



Sanlam Investments East Africa Limited

Sanlam Umbrella Fund – Unit Trust Scheme

Investments



Scheme particulars

PART I: DEFINITIONS

1. INTERPRETATION:

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

Clause headings are for convenience and shall not be used in the interpretation of the scheme particulars.

When any number of days is prescribed in this scheme particulars, it shall be reckoned exclusive of the first day and inclusive of the last.

In this scheme particulars, unless inconsistent with the context, the following expressions shall have the following meanings

- (a) "**Accounting Period**", as regards the first distribution in respect of any Unit Portfolio to be made in terms of this Deed, means the period not exceeding 12 (twelve) months commencing on the date of commencement of such Unit Portfolio as declared by the Manager in consultation with the Trustee and ending on the Financial Year End and, as regards each subsequent distribution, means the period beginning with the last *ex dividend* date and ending on the day immediately prior to the next following *ex dividend* date; provided that after the first distribution in respect of that Unit Portfolio the Financial Year End of the Trust shall each year be the end of one of such periods;
- (b) "**The Acts**" means the Collective Investment Schemes Act 2003 ("CIS Act") and the Capital Markets Authority Act Chapter (CMA Act) 84 of the laws of Uganda, and includes any Regulations and rules issued thereunder.
- (c) "**Authority**" means the Capital Markets Authority established by the Capital Markets Authority Act Cap 84;
- (d) "**Approved Securities**" means any Securities which are either traded on under the rules of an eligible securities market or Issued within the last twelve months and an application has been made and approved for an exchange or market listing
- (e) "**The Auditors**" means an accountant or firm of accountants holding a valid practicing certificate issued by the Institute of Certified Public Accountants of Uganda, appointed for the time being by the Manager in consultation with the Trustee as auditor of the Trust;
- (f) "**Business Day**" excludes Saturdays, Sundays and gazetted public holidays in Uganda and or any other country where the fund administration is performed from time to time.
- (g) "**Business Hours**" shall mean between 09:00hrs and 16:00hrs on any Business Day.
- (h) "**Capital Gains**" means and includes all Securities, bonus or capitalization shares, rights and other benefits in the nature of capital accruals received or to be received by or on behalf of the Trust by reason of the holding of the Underlying Securities on behalf of the Holders, whether received in cash or Securities or by warrant, cheque, credit or otherwise;
- (i) "**Certificate**" means a document of title, statement of account or any other document evidencing ownership of the Holder thereof, issued pursuant to the provisions of the Trust Deed to 1 (one) or more Units acquired by the Holder in a Unit Portfolio referred to therein and properly acquired by him;
- (j) "**Collective Investment Scheme**" means any arrangement with respect to property of any description, including money, the purpose or effect of which is to enable persons taking part in the arrangement, whether by becoming owners of the property or any part of it or otherwise, to participate in or receive profits or income arising from the acquisition, holding, management or disposal of the property or sums paid out of such profits or income.
- (k) "**Company**" means a company formed and registered under the Companies Act, 2012 or equivalent law in another jurisdiction;"
- (l) "**Compulsory Charge**" means any fiscal charge in connection with the creation and issue of Units and any necessary charge (including stamp duty if any payable on the issue or transfer of the Certificates) payable for



the benefit of a person, other than the Manager or its agents (not being members of a Recognized Securities Exchange), in connection with the acquisition of the Underlying Securities included or to be included in a Unit Portfolio;

- (m) **"Custodian"** means the Company which from time to time is approved by the Authority to act as the Custodian of the Unit Trust Scheme in terms of the Acts and the Trust Deed; and shall until a change has been made in terms of the Trust Deed, shall mean Standard Chartered Bank Uganda Limited incorporated in the Republic of Uganda, its successors or any other company which from time to time acts as Custodian of the Unit Trust Scheme in terms of the Act and the Trust Deed;
- (n) **"Distribution Account"** means the account into which the income of Unit Portfolio shall be transferred for the distribution of income, as set out in clause 11;
- (o) **"Ex dividend dates"** means the first Business Day in the calendar month where an income allocation takes place or such other day or days as may be determined by the Manager and the Trustee and approved by the Authority;
- (p) **"Exit Charge"**, if any, in relation to a Unit, means that portion of the repurchase price of that Unit which represents the Manager's charge in respect of expenditure incurred and work performed by it in connection with the repurchase of such Unit;
- (q) **"Financial Instrument"** includes Securities, mortgage contracts, property contracts, pension contracts, insurance contracts, leasehold contracts, certificates of interest and any variations or derivatives thereof;
- (r) **"Financial Year End"** means 31 December for the Trust, as set out in clause 51 of the Trust Deed;
- (s) **"forward price"** means a price calculated by reference to the valuation point next following the manager's agreement to issue or, as the case may be, to redeem the units in question
- (t) **"Manager"** means Sanlam Investments East Africa Limited, incorporated in the Republic under the Companies Act, incorporation number 80010002699804, its successors or assigns;
- (u) **"Global Unit Portfolio"** means a Unit Portfolio which shall be styled as either global or international Unit Portfolio and shall have a geographic investment focus outside of the East African Community
- (v) **"Government"** shall mean the highest governing authority in any member state of the United Nations or any ministry, department, branch or organ thereof;
- (w) **"Holder"** means the holder or possessor of Units in a Unit Portfolio;
- (x) **"Income Account"** means the account in which the Accrued Income of Unit Portfolio shall be accounted, as set out in clause 26 (5);
- (y) **"Income Accruals"** for an Accounting Period means any dividend, interest, rental, or other income for distribution received by or accrued to the Trust, the Trustee or the Manager on behalf of Holders for that Accounting Period together with any amounts carried forward from any previous Accounting Period as not having been allocated;
- (z) **"Income Allocation Dates"** mean the last day of June and the last day of December of each year, or such other day or days as may be determined by the Manager and the Trustee; provided that the first distribution date of each Unit Portfolio created under the Trust Deed shall not be more than (12) twelve months after the date of creating such Unit Portfolio;
- (aa) **"Income Equalization"** means the amount which the Manager must pay into the Income Account of a particular Unit Portfolio on the creation of new Units to acquire for the Units so created equal participation in the relative income which has accrued (including Income Equalizations) from the last ex dividend date to the date on which the Units are created or the amount which the Manager must receive from the Income Account of a particular Unit Portfolio on the cancellation of Units to receive for the Units so cancelled equal participation in the relative income which has accrued (including Income Equalizations) from the last ex dividend date to the date on which the Units are cancelled. Such amount shall be calculated by dividing the total number of Units in Issue of a Unit Portfolio at the time at which the calculation is made into the total amount then standing to the credit or debit of the relative Income Account and by multiplying the quotient by the number of new Units created or the Units cancelled at the time at which the calculation is made;
- (bb) **"Incorporation documents"** means the Trust deed and Scheme particulars of the Sanlam Unit Trust Scheme Uganda as amended from time to time;



