralised with assets of the project being financed, where such collateralisation is available and feasible, or by other security to be provided by the project sponsors, as determined adequate by the Fund Manager.

Payment Terms

In full on application

Distributions

The Fund shall seek to distribute quarterly the income earned from its investments, after deducting the expenses and costs associated with the operations of the Fund.

Fees And Expenses

Annual Fund Operating Expenses:
Management fee – An annual management fee of 1.25% of the Net Asset Value of the Fund, paid quarterly in arrears
Other Expenses – Estimated at 0.13% of the Net Asset Value of the Fund.
Other Expenses reflect estimated organizational expenses and includes fees payable to the Trustees, Custodian, Auditor, Valuation Adviser and Registrar
Due diligence costs – The costs and expenses for third-party due diligence of projects being evaluated for investment by the Fund will be charged to the Fund on actuals, to the extent not reimbursed by the borrower.
All future costs and expenses associated with operations of the Fund shall be deducted from the income generated by the Fund.

Forecast Offer Statistics

(Extracted from the Reporting Accountants’ Report)

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Income</td>
<td>4,272</td>
<td>4,145</td>
<td>3,930</td>
</tr>
<tr>
<td>Fees and Expenses</td>
<td>(234)</td>
<td>(287)</td>
<td>(289)</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>4,038</td>
<td>3,858</td>
<td>3,641</td>
</tr>
</tbody>
</table>

Mandatory Subscription

In accordance with Rule 569(5) of SEC Rules and Regulations which requires promoters of authorised schemes in Nigeria to subscribe to a minimum of 1% of the initial issue of such schemes, Chapel Hill Denham Management Limited will subscribe to 1% of the Offer size.
2. **Summary of the Offer**

**Underwriting**
At the instance of the Fund Manager, the Offer will not be underwritten.

**Quotation**
An application has been made to the FMDQ OTC for the listing of the 200,000,000 units of the Chapel Hill Denham Nigeria Infrastructure Fund. At the end of the Offer, the Units of the Chapel Hill Denham Nigeria Infrastructure Fund will be tradable on the FMDQ OTC.

**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 Trustees Investments Act Cap T22 LFN 2004.

**Over Subscription**
In the event of oversubscription, the Fund Manager may, with the approval of the Securities and Exchange Commission ("SEC"), allot additional units under this Series 1 of the Programme.

**Opening Date**
February 10, 2017

**Closing Date**
February 28, 2017

**E – Allocation**
The CSCS accounts of successful subscribers will be credited not later than 15 business days from the allotment date. Investors are thereby advised to state the name of their respective stockbrokers and their CHN Numbers in the relevant spaces on the Application Form.
FUND MANAGER:

Chapel Hill Denham Management Limited
45 Saka Tinubu Street
Victoria Island
Lagos
Telephone: +234-1-271 3280-2
Email: info@chapelhilldenham.com
Website: www.chapelhilldenham.com

DIRECTORS OF THE FUND MANAGER:

Mr. Olawale Edun, Chairman
Mr. Mobolaji Balogun
Mrs. Kemi Awodein
Mrs. Ononuju Irukwu, Managing Director

MEMBERS OF THE INVESTMENT COMMITTEE OF THE FUND:

*refer to the Shelf Prospectus for profile of the investment committee

Mr. Anshul Rai
Mr. Mobolaji Balogun
Mr. Philip Southwell
Mrs. Ononuju Irukwu
Mr. Denis Clarke
Mr. Anshul Rai
Ms. Oby Ugbona
Ms. Adekemi Ajayi
Mr. Ayo Fashina
Mrs. Ibiwunike Sokefun

PRINCIPAL OFFICERS OF THE FUND MANAGER:

