



TRUST DEED

**FOR
NCBA UNIT TRUST SCHEME**

FEBRUARY 2025



NCBA

UNIT TRUST SCHEME TRUST DEED

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PART I - THE TRUST

1.1 PREAMBLE

- a) NCBA Investment Bank Limited promulgated a Trust Deed establishing an Umbrella Fund ("the Unit Trust Scheme").
- b) Name: NCBA Unit Trust Scheme

Address of Head Office: NCBA Centre Annex, Hospital Hill Road, Upper Hill
P.O Box 44599, 00100
Nairobi, Kenya.
- c) Duration of the NCBA Unit Trust Scheme is unlimited subject to the Perpetuities and Accumulations Act (Chapter 161).
- d) NCBA Investment Bank Limited ("NCBA IB"), being the Sponsor of the NCBA Unit Trust Scheme and the Trustee, KCB Bank (Kenya) Limited, have the following Funds governed under this Trust Deed;
 - 1. NCBA Fixed Income Fund
 - 2. NCBA Equity Fund
 - 3. NCBA Dollar Fixed Income Fund
 - 4. NCBA Fixed Income Basket Notes (KES) Special Fund, and
 - 5. NCBA Fixed Income Basket Notes (USD) Special Fund.
 - 6. NCBA Global Fixed Income Special Fund
 - 7. NCBA Global Equity Special Fund

The Funds shall be subject to all the relevant provisions of this Trust Deed and the relevant Supplemental Trust Deeds, CMA Regulations on Collective Investment Schemes and such other regulations and legislation as may be published from time to time.

1.2 DEFINITIONS

In this Trust Deed, unless otherwise specifically stated, words defined in the Act bear the meanings therein assigned to them, and unless inconsistent with the context, all words and expressions importing the masculine gender shall include the feminine, and words signifying the singular number shall include the plural and vice versa.

In this Trust Deed, unless inconsistent with the context, the following expressions shall have the following meanings:

"accounting period" in relation to the annual accounting period ending on the last day of December each year, adopted by The NCBA Unit Trust Scheme. The Fund Manager shall publish and submit to the Authority an interim report for the half-year period ending on the last day of June each year;

"business day" means any day that is not a Saturday, Sunday or other day which banks are required or authorized by Law to be closed in Nairobi, Kenya;

"capital gains or losses" means and includes increases or decreases in value of assets or securities relative to the price that was originally paid for it, received or to be received by or on behalf of the NCBA Unit Trust Scheme by reason of



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holding of underlying securities;

"investment certificate" means a physical or digital certificate or statement issued pursuant to the provisions of this Trust Deed, which serves as evidence of the title of the possessor thereof to the participatory interest referred to therein and properly acquired by him in the NCBA Unit Trust Scheme or delivery of which is otherwise sufficient to transfer title to the participatory interests concerned;

"custodian" means an entity licensed by the Authority to hold in custody, funds, securities, financial instruments, or documents of title to assets registered in the name of the NCBA Unit Trust Scheme;

"dealing" means an act of buying, selling or agreeing to buy or sell or trade units by the Fund Manager;

"early redemption penalty" means part of accrued interest income forfeited by an investor in the NCBA Fixed Income Basket Notes Special Funds following a request to redeem any investment prior to the maturity date. The applicable penalty will be forfeiture of 3% from the hurdle rate of return. The penalty is calculated such that the effective return at early liquidation date is the initial rate of return at initial investment (x%) less 3% penalty for early liquidation (x% minus 3%). The investors will be required to give a termination notice of 5 working days prior to the date they expect to receive the funds;

"fund" means a group of securities in which members of the public are invited to acquire units and includes any amount in cash forming part of the assets pertaining to such portfolio;

"fund manager" means NCBA Investment Bank Limited, incorporated in the Republic of Kenya under the Companies Act, incorporation number C115878, its successors or assignees;

"global unit portfolio" means a unit portfolio which shall be structured as either global or international unit portfolio, and shall have geographic investment focus outside of the Republic of Kenya or in currencies other than the Shilling;

"hurdle rate", or "interest rate", or "yield" in the context of the NCBA Fixed Income Basket Notes Special Funds means the applicable interest rate for respective investment tenures determined through the process specified in the Supplemental Trust Deed;

"information memorandum" means the document prepared by the Trustee, detailing comprehensive and pertinent information regarding the Trust's objectives, the management and administration of the Trust assets, the duties and powers of the Trustee, rights and entitlements of the beneficiaries, and other essential operational guidelines and procedures of the Trust, as may be amended from time to time, intended to provide clear and accurate information to the beneficiaries and relevant parties involved in the Trust;



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"income accruals" for an accounting period means any dividend, interest, or other income available for distribution received by or accrued to the NCBA Unit Trust Scheme for that accounting period together with any amounts carried forward from any previous accounting period as not having been distributed;

"investment contract" in the context of the NCBA Fixed Income Basket Notes Special Funds means a contract for investing a nominal value of investments in a fixed tenure investment at a predetermined interest rate or hurdle rate, investment value date and maturity date;

"investor" means a holder of participatory interests in the NCBA Unit Trust Scheme and is registered in the register of unit holders evidencing that he has an interest in the Fund;

"management fee" means the periodical charge deductible from income accruals and payments in lieu of income accruals to remunerate the Fund Manager for managing the NCBA Unit Trust Scheme, expressed as a percentage of the end of day market value of the total assets of any of the Funds under the NCBA Unit Trust Scheme during the accounting period for which the charge is levied;

"money market securities" means cash, cash equivalents and short-term instruments of debt;

"participatory interest" means an undivided unit in any of the unit trust funds under the NCBA Unit Trust Scheme which may be acquired by an investor, whether the value of such units remains constant or varies from time to time;

"property unit portfolio" means a unit portfolio structured as such, which has an objective to make the majority of its investments in immovable properties, whether directly or indirectly through a property-owning company, a property Collective Investment Scheme, property loan stock company or similar entity, for the purposes of making its primary investment returns from rental yields and immovable property capital appreciation or depreciation;

"recognised securities exchange" means the Nairobi Securities Exchange, or a stock exchange outside Kenya approved by the Fund Manager and the Trustee as defined by the Act;

"register" means the register of investors;

"regulations" means the Capital Markets Collective Investment Schemes Regulations, 2023;

"securities" means –

- a) debentures or bonds issued or proposed to be issued by a government;
- b) debentures, shares, bonds, commercial paper, or notes issued or proposed to be issued by a body corporate;



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- c) any right, warrant, option or future in respect of any debenture, bonds, notes or in respect of commodities;
- d) any unit, interest or share offered under a Collective Investment Scheme including Property Unit Portfolios, Global Unit Portfolios and Money Market Unit Portfolios; and
- e) any Money Market Security;
- f) any unit, interest or share in an immovable property; or
- g) any securities defined as such in terms of the Act from time to time.

"shillings" means the currency of the Republic of Kenya;

"dollar" means the currency of the United States of America;

"NCBA Dollar Fixed Income Fund" is a scheme investing in all US Dollar denominated cash and other securities for the time being held or deemed to be held upon trust pursuant to a Trust Deed establishing the NCBA Dollar Fixed Income Fund or offering document of the NCBA Dollar Fixed Income Fund, and the Act;

"NCBA Fixed Income Fund" is a scheme investing in all Kenya Shilling and United States Dollars denominated cash and other securities for the time being held or deemed to be held upon trust pursuant to a Trust Deed establishing the NCBA Fixed Income Fund or offering document of the NCBA Fixed Income Fund, and the Act;

"NCBA Equity Fund" is a scheme investing in Kenya Shilling (but may have exposure to other currencies) principally in listed and unlisted equities and other securities, for the time being held or deemed to be held upon trust pursuant to a Trust Deed establishing the NCBA Equity fund or offering document of the NCBA Equity Fund;

"NCBA Fixed Income Basket Notes Special Fund" is a scheme investing in all Kenya Shilling and US Dollar Denominated cash and other financial market instruments for the time being held or deemed to be held upon trust pursuant to a Trust Deed establishing the NCBA Fixed Income Basket Notes Special Fund or offering document of the NCBA Fixed Income Basket Notes Special Fund, and the Act. The term will be used collectively to define the Kenya Shillings and United States Dollars denominated sub-funds;

"NCBA Global Fixed Income Special Fund" is a scheme investing in a diversified portfolio of United States Dollar denominated global fixed income securities and mutual funds sourced from the global financial markets for the time being held or deemed to be held upon trust pursuant to a Trust Deed establishing the NCBA Global Fixed Income Special Fund or offering document of the NCBA Global Fixed Income Special Fund, and the Act;

"NCBA Global Equity Special Fund" is a scheme that provides a medium whereby investors can obtain undivided participation in a diversified portfolio of global equity securities whereby investors can participate in investment portfolio(s) that will seek to provide the overall return in the form of medium to



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long-term capital growth and income distribution for the time being held or deemed to be held upon trust pursuant to a Trust Deed establishing the NCBA Global Equity Special Fund or offering document of the NCBA Global Equity Special Fund, and the Act;

"NCBA Unit Trust Scheme" is an umbrella fund comprising seven sub funds, namely, the NCBA Fixed Income Fund, NCBA Equity Fund, the NCBA Dollar Fixed Income Fund, NCBA Fixed Income Basket Notes (KES) Fund, NCBA Fixed Income Basket Note (USD) Fund, NCBA Global Fixed Income Special Fund and NCBA Global Equity Special Fund;

