

Dated 3rd FEBRUARY 20 22

GENAFRICA ASSET MANAGERS LIMITED

Trust Deed & Rules
for the
GenAfrica Unit Trust Scheme

DRAWN BY:

The logo consists of the letters 'KN' in a stylized, cursive, green font.

— LAW LLP —

Advocates & Notaries Public
5th Floor, The Pavilion
Westlands, Lower Kabete Road
P.O. Box 27547-00100
NAIROBI
Email: info@kn.co.ke

File Ref: G0012/010/1/1/63/66

Table of Contents

PART A: THE TRUST DEED

1.	DEFINITIONS AND INTERPRETATIONS	4
2.	THE CONSTITUTION OF THE SCHEME	10
3.	THE TRUST.....	11
4.	TRUST DEED TO BE BINDING AND AUTHORITATIVE	11
5.	THE BASE CURRENCY, INVESTMENT POLICIES AND ELIGIBLE INVESTORS.....	11
6.	VALUATION OF THE UNIT PORTFOLIO	12
7.	APPOINTMENT OF THE FUND MANAGER.....	13
8.	FUND MANAGER'S CAPITAL.....	13
9.	DUTIES OF THE FUND MANAGER.....	13
10.	FUND MANAGER'S REMUNERATION	14
11.	REPORTS BY THE FUND MANAGER	15
12.	RECORDS BY THE FUND MANAGER	16
13.	FUND MANAGER'S POWERS	17
14.	DOCUMENTS TO BE PREPARED BY THE FUND MANAGER.....	18
15.	RESIGNATION, RETIREMENT, AND SUSPENSION OF THE FUND MANAGER.....	18
16.	REMOVAL OF THE FUND MANAGER.....	19
17.	APPOINTMENT OF TRUSTEE	19
18.	TRUSTEE'S ELIGIBILITY.....	20
19.	ROLE, POWERS, DUTIES AND OBLIGATIONS OF THE TRUSTEE	20
20.	REGISTRATION AND RETENTION OF SECURITIES BY THE TRUSTEE	21
21.	LEGAL PROCEEDINGS BY OR AGAINST THE TRUSTEE.....	21
22.	TRUSTEE FEES.....	21
23.	RETIREMENT AND APPOINTMENT OF NEW TRUSTEE	22
24.	THE REMOVAL OF THE TRUSTEE.....	22
25.	APPOINTMENT OF THE CUSTODIAN.....	23
26.	DUTIES OF THE CUSTODIAN.....	23
27.	CUSTODIAN FEES.....	24
28.	RECORDS TO BE MAINTAINED BY THE CUSTODIAN.....	24
29.	REPORTS BY THE CUSTODIAN	24
30.	RESIGNATION OF THE CUSTODIAN	25
31.	REMOVAL OF THE CUSTODIAN	25
32.	ISSUE AND PURCHASE OF UNITS.....	26

33.	CREATION OF UNITS.....	27
34.	CANCELLATION OF UNITS	27
35.	REDEMPTION AND REPURCHASE OF UNITS	27
36.	PRICING OF UNITS.....	29
37.	NOTIFICATION OF PRICE TO THE TRUSTEE OR CUSTODIAN	30
38.	METHOD USED FOR VALUATION OF UNITS	30
39.	MEETINGS	31
40.	NOTICE OF MEETINGS.....	31
41.	QUORUM FOR A MEETING	32
42.	VOTING RIGHTS.....	32
43.	PROXIES.....	33
44.	RESOLUTIONS.....	33
45.	AMENDMENTS TO INCORPORATION DOCUMENTS	33
46.	WINDING UP OF THE GENAFRICA UNIT TRUST SCHEME	34
47.	CONSEQUENCES OF COMMENCEMENT OF WINDING UP.....	35
48.	MANNER OF WINDING UP	36
49.	FINAL ACCOUNT	36
50.	DUTY TO ASCERTAIN LIABILITIES.....	36
51.	ACCOUNTS AND REPORTS	37
52.	DISPUTES.....	37
53.	OTHER MATTERS.....	39
54.	CERTAIN VOID PROVISIONS	40
	PART B: THE RULES.....	40
	INVESTMENT POLICY.....	54

PART A: THE TRUST DEED

PART I

THE TRUST

THIS TRUST DEED is made as of the 3rd day of FEBRUARY 2022

1. DEFINITIONS AND INTERPRETATIONS

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

"Accounting Period" means the annual accounting period, for the GenAfrica Unit Trust Scheme, from the first day of January and ending on the last day of December in each year;

"Accounting Reference Date" means 31st December of each year;

"Act" means the Capital Markets Act, Chapter 485A of the Laws of the Republic of Kenya, and any regulations issued thereunder as may be amended from time to time.

"Annual Report" means the audited annual reports and financial statements of the GenAfrica Unit Trust Scheme.

"Application Form" means a form to be provided by the Fund Manager, electronically or otherwise, to be filled by the Unit Holder for subscription of Units in the GenAfrica Unit Trust Scheme.

"Assets" means any tangible assets and includes the following:

- cash in hand or deposited with a bank;
- authorised investments;
- Amounts owing to the Scheme by debtors;
- Income accruing from authorised investments to the extent not included in the preceding paragraphs of this definition;
- Any prepayment of expenditure; and
- The proceeds of any borrowing.

"Auditors" means a person or a firm qualified for appointment as auditor of a public company in Kenya and appointed by the Fund Manager as auditor of the GenAfrica Unit Trust Scheme, subject to the provisions of the Act.

KSH-200

F
SDE ID
B3/2/22
LKE

L. K. Andia



"Business Day"	means a day on which banks are open for non-automated business in Kenya (except Saturday, Sunday and public holidays) and "Business Days" means more than one of them
"Capital Gains"	means and includes all securities, rights and other benefits in the nature of capital accruals received or to be received by or on behalf of the GenAfrica Unit Trust Scheme by reason of the holding of the Underlying Securities on behalf of the Unit-holders, whether received in cash or securities or by warrant, cheque.
"Cash"	includes cheques, Bank cheques, Bank deposits, Bank transfers and Bank drafts in any currency.
"CMA"	means the Capital Markets Authority of Kenya, established under section 5 of the Act
"Custodian"	means a company approved by the CMA to hold in custody funds, securities, financial instruments or documents of title to the assets of the GenAfrica Unit Trust Scheme.
Collective Investment Schemes Regulations	means the Capital Markets (Collective Investment Schemes) Regulations, 2001, as may be amended from time to time
"Cost"	in relation to any Asset, means the total of all amounts paid or payable whether in cash, by issue of Units, or otherwise, by or on behalf of the Trustee or the Fund Manager that are directly attributable to a Fund acquiring ownership of the Asset including, but not limited to, stamp duty, brokerage fees, and commissions.
"Dealing"	means an act of buying, selling or agreeing to buy or sell or trade securities by the Fund Manager.
"Dealing Day"	every day of every week that is a Business Day on which the Net Asset Value per Unit of a Fund is calculated.
"Dilution"	means any reduction in the value of a Fund's portfolio as a result of costs incurred in dealing in its underlying investments and of any spread between the buying and selling prices of such investments.
"Dilution levy"	means a charge incurred as a result of Dilution.
"Distribution date"	means the day that accrued income is credited to the Unit Holders.

"Distribution Account"	means an account established by the GenAfrica Unit Trust Scheme from time to time through which it shall make distributions to the Unit Holders in accordance with this Deed and the Incorporation Documents
"Extraordinary Resolution"	means a resolution passed by a majority of at least 75% of the votes cast at a meeting of Unit holders held in accordance with this Deed, or if a poll is demanded, then by a majority of not less than 75% of the votes cast in the poll.
"Form of Renunciation"	means a document in the form from time to time prescribed by the Fund Manager, by which a Unit Holder renounces all his right, title and interest in and to the Units to which the Form of Renunciation relates and acknowledges that he has no further interest in such Units.
"Fund Manager"	means GenAfrica Asset Managers Limited, its successors or any other company, which from time to time administers, manages or controls the GenAfrica Unit Trust Scheme, in terms of the Act and this Trust Deed.
"Funds"	means the GenAfrica Money Market Fund and the GenAfrica Equity Fund or any other funds as may be constituted through an amendment to this Trust Deed and being part of the GenAfrica Unit Trust Scheme and "Fund" shall mean any of them.
"GenAfrica Unit Trust Scheme or "Scheme"	means the scheme established under the Trust Deed in compliance with the provisions of the Act and intended to provide facilities for the participation by a Unit Holder, as beneficiaries under the Trust, in the income, profits and gains arising out of the acquisition, holding, management or disposal of securities or other properties.
"Income Accruals"	for an accounting period means any dividend, interest, or other income for distribution received by or accrued to the GenAfrica Unit Trust Scheme, the Custodian, or the Fund Manager, on behalf of the Unit Holders for that accounting period together with any amounts carried forward from any previous accounting period as not having been distributed.
"Issued Units"	in respect of a Fund, means all Units in the Fund for the time being created and issued and not cancelled as at a particular day but does not include Units which are redeemed or repurchased by the Fund Manager on that particular day and fully paid Issued Units shall have a corresponding meaning.

"Information Memorandum"	means the information memorandum issued by the Fund Manager in relation to the Funds, as updated, replaced or supplemented from time to time.
"Incorporation Documents"	means in respect of the GenAfrica Unit Trust Scheme, the Trust Deed and Rules of the Funds, their Information Memorandum, this and the Custody Agreement between the Trustee and Custodian.
"Kenya"	means the Republic of Kenya.
"Liabilities"	<p>in respect of each Fund, means the following:</p> <ul style="list-style-type: none"> (a) Unpaid administrative costs and expenses including fees of the Fund Manager and fees of the Trustees, Custodians and any other fees for services offered to the fund; (b) Accrued charges in respect of or owing in relation to any of the Authorized Investments; (c) Amounts required to meet present liabilities; (d) Provision for tax; (e) Underwriting fees, brokerage fees and commissions which are outstanding; and (f) Such other amounts as are required to meet liabilities or other expenditure which in the opinion of the Fund Manager should be taken into account and which have not otherwise been taken into account in determining the amount of the liabilities in any of the preceding paragraphs of this definition.
"Made-up Price"	means the price at which new Units in a Fund are offered to Unit holders and investors and as determined by the Fund Manager
"Management fee"	has the meaning given to it in clause [INSERT]
"Minimum holding"	means such amount as the Fund Manager may from time to time prescribe in the relevant Information Memorandum to be the minimum value of the initial or any subsequent investment in a Fund.
"Net Asset Value" Or "NAV"	in relation to a Fund means the net asset value of the Fund, calculated in accordance with this Deed.
"Net Income"	represents all income due and receivable less all Costs, charges and expenses due or accrued and paid or payable out of a Fund.
"Offer Price"	means the price quoted by the Fund Manager for the purchase of Units in a Fund, which price shall be based on the Net Asset Value per Unit.

"Preliminary Charge"	means that portion of the selling price of a Unit representing the Fund Manager's charge in respect to expenditure incurred and work performed by it in connection with the creation and issue of Units but does not include any Service Charge.
"Portfolio"	means the underlying group of securities in which members of the public are invited or permitted by the Fund Manager to acquire units pursuant to this Trust Deed, the Act and the Collective Investment Scheme Regulations and includes any amount in cash forming part of the assets pertaining to such portfolio.
"Recognised Securities Exchange"	means the Nairobi Securities Exchange, or a securities exchange outside Kenya approved by the Fund Manager with a confirmation to the Trustee and subject to the Act.
"Register"	means the record of Unit Holders of the GenAfrica Unit Trust Scheme as maintained by the Fund Manager.
"Securities"	has the meaning given in the Act.
"Service Charge"	means the monthly charge deductible from Income accruals and payments in lieu of Income accruals to remunerate the Fund Manager for administering the GenAfrica Unit Trust Scheme, expressed as a percentage of the average daily market value of the total assets comprising the GenAfrica Trust Scheme or a Fund thereof during the accounting period for which the charge is levied.
"Tax"	includes all income tax, withholding tax, sales tax and other taxes, state registration and other duties, and all levies whatsoever together with interest thereon.
"Transaction Costs"	This shall refer to those costs including but not limited to brokerage Commissions, Tax and other proven costs that may be introduced by regulatory bodies and/or business partners towards the purchase of securities by a Fund.
"Trust"	means the trust established by the Deed and called the "GenAfrica Unit Trust Scheme" or by such other name as the Trustee and the Fund Manager may from time to time determine.
"Trust Deed" or "Deed"	means this trust deed and any other deeds supplemental thereto, in relation to the GenAfrica Unit Trust Scheme and includes every instrument that varies those trusts or effects the powers, duties or functions of the Trustee or Fund Manager.

