

## **STERLING ONE INVESTMENT NOTES (SERIES 1)**

### **FAQs**

#### **1. What is the Sterling One 1 year Linked Investment Note**

Sterling One Linked Investment Note is an investment note linked to an underlying instrument which a Nigerian corporate Eurobond to deliver enhanced return for the Investor.

The returns to investor is 7% per annum.

#### **2. What is the purpose of investing in the Sterling One Investment Note?**

The purpose of Sterling One Investment Note is to provide investors with the potential opportunity to earn a higher return.

Structured Investments come with different risk levels and the Sterling One Notes are principal guaranteed (where the design of the Investment seeks to prevent the Investor from losing any principal amount invested).

#### **3. What should I consider before investing in the Sterling One Investment Note?**

Clients should consider the suitability of the specific structure of the investment notes based on their financial goals, risk appetite and liquidity needs. When choosing this investment note, they need to consider the following:

- a. **Liquidity** - Consider your liquidity needs as your money will be tied up for a period of time and early withdrawal (may result in loss of part of your return).
- b. There is no price risk.
- c. **Returns**- Sterling One Investment notes are linked to the performance of the underlying financial instruments.

#### **4. Who can invest in the Sterling One Investment Note**

This note is most suited for foreign deposit investors who wish to optimize returns with little or no price risk on the value of their USD denominated investments. The note is also suited to individuals willing to gain higher returns on their USD balance by diversifying to fixed income instruments.

#### **5. Is my Investment in the notes principally guaranteed?**

Yes, the investments are principal guaranteed

#### **6. Are there charges/fees I have to pay?**

There are no charges or fees for the Sterling One Investment notes. However, clients may need to pay for transfer charges to their respective financial institutions in respect of transfers into the proceeds account.

**7. Are there penalties or charges if I redeem my investments in the note prior to Maturity date?**

Any early redemption of the Sterling One Investment Notes prior to the maturity date will be at a buyback price that will be quoted by the Issuer/Bank and may result in a partial loss of the expected return.

Also, clients will bear transfer charges associated with moving funds to their nominated financial institution. Maximizing return on the instrument is best achieved by holding security to maturity as redemption prior to maturity of the security may expose the investor to price volatility.

**8. What documents will I receive from the Bank if I invest in the Sterling One Investment Notes?**

The Issuer/Sterling Bank will provide a statement of investment holdings to the noteholder.

**9. Will the Bank provide regular statements of my investment?**

Yes. Sterling Bank will provide statements to the clients by 6 months and on maturity of the investment, and also on request of the noteholder(s).

**10. How are structured notes regulated by local authorities?**

Structured notes were issued by Associated Asset Management Limited who are regulated by the Securities and Exchange Commission.

**11. Can I increase my investment holdings in the Sterling One notes?**

Clients may increase their investment holdings in the Sterling One Notes if the initial issue size has not been fully allocated.

**12. What is the Credit rating of the Issuer of the Underlying Instrument?**

The credit rating of the Issuer is

**A1-(GCR)2015 (Short Term), A- (GCR)2015 and B(Fitch)2015**

**13. What is the initial valuation date?**

This is the start date for the calculation of the underlying benchmark's base or starting value. This will be June 27, 2016 (Any change to this date will be communicated to all investors and be limited to minimum of 3 days after funding date).

**14. What is the basket/underlying instrument**

With a Principal Protected Note the investor's principal investment is guaranteed by the note's issuer and the investor's rate of return will be linked to the coupon being paid on the underlying instrument.

**15. How often will interest be paid?**

Interest will be paid to valid noteholders semi-annually.