

**TRUST DEED**

**CONSTITUTING THE**

**PARTHIAN EQUITY FUND  
(AN OPEN-ENDED UNIT TRUST SCHEME)**

**BETWEEN**

**PARTHIAN CAPITAL LIMITED  
RC NO. 1780668  
(THE FUND MANAGER)**

**AND**

**UTL TRUST MANAGEMENT SERVICES LIMITED  
RC NO. 4834  
(THE TRUSTEE)**

**DATED THE 2<sup>ND</sup> OF FEBRUARY, 2026**

**PREPARED BY**



**THE TRUSTEE WILL BE LIABLE FOR BREACH OF ITS DUTIES WHERE IT FAILS TO CARRY OUT ITS RESPONSIBILITIES OR PERFORM ITS OBLIGATIONS UNDER THIS TRUST DEED OR REPORT ANY BREACH OF THE TERMS OF THIS TRUST DEED TO THE SECURITIES AND EXCHANGE COMMISSION**

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**THIS TRUST DEED** (the “**Deed**”) is made this **2<sup>ND</sup>** day of **February** 2026

**BETWEEN**

**PARTHIAN CAPITAL LIMITED**, a company incorporated under the laws of the Federal Republic of Nigeria with registration number 1780668 and having its registered office at 22A, Udi Street, Osborne Foreshore Estate, Ikoyi, Lagos, Nigeria hereinafter called the “**Fund Manager**” which expression shall where the context so admits include its successors-in-title, legal representatives and assigns) of the first part;

**AND**

**UTL TRUST MANAGEMENT SERVICES LIMITED**, a company incorporated under the laws of the Federal Republic of Nigeria with registration number 4834 and having its principal place of business at 2<sup>nd</sup> Floor, ED Building, No. 47 Marina, Lagos hereinafter called the “**Trustee**” which expression shall where the context so admits include its successors-in-title, legal representatives and assigns) of the last part.

The **Fund Manager** and the **Trustee** shall hereinafter be collectively referred to as the “**Parties**” and “**Party**” shall be construed accordingly.

**WHEREAS:**

- (A) The Fund Manager is a company duly incorporated under the Laws of the Federal Republic of Nigeria, and duly registered with the Securities and Exchange Commission (the “**Commission**”) as a fund manager.
- (B) The Trustee is a company duly incorporated under the Laws of the Federal Republic of Nigeria, and duly registered with the Commission as a trustee.
- (C) The Fund Manager, by a resolution of its Board of Directors passed on July 12, 2024, resolved, subject to the approval of the Commission, to establish an open-ended unit trust investment scheme to be known as “Parthian Equity Fund” (the “**Fund**”) structured to achieve real returns and long term capital appreciation of assets for investors.
- (D) The Fund will provide investors with the opportunity to diversify their investment portfolio, by investing in variety of quoted and unquoted public securities trading on either the Nigerian Exchange or the NASD OTC Securities Exchange.
- (E) The size of the Fund at inception is ₦1,000,000,000.00 (One Billion Naira) divided into 1,000,000,000 (One Billion) units at ₦1.00 (One Naira) each (the “**Units**”) by way of a public offer for subscription (the “**Offer**”). In the event of oversubscription to the Offer, the Fund Manager may issue and allot additional units, subject to the Commission’s approval, and absorb any excess application monies.
- (F) The Trustee has agreed to act as the trustee to the Fund for the benefit of the Unitholders (hereunder defined) subject to the terms of this Deed.

- (G) The Trustee and the Fund Manager are distinct and separate corporate entities, and neither of them is a subsidiary or holding company of the other.

**NOW THIS DEED WITNESSES as follows:**

**1 DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this Deed the following expressions shall, where the context permits, have the following meanings:

- 1.1.1 “**Affiliate**” has the meaning given to it under the SEC Rules;
- 1.1.2 “**Affiliate of a Related Party**” has the meaning given to it under the SEC Rules;
- 1.1.3 “**Auditors**” means PricewaterhouseCoopers or such other firm as may, from time to time, be appointed by the Fund Manager with the prior written approval of the Trustee; which Auditors to the Fund shall be appointed in accordance with Clause 33 of this Deed;
- 1.1.4 “**Bid Price**” means the bid price, as will be computed in accordance with the formula set out in Schedule VI of the SEC Rules, or as may be so prescribed by the SEC Rules from time to time;
- 1.1.5 “**Board**” means the directors, for the time being, of the Fund Manager;
- 1.1.6 “**Business Day**” means any day, excluding Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria, on which banks and other financial institutions in Lagos are ordinarily open for business;
- 1.1.7 “**CAMA**” means the Companies and Allied Matters Act, No. 3 of 2020, as may be amended or substituted from time to time;
- 1.1.8 “**Charges**” means any or all of the following, which will be charged to the [Parthian Equity Fund Expense Account]:
- a) The Fund Manager’s fee;
  - b) The Trustee’s fee;
  - c) The Custodian’s fees
  - d) The Auditors’ remuneration;
  - e) The Legal fees;
  - f) Taxes/other duties;
  - g) Advertisement fees
  - h) Fees payable to SEC and The Exchange (where same become applicable);
  - i) Transaction charges; and

- j) Any other reasonable and justifiable expense that may be incurred by the Fund Manager in the ordinary course of the management and administration of the Fund; or as may be required to be charged by the SEC Rules.
- 1.1.9 **"Commencement Date"** means the date stated in the Prospectus, as the date on which the Offer opens;
- 1.1.10 **"Commission" or the "SEC"** means the Securities and Exchange Commission;
- 1.1.11 **"CITA"** means the Companies Income Tax Act Cap C21 Laws of the Federation of Nigeria 2004 (as amended by the Companies Income Tax (Amendment) Act No.11 2007 and the Finance Act 2020) or as may be further amended from time to time;
- 1.1.12 **"Custodian"** means Rand Merchant Bank Nigeria Limited or such other financial institution as may from time to time be appointed by the Fund Manager with the prior written approval of the Trustee and the SEC, for the purpose of maintaining the assets of the Fund;
- 1.1.13 **"Custody Agreement"** means the agreement on or about the date of this Deed between the Fund Manager, the Trustee and the Custodian
- 1.1.14 **"Deposited Property"** means the Securities and cash held or deemed to be held in trust for the Fund and all Net Income realized by the Fund which are yet to be invested or distributed excluding any sums or investments which are for the time being standing to the credit of the UTL Trust Management Services Limited/Parthian Equity Fund Expense Account;
- 1.1.15 **"Designated Accounts"** means the UTL Trust Management Services Limited/Parthian Equity Fund Trading Account, the UTL Trust Management Services Limited/Parthian Equity Fund Expense Account and such other designated cash accounts that may be created and maintained by the Custodian pursuant to Clause 4;
- 1.1.16 **"Distribution"** means payments made to Unitholders out of the profits of the Fund in any financial year;
- 1.1.17 **"Distribution Payment Date"** means the date or dates, in a Distribution Period on which the Fund Manager shall make payments of Distributions to Unitholders;
- 1.1.18 **"Distribution Period"** means the period specified by the Fund Manager as the period for making Distributions to the Unitholders, which payment shall not be later than seven (7) Business Days from the date of SEC's approval of the Fund's financial results or such other period as may be prescribed by the SEC Rules;
- 1.1.19 **"Electronic Certificate"**, means the certificate, which shall be in the form as set out in the Second Schedule, issued by the Fund Manager to the Unitholders evidencing the number of Units held by a Unitholder in the Fund via email or any other electronic means;

- 1.1.20 **"Income"** means all income from investments in Permissible Instruments, the sale of securities and the capital gains arising from the sale of investments;
- 1.1.21 **"Initial Subscription Period"** means the period during which the Offer is open;
- 1.1.22 **"Investment Committee"** means the committee established pursuant to the Deed for the purpose of determining and approving in accordance with the provisions of Clause 5 hereof, investments of the Deposited Property;
- 1.1.23 **"Investors"** means any person whether resident in Nigeria or not or corporation or other body corporate or other legal entity, wherever and however incorporated or established who subscribes to Units of the Fund;
- 1.1.24 **"ISA"** means the Investments and Securities Act No. 29 of 2007 as may be amended or modified from time to time and shall include the SEC Rules;
- 1.1.25 **"Issued Units"** means all the Units of the Fund that have been sold to Unitholders and have not been redeemed in accordance with Clause 23;
- 1.1.26 **"LFN"** means Laws of the Federation of Nigeria 2004;
- 1.1.27 **"Lock-In Period"** means such period within which the Unitholders shall not be permitted to redeem any Unit without accruing penalties as provided in Clause 23.2 of this Deed.
- 1.1.28 **"Management Fee"** means an annual fee of 1.50% of the Net Asset Value of the Fund payable to the Fund Manager;
- 1.1.29 **"Minimum Holding Period"** means such Lock-In Period of ninety (90) calendar days commencing from the date of initial subscription to the Fund during the Initial Subscription Period. Provided that, in the case of the investors in the New Units after the expiration of the Initial Subscription Period, the Minimum Holding Period shall be construed as a Lock-In Period of ninety (90) calendar days from the date of purchase of such New Units.
- 1.1.30 **"Net Asset Value"** means the total market value of the Fund's underlying investment portfolio and other assets of the Fund less the fees, Charges, expenses and other liabilities accrued by the Fund;
- 1.1.31 **"Net Asset Value per Unit"** means the Net Asset Value divided by the number of Units in issue at any time;
- 1.1.32 **"Net Income"** means the Income of the Fund after all applicable taxes, duties, costs, Charges or expenses have been deducted;
- 1.1.33 **"New Unit"** means a Unit issued under the Fund with the approval of the Commission, upon exhaustion of the initial registered units;
- 1.1.34 **"Offer Price"** means the offer price, as will be computed in accordance with the

formula set out in Schedule VI of the SEC Rules, or as may be so prescribed by the SEC Rules from time to time;

- 1.1.35 **"Permissible Instruments"** means investment in securities such as quoted and unquoted public equities and fixed-income or money market securities issued by Nigerian entities and as may be prescribed in the asset allocation guidelines set for the Fund from time to time by the Investment Committee. Provided howsoever that the asset allocation guidelines will only be reviewed with the approval of the Commission;
- 1.1.36 **"Promoter"** means Parthian Capital Limited;
- 1.1.37 **"Prospectus"** means the Prospectus dated August [•], 2024, with respect to the Offer by which the 1,000,000,000 (One Billion) Units of N1 (One Naira) per Unit in the Fund is offered to the public for subscription;
- 1.1.38 **"Principal Transaction"** shall have the meaning specified in the SEC Rules;
- 1.1.39 **"Redemption"** means the redemption of Units after allotment, which Redemption shall be done at the Bid Price;
- 1.1.40 **"Redemption Documents"** means the Redemption Notice and the Electronic Certificate, which must be lodged with the Fund Manager to initiate Redemption;
- 1.1.41 **"Redemption Notice"** means a notice by a Unitholder for Redemption, and which shall be issued substantially in the form prescribed in the Third Schedule
- 1.1.42 **"Redemption Period"** means any time after the date of receipt of the Redemption Documents, or such other period as the Fund Manager shall in consultation with the Trustee determine, subject to the provisions of the ISA and SEC Rules from time to time;
- 1.1.43 **"Register"** means the Register of Unitholders established pursuant to Clause 15;
- 1.1.44 **"Related Party"** means the Fund Manager, Trustee, Custodian and an Affiliate of a Related Party;
- 1.1.45 **"Related Party Transaction"** shall have the meaning specified in the SEC Rules;
- 1.1.46 **"Relevant Benchmark"** shall mean the NSE All Share Index and the benchmark published from time to time on the Fund Manager's website as the relevant benchmark for the Fund;
- 1.1.47 **"UTL Trust Management Services Limited/Parthian Equity Fund Expense Account"** means the designated account to be opened and maintained by the Custodian for the purpose of paying the Charges;
- 1.1.48 **"UTL Trust Management Services Limited/Parthian Equity Fund Trading Account"** means the designated account to be opened and maintained by the Custodian and into which all proceeds of the sale of Units shall be paid;

- 1.1.49 **"SEC Rules"** means the rules and regulations and any amendments thereto, issued by SEC, from time to time, pursuant to the provisions of the ISA;
- 1.1.50 **"Securities"** means the quoted and unquoted equity securities, fixed income and money market securities (including evidence of title to them and all rights as to them, whether represented by a certificate or by an entry in the books or other permanent records of an issuer, a trustee or other fiduciary of them or in any securities system) acceptable to, and deposited or transferred by or for the Fund Manager and the Trustee with or to, the Custodian or collected by the Custodian for 'UTL Trust Management Services Limited/ Parthian Equity Fund' account;
- 1.1.51 **"Special Resolution"** means a resolution passed at a meeting of the Unitholders duly convened and held in accordance with the provisions of this Deed in relation to meetings for the passing of Special Resolutions, the notice of which shall state that a resolution will be proposed as a Special Resolution which shall be carried by a majority consisting of not less than 75% (seventy five per cent) of the Unitholders present in person or by proxy (or being a company by its duly authorized representative as aforesaid) and voting at the meeting by a majority consisting of not less than 75% (seventy five per cent) in number of the votes cast or a written resolution (the text of which shall state that the resolution is proposed as a Special Resolution) in the affirmative by Unitholders holding not less than 75% (seventy five per cent) of the Units still outstanding;
- 1.1.52 **"Subscription Price"** means N-1.00 (One Naira) per Unit;
- 1.1.53 **"The Exchange"** means The Nigerian Exchange Group, the NASO OTC Securities Exchange, and any exchange duly registered by the SEC;
- 1.1.54 **"The Trust"** means the "Parthian Equity Fund", an open-ended unit trust scheme as constituted by this Deed;
- 1.1.55 **"Trust Period"** means the period from the date of this Deed until the Fund shall be terminated in accordance with the provisions of this Deed;
- 1.1.56 **"Trustees Act"** means the Trustee Investments Act Chapter T22 LFN, as may be modified or amended from time to time;
- 1.1.57 **"Units"** means Units of the Fund;
- 1.1.58 **"Unitholder"** means any person for the time being entered in the Register as a holder of the Units and includes persons so entered as joint Unitholders; and **"Unitholders"** shall be construed accordingly; and
- 1.1.59 **"Value"** with reference to any investment (except as herein otherwise specifically provided) means the value of the Permissible Instruments calculated by reference to the realistic value attributed to the Investment by the Fund Manager together with all duties and charges which would be payable on the purchase thereof at such price. Value with reference to cash means the monetary amount thereof.