"the Act" refers to the Capital Markets Act, Cap 485A and the relevant Regulations issued therefrom;

"the auditors" means a person or firm qualified for appointment as auditor of a public company in Kenya and appointed by NCBA Investment Bank Limited as its auditor and as auditor of the Unit Trust Scheme, subject to the provisions of the Act. A person shall not be qualified for appointment as auditor unless he is a member of and holds a valid practicing certificate issued by the Institute of Certified Public Accountants of Kenya;

"the Authority" Refers to the Capital Markets Authority;

"trust deed" or "deed" means this Trust Deed that sets out the deeds governing the Unit Trust Scheme and includes every instrument that varies those trusts, or effects the powers, duties, or functions of the Trustee or manager of the Unit Trust;

"trustee" in relation to the Unit Trust, means a party, approved by the Authority, in whom are vested the money, investments, or other Unit Trust Fund's securities that are for the time being subject to the trusts governing the Unit Trust;

"umbrella fund" this is a scheme that has two or more funds under the management of one Fund Manager;

"underlying securities" in relation to a unit portfolio, means the securities comprising or constituting the Unit Trust Fund concerned and includes any cash or claims derived or resulting from the conduct of the unit portfolio which are held by or due to the NCBA Unit Trust Scheme for the benefit of the unit holders in that unit portfolio;

"unit" means a participatory interest or undivided share in a unit portfolio;

"unit portfolio" means the underlying securities in which persons are invited or permitted by the Fund Manager to acquire units in the NCBA Unit Trust Scheme including any cash and/or claims forming part or deemed to form part of the assets pertaining to the NCBA Unit Trust Scheme but after deduction of any liability pertaining or deemed to pertain to such unit portfolio;

"unit trust funds" means any scheme or arrangement in the nature of a trust in



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pursuance of which persons are invited or permitted, as beneficiaries under the trust, to acquire an interest or unit in one or more-unit portfolios and to participate proportionately in the income or profits derived therefrom herein referred to as the 'NCBA Unit Trust Scheme';

"units in issue" means all units which have been created and which have been entered in the registers including those held or deemed to be held by the Fund Manager, and which have not been cancelled.



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1.3 DECLARATION OF THE NCBA UNIT TRUST SCHEME

1. Trustee to hold Unit Portfolios in Trust subject to the provisions of this deed, the Act and all rules of Collective Investment Schemes for the time being in force, the Unit portfolio (other than sums standing to the credit of the distribution account) is held by the Trustee on trust for the holders of the units pari-passu according to the number of units held by each holder, and the sum standing to the credit of the distribution account are held by the Trustee on trust to distribute or apply them in accordance with the Act, Regulations and this Deed.
2. Subject to the provisions of the Act, the Trust shall be a perpetual trust, provided, however that if at any time after 2 (two) years from the date of this Trust Deed the market value of any Unit portfolio shall be less than KES 5,000,000 (five Million Shillings), the Fund Manager may in its unrestricted discretion wind up such Unit Portfolio.

1.4 OBJECTIVE OF THE NCBA UNIT TRUST SCHEME

The objective of the NCBA Unit Trust Scheme is to provide a short, medium- and long-term investment opportunities whereby investors can obtain participation in a diversified portfolio of securities following various investment strategies for the respective Funds.

In order to achieve this objective, the Fund Manager shall be entitled to create and issue an unlimited number of Funds and units in the NCBA Unit Trust Scheme established in terms of this Trust Deed, subject to the provisions of this Deed, Regulations and of the Act.

1.5 THE INVESTMENT POLICY AND AUTHORISED INVESTMENTS

NCBA Unit Trust Scheme comprises of various managed Funds that comprises a mix of securities as defined in the respective Funds' Supplemental Trust Deed, and Investment Policy Statements.

The Trustee shall ensure that the investment policy set out in the preceding sub clause and in any Supplemental Trust Deed is carried out.

1.5.1 Investment Policies

Nothing contained in this Trust Deed shall preclude the Fund Manager from varying the main objective to take account of changing economic factors, tax laws and provisions and from retaining cash or placing cash on deposit in terms of this Trust Deed and the Supplemental Trust Deeds.

The guiding principles for the respective funds are described in the individual Fund Supplemental Trust Deeds.

1.5.2 Investment Categories and Restrictions

The Funds may invest in various investment securities and asset classes as outlined in the respective Funds' Investment Policy Statement provided that:

- a) The market value of the investment in an interest-bearing account, financial product or instrument of or issued by any single bank or financial institution or insurance company or a combination of any such investment in a single bank, financial institution or insurance company shall not in aggregate exceed twenty-five per cent (25%) of the respective fund's Assets Under Management;



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- b) Market value of the Fund holding of securities relating to any single issuer shall not exceed twenty-five per cent (25%) of the respective Fund's Assets Under Management;
- c) Investment in a related company shall be limited to ten per cent (10%) of the Assets under Management;
- d) and
- e) The Fund Manager shall not apply any part of the NCBA Unit Trust Scheme in the acquisition of any investments which are for the time being, partly paid or otherwise in the opinion of the Trustee likely to involve the Trustee in any liability contingent or otherwise.

1.5.3 Borrowing Restrictions

The NCBA Unit Trust Scheme shall not lend all or part of the Unit Trust Scheme portfolio and shall not assume, guarantee, endorse, or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.

1.5.4 Change in Investments

The Fund Manager may, if it considers it in the best interest of the investors, sell, exchange, alter, or otherwise dispose of any of the underlying securities and in such event shall substitute for such underlying, other securities or cash equal in value to the net amount realized for the underlying securities disposed of less the compulsory charges in respect of the securities substituted.

1.5.5 Trustee Entitled to Reject Securities

The Trustee shall refuse to accept as part of the NCBA Unit Trust Scheme any security which, according to its judgement, infringes the terms of this Deed or the Act and the Fund Manager shall, in such an event, deposit with the Custodian cash and/or other securities of equal value and which comply with the terms and objects of the Trust Deed. In order to enable the Trustee give effect to the provisions of this Deed, the Fund Manager shall furnish to the Trustee such information as the latter may from time to time reasonably require.

1.6 TRUST DEED TO BE BINDING AND AUTHORITATIVE

This Deed is binding on each investor as if he had been a party to it, and is bound by its provisions and authorities, and requires the Trustee and the Fund Manager to do the things required or permitted of them by the terms of the Deed.

1.7 RESTRICTED ECONOMIC OR GEOGRAPHICAL OBJECTIVES

There are no restrictions on the geographical areas or economic sectors in which investment of capital of the Unit Trust Fund may be made.

1.8 INVESTORS LIABILITY TO PAY

The investor is not liable to make any further payments after they have paid the purchase price of their units and no further liability can be imposed on them in respect of the units which they hold, save for the administration costs set out in the Information



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Memorandum, and the dilution levy in accordance to the Act and the Information Memorandum.

1.9 CHANGE IN INVESTMENTS

The Fund Manager may, if it considers it in the best interest of the investors, sell, exchange, alter, or otherwise dispose of any of the underlying securities and in such event shall substitute for such underlying, other securities or cash equal in value to the net amount realized for the underlying securities disposed of less the compulsory charges in respect of the securities substituted.

1.10 PRICING OF UNITS AND VALUATION OF THE NCBA UNIT TRUST SCHEME

The formulas to be adopted to determine the value of each Fund and the units in issue are outlined in the respective Funds' Supplemental Trust Deeds.



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2 PART II – THE FUND MANAGER

2.1 APPOINTMENT OF THE FUND MANAGER

The NCBA Unit Trust Scheme will at all times be managed and administered by an entity registered by the Capital Markets Authority as the Fund Manager.

The Fund manager will also be the promoter of the NCBA Unit Trust Scheme.

2.2 THE FUND MANAGER'S CAPITAL

The Fund Manager shall at all times maintain an unimpaired paid-up share capital of Kshs 10 million or as prescribed by the Authority from time to time.

2.3 LIABILITY OF A FUND MANAGER

The Fund Manager of NCBA Unit Trust Scheme shall not be liable for any loss, damage or depreciation in the value of the Funds or of any investment comprised therein or the income therefrom which may arise by reason of depreciation of the market value of the securities in which the scheme funds are invested unless such loss, damage or depreciation in the value of the Scheme Fund arises from negligence whether professional or otherwise, wilful default or fraud by the Fund Manager or any of its agents, employees or associates.

In the absence of fraud or negligence by the Fund Manager, the Fund Manager shall not incur any liability by reason of any matter or thing done or suffered or omitted by it in good faith under the provisions of the Trust Deed, Information Memorandum, Rules of the NCBA Unit Trust Scheme or the Act.

The Fund Manager shall not be under any liability except such liability as may be expressly assumed by the Fund Manager under the Trust Deed, Information Memorandum, the rules of the NCBA Unit Trust Scheme and the Act, nor shall the Fund Manager save as expressly provided herein be liable for any act or omission of the Trustee.