FIVE YEAR FINANCIAL SUMMARY

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>1,031</td>
<td>976</td>
<td>2,409</td>
<td>2,278</td>
<td>2,254</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>679</td>
<td>646</td>
<td>2,085</td>
<td>1,955</td>
<td>1,956</td>
</tr>
<tr>
<td>Total Equity</td>
<td>352</td>
<td>330</td>
<td>324</td>
<td>323</td>
<td>298</td>
</tr>
<tr>
<td>Total Equity and Liabilities</td>
<td>1,031</td>
<td>976</td>
<td>2,409</td>
<td>2,278</td>
<td>2,254</td>
</tr>
<tr>
<td>Gross Earnings</td>
<td>280</td>
<td>292</td>
<td>250</td>
<td>349</td>
<td>468</td>
</tr>
<tr>
<td>Profit After Tax</td>
<td>22</td>
<td>6</td>
<td>1</td>
<td>25</td>
<td>32</td>
</tr>
</tbody>
</table>
ISSUING HOUSE:

Chapel Hill Advisory Partners Limited
1st Floor, 45 Saka Tinubu Street
Victoria Island
Lagos

TRUSTEE TO THE FUND:

STL Trustees Limited
Skye Bank Building (3rd Floor)
30 Marina
Lagos

Stanbic IBTC Trustees Limited
The Wealth House
Plot 1678 Olakunle Bakare Close
Victoria Island
Lagos

CUSTOMIAN TO THE FUND:

Citibank Nigeria Limited
27 Kofo Abayomi Street
Victoria Island
Lagos
<table>
<thead>
<tr>
<th>**4. **</th>
<th><strong>PARTIES TO THE OFFER</strong></th>
</tr>
</thead>
</table>
| **REGISTRAR TO THE FUND:** | **United Securities Limited**  
10, Amodu Ojikutu Street  
Victoria Island  
Lagos |
| **SOLICITORS TO THE OFFER:** | **Olaniwun Ajayi LP**  
The Adunola  
Plot L2, 401 Close  
Banana Island  
Ikoyi,  
Lagos |
| **SOLICITORS TO THE TRUSTEES:** | **Udo Udoma Belo Osagie**  
St. Nicholas House  
Catholic Mission Street  
Ikoyi,  
Lagos |
| **REPORTING ACCOUNTANTS:** | **PricewaterhouseCoopers Nigeria**  
Landmark Towers  
5B Water Corporation Road  
Victoria Island  
Lagos |
| **RECEIVING BANK:** | **Access Bank Plc**  
9 Danmole Street  
Idejo  
Victoria Island  
Lagos |
The following information is an extract from the Rating Report prepared by Agusto & Co:

Chapel Hill Denham Management Limited

Rating: A(IM)

Outlook: Positive
Issue Date: Aug 2016
Expiry Date: Aug 2017
Previous Rating: None

Industry: Asset Management

Analysis:
Adetobi Oluwoye
biyioluwoye@agusto.com

Rita Emefie, CFA
ritaemefie@agusto.com

Agusto & Co. Limited
UBA House (5th Floor)
57, Marina
Lagos
Nigeria
www.agusto.com

Rating Rationale

Chapel Hill Denham Management Limited ("Chapel Hill Denham", "CHDM" or "the Manager") is an asset manager with over ₦39 billion in assets under management as at 30 June 2016. The Manager is a wholly owned subsidiary of investment bank – Chapel Hill Advisory Partners Limited.

CHDM has a dedicated research function that produces regular research output, which is integrated into the investment team’s buy side research. The research and investment teams have very good experience and provide quality input in the decision making process.

Investment strategy decisions are largely made at the investment committee level. CHDM has three investment committees composed of individuals with significant, relevant and diverse work experience gained both internationally and in the Nigerian financial services industry.

The Manager has a proprietary Enterprise Resource Planner that is continually developed to offer a solution that is tailor-made for investment management in Nigeria. There are, however, limited system interfaces to the decision making process.

CHDM risk management reviews and spot checks to ensure trading is in line with mandates and has passed through the appropriate approval process. This process is, however, largely manual with checks, reports and escalation all occurring post trade.

The Manager’s trades are executed by experienced brokerage firms which have been in existence for more than 15 years. Chapel Hill Denham has satisfactory business continuity plans with alternate location arrangements in place and daily cloud backup of critical data.