## 1.2 Interpretation

- 1.2.1 The headings of the Clauses and Schedules of this Deed are inserted for convenience of reference only and shall not in any way affect the interpretation of this Deed.
- 1.2.2 A reference to a specified Clause or Schedule shall be construed as a reference to that specified Clause or Schedule of this Deed.
- 1.2.3 A reference to an agreement in this Deed shall be construed as a reference to that agreement as it may be amended, varied, supplemented, novated or assigned from time to time.
- 1.2.4 Unless the context otherwise requires in this Deed, words denoting the singular shall include the plural and vice versa, and words denoting natural persons shall include corporations, partnerships and other legal persons.
- 1.2.5 A reference to an enactment includes references to that enactment as re-enacted, amended, extended or applied by or under any other enactment before or after the date of this Deed, any enactment which that enactment re-enacts (with or without modification) and any subordinate legislation (including regulations) made (before or after the date of this Deed) under any enactment, as re-enacted, amended, extended or applied.
- 1.2.6 Any Schedule to this Deed shall form a part of this Deed, and any reference to this Deed shall include its Schedules.
- 1.2.7 The words "written" or "in writing" shall mean any form of written communication, including letter, electronic mail or facsimile.
- 1.2.8 Unless otherwise indicated herein or where the context otherwise requires, words or expressions in this Deed shall have the same meaning as in the ISA and/or the SEC Rules.
- 1.2.9 Where the day on or by which an event, including but not limited to payment, is due to occur is not a Business Day, that event shall occur on or by the immediately succeeding Business Day, unless that immediately succeeding Business Day falls in a different calendar month, in which case that event shall occur on or by the immediately preceding Business Day.

## 2 THE TRUST DEED

The provisions of this Deed, and of any duly executed supplemental deed, shall be binding on the Parties, the Unitholders and all persons claiming through them as if such persons were parties to this Deed or such supplemental deed.

## 3 CONSTITUTION AND ADMINISTRATION OF THE TRUST

- 3.1 The Fund shall initially be constituted from the proceeds of sale of Units in the Fund under

the Offer.

- 3.2 The Deposited Property shall immediately upon receipt by the Custodian be vested in the Trustee, and the Trustee shall stand possessed of the Deposited Property, in trust for the Unitholders. The Deposited Property shall be held as a single common fund and no Unit shall confer any interest or share in any particular part of the Deposited Property.
- 3.3 The Trustee shall have all the rights and powers conferred upon trustees by the Trustees Act.
- 3.4 The powers hereby conferred on the Trustee shall be in addition to any powers which may from time to time be vested in it by general law or as holder of the legal interest in the Deposited Property in so far as it does not and shall not conflict with the rights and powers vested in the Fund Manager by virtue of this Deed. The Trustee in the exercise of the powers and discretions vested in it by this Deed shall comply with the provisions of the ISA, and all regulations, rules and guidelines made pursuant to it.
- 3.5 The Custodian shall at all times retain possession and ensure safe custody all the investments and all documents of title or value connected therewith actually received by the Custodian or its nominees approved by the Commission or such agents and shall be responsible for the safe custody and so far as practicable, the realization of the Income proceeds in respect of such part of the investments as may be within it or its nominee's or agent's control. Provided that the Custodian may retain such investments and documents of title or value in the possession of such third parties, as it may with the consent of the Fund Manager and the Trustee appoint as its agents in that behalf. Further provided that the Custodian shall ensure that such appointed third parties shall be bound by a similar duty as contained in this Clause.
- 3.6 The Trustee shall whenever it becomes necessary to enforce the terms of this Deed act within 30 (thirty) days and shall inform the SEC of any breach of the terms and conditions of the Deed not later than 10 (ten) Business Days after breach.
- 3.7 The Fund Manager shall subject to the provisions of Section 168 of ISA and Clauses 5 and 11 have the exclusive right and absolute power at any time to manage the Deposited Property.
- 3.8 The Fund Manager shall in accordance with the decisions of the Investment Committee invest the Deposited Property in Permissible Instruments. All investments shall be made with monies drawn from the UTL Trust Management Services Limited/Parthian Equity Fund Trading Account and such investments shall be held in the name of the Trustee and the Fund.

#### **4 DESIGNATED ACCOUNTS**

- 4.1 The Custodian shall open and operate the Designated Accounts in the joint name of the Trustee and the Fund in accordance with the provisions of the Custody Agreement and the SEC Rules.
- 4.2 All cash proceeds of the sale of Units shall be paid into the UTL Trust Management Services Limited/Parthian Equity Fund Trading Account or such other designated cash account with the Custodian as approved by the Fund Manager.

- 4.3 A portion of such proceeds will from time to time, as hereinafter provided for, be paid from the UTL Trust Management Services Limited/Parthian Equity Fund Trading Account into the UTL Trust Management Services Limited/Parthian Equity Fund Expense Account or such other designated cash account pursuant to Clause 4.1 above to be used for the payment of the Charges.
- 4.4 Monies paid for Units pursuant to Clause 6 of this Deed shall be paid into the UTL Trust Management Services Limited/Parthian Equity Fund Trading Account and shall form a part of the Deposited Property.
- 4.5 The Designated Accounts shall be managed by the Custodian who shall, provide the Fund Manager, the Trustee, and the Commission with monthly and quarterly reports thereon, as well as a quarterly valuation of the investments held by the Fund. The Fund Manager shall provide the Unitholders with the said reports and valuation annually.

## **5 INVESTMENT COMMITTEE**

- 5.1 The Fund shall have an Investment Committee appointed by the Fund Manager in consultation with the Trustee, and which shall be responsible for reviewing and advising the Fund Manager on any proposed investment. The Trustee's consent or expression of no-objection shall be required in respect of such appointment.
- 5.2 The Investment Committee shall be comprised of not less than three persons, who are knowledgeable in investment and financial matters and, at least two of whom shall be (a) an independent member; and (b) a representative of the Trustee.
- 5.3 The independent member so appointed as a member of the Investment Committee shall not be related in any manner with the Fund Manager, the Trustee or the Custodian
- 5.4 The Investment Committee shall meet regularly and, in any case, not less than once every quarter.
- 5.5 The Investment Committee shall have the responsibility to evaluate investments. The Investment Committee shall review contemplated investments by examining the expected return on investment and other relevant investment metrics.
- 5.6 The Investment Committee shall review and discuss with Fund Manager the diversity and risk of the investment portfolio, and, where appropriate, make relevant recommendations. Provided that such recommendations shall not be binding on the Fund Manager.
- 5.7 Notwithstanding the foregoing, the consent of the Trustee must be obtained by the Fund Manager before an investment is finalised or consummated by the Fund Manager.

## **6 ISSUE AND SALE OF UNITS**

- 6.1 The size of the Fund at inception is ₦1,000,000,000.00 (One Billion Naira) divided into 1,000,000,000.00 (One Billion) units at ₦1.00 (One Naira) each by way of a public offer for subscription.
- 6.2 During the Offer, the Units shall be issued at the Subscription Price.
- 6.3 The subscription of Units at the Subscription Price shall be in the manner set out in the Prospectus and shall be made subject to a minimum subscription of 10,000 (Ten Thousand) Units in the sum of ₦10,000 (Ten Thousand Naira) in respect of an initial

application for subscription of the Units and thereafter in multiples of 5,000 (Five Thousand) Units in the sum of ₦5,000 (Five Thousand Naira).

- 6.4 Investors may subscribe to Units on behalf of and in the name of minors and exercise all rights attached to the Units as provided in this Deed until the minor reaches the age of 18 (Eighteen) years or any other age of legal maturity whereupon such minor can elect to retain the Units or to have all or some of them redeemed or transferred in accordance with the provisions of this Deed.
- 6.5 In the event of an oversubscription to the Offer, the Fund Manager shall, subject to the approval by and registration of such New Units with the Commission, have the power to create and issue New Units at the Offer Price in accordance with the provisions of this Deed.
- 6.6 The issue of New Units shall occur continuously subject to Clause 35 and to the issuance at any one time of a minimum value of 5,000 (Five Thousand) Units.
- 6.7 Any New Units issued pursuant to this Trust Deed, shall rank pari passu in all respects with the Units issued under the Offer and shall represent an undivided part of the Deposited Property of the Fund.
- 6.8 Subject to, and without prejudice to the other provisions of, this Deed, the Fund Manager shall effect the issue of New Units for cash or in exchange or part exchange for Permissible Instruments and any such cash or Permissible Instruments received shall be vested in the Trustee.
- 6.9 The Fund Manager shall furnish to the Trustee, management accounts on a quarterly basis and from time to time on demand, a statement of all issues and sales of Units specifying the price at which such Units were issued or sold and giving such other information as may be necessary to enable the Trustee ascertain at any particular time the value of the Deposited Property.
- 6.10 Where a Unitholder is desirous of receiving the monetary value of his Units he shall do so by way of redemption under the provisions of Clause 23.
- 6.11 The Fund Manager's powers shall also include the power to:
  - 6.11.1 effect the issue of New Units (subject to any prescribed minimum investment requirement) of such number and of such value at such time as the Fund Manager may from time to time determine, subject to the consent of the Trustee and approval and registration of the Units with the Commission;
  - 6.11.2 generally, do all other acts and things, which the Fund Manager may consider desirable in connection with the effective management of the Fund; and
  - 6.11.3 subject to the provisions of Clause 6, and the Special Resolution of the Unitholders at a General Meeting, have the exclusive power from time to time to make offers to the Unitholders of units of one or more authorized unit trust

schemes as defined by Section 152 of the ISA by the issue of Units in exchange for such units or cash or other property (being Permissible Instruments) represented by such units. Such offers shall be made upon such terms (including the provision for paying out of the Deposited Property, the duties, charges, costs, fees and disbursements consequent upon such offer). Units may be redeemed in exchange for units under such other authorized unit trust schemes.

- 6.12 Monies remitted to the Custodian as subscription for New Units issued pursuant to Clause 6.5, and monies and other property transferred in consequence of any offer or issue made pursuant to Clause 6.10.3 shall be paid or transferred to the UTL Trust Management Services Limited/Parthian Equity Fund Trading Account and the New Units shall be deemed to have been constituted and to be in issue. Monies and other property so paid or transferred shall be vested in the Trustee as part of the Deposited Property.
- 6.13 All stamp duty and other duties payable on this Deed or upon the issuance of New Units shall be payable out of the UTL Trust Management Services Limited/Parthian Equity Fund Expense Account.

## 7 VALUATION OF UNITS

A valuation of the Fund's unit shall be carried out at the end of every business day based on the SEC-approved formula. The Fund Manager shall advise of the Bid and Offer price of the Fund following valuation on the next business day and display the same in its offices, website and possibly, other media channels fee.

<b><u>COMPUTATION OF BID PRICE</u></b>	<b><u>#</u></b>	<b><u>#</u></b>
<b><u>Add securities /investments (as applicable):</u></b>		
<u>Quoted equities</u>		<u>X</u>
<u>Fixed income investments</u>		<u>X</u>
<u>Other investments (with disclosures)</u>		<u>X</u>
<u>Cash and bank</u>		<u>X</u>
<u>Dividend/income</u>		<u>X</u>
<u>Less payables (if any, with disclosures)</u>		<u>(X)</u>
<b><u>Net asset before fees</u></b>		<b><u>X</u></b>
<b><u>Less expenses (as applicable):</u></b>		
<u>Auditor's fee</u>		<u>(X)</u>
<u>Custodian's fee</u>		<u>(X)</u>
<u>Fund manager's fee</u>		<u>(X)</u>
<u>Trustee's fee</u>		<u>(X)</u>
<u>Registrar's fee</u>		<u>(X)</u>
<u>Other allowable fees and expenses (with disclosures)</u>		<u>(X)</u>
<u>Total fees</u>		<u>(X)</u>
<b>Net asset value after fees</b>		<b>X</b>

**Less charges**

Stamp duty	(0.0075 x Quoted ordinary shares)	(x)
Brokerage fees	(0.003 x Quoted ordinary shares)	(x)
Securities Exchange (sell only)	(0.003 x Quoted ordinary shares)	(x)

CSCS (sell only) (0.0075 x Quoted ordinary shares) (x) (X)

**BID VALUE AT VALUATION DATE**

**X**

**BID PRICE = BID VALUE AT VALUATION DATE / NUMBER OF OUTSTANDING UNITS**

**COMPUTATION OF OFFER PRICE # #****Add securities /investments (as applicable):**

Quoted equities	x
Fixed income investments	x
Other investments (with disclosures)	x
Cash and bank	x
Dividend/income	x
Less payables (if any, with disclosures)	(x)
<b>Net asset before fees</b>	<b>X</b>

**Less expenses (as applicable):**

Auditor's fee	(x)
Custodian's fee	(x)
Fund manager's fee	(x)
Trustee's fee	(x)
Registrar's fee	(x)
Other allowable fees and expenses (with disclosures)	(x)
Total fees	(X)
<b>Net asset value after fees</b>	<b>X</b>

**Add charges**

Stamp duty (0.0075 x Quoted ordinary shares)	x
Brokerage fees (0.003 x Quoted ordinary shares)	x
SEC (buy only) (0.003 x Quoted ordinary shares)	x X
<b>OFFER VALUE AT VALUATION DATE</b>	<b>X</b>

**OFFER PRICE = OFFER VALUE AT VALUATION DATE/ NUMBER OF OUTSTANDING UNITS**

**8 LISTING**

The Fund Manager may on the successful completion of the Offer, or at a later date, and at its absolute discretion seek a memorandum listing of the Fund on The Exchange.

## **9 MANDATORY SUBSCRIPTION**

- 9.1 The Fund Manager, as the Promoter and in accordance with the SEC Rules, shall subscribe to a minimum of 5% of the Offer upon inception and shall hold such Units throughout the life of the Fund.

## **10 RIGHTS OF UNITHOLDERS**

- 10.1 Unitholders shall have the right to share in the assets of the Fund proportionate to the number of Units held.
- 10.2 Unitholders shall have the right to receive Distributions and all other rights which attach and or accrue to the Units, pursuant to the provisions of this Deed, and shall be entitled, throughout the Trust Period, to receive an Electronic Certificate from the Fund Manager stating the number of Units issued as at the date of the Electronic Certificate.
- 10.3 Unitholders shall receive notice of meetings of Unitholders and to attend such meetings either in person or by proxy. In the case of Joint Unitholders, the Joint Unitholders shall both be entitled to receive the notice of meetings of Unitholders, and an attendance by one of the Joint Unitholders shall be deemed to be due attendance by the Joint Unitholders. Each of the Joint Unitholders shall be entitled to appoint a proxy to attend such meeting in their stead. However, where a vote is required of Unitholders, the only unanimous vote of the Joint Unitholders shall be valid and such unanimous vote shall only be counted as 1 (one) vote. For the avoidance of doubt, where the Joint Unitholders are not unanimous in their vote, it shall be deemed that the Joint Unitholders have failed to put a valid vote forward and such failure shall be deemed to be a positive waiver of the Joint Unitholders to participate in the voting process and shall not operate in any manner to defeat the entire voting process.
- 10.4 At least five (5) Unitholders holding not less than 25% (twenty-five per cent) in value of the Issued Units may in writing request the Trustee or the Fund Manager to convene a meeting of Unitholders.
- 10.5 A Unitholder shall have the right to pledge, charge, and mortgage or otherwise use his Units to secure a debt, a loan or an obligation and in any such case shall notify the Fund Manager of the pledge, charge, mortgage or obligation.
- 10.6 Unitholders shall not have or acquire any right against the Fund Manager or the Trustee in respect of Units save for such rights as are expressly conferred upon them by this Deed or by any law, subsidiary legislation, regulations or any order of court. No person shall be recognized as a Unitholder except in respect of Units registered in the person's name.