2.4 DUTIES OF THE FUND MANAGER

The Fund Manager shall:

1. Carry out the administration of the NCBA Unit Trust Scheme including the management of the portfolio of investments in accordance with the direction and the authority of the Trustee; as well as the provisions of this Trust Deed, Regulations and the Act.
2. Advise the Trustee on the asset classes which are available for investment.
3. Formulate a prudent investment policy.
4. Invest the Scheme's assets in accordance with the NCBA Unit Trust Scheme investment policy.
5. Reinvest any income of the NCBA Unit Trust Scheme which is not required for immediate payments.
6. Instruct the Custodian to transfer, exchange and deliver in the required form and manner the Scheme assets held by such Custodian.



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7. Ensure that the units in the NCBA Unit Trust Scheme are priced in accordance with the provisions of this Trust Deed and the Act.
8. Not sell any units otherwise than on the terms and at a price calculated in accordance to the provisions of this Trust Deed and the Act.
9. Rectify any breach of matters relating to incorrect pricing of units or to the late payment in respect of the issue or redemption of units. This may involve the reimbursement or payment or arranging the reimbursement or payment of money by the Fund Manager to the investors or former investors, by the Fund Manager to the NCBA Unit Trust Scheme, or from the NCBA Unit Trust Scheme to the Fund Manager.
10. Purchase at the request of an investor, any units held by such investor on the terms and at a price calculated in accordance to the provisions of this Trust Deed and the Act.
11. Publish daily or in such periodic intervals as may be set out in an Information Memorandum, the price of shares or units in a widely accessible medium or as the Authority may guide, where necessary.
12. Prepare and timely dispatch all cheques, warrants, notices, accounts, summaries, declarations, offers and statements under the provisions of this Trust Deed and the Act.
13. Execute, sign, issue, and send all certificates and all transfers of securities. All certificates will be signed by the Fund Manager and counter signed by the Trustee.
14. Make available for inspection to the Trustee or any Auditor appointed by the Trustee, the records and the books of accounts of the Fund Manager. Giving either oral or written information as required with respect to all matters relating to the Fund Manager, its properties and its affairs.
15. Be fair and equitable in the event of any conflict of interest.
16. Credit to the NCBA Unit Trust Scheme, all monetary benefits or commissions arising from managing the Funds.
17. Account to the Trustee within thirty days after receipt by the Fund Manager, any monies payable to the Trustee.
18. Issue an Investment Certificate/Investment contract to the investors confirming new funds invested and issue monthly investment certificate specifying any units held by the investor and showing the transactions in the investor's accounts during the preceding month and which shall be prima facie evidence of the title of the unit holder to the units.
19. Keep and maintain records of the NCBA Unit Trust Scheme at all times.
20. Not engage or contract any advisory or management services on behalf of the NCBA Unit Trust Scheme without prior written approval of the Trustee.

2.5 THE FUND MANAGER'S REMUNERATION

The Fund Manager shall be entitled to remuneration for its services and to cover expenses and fees in performing its obligations. The Fund Manager will receive:

1. Management fees
2. Up-front and back-end charges disclosed in the Information Memorandum



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2.6 THE FUND MANAGER'S MANAGEMENT FEES

The Fund Manager shall make a periodic charge, herein known as the management fee (but not exceeding a maximum of up to 10% of funds under management), payable out of the income of the NCBA Unit Trust Scheme. This shall be expressed as an annual percentage of the value of the assets under management.

The management fee applied in respect of the NCBA Unit Trust Scheme shall be proportionate to the length of the relevant accounting period and shall be calculated at such percentage by the Fund Manager on the end of day market value of the assets under management of the Fund.

The management fee rate applicable at any time shall be specified in the Information Memorandum of each respective Fund.

2.7 THE FUND MANAGER'S UP-FRONT AND BACK-END CHARGE

The Fund Manager may apply an upfront (pre-investment) charge and back-end (redemption) charges in respect to the NCBA Unit Trust Scheme (not exceeding a maximum of 10% of the amount invested).

The up-front and back-end charges applicable at any time shall be specified in the Information Memorandum of each respective Fund.

2.8 ALTERATIONS OF CHARGES

Alterations to Fund Manager's charges may be made by the Fund Manager provided that:

1. All proposed alterations to the Fund Manager's remuneration be included in the Incorporation Documents and submitted to the Trustee and Authority for prior approval.
2. The Authority shall determine whether unitholders shall be notified of any alterations or additions to the Incorporation Documents and the notice period, if any, to be applied before the changes take effect.
3. If the amount of the charges changes, then details of the previous charges, the rate or method may be obtained from the Fund Manager on request.
4. A ninety-day notice (or such shorter period as required by the Authority) in writing made after obtaining approval from the Trustee and the Authority would also be given to investors of the Fund Manager's intention to introduce a new charge or to propose a change in the rate, amount or method.
5. When any of the Fund Manager's charges are modified, the modification shall be expressed so as to apply only to units issued after the date on which the modification takes place.

The notice period referred to in above sub-regulation shall not exceed three months unless the Authority, having regard to the merits of the case, otherwise determines.

The Fund Manager may at any time in its discretion waive or rebate in full or any portion of, the amounts mentioned in this clause.



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2.9 REPORTS BY THE FUND MANAGER

The Fund Manager shall provide the Trustee and the Authority, quarterly reports from the date of the Fund Manager's appointment with:

1. A valuation of the NCBA Unit Trust Scheme, including the cost and yield of the investment.
2. A report with the investment activities and performance of the portfolio.
3. A record of all investment transactions during the previous period.

The Fund Manager shall, once every year, provide every investor and the Authority audited accounts and such other statements as may be necessary in relation to the operations of the Unit Trust Funds during the period ended not more than three months before the date on which such accounts or statements are submitted, and in regard to its position as at the end of that period, including:

1. The Fund Manager's capital resources actually employed or immediately available for employment for the purposes of the Unit Trust Funds;
2. In respect to the Unit Trust Funds, the total market value of each of the several securities included in the respective Fund under the NCBA Unit Trust Scheme, and the value of each of those securities expressed as:
 - a. A percentage of the total market value of the respective Fund;
 - b. A percentage of the total amount of securities of that class issued by the concern in which the investment is held;
 - c. The percentage of such securities in relation to the investment guidelines specified in clause 5.
3. The dividend and interest amounts and any other income accrued to the underlying securities comprised of the respective Fund under the NCBA Unit Trust Scheme, indicating the classes of income and the amount derived from each class, and how the income has been or is intended to be allocated;
4. The total amount derived from the sale of units, indicating the total amount paid in respect of compulsory charges, and the total amount paid in respect of the repurchase of units;
5. The income derived from all sources in the operation of the respective Fund under the NCBA Unit Trust Scheme, indicating the sources and the amount derived from each source, and its net profit or loss derived from such operation;
6. A review of the fluctuations in the selling and repurchase prices per unit during the period in question including the highest and lowest selling prices and the highest and lowest repurchase price;
7. Copies of the accounts and statements shall be kept at the registered office of the Fund Manager and made available for inspection during ordinary office hours by any unit holder or other person bona fide interested in the purchase of units of the NCBA Unit Trust Scheme.



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2.10 RECORDS BY THE FUND MANAGER

The Fund Manager shall:

1. Keep and maintain a record of all minutes, statements of accounts and resolutions in respect of the NCBA Unit Trust Scheme;
2. Keep or cause to be kept proper books of accounts and records in which shall be entered all transactions effected by the Fund Manager for the account of the NCBA Unit Trust Scheme and permit the Trustee from time to time on demand to examine and take copies of or extracts from any such books and records;
3. Maintain a daily record of shares held by the Fund Manager, including the type of such shares acquired or disposed of, and of the balance of any acquisitions and disposals;
4. Keep and maintain a daily record of the units which are held, issued, redeemed, exchanged, and the valuation of the NCBA Unit Trust Scheme including the creation price, the repurchase price and the maximum issue price required upon completion of a valuation;
5. The Fund Manager shall make the NCBA Unit Trust Scheme records available for inspection by the Trustee or the Authority at all times during office hours and shall supply the Trustee, or the Authority with a copy of the records or any part of such records on request at no charge;
6. A register of unitholders in respect of each Unit Portfolio shall be kept by the Fund manager;
7. The Fund Manager shall keep the register in an electronic form;
8. If a unitholder wishes to register a change of name and address, he shall give notice thereof in writing to the Fund Manager which, on being satisfied thereof and on compliance with all such formalities as the Fund Manager may require, shall alter the register concerned accordingly;
9. The registers of unitholders shall be prima facie evidence as to the persons entitled to units. The Fund Manager shall recognize the unitholder as the absolute owner of the units in respect of which he is registered.

