NCBA UNIT TRUST SCHEME

SUPPLEMENTAL TRUST DEED

NCBA GLOBAL EQUITY SPECIAL FUND

JUNE 2024

NCBA

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UNIT TRUST FUNDS TRUST DEED

SUPPLEMENTAL TRUST DEED – NCBA GLOBAL EQUITY SPECIAL FUND

The Sponsor: NCBA Investment Bank Limited NCBA Annex, Hospital Road, Upper Hill, Nairobi P.O. Box 44599, 00100 Nairobi Kenya Date of Approval: 3rd May, 2024
Fund manager: NCBA Investment Bank Limited NCBA Centre Annex, Hospital Road Upper Hill, Nairobi P.O. Box 44599-00100, Nairobi, Kenya Tel: 020-2884444 Note: NCBA Investment Bank Limited is a wholly owned subsidiary of NCBA Group PLC
Offshore Investment Advisor: RisCura Solutions (Kenya) Limited Jadala Place, 3rd Floor, Ngong Lane, Ngong Road, Nairobi T: +254 725 417 607 E: info@ke.riscura.com
The Trustee KCB Bank (Kenya) Limited, Trustee Services KCB Tower, 7th Flr, Kenya Road, Upper Hill, P.O. Box 30664-00100, Nairobi, Kenya Tel: 3270-000 / 0711-012-000 Email: trustee@kcbgroup.com
The Custodian NCBA Bank Kenya PLC, Custodial Services NCBA Centre, Corner of Mara and Ragati Roads, Upper Hill, Nairobi P.O. Box 44599, 00100 Nairobi Kenya
The Auditor *Deloitte& Touche LLP* *Deloitte Place* *Waiyaki Way* *Muthangari* *P O Box 40092 GPO 00100*

SUPPLEMENTAL DEED – NCBA GLOBAL EQUITY SPECIAL FUND

To the

TRUST DEED

ENTERED INTO BETWEEN

NCBA INVESTMENT BANK LIMITED ("THE SPONSOR")

And

KCB BANK KENYA LIMITED ("THE TRUSTEE")

Entered into for the purpose of establishing a unit trust portfolio to be known as **"NCBA GLOBAL EQUITY SPECIAL FUND"**

Expressions used in this SUPPLEMENTAL DEED and defined in the TRUST DEED shall bear the meanings assigned to them in the TRUST DEED.

1. PREAMBLE

The Sponsor and the Trustee, have agreed to establish, by this Supplemental Trust Deed, a Fund of the Collective Investment Scheme, to be known as the **NCBA Global Equity Special Fund**, (the Fund) which shall be subject to all the relevant provisions of the Trust Deed together with any amendments thereto, the Act, such legislation as may be published from time to time, and this Supplemental Trust Deed.

Expressions defined in the Trust Deed shall bear the meanings therein given to them when used in this Supplemental Trust Deed.

2. THE CONSTITUTION OF THE PORTFOLIO

Name: **NCBA Global Equity Special Fund**

Address of Head office:
NCBA Center, Junction of Mara and Ragati Road
Upper Hill
P.O Box 30059- 00100
Nairobi, Kenya.

a) The Sponsor and the Trustee entered into a Trust Deed establishing one or more-unit trust schemes ("the Trust Deed")

b) The Sponsor and the Trustee have by this Supplemental Trust Deed agreed to establish a Fund, known as **NCBA Global Equity Special Fund** which shall be subject to all the provisions of the Trust Deed and this Supplemental Trust Deed.

3. DECLARATION OF TRUST

Subject to the provisions of the Deed and all rules of the Collective Investment Scheme for the time being in force, the Collective Investment Scheme portfolio

(other than sums standing to the credit of the distribution account) is held by the Trustee on trust for the holders of the shares *pari passu* according to the number of shares held by each holder, and the sums standing to the credit of the distribution account are held by the Trustee on trust to distribute or apply them in accordance with the Trust Deed.

4. TRUST DEED TO BE BINDING AND AUTHORITATIVE

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

5. OBJECTIVE OF THE NCBA GLOBAL EQUITY SPECIAL FUND

The objective of the NCBA Global Equity Special Fund is to provide a medium whereby investors can obtain undivided participation in a diversified portfolio of global equity securities. The Fund provides an efficient investment medium whereby investors can participate in investment portfolio(s) that will seek to provide the maximum overall return in the form of medium to long-term capital growth and income distribution.