"Trustee"	means the person for the time being appointed as Trustee of the GenAfrica Unit Trust Scheme pursuant to this Deed.
"Underlying Securities"	in relation to the GenAfrica Unit Trust Scheme, means the securities comprised in or constituting a Unit Portfolio and includes any cash or claims derived or resulting from the conduct of the Unit Portfolio which are held by or due to the Fund, the Fund Manager or the Trustee for the benefit of the unit holders in that Unit Portfolio.
"Unit"	means an undivided share in or part of a Unit Portfolio of the GenAfrica Unit Trust Scheme as is provided for in this Deed and includes a fraction thereof.
"Unit holders"	means any person (other than the Fund Manager) who has purchased Units and is a holder of Units in the GenAfrica Unit Trust Scheme and is registered in the Register.
"Unit Portfolio"	means the Underlying Securities, specific to a Fund, in which persons are invited or permitted by the Fund Manager to acquire Units in including any cash and/or claims forming part or deemed to form part of the assets pertaining to that Unit Portfolio but after deduction of any liability pertaining or deemed to pertain to such Unit Portfolio.
"Units in Issue"	means all Units which have been created and which have been entered in the Register including those held or deemed to be held by the Fund Manager, and which have not been cancelled.
"Valuation Point"	means, in relation to the GenAfrica Unit Trust Scheme, the cut off time on any Dealing Day on which the Net Asset Value of the Funds is calculated.
"VAT"	means Value Added Tax or any other similar tax by whatever name called.
"Year"	in relation to the GenAfrica Unit Trust Scheme, means: <ul style="list-style-type: none"> (a) the period commencing on the date of commencement of the Funds and expiring on the following 31st December, provided that the period will be constituted of at least six months, failing which the period shall end on the 31st December immediately following those six months; and (b) each succeeding period of twelve (12) months during the continuance of the Funds and includes any longer or shorter consecutive period than twelve (12) months that may arise as a result of the adoption of any substituted period for the Accounting Period and also includes any period between the

end of the last complete Year prior to the date of termination of the Scheme or a Fund.

- 1.2. In this Deed, unless the context otherwise requires, 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.
- 1.3. Reference to articles, enactments, and sections of enactments, documents and agreements shall include reference to any amendments, modifications, extensions, substitutions or re-enactment thereof, as the case may be, for the time being in force.
- 1.4. In the interpretation of this Deed, unless the context otherwise requires:
 - 1.4.1. Headings appear as a matter of convenience and do not affect the interpretation of this Deed;
 - 1.4.2. References to Parts, Clauses, paragraphs and the Schedule are to Parts, Clauses, paragraphs of, and the Schedule to this Deed;
 - 1.4.3. words importing the singular number shall include the plural number and vice versa;
 - 1.4.4. words importing the masculine gender only shall include the feminine gender;
 - 1.4.5. The words "Written" and "Writing" include email and any means of visible reproduction;
 - 1.4.6. words importing persons only shall include companies or associations or bodies of persons, whether corporate or not; and
 - 1.4.7. the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative.

2. THE CONSTITUTION OF THE SCHEME

- 2.1. GenAfrica Asset Managers Limited wishes to establish and to be the Fund manager of an umbrella Unit Trust Scheme to be known as "**GenAfrica Unit Trust Scheme**" for the benefits of Unit Holders as defined in this Trust Deed.
- 2.2. The Trustee agrees to act as Trustee of the Funds for the benefit of Unit Holders on the terms and conditions set out in this Trust Deed.
- 2.3. The Address of the GenAfrica Unit Trust Scheme is:

GenAfrica Assets Managers Limited
14 Riverside Business Park
Off Riverside Drive, Westlands,
P.O. Box 79217-00200
Nairobi, Kenya

- 2.4. The Scheme is not to be wound up after the expiry of a particular period of time and shall continue in existence until otherwise wound up in accordance with this Trust Deed and the provisions of the Collective Investment Scheme Regulations.

3. THE TRUST

3.1. Declaration of Trust

Subject to the provisions of this Deed and all rules of the GenAfrica Unit Trust Scheme for the time being in force, the GenAfrica Unit Trust Scheme Unit Portfolio (other than sums standing to the credit of the Distribution Account) is held by the Trustee in trust for the Unit Holders of the units *pari passu* according to the number of units held by each Unit Holder, and the sums standing to the credit of the distribution account are held by the Trustee in trust to distribute or apply them in accordance with the Act, Collective Investment Schemes Regulations, and this Deed.

3.2. Objects of the Trust

The object of the Scheme is to enable investor participation in a diversified portfolio of securities. In order to achieve this object, the Fund Manager shall be entitled, subject to the provisions of this Deed and of the Act, to create and issue an unlimited number of units in a Portfolio and establish different Portfolios in order to provide investors with investment opportunities in more than one group of securities.

4. TRUST DEED TO BE BINDING AND AUTHORITATIVE

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

5. THE BASE CURRENCY, INVESTMENT POLICIES AND ELIGIBLE INVESTORS

5.1. Base Currency

The base currency of the Scheme is Kenya Shillings [or such other currency or currencies as shall be the lawful currency of the Republic of Kenya

5.2. Investment Policies

- 5.2.1. In order to achieve their investment objectives, the assets of the Funds will be invested according to the Investment Policy Statement that shall be prepared by the Fund Manager and set out in the Information Memorandum and the limits prescribed by the Act and CMA.
- 5.2.2. The Fund Manager shall keep under review and may from time to time amend the allocation of the Funds' assets in the manner deemed appropriate for the purpose of achieving the Funds' Investment Objective.

5.3. Eligible Investors

- 5.3.1. The Eligible Investors shall be the persons set out in each Fund's Investment Policy Statement.
- 5.3.2. Only Eligible Investors will be eligible to invest in the Scheme. Units will only be marketed to Eligible Investors (or persons acting on their behalf). *Unit* Holders and prospective holders will be required to provide such information and/or documentation as the *Fund* Manager requires, to enable the Manager to satisfy itself that such holders or potential holders are, and continue to be, Eligible Investors, and able to hold units in the Scheme.

6. VALUATION OF THE UNIT PORTFOLIO

- 6.1. The value of the Unit Portfolios to be used in determining the repurchase price quoted by the Fund Manager and the price payable to the Trustee on the redemption of Units shall be the Net Asset Value at the end of the Dealing Day on which the written request to repurchase and redeem is received by the Fund Manager and the Trustee respectively.
- 6.2. The repurchase price quoted shall be the Net Asset Value of the Funds which shall be determined as follows

Value of the assets of the Fund – Liabilities

Number of units issued and fully paid

- 6.3. The Fund Manager will calculate the Net Asset Value of the Unit Portfolio at the end of each Dealing Day using the valuation methods provided at clause 39.
- 6.3.1. The Value of the asset of the Funds includes:
- Aggregate Market Value of the Underlying Securities at a valuation point;
 - Aggregate of all Income Accruals and payments received in lieu of Income Accruals from the creation of new Units; and
 - Amount of the compulsory charges payable on the acquisition of all the Underlying Securities.
- 6.3.2. Liabilities shall include:
- Accrued fees;
 - Expenses;
 - Those Income Accruals and payments in lieu of Income Accruals, set aside at the last preceding ex-dividend date for distribution, but not yet distributed, in respect of the Accounting Period which ended on the day prior to the last ex-dividend date; and
 - Those Income Accruals and payments in lieu of income accruals, as in the opinion of the Fund Manager, represents a fair proportion, at the said date, of the

Service Charge and other amounts and charges for the relevant accounting period.

PART II

THE FUND MANAGER

7. APPOINTMENT OF THE FUND MANAGER

- 7.1. The GenAfrica Unit Trust Scheme shall be managed by GenAfrica Assets Managers Limited licensed by the CMA as a Fund Manager.
- 7.2. The Fund Manager may appoint an administrator to carry out administration of the Funds, where the Fund Manager deems such appointment would be in the best interest of the Unit Holders.

8. FUND MANAGER'S CAPITAL

The Fund Manager shall at all times maintain a paid-up share capital and unimpaired reserves as prescribed by the CMA.

9. DUTIES OF THE FUND MANAGER

- 9.1. The Fund Manager shall:
 - 9.1.1. Carry out the administration of the Funds including the management of the Funds' portfolio of investments in accordance with the direction and the authority of the Trustee, as well as the provisions of this Trust Deed and the Act;
 - 9.1.2. Advise the Trustee on the asset classes which are available for investment;
 - 9.1.3. Formulate a prudent Investment Policy Statement for the Funds;
 - 9.1.4. Invest the Funds' assets in accordance with the Funds' Investment Policy Statement;
 - 9.1.5. Reinvest any income of the Funds which is not required for immediate payments;
 - 9.1.6. Instruct the Custodian to transfer, exchange and deliver in the required form and manner the Funds' assets held by such Custodian;
 - 9.1.7. Ensure that the units in the Funds are priced in accordance with the provisions of this Trust Deed, the Act and the Collective Investment Schemes Regulations;
 - 9.1.8. Not sell or issue any units otherwise than on the terms and at a price calculated in accordance with the Information Memorandum, provisions of this Trust Deed, the Act and the Collective Investment Schemes Regulations;
 - 9.1.9. 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 Funds' Unit Holders or former Unit Holders, by the Fund Manager to the Funds, or by the Funds to the Fund Manager;

- 9.1.10. At the request of a Unit Holder, purchase any Units held by such a Unit Holder on the terms and at a price calculated in accordance with the provisions of this Trust Deed and the Act;
- 9.1.11. Publish daily the price of Units in at least two (2) daily newspapers of national circulation, published in the English language. Where dealing is not on a daily basis, the Fund Manager shall ensure that there are at least one publication a month of the prices of the units in at least two (2) daily newspapers of national circulation, at least three (3) days before the dealing day, specifying therein the date of the dealing day;
- 9.1.12. Prepare and dispatch timely all cheques, warrants, notices, accounts, summaries, declarations, offers and statements under the provisions of this Trust Deed, the Act and the rules of the Funds;
- 9.1.13. Make available for inspection by the Trustee or the auditor records and books of account of the Manager, and providing written or oral information as the Trustee or Auditor may require with respect to all matters relating to the Manager, its assets and its affairs;
- 9.1.14. Be fair and equitable in the event of any conflict of interest that may arise in the course of its duties;
- 9.1.15. Credit to the Funds all monetary benefits or commissions arising out of managing the Funds;
- 9.1.16. Issue a statement of account showing the units held by a Unit Holder upon the request of a Unit Holder. A Statement, so issued, shall not be evidence of title to those Units.;
- 9.1.17. Keep and maintain records of the Fund's investment portfolio at all times;
- 9.1.18. Not engage or contract any advisory or management services on behalf of the Funds without the prior written approval of the Trustee;
- 9.1.19. To issue a receipt evidencing the purchase of units of the Funds; and
- 9.1.20. To issue a statement of unit holding in respect of Units to the Unitholders at least once a month or upon any alteration in the number of Units to which the holder is entitled in such form as the Fund Manager may decide.

10. FUND MANAGER'S REMUNERATION

- 10.1. The Fund Manager shall be entitled to be remunerated for its services as Fund Manager paid out of the assets of the Scheme. Such remuneration shall (unless otherwise determined by the Manager) be deemed to accrue from day-to-day and the amount of such remuneration shall (subject to the Collective Investment Scheme Regulations) be determined in accordance with the terms set out in the Information Memorandum provided that any increase of the Fund Manager's remuneration requires the *prior written approval of the Trustee* and Unitholders shall be given a period of notice (which shall not be less than 90 days) of any proposed increase in the amount or rate of the Fund Manager's fees.