2.11 THE FUND MANAGER'S POWERS

Subject to the provisions of this Deed and of the Act, The Fund Manager may:

1. Do all such things and enter into all such arrangements as are necessary to achieve the provisions and objects of the NCBA Unit Trust Scheme;
2. Purchase, select, sell, exchange or alter any of the underlying securities, provided that nothing in this clause contained shall impose any liability on it to bear the expense of stamping any certificate or any transfer deed relating to underlying securities;
3. Engage in a securities lending transaction as a lender on behalf of the Collective Investment Scheme, if the securities lending transaction complies with the Act,



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Regulations, Incorporation Documents, the Investment Policy and the liquidity requirements of the respective Fund under the NCBA Unit Trust Scheme;

4. Appoint such persons to perform such powers and duties on its behalf as it may deem expedient after seeking a written approval from the Trustee for the same;
5. Act on the advice or information obtained from professional advisers and other persons bona fide considered by it to be experts, irrespective of whether these advisors or others are consulted or instructed by The Fund Manager. The Fund Manager shall at all times remain liable for anything done, omitted or permitted on the basis of such advice or information;
6. The Fund Manager shall engage or contract any advisory or management services on behalf of the NCBA Unit Trust Scheme after seeking written approval of the Trustee:

Provided that –

1. The Fund manager shall remain liable for any act or omission of the sub-contracted Fund Manager;
2. Any expenses incurred by any such persons which, if incurred by the Fund Manager, would have been payable out of the NCBA Unit Trust Scheme, may be paid out of the NCBA Unit Trust Scheme to the Fund Manager by way of reimbursement; and any such appointment shall be notified in writing to all holders.

2.12 RETIREMENT, SUSPENSION, REMOVAL OR LIQUIDATION OF THE FUND MANAGER

The Fund Manager shall cease to manage the Scheme through resignation, retirement, liquidation, suspension or removal.

2.12.1 Resignation

The Fund Manager shall:

1. Give three months' notice to the Trustee of the NCBA Unit Trust Scheme, and shall give reasons for the resignation;
2. Issue notice, which shall be deemed to have been served seven days from the date of its dispatch and shall come into effect four days after it is served and such termination will be deemed to be effective ninety days after the notice comes into effect.

2.12.2 Retirement

On any change in the Fund Manager, the retiring Fund Manager shall remain entitled to all units in respect of which no certificate or valid claim shall then be outstanding, and shall have the right to require the Trustee to issue to it a certificate in respect of any such units and to enter its name in respect thereof in the register. The retiring Fund manager shall continue to enjoy all the rights of a unit holder in respect of all units to which it is entitled.

2.12.3 Suspension or Liquidation



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If the Fund Manager's licence is suspended, it shall not, for the duration of the suspension, issue new units but it shall, as regards to existing units, continue the management of the NCBA Unit Trust Scheme and in all respects deal with such units as it would have been obliged to if its licence had not been suspended.

2.12.4 Removal of The Fund Manager

The Fund Manager shall be removed by three months' notice in writing by the Trustee if:

1. An extraordinary resolution is passed by the unitholders removing the Fund Manager;
2. The unitholders of three quarters majority in value of the units in existence (excluding units held or deemed to be held by the Fund Manager or by any associate of The Fund Manager) request in writing to the Trustee, that the Fund Manager be removed.

The Fund Manager shall be removed immediately on the happening of any of the following events:

1. If a court of competent jurisdiction orders liquidation of the Fund Manager except for voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee and the Authority;
2. If a receiver is appointed for the undertaking of the Fund Manager's assets or any other part;
3. If for any good reason the Trustee is of the opinion and so states in writing to the Authority, that a change of the Fund Manager is desirable in the interest of the unitholders.

In the event of the resignation, retirement, suspension, liquidation or removal of the Fund Manager, the Fund Manager shall hand over, transfer, and deliver to a Fund Manager appointed in writing by the Trustee and licensed by the Authority to succeed the outgoing Fund Manager, all information within itself in relation to its contractual duties to the Unit Trust Funds. These include statements pertaining to the Unit Trust Funds, details of the NCBA Unit Trust Scheme, costs and estimated yield of the investment, all incomplete transactions, and any other information as may be reasonably required by the new Fund Manager.

The Fund Manager shall hand over, transfer and deliver all records of accounts required to be maintained by a Fund Manager under Regulation 18 of the CIS regulations, as may be reasonably required by the incoming Fund Manager, provided that copies of the said information shall be submitted to the Authority within the same period.



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3 PART III – THE TRUSTEE

3.1 APPOINTMENT OF THE TRUSTEE

3.1.1 Terms and Conditions of Service

Subject to the provisions of the Act, Regulations and of this Deed, the Promoter shall appoint a qualified and competent firm to act as the Trustee of the NCBA Unit Trust Scheme. The Trustee shall have all powers necessary to protect the interests of unit holders in terms of the Act and this Deed and shall, save as otherwise provided in this Deed, have authority necessary to carry out the function and purposes of the Trust to secure the fulfilment of the objects of the NCBA Unit Trust Scheme.

3.2 TRUSTEE'S SHARE CAPITAL

The Trustee shall at all times satisfy the eligibility requirements provided in the Act and regulations.

3.3 ROLE, POWERS, DUTIES AND OBLIGATIONS OF THE TRUSTEE

1. The Trustee shall cause proper books of accounts to be kept by the Fund Manager in respect to the NCBA Unit Trust Scheme and shall make available annually in such manner as may be prescribed by the Authority, audited statement of accounts in respect of the NCBA Unit Trust Scheme, together with a summary of any amendments of the Trust Deed that have been made since the date of the last statement.
2. The Trustee shall serve the Unit Trust Funds in compliance with the Trust Deed, and shall have the following duties:
 1. Ensure that the Custodian takes into custody the assets of the NCBA Unit Trust Scheme, holds them in trust for the unitholders in accordance to the Act;
 2. Take all steps and execute all documents which are necessary to secure acquisitions or disposals properly made by The Fund Manager in accordance with this Trust Deed, incorporation documents, and the Act;
 3. In the event that the Trustee believes that any acquisition or disposal of property by the Fund Manager exceeds the powers granted to the Fund Manager, it is incumbent upon the Fund Manager, at its own expense, to either reverse the transaction or undertake an appropriate compensatory action to restore the status quo ante bus. Furthermore, the Trustee holds the authority to mandate the Fund Manager to cancel any transaction or execute a compensating acquisition or disposal, particularly in cases where: (a) the acquisition of assets by the Fund Manager results in the custody of documents of title, or documents evidencing title, being maintained by an individual or entity other than the designated Custodian; and (b) it is unreasonable for the Trustee to accept the liability that would be imposed on it by such delegation;
 4. Ensure collection of any income due to be paid to the Scheme and hold any income received in trust for the participants in accordance with these Regulations and the Trust Deed;



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5. Keep records to enable it comply with the Act and demonstrate that such compliance has been achieved;
6. Execute all documents and take all steps to ensure that instructions properly given to it by the Fund Manager, as to the exercise of rights (including voting rights)¹ attached to the ownership of the NCBA Unit Trust Scheme are carried out;
7. Exercise any voting rights conferred by any of the respective Funds of the NCBA Unit Trust Scheme, which is in units in other Unit Trust Funds managed or otherwise operated by the Fund Manager or other Fund Managers;
8. Execute and deliver to the Fund Manager or its nominee upon the written request of the Fund Manager, such powers of attorney or proxies as the Fund Manager may reasonably require, in such name or names as the Fund Manager may request, authorising such attorneys and proxies to vote, consent or otherwise act in respect of all or any part of the NCBA Unit Trust Scheme;
9. Forward to the Fund Manager and the Custodian without delay, all notices of meetings, reports, circulars, proxy solicitations, and other documents of a like nature received by it, as a registered unitholder of any investment;
10. Issue a report to be included in the annual report of the NCBA Unit Trust Scheme and whether in the opinion of the Trustee, the Fund Manager has in all material respects managed the Scheme in accordance with the provisions of the Act, incorporation documents, the Information Memorandum, and the rules of the Unit Trust Funds and if the Fund Manager has not done so, the respect in which it has not done so and the steps which the Trustee has taken in respect thereof;
11. Ensure that decisions about the constituents of the NCBA Unit Trust Scheme don't exceed the powers conferred on the Fund Manager;
12. Ensure that the Fund Manager maintains sufficient records and adopt such procedures in methods for calculation of prices at which units are issued and redeemed to ensure that those prices are within the limits prescribed by the Act, the incorporation documents, the Information Memorandum, and the rules of the Unit Trust Funds;
13. Cause proper books of accounts to be kept by the Fund Manager in respect of the Unit Trust and make available annually in such manner as may be prescribed by the Authority, audited statement of accounts in respect of Unit Trusts together with a summary of any amendments of the Trust Deed that have been made since the date of the last statement.

3.4 REGISTRATION AND RETENTION OF SECURITIES BY THE TRUSTEE

That part of each Unit Fund consisting of securities shall be registered in the name of the Trustee. Any reference in this Deed to the Trustee in relation to the vesting, registration

¹ 'Voting' includes giving any consent or approval of any arrangement, scheme, or resolution or any alternation in or abandonment of any rights attaching to any parts of the unit trust funds portfolio.

'Right' includes a requisition or joining in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement or to consent to any short notice of any meeting.



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or holding in its name of securities, or to its rights, obligations or discretions as the registered owner of securities, shall, where the context permits, be deemed also to be a reference to the said nominee company as nominee of the Trustee, in relation to the said matters. The Trustee shall be liable for any act of omission of the said nominee company in relation to any underlying securities of which the said nominee company is registered as owner.

3.5 LEGAL PROCEEDINGS BY OR AGAINST THE TRUSTEE

All legal proceedings which may be instituted by or against the NCBA Unit Trust Scheme shall be instituted by or against the Trustee in its capacity as such, and the Trustee shall have the power and be capable of instituting, prosecuting, intervening in or defending any legal proceedings of whatsoever nature relating to or concerning the NCBA Unit Trust Scheme or its affairs and as a prerequisite to such action, require the Fund Manager to indemnify it against all costs and expenses thereby incurred.