Based on the aforementioned, Agusto & Co. assigns an "A(IM)" rating to Chapel Hill Denham Management Limited.
6. THREE-YEAR FINANCIAL PROJECTIONS

6.1. LETTER FROM THE REPORTING ACCOUNTANTS

The Board of Directors
Chapel Hill Denham Management Limited
2nd Floor, 45 Saka Tinubu Street
Victoria Island
Lagos
30 March 2016

Dear Sirs,

Report on the Profit and Balance Sheet Projections

We have examined the projections in accordance with the International Standard on Assurance Engagements (ISAE 3000) applicable to the examination of prospective financial information. Management is responsible for the projections including the assumptions set out in Note 11.4 on which it is based. These projections have been prepared for the first tranche of N50,000,000,000 of the N200,000,000,000 issuance programme of Chapel Hill Denham Nigeria Infrastructure Debt Fund.

As the entity is in a start-up phase the projections have been prepared using a set of assumptions that include hypothetical assumptions about future events and management’s actions that are not necessarily expected to occur. Consequently, readers are cautioned that these projections may not be appropriate for purposes other than that described above.

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the projections, assuming that proceeds from the bond issuance would be used to purchase infrastructure assets from banks. Further, in our opinion the projections are properly prepared on the basis of the assumptions and is presented in accordance with the accounting policies included in the basis and assumptions.

Even if the events anticipated under the hypothetical assumptions occur, actual results are still likely to be different from the projections since other anticipated events frequently do not occur as expected and the variation may be material.

Yours faithfully,

Sam Abu

PricewaterhouseCoopers Chartered Accountants
Landmark Towers, 88 Water Corporation Drive, Osu, Lagos, Nigeria
T: +234 1 479 7000
### 6. THREE-YEAR FINANCIAL PROJECTIONS

#### 6.2. INCOME STATEMENT FOR THE YEARS ENDING

<table>
<thead>
<tr>
<th></th>
<th>30-Jun-17 N' million</th>
<th>30-Jun-18 N' million</th>
<th>30-Jun-19 N' million</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and similar income</td>
<td>2,851</td>
<td>3,007</td>
<td>2,941</td>
</tr>
<tr>
<td>Investment income</td>
<td>160</td>
<td>152</td>
<td>259</td>
</tr>
<tr>
<td>Fair value gain on infrastructure investments</td>
<td>546</td>
<td>259</td>
<td>17</td>
</tr>
<tr>
<td>Amortization of deferred income</td>
<td>714</td>
<td>727</td>
<td>723</td>
</tr>
<tr>
<td><strong>Gross Income</strong></td>
<td>4,272</td>
<td>4,145</td>
<td>3,930</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees and operating expenses</td>
<td>(234)</td>
<td>(287)</td>
<td>(289)</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>(234)</td>
<td>(287)</td>
<td>(289)</td>
</tr>
<tr>
<td><strong>Profit Before Tax</strong></td>
<td>4,038</td>
<td>3,858</td>
<td>3,641</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(275)</td>
<td>(288)</td>
<td>(286)</td>
</tr>
<tr>
<td><strong>Profit After Tax</strong></td>
<td>3,763</td>
<td>3,569</td>
<td>3,354</td>
</tr>
</tbody>
</table>
6. THREE-YEAR FINANCIAL PROJECTIONS

6.3. BASIS AND ASSUMPTIONS USED IN THE PROFIT FORECASTS

1. The profit projection for years ended 2017, 2018 and 2019 have been prepared on a basis consistent with the accounting policies to be adopted by the Fund.

2. The net proceeds from the initial loans acquired will be reinvested in subsequent loans. ₦1.5 billion will be reinvested in March 2017, ₦1.7 billion in September 2017, ₦3.0 billion in March 2018 and ₦2.0 billion in September 2018. This is solely dependent on the projected performance of the initial loans purchased.

3. The balance sheet and profit projections are based on the first tranche of ₦20 billion of the proposed N200 billion issuance programme.

General Assumptions

1. The 200,000,000 units of the Fund will be fully subscribed within the initial subscription period under the terms and conditions of the offer.

2. There will be no material changes in the accounting policies to be adopted by the Fund.

3. The quality of the Fund Manager, Trustees and Registrars shall be enhanced or sustained during the forecast period, and any changes in the Fund’s operating structure will not adversely affect the forecast results.

