

Top Services Limited Real Estate Investment Trust

Fund Manager



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- Top Services Limited (“TSL” or “the Sponsor”) and First Ally Asset Management Limited (“FAAM” or “the Asset Manager”) are proud to present the Top Services Limited Real Estate Investment Trust (“TSL REIT”).

- TSL REIT is a close-ended Real Estate Investment Trust (“REIT”) registered and regulated by the Securities and Exchange Commission (“SEC”) and to be listed on the Nigerian Stock Exchange (“NSE”).

- Both the REIT and the Asset Manager have received investment grade ratings from Augusto & Co.
 - ✓ TSL REIT - “Bbb” (Instrument Rating)
 - ✓ FAAM - “BBB+” (Manager Rating)



- The TSL REIT will invest in retail related Real Estate and has identified four (4) malls that will constitute the initial investments. The identified malls are:
 - Adeniran Ogunsanya Mall, Surulere, Lagos State
 - Apapa Mall, Apapa, Lagos State
 - Cocoa Mall, Dugbe, Ibadan, Oyo State
 - Akure Mall, Akure, Ondo State
- The TSL REIT will focus on retail related real estate assets that have established occupancy levels. The fund does not intend to take on projects at the development or construction stage.
- Prior to investing the following thresholds will need to be met or exceed:
 - Gross Lettable Area (“GLA”) over 8,000 sqm
 - Occupancy Ratio over 75% of GLA
 - At least one nationally recognized anchor tenant with a long term lease



Mall	Location	GLA	Occupancy Rate*	Opened	Unexpired Lease	Anchor Tenants
Adeniran Ogunsanya Mall ("AOS")	Surulere, Lagos State	10,600 sqm	97%	2010	45 years	Shoprite, Filmhouse
Apapa Mall	Apapa, Lagos State	10,000 sqm	82%	2014	30 years	Shoprite, Filmhouse, PEP Stores
Akure Mall	Akure, Ondo State	10,000 sqm	90%	2015	28 years	Shoprite, Filmhouse, PEP Stores
Cocoa Mall	Ibadan, Oyo State	8,500 sqm	98%	2013	30 years	Shoprite, Filmhouse, PEP Stores

- 55% of the total GLA is occupied by Shoprite and Filmhouse Cinemas
- Another 30% of the total GLA is occupied by multi-location retailers

* As of December 2016

SHOPRITE

- Largest Fast Moving Consumer Goods (“FMCG”) platform in Africa
- 22 operating stores in Nigeria with aggressive expansion
- Sells “Fresh” products , butchery, bakery and deli



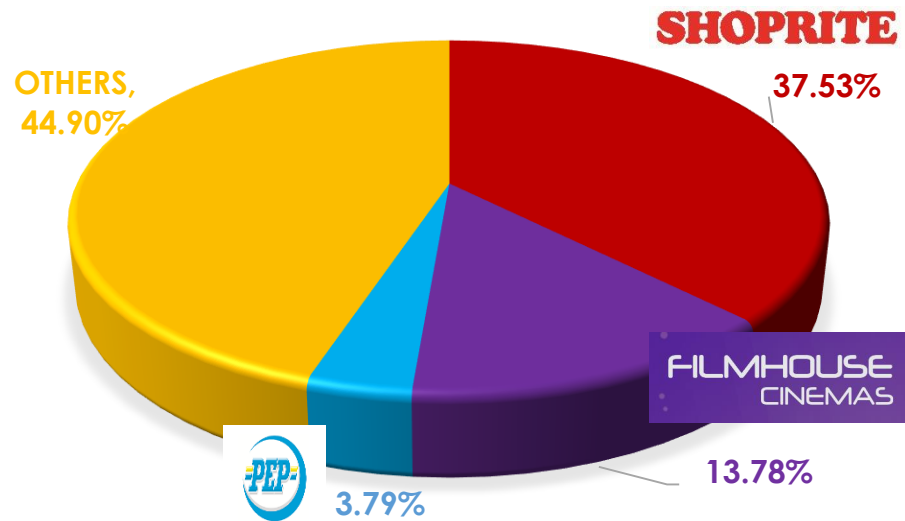
- Operates 1,600 retail outlets in Southern Africa
- Began operations in Nigeria in 2012
- Largest single brand retailer in Africa