## **11 DESCRIPTION AND OBJECTIVE OF THE FUND AND RISK MANAGEMENT PROCESS**

- 11.1 The Parthian Equity Fund is an open-ended unit trust scheme, duly authorised and registered in Nigeria as a unit trust scheme by the Commission having as its primary objective, the investment in a diversified pool of quoted and unquoted public securities trading on either the Nigerian Exchange or the NASD OTC Securities Exchange (subject to a minimum allocation of 70%) and fixed income or money market securities.
- 11.2 The main objective of the Fund, in line with the SEC Rules, is to achieve capital growth

and/or income generation. The Fund shall, for this purpose, seek to deliver returns and long-term capital appreciation of its assets through investment in securities described in Clause 10.1 above. The Investment Committee will set and monitor investment guidelines including investment concentration and risk limits.

- 11.3 The Fund’s risk management processes shall include (i) the assessment of all risks, vulnerabilities and threats prior to undertaking all investments (ii) establishment of a system of controls over risk management process to ensure compliance with risk management policies and procedures.

**12 INVESTMENT POLICY AND INVESTMENT OUTLETS**

- 12.1 The assets of the Fund shall be invested in Permissible Instruments.

- 12.2 The Fund Manager may, upon obtaining the SEC’s approval in accordance with the provisions of Section 187(1)(a) of the ISA, alter the investment policy of the Fund as set out in this Clause.

- 12.3 It shall not be necessary for either the Fund Manager or the Trustee to effect or cause to be effected changes in Permissible Instruments by reason of any appreciation in the value; the aggregate of the value of any Permissible Instruments in any market or industry sector or company or body or of any security or any depreciation in the value or the aggregate of the values of any Permissible Instruments.

- 12.4 The Fund Manager shall ensure that any investment in unquoted Securities shall be in compliance with the SEC Rules.

- 12.5 For the avoidance of doubt, the Fund’s asset allocation is as follows:

<b>Asset Allocation</b>	<b>Qualifying Instruments</b>	<b>Proportion of Asset Allocation</b>
<b>Quoted Equities</b>	Securities trading in the Nigerian Exchange	70% - 90%
<b>Unquoted Equities</b>	Securities trading in the NASD OTC Securities Exchange	0% - 20%
<b>Money Market &amp; Fixed Income Investments</b>	Sovereign Treasury Bills, Fixed Deposits, Certificate of Deposits, Commercial Papers, Collateralized Repurchase Agreements, Banker’s Acceptances, Corporate Bonds, State Bonds, Sovereign Bonds, etc.	0% - 30%
<b>Uninvested Funds in the Call Account</b>	Cash and Call Deposits	0% - 5%

- 12.6 In the event that the Fund Manager’s investment limit as prescribed in this Clause or the SEC Rules is exceeded as a result of a corporate action or through an appreciation or depreciation of the Net Asset Value of the Fund, the Fund Manager shall not make any further acquisition with respect to any security with which the relevant limit is breached,

and the Fund Manager shall within a period of not more than three (3) months from the date of the breach take all necessary steps and actions to rectify the breach.

### **13 INVESTMENT RESTRICTIONS**

- 13.1 The Fund Manager shall obtain the prior consent of the Trustee and disclose to the Commission the purchase of Securities on behalf of the Fund, in respect of which an Affiliate or Related Party of an Affiliate acts as issuing house or underwriter and the Fund Manager shows that;
  - 13.1.1 The transaction is in the best interest of the fund and the unitholders
  - 13.1.2 The transaction is carried out at arm's length; and
  - 13.1.3 There is full disclosure on transaction cost and terms
- 13.2 No investment shall be consented to by the Trustee for the purpose of:
  - 13.2.1 Exercising control over the management or operating policies of the issuing company/issuer of any securities; or
  - 13.2.2 Granting loans control from any part of the Deposited Property except that it may buy and hold qualifying instruments in accordance with terms of the
- 13.3 The Fund Manager shall obtain the consent of the Trustee in respect of:
  - 13.3.1 Any principal transaction on behalf
  - 13.3.2 any Principal Transaction on behalf of the Fund with its Affiliate or Affiliate of Related Party as a counter party or vendor to ensure that cost, terms and conditions of the transaction are carried out at better terms and priced at the prevailing market condition;
  - 13.3.3 any Principal Transaction for sales or purchase of securities in the secondary market where the Affiliate of a Related Party acts as broker or intermediary for such sale or purchase showing the price or cost at which the transaction was made as compared to the highest and lowest price for similar transaction in the market for that day
- 13.4 Except as otherwise permitted by the Commission or as stated in this Deed, the Fund Manager shall not deal in or retain the securities of any company in which the individual officers of the Fund Manager or any of its Affiliates or subsidiaries each have beneficial ownership of more than 0.5% of the securities of such company and together more than 5% of the securities aforesaid.
- 13.5 The Fund Manager shall disclose to the Commission any service contract with an Affiliate or Related Party of an Affiliate which contract has the potential of giving rise to a conflict of interest.
- 13.6 The Fund Manager may invest in money market instruments issued by an Affiliate of a Related Party to the Fund subject to the following conditions:
  - 13.6.1 That the money market instrument issued by such entity shall not be below investment grade rating of A-and at yield better than prevailing market rates
  - 13.6.2 The investment in the money market instrument shall not exceed the limit prescribed by the SEC rules

- 13.6.3 Such investment shall not exceed 2% of 10% allowable exposure to liquid assets and
- 13.6.4 That the consent of the Trustee for compliance with pre-conditions for such investment has been obtained
- 13.7 The Trustee shall ensure that the Fund Manager complies with the limit referred to in Clause 12.6.2 above and submit evidence of compliance to the Commission.
- 13.8 The Fund Manager shall not enter into any investment or any transaction which results in all or any part of the Deposited Property being pledged, charged, mortgaged or in any other way offered as security and the Fund shall not borrow any money or obtain any credit at all for the purpose of financing its investments.
- 13.9 Nothing in this Clause shall authorize the Fund Manager or the Trustee or their respective holding company or any subsidiary to act as principals in the sale of any part of the Deposited Property or in the sale of underlying assets of the Fund.
- 13.10 In line with the SEC Rules, the Fund Manager may invest up to 15% of its Net Asset Value ("NAV") or 1.2 times of that share's weight in the benchmark (whichever is greater) in the equity securities of any single company, provided that this will not apply to a fund whose principal objective is to track or replicate an index.
- 13.11 With the exception of treasury bills, the value of the Fund's investment in money market instruments issued by any single issuer shall not constitute more than 20% of a fund's NAV. Provided however, that a Money Market Fund shall ensure compliance with the Rules on Money Market Funds.
- 13.12 With the exemption of federal government bonds, the value of the Fund's investment in bonds issued by any single issuer or one group of companies shall not constitute more than 30% of a Fund's NAV.
- 13.13 The value of the Fund's investment in fixed deposits with any single institution shall not constitute more than 20% of a Fund's NAV.
- 13.14 The value of the Fund's investment in units/shares of any collective investment scheme shall not constitute more than 20% of a Fund's NAV; Provided that this shall not apply to a feeder fund or fund of funds.
- 13.15 No equity investment of a scheme shall represent more than 10% of the outstanding securities of an issuer.
- 13.16 Where the investment limit as prescribed in this Rule is exceeded as a result of a corporate action or through an appreciation or depreciation of the Fund's NAV, a fund manager shall not make any further acquisition with respect to any security with which the relevant limit is breached, and the fund manager shall within a period of not more than 3 months from the date of the breach take all necessary steps and actions to rectify the breach.
- 13.17 Without prejudice to the foregoing, the investment restrictions/limit imposed by any law for the time being for the regulation of trust funds shall apply.

## **14 MANAGEMENT OF PERMISSIBLE INSTRUMENTS**

- 14.1 The Fund Manager shall appoint the Custodian to provide custodial services in respect of the Fund pursuant to the Custody Agreement.
- 14.2 Subject to Clause 3.5 and the Custody Agreement, the Custodian shall at all times retain in its possession all documents of title to the Permissible Instruments and shall be responsible for their custody.
- 14.3 Any investment comprised in the Deposited Property may at any time be realized at the discretion of the Fund Manager either in order to invest the proceeds of such realization in other Permissible Instruments or to provide the cash required for any purpose pursuant to any provision of this Deed, provided always that the Fund Manager complies with the principles of diligence and prudence in exercising this discretion.
- 14.4 Without prejudice to the foregoing provision, investments comprised in the Deposited Property and which at any time or for any reason shall cease to be Permissible Instruments shall be realized by the Fund Manager and the net proceeds of such realization shall be applied in accordance with the provisions of this Deed but the Fund Manager may postpone the realization of any such Permissible Instruments for such period as it may determine to be in the best interest of the Unitholders.

## **15 RIGHTS ATTACHING TO INVESTMENTS**

- 15.1 With respect to any Permissible Instruments held by the Fund, no Unitholder shall have a right to attend meetings of investors or creditors. Subject to any such direction referred to in this Clause, the Trustee shall exercise or cause to be exercised the rights in what it considers to be the best interests of the Unitholders but neither the Trustee nor the Fund Manager nor any representative duly authorized by either of them nor the holder of any proxy or power of attorney shall be under any liability or responsibility in respect of the management of the companies or bodies or in respect of any vote or action taken or omitted to be taken or consent given or omitted to be given by the Trustee or the Fund Manager in person or by such duly authorized representative or by the holder of any such proxy or power of attorney.
- 15.2 The Trustee or the Custodian shall when necessary forward to the Fund Manager all notices of reports and circulars received by it or its nominees as holder of any Permissible Instruments.

## **16 REGISTRATION OF UNITHOLDERS**

- 16.1 The Fund Manager has with the consent of the Trustee, appointed the Registrar for the purposes contemplated in this Clause 15.
- 16.2 The Registrar shall maintain and keep the Register in such form and in such manner as the Trustee may from time to time direct and shall permit no alteration in the form of the Register or its content without the consent in writing of the Trustee which the Trustee shall be entitled to give or to withhold at its discretion, acting reasonably.
- 16.3 The Fund Manager or the Registrar shall promptly comply with all requirements that may be notified to it from time to time by the Trustee as to the form and content of the Register.

- 16.4 The Fund Manager or Registrar shall at all times at the request of the Trustee supply to the Trustee all such information and explanations in relation to the Register and the content thereof as the Trustee may require.
- 16.5 The Fund Manager or the Registrar shall permit the Trustee or any person representing it to have access at all reasonable times to the Register and to all subsidiary records and all documents, orders, transfers, cancelled Electronic Certificates or other papers relating to the conduct of the Register.
- 16.6 There shall be entered in the Register the following information:
- 16.6.1 The number of Units held
  - 16.6.2 the full names, addresses and email addresses of the unitholders and if the units are held jointly, the names and addresses of the joint unitholders except that not more than 2 (two) joint unitholders shall be entered in the register in respect of anyone holding of units.
  - 16.6.3 The date on which the name of every such unitholder was entered in respect of the Units standing in his name and if the unitholder is a unitholder by virtue of transmission a sufficient reference to enable the name of the successor identified; and
  - 16.6.4 The name of the bankers to the unitholders, the branch at which his account is held and his account number.
- 16.7 Any change of name or address or banking details on the part of any Unitholder shall forthwith be notified in writing or such other means advised by the Unitholder to the Fund Manager and/or the Registrar who on being satisfied and in compliance with all such formalities as it may require shall alter the Register or cause it to be altered accordingly.
- 16.8 Any Unitholder or his/her nominee shall be entitled at all reasonable times during business hours and without charge to inspect the Register PROVIDED ALWAYS that if the Register is maintained in or by some mechanical or electronic system, the provisions of this Clause will be satisfied by the production of legible evidence of the contents of the Register containing the details of the Unitholder.
- 16.9 The Register shall be conclusive evidence as to the persons entitled to the Units stated in it and no notice of any trust, express, implied or constructive shall be entered upon the Register in respect of any such Units nor shall the Fund Manager or Registrar, save as otherwise provided in this Deed or except as ordered by a court of competent jurisdiction or as by statute required, be bound to recognize (even when having notice) any trust or equity affecting the ownership of such Units or the rights incidental to them.
- 16.10 Upon the bankruptcy or liquidation or death of anyone of joint Unitholders, the survivor(s) of the joint Unitholder shall be the only person or persons recognized under this Deed as having any title to or interest in the Units represented by such Electronic Certificate as the case may be and upon producing such evidence of bankruptcy or liquidation or death as the Fund Manager may require and delivering up the Electronic Certificate, the survivor(s) shall be entitled to have the Electronic Certificate duly endorsed or to have a fresh

Electronic Certificate duly issued in the survivor's name as may be appropriate.