- 10.2. The Fund Manager shall be entitled to reimbursement of expenses of any type disclosed in the Information Memorandum and for which it may be reimbursed in accordance with the Collective Investment Scheme Regulations.
- 10.3. The Fund Manager's Fees shall consist of:
 - 10.3.1. The Management Fee of up to a maximum of 5% of the of the total assets comprising the GenAfrica Unit Trust Scheme; and
 - 10.3.2. Any other charge disclosed in the Information Memorandum.
- 10.4. The Fund Manager's Fees shall be made to the Fund Manager provided that 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.
- 10.5. The Fund Manager shall be entitled to make a preliminary charge to be included in the issue price of a Unit. The amount or rate of any preliminary charge shall be such amount or rate as is stated in the Information Memorandum provided that any introduction of, or increase in, the rate of a preliminary charge requires the Unitholders be given a period of notice (which shall not be less than 30 days) of any proposed increase in the amount or rate of such preliminary charge.
- 10.6. The Fund Manager shall be entitled to make a redemption charge which will be deducted from the proceeds of redemption of any Unit before payment to the Unitholder. The amount or rate of any redemption charge shall be such amount or rate as is stated in the Information Memorandum provided that any introduction of, or increase in the rate of, a redemption charge requires the Unitholders be given a period of notice (which shall not be less than 90 days) of any proposed increase in the amount or rate of such redemption charge.]
- 10.7. The fee charged by the Fund Manager (which shall be the only monies payable to the Fund manager annually) be disclosed in the GenAfrica Unit Trust Scheme's financial reports.

11. REPORTS BY THE FUND MANAGER

- 11.1. The Fund Manager shall on a quarterly basis, from the date of its appointment, provide the Trustee, Unit Holders and the CMA with:
 - 11.1.1. A valuation of the Funds and of all the investments representing the same, including the details of the cost of such investments and their estimated yields;
 - 11.1.2. A report reviewing the investment activity and performance of the investment portfolios comprising the Funds since the last report date;
 - 11.1.3. A record of all investment transactions during the previous period;
- 11.2. The Fund Manager shall once every year provide every Unit Holder and the CMA with audited accounts and such other statements as may be necessary in relation to the operations of the Funds during the relevant Accounting Period, and such other statements that may be deemed necessary in regard to the Fund's position as at the end of that period, including –
 - 11.2.1. The Fund Manager's capital resources actually employed or immediately available for employment for the purposes of the Funds; and

- 11.2.2. In respect of the Funds, the total market value of each of the several securities included in the Fund's portfolio, and the value of each of those securities expressed:
- a) As a percentage of the total market value of the Fund's portfolio;
 - b) As a percentage of the total amount of securities of that class issued by the concern in which the investment is held; and
 - c) Indicating the percentage of such securities in relation to the investment guidelines specified in the Collective Investment Schemes Regulations and this Deed.
- 11.2.3. The amount of dividends and interest and any other income for distribution which have accrued to the Underlying Securities comprised in the Fund's portfolio, indicating the classes of income and the amount derived from each class, and how the income has been or is intended to be allocated;
- 11.2.4. The amount of proceeds of Capital Gains, and any other accruals and receipts of a capital nature which have been or are to be invested in the Funds for the benefit of the Unit Holders, indicating the classes thereof and the amount derived from each class, but excluding amounts derived from the sale of units;
- 11.2.5. 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;
- 11.2.6. The Fund Manager's income derived from all sources in the operation of the Funds, indicating the sources and the amount derived from each source, and its net profit or loss derived from such operation; and
- 11.2.7. 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.
- 11.3. Copies of the accounts and statements according to the Act 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 Funds.
- 11.4. A Fund Manager shall in addition, within a period of thirty (30) days after receipt of a written request from the CMA, or within such further period thereafter as the CMA may allow, lodge with the CMA such further information and explanations in connection with any accounts or statement in accordance to the Act as may be specified in the request.

12. RECORDS BY THE FUND MANAGER

- 12.1. The Fund Manager shall keep and maintain the following records –
- 12.1.1. a record of all minutes, statements of accounts and resolutions in respect of the Fund's investment portfolio;

- 12.1.2. proper books of accounts and records in which shall be entered all transactions effected by the Fund Manager for the account of the Funds and the Fund Manager shall permit the Trustee from time to time on demand to examine and take copies of or extracts from any such books and records;
 - 12.1.3. a daily record of units held by the Fund Manager, including the type of such units acquired or disposed of, and of the balance of any acquisitions and disposals; and
 - 12.1.4. a daily record of the units of the Funds which are held, issued, redeemed, exchanged, and the valuation of the Fund's Portfolio including the creation price, the repurchase price and the maximum issue price required upon completion of a valuation.
- 12.2. The Fund Manager shall make the Fund's records available for inspection by the Trustee, or the CMA, free of charge at all times during office hours and shall supply the Trustee or CMA with a copy of the records or any part of such records on request at no charge.

13. FUND MANAGER'S POWERS

- 13.1. Subject to the provisions of this Deed and of the Act, the Fund Manager shall have power in its absolute and uncontrolled discretion –
- 13.1.1. To manage and administer the Funds for the benefit of the Unit Holders of the Funds with full and complete powers of management. The Fund Manager hereby agrees to manage and carry out and perform its duties and obligations contained herein for the duration of the Funds subject to its removal or retirement as herein provided. In particular, the Manager shall:
 - a) take all steps which are necessary or desirable for or in connection with the investigation of, or negotiation for, the acquisition or the disposal of the Assets of the Funds; and
 - b) Subject to any directions given by the Trustee in respect thereof and for the purposes of managing the Funds, have the same powers as are granted to the Trustees by clause 19 and any other provisions of this Deed.
 - 13.2. To take all steps which are necessary or desirable for or in connection with the investigation of, or negotiation for, the acquisition or the disposal of the Assets of the Funds;
 - 13.3. To do all such things and to enter into all such arrangements as are necessary to achieve the objects of the Funds;
 - 13.4. To 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 generating a Business Confirmation relating to Underlying Securities; and
 - 13.5. To appoint any person to be sub-agent for the Fund Manager as the Fund Manager may think necessary or proper for such purposes and with such powers, authorities and discretions (not exceeding those vested in the Fund Manager) as it thinks fit; **PROVIDED THAT** the Fund

Manager shall at all times remain liable and responsible for the acts and omissions of any person appointed pursuant to this clause.

14. DOCUMENTS TO BE PREPARED BY THE FUND MANAGER

The Fund Manager shall prepare and dispatch all cheques, warrants, notices, accounts, summaries, declarations, offers, and statements required under the provisions of the Information Memorandum, rules of the Funds or the Act, to be issued, served or sent and sign and statements to Unitholders and all transfers of securities.

15. RESIGNATION, RETIREMENT, AND SUSPENSION OF THE FUND MANAGER

15.1. Resignation

15.1.1. The Fund Manager may resign by giving three (3) months' notice to the Trustee together with reasons for the resignation:

15.1.2. Notice shall be deemed to have been served seven (7) days from the date of its dispatch and shall come into effect four (4) days after it is served and such termination will be deemed to be effective ninety (90) days after the notice comes into effect ("the Notice Period").

15.1.3. During the last thirty (30) days of the Notice Period, the Fund Manager shall hand over, transfer, and deliver to a fund manager appointed in writing by the Trustee and licensed by the CMA to succeed the Fund Manager, all information in its possession in relation to its contractual duties to the Funds.

15.1.4. The information to be submitted by the Fund Manager under clause 15.1.3 above shall include statements pertaining to the Funds, Investment Portfolio including details of the cost of such Investments and estimated yields, statements pertaining to all incomplete transactions and, any other information as may be reasonably required by the Funds.

15.1.5. During the last thirty (30) days of the Notice Period, the Fund Manager shall hand over, transfer and deliver all records of accounts required to be maintained by the Fund Manager, as may be reasonably required by the incoming fund manager provided that copies of the said information shall be submitted to the CMA within the same thirty (30) day period.

15.2. Retirement

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

15.3. Suspension

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

15.4. Liquidation

On receipt of a notice of liquidation of the Fund Manager, the Trustee shall appoint an Interim fund manager for the Funds, who will immediately undertake reconciliation of the assets and investments of the Funds in liaison with the Custodian and the outgoing Fund Manager. Investment management of the Fund's assets shall then continue being done by the new fund manager until a substantive fund manager is appointed by the Trustees within the Notice Period.

16. REMOVAL OF THE FUND MANAGER

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

16.1.1. 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);

16.1.2. If a receiver is appointed for the undertaking of the Fund Manager's assets or any part thereof; or

16.1.3. where for good and sufficient reason the Trustee is of the opinion and so states in writing to the CMA that a change of Fund Manager is desirable in the interest of the Unit holders, and such approval is provided by the CMA;

16.2. The Fund Manager shall be removed by three (3) months' notice in writing by the Trustee if:

16.2.1. An Extraordinary Resolution is passed by the Unit Holders removing the Fund Manager; or

16.2.2. The Unit Holders 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.

PART III

THE TRUSTEE

17. APPOINTMENT OF TRUSTEE

17.1. Subject to the provisions of the Act and of this Deed, KCB Bank Kenya Limited has been appointed as the Trustee of the Funds.

17.2. The Trustee shall have authority 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 Funds to secure the fulfillment of the objects of the Funds.

18. TRUSTEE'S ELIGIBILITY

The Trustee shall at all times satisfy the eligibility requirements under the Act and the Regulations thereunder including as to minimum capital requirements.

19. ROLE, POWERS, DUTIES AND OBLIGATIONS OF THE TRUSTEE

19.1. The Trustee shall cause proper books of accounts to be kept by the Fund Manager in respect of the Funds and shall make available annually in such manner as may be prescribed by the CMA, an audited statement of accounts in respect of the Funds, together with a summary of any amendments of the Trust Deed that have been made since the date of the last statement.

19.2. The Trustee shall serve the Funds in compliance with this Deed and shall have the following duties:

19.2.1. To ensure that the Custodian takes into custody all the Funds' portfolio, and to hold it in trust for the Unit Holders in accordance with the Act.

19.2.2. If required, to 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 Deed, and the Act.

19.2.3. To keep records to enable it to comply with the Act and to demonstrate that such compliance has been achieved.

19.2.4. To execute all documents as may be necessary 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) attaching to the ownership of the units in the Funds are carried out.

19.2.5. To exercise any rights of voting conferred by any of the Fund's Unit portfolio, which is in units in other collective investment schemes managed or otherwise operated by the Fund Manager.

19.2.6. To 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 Fund's portfolio.

19.2.7. To 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 where the Trustee is registered holder of any investment.

19.2.8. To ensure that the Funds are managed by the Fund Manager in accordance with the agreement of service with the Fund Manager, the Act, the Incorporation Documents, the Information Memorandum, and the rules of the Funds;

19.2.9. To issue a report to be included in the Annual Report of the Funds on whether in the opinion of the Trustee the Fund Manager has in all material respects managed the Funds in accordance with the provisions of the Act, Incorporation Documents, the

Information Memorandum, and the rules of the 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.

19.2.10. To ensure that decisions about the constituents of the Funds do not exceed the powers conferred on the Fund Manager.

19.2.11. To ensure that the Fund Manager maintains sufficient records and adopts such procedures and 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 Funds **PROVIDED THAT** where the Trustee is not satisfied with any of the matters outlined in this clause 19.2 it shall inform the CMA

19.3. The Trustee shall not delegate to the Fund Manager, his agent or associate any function of oversight over the Fund Manager or any function of custody or control of the Funds.

20. REGISTRATION AND RETENTION OF SECURITIES BY THE TRUSTEE

20.1. That part of each Unit Portfolio consisting of securities shall be registered either in the name of the Trustee or in the name of a nominee company. Any reference in this Deed to the Trustee in relation to the vesting, registration or holding in its name of securities, or to its rights, obligations or discretion 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.

20.2. 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.

21. LEGAL PROCEEDINGS BY OR AGAINST THE TRUSTEE

All legal proceedings which may be instituted by or against the GenAfrica 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 GenAfrica Unit Trust Scheme or its affairs. The costs and expenses incurred by the Trustee for such action, shall be reimbursed out of the assets of the GenAfrica Unit Trust Scheme.

22. TRUSTEE FEES

22.1. The Fund Manager shall pay the Trustee by way of remuneration for its services, such sums as may from time to time be agreed with the Fund Manager. The amount of such remuneration shall (subject to the Collective Investment Scheme Regulations) be determined in accordance with the terms set out in the Information Memorandum

22.2. The Trustee shall, in addition to such remuneration, be entitled to be paid out of the GenAfrica Unit Trust Scheme Assets, the amount of all its disbursement other than disbursements

expressly required or authorised to be paid out of the GenAfrica Unit Trust Scheme and any other disbursements incurred by it as a result of its own negligent, wrongful or unlawful conduct.

- 22.3. 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.
- 22.4. The Trustee's remuneration shall be disclosed by the Fund Manager to the Unit Holders in the Annual Report each year.