FILMHOUSE CINEMAS

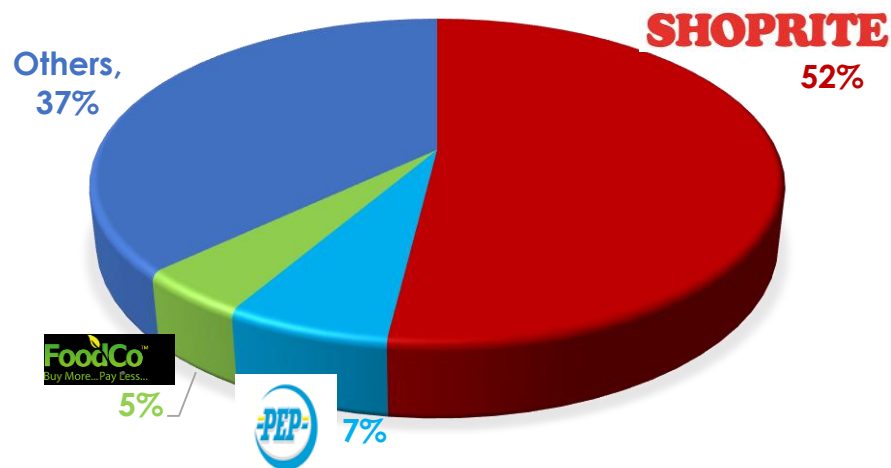
- Currently operates 10 Cinemas across Nigeria (25 planned by 2018)
- Present in three of the four properties
- Features both local and international films