- (cc) **"Scheme Particulars"**, means particulars of a scheme prepared and published in accordance with Part IV and Schedule 1 to the CIS Act;
- (dd) **"Initial Charge"**, means that portion of the Selling Price of a Unit which represents the Manager's charge in respect of expenditure incurred and work performed by it in connection with the creation and issue of such Unit but does not include any Compulsory Charge;
- (ee) **"Investment Company"** means a Collective Investment Scheme organized as a limited liability Company under the collective investments schemes Act 2003 in which the rights of participants are represented by shares of that Company, which shares the Company ensures can be sold by shareholders on a Recognized Securities Exchange at a price related to the net assets of the scheme;
- (ff) **"UGX"** means the Ugandan Shilling;
- (gg) **"Liquid Assets"** means the aggregate amount of such Approved Securities, deposits and other assets including Bank of Uganda notes and subsidiary coins;
- (hh) **"Listed Financial Instruments"** means Financial Instruments included in the list of Financial Instruments kept by the executive committee of a Recognized Securities Exchange;
- (ii) **"Market Value"** means –
- (i) With reference to a Recognized Securities Exchange Security at a point of time on a Business Day, the last transaction price thereof on a Recognized Securities Exchange and if no transactions have taken place on that particular Business Day, the value of such Security calculated by reference either to the lowest seller's price or the highest buyer's price thereof, as herein set out at that time and on that particular day on the said Recognized Securities Exchange, provided that –
 1. The point of time at which the price of a Security listed on a particular Recognized Securities Exchange is to be determined by the Manager shall be at the end of the Business Day and shall be used for all the Securities listed on such a Recognized Securities Exchange and shall not be altered without the Written consent of the Trustee;
 2. In respect of Securities listed on a particular Recognized Securities Exchange which is still open for trading at the point of time at which the Market Value is determined, the Manager may determine that the Market Value of a Security listed on such a Recognized Securities Exchange is the last closing transaction price of that Security on that Recognized Securities Exchange at the point of time at which the Market Value is determined; and
 3. If the Manager considers that the price so determined does not represent a fair market price, a fair market price shall at the request of the Manager be determined by - the committee of the Recognized Securities Exchange concerned which shall thereupon determine a fair price which determination shall be final, and which price shall be binding upon all parties;
 4. With reference to determining the value of a Unit or any other form of participation in a Collective Investment Scheme, market value shall mean the repurchase price, excluding any charges of such Unit or participation.
 5. Where Securities have been purchased or sold but such purchase or sale has not been completed, such Securities shall be included in or excluded from the relative Unit Portfolio and the gross purchase or net sale consideration excluded or included, as the case may require, as if such purchase or sale had been duly completed;
 6. Where the Manager has given to the Trustee notice of a reduction of the Trust by the cancellation of Units but such cancellation has not been completed, the Units to be cancelled shall be deemed not to be in issue and the value of the relative Unit Portfolio shall be reduced by the amount payable to the Manager upon such cancellation;
- (jj) With reference to Money Market Securities, the capital value and any accrued but unpaid interest.
- (kk) With reference to a fixed interest instrument not being a Money Market Security, the mark-to-mark valuation of such instrument inclusive of interest accrued or the capital value and any accrued but unpaid interest.
- (ll) With reference to investments in a Property Unit Portfolio, the net present value of all reasonably foreseeable rental income streams or an independent valuation of the underlying immovable property.
- (mm) With reference to Securities not listed on a Recognized Securities Exchange, the valuation shall be based on methods that are fair and reasonable and that are acceptable to the Manager and approved by the Trustee.



- (nn) **"Money Market Fund"** means a scheme which comprises of deposits, instruments creating or evidencing indebtedness which are not transferable securities and transferable securities other than equities.
- (oo) **"Money Market Securities"** means cash, cash equivalents and short-term instruments of debt.
- (pp) **"Person"** includes a corporation, Company, partnership, syndicate, Collective Investment Scheme or other body whether incorporated or not and whether domiciled or carrying on business in Uganda or elsewhere; **"Property Unit Portfolio"** means a Unit Portfolio styled as such which has an objective to make the majority of its investments in immovable properties, whether directly or indirectly through a property-owning Company, a property Collective Investment Scheme, property loan stock Company or similar entity, for the purposes of making its primary investment returns from rental yields and immovable property capital appreciation or depreciation
- (qq) **"Recognized Securities Exchange"** means a stock exchange licensed under the Act, as amended from time to time, or a stock exchange outside Uganda recognized by an equivalent body to the Authority in such other jurisdiction;
- (rr) **"Register"** means the register of Holders in terms of clause 50 of the Trust Deed;
- (ss) **"Regulation"** means any rules or regulations gazetted and issued by the Authority in accordance with the Acts.
- (tt) **"Republic"** means the Republic of Uganda;
- (uu) **"Securities"** means:
- i. debentures, stock, or bonds issued or proposed to be issued by a government;
 - ii. debentures, stocks, shares, bonds or notes issued or proposed to be issued by a body corporate;
 - iii. any right, warrant, option, or futures in respect of any debenture, stocks, shares, bonds, notes or in respect of commodities; or
 - iv. any instruments commonly known as securities, but does not include—
 - a) bills of exchange;
 - b) promissory notes; or
 - c) certificates of deposit issued by a bank or financial institution licensed under the Bank of Uganda Act;
- (vv) **"Securities Fund"** means a scheme comprising principally of transferable securities;
- (ww) **"Selling Price"** of a Unit means the price referred to as the "Selling Price" in clause 7(6) of the Trust Deed;
- (xx) **"Manager's charge"** means the periodical charge deductible from income accruals and Income Equalizations to remunerate the Manager for managing a Unit Portfolio, expressed as a percentage of the average month-end Market Value of the total assets (excluding Compulsory Charges) comprising the Unit Portfolio during the Accounting Period for which the charge is levied;
- (yy) **"Shillings"** means shillings in the currency of the Republic of Uganda;
- (zz) **"Stockbroker"** means a person who carries on the business of buying or selling of Securities on a Recognized Securities Exchange as an agent for investors in return for a commission;
- (aaa) **"Transferable Security"** has a meaning in Regulation 48 of the Collective Investment Schemes (Unit Trusts) Regulations;
- (bbb) **The Trust"** means the Sanlam Unit Trust Scheme Uganda;
- (ccc) **"Trust Deed"** means the Trust Deed and any deeds supplemental hereto of the Sanlam Unit Trust Scheme Uganda;
- (ddd) **"Trustee"** means the Company which from time to time is approved by the Authority to act as the Trustee of the Unit Trust Scheme in terms of the Act and the Trust Deed; and shall until a change has been made in terms of the Trust Deed, shall mean Standard Chartered Bank Uganda Limited incorporated in the Republic under the Companies Act, its successors or any other company which from time to time acts as Trustee of the Unit Trust Scheme in terms of the Act and the Trust Deed;