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

The Trustee shall ensure that the investment policy set out in this Supplemental Trust Deed and the provisions of the Trust Deed are carried out.

6. THE INVESTMENT POLICY AND AUTHORISED INVESTMENTS

6.1. Investment Principles

The guiding principles for the NCBA Global Equity Special Fund are:

a) To only invest in diverse securities trading on regulated and listed exchanges;
b) To manage and administer the portfolio according to best practice;
c) To minimize losses, while maximizing on investment returns, by investing in low or uncorrelated assets;
d) To disclose investments on a weighted average basis.

6.2. Eligible Investments

6.2.1. The NCBA Global Equity Special Fund will only invest in listed securities denominated in United States Dollars (USD) at all times, and will be permitted to make investments subject to the maximum permitted by the asset allocation guidelines as indicated in the Investment Policy Statement.

6.2.2. The Fund Manager may from time to time invest in participatory interests or any other form of participation in portfolios of collective investment schemes or other similar collective investment schemes, as the Act and the Investment Policy Statement may allow from time to time. Where the aforementioned schemes are operated in territories other than Kenya, participatory interests or any other form of participation in portfolios of these schemes will be included in the portfolio only where the regulatory

environment is to the satisfaction of the Fund Manager and the Trustee and of sufficient standards.

Provided that:

a) Nothing contained in this Supplemental Trust Deed shall preclude the Fund Manager from varying the main objective, with the necessary approvals and in compliance with applicable laws and regulations, to take account of changing economic factors, tax laws, and provisions. Furthermore, the Fund Manager shall have the discretion to retain cash or place cash on deposit in accordance with the provisions of this Supplemental Trust Deed.

b) Nothing in this Supplemental Trust Deed shall preclude the Fund Manager from varying the ratios of securities, with the necessary approvals and in compliance with applicable laws and regulations, to maximize capital growth and investment potential in a changing economic environment or market conditions, or to meet the requirements, if applicable, of any exchange formally recognized in terms of legislation. However, the Fund Manager shall ensure that the aggregate value of the assets comprising the unit trust portfolio shall consist of securities and liquid asset investments, in accordance with the aggregate value requirements as stipulated from time to time by the Act and regulations.

6.2.3. NCBA Global Equity Special Fund's holding of securities relating to any single issuer shall not exceed twenty-five per cent (25%) of the unit trust scheme's properties net asset value.

6.2.4. Investment in a related company shall be limited to twenty-five per cent of the Assets under Management

6.2.5. The market value of an investment in an interest-bearing account, financial product or instrument of 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 of the assets under management;

6.2.6. Investment in alternative investments be at a maximum of eighty per cent;

6.2.7. The Fund Manager shall not apply any part of the NCBA Global Equity Special Fund 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.

6.2.8. The limits and restrictions in this part shall be complied with at all times based on the most up-to-date value of the NCBA Global Equity Special Fund, but a five percent (5%) allowance in excess of any limit or restriction shall be permitted where the limit or restriction is breached through the appreciation in value of the scheme.

6.2.9. Information on the investments will be given in monthly reports to the unit holders on the investments in the portfolio undertaken by the Fund Manager. These reports will review the investment activity and performance of the investment portfolio and any changes comprising the NCBA Global Equity Special Fund.

6.2.10. The Fund Manager shall not apply any part of the NCBA Global Equity Special Fund 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.

6.2.11. The limits and restrictions in this part shall be complied with at all times based on the most up-to-date value of the NCBA Global Equity Special Fund, but a five percent (5%) allowance in excess of any limit or restriction shall be permitted where the limit or restriction is breached through the appreciation in value of the scheme.

6.2.12. Information on the investments will be given in monthly reports to the unit holders on the investments in the portfolio undertaken by the Fund Manager. These reports will review the investment activity and performance of the investment portfolio and any changes comprising the NCBA Global Equity Special Fund.

7. PRICING OF UNITS

7.1 Pricing Frequency

The pricing of the units will be the Net Asset Value per unit as defined in the Trust Deed. The Fund Manager shall compute the value at the end of each business day and on a weighted average basis.

7.2 Publication of NAV(s)

The price of units will be published daily in two widely distributed newspapers with national coverage. The price reflected in the newspapers and on the NCBA Group's website shall be the previous day's NAV.

