

Background

Increased fertilizer usage has played a significant role in the growth of food production across various regions of the world, more importantly, the successes witnessed in the green revolution. It helped raise agricultural productivity and farm incomes, thus laying the foundation for broader economic growth. As much as fifty percent (50%) of yield growth in production could be attributed to increased fertilizer use. In the case of Nigeria, domestic farmers in Nigeria typically do not have access to funds for timely procurement of fertilizer needed for cultivation; this reality has limited domestic yield and farmers' income, leaving them in the vicious circle of poverty. However, AFEX, since 2016, has utilized technology in unlocking financing for farmers while providing impact-structured **alternatives** that earn superior returns. With this in mind, AFEX Fertilizer Note (AFFN) has been listed on the exchange, giving retail investors a means to earn significant returns through financing farmers' procurement of fertilizer ahead of the season.

Product Description

AFEX Fertilizer Note is a non-tradeable fixed income instrument listed on the Exchange (AFEX). The instrument provides retail investors an avenue to finance food production in Nigeria while earning appreciable returns compared to the returns made by other fixed-income instruments in the market. Unlike most agricultural financing products, AFFN design embeds risk reduction mechanisms which include yield and disaster insurance.

Product Details

Tenor	90 Days
Price per unit	NGN10,000
Discount (Annualised)	12%
Issue Open Date	13-April-2022
Issue Close Date	20-April-2022

Status of Notes

Each Note constitutes a direct, unconditional, unsubordinated, and unsecured obligation of the Issuer and the Notes rank pari passu among themselves and, save for certain debt obligations mandatorily preferred by law, pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer outstanding from time to time.

Final Redemption Amount

Redemption will be Principal plus Interest at maturity

Settlement Procedure

Purchases will be settled via direct debit, electronic funds transfers, NIBSS Instant Payment (NIP), NIBSS Electronic Funds Transfer ("NEFT"), or Real Time Gross Settlement ("RTGS").

Taxation

In line with the applicable laws of the Federal Republic of Nigeria