

Leading Conversations with  
FBNQuest:

Post-Pandemic: Education  
Trust Presentation

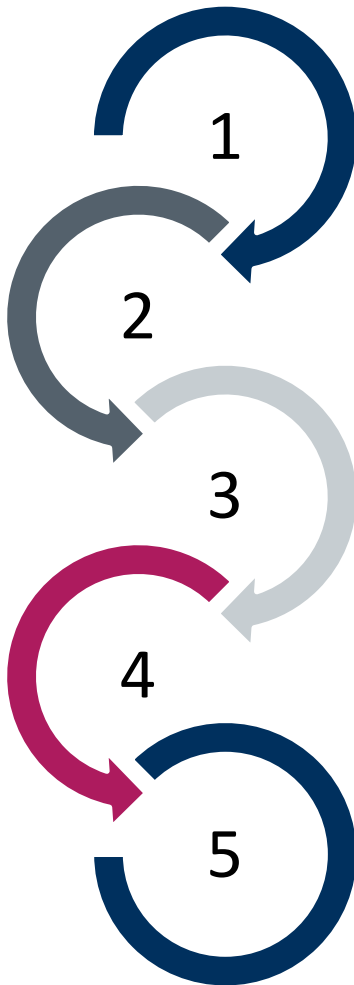
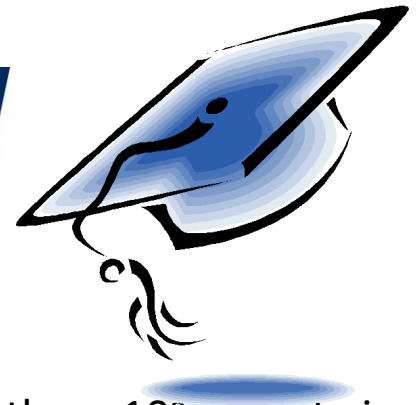
September 2020

# Teaser

Do you plan to send your children to one of the universities abroad? Kindly drop a message on our chat box. Please indicate country and school of choice



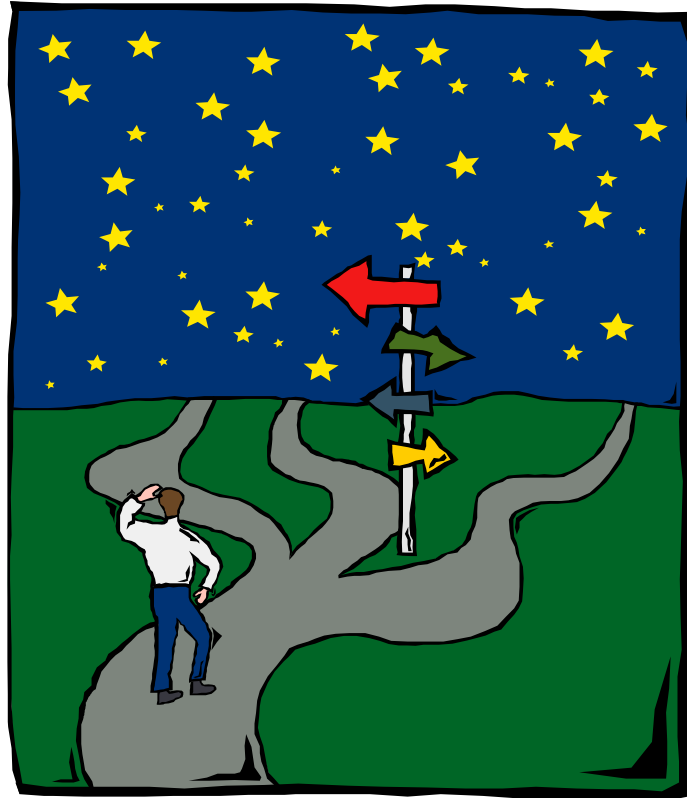
# Education Planning



- More than 90% of parents save less than 10% of their children's education costs before university.
- Next to buying a home, tertiary education is the largest expenditure most parents will undertake.
- The average annual cost of a four-year program in a private university will be around N2.5m (\$6,000)/year.
- In the last few years, university costs have increased at an average rate of about 25% to 40% per annum
- Over the next 10 years, university costs are expected to increase a bit more by about an average of 35% - 50% per annum.