- (eee) "Umbrella Fund" means a scheme which provides for pooling in relation to separate constituent parts of the property, and participants in which are entitled to exchange rights in one constituent part for rights in another;
- (fff) "Underlying Securities", in relation to a Unit Portfolio, means the Securities comprised in or constituting the Unit Portfolio concerned and includes any cash or claims derived or resulting from the conduct of the Unit Portfolio which are held by or due to the Trust, the Manager or the Trustee for the benefit of the Holders in that Unit Portfolio;
- (ggg) "Unit" means one undivided share in a Unit Portfolio;
- (hhh) "Unit Portfolio" means the Underlying Securities in which members of the public are invited or permitted by the Manager to acquire Units pursuant to the Unit Trust Scheme including any cash and/or claims forming part or deemed to form part of the assets pertaining to a Unit Portfolio but after deduction of any liability pertaining or deemed to pertain to such Unit Portfolio;
- (iii) "Unit Trust Scheme" means any scheme or arrangement in the nature of a trust in pursuance of which members of the public are invited or permitted, as beneficiaries under the trust, to acquire an interest or undivided share in one or more Unit Portfolios and to participate proportionately in the income or profits derived therefrom;
- (jjj) "Units in Issue" means all Units which have been created, fully paid for and which have been entered in the Registers including those held or deemed to be held by the Manager, and which have not been cancelled;
- (kkk) "Writing" includes typing, printing, engraving, lithographing, faxing, emailing or otherwise reproducing visibly.

PART II: VALIDITY, DISCLAIMER AND THE SCHEME

2. VALIDITY

The Scheme particulars and its' supplementary documents will be valid until such a time they are amended from the date of release. The scheme particulars and its supplementary documents will be reviewed at least once in every year or earlier where the need arises; to take into account any change or new matter, other than a matter which reasonably appears to the sponsor to be insignificant. A revision of the scheme particulars may take the form of a complete substitution of the previous Scheme Particulars, or a supplement to the Scheme Particulars. The date of the change shall be prominently displayed.

3. DISCLAIMER

Permission has been granted by the Capital Markets Authority to offer to the public the securities which are the subject of this issue. As a matter of policy, the Authority assumes no responsibility for the correctness of any statements or opinions made or reports contained in this Scheme Particulars. Approval by the Authority is not to be taken as an indication of the merits of the Sanlam Investments Unit Trust Scheme Uganda. The price of units and the income from them can go down as well as up and that past performance is not necessarily a guide to future performance.

4. THE SANLAM UMBRELLA FUND UNIT TRUST SCHEME

Name of the Scheme:

The name of the umbrella scheme is Sanlam Umbrella Fund Unit Trust Scheme. The minimum size of each constituent unit portfolio of this umbrella scheme is Uganda shillings ten million. The provisions of the act and regulations thereunder, herein shall apply.

Objective of the trust:

The object of the Trust is to enable investors to participate in diversified Unit Portfolios of Securities In order to achieve this object the Manager shall be entitled, subject to the provisions of the Trust Deed and of the Act, to –

- a) Create and issue an unlimited number of Units in a Unit Portfolio established in terms of the Trust Deed; and
- b) Establish different Unit Portfolios in order to provide investors with investment opportunities in more than 1 (one) group of Securities.
 - i. The Sanlam Income Fund is established under the Trust Deed supplemental as a securities fund. This unit portfolio shall remain fully invested at all times and may invest more than 35% in government of Uganda securities



Address of the scheme:

The address of the scheme where inspection of the most recent incorporation documents and notices shall be served is Workers' House, 7th Floor, Plot 1 Pilkington Road, P.O. Box 9831, Kampala, Uganda.

Base currency: The base currency for the scheme is Uganda Shillings.

Date of approval: 13th October 2020

Investment objectives and policy

- (1) **Security Selection:** In selecting Securities for a Unit Portfolio, the Manager shall, subject to the Act, Scheme Regulations or Trust deed, seek to make investments in any securities market approved by the Authority which meet the objectives of the Trust.
- (2) **Supplemental Trust Deed to detail specific investment policies:** Where a specific Unit Portfolio is established under, or brought into, the Trust, the investment policy to be applied by the Manager in respect of such Unit Portfolio shall be fully set forth in the Supplemental Trust Deed by which the Unit Portfolio is established or brought into the Trust.
- (3) **Varying asset allocations:** Nothing in this clause contained shall preclude the Manager from varying the ratio of Securities from time to time to reflect the optimal return potential from the investments; provided that the Manager shall ensure that the aggregate value of the assets comprising a Unit Portfolio consist of approved Securities and / or Liquid Assets of the aggregate value required from time to time by the Act.
- (4) **Manager and its directors entitled to gain from acquisition of Underlying Securities:** Neither the Manager nor any of its directors shall derive any pecuniary advantage, either directly or indirectly, from the acquisition or sale by the Manager of any Securities for the purposes of the Unit Trust Scheme, except such advantage as may in the ordinary course of its business accrue to the Manager by virtue of any difference between the price at which it acquires the Underlying Securities and the price at which units therein are subsequently sold or by virtue of any underwriting business done by it; provided, however, that the Manager, acting as the agent of Holders, shall not be prohibited from sharing with a Stockbroker or Financial Instrument trader in the Stockbroker's commissions arising out of transactions in Securities in respect of the Unit Trust Scheme; and provided further that the Manager, should it be appointed as an authorized dealer in foreign exchange, shall not be prohibited from earning a profit on any foreign exchange transaction involving the purchase or sale of Securities held outside Uganda.
- (5) No part of the Trust shall be lent or assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.
- (6) **Broad Investment Guidelines:** All investments of the Trust made by the Manager shall:
 - (i) Be consistent with the objectives of the Unit Trust Scheme and applicable laws;
 - (ii) Have a ready price or value; and
 - (iii) Have adequate proof of title or ownership to allow proper custodial arrangements to be made.
 - (iv) The Manager shall not apply any part of the Unit Portfolio in the acquisition of any investments which are for the time being, partly paid or otherwise in the opinion of the Trustee likely to involve the Trustee in any liability contingent or otherwise.
 - (v) The book value of the investments of the Trust shall not exceed the following limits as permitted and defined by the CIS Act and regulations issued thereunder



		Securities Fund	Money Market Fund
1. Transferable Securities			
	1.1 Transferable but not approved including Pre-listed securities	10%	NO
	1.2 Government or Public securities	YES	80%
	1.3 Collective Investment Scheme Units	5%	NO
	1.4 Investment Trusts	YES	NO
	1.5 Approved Securities	YES	80%*
2. Cash and near cash		PRR	YES
3. Immovables		NO	NO
4. Stock Lending		NO	NO
5. Derivatives		NO	NO
6. Underwriting		YES	YES
7. Borrowing		10%	10%
8. Short selling		NO	NO

Notes to the Table

1. "YES" means can be invested in without specific upper limit (though there may be limits of other kinds)

"NO" means no available for investment;

A percentage means an upper limit (though there may be limits of other kinds)

"PRR" means permitted if reasonable for redemption

* Investment in equities is not permitted in the category of approved securities for money market funds

Provided that:

1. Should these limits be changed in the Act at any time, then;
 - A. The Manager shall have 12 (twelve) months from the time of promulgation of the change to realign the Unit Portfolios in line with such changed guidelines.
2. This clause shall be deemed have been changed by a Holders' resolution to bring it in line with the new Act.