23. RETIREMENT AND APPOINTMENT OF NEW TRUSTEE

- 23.1. The Trustee shall not be entitled to resign except upon the appointment of a new trustee. If the Trustee wishes to resign, it shall give three (3) months' notice in writing to that effect to the Fund Manager and the CMA and the Fund Manager shall appoint within two (2) months of such notice, some other qualified person as the new trustee upon and subject to such person entering into a Trust Deed supplemental to this Deed.
- 23.2. If the Fund Manager is unable to appoint a new trustee after such period of two (2) months, the Trustee shall be entitled to appoint a company qualified to act as a trustee, selected by it as the new trustee.

24. THE REMOVAL OF THE TRUSTEE

- 24.1. The Trustee shall be removed by the Fund Manager in writing immediately if:
 - 24.1.1. 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 CMA);
 - 24.1.2. A manager or a receiver is appointed over any of its assets; or
 - 24.1.3. The Trustee ceases to carry on business as a bank or financial institution.
- 24.2. The Trustee shall be removed by three (3) months' notice in writing given to the Trustee by the Fund Manager with the approval of the CMA if:
 - 24.2.1. 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 with the Trust Deed, the Incorporation Documents, the Information Memorandum, and the rules of the Funds and the Act.
 - 24.2.2. The Unit Holders, by Extraordinary Resolution, resolve that such notice be given.
- 24.3. The Fund Manager shall by deed supplemental to the Trust Deed appoint as trustee some other qualified person with the approval of the CMA to replace a Trustee who has been removed.
- 24.4. The Outgoing Trustee shall, during the last thirty (30) days, hand over, transfer, and deliver to a trustee appointed in writing by the Fund manager and licensed by the CMA to succeed the outgoing Trustee, all information in its possession in relation to its contractual duties to the

Funds and all records required to be maintained by the Trustee as may be reasonably required by the incoming trustee.

PART IV

CUSTODIAN

25. APPOINTMENT OF THE CUSTODIAN

25.1. Subject to the provisions of the Act and of this Deed, Standard Chartered Bank Kenya Limited has been appointed as the Custodian of the Funds.

25.2. The details of the Custodian are as follows

Name: Standard Chartered Bank Kenya Ltd
Address: P.O. Box 30003-00100
Nairobi, Kenya

26. DUTIES OF THE CUSTODIAN

26.1. The Custodian shall render custodial services to the Funds pursuant to the Custodial Service Agreement between the Custodian and the Trustee, which services shall include but not be limited to the following:

26.1.1. To Maintain the custody of all the portfolio of the Funds and hold it to the order of the Trustee and/or the Fund Manager, in accordance with the provisions of the Act, the Incorporation Documents, the Information Memorandum, the rules of the Funds and its Custodial Service Agreement;

26.1.2. To receive and keep in safe custody and retain under its own supervision and control the title documents to the Underlying Securities and cash amounts of the Funds;

26.1.3. To open an account in the name of the Funds for the exclusive benefit of the Funds.

26.1.4. To 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 as the case may be;

26.1.5. 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 Funds;

26.1.6. 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 Fund's portfolio, all public information, financial reports and stockbroker 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 the case may be, from time to time.

26.1.7. 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;

- 26.1.8. To exercise the same standard of care that it exercises over its own assets in holding, maintaining, servicing and disposing of the portfolio of the Funds and in fulfilling its obligations.
 - 26.1.9. Where title to investments are recorded electronically, to ensure that entitlements are separately identified from those of the Fund Manager or the Trustee, as the case may be, in the records of the person maintaining records of entitlement.
 - 26.1.10. To attend general meetings of the Unit Holders and be heard at any general meeting on matters which concern it as Custodian;
 - 26.1.11. To exercise the degree of care expected of a prudent professional custodian for hire in executing its duties;
- 26.2. The Custodian discharging its contractual duties to the fund shall not contract an agent to discharge those functions except where a portion of the Funds is invested in offshore investments, in which case the Custodian may engage the services of an overseas sub-custodian approved by the Trustee or, with the notification of such appointment to the CMA.
- 26.3. The Fund Manager shall pay the Custodian by way of remuneration for its services, such sums as may be agreed with the Custodian under the Custodian Agreement, which will be disclosed to the Unit Holders in the Annual Report each year.

27. CUSTODIAN FEES

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, which remuneration shall be disclosed by the Fund Manager to the Unit Holders in the Annual Report each year.

28. RECORDS TO BE MAINTAINED BY THE CUSTODIAN

- 28.1. The Custodian shall keep such books, records and statements as may be necessary to give a complete record of:
- 28.1.1. The entire amount belonging to the Funds held by the Custodian; and
 - 28.1.2. Each and every transaction carried out by the Custodian on behalf of the Funds.
- 28.2. The Custodian shall permit the Trustee, the Fund Manager or a duly authorized agent of the CMA to inspect such books, records and statements within the premises of the custodian at any time during business hours.

29. REPORTS BY THE CUSTODIAN

- 29.1. The Custodian shall provide to the Fund Manager, the Trustee and the CMA (as the case may be):
- 29.1.1. A written statement showing the activities within the Funds which will be sent to the Fund Manager on a daily basis, and which lists all assets of the Funds in the fund

account (s) with a full account of all receipts and payments made and other actions taken by the Custodian.

- 29.1.2. Advice or notification, on a daily basis to the Fund Manager, of any transfers in the Funds or securities to or from the Fund's account(s) indicating the securities acquired for the account(s) and the identity of the party having physical possession of such securities; .
- 29.1.3. 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 or Trustee may request in connection with the agreement or the duties of the Custodian under that agreement.
- 29.1.4. An annual report to the CMA (within the first six months of the year) demonstrating that compliance with the Act and the Incorporation Documents has been achieved.

30. RESIGNATION OF THE CUSTODIAN

- 30.1. 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 (3) months' notice ("Custodian's Resignation Notice") in writing to that effect to the Fund Manager and the CMA together with reasons for the resignation.
- 30.2. The Fund Manager shall appoint within two (2) months after the date of the Custodian's Resignation Notice, some other qualified person as the new custodian, subject to such person being approved by the CMA and entering into an agreement similar to the agreement comprised in the incorporation documents.
- 30.3. If the Fund Manager is unable to appoint a new custodian within the period of two (2) months, the Custodian shall be entitled to appoint a qualified company selected by it as the new custodian on the same basis as the Custodian.
- 30.4. In the event the Custodian desires to retire or to cease to be registered as a Custodian with the CMA, the Fund Manager may with the approval of the CMA, appoint another eligible person to be a custodian in its place.

31. REMOVAL OF THE CUSTODIAN

- 31.1. The Fund Manager shall remove the Custodian in writing immediately if:
 - 31.1.1. A court of competent jurisdiction orders its liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation approved by the CMA; or
 - 31.1.2. A statutory manager or a receiver is appointed over any of its assets; or

- 31.1.3. The Custodian ceases to carry on business as a bank or financial institution.
- 31.2. The Custodian shall be removed by three (3) months' notice in writing given by the Fund Manager to the Custodian if:
- 31.2.1. 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 under this Deed or the Custodial Services Agreement entered into between the Trustee and Fund Manager; or
- 31.2.2. The Unit Holders, by extra ordinary resolution resolve that such notice be given and that the Fund Manager appoints as custodian some other qualified institution with the approval of the CMA.
- 31.3. In the event of a termination of the Custodial Services Agreement, or from the date of a winding up order issued by a competent court against the Custodian, the Custodian shall immediately hand over, and deliver all assets, documents and funds including those from the bank accounts of the Funds held by the Custodian to the custodian appointed in writing by the Fund Manager or the Trustee, as the case may be, and approved by the CMA, within thirty (30) days from the date of such termination;
- 31.4. Within twenty (20) days from the termination of the Custodial Services Agreement, the Custodian shall submit to the CMA an audit report indicating the assets, liabilities, and an inventory of the Funds, and securities and title documents of the Fund's assets which have been handed over, transferred and delivered to the appointed custodian.
- 31.5. A copy of the notice given to the Custodian for termination of services by the Fund Manager shall be given to the Trustee.
- 31.6. In the event of any disagreement between the Fund Manager or the Trustee as the case may be, and the Custodian, notification shall be made to the CMA by the Fund Manager giving reasons for the termination of services of the Custodian.

PART V

UNIT PORTFOLIO

32. ISSUE AND PURCHASE OF UNITS

- 32.1. The Fund Manager, on behalf of the GenAfrica Unit Trust Scheme, shall be responsible for the payment of all expenses arising out of and relating to the formation of the initial and any additional Unit Portfolio.
- 32.2. The first issue of Units in the Funds to persons shall be made in such a manner and at such a price as the Fund Manager may decide, in accordance with the Act and the Incorporation Documents. The initial issue price and offer period shall not exceed thirty (30) days from the date of the launch of the GenAfrica Unit Trust Scheme, and the proceeds of the issue shall be remitted by the Fund Manager to the Custodian with advice to the Trustee. The price of a Unit

will be published daily and will be a reflection of the Underlying Securities.

- 32.3. The initial issue of Units of any of the Funds shall not be less than the issue price paid by Unit Holders during the launching and offer period less the Fund Manager's fee and Service Charge prescribed in the Information Memorandum.
- 32.4. A Unit Holder is not liable for any further payment after paying the purchase price as prescribed by the Fund Manager. Additionally, no further liability shall be imposed on any Unit Holder in respect of the Units he/she holds after paying the prescribed purchase price of each Unit.

33. CREATION OF UNITS

- 33.1. 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 purchase of Units in the Funds provided that the price at which the Units are acquired shall be the Made-up Price.
- 33.2. The Fund Manager shall create new units based on the NAV of the Funds at the end of each Dealing Day. This shall be done by dividing new cash injections by the NAV. The Fund Manager shall determine the NAV after incorporating all incomes, Costs and liabilities hence the new cash injection shall be from current on new unit holders.
- 33.3. The Fund Manager shall instruct the Trustee to create Units in the Funds at the beginning of the first day of business in the initial offer period, and during the offer period. The instructions given by the Fund Manager to the Trustee 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.

34. CANCELLATION OF UNITS

- 34.1. Where the Fund Manager wishes that Units be cancelled, it shall instruct the Trustee to cancel such Units, and any notice 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 a number of units or as an amount in value or as a combination of the two, 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 an intention. The repurchase price payable for each Unit by the Custodian shall be based on the NAV. The Fund Manager may at any time give notice to the Trustee of its intention to create or to cancel units.

35. REDEMPTION AND REPURCHASE OF UNITS

- 35.1. Any Unit Holder desiring to sell any of his Units shall be entitled at any time, by valid notice received by the Fund Manager, to require the Fund Manager to redeem all or any part of such Units, and the Fund Manager shall repurchase such Units subject to the provisions of this Deed. Notice for redemption should be provided before 3.00 pm on a business day to be eligible for that day's value date and if received after this time will be deemed to be notice

received before 3.00 pm the following day.

- 35.2. The minimum value of units that may be redeemed at any one time shall be KES 5,000.00 , or such lower amounts as decided by the Fund Manager. Units shall be redeemed on a first in first out basis.
- 35.3. The Fund Manager may deduct from the price so payable for each unit redeemed 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 such units. The custodian shall within two Business Days of the instructions given by the Fund Manager pay the repurchase price of the unit to the Unit-Holder.
- 35.4. No notice requiring the Fund Manager to repurchase Units shall be valid unless the Unit Holder shall have delivered to the Fund Manager any documents required by the Fund Manager, together with in each case a Form of Renunciation or redemption duly completed by the Unit Holder in respect of such Units..
- 35.5. The price per Unit payable by the Fund Manager shall be not less than an amount ascertained by dividing the total number of Units in issue in a Unit portfolio at the time on which the valid notice was received by the Fund Manager into the aggregate amount of:
- 35.5.1. The market value of each Unit portfolio at the valuation point next following the date on which such notice was received by the Fund Manager provided that the Fund Manager shall have authority to make additional valuations at its discretion, in which case it shall give advance notice of its intention to do so to the Trustee;
- 35.5.2. All Income Accruals and payments in lieu of Income Accruals from the creation of new units during the relevant Accounting Period; after excluding -
- a) Any Income accruals and payments in lieu of Income Accruals set aside at the last preceding ex-dividend date for distribution but not yet distributed in respect of the accounting period ended on the day prior to the said ex-dividend date; and
- b) Such further amount, out of Income Accruals and payments in lieu of income accruals, as in the opinion of the Fund Manager represents a fair proportion, at the said date, of the Service Charge and other amounts and charges referred to in this Deed, for the relevant Accounting Period.
- 35.6. The Fund Manager may deduct from the price so payable for each such Unit an amount not exceeding the equivalent of any fiscal or other necessary charges which would be payable in connection with the sale of that part of the Underlying Securities represented by one Unit. Upon payment being 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.
- 35.7. Nothing in this Deed 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.