The Anchor Tenants according to GLA

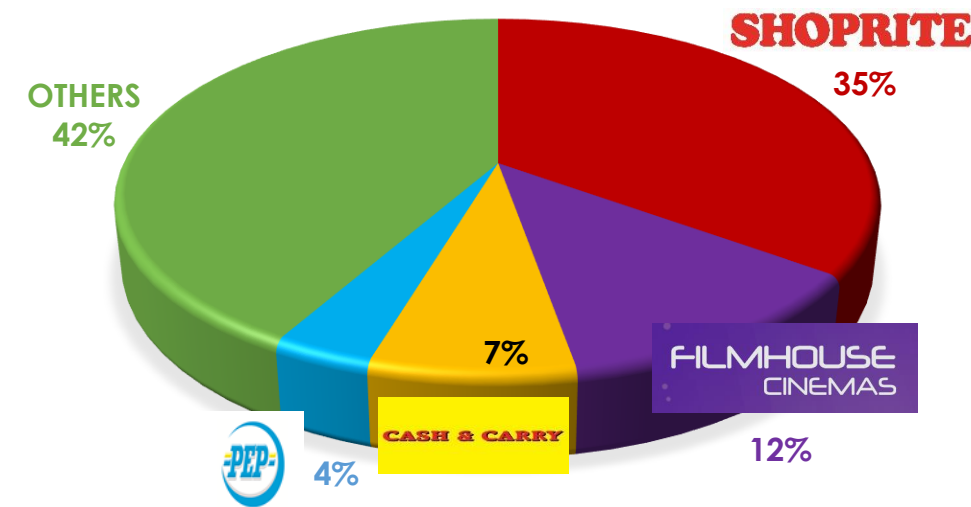
AKURE MALL



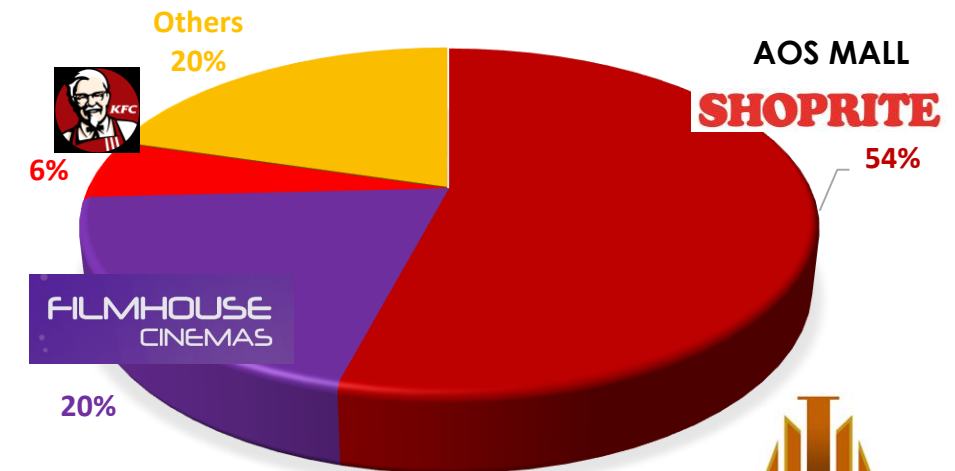
COCOA MALL



APAPA MALL



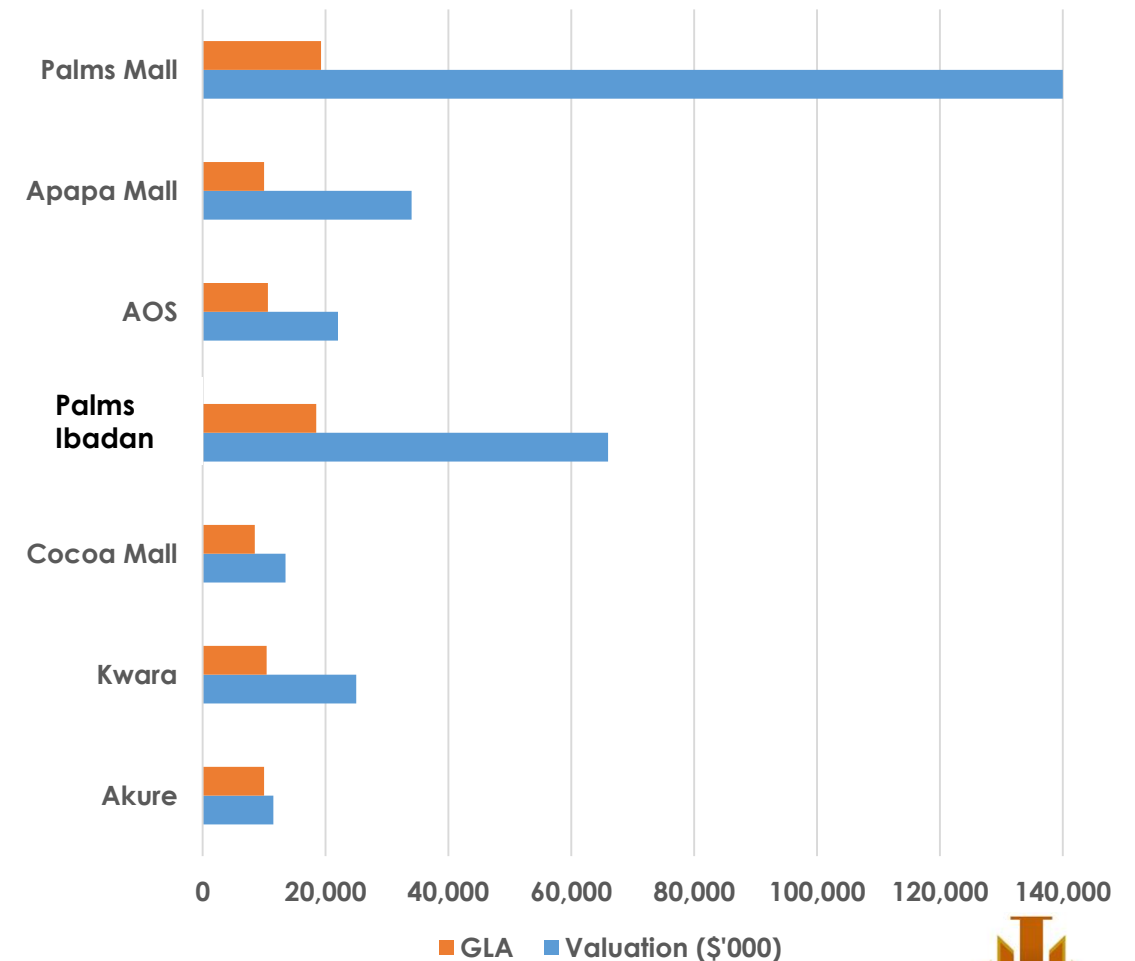
AOS MALL

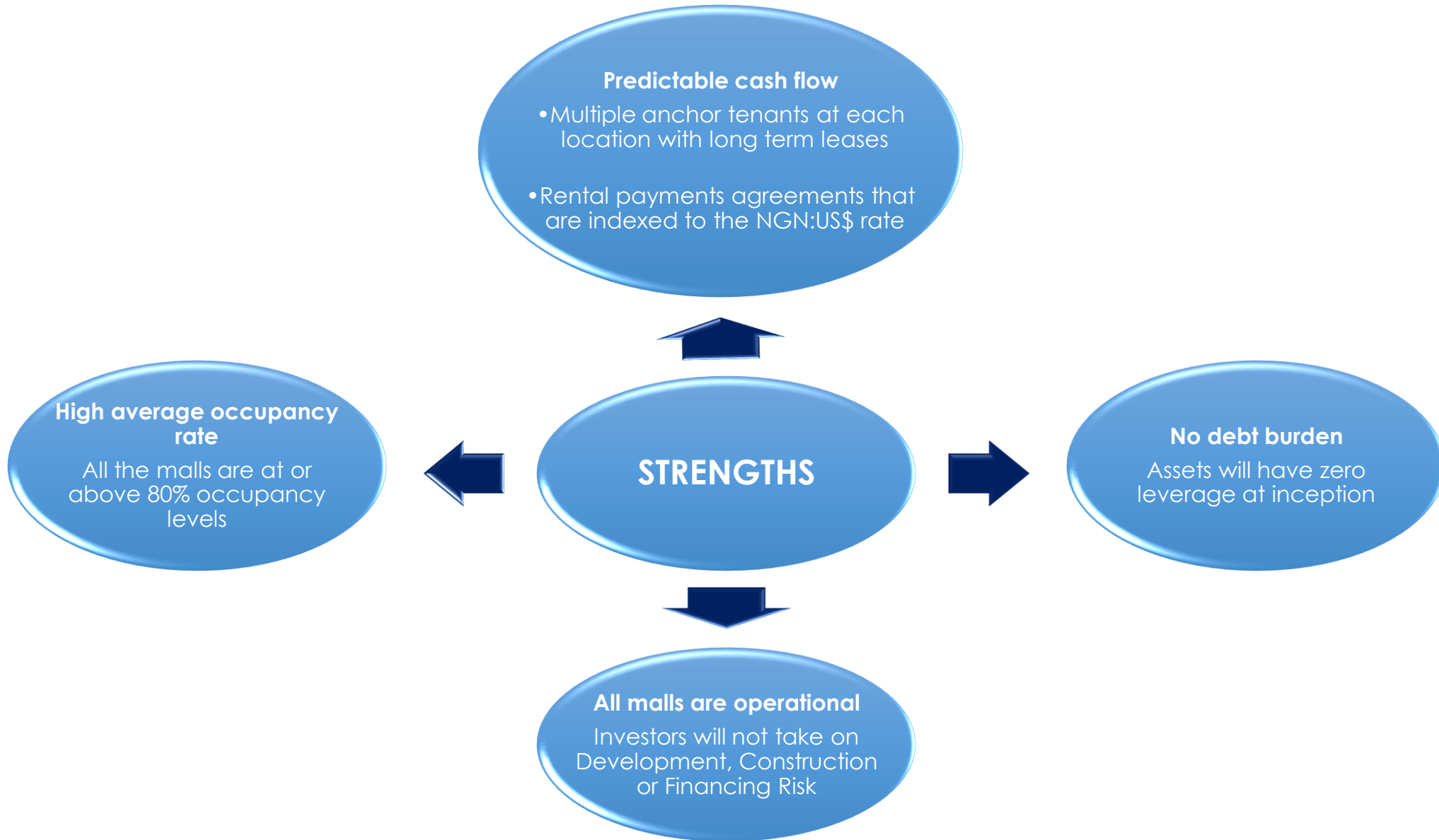


- The four malls are anchored by Shoprite and FilmHouse who together occupy over 50% of the GLA of the malls.
- The tenancy agreements include escalation based on naira devaluation, using a foreign currency index. This mitigates the risk of investors on currency devaluations.