3. Spread limits, significant influence and other limits shall apply to investments of the Unit Portfolio as per the CIS Act and Unit trust regulations.
 4. A Collective Investment Scheme established for the investment of retirement benefits schemes shall comply with the investment guidelines prescribed under the Uganda Retirement Benefits Regulatory Act of 2011 and regulations there under or any other laws currently in force for regulation of the retirement or pension funds industry in the Republic of Uganda or any other jurisdiction;
 5. The limits and restrictions in this clause shall be complied with at all times based on the most up-to-date Market Value of the Unit Portfolio, but a 5% (five percent) allowance in excess of any limit or restriction shall be permitted where the limit or restriction is breached through the appreciation in market value movement of the Unit Portfolio securities in the portfolio.
- (7) The scheme will be liable to pay or suffer tax on any appreciation in the value of the asset of the scheme or on the income of the asset of the scheme; and deductions by way of withholding tax may be made from distributions of income to participants and payments made to participants on the redemption of units.

Borrowing and Lending

The Manager shall comply with the provisions of the Act and regulations issued thereunder regarding the borrowing powers of the unit trust umbrella scheme. The Manager shall not lend all or any part of the umbrella scheme portfolio in accordance with the Act and regulations issued thereunder.

PART III: UNITS

5. ELIGIBILITY

To be eligible to invest in the Scheme, the unit holder:

- 1) Must be aged 18 years and above.
- 2) Parents who would like to open unit trusts accounts for minors can do so under their name until the beneficiary comes of age.
- 3) Must not be resident in any jurisdiction where such an investment would be unlawful.
- 4) Shall satisfy any tax regulations or other relevant legislation where applicable.
- 5) Need not be a private investor: companies and trusts may also effect a Unit Trust Investment.

If a plan is to be held in joint names, all investors must conform to the above requirements for eligibility.

6. ISSUE AND PURCHASE OF UNITS

- (1) Manager has exclusive right to create and issue Units: The Manager shall have the exclusive right to secure the creation and issue of further Units and for that purpose to accept application monies for the purpose of the Trust; provided that the price at which the Units are acquired shall be the Selling Price at the time of the transaction, exclusive of the Initial Charge.
- (2) Beneficial Interests of the Units: Each unit as represented by a certificate shall have beneficial interests and any other rights which may come under the Act under this trust.
- (3) Minimum purchase quantities: The minimum number of Units that may be purchased by any Person shall be determined either generally or otherwise by the Manager from time to time, provided, however, that unless and until such determination is made the minimum number of Units shall be 100 (one hundred) Units.
- (4) Manager may sell its Units: The Manager shall be entitled at any time, at its discretion, for its own account to sell any Unit owned or deemed to be owned by it and for the time being outstanding, at any price not exceeding the price at which a new Unit in the relative Unit Portfolio would at that time be issued in accordance with the provisions of clause 7(6) of the Trust Deed, and the Manager shall be entitled to retain for its own use and benefit all moneys received by it in respect of such sale. Any commission, remuneration or other sum payable to an authorized agent of the Manager in respect of the sale of any Unit, shall not be added by the Manager to the price of such Unit but shall be paid by the Manager. The Trustee shall not be obliged to satisfy itself as to the due performance or observance of the terms of this clause or to enforce the same unless requested in Writing by a Holder to do so and unless such Holder if so required by the Trustee, furnishes the Trustee with a satisfactory indemnity against all liabilities, costs, charges and expenses which may be incurred thereby.



7. THE CREATION OF UNITS

- (1) Initial offer of Units:
 - (a) The initial and each additional Unit Portfolio shall each have a Market Value of a minimum of UGX 10,000,000 (Ten Million Uganda Shillings) and shall comprise Securities and/or application monies received or deemed to be received by or to the order of the Manager and cash.
 - (b) The Manager shall be responsible for the payment of all expenses (including Compulsory Charges) arising out of and relating to the formation of the initial and any additional Unit Portfolio.
 - (c) The Units issued to the Manager in respect of such Securities and application monies shall be deemed to be the first Units in issue in a particular Unit Portfolio and shall be issued at a price of I(one) Uganda Shilling each.
 - (d) As at the date on which the Manager commences the sale of Units to the public, the Market Value of each Unit Portfolio shall be at least UGX 10,000,000 (Ten Million Uganda Shillings). The first issue of Units in a Unit Portfolio to the public shall be made in such a manner as the Manager may decide.
 - (e) The said first issue may take the form of an offer by the Manager of a specified number of Units at a fixed price not exceeding the Selling Price on a previous Business Day, which date shall not be more than 7 (seven) days before the publication of the offer or more than 21 (twenty one) days before the closing of the offer.

A minimum investment amount may be stipulated for each Unit Portfolio in its supplemental trust deed, provided that such minimum will be UGX 100,000 (one hundred thousand Uganda Shillings) or a multiple thereof.

- (f) The period of an initial offer shall not exceed 21 (Twenty one) days from the date of the launch specified in the Supplemental Trust Deed and the initial offer shall remain open for the prescribed period.
- (2) Application moneys to be paid into trust account: Any application monies paid in respect of a Unit to be created shall, after deduction therefrom of the Initial Charge, if any, included in the price at which the Unit is to be sold (which Initial Charge shall be retained by the Manager for its own use and benefit) be paid into a trust account under the supervision and control of the Trustee so as to form part of a Unit Portfolio, and forthwith upon such payment such Unit shall be deemed to have been created and issued. That portion of the application monies attributable to Income Equalizations as hereinafter referred to shall be credited to the Income Account.
- (3) Trust can issue Units in exchange for Securities: Subject to and in accordance with the following provisions, the Manager may from time to time secure the creation and issue of Units in a particular Unit Portfolio in its favor, by way of exchange, for Securities upon such terms as the Manager may think fit.
 - (a) The value of the Units so created and issued shall be calculated according to the Selling Price at the time when such Units were so created and issued, exclusive of the Initial Charge.
 - (b) Any Compulsory Charges incurred by the Trust in acquiring such Securities on a Recognized Securities Exchange shall be paid out of a Unit Portfolio.
 - (c) The Securities so transferred to the Trust shall be valued on a basis to be determined by the Manager and the Trustee provided that the value so determined shall not exceed the Market Value of the said Securities at the time at which Units are created and issued in respect thereof and provided further that the Manager shall not transfer such Securities to the Trust at a price higher than the cost to it of acquiring the Securities.
 - (d) The Manager and the Trustee shall be satisfied that the exchange is not likely to prejudice existing Holders.
- (4) Recalculation of Creation units: The Manager will recalculate the creation price anytime during dustiness days and business hours

8. INITIAL OFFER OF UNITS

- (1) Initial offer of Units:
 - (a) The initial and each additional Unit Portfolio shall each have a Market Value of a minimum of UGX10,000,000 (Ten million Uganda Shillings) and shall comprise Securities and/or application monies received or deemed to be received by or to the order of the Manager and cash.
 - (b) The Manager shall be responsible for the payment of all expenses (including Compulsory Charges) arising out of and relating to the formation of the initial and any additional Unit Portfolio.