# Competing Plans

As parents we are often at a crossroad between which plan works best for our children's education



Some of these decisions come at a price (risk vs. returns) is unarguable the greatest test.

The decision between having an Education Trust vs. all other savings plans targeted at education

# Education Planning



## Harvard

USD 51,925

Up 2.99% annually ↑ 4year course USD220,071

4year course N84,874,782

## Stanford

USD 53,529

Up 4.24% annually ↑ 4year course USD233,103

4year course N89,900,834

## Yale

USD 55,000

Up 3.87% annually ↑ 4year course USD237,464

4year course

N91,582,740

*All fees in N exclude inflation, fx and all other associated cost (transport, boarding etc.)*

# Education Planning



## Covenant

N1,000,000

Up 10% annually ↑ 4year course  
N4,641,000

## Bowen

N1,200,000

Up 10% annually ↑ 4year course  
N5,569,000

## AUN

N1,500,000

Up 10% annually ↑ 4year course  
N6,961,000

*All fees exclude all other associated cost  
(transport, boarding etc.)*

# Education Planning

83,957,111	6,996,426	5year old	12years
	16,791,422	12year old	5years



6,961,000	580,083	5year old	12years
	1,392,200	12year old	5years

# Understanding Education Trust

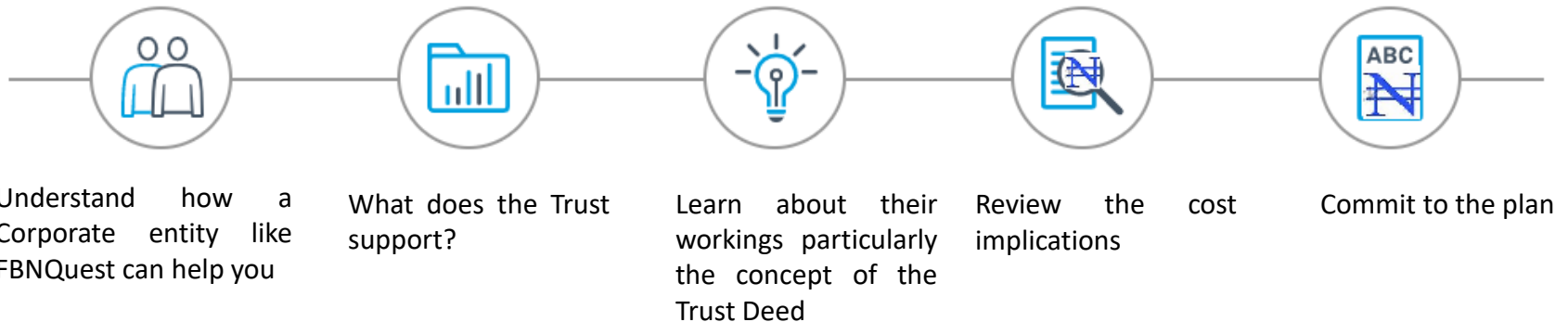




# The What

An Education Trust is a good way to put aside money for a young person's future. You (and others) can add to the Trust at any time – and the money is invested and used for the child's education. This can be schooling, tertiary education or other training and related expenses such as living costs