The Trustee shall in no way be liable to make any payment hereunder to any unitholder except out of any funds held by or paid to it for that purpose under the provisions hereof.

3.6 TRUSTEE REMUNERATION

The Fund Manager shall pay the Trustee, from the respective Funds of the NCBA Unit Trust Scheme, by way of remuneration for its services, such sums as may from time to time be agreed with the Fund Manager, which will be disclosed to the unit holders in the annual report each year.

The Fund Manager shall out of the unit portfolio funds refund to the Trustee the amount of all its disbursements in connection with the NCBA Unit Trust Scheme, other than disbursements expressly required by this deed to be paid out of unit portfolio, and other than disbursements incurred by it as a result of its own negligent, wrongful or unlawful conduct.

Such remuneration and disbursements shall be in addition to any sums the Trustee may be entitled to receive or retain pursuant to any other provision of this Deed.

3.7 RETIREMENT AND APPOINTMENT OF NEW TRUSTEE

A Trustee shall not be entitled to resign except;

1. Upon the appointment of a new Trustee. If the Trustee wishes to resign, it shall give six months' notice in writing to that effect to the Promoter, the unitholders and the Authority.
2. When the Trustee has recommended and appointed a new Trustee in its place within the notice period subject to such person entering into a Trustee Agreement and a Trust Deed supplemental to the Trust Deed comprised in the incorporation documents.

Where the Trustee is unable to find a replacement within the notice period, the Trustee shall make a recommendation to unit holders at an extraordinary general meeting to —

- (a) dissolve the Collective Investment Scheme; or
- (b) transfer the unitholders to another fund.



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3.8 REMOVAL OF THE TRUSTEE

The Trustee shall be removed in writing immediately if:

1. The Trustee voluntarily retires;
2. The Trustee ceases to be a licensee of the Authority;
3. Upon the occurrence of any other event warranting the Trustee's removal, subject to approval by the Authority;
4. A court of competent jurisdiction orders its liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation under a scheme approved by the Authority);
5. A manager or a receiver is appointed over any of its assets.

The Trustee shall be removed by three months' notice in writing by the Fund Manager, and recommends the removal of the Trustee to the unit holders and Authority if:

6. The Trustee fails or neglects after reasonable notice from the Fund Manager, to carry out or satisfy any duty imposed on the Trustee in accordance to this Deed, the Information Memorandum, the rules of the Unit Trust Funds and the Act;
7. The unit holders, by extraordinary resolution resolve that such notice be given.

The Fund Manager shall by deed supplemental to the Trust Deed appoint as Trustee some other qualified person with the approval of the Authority to replace a Trustee who has been removed.



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4 PART IV – THE CUSTODIAN

4.1 APPOINTMENT OF THE CUSTODIAN

4.1.1 Terms and Conditions of Service

Subject to the provisions of the Act, Regulation and of this Deed, the Trustee, shall appoint a qualified firm as the Custodian of the NCBA Unit Trust Scheme. The Custodian shall have all powers to carry out the functions of a custodian in the interests of unit holders in terms of the Act and this Deed and shall, save as otherwise provided in this Deed, have authority necessary to carry out the function and purposes of the Trust to secure the fulfilment of the objectives of the NCBA Unit Trust Scheme.

4.2 DUTIES OF THE CUSTODIAN

1. Maintain custody of the NCBA Unit Trust Scheme and hold it to the order of the Trustee or the Fund Manager in accordance to this Deed, the rules of the Unit Trust Funds, Regulations and the Act;
2. To receive and keep in safe custody and retain under its own supervision and control, the documents of title to the underlying securities and cash amounts of the NCBA Unit Trust Scheme;
3. Open an account in the name of the NCBA Unit Trust Scheme for the exclusive benefit of such Unit Trust Funds;
4. Transfer, exchange or deliver in the required form and manner, securities held by the Custodian upon receipt of proper instructions from The Fund Manager or, Trustee;
5. To require from the Fund Manager or Trustee such information, as it deems necessary for the performance of its function as the Custodian of the NCBA Unit Trust Scheme;
6. To promptly deliver to the Trustee or the Fund Manager or to such other persons as the Fund Manager or the Trustee may authorize, copies of all notices, proxies, proxy soliciting materials received by the Custodian in relation to the securities held in the NCBA Unit Trust Scheme, all public information, financial reports and stockholder communications the Custodian may receive from the issuers of securities and all other information the Custodian may receive, as may be agreed between the Custodian, Trustee or the Fund Manager, as may be, from time to time;
7. To exercise subscription, purchase or other similar rights represented by the securities subject to receipt of proper instructions from The Fund Manager or the Trustee;
8. To exercise the same standard of care that it exercises over its own assets in holding, maintaining, servicing and disposing of the NCBA Unit Trust Scheme and in fulfilling obligations in the agreement;
9. Where title to investments are recorded electronically, to ensure that entitlements are separately identified from those of The Fund Manager or the Trustee, of the NCBA Unit Trust Scheme in the records of the person maintaining records of entitlement;
10. To attend general meetings of the unit holders and be heard at any general meeting on matters which concern it as Custodian;
11. The Custodian discharging its contractual duties to the Fund shall not contract an agent to discharge those functions except where a portion of the NCBA Unit



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Trust Scheme is invested in offshore investments, in which case the Custodian may engage the services of an overseas sub-custodian approved by the Trustee, with the notification of such appointment to the Authority.

4.3 RECORDS TO BE MAINTAINED BY THE CUSTODIAN

The Custodian must keep such books, records and statements as may be necessary to give a complete record of:

1. The entire and respective funds of the NCBA Unit Trust Scheme held by the Custodian;
2. Each and every transaction carried out by the Custodian on behalf of the NCBA Unit Trust Scheme and shall permit the Trustee, the Fund Manager, or a duly authorised agent of the Authority to inspect such books, records and statements within the premises of the Custodian at any time during business hours.

4.4 REPORTS BY THE CUSTODIAN

1. A written statement showing the activities within the NCBA Unit Trust Scheme will be sent to the Fund Manager, the Trustee and the Authority on a quarterly basis, which lists all assets of the Fund in the Fund account(s) with a full account of all receipts and payments made and other actions taken by the Custodian.
2. Advice or notification of any transfers of the NCBA Unit Trust Scheme or securities to or from the Scheme account(s) indicating the securities acquired for the account(s) and the identity of the party having physical possession of such securities will be provided to the Fund Manager on a daily basis.
3. A copy of the most recent audited financial statements (within the first six months of the year) of the Custodian prepared together with such information regarding the policies and procedures of the Custodian as the Fund Manager, Trustee may request in connection with the agreement or the duties of the Custodian under that agreement.
4. Provide a report annually to the Authority (within the first three months) demonstrating that compliance with this Deed, the Information Memorandum, the rules of the Unit Trust Funds and the Act has been achieved.

4.5 REMUNERATION OF THE CUSTODIAN

The Fund Manager shall pay the Custodian by way of remuneration for its services, such sums as may from time to time be agreed with the Fund Manager and the Trustee, which will be disclosed to the unit holders in the annual report each year.

4.6 RESIGNATION OF THE CUSTODIAN

The Custodian shall not be entitled to resign except upon the appointment of a new Custodian. If the Custodian wishes to resign, it shall give three months' notice in writing to that effect to the Fund Manager and the Authority and give reasons for the resignation.

The Fund Manager shall appoint within two months after the date of notice, some other qualified person as the new Custodian and subject to such person being approved by



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the Authority and entering into an agreement similar to the agreement comprised in the incorporation documents.

If the Fund Manager is unable to appoint a new Custodian within a period of two months, the Custodian shall be entitled to appoint a qualified company² selected by it as the new Custodian on the same basis as the previous Custodian.

On receipt of the notice by the Trustee or the Fund Manager the agreement between the Fund Manager and the Custodian shall be deemed to have been terminated.

In the event the Custodian desiring to retire or ceasing to be registered as a Custodian with the Authority, the Fund Manager, may with the approval of the Authority, appoint another eligible firm to be a Custodian in its place.

4.7 REMOVAL OF THE CUSTODIAN

The custodian shall be removed by the Fund Manager in writing immediately if:

1. A court of competent jurisdiction orders its liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation approved by the Authority);
2. A statutory manager or a receiver is appointed over any of its assets;
3. The Custodian ceases to carry on business as a bank or financial institution.

The Custodian shall be removed by three months' notice in writing given by the Fund Manager to the Custodian if:

4. The Custodian fails or neglects after reasonable notice from the Fund Manager or Trustee to carry out or satisfy any duty imposed on the Custodian in accordance with the agreement;
5. The unit holders, by extraordinary resolution, resolve that such notice be given and the Fund Manager appoint, as Custodian, some other qualified institution with the approval of the Authority.

4.8 TERMINATION OF THE CUSTODIAN

In the event of a termination, the Custodian shall immediately hand over, and deliver all assets, documents and funds including those from the bank accounts of the NCBA Unit Trust Scheme held by such Custodian to the Custodian appointed in writing by the Fund Manager and approved by the Authority within thirty days of such termination from the date of a winding up order issued by a competent court against the Custodian.