4. There will be no significant changes in the Federal Government’s monetary and fiscal policies that will adversely affect the activities of the Fund; neither will there be any drastic change in the political and economic environment in general, and the financial services sector and capital market in particular, that will adversely affect activities of the Fund.

5. The Fund shall enjoy the goodwill and confidence of its potential customers during the forecast period.

6. Each unit of the Fund under the Series I shall be issued at the price of ₦101.20.

7. The Fund will bear the cost of acquiring, valuing and disposing of investments. All administrative, custodial, research and other related expenses to be incurred in the day-to-day operation of the Fund will also be payable by the Fund.

8. The Fund will not raise additional capital over the forecast period.

9. Interest receipt is subjected to relevant taxes. Tax expense is assumed at 10% withholding tax on interest income from loans over the projected period. Income from money market placements and management fees are assumed to be tax exempt.


11. A constant short term money market rate of 8%.

12. A discount rate of 15.43% is assumed for local currency (₦) cash flows and 5.45% for foreign currency ($) cashflows.

13. Inflation is assumed to be 11.38% per annum.

14. The Fund will pay quarterly distribution of 95% of profit after tax as dividend. Dividends will be declared at the end of each quarter and paid at the beginning of the following quarter.

Accounting Policies
6. **THREE-YEAR FINANCIAL PROJECTIONS**

The Fund’s accounting policies are presented below:

1. **Basis of Accounting**
   The projections comprise of balance sheet and profit projections for three years ending 2017, 2018 and 2019.

2. **Expenses**
   Management fees and other operating expenses are recognised on accrual basis.

3. **Cash and cash equivalent**
   Cash and short term funds comprise cash balances on hand, cash with local banks and placements secured with treasury bills under open buy back agreement.

4. **Investments**
   Investment in infrastructure loans have been measured at fair value, with changes in fair value recognised in profit or loss.

5. **Deferred income**
   The Fund recognises the difference between the fair value at initial recognition and the transaction price as deferred income. This is recognised in profit or loss on a systematic basis over the tenor of the underlying infrastructure loan.
6. THREE-YEAR FINANCIAL PROJECTIONS

6.4. LETTER FROM THE ISSUING HOUSE

March 30, 2016

The Board of Directors
Chapel Hill Denham Management Limited
45 Saka Tinubu Street
Victoria Island
Lagos

Dear Sirs,

CHAPEL HILL DENHAM NIGERIA INFRASTRUCTURE DEBT FUND - N200,000,000,000 ISSUANCE PROGRAMME

We write further to the Prospectus issued in respect of the Offer for Subscription of 200,000,000 Units in the Chapel Hill Denham Nigeria Infrastructure Debt Fund ("the Fund"), the draft of which we have had the privilege of reviewing. The Prospectus contains financial forecasts of the Fund for the years ending 30 June 2017 to 2019.

We have discussed the bases and assumptions upon which the forecasts were made with you and with PricewaterhouseCoopers Nigeria, the Reporting Accountants. We have also considered the letter dated March 30, 2016 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 PricewaterhouseCoopers Nigeria, 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,

For: Chapel Hill Advisory Partners Limited

'Kemi Awodein
Authorised Signatory

A Chapel Hill Denham Company

RC Number 622238

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7. **PROCEDURE FOR APPLICATION AND ALLOTMENT**

The process for participating in this offering involves the key steps discussed below:

1.1 **APPLICATION FOR UNITS**

1.1.1 Prospective investors to whom this Shelf Prospectus has been addressed are hereby invited to apply for the units of the Chapel Hill Denham NIDF through Chapel Hill Denham Management Limited.

1.1.2 Applications for Units in the Fund 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.

1.1.3 The Application List for Units in the Fund will be open from February 10, 2017 to February 28, 2017. Applications must be for a minimum of 100,000 units, with subsequent multiples of 50,000 units. The number of units for which an application is made should be entered in the boxes provided.