Mall	Valuation ('Million)	GLA	Location	Anchor Tenant
Palms	US\$ 140 Million	19250	Oniru, Lagos	Shoprite, Game, Genesis Deluxe Cinema
Apapa	US\$ 34 Million	10000	Apapa, Lagos	Shoprite, Filmhouse
AOS	US\$ 22 Million	10600	Surulere, Lagos	Shoprite, Filmhouse
Palms, Ibadan	US\$ 66 Million	18500	Ibadan, Oyo	Shoprite
Cocoa Mall	US 13.5 Million	8500	Ibadan, Oyo	Shoprite, Filmhouse
Kwara	US\$ 25 Million	10430	Ilorin, Kwara	Shoprite
Akure	US\$ 11.5 Million	10000	Akure, Ondo	Shoprite, Filmhouse

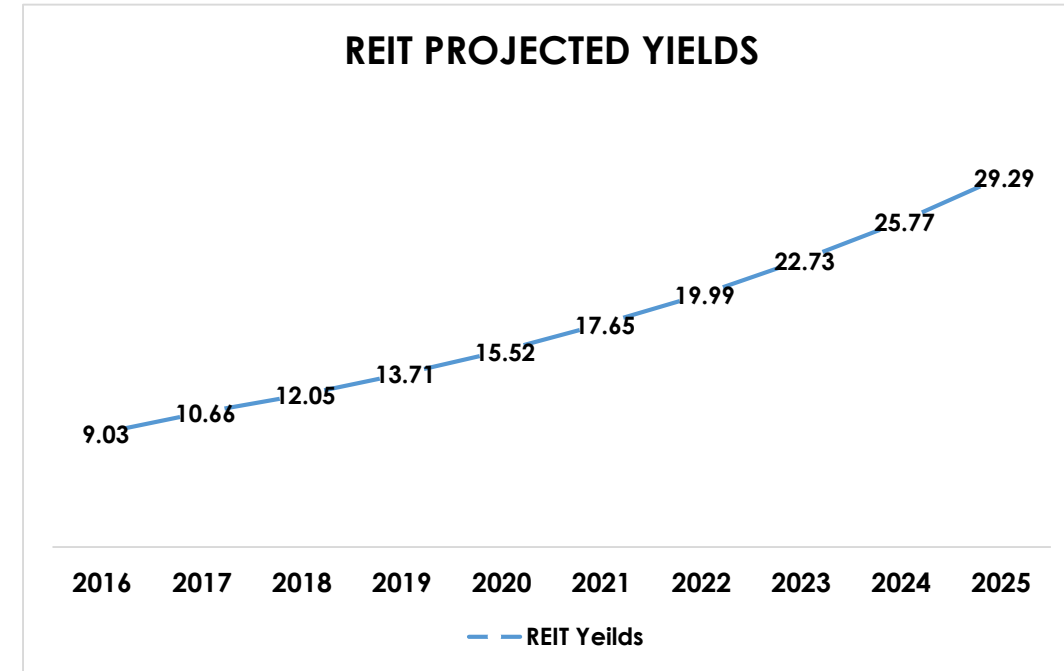
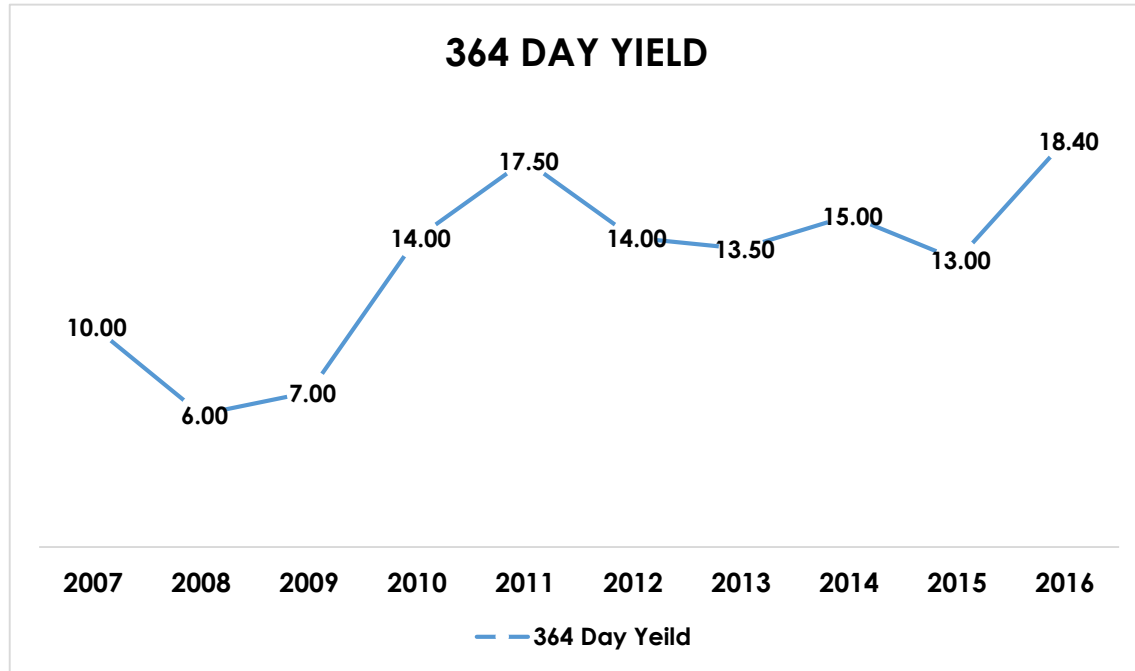
Graphical representation of the Mall Advantage