Within 20 days from the termination of the agreement, the Custodian shall submit to the Fund Manager, Trustee and Authority an audit report indicating the assets, liabilities, and an inventory of the NCBA Unit Trust Scheme, securities and title documents of the Funds' assets, which have been handed over, transferred and delivered to the appointed Custodian.

A copy of the notice given to the Custodian for termination of services by the Fund Manager shall be given to the Trustee.

² 'Qualified company' means a company qualified to act as custodian in terms of the Act.



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In the event of any disagreement between The Fund Manager, the Trustee and the Custodian, notification shall be made to the Authority by the Fund Manager giving reasons for the termination of services of the Custodian.



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5 PART V - UNIT PORTFOLIO

5.1 CREATION OF UNITS

Where a Fund Manager is required to issue new units, the Fund Manager shall create the participatory interests subject to approval by the Trustee.

The units shall be created within twenty-four (24) hours from the time the obligation arose.

The instructions in relation to creation of each type of unit to be created, the number to be created, expressed either as the number of units or as an amount in value or as a combination of the two.

The Trustee must create units on receipt of instructions by the Fund manager given under this rule, and must not, during an initial offer create units otherwise.

The Fund Manager shall have the exclusive right to secure the creation and issue of further units; and for that purpose, to accept application monies for the purpose of the NCBA Unit Trust Scheme provided that the price at which the units are acquired shall be the made-up price at the time of the transaction.

5.2 CANCELLATION OF UNITS

Where the Fund Manager wishes that units be cancelled, it shall instruct the Trustee to cancel such units; and any instruction given by the Fund Manager shall state, in relation to each type of units to be cancelled, the number to be cancelled, expressed either as number of units or as an amount in value or as a combination of the two.

This is provided that at any moment of such instruction, the Fund Manager shall not have any outstanding obligation to issue units, which by cancellation of units, would prevent the Fund Manager from fulfilling such instruction.

The Trustee shall cancel the units on receipt of instructions given by the Fund Manager. On cancellation of units, and on delivery to the Trustee evidence of the title to those units as the Trustee may reasonably require, the Trustee shall within the timelines provided in the Trust Deed and Information Memorandum, pay the repurchase price of the units to the person who was the holder of those units and in accordance with the relevant provisions of the Information Memorandum, the Trust Deed, and other incorporation documents. The repurchase price payable for each unit by the Trustee shall be calculated in accordance with the pricing rules set out in the Supplemental Trust Deed.

5.3 TIMING OF INSTRUCTIONS TO CREATE OR CANCEL UNITS

A Fund Manager may at any time, give instructions to the Trustee to create or to cancel units.

The units shall be created or cancelled on a T+1-day basis, where T;

1. In relation to creation of units, is the day the funds relating to creation of units are received in the collection account of the Fund Manager, and;
2. In relation to cancellation of units, the day the instructions for cancellation/redemption of units are received, by the Fund Manager, or one day before investment maturity date.



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5.4 REDEMPTION / REPURCHASE OF UNITS

Any Investor desiring to sell units shall be entitled at any time, by valid notice received by the Fund Manager, to require the Fund Manager to repurchase all or any of such units, and the Fund Manager shall repurchase such units subject to the provisions of this Deed and respective Fund Trust Deed.

On agreeing to redeem units, the Fund Manager shall pay the appropriate proceeds of redemption to the unit holder at the close of business on the fourth (4) business day after the valuation point immediately following receipt by the Fund Manager of the request to redeem.

The formulas to be adopted to determine the redemption amount of each fund per unit are outlined in the respective Fund's Supplemental Trust Deed.

The Fund Manager may deduct from the price payable for each such unit an amount not exceeding the equivalent of any necessary charges which would be payable in connection with the sale of that part of the underlying securities represented by one unit. Upon payment made by the Fund Manager, the unit holder shall cease to be the unit holder of the units purchased by the Fund Manager and an entry to this effect shall be made in the register.

Nothing in this Deed and the Act shall require the Fund Manager to part with money in respect of a cancellation or redemption of units where it has not yet received money due on the earlier issue or sale of those units from the unit holder.

5.5 FUND MANAGER'S OBLIGATION TO ISSUE OR REDEEM UNITS

The Fund Manager shall at all times during the dealing day, issue or redeem units of the NCBA Unit Trust Scheme at a price arrived at under this and Supplemental Trust Deeds.

This shall not apply if: –

1. The number or value of units sought to be issued or redeemed is less than any number or value stated in the Information Memorandum as the minimum number or value to be purchased or held or redeemed;
2. The Fund Manager believes on reasonable grounds that the number or value of units sought to be issued would lead to the holding by any one person and any other person appearing to the Fund Manager, to be acting in concert with that person of more units than any number stated in the Information Memorandum as the maximum number to be purchased or held; or
3. The Fund Manager has reasonable grounds, having regard to the interests of all the unit holders relating to the circumstances of the person concerned, for refusing to issue units to or redeeming units from such person.

5.6 PRICING OF UNITS

The formulas to be adopted to determine the pricing of units of each Fund are outlined in the respective Fund's Supplemental Trust Deed.

The frequency of pricing of the NCBA Unit Trust Scheme may vary on a daily or weekly basis as per the respective Fund Supplemental Trust Deeds.



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The Fund Manager will use the previous day pricing method, which will be established each evening and then applied to transactions which occur on the following day. All sales, repurchases, liquidations and creation of units which happen during the day will be processed and priced at the previous day prices.

In the case of NCBA Fixed Income Basket Note Funds, the Fund Manager will use the previous week pricing method, which will be established each Friday and then applied to transactions, which occur on the following week. All sales, repurchases, liquidations and creation of units which happen during the week will be processed and priced at the previous week prices as detailed in the Fund-specific Supplementary Deed.

5.7 NOTIFICATION OF PRICE TO THE TRUSTEE

Upon completion of a valuation, the Fund Manager shall notify the Trustee of: -

1. The creation prices
2. The repurchase prices
3. The maximum issue prices

The prices to be notified are those relevant to deals based on prices determined at that valuation day.

Any notification shall include a statement of the number of units owned by the Trustee or Fund Manager as the case may be, for the Scheme at that valuation day, or notified point if there is one.



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6 PART VI – FUND AND UNITS PRICING AND VALUATIONS

6.1 METHOD USED FOR VALUATION OF UNITS

The Fund assets and liabilities shall be valued, (the "valuation point") at the end of each business day or week as per pricing formula set out on respective Fund Supplemental Trust Deed guided by below overarching principles;

1. The valuation shall be reflective of the realisable value of the securities;
2. The valuation shall be done in good faith and in a true and fair manner through appropriate valuation policies and procedures that seek to address conflicts of interest;
3. The valuation policies, methodologies and procedures, including the nature and frequency of valuation points shall be made available to the investors;
4. The policies and procedures shall make provision for the detection, prevention and correction of pricing and valuation errors;
5. A fund manager must ensure that the price of a unit is calculated by reference to the net value of the assets under management and in accordance with the provisions of the Trust Deed.



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7 PART VII – MEETINGS

The Trustee, Fund Manager or investors, as the case may be, shall convene an Annual General Meeting within four months after the relevant accounting reference date. The Trustee may seek approval from the Authority in circumstances where it expects difficulties in complying with the timelines to convene the Annual General Meeting.

In the event of receiving a qualifying requisition from the relevant stakeholders, the Trustee is also obliged to organize an extraordinary meeting within two months from the receipt of such requisition. These meetings may be conducted virtually or in a physical location, and all participants must be given no less than fourteen days' notice ahead of the meeting, unless a longer notification period is required by the Trust Deed or other Incorporation Document.

7.1 NOTICE OF MEETINGS

Not less than 14 days' written notice, inclusive of the date in which the notice is deemed to be served, and the day of the meeting, shall be given to the unit holders of the general meeting. However, this does not apply to the notice of an adjourned meeting. The non-receipt of a notice by a unit holder shall not invalidate the proceedings at any meeting.

The Trustee, Fund Manager or investors, as the case may be, may convene an extraordinary meeting of unit holders at any time but not later than six weeks after receipt of the requisition.

A requisition shall: –

1. State the objects of the meeting;
2. Be dated;
3. Be signed by unit holders who, at that date, are registered as the unit holders of units representing not less than one – tenth in value of all of the units in the Unit Trust Funds then in issue;
4. Be deposited at the head office of the Unit Trust Funds.

A requisition may consist of several documents deposited with the Fund Manager at the same time, each being in like form and signed by one or more-unit holders.

7.2 QUORUM FOR A MEETING

1. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of the meeting.
2. The quorum at a meeting of investors shall be the investors present in person or by proxy of one-tenth of the fund value and one-tenth of the total number of Investors, excluding any interests known to be redeemed prior to the meeting.
3. The Trustee may apply to the Authority for approval of modification of the quorum requirements in where the requirements may be prejudicial to participants due to the size of a fund, number of investors, diversity and concentration of investors or fund value.
4. If within half an hour from the time appointed for the meeting a quorum (or modified quorum) is not present, the meeting shall be dissolved and shall stand adjourned to such a day and time not being less than fourteen days thereafter



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and to such a place as may be appointed by the chairman if any has been appointed pursuant to the incorporation documents or otherwise by the Trustee or the Fund Manager.