1.1.4 Applicants should sign the form; write their names, address, daytime telephone number, email, CSCS number, bank account and other information as indicated in the boxes provided. A corporate applicant should affix its seal and state its Incorporation (RC) Number in the boxes provided.

1.2 **ALLOTMENT OF UNITS**

Chapel Hill Denham Management Limited reserves 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 Board of Chapel Hill Denham Management Limited. Please note that the Directors reserve the right to allot the units on a "first come first serve" basis. The basis of allotment will be subject to the approval of the SEC.
8. **RECEIVING AGENTS**

Completed Application Forms may be submitted to any of the offices listed below:

**Chapel Hill Advisory Partners Limited**
45 Saka Tinubu Street  
Victoria Island  
Lagos

**Chapel Hill Advisory Partners Limited**
3rd Floor Grand Square  
270 Muhammed Buhari Way  
Central Business District  
Abuja
INSTRUCTIONS FOR COMPLETING APPLICATION FORM

1. GENERAL:
   a. Applications must be made only on this Application Form, or a photocopy, downloaded or scanned copy of the Application Form.
   b. The Application List for the Units will be open to prospective investors for the duration specified in the Prospectus.
   c. Please refer to the Prospectus carefully before filling the Application Form. All Investors are deemed to have read and accepted the terms in this Offering Documents and instructions in this Application Form subject to which this offer is being made and bind themselves to the terms thereof upon signing the Application Form and tendering the payment.
   d. All applications are subject to detailed scrutiny and verification. Applications which are incomplete, invalid or ambiguous in any respect are liable to be rejected after acceptance and verification. Application Form may be accepted or rejected at the sole and absolute discretion of the Trustees / Fund Manager. Please refer to the Prospectus for further details on rejection of applications.
   e. Investors shall ensure that any overwriting or correction shall be countersigned by the Investors, failing which the Fund Manager / Trustees may at its sole discretion reject such application.
   f. Irrespective of mode of holding, all communication and payments shall be made by the Fund only in the name of and favouring the main applicant, including all transaction advices, Dividend or Redemption payments, and all other relevant correspondence.

2. CSCS DETAILS:
   a. The Units of the Fund are issued / repurchased and traded compulsorily in dematerialized form. As the Units of the Fund will be issued in dematerialized form, relevant details of the Central Securities Clearing System (CSCS) and the beneficiary account must be provided in the “CSCS Account Details” section in the Application Form.
   b. Investors must ensure that the sequence of names stated in the Application Form matches that of the account held by the Investor with the CSCS and are required to indicate in the application the relevant account numbers of the Investor.
   c. Only those applications where the details match the CSCS data will be treated as valid applications. If the details stated in the application are incomplete, incorrect, and do not match the CSCS data, the application shall be treated as invalid and shall be liable to be rejected.

3. APPLICANT INFORMATION:
   a. An application for a minor must include the full names and date of birth of the minor, as well as the full names and address of the adult (Parent or Guardian) making the application on such minor's behalf.
   b. 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.
   c. Name of the contact person with designation should be mentioned in case of investments by a company, body corporate, partnership, society, mutual fund, trust and other non-individual Investors. Further, a document providing evidence of the authority of the organisation to invest in the Fund, along with the updated specimen signature list of authorised signatories and a certified copy of memorandum and articles of association and / or bye-laws and / or trust deed and / or partnership deed and certificate of registration or any other documents as the case may be shall be furnished along with the Application Form. In case of a trust / fund, it shall submit a certified true copy of the resolution from trustee(s) authorising such Purchases. The officials should sign the application under their official designation and furnish the list of authorised signatories. Please refer to the 'Investor's Documentation and Particulars Grid', provided in this Prospectus and also available on our website www.chapelhilldenham.com for further details on supporting documents to be provided along with the Application Form.
   d. Joint applicants must all sign the Application Form.
   e. An application by an illiterate should bear his right thumbprint on the Application Form and be witnessed by an official of the Receiving Agent 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. An 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.
4. **KNOW YOUR CUSTOMER ("KYC"):**

   a. A customer verification process – KYC – is mandatory, under the Money Laundering (Prohibition) Act (MLPA), 2011, SEC Rules and Regulations and Anti-Money Laundering /Combating Financing of Terrorism (AML/CFT) Compliance Manual (developed by the SEC), for all applications/ investments in mutual funds (new Purchases / additional Purchases). Each Investor (including joint Unitholders, guardian, minor, institutional investors, other non-institutional investors) who wishes to invest any amount in the Fund, needs to submit the relevant KYC documents as set out in the 'Investor’s Documentation and Particulars Grid', provided in this Prospectus and also available on our website www.chapelhilldenham.com.