- 16.11 A body corporate may be registered as a Unitholder or as a joint Unitholder with the other joint Unitholders.
- 16.12 In the event of the death of a Unitholder only the legally appointed executors or administrators of the deceased Unitholder (not being one of joint Unitholders) or the surviving Unitholders of joint Unitholders shall be recognized by the Registrar as having any title to or interest in the deceased Unitholder's Units.
- 16.13 Any person becoming entitled to any Units in consequence of the death or bankruptcy or dissolution or winding up of any Unitholders or the survivor of joint Unitholders shall upon producing such evidence that he is duly authorized to act in the capacity in respect of which he proposes to act under this Clause or of his title as the Registrar shall consider sufficient and on delivering up the Electronic Certificate, if any, of the deceased or bankrupt Unitholder or resolution of dissolution or winding up or order of court as the case may be to the Registrar for cancellation, be entitled to elect either to be registered as the holder of such Units and to have his name or that of his nominee or some other person or persons entered into the Register and be issued a new Electronic Certificate in his name or the name of the nominee or such other person so appointed by him. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Registrar a notice in writing in a form to be prescribed by the Registrar signed by him stating that he so elects. If he shall elect to have some other person nominated by him so registered, he shall testify his election by executing to such other person an assignment of such Units. All the provisions of this Deed relating to transfers of Units shall be applicable to any such notice or assignment as if the death or bankruptcy or dissolution or winding up of the Unitholder had not occurred and the notice or assignment was being executed by the Unitholder.
- 16.14 A person becoming entitled to Units in consequence of the death or bankruptcy or dissolution or winding up of a Unitholder or the survivor of joint Unitholders shall be entitled to receive and may give good discharge for all monies payable in respect of the Unitholder but he shall not be entitled to the rights of a Unitholder with regard to the receipt of notices of or attendance or voting at any meetings of Unitholders until he shall have been registered as a Unitholder in respect of the Units.
- 16.15 With the consent of the Trustee, a reasonable fee shall be charged in respect of the registration of any grant of probate, letters of administration, power of attorney, certificate of marriage, certificate of death or such evidence of bankruptcy or liquidation or death as the Fund Manager may require and delivering up the Electronic Certificate; the survivor shall be entitled to have the Electronic Certificate duly endorsed or to have a fresh Electronic Certificate duly issued in the survivor's name as may be appropriate.
- 16.16 A Unitholder hereinafter called "the Transferor Unitholder" may transfer all or part of his Units to some other person hereinafter called "the Transferee Unitholder" and by delivering to the Fund Manager:
  - 16.16.1 An instrument in common form signed by him as transferor and the Transferee Unitholder as transferee;
  - 16.16.2 The Electronic Certificate for the Units being transferred; and
  - 16.16.3 A letter written and signed by him stating that he is transferring a specified number

## of Units to the Transferee Unitholder

- 16.17 The Transferor Unitholder shall be deemed to remain the holder of the Units being transferred until the name of the Transferee Unitholder is entered in the Register in respect of thereof.
- 16.18 Where the Transferor Unitholder transfers part of his Units he shall be entitled to a new Electronic Certificate for the Units not transferred that are comprised in any Electronic Certificate delivered to the Fund Manager under Clause 15.6.
- 16.19 The Register may, with the prior consent of the Trustee, be closed at such times and for such periods as the Fund Manager may consider necessary or expedient for the purpose of determining the rights of Unitholders in respect of distributions, the convening of meetings, or any other purpose as may be required by law or regulation; provided always that the Register shall not be closed for more than thirty (30) days in any calendar year.
- 16.20 Notwithstanding any other provision of this Deed, the Registrar in keeping the Register as required by the provisions of this Clause acts solely as agent for the Fund Manager and the Fund Manager shall have the same responsibility towards Unitholders as if the Register was kept by it.

## **17 ISSUANCE OF ELECTRONIC CERTIFICATES**

- 17.1 Every Unitholder shall be entitled to an Electronic Certificate in respect of the number of Units held by him in the Fund but joint Unitholders shall be entitled to only one Electronic Certificate for Units held jointly by them, which Electronic Certificate shall be issued in the names of the joint Unitholders and delivery of an Electronic Certificate to one of several joint Unitholders shall be sufficient delivery to all such Unitholders. A Unitholder may select, at its discretion, whether to receive an Electronic Certificate. Election to receive an Electronic Certificate shall be made by Unitholders at the time the Units are subscribed for or purchased.
- 17.2 An Electronic Certificate may be duly issued in any denomination of Units, provided that a person shall not be registered in respect of less than 5,000 (Five Thousand) Units or any other minimum number of Units as may otherwise be prescribed by the Fund Manager from time to time.
- 17.3 Electronic Certificates shall be issued to successful applicants under the Offer within 15 (Fifteen) Business Days of SEC's approval of the allotment.
- 17.4 Electronic Certificates for New Units issued pursuant to Clause 6.5 of this Deed shall be delivered to each Unitholder within 15 (Fifteen) Business Days of the date of purchase of such New Units.

## **18 FORM OF ELECTRONIC CERTIFICATES**

- 18.1 An Electronic Certificate shall specify the serial number and the number of Units represented thereby and shall be in the form set out in the Second Schedule or in such other form as the Trustee and the Fund Manager may agree or the circumstances may require

- 18.2 Every Electronic Certificate shall be signed by the Fund Manager and the Trustee (or by any other person authorised by them). Any signature effected on behalf of the Fund Manager or the Trustee may be affixed lithographically or by such other means as may be approved by the Trustee and the Fund Manager. No Electronic Certificate requested in respect of any Unit shall be issued or be valid until so signed and (in the case of issue of a New Unit) no Electronic Certificate, requested shall be signed until either the cash or such other property as is to be vested in the Trustee in respect of the issue of the New Unit has been paid or transferred to the Fund Manager. Should any person whose signature appears on any Electronic Certificate die or cease to be an official so authorized after the Electronic Certificate shall have been issued but before it is received by the Unitholder to whom it was issued, the Electronic Certificate shall be as valid and binding as though the person whose signature so appeared had lived or continued to be an official so authorized up to the date of the Unitholder's receipt of the Electronic Certificate.
- 18.3 If the Fund Manager is replaced or if there is any change in its control or ownership, then in such case the Trustee may in its absolute discretion but subject to the approval of SEC require that every Electronic Certificate shall be prepared and signed in such manner as the Trustee shall specify at such time.

## **19 REPLACEMENT OF ELECTRONIC CERTIFICATES**

- 19.1 If any Electronic Certificate is inadvertently not sent by the Fund Manager to a Unitholder or if sent, but not received by the Unitholder or the Unitholder is unable to access the email under which the Electronic Certificate was issued to him and no printed copy is available, the Fund Manager upon being notified by such Unitholder, shall arrange for the issue of a new Electronic Certificate in its place, upon provision of such indemnity and the giving of such indemnity as the Fund Manager may deem adequate. An entry as to the issue of the new Electronic Certificate and indemnity shall be made in the Register.

## **20 INCOME DISTRIBUTION AND REINVESTMENT**

- 20.1 The Net Income (if any) of the Fund shall be distributed to the Unitholders at least annually in line with the provisions of this Deed and in accordance with applicable law and the SEC Rules.
- 20.2 All Unit Holders as at the Qualification Date will be entitled to a share of the Fund's distributions.
- 20.3 The Fund Manager shall effect the distribution of not less than twenty-five (25%) of the Fund's income in each Financial Year, where such income is realised, to Unit Holders. Any undistributed profit shall be assigned to the Unit Holders in proportion to the number of Units owned by them and reinvested for their benefit and account. PROVIDED however that, the Fund Manager shall within Five (5) Business Days of it becoming aware that the Fund may be unable to distribute of not less than twenty-five (25%) of the Fund's income in any Financial Year, notify the Trustee, the Commission and the Unitholders in writing of the reason(s) for such inability to meet the aforementioned percentage.
- 20.4 Distributions will be made to Unitholders on the Distribution Payment Date and Unitholders shall have the option of receiving same in cash or reinvesting them in New Units at the Offer Price.

- 20.5 The Distribution will be made by the Registrar or Fund Manager and the cost of the Distribution will be borne by the Fund.
- 20.6 Election to receive Distributions in cash or in New Units shall be made by Unitholders at the time the Units are subscribed for or purchased and may be changed by written notice to the Fund Manager at any time that is received by the Fund Manager not less than 30 (thirty) days before the Distribution Payment Date.
- 20.7 Unitholders who elect to have their Distributions reinvested in New Units shall be entitled to an issue of New Units that shall be equal in value to the amount they otherwise would have received in cash as a Distribution. The Fund Manager shall issue Electronic Certificates evidencing the number of New Units allotted to such Unitholders pursuant to this Clause.
- 20.8 All payments to a Unitholder shall, be effected by electronic transfer to the Unitholder's bank account as specified in the Register.

## **21 FINANCIAL YEAR**

- 21.1 The Financial year of the Fund shall commence from the date in which the Fund is approved by the Commission and end on December 31 of that year. Subsequently, it will commence on January 1st and end in December 31st of every year.

## **22 REPORTS, FINANCIAL STATEMENTS AND AUDITED ACCOUNTS**

- 22.1 The Fund Manager shall file with the Commission monthly, quarterly and annual returns.
- 22.2 The Fund Manager shall cause proper books of accounts and the financial statements of the Fund to be kept and send an annual report to the Trustee and the Commission not later than 3 (three) months after the end of each financial year. The report shall show:
- 22.2.1 the gross income per Unit for the year to which it relates;
  - 22.2.2 the amount payable per Unit in respect of expenses made by the Trustee/Fund Manager for the year to which it relates stating that the same has been provided in the manner required by this Deed;
  - 22.2.3 the amount payable per Unit in respect of expenses made by the Trustee out of the Deposited Property for the year to which it relates in accordance with the provisions of this Deed, and deducted in computing the amount available for Distribution;
  - 22.2.4 the amount payable per unit in respect of withholding tax deductions
  - 22.2.5 where relevant, the amount payable per Unit in respect of other general expenses
  - 22.2.6 in percentage form, the major investments which on the last day of the year to which it relates, constituted the Fund
- 22.3 There shall also be attached to such accounts, statements certified by the Auditors showing the amount and percentage of gross profits made before any deductions or losses incurred from each of the following types of transactions:

22.3.1 The issue of new units since the date of the last account; and

22.3.2 Redemption of Units

- 22.4 The percentage profit or loss on the issue of New Units shall be calculated on the Income arising during the period of account from Permissible Instruments purchased with the net amounts raised by the issue of such New Units; and the percentage profit or loss from the redemption of Units shall be calculated on the cost to the Fund Manager of the Units redeemed. If in respect of any of the types of transactions referred to above, there shall occur between the time of acquisition of Units by the Fund Manager and the time of sale or redemption thereof variations in the value of the Deposited Property represented by such Units which shall on balance show a profit or a loss to the Fund Manager, the Fund Manager shall in each case disclose such profit or loss.
- 22.5 At least once in every financial year, the Fund Manager shall cause to be audited and certified by the Auditors, the accounts relating to the management of the Fund. The audited accounts of the Fund shall be signed by the Fund Manager and the Trustee and shall contain all the information as may from time to time be required by SEC.
- 22.6 The results of the audit referred to in Clause 21.5 above, together with any other accounts relating to the Fund including the accounts of the Fund Manager in relation to the Fund, statements of remuneration in connection therewith and performance reports shall be circulated to the Unitholders to their registered email and published on the official website of the Fund Manager.
- 22.7 A copy of the accounts certified by an Auditor and the Auditor's report shall be sent by the Fund Manager to the Commission and the Trustee and shall also be published in two (2) national newspapers within three (3) months following the period to which the accounts relate or as the Commission may from time to time specify.
- 22.8 The first accounts shall relate to the period from the date of this Deed up to 31<sup>st</sup> December of the year in which the Deed is executed or the subsequent year at the discretion of the Trustees but shall not exceed a period of eighteen months from the date the Deed is executed.
- 22.9 The audit certificates appended to the accounts and statements referred to in this Clause 21 shall declare that the accounts and statement accompanying them have been examined with the books and records of the Fund and the Fund Manager in relation thereto as the case may be and that the Auditors have obtained all the information and explanations they have required; and the Auditors shall report whether the accounts and statements are in their opinion properly drawn up in accordance with such books and records and whether in the case of the accounts referred to in this Clause, they give a true and fair view of the profits and losses accruing to the Fund.

## **23 NOTICES**

- 23.1 All notices or other documents directed to be given, or sent by the Trustee, the Registrar, or the Fund Manager to a Unitholder shall (unless the Trustee, the Registrar, or the Fund Manager as the case may require shall otherwise in writing direct) be sent by post, electronic mail or courier to the Unitholder at his address as it appears on the Register and in the case of joint Unitholders shall be sent or made to the joint Unitholder who is named first on the Register. A notice so given shall be sufficient notice to all such joint Unitholders.

Any notice to be given to a Unitholder under this Deed which is sent by post, shall be deemed to have been received by the Unitholder seven (7) days following the day on which it was posted and in proving such service it shall be sufficient to prove that the envelope containing the notice was posted. Where a notice is sent by courier it shall be deemed to be duly given or made when delivered and when sent by electronic mail it shall be deemed to be duly given or made upon receipt of an electronic mail from the recipient, confirming that the said notice has been duly received or upon receipt of an electronic mail confirming that the said electronic mail has been read by the recipient.

- 23.2 All notices or other communications to be given to the Trustee, the Registrar, or the Fund Manager shall be made in writing and sent by courier or hand delivery or facsimile transmission or email to the recipient's address or facsimile number or email address respectively as notified by the recipient and shall be deemed to be duly given or made when delivered (in the case of courier or hand delivery) or when transmitted (in the case of facsimile transmission or email, provided that the sender has received confirmation of proper transmission).
- 23.3 A notice or other communication received on a day other than a Business Day, or after business hours, in the place of receipt shall be deemed to be given on the next following Business Day.

## **24 RIGHT OF REDEMPTION**

- 24.1 Subject to Clause 23.6 below, Unitholders shall be entitled to redeem all or part of the Units held by them at the Bid Price on any Business Day upon a request to the Fund Manager and by lodging the Redemption Documents with the Fund Manager.
- 24.2 No additional charges will be required on redemption **PROVIDED** that where a Unitholder redeems all or any part of the Units held by it before Ninety (90) calendar days of initial subscription to the Fund ("**Minimum Holding Period**"), an early redemption fee of 20% on the accrued interest income attributable to the Units redeemed shall be charged.
- 24.3 The Fund Manager shall effect the Redemption from the liquidation of Permissible Instruments of the Fund by payment via a transfer or account credit to the Unitholder's account as specified in the Register within Five (5) Business Days from the date on which the Redemption Documents are received by the Fund Manager.
- 24.4 Redemption Documents must be lodged with the Fund Manager not later than 4p.m. on a Business Day. Redemption Documents delivered after 4p.m. shall be deemed to have been delivered on the next Business Day.
- 24.5 All Funds transfers shall be made to the account of the Unitholder only and not to a 3<sup>rd</sup> Party's accounts. The Unitholder's account to which payment will be made shall be the bank account specified in the Register of Members and any change to the account details in the Register must be accompanied by a Banker's confirmation in relation to such new account details.
- 24.6 The Fund Manager shall not honour any Redemption request if such Redemption is less than ₦5,000 (Five Thousand Naira) holding value of units or such other minimum number of Units as the Fund Manager may from time to time prescribe in writing and if a Redemption request shall result in the total number of Units held by a Unitholder to fall

below ₦5,000 (Five Thousand Naira) holding value of units, the Unitholder shall be required to redeem all his Units.