- (c) The Units issued to the Manager in respect of such Securities and application monies shall be deemed to be the first Units in issue in a particular Unit Portfolio and shall be issued at a price of UGX 1 (one Uganda Shilling) each.
- (d) As at the date on which the Manager commences the sale of Units to the public, the Market Value of each Unit Portfolio shall be at least UGX 10,000,000 (Ten million Uganda Shillings). The first issue of Units in a Unit Portfolio to the public shall be made in such a manner as the Manager may decide.
- (e) The said first issue may take the form of an offer by the Manager of a specified number of Units at a fixed price not exceeding the Selling Price on a previous Business Day, which date shall not be more than 7 (seven) days before the publication of the offer or more than 21 (twenty one) days before the closing of the offer.

A minimum investment amount may be stipulated for each Unit Portfolio in its supplemental trust deed, provided that such minimum will be UGX 100,000 (one hundred thousand Uganda Shillings) or a multiple thereof.

- (f) The period of an initial offer shall not exceed 21 (twenty one) days from the date of the launch specified in the Supplemental Trust Deed and the initial offer shall remain open for the prescribed period.
- (2) Application moneys to be paid into trust account: Any application monies paid in respect of a Unit to be created shall, after deduction therefrom of the Initial Charge, if any, included in the price at which the Unit is to be sold (which Initial Charge shall be retained by the Manager for its own use and benefit) be paid into a trust account under the supervision and control of the Trustee so as to form part of a Unit Portfolio, and forthwith upon such payment such Unit shall be deemed to have been created and issued. That portion of the application monies attributable to Income Equalizations as hereinafter referred to shall be credited to the Income Account.
- (3) Trust can issue Units in exchange for Securities: Subject to and in accordance with the following provisions, the Manager may from time to time secure the creation and issue of Units in a particular Unit Portfolio in its favour, by way of exchange, for Securities upon such terms as the Manager may think fit.
- (a) The value of the Units so created and issued shall be calculated according to the Selling Price at the time when such Units were so created and issued, exclusive of the Initial Charge.
 - (b) Any Compulsory Charges incurred by the Trust in acquiring such Securities on a Recognized Securities Exchange shall be paid out of a Unit Portfolio.
 - (c) The Securities so transferred to the Trust shall be valued on a basis to be determined by the Manager and the Trustee provided that the value so determined shall not exceed the Market Value of the said Securities at the time at which Units are created and issued in respect thereof and provided further that the Manager shall not transfer such Securities to the Trust at a price higher than the cost to it of acquiring the Securities.
 - (d) The Manager and the Trustee shall be satisfied that the exchange is not likely to prejudice existing Holders.

9. THE CANCELLATION OF UNITS

- (1) Manager can cancel Units: The Manager shall have the exclusive right and absolute discretion, by notice in Writing to the Trustee to effect reductions of a Unit Portfolio by the surrender of Certificates to the Trustee for cancellation or by requiring the Trustee to cancel Units in respect of which no Certificates are outstanding. Such notice shall state the number of Units to be cancelled and the amount payable to the Manager in respect thereof, which amount shall be calculated in terms of clause 7(7). Before exercising such right, it shall be the duty of the Manager to ensure that a Unit Portfolio includes (or will, upon completion of the sale of Securities which may have to be sold as a result of the cancellation of Units, include) cash sufficient to pay the amount payable to the Manager upon such reduction.

Cancellation Price: The manager shall avail on request, the cancellation price last notified to the depository.

- (2) Payment to Manager for cancelled Units: In respect of any such cancellation of Units, the Manager shall be entitled to receive out of a Unit Portfolio an amount per Unit ascertained by dividing the number of units then in issue into the market value of such Unit Portfolio plus income accruals on the day of such notice less an amount to cover the *pro rata* share of liabilities in respect of amortization of wasting assets, taxation, fiscal charges, Auditor's fees, and Manager's charges incurred during the Accounting Period in which the cancellation takes place of that part of the Underlying Securities represented by the Units cancelled. The said amount shall be payable to the Manager out of cash forming part of the Unit Portfolio concerned and against surrender to the Trustee of the Certificates (if any) to be cancelled or against delivery to the Trustee of particulars of the Units to be cancelled in respect of which no Certificates are outstanding. Upon such payment and surrender or delivery the Units in question shall be deemed to have been cancelled



and withdrawn from issue. The Trustee shall be under no obligation to check the calculation of the amount payable to the Manager but shall be entitled if it so desires to require the Manager to justify the same.

- (3) Moratorium: Any moratorium which may at any time be applied to payments in respect of Recognized Securities Exchange or banking transactions in Uganda or in such other countries where the Trust may operate from time to time shall apply equally to payments due to the Manager in terms of this clause.
- (4) Recalculation of cancellation unit: The Manager will recalculate the cancellation price anytime during dustiness days and business hours

10. THE REDEMPTION OF UNITS

- (1) Manager to repurchase Units Save during the 2 (two) months immediately prior to the termination of a Unit Portfolio and subject to the terms of the Trust Deed, any Holder desiring to sell any of his Units shall be entitled at any time, by valid notice in Writing received by the Manager or its duly authorized agent, to require the Manager to repurchase all or any of such Units, and the Manager shall repurchase such Units subject to the provisions of the Trust Deed.
- (2) Notice of repurchase not valid without delivery of Certificate: No notice requiring the Manager to repurchase Units shall be valid unless the Holder shall have delivered to the Manager or its authorized agent, the Certificate representing the Units for sale, or at the option of the Manager shall have produced such evidence of his title to the units to be sold as the Manager shall think sufficient. If the repurchase price is not paid to the Holder on delivery of the said documents to the Manager, the Holder shall be issued with a receipt for such documents.
- (3) Minimum Repurchases: A minimum number of units subject to repurchase is 100 or the minimum value will be UGX 100,000 (one hundred thousand Uganda Shillings).
- (4) Repurchases of more than 20,000 Units or valued at more than UGX 5,000,000 (Five million uganda shillings): In the event of a Holder desiring to sell at any one time more than 20,000 (twenty thousand) Units, the repurchase price of which, based on the last determinable Market Value of the relevant Unit Portfolio, would exceed UGX5,000,000 (Five million Uganda Shillings), the Manager may, in its discretion, require a period of 48 (forty eight) Business Hours in order to establish a price for the repurchase of such Units.
- (5) Repurchase at lower price prohibited: The Manager shall not quote for or repurchase or permit any of its agents to quote for or repurchase any Unit at a price lower than that calculated in accordance with the provisions of clause 7(7) of the Trust Deed.
- (6) Date of payment of repurchase price: Payment of the price referred to in clause 11(7) shall be made to the Holder at the time of receipt by the Manager of a valid notice on a Business Day, or at the option of the Manager, during a period of 6 (six) days thereafter provided that:
 - (b) Where the payment totals more than 5% (five percent) of the total size of the Unit Portfolio, the Manager may take up to a further 6 (six) days to make payment and payment may be made in the form of Securities the Market Value of which is equal to the payment due.
 - (c) Where the Manager reasonably suspects that the redemption instruction may be irregular, fraudulent or otherwise defective, the Manager may take up to a further 6 (six) days to make payment.
 - (d) Balance Certificate: If the certificate delivered to the Manager or its authorized agent comprises a larger number of Units than that stated in the notice to the Manager, a balance Certificate shall, subject to the provisions of clause 10 of the Trust Deed, be issued free of charge to the Holder by the Manager.
 - (e) Moratorium: Any moratorium which may at any time be applied to payments in respect of Recognized Securities Exchange or banking transactions in Uganda or in such other countries where the Trust may operate from time to time, shall apply equally to payments due from the Manager in terms of this clause.
 - (f) Suspension of repurchase of Units:
 - (i) During any period of emergency as hereinafter defined, the Manager may in its discretion suspend the repurchase of units. For the purposes of this clause a period of emergency shall be a period during which –
 - (ii) Any Recognized Securities Exchange on which a Unit Portfolio is invested is closed on a Business Day; or
 - (iii) Any Bond Exchange on which a Unit Portfolio is invested is closed on a Business Day; or
 - (iv) Any Futures Exchange on which a Unit Portfolio is invested is closed on a Business Day; or