- 35.8. Where the Fund Manager is permitted to make a deduction, the amount shall not exceed the amount that would be derived by applying the rate or method prescribed in the Information Memorandum at the date on which the relevant Units were issued.
- 35.9. When the Fund Manager's charge on redemption is modified, the modification shall be expressed so as to apply only to units issued only after the date on which the modification takes effect.
- 35.10. The Fund Manager shall at all times during the Dealing Day issue or redeem Units of the Funds at the price arrived at based on the method outlined under this Deed provided that this clause 36.10 shall not apply if:
- 35.10.1. 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 or 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
- 35.10.2. The Fund Manager has reasonable grounds, having regard to the interests of all the holders relating to the circumstances of the person concerned, for refusing to issue Units to or redeeming Units from such person.
- 35.11. Upon payment being made by the Fund Manager, in the case of a full redemption 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.

36. PRICING OF UNITS

- 36.1. The pricing of the Units will be according to the NAV. The prices may vary on a daily basis.
- 36.2. **Future Pricing**
- 36.2.1. The Fund Manager will use the future pricing method, which will be established each evening and then applied to transactions, which occurred on the same day. All sales, repurchases, liquidations and creation of Units which happen during the day can only be processed and priced at the end of the day using the closing market prices of the day.
- 36.2.2. Yields of the Funds shall be computed at the close of market in each Dealing Day. The yield reflects the weighted average income (net of costs) of the Funds over the previous seven (7) days. This figure is compounded monthly for twelve (12) months to arrive at the published annual yield assuming that monthly interest distributions are reinvested).
- 36.2.3. To arrive at this running yield, the estimated daily income for each instrument is

expressed as a percentage of the instrument's market value. The running yields for all the instruments held in the fund are then weighted according to their market value, added together and annualized to arrive at a running yield for the Funds as a whole. This calculation is net of fees (i.e. after ongoing service fees have been deducted).

36.3. Dilution on Pricing

The Fund Manager shall be equitable when coming up with the pricing of the Units of the Funds.

37. NOTIFICATION OF PRICE TO THE TRUSTEE OR CUSTODIAN

37.1. Upon completion of a valuation, the Fund Manager shall notify the Custodian or the Trustee, as the case may be, of -

37.1.1. The creation price;

37.1.2. The repurchase price; and

37.1.3. The maximum issue price.

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

37.3. 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 Funds at that valuation day, or notification point if there is one.

PART VI VALUATIONS

38. METHOD USED FOR VALUATION OF UNITS

38.1. The assets and liabilities of the Funds shall be valued on a daily basis (the "valuation point") at the end of each Dealing day using the closing market prices.

38.2. The Fund Manager shall have authority to make additional valuations at its discretion, in which case it shall give advance notice of its intention to do so to the Trustee.

38.3. The basis of the valuation shall be as follows:

38.3.1. The valuation of assets shall be at market value arrived at by using appropriate prices;

38.3.2. In the case of securities listed or quoted on a Recognized Securities Exchange, the price shall be the last/closing market price at the end of the trading day.

38.3.3. In the case of units in authorized schemes the price shall be the Fund Manager's

quoted selling price;

38.3.4. Cash and current and deposit accounts shall be taken at nominal value unless the Fund Manager considers, with the agreement of the Trustee, that a different value is appropriate;

38.3.5. Other property, other than contingent liability transactions, will be valued at such amount as shall be the Fund Manager's reasonable estimate of its value and approved by the Trustee;

38.3.6. Contingent liability transactions shall be valued at net premium receivable or value of margin on closing out (as appropriate).

38.4. The valuation shall be made in the Base Currency.

38.5. The value shall be reduced by the amount of estimated liabilities, accrued tax on income, and of borrowings, accrued but unpaid interest on borrowings and other liabilities accrued but unpaid.

PART VII

39. MEETINGS

39.1. The Trustee, Fund Manager or Unit Holders as the case may be, shall convene a general meeting annually.

39.2. The Trustee, Fund Manager or Unit Holders, as the case may be, may convene an extraordinary meeting of Unit Holders by issuing a requisition for an extra-ordinary meeting at any time, but not later than six (6) weeks after receipt of the requisition by the Fund Manager.

39.3. A requisition for a meeting called under clause 39.2 above shall:

39.3.1. State the objects of the meeting;

39.3.2. Be signed by Unit Holders who at that date are registered as the holders of units representing not less than one tenth in value of all of the units in the Funds then in issue; and

39.3.3. Be deposited at the head office of the GenAfrica Unit Trust Scheme.

39.4. 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.

40. NOTICE OF MEETINGS

40.1. Not less than twenty-one (21) 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 for a General Meeting and fourteen (14) days' notice for an Extra-Ordinary Meeting.

40.2. For the purpose of this Part VIII, Unit holders shall mean only the persons who were holders seven (7) days before the notice of the relevant meeting was deemed to have been served.

40.3. The non-receipt of a notice by a Unit Holder shall not invalidate the proceedings at any meetings.

41. QUORUM FOR A MEETING

41.1. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of the meeting. The quorum for meetings shall comprise not less than 25 Unit Holders or thirty-three per cent (33%) of the Unit Holders registered in the register, whichever is lower, inclusive of proxies received.

41.2. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall be dissolved and shall stand adjourned to such a day and time not being less than seven (7) days thereafter and to such a place as may be appointed by the Chairman of the meeting or otherwise by the Trustee or the Fund Manager.

41.3. 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.

42. VOTING RIGHTS

42.1. 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 by Unit Holders holding not less than one tenth of the Units in issue present in person or by proxy.

42.2. On a show of hands, every Unit Holder 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 (1) vote. If the number of votes recorded in favor of or against a resolution, on a show of hands is not conclusive evidence of a unanimous vote, a secret ballot shall be demanded.

42.3. 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 as the price of the unit bears to the aggregate price or prices of all the units in issue, as per specified notice date, 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.

42.4. 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.

42.5. The Trustee shall keep the record of minutes of every meeting.

43. PROXIES

- 43.1. A Unit Holder entitled to attend and vote at a meeting of the Funds 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 Funds shall contain a prominent statement citing this fact.
- 43.2. 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.
- 43.3. 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.
- 43.4. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a secret ballot.
- 43.5. A Unit Holder shall be entitled to appoint one (1) proxy to attend and vote in his place. However, the proxy appointed shall be entitled to vote only on a poll
- 43.6. 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 not be required to be received by the Fund Manager or Trustee or 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.

44. RESOLUTIONS

- 44.1. Resolutions shall be passed by a simple majority of the votes validly cast at a general meeting of Unit Holders except for Extraordinary Resolutions as per the Act.
- 44.2. In the case of an equality of votes cast in respect of a resolution put to a general meeting, the Chairman of the meeting shall be entitled to casting a vote in addition to any other vote he may have.

45. AMENDMENTS TO INCORPORATION DOCUMENTS

- 45.1. Subject to Clause 45. 2 below, the Incorporation Documents of the Funds may be altered by the Fund Manager without consulting the Unit Holders, provided that the Trustee has certified in writing that in its opinion, the proposed alteration:
 - 45.1.1. is necessary to enable compliance with fiscal statutory or other official requirements;
 - 45.1.2. Does not materially prejudice the Unit Holders' interest and does not to any material extent release the Trustee, Custodian, Fund Manager, their agents or associates from any liability to Unit Holders and does not materially increase the costs payable from the Fund's portfolio concerned; or

- 45.1.3. Is necessary to correct a manifest error:
- 45.2. All proposed alterations or additions to the Incorporation Documents shall be submitted to the CMA for prior approval.
- 45.3. The CMA shall determine whether Unit Holders shall be notified of any alterations or additions to the Incorporation Documents and the period of notice if any to be applied before the changes are to take effect, which period shall in any event not exceed three (3) months unless the CMA, having regard to the merits of the case otherwise determines.

PART VIII

SUSPENSION AND TERMINATION

46. WINDING UP OF THE GENAFRICA UNIT TRUST SCHEME

- 46.1. None of the Funds or the Scheme shall be wound up otherwise than by a court order except under the following circumstances:
- 46.1.1. in accordance with the provisions relating to winding up given in the Insolvency Act, 2015 (Act No. 18 of 2015, Laws of Kenya), to a proposal to wind up the affairs of the Funds, otherwise than by the court, and provided that the CMA has exercised its powers to intervene in the management of the Fund before an application is made to court for the winding up of the Funds; and
- 46.1.2. Unless the Fund Manager's statement, as provided for in clause 46.4, has been prepared and sent or delivered to the CMA.
- 46.2. Subject to the Clause 46.1, the Scheme or a Fund may be wound up if:
- 46.2.1. an Extra-ordinary Resolution of the Unit Holders to that effect has been passed;
- 46.2.2. on the amalgamation or reconstruction of a Fund or the Scheme as a whole;
- 46.2.3. on the revocation of the authorization of a Fund or the Scheme, as a whole.
- 46.3. On or before a Notice is given to the CMA in the event of a proposal to wind up the affairs of a Fund other than by the court, the Trustee shall commence to make a full enquiry into the Fund's affairs to ascertain whether the Fund will be able to meet its liabilities (which include both contingent and prospective liabilities) and the Fund Manager shall prepare a statement ("The Fund Manager's Statement"), reflecting the results of such an enquiry, and either:
- 46.3.1. Confirm that the Scheme or Fund will be able to meet all its liabilities within twelve (12) months of the date of the Fund Manager's Statement; or
- 46.3.2. State that such confirmation cannot be given
- 46.4. The Fund Manager's statement shall –

46.4.1. Relate to the Scheme or Fund's affairs at the date which shall not be more than twenty one (21) days prior to the date on which notice is given to the Authority; and

46.4.2. Be approved by the Trustee and signed on their behalf by the Fund Manager, and if it contains the statement required under Clause 46.3.1 above, be signed by the Fund Manager and contain a statement signed by the auditor of the Funds to the effect that in his opinion the enquiry to ascertain the Fund's ability to meet all its liabilities (contingent and prospective) has been properly made and is fairly reflected by the confirmation.

46.5. The Fund Manager's Statement shall be sent or delivered to the CMA with a copy sent to the Custodian.

47. CONSEQUENCES OF COMMENCEMENT OF WINDING UP

47.1. For the purpose of this clause, the Effective Time of Winding Up means the time at which any of the events under clause 46.1 have been satisfied or if later, the time determined in accordance with clause 46.2, at which time the Fund shall be wound up

47.2. Immediately following the Effective Time of Winding Up:

47.2.1. Regulations pertaining to pricing, dealing, investment and borrowing powers shall cease to apply to the Scheme or Fund;

47.2.2. The Scheme or Fund shall cease to issue and cancel Units.

47.2.3. The Fund Manager shall cease to sell or redeem Units or to arrange for the Scheme or Fund to issue or cancel them;

47.2.4. No transfer of a Unit shall be registered and no other change to the register of Unit Holders shall be made without the sanction of the Trustee or, as the case may be; and

47.2.5. The Scheme or the relevant Fund 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 Fund is dissolved.

47.3. The Fund Manager shall as soon as practicable after the Effective Time of Winding Up:

47.3.1. Publish in not less than two (2) daily newspapers of national circulation published in the English language, management's decision to wind up the Scheme of Fund and the date of commencement of the winding up; and

47.3.2. 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.

48. MANNER OF WINDING UP

- 48.1. The Fund Manager shall cause the Scheme or Fund 's portfolio to be utilized and the liabilities of the Fund to be met out of the proceeds. Unit holders shall not be liable to any liabilities of the Fund above what is appropriate as per the incorporation documents.
- 48.2. The Fund Manager shall give instructions to the Custodian of how such proceeds (until utilized to meet liabilities or make distributions to unit holders) shall be held and such instructions shall be with a view to the prudent protection of the creditors and unit holders against loss.
- 48.3. Provided there are sufficient liquid funds, after making adequate provision for expenses, the Fund Manager may arrange to make one or more interim distributions out of such funds to the Unit Holders proportionately to their right to participate in the Fund's portfolio attached to their respective Units.
- 48.4. 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 realizing the portfolio and all the liabilities of the Funds

49. FINAL ACCOUNT

- 49.1. As soon as the Scheme or Fund's 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 has been conducted and how the Fund's portfolio has been disposed of and the account shall, following its approval by the Trustee as the case may be, 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.
- 49.2. The Final Account shall state the date on which the Scheme or Fund's affairs were fully wound up and the date stated shall be regarded as the final day of the accounting period of the Scheme or Funds then running of the 'Final Accounting Period'.
- 49.3. The 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.
- 49.4. Within two (2) 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 CMA, and to each person who was a Unit Holder (or the first named joint unit holder) immediately before the Final Accounting Period.