- 24.7 The applicable redemption price payable by the Fund Manager shall be the Bid Price displayed at the Fund Manager's office on the day the Redemption Documents are lodged with the Fund Manager. The Fund Manager shall carry out daily valuations of the Fund.
- 24.8 No redemption request shall be valid or honoured by the Fund Manager unless the Unitholder shall first deliver to the Fund Manager or its authorized agent, the Redemption Documents.
- 24.9 Where only part of the Units comprised in an Electronic Certificate are to be redeemed, the Fund Manager shall procure a balance Electronic Certificate to be issued free of charge for the balance of the Units comprised in an Electronic Certificate.
- 24.10 Where realization is to be effected by cancellation of Units, the Fund Manager shall proceed to effect any sales necessary to provide the cash required and shall notify the Registrar that the said Units are to be redeemed and cancelled in accordance with the provisions of this Clause and shall deliver to the Registrar for cancellation an Electronic Certificate covering the said Units and in such event, the Fund shall be reduced by the cancellation of the said Units and the Custodian shall authorize payment to the Fund Manager out of the Deposited Property in respect of the cancellation of the said Units the consideration thereof. The Fund Manager shall be entitled in the name and on behalf of a Unitholder to execute an instrument of transfer in respect of any Units to be redeemed hereunder by purchase by the Fund Manager and to endorse and sign on the appropriate Electronic Certificate in respect of any Units to be cancelled, such statement as may be necessary or desirable as evidence that the Unitholder no longer has any interest in the said Units PROVIDED that in either event the Fund Manager shall within a reasonable period thereafter furnish to the Trustee the authority under which it acted but the Trustee shall not be concerned to require the endorsement of any such statement and shall be entitled to cancel Units upon compliance with the procedure in this Clause provided.
- 24.11 The Trustee shall be under no obligation to verify the identity of any Unitholder seeking to redeem the whole or part of his Units but shall be obligated to verify or check the price at which the Fund Manager redeems Units.

## **25 INDEMNITIES, DUTIES AND RESPONSIBILITIES OF THE FUND MANAGER AND THE TRUSTEE**

- 25.1 Subject to the provisions of Section 168 of the ISA and without prejudice to any indemnity allowed by law or given by this Deed to the Trustee or to the Fund Manager, the following provisions shall apply in addition to any other such powers, duties and indemnities so given:
- 25.1.1 Neither the Trustee nor the Fund Manager shall incur liability to the Unitholders for doing or failing to do any act or thing which by reason of any provision of any present or future law or regulation or of any decree, order or judgment of any Court, or by reason of any request, announcement or similar action which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) which either the Trustee or the Fund Manager shall be directed or requested to do or perform or to forbear from doing or performing;

- 25.1.2 The Trustee, the Fund Manager or the Registrar shall be entitled to require that the signature of any Unitholder or joint Unitholder to any document required to be signed by him or them under or in connection with this Deed shall be verified by a banker or otherwise authenticated to its or their reasonable satisfaction;

### **DUTIES AND RESPONSIBILITIES OF THE FUND MANAGER**

- 25.1.3 The Fund Manager may in relation to anything required to be done pursuant to this Deed act on the opinion or advice or any information obtained from any legal practitioner, accountant, broker or any other persons believed by the Fund Manager in good faith to be experts in relation to the matters upon which they are consulted;
- The Fund Manager shall not be liable to account to any Unitholder or otherwise for any payment made or suffered by the Fund Manager reasonably and in good faith to any duly empowered fiscal authority in Nigeria or elsewhere for taxes or other charges in any way arising out of or relating to any transaction of whatever nature in accordance with the provisions of this Deed;
- 25.1.4 The Fund Manager shall select, acquire, manage, and realise investments of the Fund in accordance with the investment objectives and policies set out in this Deed;
- 25.1.5 The Fund Manager shall in no way be liable to make any payment hereunder to any person except out of the monies of the Fund set aside for that purpose;
- 25.1.6 The Fund Manager shall establish, maintain, and monitor adequate internal control systems to safeguard the assets of the Fund and ensure compliance with applicable law and regulation;
- 25.1.7 The Fund Manager shall maintain accurate, complete, and up-to-date records and accounts of the Fund and prepare all reports, statements, and accounts required to be submitted to the Trustee, the Commission, and the Unitholders;
- 25.1.8 The Fund Manager shall organise, convene, and attend meetings of Unitholders and provide them with all notices, information, and reports required under this Deed and applicable law;
- 25.1.9 The Fund Manager shall ensure that all distributions are affected in accordance with the provisions of this Deed;
- 25.1.10 The Fund Manager shall comply with all directives, requests, and reasonable requirements of the Trustee in connection with the proper management of the Fund; and
- 25.1.11 The Fund Manager shall generally perform all other duties and responsibilities necessary, incidental, or conducive to the effective and efficient management of

the Fund in the best interests of the Unitholders.

#### **DUTIES AND RESPONSIBILITIES OF THE TRUSTEE**

- 25.1.12 The Trustee shall by reason of its office be precluded from purchasing, holding, dealing in or disposing of Units or at any time contracting or entering into any financial, banking or other transaction with the Fund Manager or any Unitholder or any company or body whose equity or securities form part of the Deposited Property or from being interested in any such contract or transaction or from holding any shares or any investment in any such company or body and the Trustee shall not except as otherwise provided in this Deed be in anyway liable to account either to the Fund Manager or to the Unitholder or any of them for any profits or benefits made or derived by the Trustee thereby or in connection therewith. The Trustee shall not make profit for itself from any transaction in any assets held by it under the Fund and shall not engage in any transaction that is not in the interest of the Unitholders and the Fund;
- 25.1.13 The Trustee shall appear in, prosecute, or defend, any action or suit in respect of the provisions of this Deed or in respect of the Deposited Property or any part thereof or take part in or consent to any corporate or investors' action. In all cases, the Fund shall be liable for all expenses incurred by the Trustee and the Trustee shall be reimbursed accordingly;
- 25.1.14 The Trustee shall be entitled to reimbursement of all expenses incurred in connection with appearing in any action or suit relating to the provisions hereof or in respect of the Deposited Property or any part thereof or any corporate or investors' action, and such reimbursement shall be paid out from the Fund.
- 25.1.15 In no event shall the Fund Manager be bound to make any payment to any person except out of the funds held by it for that purpose under the provisions of this Deed.

#### **SPECIFIC INDEMNITIES, DUTIES AND RESPONSIBILITIES OF THE TRUSTEE**

- 25.2 The Trustee may act upon the advice of or information obtained from legal practitioners whether instructed by it or by the Fund Manager and it may also act upon statements of or information or advice obtained from the Fund Manager or any bankers, accountants, brokers and other persons believed by the Trustee in good faith to be experts in relation to the matters upon which they are consulted and the Trustee shall not be liable for anything done or omitted or suffered to be done by it in reliance upon such advice, statement or information.
- 25.3 The Trustee shall not be responsible for any misconduct, mistake, oversight, error of judgment or want of prudence on the part of the Fund Manager. The Trustee shall also not be responsible for any misconduct, mistake, oversight, error of judgment or want of prudence on the part of the Custodian or any banker, accountant, broker, legal practitioner, or other person acting pursuant to this Deed as adviser of the Trustee. The Trustee shall however be responsible for, and be liable for, acts or omissions of its agents, to whom it has delegated such powers and duties or where such agent acts on behalf of the Trustee.

- 25.4 Subject as may otherwise be provided in this Deed, the Trustee shall not in any circumstances be responsible for the purchase or selection of any Permissible Instrument nor for the sale, exchange or alteration of any Permissible Instrument but the Fund Manager, shall upon obtaining the prior approval of the Trustee and in accordance with this Deed, have absolute and uncontrolled discretion as to the purchase, selection, sale, exchange or alteration of any Permissible Instrument and the Trustee shall not in any circumstances be responsible for any loss howsoever arising from the exercise of such discretion by the Fund Manager.
- 25.5 In addition to its responsibilities, the duties of the Trustee shall include the following:
- 25.5.1 ensure that the basis on which the sale and the issue of the Units which carried out in accordance with the ISA, this deed or the Custody Agreement entered into between the Fund manager, the Custodian and the Trustee.
  - 25.5.2 Carry out the instruction of the Fund manager to the extent that such instructions are not inconsistent with the ISA or this Deed or the Custody agreement.
  - 25.5.3 Verify that, in transaction involving the assets of the Fund, any consideration is remitted to it within time limits which are acceptable market practice in the context of a particular transaction;
  - 25.5.4 Verify that the income accruals of the Fund are applied in accordance with the ISA or this Deed or the Custody Agreement.
  - 25.5.5 Enquire into and prepare report on the administration of the Fund by the Fund Manager during each annual accounting period, in which it shall be stated whether the Fund has been administered in accordance with the provision of the ISA or this deed or the custody agreement.
  - 25.5.6 Promptly report to the Fund Manager any irregularity or undesirable practice concerning the fund which it becomes aware of and where steps to rectify the irregularity or practice in question are not taken to the satisfaction of the trustee it shall as soon as possible report such irregularity or undesirable practice to the commission; and
  - 25.5.7 Satisfy itself that every income statement, balance sheet or other return prepared by the fund manager fairly represents the assets and liabilities, as well as the income and distribution of income, of the Fund as administered by the Fund Manager.
- 25.6 If for any reason it becomes impossible or impracticable to carry out any of the provisions of this Deed, the Trustee shall not be under any liability therefore or thereby and shall not incur liability by reason of any error of law and in the absence of fraud or negligence for any matter or thing done or suffered to be done or omitted to be done in good faith pursuant to this Deed. PROVIDED ALWAYS that nothing in this Clause shall be construed as exempting the Trustee from, or indemnifying the Trustee against, liability for breach of trust where having regard to the provisions of this Deed conferring on the Trustee any powers, authorities or discretions, the Trustee fails to exercise the degree of care and diligence required of it as Trustee.

## **SPECIFIC INDEMNITIES, DUTIES AND RESPONSIBILITIES OF THE FUND MANAGER**

25.7 The Fund Manager shall subject to the provisions of this Deed be entitled to destroy all instruments of redemption or Redemption Documents which have been registered at any time after the expiration of ten (10) years from the date of its registration; and all Electronic Certificates which have been cancelled at any time after the expiration of ten (10) years from the date of its cancellation; and all registers, statements and other records and documents relating to the Fund at any time after the expiration of ten (10) years from the date of their cancellation; and all registers, statements and other records and documents relating to the Fund at any time after the expiration of ten (10) years from the termination of the Fund. The Trustee shall be under no liability whatsoever in consequence thereof and, unless the contrary be proved, every instrument of transfer so destroyed shall be deemed to have been a valid and effective instrument duly and properly called by the Trustee and every Electronic Certificate so destroyed shall be deemed to have been a valid Electronic Certificate duly and properly cancelled

### **PROVIDED ALWAYS that:**

25.7.1 the provisions of Clause 24.7 shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties to such claim) to which the document might be relevant;

25.7.2 nothing in Clause 24.7 shall be construed as imposing upon the Trustee any liability in respect of the destruction of a document earlier than as stated or in any case where the conditions of Clause 24.7.1 are not fulfilled

25.7.3 references in Clause 24.7 to the destruction of any document include references to its disposal in any manner.

25.8 The Fund Manager shall also:

25.8.1 maintain adequate financial resources to meet its commitments and to manage the risks to which the Fund may be exposed;

25.8.2 keep accurate and proper records of the Fund, organise, and control the Fund in a responsible manner;

25.8.3 ensure that this it has in place well defined compliance procedures

25.8.4 Employ adequately trained staff and ensure their appropriate supervision in the discharge of their duties in relation to the fund.

25.9 If for any reason it becomes impossible or impracticable to carry out any of the provisions of this Deed, the Fund Manager shall not be under any liability therefore or thereby and shall not incur liability by reason of any error of law and in the absence of fraud or negligence for any matter or thing done or suffered to be done or omitted to be done in good faith pursuant to this Deed.

## **26 CONFLICT OF INTEREST**

26.1 The Trustee shall disclose to the Commission, any contract between it and an Affiliate or Affiliate of a Related Party, which may result in a conflict of interest with the objectives and

- activities of the Fund.
- 26.2 The Fund Manager and any company which is a subsidiary or holding company of the Fund Manager or a director or executive officer of the Fund Manager shall not carry out any transaction for itself or make any profit for itself from any transactions in the Deposited Property.
- 26.3 The Fund Manager and any company which is a subsidiary or holding company of the Fund Manager shall not
- 26.3.1 borrow money on behalf of the Fund for the purpose of acquiring Permissible Instruments for inclusion in the Fund;
  - 26.3.2 lend any money that is subject to the Trust to a person to enable him purchase Units;
  - 26.3.3 mortgage or charge or impose any other encumbrance on any securities or property held or to be held subject to the Trust;
  - 26.3.4 engage in any transactions that are not in the interest and for the benefit of Unitholders or the Fund.
- 26.4 All services or transactions undertaken by the Fund Manager on behalf of the Fund with an Affiliate shall be done at arm's length basis and at terms based on cost, price and prevailing market conditions in the interest of the Fund.'
- 26.5 The Fund Manager shall only purchase securities, on behalf of the Fund, in which its Affiliate acts as issuing house or Underwriter, with the prior written consent of the Trustee and subject to the approval of the Commission. The Fund Manager shall in its disclosure of such transaction to the Commission state:
- 26.5.1 That the fund manager and the trustee believe that such transaction is in the best interest of the Fund and unitholders
  - 26.5.2 That such transaction has been carried out on arms length basis; and
  - 26.5.3 The transaction cost and terms of the transaction of the Affiliate.
- 26.6 The Fund Manager shall disclose Related Party Transactions to the Investment Committee and the Trustee. A member of the Investment Committee who is an Affiliate of the Related Party (as applicable) shall provide details of his relationship to other members of the Investment Committee and shall recuse himself from any discussion relating to such Related party transaction. Provided that the Fund Manager has provided details to the Investment Committee and the relevant member of the Investment Committee has provided details of, and consulted with the Investment Committee in relation to a conflict of interest and the provisions of this Deed has been complied with in relation to such Related Party Transaction, then that member or the Investment Committee shall have no liability to the Fund or any Unitholder for actions in respect of any such matter taken in good faith by it and such actions shall not constitute a breach of any duty or obligations of such member or the Investment Committee.
- 26.7 The Fund Manager shall provide to the Trustee, its internal guidelines, policies and procedures for managing conflict of interest on related party transactions.
- 26.8 In addition to the above, the Fund Manager shall:

- 26.8.1 take steps to avoid, and avoid, any conflict between its interest and the interest of the unitholders
- 26.8.2 disclose the interest of its directors and management in the Fund (if any) to the unitholders.
- 26.8.3 Disclose to the trustee and Commission no later than 24 hours, whenever a conflict of interest arises or where it is reasonable to assume that a potential conflict may exist.,