Expected Yield Returns (2017-2025) v. Yield on 364 T-Bills (2008-2016)

- The average expected return on TSL REIT is **17.6 % p.a** over the first 10 year period and volatility* on expected returns for TSL REIT is **6.38%** over the same period
- The average return on Nigerian Government 364 Day T-Bills is 12.84% over the last 9 years and volatility is **12.73%**



*Volatility is a statistical measure of the dispersion of returns for a given security. Commonly, the higher the volatility, the riskier the security.



Assumptions

- The individual assets would be depreciated over the remaining sublease period of the assets i.e. 28-45 years.
- The tenancy agreements include contractual rental escalation in US\$. The indexing of rents to the US\$ mitigates the risk to investors of currency devaluations and inflation.
- We assume a maximum occupancy rate of 95%, which would be achieved by the end of 2018. Currently, the average occupancy rate across the malls is 90%.
- 97% of net income would be distributed to investors at the end of each year, as well as capital distribution.
- The REIT's excess capital will be invested in upgrading existing facilities, government securities and real estate related investments to enhance the yield of the fund.

- The growing urbanization in Nigeria is driving the opportunities for organized retailers (Shoprite, SPAR, etc.) to enter the market. This is a high turnover, low margin business and sensitive to rental pricing. Their business model depends on lower margins, higher turnover of everyday goods and services. Thus they are sensitive to pricing and location.
- This has led developers to move away from malls catering to international brands and towards malls focusing on retailers selling groceries, dry goods and other everyday items.

	Old	New
Located in exclusive areas	✓	
Located in neighborhoods		✓
Over built in high cost location	✓	
Designed for pedestrian and car access		✓
Focused on slower moving imported luxury items	✓	
Focused on faster moving goods with a great proportion locally produced products		✓

The Investment Committee ("IC") will be responsible for all major investment decisions. The IC can have up to 9 members but will initially have 6 members broken down as follows:

Institution	Allocation
Frist Ally Asset Management ("Asset Manager")	2 Seats
ARM Trustees Limited ("The Trustee")	1 Seat
Top Services Limited ("Sponsor")	1 Seat
Independent	1 Seat
Pension Operators Association of Nigeria	to be appointed
Total	6 seats

- TSL is a property development company specializing in retail and hospitality real estate across Nigeria.
- Starting as a developer and contractor for UAC Plc during the build out of “Mr. Biggs” restaurant locations throughout the country, TSL has a twenty years track record in the hospitality and retail space.
- Following their work for UAC Plc, TSL identified the need for well located and affordable retail/mall space to help catalyze the growth of local retailers. TSL committed itself to building and delivering “neighborhood” malls that were relatively inexpensive yet of high quality to attract anchor tenants.
- To date, TSL has developed four (4) Malls that are currently operational and have occupancy rates of over 80%.

Led by a distinguished team

Chief ‘Tokunbo Omisore

- Started his architectural career in Nigeria in 1978 before joining Eric Askew & Partners in the United Kingdom.
- Founded Tokunbo Omisore & Associates upon returning to Nigeria.
- Founded TSL in 1996 to develop projects in hospitality and retail.
- Immediate past President of the African Union of Architects.

Oyin Kokoricha

- Estate surveyor with over 10 years experience in the United Kingdom.
- Graduated with First Class honors from the University of Wales in Estate Management
- Has an MSc in property investment from the University of London.