- (v) The disposal by the Manager of Underlying Securities is not reasonably practicable and/or is not in the interests of Holders; or
 - (vi) The Trustee is satisfied that it is not reasonably practicable to determine the market value of the Underlying Securities.
- (7) At the time of suspension under this sub-clause the Manager shall:
- (a) Inform the Authority of the suspension, stating the reason for its action; and
 - (b) Forthwith give Written confirmation of the suspension and the reasons for it to the Authority.
 - (c) During the period of suspension, none of the obligations in the Act relating to the issue, cancellation, sale or redemption of Units or to the valuation of the Unit Portfolio shall apply.
 - (d) The suspension of Dealings in Units shall cease as soon as practicable after the Trustee is no longer of the opinion referred to in this sub-clause and in any event within 28 (twenty-eight) days of the commencement of the suspension of Dealings in Units.
 - (e) Before the suspension of Dealings in Units ceases, the Manager shall inform the Authority of the proposed resumption and forthwith after the resumption shall confirm the resumption by giving notice in Writing to the Authority.
 - (f) This sub-clause may be applied to one or more classes of Units without being applied to other classes of Units in the Unit Trust Scheme and shall apply to a Unit Portfolio as it applies to the Unit Trust Scheme, but by reference to the Units of the class or classes related to the Unit Portfolio and to the Unit Portfolio attributable to the Unit Portfolio, however, for the purpose of the Act, the Manager shall have regard to the interests of all the Holders.
- (8) Trustee to verify price: The Trustee shall be under no obligation to verify, check, or take any steps concerning the price at which the Manager is required to repurchase Units pursuant to the provisions of this clause unless, prior to or within 30 (thirty) days after the completion of any sale of Units to the Manager, it is requested in Writing by the Holder or former Holder of the relevant Units so to do, and unless the Trustee, if it so requires, is furnished by the said Holder or Holder with a satisfactory indemnity against all liabilities, costs, charges and expenses which may be incurred thereby, whereupon the Trustee shall verify the repurchase price on receipt of such a request and indemnity.
- Unit holders are entitled to exchange units in one unit portfolio for another unit portfolio in the scheme subject to the applicable charges that can be varied from time to time by the manager without prejudice. For tax purposes, these shall be treated as a redemption.
- (9) Redemption charge: The Manager shall make a redemption charge subject to a maximum of 5% of the redemption price of a unit.
- (10) Exchange of units in the umbrella: The exchange of units from one fund to another will be construed as a redemption in one fund and a purchase in the other and; under no circumstances will a holder who exchanges units be given a right by law to withdraw or cancel the transaction

11. VALUATION

- (1) Calculation of net asset value per Unit:
- (a) The formula to be adopted to determine the net asset value of each Unit in the Unit Portfolio is to divide the aggregate Market Value of the Securities of the Unit Portfolio less its liabilities (including such provisions and allowances for contingencies as the Manager may think appropriate) by the Units in Issue.
 - (b) Liabilities shall include the amount of any interest payable, accrued fees and expenses at the end of relevant Business Day of the Unit Portfolio, including but not limited to any amounts owing to the -Manager, the Trustee, the Custodian and the Auditor.
- (2) Net asset value and sale price of unit

Unless units are offered at a fixed price pursuant to section 36 hereof, the Manager must issue units in a portfolio at the net asset value price per unit, which price is calculated on the date on which any unit is issued or the previous date, whichever is consistently applied, according to the formula –



(A+B+C+D)

E

Where:

- A =** the aggregate market value of the assets in the portfolio, excluding the income accruals and payments referred to in B, on the last valuation point determined by the Manager on the last pricing date, which valuation point may not be more than 24 hours prior to or after such date, excluding weekends and public holidays.
- B=** the aggregate of all income accruals and payments received in lieu of income accruals from the creation of new units in the portfolio, during the relevant accounting period up to the said date, but excluding:
- any part of those income accruals and payments in lieu of income accruals, set aside at the last preceding distribution date for distribution, but not yet distributed; and
- such further amount, out of those income accruals and payments in lieu of income accruals, as in the opinion of the Manager represents a fair proportion, at the pricing date, of the permissible deductions for the relevant accounting period;
- C=** An amount determined by the Manager to cover the Compulsory Charges, if any, which would have become payable in respect of the acquisition of all the Underlying Securities comprising the Unit Portfolio on the said Business Day if such Securities had been acquired for the purposes of the Unit Trust Scheme on the said Business day;
- D =** The Initial Charges, if any, which would have become payable in terms of clause 22 of the Trust Deed in respect of all the Units in Issue in the Unit Portfolio on the said Business day; and
- E=** the total number of units in issue in the portfolio on the pricing date.

12. VALUATION OF THE UNIT PORTFOLIO

(1) Frequency of Valuations:

For the purposes of determining the price at which units may be issued, cancelled, sold or redeemed, the Manager shall carry out a valuation of the Unit Portfolio on each Business Day or any other frequency as determined by the Manager not exceeding one (1) month. The net asset value of the Unit Portfolio and the net asset value per Unit shall be calculated by the Manager as at the end of each Business Day or any other frequency therein.

The price of additional Units created and payable by the Manager to the Trustee, after the offer period of the initial offer shall be based on the net asset value of the fund. The same basis in the computation of the price shall also be applicable to the price payable by the Trustee on redemption by way of cancellation of shares.

(2) Calculation of net asset value per Unit:

The formula to be adopted to determine the net asset value of each Unit in the Unit Portfolio is to divide the aggregate Market Value of the Securities of the Unit Portfolio less its liabilities (including such provisions and allowances for contingencies as the Manager may think appropriate) by the Units in Issue.

Liabilities shall include the amount of any accrued fees and expenses at the end of relevant Business Day of the Unit Portfolio, including but not limited to any amounts owing to the Manager, the Trustee, the Custodian and the Auditor.