5. If at such adjourned meetings a quorum is not present within fifteen minutes from the time appointed for the meeting, the unit holders present shall comprise the quorum as described in the Information Memorandum.
6. Notice of any adjourned meeting of holders shall be given and such notice shall state that the holders present at the adjourned meeting whatever their number and the number of shares held by such holder or holders shall form a quorum.

7.3 VOTING RIGHTS

1. At any meeting a resolution put to the vote shall be decided on a show of hands unless a secret ballot is, before or on the declaration of the result of the show of hands, demanded by the Trustee or by unit holders not less than one tenth of the units in issue present in person or by proxy.
2. On a show of hands, every investor who, being an individual is present in person or being a corporation, is present by its representative duly authorized in that regard, shall have one vote. If the number of votes recorded in favour of or against a resolution on a show of hands is not conclusive evidence of a unanimous vote or by a particular majority or lost, a secret ballot may be demanded.
3. Votes may be given either personally or by proxy and the voting rights attached to each shall be such proportion of the voting rights attached to all of the units in issue. A unit holder entitled to more than one vote need not, if he votes, use all his votes or cast all his votes in the same way.
4. In the case of joint unit holders of a unit, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint unit holders and for this purpose, seniority shall be determined by the order in which the names stand in the register of unit holders.
5. The Trustee shall keep minutes of every meeting in a minute book.
6. No director of the Fund Manager shall be entitled to be counted in the quorum of, and no director or any associate of the director shall be entitled to vote at, any meeting of the NCBA Unit Trust Scheme except in respect of any units which the director or his associate holds on behalf of or jointly with a person who, if himself the registered unitholder would be entitled to vote and from whom the director or its associate, as the case may be, has received voting instructions, and accordingly, units held by any director shall not, except as mentioned in this sub-regulation be regarded as being in issue.

7.4 PROXIES

1. A unit holder entitled to attend and vote at a meeting of the NCBA Unit Trust Scheme is entitled to appoint another person to attend and vote in his place whether such a person is a unit holder or not. Every notice calling a meeting of the unit holders in the unit trust funds shall contain a prominent statement citing this fact.
2. A unit holder shall be entitled to appoint more than one proxy to attend on the same occasion but a proxy shall be entitled to vote only on a poll.



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3. The instrument appointing a proxy shall be in writing under the hand of the appointer or his Attorney duly authorised in writing, or, if the appointer is a corporation, under the hand of an officer or attorney duly authorised. A proxy need not be a unit holder.
4. An instrument appointing a proxy shall be in the usual common form or such form as may be submitted with the notice convening the meeting.
5. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a secret ballot.
6. An instrument appointing a proxy or any other document necessary to show the validity of or otherwise relating to, the appointment of a proxy shall be required to be received by the Fund Manager or the Trustee, as the case may be, more than 48 hours before the meeting or adjourned meeting in order that the appointment may be effective. In default the instrument of proxy shall not be treated as valid.

7.5 RESOLUTIONS

1. Resolutions shall be passed by a simple majority of the votes validly cast at a general meeting of unit holders except for extra-ordinary resolutions as provided under the Act.
2. In the case of an equality of votes cast in respect of a resolution put to a general meeting, the chairman appointed pursuant to the incorporation documents shall be entitled to casting a vote in addition to any other vote he may have.

7.6 EXTRA-ORDINARY RESOLUTIONS

The below matters will be ordinary resolution as defined in the regulations;

1. Modifications to the formation documents and departures from policies or a set of investment objectives stated in offer documents.
2. The following modifications to the formation documents;
 - (a) increase in the charges payable to the Fund Manager, Trustee or Custodian;
 - (b) modification to any provision in the Trust Deed restricting: —
 - (i) the descriptions of assets in which the property of the scheme may be invested;
 - (ii) the proportion of property to be invested in assets of any description;
 - (iii) the description of transactions permitted; or
 - (iv) the borrowing powers of the scheme
3. Any statement made in the Information Memorandum that the Fund Manager will or may adopt, in the management of the Scheme, more restrictive than the restrictions imposed by the regulations or by the Trust Deed and any changes thereof.



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7.7 SERVICE OF NOTICES AND OTHER DOCUMENTS

Any notice or document required to be served upon a holder shall be deemed to have been duly served if it is sent by post or email to or left at holder's postal or email address appearing in the register.

Any notice required to be served or information to be supplied or given to any other person, including the Authority, shall be in writing or in such other form as enables the recipient to know or to record the time of receipt and to preserve a legible copy of the notice.

7.8 AMENDMENTS TO INCORPORATION DOCUMENTS

The incorporation documents of the NCBA Unit Trust Scheme may be amended by an extraordinary resolution.

An amendment to the incorporation documents may be made by resolution of the Trustee if: –

1. The instrument of incorporation provides for amendments to be made.
2. The amendment is required for implementation of change in law including a change brought by an amendment of the regulations of the Unit Trust Funds.
3. To change the name of the Unit Trust Funds.
4. To remove from the incorporation documents obsolete provisions.
5. To make any other change to the instrument of incorporation which the Trustee considers does not involve any unit holder or potential unit holder in any material prejudice.
6. The amendment would not introduce or affect any provision relating to the descriptions of the transferable securities in which the NCBA Unit Trust Scheme may be invested unless it is required solely to reflect the introduction of a new sub-fund.
7. Amendment may be done by a Supplemental Trust Deed and that such amendment shall, in addition to the unit holders' approval be acceptable to the Authority.
8. Additions of funds to the Unit trust Scheme may be done by a Supplemental Trust Deed and that such additions shall be acceptable to the Authority.
9. The Scheme shall not be wound up other than by a court order except under the Provisions of the Act.



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8 PART VIII - SUSPENSION AND TERMINATION

8.1 SUSPENSION AND RESUMPTION OF DEALINGS IN UNITS

The Fund Manager may, in exceptional circumstances, with the prior agreement of the Trustee, or shall, if the Trustee so requires, at any time for a period not exceeding twenty-eight days, suspend the issue, cancellation, sale and redemption of units (referred to in this Regulation as 'dealings in shares') in the fund if the Fund Manager or the Trustee is of the opinion that there is good and sufficient reason to do so, having regard to the interests of current or potential investors.

Such circumstances leading to a suspension of dealing may include;

1. Events of a "run on the fund", leading to a significant drain in the respective Fund liquidity that may lead to a forced sale of securities and crystallization of market losses and restating of net asset values.
2. Significant adverse changes in legal, economic, political, capital market circumstances and credit events circumstances that lead to a devaluation of underlying securities of the respective Fund.
3. Force Majeure.

The Fund Manager, in consultation with the Trustee, may as an alternative to suspension of dealings in participatory interests, implement other methods of dealing with exceptional circumstances including;

1. Gating where the Fund Manager may impose the partial restriction to an investor's ability to redeem his or her participatory interests;
2. Side pockets where the Fund Manager may segregate an illiquid portion of a fund's portfolio and their transfer into a separate, illiquid investment vehicle;
3. Discounting where the percentage or amount by which the redemption price of a units, calculated on the basis of net asset value, is reduced.

The Fund Manager shall immediately notify and obtain approval from the Authority if dealing has been suspended or alternative measures taken and the same shall be notified to the investor and be published immediately following such decision and at least once every week during the period of suspension, in the newspaper and Scheme's official website in which the Fund's prices are normally published.

During the suspension period, any creation or cancellation of participatory interests by the Trustee, along with any buying or selling activities by the Fund Manager, are to be immediately suspended.

Before resuming normal operations, the Fund Manager must notify both the Authority and all stakeholders of the intended resumption and follow up with public announcements through appropriate media channels.

Throughout the suspension period, it is the Fund Manager's responsibility to maintain transparent communication with all concerned parties, keeping them informed of ongoing and future actions. It is important to note that during the suspension, standard obligations typically required in the administration of participatory interests will be temporarily set aside until operations fully resume.

The suspension of dealings in units shall cease as soon as practicable after the Trustee is



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no longer of the opinion referred to above, and in any event within twenty-eight days of the commencement of the suspension of dealings in shares.

Before the suspension of dealings in units ceases, the Fund Manager shall inform the Authority of the proposed resumption and forthwith after the resumption shall confirm the resumption by giving notice in writing to the Authority.

This regulation may be applied to units of one or more funds under the NCBA Unit Trust Scheme of units without being applied to other funds and shall apply to a sub-fund as it applies to the Collective Investment Scheme, but by reference to the respective fund. However, the Fund Manager shall have regard to the interest of all the holders in the Umbrella Scheme.

The Authority is also vested with the power to initiate a suspension of the Fund Manager or the Trustee if it concludes that such action would protect the interests of the participants. This provision ensures participant protection is prioritized and that regulatory oversight is maintained.

8.2 WINDING UP OF THE NCBA UNIT TRUST SCHEME

The circumstances in which the NCBA Unit Trust Scheme may be wound up are:

- a) where the Authority revokes the approval of the Collective Investment Scheme;
- b) where the Fund Manager or the Trustee or Custodian requests for the revocation of the Authority's approval of the Scheme;
- c) upon the expiry of any period specified in the Trust Deed as the period at the end of which the Scheme is to terminate;
- d) on the effective date of a duly approved scheme of amalgamation; or
- e) on the effective date of a duly approved Collective Investment Scheme reconstruction which results in all the property of the reconstructed scheme becoming the property of two or more schemes.