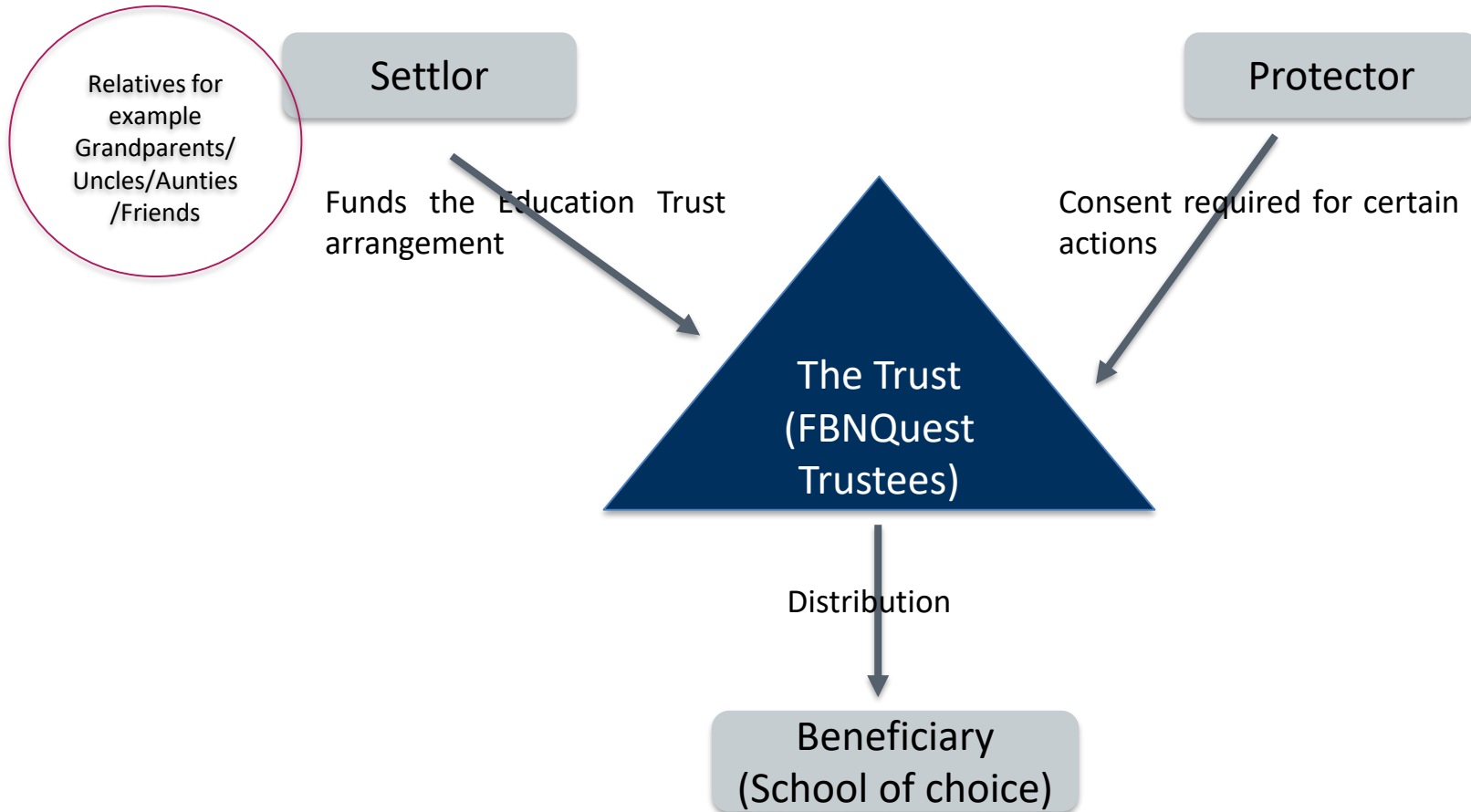
## How it works.



**Think of an Education Trust as an Investment Plan**

# The How

We believe education is a priceless gift. An Education Trust is a good way to make sure the money is protected and invested until it's needed