(3) Valuation Point for Selling Price: The value of the Unit Portfolio to be used in determining the selling price quoted by the Manager and the price payable by the Manager to the Trustee on creation of additional Unit shall be the net asset value at the end of the Business Day immediately preceding the Business Day on which a valid Written request to buy and create Units is received by the Manager and the Trustee respectively.

(4) Valuation point for repurchase price: The value of the Unit Portfolio to be used in determining the repurchase price quoted by the Manager and the price payable by the Trustee on the redemption of units shall be the net asset value at the end of the business day on which a valid written request to repurchase and redeem is received by the Manager and the Trustee respectively.



- (5) Exclusions from Valuation: For the purposes of this clause, there shall be excluded from the value of a Security or other part of the Unit Portfolio any fiscal charges or commissions or other charges that were paid or would be payable on the acquisitions or disposals of the investment or other part of the Unit Portfolio.
- (6) Calculation of Selling Price: Save as regards Units which may be offered at a fixed price pursuant to clause 11 hereof, the Manager shall issue units in a unit portfolio at the selling price per Unit, which price shall be calculated on the business day on which any Unit is issued according to the formula –

$$\frac{(A+B+C+D)}{E}$$

E

Where

"A" = The net asset value of the Unit Portfolio, excluding the Income Accruals and payments referred to in "B", at a time (determined by the Manager) not more than 10 (ten) Business Hours prior to such date;

"B" = The aggregate of all Income Accruals and payments received as Income Equalization from the creation of new Units in the Unit Portfolio, during the relevant Accounting Period up to the said date, but excluding -

Any part of those Income Accruals and Income Equalizations, set aside at the last preceding ex-dividend date for distribution, but not yet allocated, in respect of the Accounting Period which ended on the day prior to that last ex-dividend date; and

Such further amount, out of those Income Accruals and Income Equalizations, as in the opinion of the Manager represents a fair proportion, at the said date, of the Manager's Charge and other amounts and charges referred to in clause 24 for the relevant Accounting Period;

"C" = An amount determined by the Manager to cover the Compulsory Charges, if any, which would have become payable in respect of the acquisition of all the Underlying Securities comprising the Unit Portfolio on the said Business Day if such Securities had been acquired for the purposes of the Unit Trust Scheme on the said Business day;

"D" = The Initial Charges, if any, which would have become payable in terms of clause 23 of this Trust Deed in respect of all the Units in Issue in the Unit Portfolio on the said Business day; and

"E" = The total number of Units in Issue in the Unit Portfolio on the said Business Day.

- (7) Calculation of Repurchase Price: The price per Unit payable by the Manager shall be not less than an amount ascertained by dividing the total number of Units in Issue in a Unit Portfolio at the time when the valid notice was received by the Manager, into the net asset value of that Unit Portfolio at a time not more than 10 (ten) Business Hours prior to that date (or if any Recognized Securities Exchange, on the last day on which such stock Recognized Securities Exchange open for business) and all Income Accruals and Income Equalizations from the creation of new Units during the relevant Accounting Period, excluding any Income Accruals and Income Equalizations set aside at the last preceding ex dividend date for distribution but not yet allocated in respect of the Accounting Period ended on the day prior to the said ex dividend date and such further amount, out of Income Accruals and Income Equalizations, as in the opinion of the Manager represents a fair proportion, at the said date, of the Manager's Charge and other amounts and charges referred to in clause 11(6) for the relevant Accounting Period. The Manager may deduct from the price of each Unit an amount not exceeding the equivalent of any fiscal or other necessary charges which would be payable in connection with the sale of that part of the Underlying Securities represented by 1 (one) Unit.

13. ALLOCATION OF INCOME

- (1) Income to be allocated: A Unit Portfolio shall on Income Allocation Dates, in respect of each annual Accounting Period or interim accounting period make an allocation of income.
- (2) Transfer to Distribution Account: On the Business Day after an Income Allocation Date, the Trustee, or the Manager, as the case may be, shall arrange for the Custodian to transfer the income of a Unit Portfolio to an account to be known as The Distribution Account.



- (3) Immaterial amounts not allocated: The Trustee or the Manager, as the case may be, are not obliged to comply with clause 52(2) of the Deed if it appears to them that the average of the allocations of income from The Distribution Account to the Holders would be less than Ugx 5 (Five) million or such other amount as the Manager may determine. Any income that is not transferred to The Distribution Account must be carried forward to the next Accounting Period and be regarded as received at the start of the next period and the Manager shall carry any such income forward for no more than 1 (one) Accounting Period.
- (4) Calculation of available income: The calculation of the available income shall be as follows-
- (a) Take the aggregate of the Accrued Income, including Income Equalizations on the creation of Units, of a Unit Portfolio received or receivable for the account of the Unit Portfolio in respect of the period;
 - (b) Deduct the charges and expenses of the Unit Portfolio paid or payable out of the income of the Unit Portfolio in respect of the period, including:
 - (i) The remuneration of the Manager, Trustee and Custodian
 - (ii) Costs associated with meetings of Holders
 - (iii) Legal and professional fees in connection with the Unit Trust Scheme;
 - (c) Deduct Income Equalizations arising on the cancellation of Units in the Unit Portfolio;
 - (d) Add the Manager's best estimate of any relief from tax on such charges and expenses;
 - (e) Make such other adjustments as the Manager considers appropriate (in the case of subparagraph (i) and (ii), after consulting the Auditors) in relation to
 - (i) Taxation;
 - (ii) The proportion of the price received or paid for Units that is related to income (taking account of the provisions of clause 13 relating to Income Equalization);
 - (iii) Potential income which is unlikely to be received until 12 (twelve) months after the Income Allocation Date;
 - (iv) Income which should not be accounted for on an accrual basis because of lack of information about how it accrues;
 - (v) Any transfer between income and capital account; and
 - (vi) Any other adjustments that the Manager considers appropriate after consulting the Auditors.
 - (f) On or before the Income Allocation Date, the Manager shall allocate the available income to the Units of each class in issue taking account of the provisions of the Trust Deed relating to the proportion of available income attributable to each Unit Portfolio.

14. INCOME EQUALISATION

An allocation of income whether annual or interim to be made in respect of each Unit issued or sold during the Accounting Period in respect of which that income allocation is made shall include a capital sum to be referred to as 'Income Equalization'.

15. ACCOUNTING PERIODS AND REPORTS

Financial Year: The financial year will end on the 31st December of each year. Audit for the scheme shall be done on an annual basis.

The manager shall prepare the annual audited reports for the scheme. These shall be submitted to the Trustee, the Authority and subsequently published by the 31st March in accordance with the Act.

The manager shall prepare Half-yearly unaudited reports which shall be submitted to the Trustee, the Authority and published by the 31st August annually; copies of which may be inspected at the manager's address in accordance with the Act.