On or before notice is given to the Authority in the event of a proposal to wind up the affairs of the Unit Trust Funds otherwise than by court, the Trustee shall commence to make a full enquiry into the Unit Trust Funds' affairs so as to ascertain whether the Scheme will be able to meet all its liabilities (which include contingent and prospective liabilities) and the Fund Manager shall prepare a statement, which shall reflect the results of such enquiry, and either –

- a) Confirm that the Unit Trust Funds will be able to meet all its liabilities within twelve months of the date of the statement; or
- b) State that such confirmation cannot be given.

The statement which the Fund Manager shall prepare shall: –

- 1. Relate to the Unit Trust Scheme's affairs at the date which must not be more than the twenty-one days prior to the date on which notice is given to the Authority.
- 2. Be approved by the Trustee and be signed on their behalf by the Fund Manager. If confirmation is given that the Unit Trust Funds will be able to meet all its liabilities within twelve months of the date of the statement, signing may be done by the



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Fund Manager and contain a statement signed by the Auditor to the effect that in their opinion the enquiry required has been properly made.

Following compliance, the statement must be sent or delivered to the Authority and a copy sent to the Custodian.

8.3 CONSEQUENCES OF COMMENCEMENT OF WINDING UP

The effective time of winding up means the time at which clause 61 has been satisfied, and the time at which the Unit Trust Funds shall be wound up.

Immediately following the effective time: -

1. Regulations pertaining to pricing, dealing, investment and borrowing powers shall cease to apply to the Unit Trust Funds;
2. The Unit Trust Fund shall cease to issue and cancel units. The Fund Manager shall cease to sell or redeem units or to arrange for the Unit Trust Funds to issue or cancel them;
3. No transfer of a unit shall be registered and no other change to register of unit holders shall be made without the sanction of the Trustee, as the case may be; and
4. The Unit Trust Funds shall cease to carry on its business, except so far as may be required for its beneficial winding up; however, the corporate state and corporate powers of the Scheme and (subject to the preceding provisions of the Act) the powers of the Trustee shall continue until the Unit Trust Fund is dissolved.
5. The Fund Manager shall as soon as practicable after the effective time
 - (i) publish in not less than two daily newspapers of national circulation published in the English language, management's decision to wind up the Unit Trust Funds and the date of commencement of the winding up; and
 - (ii) If the Fund Manager has not previously notified the unit holders of the proposal to wind up, give written notice of the commencement of the winding up to the unit holders.

8.4 MANNER OF WINDING UP

1. The Fund Manager shall cause the NCBA Unit Trust Scheme to be utilised and the liabilities of the Unit Trust Fund to be met out of the proceeds.
2. The Fund Manager shall give instructions to the Custodian of how such proceeds (until utilised to meet liabilities or make distributions to unit holders) shall be held and such instructions shall be with a view of the prudent protection of the creditors and unit holders against loss.
3. Provided there are sufficient funds, after provision for expenses and the discharge of the liabilities of the Unit Trust Fund remaining to be discharged, the Fund Manager may arrange to make one or more interim distributions out of such funds to the unit holders proportionately to the right to participate in the Unit Trust Fund attached to their respective units.
4. The Fund Manager shall make a final distribution on or prior to the date on which the final account is sent to the unit holders after realising the portfolio and all the liabilities of the NCBA Unit Trust Scheme.



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8.5 FINAL ACCOUNT

As soon as the Unit Trust Funds' affairs are fully wound up, including distribution or provision for distribution in accordance to this Deed, the Fund Manager shall prepare an account of the winding up, showing how it was conducted and how the Unit Trust Fund's portfolio has been disposed of and the account shall, following its approval by the Trustee, be signed on their behalf by the Fund Manager and the Trustee and the account once signed, shall be the 'final account' for the purposes of the Act.

The final account shall state the date on which the Unit Trust Funds' affairs were fully wound up and the date stated shall be regarded as the final day of the accounting period of the scheme then running of the 'final accounting period'.

The Unit Trust Funds' Auditor shall make a report in respect of the final account, which shall state the Auditor's opinion as to whether the final account has been properly prepared.

Within two months of the end of the final accounting period, the Fund Manager shall send a copy of the final account and the Auditor's report on it to the Authority, and to each person who was a unit holder (or the first named joint unit holder) immediately before the final accounting period.

8.6 DUTY TO ASCERTAIN LIABILITIES

The Fund Manager shall have a duty to ensure that all liabilities of the Unit Trust Funds are discharged prior to the completion of the winding up. This relates to all liabilities of a Scheme which: –

1. The Fund Manager is, or becomes aware of prior to the completion of the winding up; or
2. The Fund Manager would have become aware of prior to the completion of the winding up had it used all reasonable endeavours to ascertain the liabilities of the Unit Trust Funds.

If the Fund Manager rejects any claim against the Unit Trust Funds in whole or part, the Fund Manager shall forthwith send to the claimant written notice of its reasons for doing so.

If after the effective time the Fund Manager becomes of the opinion that the Unit Trust Funds will be unable to meet all its liabilities within twelve months of the date of the statement provided.

1. The Fund Manager shall notify the Trustee immediately.
2. The Trustee shall forthwith present a petition or cause the Unit Trust Funds to present a petition for the winding up in accordance with the Provisions in the Companies Act.

8.7 LIABILITY OF THE FUND MANAGER AFTER WINDING UP

The Fund Manager shall be personally liable to meet any liability of the NCBA Unit Trust Scheme wound up under the Act (whether or not the Unit Trust Fund has been dissolved) that was not discharged prior to the completion of the winding up, except to the extent that the Fund Manager can show that it has complied with Regulation 104.



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If the proceeds of the realization of the assets attributable, or allocated to a particular sub – fund of an Umbrella Scheme are insufficient to meet the liabilities attributable or allocated to that sub – fund, the Fund Manager shall pay to the Scheme for the account of that sub-fund the amount of the deficit, except and to the extent that the Fund Manager can show that the deficit did not arise as a result of any failure by the Fund Manager to comply with these Regulations.

The obligations of the Fund Manager under this Deed shall not affect any other obligation of the Fund Manager under this Deed, the Act or the general law.

Liabilities of an Umbrella Scheme attributable to a particular sub-fund shall be met out of the Collective Investment Scheme portfolio attributable or allocated to such sub-fund.

In this Part: –

- a. references to units are references to units of the class(es) related to the sub-fund to be terminated;
- b. references to holders are references to holders of such units;
- b) references to a resolution or extra-ordinary resolution are references to such resolution passed at a meeting of holders of units of the class or classes referred to above in (a).
- a. references to Collective Investment Scheme portfolio are references to Collective Investment Scheme portfolio allocated or attributable to the sub-fund to be terminated; and
- c) references to liabilities are references to liabilities of the company allocated or attributable to the sub-fund to be terminated.

8.8 ACCOUNTS AND REPORT

While the Unit Trust Fund is being wound up:

- 1. The annual and half-yearly accounting periods shall continue to run;
- 2. The provisions about annual and interim allocation of income shall continue to apply.
- 3. Annual and half-yearly reports shall continue to be required.
- 4. The Fund Manager need not send to each unit holder a copy of any report relating to an accounting period or half-yearly accounting period which began after the effective time, if the Trustee of the Unit Trust Fund as the case may be, after consulting the Authority, is satisfied that the interests of the unit holders are not such as to require the report to be sent to the unit holders, but a copy of the report shall be sent or supplied free of charge to any unit holder requesting the same.



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8.9 CAPITAL MARKETS TRIBUNAL

Any dispute or difference which may arise between the unit holders, Fund Manager, Trustee, Custodian and others shall be referred to the Capital Markets Tribunal, established under the Act.

9 PART IX - CERTAIN VOID PROVISIONS AND AMENDMENTS TO THE TRUST DEED

Any provisions in the Trust Deed relating to NCBA Unit Trust Scheme which is inconsistent with the Act shall be void.

The parties to a Trust Deed may by a Supplemental Deed alter or rescind any provisions of such Trust Deed or add further provisions thereto, but no alterations or rescission of or addition to any Trust Deed shall be valid unless:

1. The consent of unit holders has been obtained in the manner prescribed in this Trust Deed provided that if the Trustee is satisfied that any such alteration or rescission will not prejudice the interests of the unit holders and does not release the Trustee or the Fund Manager from any responsibility to the unit holders, such consent may be dispensed with.
2. The Authority is satisfied that any alteration does not contain anything inconsistent with the provisions of the Capital Markets Act or with sound financial principles.

Any provision in this Trust Deed purporting to relieve any party of liability to the unit holders on account of his own negligence shall be void.



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AS WITNESS this Agreement has been executed by the parties hereto as appears herein below.

SEALED with the common seal of)

THE PROMOTER/FUND MANAGER
NCBA Investment Bank Limited
in the presence of:)

Kathrynne Maundu
Group Director, Corporate Governance
Legal and Company Secretary
NCBA Investment Bank Limited

Signature.....

SIGNED BY:
THE TRUSTEE

(Authorised Signatory of
KCB BANK (KENYA) LIMITED
in the presence of:)

PATRICIA A. ODONGO
ADVOCATE
P. O. Box 58025 - 00200
NAIROBI

FLORENCE NDUBA
IPA 70987/1