50. DUTY TO ASCERTAIN LIABILITIES

- 50.1. The Fund Manager shall have a duty to ensure that all liabilities of the Funds are discharged prior to the completion of the winding up. This relates to all liabilities of the Scheme or Fund which:
 - 50.1.1. The Fund Manager is, or becomes, aware prior to the completion of the winding up;
or

- 50.1.2. The Fund Manager would have become aware of prior to the completion of the winding up had it used all reasonable endeavors to ascertain the liabilities of the Scheme or Fund.
- 50.2. If the Fund Manager rejects any claim against the Scheme or the Fund in whole or part, the Fund Manager shall forthwith send to the claimant written notice of its reasons for doing so.
- 50.3. If after the Effective Time of Winding Up the Fund Manager becomes of the opinion that the Scheme or Fund will be unable to meet all its liabilities within twelve (12) months of the date of the Fund Manager's Statement:
- 50.3.1. The Fund Manager shall notify the Trustee as the case may be immediately; and
- 50.3.2. The Trustee shall forthwith present a petition or cause the Scheme or Fund to present a petition for the winding up in accordance with the provisions in the Insolvency Act, 2015.
- 50.4. The Fund Manager will not be liable to meet any liability of the Scheme or Fund (whether or not the Funds has been dissolved) if it has complied with its duty to ascertain liabilities.

51. ACCOUNTS AND REPORTS

- 51.1. While the Scheme or a Fund is being wound up:
- 51.1.1. The annual and half-yearly accounting periods shall continue to run;
- 51.1.2. The provisions about annual and interim allocation of income shall continue to apply; and
- 51.1.3. Annual and half-yearly reports shall continue to be required.
- 51.2. 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 of Winding Up, if the Trustee of the Funds, 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.

52. TERMINATION OF THE SCHEME OR FUNDS

- 52.1. The Scheme or a Fund may be terminated by the Trustee by a notice in writing to the Unit holders, with the notice fixing the date on which such termination is to take effect, as hereinafter provided upon the occurrence of any of the following events, namely:
- 52.1.1. if any law shall be passed which renders it illegal to continue the Scheme or the Funds;
- 52.1.2. if either Fund ceases to be an authorised scheme under the Act;

- 52.1.3. if in the reasonable opinion of the Trustee, with consent from the Fund Manager, continued operation of the Scheme or a Fund is not necessary; or
- 52.1.4. if one year from the date of the first issue of Units thereafter the net asset value of any Fund shall be less than Kenya Shillings One Hundred Million (KES 100,000,000.00).
- 52.2. The Scheme or a Fund may at any time be terminated by Extraordinary Resolution of a meeting of Unit holders duly convened and held in accordance with this Deed and such termination shall take effect from the date on which the said Resolution is passed or such later date (if any) as the said resolution may provide.
- 52.3. The decision of the Trustee in any of the events specified in clause 52.1 shall subject as provided in this clause 52.3 be final and binding upon all the parties concerned and the Trustee shall, in the absence of fraud, negligence or failure to comply with its obligations, be under no liability on account of any failure to terminate the Scheme or a Fund pursuant to this clause.

53. PROVISIONS ON TERMINATION

- 53.1. After giving notice of termination, the Fund Manager shall procure the sale of the Portfolio and such sale shall be carried out and completed in such manner and within such period before or after the termination of the Scheme or the Fund.
- 53.2. The Fund Manager shall procure the distribution to the Unit holders, in accordance with the net asset value of the Fund and then pro rata to the number of Units held, all net cash proceeds derived from the realization of the Portfolio so far as the same are available for the purpose of such distribution.
- 53.3. The Trustee may with such authority of Unit holders as the CMA may from time to time require and otherwise in accordance with the requirements of the CMA transfer the whole or part of the Portfolio of the Scheme or any Fund to the other Fund or a company or other collective investment scheme.

54. DISPUTES

- 54.1. Any dispute or difference which may arise between the Unit Holders, Fund Manager, Trustee or the Custodian and the others shall first be settled by the parties by negotiation.
- 54.2. If the parties to a dispute do not resolve the matter by negotiation within twenty one (21) days from the end of negotiation, the parties will promptly consider whether to refer the dispute to arbitration
- 54.3. If the parties agree to refer the dispute to arbitration, the matter will referred to the decision of a single arbitrator to be agreed upon between the parties or in default of agreement within fourteen days (14) to be appointed at the request of any of the parties by the Chairman-Institute of Chartered Arbitrators-Nairobi Branch in accordance with the provisions of the

PART IX

OTHER MATTERS PROVIDED FOR IN THE TRUST DEED

55. OTHER MATTERS

- 55.1. The Trustee shall, subject to the terms of this Deed, hold title to the Underlying Securities in trust for the Unit Holders.
- 55.2. The monies of the Scheme shall be accounted for in full to the Trustee by the Fund Manager and the Custodian, and kept in a trust account at a licensed bank and shall include the following:
- 55.2.1. Any monies for investments accruing from the issue of securities;
 - 55.2.2. Dividends, interest or any other income accruing on underlying instruments;
 - 55.2.3. The proceeds of Capital Gains, rights and bonus issues; and
 - 55.2.4. Any money received by the Fund Manager from the realization of Underlying Securities.
- 55.3. The proceeds of the Capital Gains, rights, and bonus issues shall be invested for the benefit of the Scheme's Unit Holders.
- 55.4. All transactions of the Funds' portfolio will be individually reported to the Trustee by the Fund Manager by the next working day of such transaction.
- 55.5. The Fund Manager shall repurchase any number of Units offered to it, subject to such terms and conditions as may in terms of this Deed apply to any number of units offered to it
- 55.6. The Fund Manager and Trustee shall ensure that the specific method of calculations of the value of the Funds and of the Unit at which Unit Holders shall transact their holdings with the Scheme shall be acceptable to the CMA.
- 55.7. The accounts and financial records of the Scheme will be maintained in a system acceptable to the CMA.
- 55.8. It shall be incumbent upon the Fund Manager to repurchase any number of units offered to it.
- 55.9. 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.

PART X

56. CERTAIN VOID PROVISIONS

- 56.1. Any provisions in this Deed which is inconsistent with any provisions of the Act or the Collective Investment Schemes Regulations shall be void.
- 56.2. The parties to this Deed may by a supplemental deed alter or rescind any provisions of this Trust Deed or add further provisions thereto, but no alterations or rescission of or addition to the Trust Deed shall be valid unless:
- 56.2.1. 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 Fund Manager from any responsibility to the Unit Holders, such consent may be dispensed with; and
- 56.2.2. The CMA is satisfied that any alteration does not contain anything inconsistent with the provisions of the Act or with sound financial principles.
- 56.3. Any provision in this Deed, purporting to relieve any party from liability to the Unit Holders on account of its own negligence shall be void.

PART B: THE RULES

RULES OF THE GENAFRICA UNIT TRUST SCHEME

The following are the Rules of the GenAfrica Unit Trust Scheme _____ 2021.

R1. Fund Manager

- R1.1. GenAfrica Asset Managers Limited ("the Fund Manager"), a company incorporated in Kenya and having its registered office in Nairobi with a postal address of P. O. Box 79217 – 00200 Nairobi, was appointed as the fund manager to the Funds under a Fund Management Agreement dated _____ 2021.
- R1.2. Subject to the provisions of the Deed, the Act and the Collective Investment Schemes Regulations, the GenAfrica Unit Trust Scheme will be at all times be managed and administered by the Fund Manager.

R2. Trustee

KCB Bank Kenya Limited a company incorporated in Kenya and having its registered office in Nairobi with a postal address of P. O. Box 30664- 00100 Nairobi, is a Bank licensed under the Banking Act (Cap. 488, Laws of Kenya) and was appointed as a Trustee under this Deed.

R3. Custodian

Standard Chartered Bank Kenya Limited, a company incorporated in Kenya and having its registered office in Nairobi with a postal address of P. O. Box 40984-00100, Nairobi, is a Bank licensed under the Banking Act (Cap. 488, Laws of Kenya) and was appointed as a Custodian under the Custodial Services Agreement dated _____.

R4. Eligibility

To be eligible to invest in the Funds:

- R4.1. One must be aged over eighteen (18) years. However, parents or legal guardians who would like to open unit trust accounts for their children and/or dependents under the age of eighteen (18) years can open the account under the parents or legal guardians name until the beneficiary attains the age of eighteen (18) years.
- R4.2. An investment in the Funds by a Unit Holder who is resident in any jurisdiction where such an investment would be unlawful shall not be allowed.
- R4.3. A Unit Holder should satisfy himself/herself that they are permitted to make an investment in the Funds under any tax regulations or other legislation which might affect the Unit Holder.
- R4.4. A Unit Holder can either be a private investor or an institutional investor (for example companies, trusts, SACCOs and Welfare groups', retirement benefits schemes).
- R4.5. If an investment in the Scheme is to be held in joint names, all the Unit Holders must conform to the above eligibility requirements.

R5. Accounting Date, Business Days, Dealing Days, Distribution Dates, Valuation Point

- R5.1. The Annual Accounting Date for the Scheme shall be 31 December in each year.
- R5.2. The Dealing Days for the Scheme shall be every day of the week that is a Business Day being a day on which the Net Asset Value per Unit of the Fund is calculated.
- R5.3. Distribution Dates shall be the dates set out in the most recently published Information Memorandum of the Funds.

R5.4. The Valuation Point for each Fund shall be end of Business Day on every Dealing Day.

R6. Initial Subscription Price

The Subscription Price per Unit at which the initial allotment of units shall be made will be such amount as shall be set out in the Information Memorandum.

R7. Subscription and Issue of Units

R7.1. Subscriptions for Units will be dealt with on the relevant Dealing Day.

R7.2. Subscriptions for Units shall be made by completing an Application Form and sending it to the Fund Manager, together with remittance advice evidencing payment for the Units or a cheque for the Subscription amount. All mandatory fields in the Application Form must be completed otherwise the Application Form will be deemed to be incomplete. Investors should read and sign the declarations outlined in the Application Form. Application Forms may be submitted electronically

R7.3. Subscriptions received will not be processed until the Subscription Amounts have been received by the Fund Manager. Investors should be aware that if they pay by cheque, there may be delays in having their subscription processed.

R7.4. The original of any Application form (s) given by email shall be accepted only where an email indemnity is in place. Subscriptions will be effected on receipt by the Fund Manager of the Subscription Amount. The Fund Manager and the Trustee shall not be responsible to any investors for any loss resulting from non-receipt of any subscription form (s) sent by email.

R7.5. Payment should be made in one of the ways set out in the Application Form. Payments should be made in the Scheme's Base Currency.

R7.6. Where amounts are received in a currency other than the Base Currency, they will be converted into the Base Currency, using the prevailing currency exchange rates and the proceeds of conversion (after deducting the costs of such conversion) will be applied in the subscription of Units in the Fund. Conversion of currency may involve some delay.

R7.7. Subscription monies paid by any person other than an applicant will not be accepted unless the Trustee and the Fund Manager otherwise determine at their absolute discretion.

R7.8. The issue price of units of the Fund on a Dealing Day will be calculated by reference to the Net Asset Value per unit of that Fund as at the end "Valuation Point" of that Dealing Day.

R7.9. Title to units shall be evidenced by an entry in the register of holders and the Manager shall not issue certificates to Unitholders.

- R7.10. The Fund Manager shall issue to an investor a statement of unitholding upon allocation of Units.
- R7.11. In the event a completed Application form and Subscription Amounts are received, investors will be allocated an account number.
- R7.12. Investors shall be issued Units up to the last amount they have subscribed for, which may also involve being allocated fractional units.
- R7.13. The Fund Manager has an absolute discretion to accept or reject in whole or in part any subscription for Units. In the event the subscription is rejected, the Subscription Amount will be returned to the investor's originating bank account on record with the Fund Manager. No Units of the Fund will be issued where the determination of the Net Asset Value for the Fund is suspended.