7.3 Calculation of NAV

The value of the fund to be used in daily reporting and determining the selling/repurchase price quoted by the Fund Manager and the price payable by the Fund Manager on the creation of additional units shall be the NAV for each unit of the respective fund.

The formula to be adopted to determine the NAV of the fund per unit is:

$$\frac{\textbf{Value of Assets of the Fund – Liabilities}}{\textbf{Number of units issued and fully paid}}$$

The value of the assets include:

a) Aggregate market value of the underlying securities in the fund portfolio at a valuation point.

b) Aggregate of all income accruals and payments received in lieu of income accruals.

Liabilities of the fund shall include:

a) Accrued fund fees and expenses - those expense accruals as in the opinion of The Fund manager represents a fair proportion, at the said date, of the fee and other amounts and charges for the relevant accounting period.

8. CREATION, CANCELLATION AND REDEMPTION OF UNITS

8.1 Creation of Units

The Fund Manager shall create units in the Fund at the beginning of the first month of business at the initial NAV per unit and at the approved valuation for subsequent periods.

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 provided that the price at which the units are acquired shall be the net asset value per unit.

The Fund Manager shall state, in relation to 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.

8.2 Holder's Liability to Pay

A Unit holder is not liable to make any further payment after he has paid the purchase price of his units and no further liability can be imposed on him in respect of the units which he holds.

8.3 Certificate of Entitlement

The Fund Manager shall issue an investment confirmation at the creation of units to each unit holder, which shall serve as evidence to the title to units held by the unit holder.

The investment confirmation shall be distributed via email addresses provided by the unit holders, updated regularly, and formally advised by the unit holders whenever there is a change in address. Where the unit holder does not provide an email address, the investment confirmation shall be available for collection in hard copies at any branch of NCBA Bank.

This Supplemental Trust Deed authorises the Trustee to charge a fee for issuing any document, recording, or for amending, an entry on the register, otherwise than on the creation or redemption of units.

8.4 Redemption of Units

On redemption of units, the Fund Manager shall within fifteen (15) business days pay the unit price of the units to the person who was the holder of those units and in accordance with the relevant provisions of the Trust Deed, and other incorporation documents. The redemption price payable for each unit by the Fund Manager shall be based on the approved NAV after the next NAV Calculation date following the date liquidations instructions are received.

8.4.1 Timing of Instructions to Create or Cancel Units

A Fund Manager may at any time create or redeem units.

The units shall be created or redeemed on a T+15 days basis, where T;

a) In relation to creation of units, is the next NAV Calculation date following the day in which monies relating to creation of units are received in the collection account of the Fund Manager, and;

b) In relation to redemption of units, the next NAV Calculation date after the instructions for redemption of units are received by the Fund Manager.

Provided that the foregoing provisions shall not apply if

a) The numbers or value of the units sought to be issued is less than any number or value stated in the information memorandum as the minimum number or value of units to be purchased.

b) The Fund Manager, taking into consideration the interests of all unit holders and the relevant circumstances pertaining to the individual in question, reserves the right to refuse the issuance or redemption of units to said individual, based on reasonable grounds.

8.5 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 two business days of the instructions by the Fund Manager, 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 based on the net asset value of the fund.

9. APPOINTMENT OF AND DUTIES OF SERVICE PROVIDERS

9.1 The Trustee in conjunction the Sponsor shall from time to time appoint service providers to provide various services to enable the Fund achieve its objectives and conform to applicable laws.

9.2 The service providers contemplated in this Supplemental Trust Deed include;

- Fund Trustee
- Fund Manager/Investment Advisor
- Local Custodian
- Offshore Sub-Custodian
- Fund Auditors
- Investment Advisor

9.3 The Scheme will at all times be managed and administered by a Fund Manager licensed by the Capital Markets Authority. The Fund Manager shall at all times maintain a paid-up share capital as prescribed by the Authority.

9.4 The duties and responsibilities of the service providers shall be as specified and outlined in the NCBA Unit Trust Scheme Trust Deed, and shall be binding upon the service providers as set forth therein.