## 27 REMUNERATION AND ADMINISTRATION OF THE FUND

- 27.1 The Fund Manager shall be entitled to receive out of the Income generated during the year to which the payment relates for its own account and until termination of the Fund an annual Management Fee of 1.50% of the Net Asset Value. The Management Fee which shall be paid annually in arrears may however be reviewed with the approval of SEC.
- 27.2 In addition to the Management Fee, where the Fund outperforms the Relevant Benchmark which is NGX All Share Index, the Fund Manager shall be entitled to an annual incentive fee not exceeding 20% of the excess total annualized returns above the Relevant Benchmark provided that:
  - 27.2.1 The relevant benchmark shall be reflective of the Funds objective and its underlying instrument
  - 27.2.2 Where the Fund underperforms the relevant benchmark, the annual management fee charges shall decrease by the same percentage by which the Fund underperformed; and
  - 27.2.3 The performance of the Fund must have reached a high water mark, this is Funds value (per Unit basis) exceeds the funds highest historical record
- 27.3 The remuneration of the Trustee shall be payable by the Fund Manager out of the Net Income. The Trustee shall during the subsistence of the Trust hereby created be entitled to an annual fee of 0.09% of the Net Asset Value. The fees payable to the Trustee may be reviewed after two (2) years in accordance with any agreement subsequently reached between the Trustee and the Fund Manager and approved by SEC.
- 27.4 **PROVIDED HOWEVER** that the Trustee shall also be entitled to be reimbursed for all reasonable expenses, costs and charges which may be or are incurred by it in connection with the execution of the Trusts and the exercise of the powers and discretions vested in it by this Deed provided that the prior consent of the Fund Manager was first sought and obtained.
- 27.5 The Fund Manager shall be responsible for payment out of the Fund of all fees and expenses incurred or to be met from time to time in connection with the management or trusteeship of the Fund including but not limited to the Charges and all such other reasonable expenses as are duly incurred or are to be incurred by and on behalf of the Fund. **PROVIDED** that all annual the expenses of the Fund including the Charges, shall not exceed 3.5% of the Fund's Net Asset Value per annum.
- 27.6 In consideration of the foregoing, neither the Trustee nor the Fund Manager shall, except

with the approval of SEC, make any further charge against Unitholders or against the Deposited Property or against any Distribution for their services or for their normal expenses hereunder with the exception of the Charges or fees expressly authorized by this Deed.

## **28 COVENANTS BY THE FUND MANAGER**

The Fund Manager hereby covenants with the Trustee as follows:

- 28.1 not to make a profit for itself from transactions in any assets held under the Fund;
- 28.2 to carry on and conduct the business of the Fund in a diligent manner, and expeditiously carry out the purpose for which the Units are issued;
- 28.3 to keep proper books of accounts for the Fund in the English language and therein make true and proper entries of all affairs of the Fund and procure that the books shall at all reasonable times during business hours, be open for inspection by the Trustee;
- 28.4 not to borrow money on behalf of the Fund for the purpose of acquiring securities or other property for the Fund or otherwise;
- 28.5 to give to the Trustee such information requested in writing as to all matters relating to the affairs or business of the Fund which it shall reasonably require not later than 10 Business Days and furnish to the Trustee, not later than 3 (three) months (or such extended period not exceeding a further period as SEC may in allow after the end of the period to which such accounts relate, two copies of every balance sheet profit and loss account of the Fund certified by the Auditors.
- 28.6 not to lend money that is subject to the trusts of the Fund to a person to enable him to purchase Units of the Fund, or otherwise;
- 28.7 not to mortgage, charge or impose any other encumbrance on any securities or other property subject to the trust of the Fund;
- 28.8 not to engage in any transactions with respect to or for the Fund that are not, in its opinion, in the best interests of Unitholders and of the Fund;
- 28.9 not to deviate from or alter the Investment Policy of the Trust without due recourse to the provisions of this Deed and the law regarding same;
- 28.10 it shall give written notice to the Commission of any proposal to alter the scheme or replace the Trustee as required by section 187 of the ISA; and
- 28.11 to act at all times with prudence and honesty in relation to all moneys and accounts kept for the purpose of the Fund.

## **29 COVENANTS BY THE TRUSTEE**

- 29.1 With the exception of the selection of investments and except as otherwise set out herein, the Trustee covenants that effective control over the affairs of this Fund shall be vested in the Trustee and will be independently exercised by the Trustee on behalf of the Unitholders.
- 29.2 The Trustee undertakes to notify the Commission of any proposed change in the

management of the Fund during the entire period of the existence of the Fund.

- 29.3 The Trustee shall not be under any liability on account of anything done or suffered by it in good faith in accordance with or in pursuance of any request, notice, direction or advice of the Fund Manager. Whenever any request, notice or other communication is to be given by the Fund Manager to the Trustee, the latter may accept as sufficient evidence a document signed on behalf of the Fund Manager by any two persons whose signatures the Trustee is for the time being authorized in writing by the Fund Manager to accept.
- 29.4 The Trustee shall with regard to all powers and discretions vested in it under this Deed have absolute and uncontrolled discretion as to its exercise or non-exercise and in the absence of fraud or negligence the Trustee shall not in any way be responsible for any loss, costs, expenses or damages that may result from its exercise or non-exercise.
- 29.5 The Trustee undertakes to notify SEC of any breach of any of the provisions of this Deed not later than ten (10) Business Days after the breach. The Trustee further undertakes that whenever it shall become necessary for it to enforce any of the provisions of this Deed it shall act within 10 Business Days to effect the enforcement.

### **30 DEALINGS WITH ELECTRONIC CERTIFICATES**

Notwithstanding anything in this Deed, neither the Trustee nor the Fund Manager nor any party shall be required or obliged to effect any transaction or deal with any Electronic Certificate or with any part of the Permissible Instruments or of the Deposited Property on behalf or for the benefit or at the request of any Unitholder or joint Unitholder unless such Unitholder or joint Unitholder shall first have paid in cash to the Trustee or the Fund Manager or to any such party or otherwise provided to its or their satisfaction as the case may be for all duties and charges and any necessary stamp duty which may have become or may be payable in respect of or prior to or upon the occasion of such transaction or dealing **PROVIDED** always that the Trustee or the Fund Manager or such other party shall be entitled if or they (as the case may be) so think fit to pay and discharge all or any of such duties, charges or stamp duty on behalf of the Unitholder and to retain the amount so paid out of any money or property to which such Unitholder may be or become entitled in respect of his Units or otherwise howsoever hereunder.

### **31 DUTIES AND REMOVAL OF THE REGISTRAR**

- 31.1 Notwithstanding anything in this Deed and in addition to the duties in Clause 30 above, it shall be the duty of the Registrar, to keep records and dispatch Electronic Certificates or other documents which the Fund Manager or Trustee may require them to dispatch when necessary
- 31.2 If the Fund Manager in consultation with the Trustee for good and sufficient reasons is of the opinion that a change of Registrar is desirable in the interest of the Unitholders, it shall notify the Registrar accordingly and the Registrar shall within Fourteen (14) days prescribed transfer to the Fund Manager all records, documents and registers kept or maintained by it with regards to the Fund and the Fund Manager will thereafter take such steps as may be necessary to appoint a new Registrar of the Fund.

- 31.3 The Fund Manager shall within 180 Business Days from the date of the removal of the Registrar, appoint a new Registrar.
- 31.4 The Unitholders shall be notified of such change or appointment in the manner provided by this Deed within 30 Business Days of the date the change or appointment takes effect.

## **32 REMOVAL AND RETIREMENT OF TRUSTEE**

- 32.1 In the event of the Trustee desiring to retire or where the Fund Manager seeks to remove the Trustee, the Trustee and the Fund Manager shall first notify the Commission stating reasons for the retirement or removal of the Trustee. The Fund Manager and the Trustee shall also furnish the Commission with relevant information as to the suitability of the new Trustee to be appointed in place of the retiring or removed Trustee
- 32.2 The Fund Manager shall use its best endeavors to appoint a new Trustee within three(3) months of notice to the Commission of the Trustee's intention to retire or the Fund Manager's intention to remove the Trustee as the case may be. The new Trustee shall be an incorporated company registered with the Commission and approved by a two-third majority of the Unitholders. If no new Trustee can be identified within that period, the Fund Manager may terminate the Trust
- 32.3 The Trustee shall be subject to removal by notice in writing from the Fund Manager in any of the following circumstances **PROVIDED THAT** in any case the proposed removal must be approved by the Commission:
- 32.3.1 if Unitholders holding not less than 75% (Seventy-Five per cent) of the Issued Units deliver to the Fund Manager a request in writing that the Trustee should retire;
- 32.3.2 if the Trustee goes into liquidation (except for a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Fund Manager) or if a receiver is appointed over any of its assets;
- 32.3.3 if in the opinion of the Fund Manager, which opinion is confirmed by Unitholders holding a simple majority of the Issued Units attending the meeting in person or by proxy, the Trustee shall be incapable of performing or shall have in fact failed to perform its duties satisfactorily or shall have done any other thing which is calculated to bring the Fund into disrepute or be harmful to the best interests of the Unitholders or is a breach of the Trustee's fiduciary duties to the Fund.
- 32.4 Where the Commission cancels or suspends the registration of the Trustee, the Trustee shall be removed as may be directed by the Commission
- 32.5 Upon removal of the Trustee, the Fund Manager shall by writing under its seal and subject to the approval of the Commission appoint some other qualified corporation to be the Trustee, and such corporation shall enter such Deed or Deeds as the Fund Manager deems it necessary or desirable to be entered by such corporation in order to secure the due performance of its duties as Trustee during the remainder of the Trust Period.
- 32.6 Where the appointment of a Trustee is terminated in accordance with this Clause, (whether by removal or by retirement), the Trustee shall within seven (7) days submit a report to the Commission stating:
- 32.6.1 the assets and liabilities of the Fund;

- 32.6.2 whether any irregularity or undesirable practice has taken place or is taking place in the conduct of the affairs of the Fund which has caused or is likely to cause financial loss to Unitholders;
  - 32.6.3 particulars of any such irregularity or undesirable practice;
  - 32.6.4 the reason if known for the termination of its appointment.
- 32.7 The Trustee shall be entitled to retire as Trustee at any time upon first giving to the Fund Manager and the Commission not less than three (3) months written notice of its intention to retire
  - 32.8 Upon the removal of or retirement of the Trustee, the Trustee shall within fourteen (14) days return all properties and documents of the Fund in his possession to the Fund Manager.

### **33 REMOVAL OR RETIREMENT AND APPOINTMENT OF A FUND MANAGER**

- 33.1 In the event of the Fund Manager desiring to retire, the Trustee shall use its best endeavours to find a new Fund Manager. If within three (3) months of notice by the Fund Manager seeking to retire no suitable replacement is identified, the Trustee may terminate the Trust by giving three (3) months' notice to this effect to the Unitholders, the Fund Manager and the Commission
  - 33.1.1.1 the Unitholders representing more than 75% (Seventy-Five per cent) of the Issued Units for the time being deliver to the Trustee a request in writing that the Fund Manager should retire or;
  - 33.1.1.2 the Fund Manager goes into liquidation (except for a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of its assets; or
  - 33.1.1.3 the Trustee certifies and provides evidence to the satisfaction of the Commission to the effect that the Fund Manager has been fraudulent or has acted with gross misconduct in its management of the Fund and it is in the best interests of the Unitholders that the Fund Manager should be removed.
- 33.2 The Fund Manager shall be subject to removal by notice in writing given by the Trustee in any of the following circumstances **PROVIDED THAT** in every case the proposed removal has been approved by the Commission
  - 33.2.1.1 Where the Commission cancels or suspends the registration of the Fund Manager the Fund Manager shall be removed in accordance with the terms of this Clause 33 or as may be directed by the Commission
  - 33.2.1.2 the Fund Manager goes into liquidation (except for a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of its assets; or
  - 33.2.1.3 the Trustee certifies and provides evidence to the satisfaction of the Commission to the effect that the Fund Manager has been fraudulent or has acted with gross misconduct in its management of the Fund and it is in the best interests of the Unitholders that the Fund Manager should be removed.
- 33.3 Where the Commission cancels or suspends the registration of the Fund Manager, the

Fund Manager shall be removed in accordance with the terms of this Clause 32 or as may be directed by the Commission.

- 33.4 In any of the cases enumerated in Clause 32.2 above, the Fund Manager shall upon notice by the Trustee immediately cease to be the Fund Manager and the Trustee shall by writing under its seal subject to approval by the Commission appoint some other qualified corporation to be the Fund Manager. Such corporation shall enter such deed or deeds as the Trustee may advise are necessary or desirable to be entered by such corporation in order to secure the due performance of its duties as manager which deed or deeds shall if so required by the retiring Fund Manager; provided that the new Fund Manager shall not hold itself out as being connected with the removed Fund Manager in any way and furthermore provided that the Fund Manager to be appointed hereunder shall purchase a minimum of 5% from the retiring Fund Manager at the prevailing Net Asset Value .
- 33.5 The Fund Manager may retire from the management of the Fund if for good and sufficient reasons; it is no longer desirous or capable of managing the Fund by giving three (3) months prior notice to the Trustee and the Commission or for any reason whatsoever SEC signifies that it is no longer eligible to act as Manager for the Fund.
- 33.6 Upon the removal of or retirement of the Fund Manager, the Fund Manager shall within fourteen (14) days return all properties and documents of the Fund in his possession to the Trustee and the Custodian.

#### **34 APPOINTMENT AND REMOVAL OF AUDITORS**

- 34.1 The Auditors shall be appointed by the Fund Manager with the approval of the Trustee who shall be responsible for the audit of the Fund at least annually. No Auditor shall be a person who is not qualified for appointment as an auditor of a company under Section 358 of CAMA. The appointment of the Auditors shall at all times comply with the provisions of Section 184 of the ISA.
- 34.2 The Fund Manager shall within thirty (30) days of the appointment of the Auditors apply to the Commission for approval of such appointment.
- 34.3 Notwithstanding any agreement between the Fund Manager and the Auditors, the Unitholders may by an ordinary Resolution remove the Auditors before the expiration of the Auditors' term of appointment and where such a resolution removing the Auditors is passed at a General Meeting of the Unitholders the Fund Manager shall within fourteen (14) days of the meeting give formal notice of that in the prescribed form to the Trustee, the Auditors and SEC.
- 34.4 The Auditor may be removed by the Fund manager with the prior approval of the Trustee and by notice thereof to the Auditors. The Fund Manager must notify the SEC within five (5) Business Days of such removal.
- 34.5 The remuneration of the Auditors shall be fixed by the Fund Manager with the written consent of the Trustee.
- 34.6 The Auditors may resign their office by serving a three (3) months' notice in writing to that effect at the registered office of the Trustee and any such notice shall operate to determine their office on the date on which notice is received or on such later date as may be specified therein.