R8. Creation of Units

- R8.1. The Fund Manager shall have the exclusive right to secure the creation and issue of further Units, and for that purpose to accept Subscription amounts provided that the price at which the Units are acquired shall be the market price at the time of the transaction.
- R8.2. The Fund Manager shall create Units in the Fund at the beginning of the first day of business in the initial offer period, and during the offer period.

R9. Cancellation of Units

- R9.1. Cancellation of Units may be caused by the need to correct errors in computation or to eliminate Units which may have been created from funds from illegal sources.
- R9.2. Cancellation of Units is subject to the condition that at any moment the Fund Manager issues instructions to cancel Units, 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.
- R9.3. The Trustee shall cancel the Units on receipt of instructions given by the Fund Manager. On cancellation of Units, the Custodian or Trustee shall, within two (2) business days of the instructions given by the Fund Manager, pay the repurchase price of the Units to the person who was the holder of those Units or in accordance with the relevant provisions of the Information Memorandum, this Deed, and other incorporation documents
- R9.4. The repurchase Price payable for each Unit by the Custodian or the Trustee shall be based on the NAV of the Fund.
- R9.5. Where instructions are given at a time which is less than twelve (12) hours after the last

valuation point but before the next valuation point, the instructions shall be given by reference to the price calculated or being calculated for the last valuation point.

R9.6. Where instructions are given at a time which is more than twelve (12) hours after the last valuation point

R9.6.1. Instructions must be given by reference to the price next to be calculated; and

R9.6.2. The Trustee shall create or cancel the Units only after the next valuation point has been reached.

R10. Minimum Investment

The minimum initial investment for the Funds shall be as set out in the Information Memorandum. There is no maximum investment amount subject to the provisions of the Collective Investment Schemes Regulations (if any).

R11. Regular Investment Plan

R11.1. An investor may want to make regular contributions to the Funds. This option is provided on the Application Form.

R11.2. The minimum investment, under this option, shall be as determined by the Fund Manager from time to time and set out in the Information Memorandum.

R12. Type of Accounts

R12.1. The following are the types of accounts which are available for Unit Holders.

R12.1.1. Individual Accounts: This is an account held by an individual investor.

R12.1.2. Joint Accounts: A joint account means that all parties have joint ownership of the Units. This should be checked off on the Application Form. Specimen signatures of each joint Unit Holder should be provided in the Application Form.

R12.1.3. Corporate Accounts: These represent investments from companies, associations, groups, cooperatives etc. The appropriate Application Form should be executed. Specimen signatures of authorized signatories should be provided in the Application Form.

R12.1.4. Mandate Accounts: This is an Account through which a Stock Broker or Individual can transact on behalf of its client. All communication shall be sent to the mandate holder.

R13. Redemption of Units

R13.1. Subject to the provisions outlined below, any Unit Holder may redeem the Unit Holder's units on any Dealing Day in whole or in part provided that the Fund Manager may refuse to accept a request for a partial redemption of units in the Fund if, as a result, the Unit Holder would hold Units in the Fund having a value of less than that prescribed by the Fund Manager in the Information Memorandum.

R14. Redemption Procedure

R14.1. Redemption of Units should be made by completing the Redemption Form and sending it by post, hand delivery digitally or electronically to the Fund Manager. The redeeming Unit Holder(s) must specify in the Redemption Form the name of the Fund, the number of Units to be redeemed and the name(s) of the registered holder(s),

R14.2. Unless there is an email indemnity in place or where otherwise agreed by the Trustee and the Fund Manager, the original of any Redemption Form sent by email should be forwarded to the Fund Manager. The Trustee and the Fund Manager shall not be responsible to a Unit Holder for any loss resulting from non-receipt of any redemption Form sent by email.

R14.3. A redemption Form received by the Fund Manager will be dealt with on the following Dealing Day

R14.4. Units redeemed on a Dealing Day will be redeemed at a price calculated by reference to the Net Asset Value per Unit of the Fund as at the Valuation Point on the Dealing Day. If at any time during the period from the time at which the Redemption Price is calculated and the time at which redemption monies are converted out of any other currency into the Base Currency, there is a devaluation or depreciation of that currency, the amount payable to any relevant redeeming Unit Holder may be reduced as the Fund Manager considers appropriate to take account of the effect of that devaluation or depreciation.

R15. Payment of Redemption Proceeds

R15.1. Redemption proceeds will not be paid to any redeeming Unit Holder:

R15.1.1. unless otherwise agreed by the Fund Manager and the Trustee, the written form of the redemption request duly signed by the Unit Holder has been received by the Fund Manager; and

R15.1.2. where redemption proceeds are to be paid by telegraphic transfer, the signature of the Unit Holder (or each joint unit holder) has been verified to the satisfaction of the Fund Manager and the Trustee.

R15.2. Unless the Fund Manager and the Trustee otherwise determine at their absolute discretion,

redemption proceeds paid by cheque will be paid to the Unit Holder only (or to any one or more of the Unit Holders in the case of Joint Unit Holders) and redemption proceeds paid by telegraphic transfer will be paid only to the account of the Unit Holder (or any one or more of the unit holders in the case of joint Unit Holders). No payment will be made to third parties.

- R15.3. If relevant account details are not provided, redemption proceeds will be paid to the redeeming Unit Holder (or to the first-named of joint Unit Holders) by cheque. Bank charges (if any) incurred in making payment will be borne by the unit holder.

R16. Restrictions on Redemption

- R16.1. The Fund Manager may suspend the redemption of Units or delay the payment of redemption proceeds during any periods in which the determination of the Net Asset Value of a Fund is suspended.

- R16.2. No redemptions will be carried out against uncleared cheques.

- R16.3. The Fund Manager shall immediately notify the Trustee and Unit Holders if dealing has been cancelled or suspended and the fact following such cancellation shall be published immediately following such decision and at least once every week during the period of suspension, in the newspaper in which the scheme's prices are normally published. The CMA will also be notified as and when this occurs

R17. Switching Between Funds

- R17.1. Unit Holders may (subject to any suspension in the determination of the Net Asset Value of the Fund) switch part or all of their Units of a Fund (the "Existing Fund") into Units of another Fund managed by the Fund Manager (the "New Fund") (including any Fund subsequently established).

- R17.2. To effect a switch, Unit Holders are required to submit a duly completed Switching Form to the Fund Manager.

- R17.3. A switching request received by the Fund Manager will be dealt with on the following Dealing Day.

- R17.4. Where a switching request is made by electronic mail, the Fund Manager and the Trustee shall not be held responsible to any Unit Holder for any loss resulting from non-receipt of such switching request.

- R17.5. The Fund Manager may levy a switching fee details which shall be set out in the Information Memorandum.

R17.6. Switching will be effected by redeeming Units in the Fund on the relevant Dealing Day and issuing units of the new Fund on the dealing day for the new Fund falling on or after:

R17.6.1. the date of redemption of the units of the existing Fund; and

R17.6.2. the satisfaction of any conditions attaching to the issue of units of the new Fund (for example such units may only be issued on receipt of the cleared funds for the account of the Fund).

R17.7. The Fund Manager shall ignore any fraction smaller than one-hundredth of a unit of the new Fund so arising and monies representing any such fraction will be retained as part of the New Fund.

R18. Publication of Prices

The issue and redemption prices per unit of each of the Fund will be published daily in two (2) local dailies with national circulation.

R19. Dealing

R19.1. The Fund Manager will act as principal in the trading of Units. Accordingly, the Fund Manager shall act as market maker for the Units including meeting demand from investors by creating Units.

R19.2. The Fund Manager is obliged to act in the best interests of all Unit Holders. Accordingly with regard to the creation and cancellation of Units, it shall apply a consistent basis in the creation and cancellation of Units with the exception of the recognition that a daily pricing window is required to facilitate the creation and liquidation of units.

R19.3. The Fund Manager, with the agreement of the Trustee, may suspend, issue, cancel, sell or redeem units, if it is of the opinion that due to exceptional circumstances, there are good and sufficient reasons to do so after having regard to the interest of all Unit Holders. At all times, the Fund Manager shall comply with the Act, the Collective Investment Schemes Regulations and the Trust Deeds' provisions on suspension and resumption of dealings.

R19.4. The Fund Manager shall immediately notify Unit Holders if dealing has been cancelled or suspended and the fact of such cancellation shall be published immediately following such decision, in the newspapers in which the scheme's prices are normally published.

R19.5. The close of time for dealing will be as set out in the Information Memorandum.

R20. Distributions

R20.1. Determination of Distributable Income

R20.1.1. The calculation of the distributable income shall:

- a) Take the aggregate income of the Fund's portfolio received or receivable for the account of the Fund in respect of the period;
- b) Deduct charges and expenses paid or payable out of the income of the Fund's portfolio in respect of the relevant period;
- c) Add the Fund Manager's best estimate of any relief from tax on such charges and expenses;
- d) Make appropriate adjustments in relation to:
 - i. Taxation;
 - ii. Proportion of the price received or paid for Units that are related to income;
 - iii. Potential income which is unlikely to be received until twelve (12) months after the income allocation date;
 - iv. Income, which should not be accounted for on an accrual basis because of lack of information on how it accrues;
 - v. Any transfer between income and capital account; and
 - vi. Any other adjustments that the fund manager considers appropriate after consulting with the auditors.

R20.1.2. The amount of income allocated to the accumulation Units shall with effect from the end of the annual accounting period, become part of the capital of the investment scheme portfolio.

R20.1.3. The interest of the Unit Holders in the amount shall be satisfied by an adjustment as at the end of the period in proportion to the value of the Fund's portfolio to which the price of a Unit of the relevant class is related. This adjustment will ensure that the price of an accumulation unit remains unchanged notwithstanding the transfer of income to the capital of the investment scheme portfolio.

R20.2. Income Equalisation

R20.2.1. An allocation of income (whether annual or interim) may be made in respect of each Unit to which this rule applies issued or sold during the accounting period in respect of which that income allocation is made and shall be of the same amount as the allocation to be made in respect of the other Units of the same Fund issued in respect of the Scheme but shall include a capital sum ("income equalisation") representing the Fund Manager's best estimate of the amount of

income included in the price of that unit and calculated in accordance with rule 20.2.2

R20.2.2. The amount of income equalisation in respect of any unit to which rule 20.2.1 applies shall be either:

R20.2.3. The actual amount of income included in the issue price of that Unit; or

R20.2.4. An amount arrived at by taking the aggregate of the amounts of income included in the price in respect of Units of the Fund issued or sold in the annual or interim accounting period in question and dividing that aggregate amount by the number of such Units and applying the resultant average to each of the Units in question.

R20.3. Allocation of Income

R20.3.1. At the end of each business day, the Trustee or the Fund Manager, as the case may be, shall arrange for the Custodian to transfer the income of the Fund to an account to be known as the "Distribution Account".

R20.3.2. Any income that is not transferred to the Distribution Account shall be carried forward to the next accounting period and will be regarded as received at the start of the next period.

R20.4. Payouts

A Unit Holder can redeem the units from the proceeds of the Distribution income allocated to his account as Units re-invested or through cash payouts. This request should be made in writing.

R21. Charges and Expenses

The Fund Manager, shall advise all prospective Unit Holders of the charges and expenses that shall accrue to their investment within a Fund

R22. Statements

R22.1. A statement of unitholding shall be issued to Unit Holders upon receipt of cleared funds and will be sent by email every month free-of-charge to all unit holders.

R22.2. A Unit Holder may request the Fund Manager to send his/her statements via post, at the Unit Holders expense.

R22.3. The Fund Manager shall ensure that the statements include the following information:

R22.3.1. the Market Value of the Unit Holder's account as of the date of the statement;

R22.3.2. All details of transactions that occurred in that month;

R22.3.3. Description of fees that were charged against the Unit Holder's account during the month; and

R22.3.4. Amount of distribution

R22.4. A Unit Holder also has the option of requesting the Fund Manager for a transaction history by specifying the period required and the Fund Manager shall provide this information at a cost to the Unit Holder.

R22.5. **Bulk Unit Holders**

This applies for any company or organizations that have multiple transactions such as cooperative societies, investment clubs, stock brokers etc. These Unit Holders will receive regular report of all transactions that take place at a cost to be determined by the Fund Manager.

R22.6. A Statement does not constitute evidence of title to the units to which it refers and a Unit Holder seeking use their Units to secure a loan from a lending institution, will have to notify the Fund Manager, in such form as the Fund Manager may prescribe to enable the Fund Manager note this on the Register. All expenses related to the issue of the Statement will be debited from the unit holder's account.