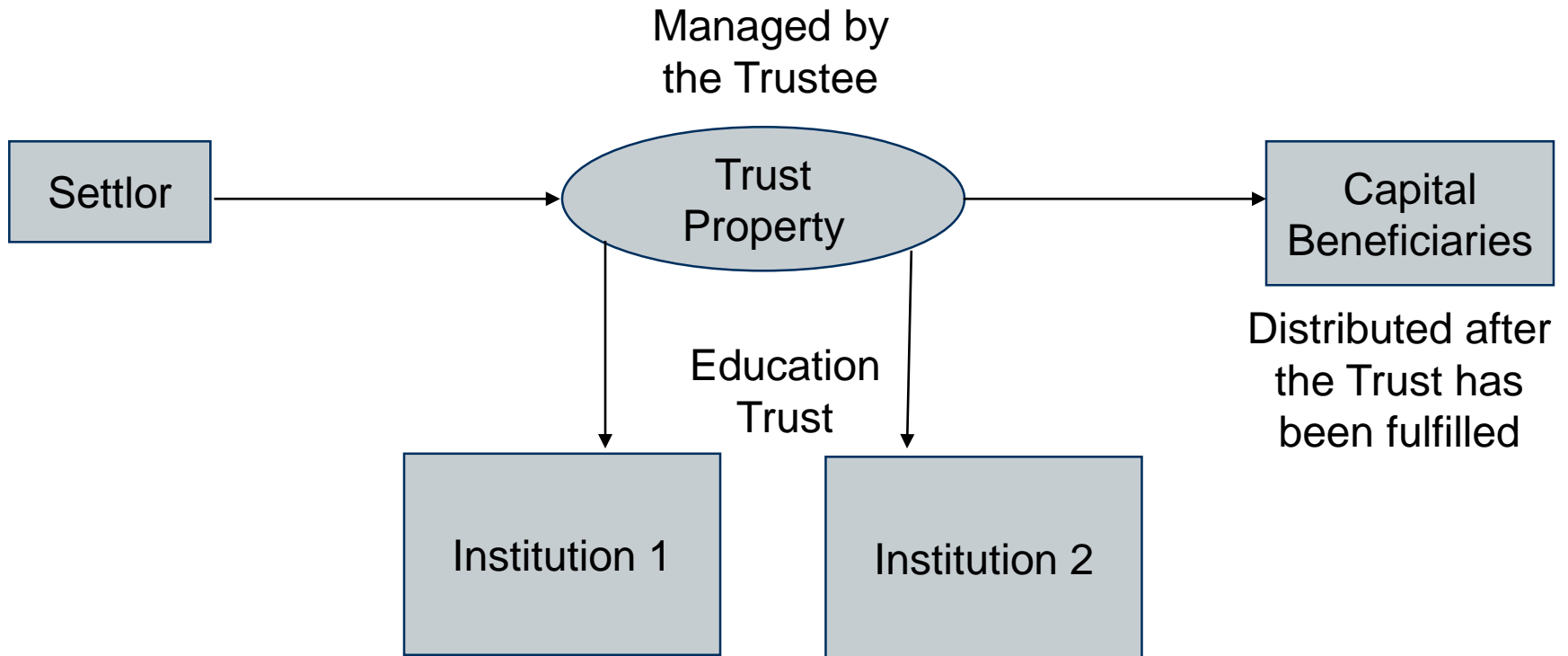


# The How



- Building of a sizeable investment; this could amount to a sizeable fund in future.
- Ensures commitment to investment plan
- Convenience and flexible as School fees can be paid directly from the Trust Fund.
- Child's education continues after settlor's demise
- Trustee is charged with protecting the child's educational needs at all times.
- Solid plans to guarantee the child's education.
- Ensures Settlor's commitment to the Beneficiaries' education is secured

# The Why



- Less tax exposures for the settlor and / or beneficiaries
- No probate process
- Minimal administrative charges
- Trust protectors
- Not dependent on the whims and caprices of an uncle or aunty or any relative for that matter
- No delay in process transactions
- An Executor / Administrator cannot terminate the Trust Deed.
- Third parties are precluded from having access to the Trust

# The When

It's not expensive to set up an Education Trust under our standard Trust Deed.

There's a one-off fee to set things up (this covers things like legal costs) and if you set up more than one trust you get a discount.

There is an ongoing costs each year to manage the Trust, which is based on the income earned on the fund the money is invested in. These costs and fees are paid from the Trust Fund and shown on the regular quarterly statement you'll get.



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Can I  
squeeze  
in one  
more  
point?

We are offering more than just INVESTMENT

Peace of mind





Thank you

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