34.7 The Auditors' notice of resignation shall not be effective unless it contains either:

34.7.1 A statement to the effect that there are no circumstances connected with their resignation which they consider should be brought to the notice of the unitholders; or

34.7.2 A statement setting out the circumstances connected with their resignation which they consider should be brought to the notice of the unitholders.

34.8 Were a notice under this section is served at the Trustee's registered office the Trustee shall within fourteen (14) days send a copy of the notice to the Fund Manager.

### **35 EVENTS OF TERMINATION**

35.1 The Trust constituted by this Deed shall subsist for a period of 90-99 years unless terminated in the following circumstances

35.1.1 If the Fund Manager is of the opinion, and so advises the Trustee, that the investment objective of the Fund is no longer achievable or that the value of the Fund's assets is insufficient to justify the continued operation of the Fund; or

35.1.2 if any law is passed or regulation or decision of a court of competent jurisdiction or government policy is made which in the opinion of the Fund Manager and the Trustee, renders it illegal or impractical to continue to maintain the Fund; or

35.1.3 if SEC revokes its authorization of the Fund; or

35.1.4 In accordance with Clauses 35.2 and 35.1; or

35.1.5 if the Fund Manager goes into liquidation (except for a voluntary liquidation for the purpose of amalgamation or reconstruction) or if a receiver shall be appointed for the undertaking of the Fund Manager or any part thereof and a suitable corporation, qualified to act as fund manager, cannot be found; or

35.1.6 by a special resolution of the Unitholders holding not less than 90% (ninety per cent) of the Units where it is shown that the Trustee has acted in a manner prejudicial to the interest of the Unitholders or the Fund; or

35.1.7 without prejudice to Clause 35.1.6 above if the Fund Manager receives a request for termination of the fund from registered Unitholders holding not less than 90% (ninety per cent) of the Units

### **36 PROVISIONS ON TERMINATION OF THE FUND**

36.1 Subject to the provisions of Clause 35 and not later one (1) month before the termination of the Fund under the provisions of this Deed, the Trustee shall give notice to the Unitholders advising them of the impending Distribution of the Deposited Property.

36.2 Upon the Trust being terminated, the Trustee shall proceed as follows:

36.2.1 procure the sale of all investments remaining in the Trustee's possession as part of the Deposited Property and pay therefrom all liabilities properly payable. Such sale shall be carried out in such manner and within such period after the termination of the Trust as prescribed by the SEC Rule

36.2.2 distribute or effect the distribution to the Unitholders in proportion to their Units all net

cash proceeds derived from the realization of the Deposited Property and available for the purpose of such distribution. Every such distribution shall be made on condition of lodging such form of request for payment and receipt that the Trustee may in its absolute discretion require PROVIDED THAT the Trustee shall be entitled to retain out of any monies in its hands as part of the Deposited Property a provision for all costs, charges, expenses, claims and demands incurred or made by the Trustee in connection with or arising out of the termination of the Trust and out of the monies so retained to be indemnified against any such costs, charges, expenses, claims and demands.

36.1.3 Forward to the commission:

- (i) a report on steps taken for realization of the assets of the Fund, expenses incurred in termination of the Fund, and net assets available for distribution to Unitholders; and
- (ii) a certificate from the auditors of the Fund to the effect that all assets of the Fund are realized, and the details of the distribution of the proceeds

36.3 In the event of termination, the liquidation of the Fund and redemption of the Unitholders' Units will be satisfied solely out of the assets of the Fund without recourse to the assets of the Fund Manager or the Trustee, provided however that the termination of the Fund was not as a result of the fraud or negligence of the Fund Manager or the Trustee.

36.4 The termination of the Fund pursuant to this Deed shall be carried out in full compliance with Rule 453 of the SEC Rules, and any other applicable rules, regulations, or directives of the Commission.

## **37 RECONSTRUCTION AND AMALGAMATION**

37.1 The Trust may be reconstructed or amalgamated upon the following conditions being satisfied:

37.1.1 the Fund Manager has finalised the terms and conditions of a scheme of reconstruction and amalgamation and has sought and received approval from the Commission to carry out the scheme of reconstruction and amalgamation;

37.1.2 the Trustee has not dissented from the proposed reconstruction or amalgamation; and

37.1.3 the Unitholders have been informed of the particulars of the proposed reconstruction or amalgamation in a manner approved by the Trustee and a Special Resolution has been passed at a Meeting of the Unitholders approving such proposed reconstruction or amalgamation.

If such conditions have been fulfilled the proposed reconstruction or amalgamation shall take effect upon the date on which such conditions are satisfied or such later date as the Trustee may provide whereupon the terms of the Trust shall be binding upon all the Unitholders who shall be bound to give effect thereto accordingly and the Fund Manager and the Trustee shall do all such acts and things as may be necessary or requisite for the implementation thereof.

- 37.2 Upon the passing of the Special Resolution, the Fund Manager shall within Ten (10) Business Days give notice thereof to the Unitholders. The notice shall specify the rights of Unitholders in relation to notices of dissent as provided in this Deed and any Unitholder who dissents from the terms of the Resolution may serve written notice (herein referred to as a "notice of dissent") on the Fund Manager within Twenty-Eight (28) days after the giving of the notice by the Fund Manager and upon the Fund Manager's receipt thereof, the notice of dissent shall be deemed to act as a redemption request in respect of all or such number of the Units as are indicated on the notice and the provisions of Clause 23 shall apply.
- 37.3 Every Unitholder who shall not have dissented from the Special Resolution as aforesaid shall surrender his Electronic Certificate to the Trustee at the email address provided by the Trustee or as the Trustee shall direct at any time appointed by the Trustee within a period to be specified in the notice referred to in Clause 33.2.
- 37.4 Any notice convening a meeting of Unitholders at which the Special Resolution referred to in this Clause is to be proposed, shall incorporate or be accompanied by a summary of the provisions of this Clause in such form as the Trustee may approve but the accidental omission to send such provisions or summary by any Unitholder shall not invalidate the proceedings at the meeting.

### **38 CIRCULARS AND ADVERTISEMENTS**

- 38.1 All advertisement, circulars or other documents of that nature containing any statement with reference to the Net Asset Value, Bid Price, Subscription Price, Offer Price and the payment of Distributions or any other benefit to be received by Unitholders or invitation to buy New Units issued by or on behalf of the Fund Manager shall be in a form and context approved by the Trustee and SEC before publication.
- 38.2 Any letter, advertisement, notice, circular or other document referred to in Clause 38.1 above shall also disclose the yield from the Units and shall be in a form and context approved by the Trustee and SEC before any of them is published.
- 38.3 In all letters, circulars, advertisements or other publications referring to the issue or sale of Units reference shall be made to the Trustee only in terms previously consented to by the Trustee and the Commission.

### **39 PAYMENTS**

- 39.1 Any moneys payable by the Fund Manager to a Unitholder under the provisions of this Deed shall be made to the account of the Unitholder only and not to a 3<sup>rd</sup> Party account. The Unitholder's account to which payment is made shall be as provided in the Register of members and any change to this account must be accompanied by a banker's confirmation of account details.
- 39.2 Where an authority in writing shall have been received by the Trustee or Fund Manager from the Unitholder in such form and signed or sealed in such manner as the Trustee or Fund Manager shall direct, authorising the Registrar, Trustee or Fund Manager to pay any monies due to him to a banker, agent or nominee, the Custodian shall upon the Fund Manager's instruction, pay the monies payable to the Unitholder as the case may be in the same manner and with the same effect as hereinbefore provided as if such banker, agent or nominee were

the Unitholder.

- 39.3 Without prejudice to the application of the provision of Clauses 39.1 and 39.2, a receipt signed or purporting to be signed by a Unitholder for any monies payable in respect of Units held or formerly held by him shall be a good discharge to the Trustee and the Fund Manager and if several persons are registered as joint Unitholders or in consequence of the death or bankruptcy of a Unitholder anyone of them may give effectual receipts of any such monies.

#### **40 COUNTERPARTS**

This Deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original but all of which taken together shall constitute one and the same agreement, and any Party may enter into this Deed by executing a counterpart.

#### **41 POWER TO MODIFY THIS DEED**

- 41.1 The Trustee and the Fund Manager shall be entitled with the prior approval of SEC to by a Deed supplemental to this Deed modify, alter or add to the provisions of this Deed in such manner and to such extent as they may consider expedient for any purpose (including in particular and without prejudice to the generality of the foregoing any subdivision or consolidation of units)

##### **PROVIDED THAT:**

- 41.1.1 the Trustee shall certify in writing that in its opinion such modification, alteration or addition does not prejudice the interests of the Unitholders and does not operate to release the Trustee or the Fund Manager from any responsibility to the Unitholders.
- 41.1.2 no such modification, alteration or addition shall be made without the sanction of a Special Resolution of a meeting of Unitholders duly convened and held in accordance with the provisions contained in the First Schedule EXCEPT where the modification or alteration is of a formal, minor or technical nature or to correct a manifest error, in which case a Special Resolution shall not be required.
- 41.1.3 no such modification, alteration or addition shall impose upon any Unitholder any obligation to make any further payment in respect of his Units or to accept any liability in respect of them.

**PROVIDED ALWAYS** that notwithstanding Clause 41.1, above the Fund Manager and the Trustee shall seek the approval of the Commission for any proposed modification to this Deed by service of notice on the Commission. Such proposed change shall not be given effect until the same has been approved by the Commission.

- 41.2 Without prejudice to the foregoing the Trustee and the Fund Manager shall be entitled with SEC's approval by Deed supplemental to this Deed and without the sanction of a Special Resolution as stated in this Clause, to modify, alter or add to the provisions of this Deed in such manner and to such extent as they may consider necessary or expedient having regard to the provisions of the CITA and any applicable legislation and any arrangements approved by the inland revenue authorities in relation to authorised unit trust schemes as

defined in section 152 of the ISA, PROVIDED that:

41.2.1. unless the Trustee shall certify in writing that in its opinion such modification, alteration or addition does not operate to release the Trustee or the Fund Manager from any responsibility to the Unitholders no such modification, alteration or addition shall be made without the sanction specified in this Clause;

41.2.2 no such modification, alteration or addition shall impose upon any Unitholder any obligation to make any further payments in respect of the Unitholder's Units or to accept any liability in respect of them.

## **42 BINDING EFFECT OF THIS DEED**

The provisions of this Deed and of any duly executed Deed supplemental hereto shall be binding on the Trustee, the Fund Manager and the Unitholders and all persons claiming through them as if they were all parties to this Deed or such supplemental Deed.

## **43 SEVERABILITY**

43.1 In the event that any one or more of the provisions contained in this Deed is for any reason, held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Deed shall be construed as if such invalid, illegal or unenforceable provision were not contained herein and in such event, the Parties shall endeavour to carry out the terms of this Deed as nearly as possible in accordance with its original terms and intent.

## **44 GOVERNING LAW**

44.1 This Trust Deed shall be governed by, and construed in all respects, in accordance with the laws of the Federal Republic of Nigeria.

## **45 DISPUTE RESOLUTION**

45.1 In the event of any dispute arising out of or under this Deed, the parties shall within Five (5) Business Days from the date the dispute arose, notify the SEC of the existence of the dispute.

45.2 The Parties shall endeavour to amicably resolve any such dispute or misunderstanding that may arise between them, in relation to the terms of this Deed by mutual consultation, within Ten (10) Business Days of the occurrence of same or appoint arbitrator.

45.3 Any dispute, which cannot be mutually resolved by the Parties in accordance with Clause 45.2 above, shall be referred to arbitration in accordance with the provisions of the Arbitration and Mediation Act 2023 or any statutory re-enactment or modification thereof.

45.4 The arbitration shall be conducted with a single arbitrator appointed by agreement between the Parties from the members of the Chartered Institute of Arbitrators (UK) Nigeria Branch, or where the Parties are unable to agree on an arbitrator, by the chairperson, for the time being, of the Chartered Institute of Arbitrators (UK) Nigeria Branch, in his or her sole and absolute discretion, and such appointment shall be binding on the Parties. The

arbitral proceedings shall be held in Lagos, Nigeria, and shall be conducted in English language.

45.5 The arbitrator shall have a maximum period of 30 (Thirty) Business Days following the Parties' exchange of pleadings, to resolve the dispute; failing which the said dispute shall be referred to the SEC, for resolution.

45.6 Any Party aggrieved by the decision of the SEC reached in accordance with Clause 44.5 may then refer the matter to the Investments and Securities Tribunal established in accordance with the provisions of the ISA, for final resolution.

## **46 MISCELLANEOUS**

46.1 The original of this Deed and any deeds supplemental to it shall be kept by the Trustee at its head office and copies of these documents shall at all times during business hours be made available by the Fund Manager and by the Trustee at their respective head office for inspection by Unitholders. The Fund Manager shall also ensure that a copy of this Deed is available on its website.

46.2 Unitholders shall be entitled to receive from the Fund Manager a copy of the Deed and any deeds supplemental to it on production of their Electronic Certificate and on payment to the Fund Manager of such sum as will cover the cost of issuing a copy of the document required.

## FIRST SCHEDULE

### RULES FOR MEETINGS OF UNITHOLDERS

1. The Fund Manager shall, with the consent of the Trustee or at the request of the Trustee, convene a general meeting (the General Meeting) at least once every year. The Fund Manager shall annually publish and communicate the annual report to Unitholders in accordance with Clause 21.5. The Fund Manager shall in the notice convening such meeting specify that the meeting is a General Meeting and that the ordinary business of the meeting shall include the presentation of the audited accounts, the reports of the Fund Manager and the appointment and fixing of the remuneration of the Auditors. Any other business transacted at the General Meeting shall be deemed special business.
  - 1.2 The Trustee or the Fund Manager shall at the request in writing of at least Five (5) Unitholders holding not less than 25% (twenty-five per cent) in value of the Issued Units convene a meeting of Unitholders, provided that in respect of an Extra Ordinary General Meeting, the Trustee or the Fund Manager shall at the request in writing of at least 25% (twenty-five per cent) in number of the Unitholders convene a meeting.
  - 1.3 The Court on the application of a Unitholder where Paragraph 1.2 above has not been complied with and if satisfied that it is just and equitable to do so may at any time convene a meeting of the Unitholders. Such meeting shall be held at such place as the Fund Manager or the Trustee shall determine or approve. Any director or other duly authorized official of the Trustee and its solicitors, and any director, secretary, solicitors or any other person authorized in that behalf by the Fund Manager may attend the meeting.
2. At least Twenty-One (21) days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day on which the notice is given) of every meeting shall be given to the Unitholders in the manner provided by Clause 22 of this Deed. In addition, such notice shall be advertised in not less than two (2) national daily newspapers. The notice shall specify the place, day and hour of the meeting and the terms of any resolution to be proposed at the meeting and shall give such further information (if any) as the Fund Manager and the Trustee shall think fit. A copy of the notice shall be sent by post or by hand delivery. The accidental omission to give or the non-receipt of any notice by any Unitholder shall not invalidate the proceedings at any meeting.
3. A General Meeting may be called by a shorter notice than specified in Paragraph 2 above provided that (i) it is agreed to by a majority holding not less than 75% (seventy-five per cent) of the Units outstanding and (ii) such shorter notice shall not be less than Fourteen (14) days before the meeting.
4. The quorum for any meeting of the Fund shall be formed by at least Five (5) Unitholders, present in person or by proxy, holding not less than 25% (twenty-five per cent) in value of

the Issued Units, for the transaction of business except for the purpose of passing a Special Resolution. The quorum for passing a Special Resolution shall be at least five (5) Unitholders present in person or by proxy holding not less than 30% (thirty per cent) in value of the Issued Units.