First Ally Asset Management

- FAAM is licensed and regulated by SEC as a Fund / Portfolio Manager and received a BBB+ rating by Agosto & Co. in August 2016.
- FAAM employs an innovative, proactive and client-centred approach in delivering its services and solutions. The Asset Manager is positioned to provide customized financial solutions using a variety of asset classes.
- The Asset Manager leverages its relationships, strong financial services background of its promoters and the excellent track-record and credentials of its people to provide tailored investment solutions.
- FAAM offers solutions to a diverse clientele base; including retail investors, corporates, governments, high net-worth individuals and institutional clients.





Biodun Arokodare – Chairman

- BSc, MBA, FCA, FCCA
- Former Group ED, NNPC
- MBA from University of Lagos
- Career spans NEM Insurance and the NNPC
- Experience spans financial services and oil & gas industries



Winston Osuchukwu - Managing Director

- Previously Director of Investments, Legacy Investment & Management Company
- Career spans JP Morgan, Lehman Brothers, Morgan Stanley, Access Investment & Securities
- BBA from University of Houston
- MBA from Southern Methodist University



Ken Aghoghovbia – Director

- COO and DMD, Africa Reinsurance Corporation
- Chairman, Technical Committee of Professional Re-insurers Association
- Member, Ministerial Committee on Aviation Insurance
- Fellow, Chartered Insurance Institute of London
- Fellow, Chartered Insurance Institute of Nigeria



Kyari Bukar – Director

- Chairman, NESG
- MD/CEO, Central Securities & Clearing System
- Silicon Valley trained IT expert
- Member, Credit Registry Services of the NSE
- Member, Board of Trustees, Investor Protection Fund; NSE



Ebenezer Olufowose –Director

- MD/CEO – First Ally Capital
- Previously - ED Access Bank; Director, Citigroup; ED, Citibank; Group Head, Investment Banking, Guaranty Trust Bank
- Alumnus – Harvard, IMD, INSEAD
- BSc, University of Lagos (First Class), MA, International Economics, University of Sussex, Brighton



Obeahon Ohiwerei-Director

- DMD, First Ally Capital
- Previously – ED, Access Bank; MD, Pacific Bank, Pioneer MD, Standard Trust Bank, Ghana
- Alumnus –Harvard, IMD, Manchester Business School
- BSc, MBA

Compelling reasons to invest in the REIT include:

- Stable and regular income distribution from diversified portfolio of Real Estate and Real Estate related assets;
- Existing long term leases with tenants;
- Diverse corporate tenant profile with staggered rental renewal periods which prevents mass vacancy at any one period and provides stable and resilient portfolio performance;
- Attractive valuation metrics with a portfolio that delivers stable and consistent returns to investors;
- Deposit of pre- executed agreements (Deed of Assignments, Deed of Declaration of Trust - DOT) with the Custodian by the Sponsor, prior to the offer;
- Immediate refund of already received income on the properties;
- Reduced transfer costs of the assets due to the DOT structure being adopted for the transfer of the assets being acquired;
- Investing in the REIT allows for diversification of your investment portfolio thereby reducing risks;
- The REIT will be managed by professionals with great care, top skill, prudence and diligence;
- Access to the experience of professionals of diverse skills and in depth knowledge in Real Estate investment and operations that make up the Investment Committee;
- The REIT is transparently structured and backed by reputable organizations including First Asset Management Limited, ARM Trustees Limited, Stanbic IBTC Bank Plc and Leadway Assurance Plc.



Summary of & Parties to the Offer



The Offer	Twenty Million (20,000,000) Units of Top Services Limited Real Estate Investment Trust
Method of Offer	Offer for subscription
Offer Price	NGN 1,000 per unit
Offer Size	Twenty Billion Naira (N20,000,000,000.00) only
Sponsor	Top Services Limited
Lead Issuing House	First Ally Capital Limited
Co-Issuing Houses	Cowry Asset Management FutureView Financial Services Greenwich Trust Limited
Fund Manager	First Ally Asset Management Limited
Custodian	Stanbic IBTC Bank Limited
Trustee	ARM Trustees Limited
Stockbroker	FSDH Securities Limited
Reporting Accountant	Pedabo Audit Services
Auditors	PWC
Solicitor to the Transaction	Udo Udoma & Belo-Osagie
Receiving Bank	Access Bank Plc
Rating Agency	Agusto & Co



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