   b. Applications where KYC is not completed will be rejected. All documents submitted should be in original along with a self-attested copy. The original will be returned after verification. Alternatively, Investors may submit copies duly attested by a manager of a scheduled commercial bank (the designation seal should be affixed), notary public or gazetted officer.

   c. In case the Investor/Unitholder is a minor, then the KYC documents of both the minor and the guardian shall be submitted.

5. **BANK ACCOUNT DETAILS**

   a. Investors should provide the name of their bank, branch address, account type and account number. Applications without complete bank details shall be treated as incomplete and may be rejected.

   b. By default, all Dividend and Redemption proceeds will be electronically credited directly into your bank account. However, if we do not have the required information to do the credit electronically, we may make the payment by cheque.

6. **MINIMUM APPLICATION**

   Applications must be for a minimum of 100,000 Units. Applications must be in multiples of 50,000 units. The number of Units for which an application is made should be entered in the boxes provided.

7. **INVESTMENT DETAILS**

   Subscription in the Fund shall be by Cash Subscription (i.e. Subscription by paying the Subscription amount to the Fund), and according to the following instructions:

   a. All cheques/bank drafts/transfers should be made in favour of the Fund’s account name “Chapel Hill Denham / CHD Nigeria Infrastructure Debt Fund”. 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 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 at the applicant’s risk.

   b. Investors can also directly transfer the Subscription amount to the Fund Issue Proceeds Account, details of which are mentioned below:

<table>
<thead>
<tr>
<th>Bank Name</th>
<th>Access Bank Plc</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Branch</td>
<td>Idejo Street</td>
</tr>
<tr>
<td>Account Name</td>
<td>Chapel Hill / Infrastructure Debt Fund Offer</td>
</tr>
<tr>
<td>Account Number</td>
<td>0715073467</td>
</tr>
<tr>
<td>Reference</td>
<td><strong>Indicate Subscriber Name as is on the application form</strong></td>
</tr>
</tbody>
</table>

   c. Applications in Naira above ₦10 million should be transferred via RTGS into the Fund Issue Proceeds Account detailed above.

   d. All foreign currency subscriptions should be credited to any of the correspondent bank accounts specified below. Request may be made to the receiving bank for the issuance of a Certificate of Capital Importation (CCI). CCIs are required to enable subsequent repatriation of the dividends or proceeds of any future sale of the Units acquired.

<table>
<thead>
<tr>
<th>Intermediary Bank</th>
<th>USD TRANSFER</th>
<th>GBP TRANSFER</th>
<th>EURO TRANSFER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swift Code</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
b. Allotment of Units:

The Units will be issued in dematerialized form and credited to the CSCS account of the Investor stated in the form.

8. PAYMENT DETAILS

a. Investors may make the payment by cheque / bank drafts payable locally via any Receiving Agent. The Fund Manager will not accept any request for refund of bank draft charges. All cheques and bank drafts must be crossed “Account Payee only” and drawn in favour of the name of the Fund.

Note: Returned cheque(s) will not be presented again for collection and the accompanying Application Form shall not be considered again for allotment. In case the returned cheque(s) are presented again, the necessary charges are liable to be debited to the Investor.

b. Payment should be made by cheque or bank draft drawn on any bank which is in the same town or city in which the Receiving Agent is located or via electronic instructions (to the Fund’s bank account, details of which are provided in above), which is evidenced by receipt of credit in a bank account of the Fund.

9. CANCELLATION

Please note that application once submitted cannot be cancelled under any circumstances. Once an application for Subscription is submitted, the Investor will have to sell the units on the floors of the FMDQ.