No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.

5. If after an hour from the time appointed for the meeting a quorum is not present, the meeting if convened upon the requisition of Unitholders shall be dissolved. In any other case it shall stand adjourned to such day and time not being less than fourteen (14) days thereafter and to such place as may be appointed by the Chairman. At such adjourned meeting, the Unitholders present in person or by proxy shall be a quorum for the transaction of business including the passing of Special Resolutions. At least 7 (seven) days' notice of any adjourned meeting of Unitholders shall be given as mentioned in Clause 22 of this Deed and such notice shall state that the Unitholders present in person or by proxy at the adjourned meeting whatever their number and the number of Units held by them will form a quorum.
6. A person nominated in writing by the Trustee shall preside as Chairman at every meeting and if no such person is nominated or if at any time in any meeting the person nominated shall not be present within 1 (one) hour after the time appointed for the holding of the meeting, the Unitholders present shall choose one of their members to be Chairman.
7. The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.
8. Any resolution put to vote shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show hands) demanded by the Chairman, Five (5) Unitholders present in person or by proxy or by one or more Unitholders present in person or by proxy holding in the aggregate (not less than 10% (ten per cent)) in value of the Issued Units (other than Units of which the Fund Manager is the beneficial owner). If no demand for a poll is made then a declaration by the Chairman that a resolution has been carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number, or proportion of the votes recorded in favour of or against such resolution.
9. On a show of hands every Unitholder who being an individual is present in person or by proxy or being a company is present by its duly authorized representative shall have one vote and on an equality of votes the Chairman shall be entitled to a casting vote in addition to the vote which he may be entitled to as a Unitholder and/or as the proxy of a Unitholder.

10. If a poll is duly demanded it shall be taken in such manner as the Chairman may direct save that a poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A demand for a poll may be withdrawn at any time and its demand shall not prevent the continuance of the meeting for the transaction of any business other than the question on which a poll has been demanded.
11. On a poll every Unitholder who is present in person or by proxy or being a company is present by its duly authorised representative or by proxy shall have one vote for every Unit held by him. A Unitholder entitled to more than one vote need not use all his votes or cast in the same way all the votes he uses and on an equality of votes the Chairman shall be entitled to a casting vote in addition to the votes which he may be entitled to as a Unitholder and/or as the proxy of a Unitholder.
12. The Chairman of the meeting at which a poll is to be taken, shall appoint two persons, one such person to be an employee at senior management level of the Registrar and the other a partner of the firm of Auditors or if a partner is unable to attend some senior employee nominated by a partner, to scrutinize the votes cast and to report thereon to him. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
13. In the case of joint Unitholders, the vote of the senior joint Unitholder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint Unitholder(s) and for this purpose seniority shall be determined by the order in which the names stand in the Register.
14. Any corporation which is a Unitholder may be writing under the hand of a duly authorised officer authorise such person as it thinks fit to act as its representative at any Meeting of the Unitholders and the person so authorised shall be entitled to exercise the same power on behalf of the corporation which he represents as that corporation could exercise if it were an individual Unitholder.
15. The instrument appointing a proxy shall be in writing under the hand of the appointer or of the attorney duly authorized in writing or if the appointer is a company either under its common seal or under the hand of an officer or attorney so authorized.
16. A person appointed to act as proxy need not be a Unitholder.
17. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a copy of such power of authority certified by a Notary Public shall be deposited at such places as the Trustee, or the Fund Manager with the approval of the Trustee, may in the notice convening the meeting direct or if no such place is appointed then at the registered office of the Fund Manager not less than forty eight (48) hours (or if the day appointed for such meeting or adjourned meeting is a Monday then not less than seventy two (72) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in

default, the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date stated to be the date of its execution.

18. An instrument of proxy may be in the following form or in such form, as the Trustee shall approve:

I/We \_\_\_\_\_ of \_\_\_\_\_ being a holder[s] of \_\_\_\_\_ Units in [Parthian Equity Fund], hereby appoint \_\_\_\_\_ of \_\_\_\_\_ as my/our Proxy to vote for me/us and on my/our behalf as he deems fit or for / against the Resolution or Resolutions for \_\_\_\_\_ to be submitted to the meeting of the Unitholders of the said Fund to be held on the \_\_\_\_\_ day of \_\_\_\_\_ 202[\*] \_\_\_\_\_ and at any adjournment thereof.

As witness my / our hands or seals this day of 202[\*].

Please delete "for" or "against": If no deletion is made, the proxy will be used in favour of the Resolutions. A Unitholder need not direct his proxy to use all his votes or to cast all his votes in the same way.

If a Unitholder desires to have his votes cast by a proxy in different ways, separate forms of proxy must be used and appropriate directions given in each form.

Additional Forms of proxy may be obtained from the Registrar.

19. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity or dissolution or winding up of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Units in respect of which the proxy is given provided that no intimation in writing of such death, insanity, dissolution, winding up, revocation or transfer shall have been received at the place appointed for the deposit of proxies or if no such place is appointed at the registered office of the Fund Manager before the commencement of the meeting or adjourned meeting at which the proxy is used.
20. A resolution passed at a meeting of Unitholders duly convened and held in accordance with the provisions of this Deed shall be binding upon all the Unitholders whether present or not present at the meeting and each of the Unitholders and the Trustee and the Fund Manager shall subject to the provisions for their indemnity contained in this Deed be bound to give effect to it.
21. Minutes of all resolutions and proceedings at every meeting shall be made by the Fund Manager and duly entered in books kept for that purpose. Any such minutes if purporting to be signed by the Chairman of the meeting shall be conclusive evidence of the matters stated in it and until the contrary is proved, every such meeting in respect of the

proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed at the meeting to have been duly passed.

22. The books containing the minutes of the proceedings of any Meeting of the Unitholders shall be kept at the registered office address of the Fund Manager and shall during business hours, be open to inspection by the Unitholders without charge.

## **SECOND SCHEDULE**

### **THE FUND'S INVESTMENT OBJECTIVES**

#### **1. Investment Objective**

- 1.1. The Fund objective is to achieve capital growth and/or income generation. The Fund shall, for this purpose, seek to deliver real returns and achieve long-term capital appreciation of its assets by investing in a diversified pool of quoted and unquoted public securities trading on either the Nigerian Exchange (subject to a minimum allocation of 70%) or the NASD OTC Securities Exchange and fixed income or money market securities.

#### **2. Investment Policy**

##### **2.1. Investment Strategy**

- 2.1.1. Investment strategy of the Fund is to ensure sound investment selection, portfolio and risk management practices. The Fund will adopt a portfolio strategy that will largely depend on fundamental and technical analysis in order to properly assess the inherent risks of the investment objectives of the Fund. The investment objective is to achieve long-term capital appreciation by maximizing the total return of the Fund i.e. capital gains (realized and unrealized), plus income obtained from dividends and interests.
- 2.1.2. The Fund Manager will seek to achieve superior returns on a consistent basis in line with the Fund's objective. Specifically, the management of investments of the Fund will follow the investment policies and strategies described below:
- 2.1.3. Security Selection: The fund manager will adopt a top-bottom approach that will analyze certain macro and microeconomic factors which will affect economic outlook and sector positioning as well as the fundamentals of securities in which it will invest.
- 2.1.4. Asset Allocation: To ensure the Fund achieves its goals within the investment horizon, the permissible asset classes within the Fund are as follows:

Equities: These refer to investments in securities listed on the NGX, NASD OTC. Money Market and Fixed Income Securities: These include government securities such as treasury bills, commercial and financial papers, banker's acceptances, negotiable certificates of deposit and short-term notes issued under note issuance facilities, Corporate Bonds and Sovereign Bonds.

##### **2.2. Investment Guideline**

- 2.2.1. The Fund Manager will adhere to the investment objective of the Fund and invest in line with the Trust Deed and approvals by the Investment Committee. The Fund Manager is subject to certain restrictions as specified in the Trust Deed. In respect of investments in unlisted securities, the Fund Manager will also be bound by the following criteria as set out in Rules 494, 495, 497, 500:

- 2.2.2. The Fund shall invest in unlisted securities that comply with the underlisted criteria.
- 2.2.3. The Fund Manager's capital shall be a minimum paid capital of ₦500,000,000 unimpaired by losses.
- 2.2.4. The Fund Manager has sponsored individual who have been in the business of private equity investment management for at least five (5) years.
- 2.2.5. The Fund Manager shall only invest in unlisted securities of a public company that is traded on a registered over-the-counter (OTC) market.
- 2.2.6. The proceeds of the Fund shall not be invested in unlisted securities to the extent that such investment is in the early/start-up stage of the investee company or will qualify as seed capital;
  - 2.2.6.1. shall cause the value of the assets of the Fund so invested to exceed 20% of the net asset value of the Fund;
  - 2.2.6.2. shall cause the value of the assets of the Fund so invested in the securities of a single unlisted company to exceed 5% of the net asset value of the Fund; and is in a company where the board, management, or affiliate of the Fund Manager jointly or severally have more than a 10% stake.
  - 2.2.6.3. The Fund Manager shall, on a quarterly basis, perform a valuation, using the discounted cash flow and/or relative valuation methods of the Fund's investment of unlisted equities.
  - 2.2.6.4. Upon conducting the valuation contemplated above, the fair value of the unlisted securities constituting the Fund's portfolio shall be determined based on (Mark to market) methods which have been verified by the Auditor and Trustee of the Fund and such fair value shall be reflective of the reasonable estimates and assumptions of all significant factors that parties to an arm's length transaction would be expected to consider including those which impact upon the expected cashflows from the investment.
  - 2.2.6.5. The Fund Manager shall make periodic returns in respect of the investment in unlisted securities as prescribed by the Commission.

### **2.3. Investment Instruments**

Quoted Equities, Money Market and Fixed Income Securities

## 2.4. Asset Allocation

The following asset allocation is anticipated:

<b>Asset Allocation</b>	<b>Qualifying Instruments</b>	<b>Proportion of Asset Allocation</b>
<b>Quoted Equities</b>	Securities trading in the Nigerian Exchange	70% - 90%
<b>Unquoted Equities</b>	Securities trading in the NASD OTC Securities Exchange	0% - 20%
<b>Money Market &amp; Fixed Income Investments</b>	Sovereign Treasury Bills, Fixed Deposits, Certificate of Deposits, Commercial Papers, Collateralized Repurchase Agreements, Banker's Acceptances, Corporate Bonds, State Bonds, Sovereign Bonds, etc.	0% - 30%
<b>Uninvested Funds in the Call Account</b>	Cash and Call Deposits	0% - 5%

**THIRD SCHEDULE**  
**FORM OF THE ELECTRONIC CERTIFICATE**



**FORM OF ELECTRONIC CERTIFICATE**

**PARTHIAN EQUITY FUND (PEF)**  
**(Registered and Authorised by the Securities and Exchange Commission)**

**TRUSTEE: UTL TRUST MANAGEMENT SERVICES LIMITED**

**FUND MANAGER: PARTHIAN CAPITAL LIMITED**

This is to certify that \_\_\_\_\_ of \_\_\_\_\_ is/are registered holder(s) of [insert no. of units held] of N....00 each in the ..... Fund which is constituted by a Trust Deed dated the [•] day of [•] between the Fund Manager and the Trustee of the Fund and is issued subject to and with the benefit of the provisions and conditions contained in the said Trust Deed.

**Given** under the Common Seal of this [•] day of [•]

The Common Seal of the Fund Manager was hereunto affixed in the presence of:

Director: \_\_\_\_\_

Secretary: \_\_\_\_\_

**FOURTH SCHEDULE**  
**FORM OF THE REDEMPTION NOTICE**



**FORM OF REDEMPTION NOTICE**

**PARTHIAN EQUITY FUND**  
**(Registered and Authorised by the Securities and Exchange Commission)**

**TRUSTEE: UTL TRUST MANAGEMENT SERVICES LIMITED**  
**FUND MANAGER: PARTHIAN CAPITAL LIMITED**

I/We hereby give notice to redeem \_\_\_\_\_ Units in the above-captioned Fund, represented by Fund Statement No(s) \_\_\_\_\_ dated \_\_\_\_\_ the said Units are currently registered in the name of \_\_\_\_\_.

Furthermore, I/We consent to the transfer of the Units to the Trustee effective on the date stated below and request that the proceeds of the redemption of the Units be paid to the above-named Unitholders as follows:

(1) Direct Credit: \_\_\_\_\_ (2) Cheque \_\_\_\_\_

Payment Name of Bank: \_\_\_\_\_  
Address of Unitholder: \_\_\_\_\_  
Branch/Address of Bank: \_\_\_\_\_  
Account Number: \_\_\_\_\_

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 202...

Signature: \_\_\_\_\_  
Capacity: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_

**IN WITNESS WHEREOF** the Fund Manager and the Trustee have caused their respective Common Seals to be affixed on this Deed the day and year first above written.

The Common Seal of the within named **PARTHIAN CAPITAL LIMITED** was hereunto affixed in the presence of:



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**DIRECTOR**  
Name: Ibilola Ashcroft



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**DIRECTOR**  
Name: Olufunmilola Smith

The Common Seal of the within named **UTL TRUST MANAGEMENT SERVICES LIMITED** was hereunto affixed in the presence of:



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**DIRECTOR**  
Name: Olufunke Aiyepola



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**DIRECTOR/SECRETARY**  
Name: Nike Taiwo  
DCSL Corporate Services Limited  
Company Secretaries