R22.7. Once a security interest is noted against the Units held by a Unitholder, the Unit Holder account may be restricted preventing any sales, switches and transfers occurring against it until written instructions for such sale, switch and transfer is received. This shall not affect the receipt of distributions to the Unitholder.

R23. **Account Closure**

Account closure by a Unit Holder shall be deemed to have taken place upon redemption of all Units in the Unit Holder's account.

R24. **Transfer of Units**

R24.1. This is the transfer of Units in a Fund from one person to another.

R24.2. Subject as provided below, Units may be transferred by completing a Transfer Form signed by (or, in the case of a body corporate, duly executed pursuant to the provisions of the relevant laws and its constitutive documents) the transferor and the transferee. The transferor will be deemed to remain the holder of the units transferred until the name of the transferee is entered into the Register of Unit holders in respect of such Units.

R24.3. Each instrument of transfer must relate to a single class of units only. No Units may be transferred if, as a result, either the transferor or the transferee would hold Units having a value less than the Minimum Holding in the relevant Fund.

R24.4. If a transfer is requested as a result of death occurring to a Unit Holder, the named beneficiary, as determined through formal court process, shall attach a copy of the death certificate, the Certificate of Confirmation of Grant by the Courts and such documents as

may be prescribed by the Fund Manager, from time to time, in line with applicable laws.

R24.5. If the beneficiary/transferee is not a client of the Fund Manager's unit trusts or other investment products, a new Application form would be required along with the Transfer form.

R24.6. If the transfer is requested as a result of one joint account member wishing to have their name removed from the account, both joint owners should fill out and sign the transferor section on the transfer form and the individual wishing to leave fills out the transferee section.

R25. Adjustments

R25.1. An Adjustments may be made by the Fund Manager, as a result of an error either made by the Unit Holder, Custodian or the Fund Manager.

R25.2. This instruction must be submitted in writing by completing an Adjustment Form. On completion of this form the Fund Manager will rectify the error on the unit holder's account.

R25.3. Unit Holders are strongly encouraged to study their monthly statements carefully and report any discrepancies to the Fund Manager to ensure timely correction.

R26. Compulsory Redemption or Transfer of Units

R26.1. The Fund Manager may require a Unit Holder to transfer the Unit Holders' units or, failing such transfer, may redeem such units in accordance with the Trust Deed if it shall come to the notice of the Fund Manager that the Unit Holder holds such units:

R26.1.1. in breach of the law or requirements of any country, any governmental authority or any stock exchange on which such units are listed; or

R26.1.2. in circumstances (whether directly or indirectly affecting such Unit Holder and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Fund Manager to be relevant) which, in the opinion of the Fund Manager, might result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund might not otherwise have incurred or suffered.

R27. Advertising

R27.1. Every advertisement or invitation to the public, or a section of the public relating to the Fund shall be submitted to the Authority for approval in line with the requirements of the Collective Investment Scheme Regulations.

R27.2. Any advertisement or invitation or other promotional material relating to the Fund made

the public or a section of the public, which includes information on the Trustee, shall be accompanied by the Trustee's written consent.

R27.3. Where the Fund is described as having been approved by the Authority it shall be stated that, in giving the approval, the Authority does not take responsibility for the financial soundness of the Fund or for the correctness of any statements made or opinions expressed in this regard.

R27.4. Warning statements shall be written in such a manner as to be capable of being read with reasonable ease by anyone reading the advertisement.

R27.5. For all publications, the Fund Manager must include at a minimum NAV, Yield (Year-to date, Month-to-date and Quarter-to-date) where applicable.

R27.6. In an advertisement, there shall be clearly indicated:

R27.6.1. The name and description of the Fund;

R27.6.2. The name of the benchmark used, where applicable, which shall include the key features of the benchmark or the name of the benchmark for a readily recognized index or other point of reference; and

R27.6.3. The periods that are presented.

SEALED WITH THE COMMON SEAL OF
GENAFRICA ASSET MANAGERS LIMITED

In the presence of:

Director: 

Director/Secretary: 

In the presence of:

Advocate



SIGNED AND DELIVERED BY

the duly authorised Attorney of the Trustee

KCB BANK KENYA LIMITED

In the presence of:

Name: Job Njiru

Address: P.O. Box 45400, Nairobi

Signature: 

Power of Attorney No: Plt No 27 of 25/1/2018



INVESTMENT POLICY OF THE GENFRICA UNIT TRUST SCHEME

1. Responsibility

The Fund Manager is responsible for implementing the Investment Policy, including the investment and divestment decisions, subject to the risk diversification rules and investment restrictions set out in this Investment Policy and the Collective Investment Schemes Regulations.

2. Investments

2.1. GenAfrica Money Market Fund

2.1.1. In order to achieve its investment objective, the assets of the GenAfrica Money Market Fund will be invested according to the following policies:

- a) To invest only in money market instruments spread between institutions of repute.
- b) To manage the portfolio according to best practice.
- c) To administer the portfolio according to best practice by treating the generation of income as a higher priority than capital growth or as the case may be to place equal emphasis on the generation of income and on capital growth and that (in either case) this may accordingly constrain capital growth;
- d) To optimize on investment returns by investing prudently in money market instruments which qualify the investment strategy and risk profile of the Fund.
- e) To disclose investment allocation and performance on a valuation basis.

2.1.2. The GenAfrica Money Market Fund will be suitable for the following groups of investors:

- a) Investors who require a low risk investment which offers optimal yield, capital preservation and high liquidity;
- b) Investors who wish to switch from a high risk portfolio to a lower risk, portfolio, to cushion their investments during times of high stock market volatility;
- c) Investors who wish to make a lump sum investment and wish to reduce timing risk by regularly transferring amounts to other more aggressive portfolios; and
- d) Investors looking to save and invest towards a life goal.

2.2. The Fund Manager shall keep under review and may from time to time amend the allocation of the Fund's assets in the manner deemed appropriate for the purpose of achieving the Fund's Investment Objective.

2.3. The following restrictions shall apply to the investments of the GenAfrica Money Market Fund provided that should any one or more of these restrictions be exceeded as a result of events, happening subsequent to an investment being made that are beyond the control of the Fund or the Fund Manager such as, for instance, fluctuations in the market value of underlying investments, the Fund Manager shall seek to remedy the situation in the shortest time possible and shall in so doing take due account of the interest of the Unit Holders of the Fund.

- a) Cash and Cash equivalents – upto 100%.

- b) Securities listed on a securities exchange in Kenya – up to 80%;
- c) Securities not listed on a securities exchange in Kenya – up to 25%;
- d) Securities issued by the Government of Kenya – up to 80%;
- e) Other collective investment schemes including umbrella schemes – 25%;
- f) Immovable property – up to 25%; and
- g) Off-shore investments – up to 10%

2.4. These investments shall be made provided that:

- a) The Fund invests only in interest-earning money market instruments which have a maximum weighted average tenor of thirteen (13) months and includes credit rated private commercial papers/approved public commercial papers, treasury bills, government securities, call deposits, certificate of deposit including fixed deposits in commercial banks and deposit taking institutions and any other like instruments as specified by the Central Bank of Kenya from time to time.
- b) The book 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 percent (25%) of the Fund's portfolio and Net Asset Value;
- c) The value of the Fund's holding of securities relating to any single issuer shall not exceed twenty five per cent (25%) of the Fund's Net Asset Value; and

2.5. GenAfrica Equity Fund

2.5.1. In order to achieve its investment objective, the assets of the GenAfrica Equity Fund will be invested according to the following policies:

- a) To select a well-diversified portfolio of reputable equity securities
- b) To take capital profits when appropriate
- c) Administer the portfolio according to best practice.
- d) Ensure that investors have well-researched and risk-tested portfolios

2.5.2. The GenAfrica Equity Fund will be suitable for the following groups of investors:

- a) Investors seeking medium to long term capital growth in their portfolio through dividend income and long term capital return
- b) Investors who want to gain exposure to equity investments
- c) Investors who are committed to a minimum investment period of at least 5 years
- d) Institutional investors such as pension funds

2.6. The following restrictions shall apply to the investments of the GenAfrica Equity Fund provided that should any one or more of these restrictions be exceeded as a result of events, happening subsequent to an investment being made that are beyond the control of the Fund

or the Fund Manager such as, for instance, fluctuations in the market value of underlying investments, the Fund Manager shall seek to remedy the situation in the shortest time possible and shall in so doing take due account of the interest of the Unit Holders of the Fund.

- a) Cash and Cash equivalents – upto 20%;
- b) Securities listed on a securities exchange in Kenya – up to 80%;
- c) Securities not listed on a securities exchange in Kenya – up to 25%;
- d) Securities issued by the Government of Kenya – up to 80%;
- e) Other collective investment schemes including umbrella schemes – 25%;
- f) Immovable property – up to 25%; and
- g) Off-shore investments – up to 10%

2.7. These investments shall be made provided that:

- a) The Fund shall invest a minimum of 60% of the market value of its asset under management in equities listed locally, listed in other regulated exchanges or unlisted equities at all times. Any funds not invested in equities shall only be invested in cash and cash equivalents
- b) No limits shall apply to investment of the GenAfrica Equity Fund in an interest bearing account, product or financial instrument of or issued by a bank or financial institution as defined by the Banking Act; or and insurance company as defined in the Insurance Act
- c) The book 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 percent (25%) of the Fund's portfolio and Net Asset Value;
- d) The value of the Fund's holding of securities relating to any single issuer shall not exceed twenty five per cent (25%) of the Fund's properties Net Asset Value; and

2.8. These investments may be denominated in any other currency other than the base currency, so long as the valuation is expressed in terms of the base currency, which for this case is Kenya Shillings.

2.9. The Fund Manager shall not apply any part of the 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.

2.10. The limits and restrictions in relation to the Funds shall be complied with at all times based on the most up-to-date value of the respective Fund, but a five (5%) percent allowance in excess of any limit or restriction shall be permitted where the limit or restriction is breached through the appreciation in value of a Fund.

- 2.11. Information on investment will be given in the Annual 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 Fund's investment portfolio and any changes comprising the Fund.
- 2.12. The Scheme shall not lend all or part of the its 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.
- 2.13. The Fund Manager may, if it considers it in the best interest of the Unit Holders, sell, exchange, alter, or otherwise dispose of any of the Underlying Securities and in such event shall substitute for such Underlying Securities, 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.
- 2.14. If any of the investments and borrowing restrictions are breached, the Fund Manager shall as a priority objective take all steps necessary within a reasonable period of time to remedy the situation, having due regard to the interest of the Unit Holders.
- 2.15. The Fund Manager is not required to sell investments if any of the investment restrictions are exceeded as a result of changes in the value of the Fund's investments, reconstructions or amalgamations, payments out of the assets of the Fund or redemptions of Units but for so long as such limits are exceeded the Fund Manager will not acquire any further investments subject to the relevant restriction and will take all reasonable steps to restore the position so that the limits are no longer exceeded.
- 2.16. The Fund Manager shall make investments of the Funds in compliance with the investment restrictions above. The Funds shall not have geographical or sector limitations except as the Fund Manager may advise the Trustee when there are material high risks within certain economies or sectors for which investments should not be made. The Fund Manager may not make investments in sectors considered risky by the Fund Manager (at its sole discretion) or in illegal activities such as arms, drugs or gambling.
- 2.17. The Fund Manager may, if it considers it in the best interest of the Unit Holders, sell, exchange, alter, or otherwise dispose of any of the underlying securities and in such event shall substitute for such Underlying Securities, 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.
- 2.18. For any investments undertaken on behalf of the Funds, the Fund Manager shall furnish the Trustee with all information it may require and within a reasonable time respond to any questions that the Trustee may raise. The Trustee may, subject to reasonable grounds, refuse to accept as part of the Funds any security which, according to its judgment, infringes the terms of this Deed or the Act and the Fund Manager shall in such cases be required to remedy the situation within a reasonable time.

AS WITNESS this Investment Policy Statement has been executed by the parties hereto as appears herein below.

SEALED WITH THE COMMON SEAL OF
GENAFRICA ASSET MANAGERS LIMITED

In the presence of:

Director: [Signature]

Director/Secretary: [Signature]

In the presence of:

Advocate



SIGNED AND DELIVERED BY

the duly authorised Attorney of the Trustee

KCB BANK KENYA LIMITED

In the presence of:

Name: JOY NJIRU

Address: P.O. Box 14640, COCO, NED

Signature: [Signature]

Power of Attorney No: ...P.A. No. 27 of 25/1/2018