10. CHARGES AND EXPENSES OF THE FUND

The service providers shall levy periodic charges to cover the fees for the services provided in performing their obligations for the purpose of enabling the Fund achieve its objectives and to conform to the applicable laws. The aggregate service provider fees shall be payable out of the income of the funds and expressed as an annual percentage of the value of the fund portfolio. The fees charged by service providers shall be disclosed in the Fund's Information Memorandum and are subject to applicable taxes.

To propose the introduction of a new fee or a modification in the fee rates, amount, or calculation method, the service provider shall furnish a written notice of their intention to unit holders, providing a ninety-day notice period (or such shorter period as mandated by the Authority), subsequent to obtaining approval from both the Trustee and the Capital Markets Authority. The fee charged by the service providers in relation to the fund shall be proportionate to the duration of the corresponding accounting period and shall be computed by the service provider as a percentage of the day-end market value of the fund's total investments.

10.1 Subscription and Redemption Charges

Unit holders will not be exposed to subscription and redemption charges. Unit holders shall bear the bank charges on subscriptions and redemptions which shall be deducted from monies received in the case of subscriptions prior to creation of units and in the case of redemption deducted from net amount payable on redemption.

10.2 Other Expenses of the Fund

The Trustee is authorized to charge a fee for issuing any document, recording, or for amending an entry on the register, otherwise than on the issue or sale of units.

The fund manager shall be entitled to cover expenses to pay obligations as listed below:

- Auditors fees
- Agent/Broker Commissions
- Regulatory fees as applicable
- Publication fees etc.

11. LIMITATION OF TRUSTEE'S LIABILITY FOR SECURITY TRANSACTIONS

The Trustee shall not be responsible in any circumstances for any loss whatsoever arising from the purchase, selection, sale, exchange or alteration of any security.

12. SUPREMACY OF CAPITAL MARKETS ACT

Any provisions in the Trust Deed relating to NCBA Global Equity Special Fund which is inconsistent with the Capital Markets Act and its Regulations shall be void.

IN WITNESS WHEREOF the duly authorized representatives of the parties have set their respective hands hereto this...27...day of.....08......................2024

SEALED with the common seal of)

NCBA Investment Bank Limited)
in the presence of:)

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SIGNED BY: Florence Nduba)
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

Appendix: Key Features of the Special Fund

Fund Feature		Description
Name of Fund	✓	NCBA Global Equity Special Fund
Regulation	✓	Strategy registered and regulated by CMA under the Capital Markets (Collective Investment Schemes) Regulations, 2023
Fund Currency	✓	Offered in USD
Nature of return	✓	Growth in net asset value of fund units earned from capital appreciation and dividend income. Net of all charges.
Fund Benchmark	✓	MSCI All Country World Index
Investment Risk	✓	Moderate to high risk. Principal investment is subject to capital gains and losses from the valuation of underlying investments.
Onboarding Process	✓ ✓ ✓	Completion of Application forms and Provision of all required documentation Completion of Risk assessment and suitability questionnaire All documents/forms should be completed/received by the administrator on or before 10th day of the month and onboarding approved before subscriptions funds are transferred into the fund's bank account.
Unit Redemption Rules.	✓ ✓	The fund will be an open-ended fund that allow for partial/full liquidation of investment based on approved valuation determined on the next NAV determination date after receipt of sale instructions. Proceeds of redemption will be payable by the 15th day after the NAV determination date. The NAV determination date for purpose of redemptions will be the last day of each calendar month.
Subscription rules	✓ ✓	The fund will be an open-ended fund that allow for monthly subscription based on approved valuation determined on the next NAV determination date after receipt of subscription funds. The NAV determination date for purpose of subscriptions will be the last day of each calendar month.
Eligible Assets Classes	✓	As per the asset allocation guideline provided in the Investment Policy Statement
Suitability	✓	The fund is suitable for investors with a moderate to high risk appetite, have low liquidity needs and long-term investment horizon.
Fund Expenses	✓	The fund Total expense ratio will be provided in the Information Memorandum and revised from time to time
Subscription and redemption charges	✓	Investors will not be exposed to subscription and redemption charges but will bear bank charges on subscriptions and redemptions.
Fund Pricing	✓	Daily mark to market valuation but monthly NAV approved

Fund Feature	Description
	for subscription and redemptions.
Taxation	✓ NAV to be net of all applicable taxes
Minimum Investment	✓ As may be provide from time to time in the fund Information Memorandum.