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

- a) A valuation of the scheme fund and of all the investment representing the same, including the details of the cost of such investments and their estimated yields



- b) A report reviewing the investment activity and performance of the investment portfolios comprising the scheme fund since the last report date
- c) A record of all investment transactions during the previous period.
- d) The reports can be inspected and copies obtained from the manager's registered office

16. **REGISTRAR AND REGISTER OF UNIT HOLDERS**

The registrar of Unit holders shall be Sanlam Investments (EA) Ltd. The register of unit holders will be kept at the Managers' head office and can be inspected by unit holders during business hours on 7th Floor, 1 Pilkington Road, P.O. BOX 9831, Kampala, Uganda.

PART IV: THE MANAGER

17. **THE MANAGER**

Name: Sanlam Investments East Africa Limited

The date of license with the Authority to operate as Manager and unit trust manager: _15 October 2020_

Nature of corporate form: Sanlam Investments East Africa Limited is a company limited by shares

Date of Registration: 4th August 2004 Registration number 80010002699804 having an unimpaired paid up share capital of 1,386,000,000 Uganda Shillings

Address of registered office: Workers' House, 7th Floor, Plot 1 Pilkington Road, P.O. Box 9831, Kampala, Uganda

Address of the Head office: Africa Re Centre, Upper Hill, 5th Floor, Plot P.O Box 00200 Nairobi Kenya

Parent / Holding Company: Sanlam Emerging Markets a wholly owned subsidiary of the Sanlam Group.

The Manager may act as the Manager in another approved collective investment scheme as at the date of this document.

The Manager's principal activity is fund management as defined by the CMA Act Cap 84

Material provisions of the Manager's obligations and duties pertaining to the Sanlam Unit Trust Scheme Uganda

18. **DUTIES OF MANAGER**

- (1) Manager as administrator and asset manager: The Manager shall be responsible for the administration of the Trust including the management of the Unit Portfolios in accordance with the direction and the authority of the Trustee, as well as the provisions of the Acts, the Scheme Particulars and the Trust Deed.
- (2) Principal Duties: The principal duties of a Manager shall include but shall not be restricted to
 - (a) Advising the Trustee on the asset classes which are available for investment;
 - (b) Formulating a prudent investment policy;
 - (c) Investing the Unit Portfolio's assets in accordance with the Unit Portfolio's investment policy;
 - (d) Reinvesting any income of the Unit Portfolio which is not required for immediate payments;
 - (e) Instructing the Custodian to transfer, exchange, deliver in the required form and manner the Unit Trust Scheme assets held by such Custodian;
 - (f) Ensuring that the Units in the Unit Portfolios are priced in accordance with the Act, the Scheme Particulars and the Trust Deed;
 - (g) Not selling any Units otherwise than on the terms and at a price calculated in accordance with the provisions of the Act, the Scheme Particulars and the Trust Deed;
 - (h) Rectifying any breach of matters arising under clauses (f) or (g) provided that where the breach relates to incorrect pricing of Units or to the late payment in respect of the issue or redemption of Units, rectification shall, unless the Trustee otherwise directs, extend to the reimbursement or payment or arranging the reimbursement



or payment of money by the Manager to the Holders or former Holders, by the Manager to the Unit Portfolio, or by the Unit Portfolio to the Manager;

- (i) Purchasing at the request of a Holder, any Units held by such Holder on the terms and at a price calculated in accordance with the provisions hereof;
 - (j) Publishing on all days the price of Units in at least 1 (one) English newspaper of nationwide circulation in the Republic of Uganda;
 - (k) Preparing and timely dispatching all cheques, warrants, notices, accounts, summaries, declarations, offers and statements required under the provisions of the Act or the Trust Deed, to be issued, served or sent and signing and executing all Certificates and all transfers of Securities;
 - (l) Making available for inspection to the Trustee or any approved Auditor appointed by the Trustee, the records and the books of account of the Manager giving to the Trustee or to any such Auditor such oral or Written information as it or he requires with respect to all matters relating to the Manager, its properties and its affairs;
 - (m) Making available or ensuring that there is made available to the Trustee such details as the Trustee may require with respect to all matters relating to the Unit Portfolio; and
 - (n) Being fair and equitable in the event of any conflict of interest that may arise in the course of its duties.
- (3) Contracting advisory and management services: The Manager shall not engage or contract any advisory or management services on behalf of a Unit Portfolio without prior Written approval of the Trustee: Provided that –
- (a) The Manager shall remain liable for any act or omission of the sub-contracted Manager;
 - (b) The fees and expenses of any such persons shall be payable by the Manager and shall not be payable out of the Unit Portfolio;
 - (c) Any expenses incurred by any such Persons which, if incurred by the Manager would have been payable out of the Unit Portfolio, may be paid out of the Unit Portfolio to the Manager by way of reimbursement; and
 - (d) Any such appointment or termination of appointment shall be notified in Writing to all Holders.
- (4) Commissions for Unit Portfolios: All monetary benefits or commissions arising out of managing Unit Portfolios shall be credited to the Unit Portfolios by the Manager.
- (5) Manager to account to Trustee: The Manager shall account to the Trustee within 30 (thirty) days after receipt by the Manager any monies payable to the Trustee.
- (6) Receipt for purchase of Units: The Manager shall make available a receipt evidencing the purchase of Units of the Unit Portfolio for each purchase.
- (7) Certificate to be issued: The Manager shall issue a Certificate to the Holders in four weeks specifying any Units held by any Holder and showing the transactions in the Holder's account during the preceding quarter and which shall be *prima facie* evidence of the title of the Holder to the Units.

19. RETIREMENT, SUBSTITUTION, SUSPENSION OR LIQUIDATION OF MANAGER

- (1) Resignation/Retirement of Manager:
- (a) A Manager may resign/retire by giving 3 (three) months' notice, to the Trustee and shall give reasons for the resignation/retirement.
 - (b) Notice shall be deemed to have been served 7 (seven) days from the date of its dispatch and shall come into effect 4 (four) days after it is served and such termination will be deemed to be effective 90 (ninety) days after the notice comes into effect.
 - (c) During the last 30 (thirty) days of the notice period given under this clause the Manager shall:
 - (i) Hand over, transfer and deliver to a Manager, appointed in writing by the Trustee and licensed by the Authority to succeed the outgoing Manager, all information within itself in relation to its contractual duties to the Unit Trust Scheme including –
 1. Statements pertaining to the Unit Trust Scheme;
 2. Unit Portfolio particulars including details of the cost of such investments and estimated yields;
 3. Statements pertaining to all incomplete transactions; and
 4. Any other information as may reasonably be required by the Unit Trust Scheme.



- (ii) Hand over, transfer and deliver all records of accounts required to be maintained by a Manager as may be reasonably required by the incoming Manager: Provided that copies of the said information shall be submitted to the Authority within the same period.
- (2) Substitution of Manager: With the Written approval of the Trustee and the Authority, but not otherwise, the Manager for the time being may in Writing appoint any other Company qualified to act as such in terms of the Act, as Manager in its stead, and may assign to such appointee all its rights and duties as Manager under the Trust Deed. Such appointee shall execute an instrument in a form as approved by the Trustee and the Authority in terms of which it shall undertake to the Trustee all the obligations of the retiring Manager. Thereupon, and upon payment to the Trustee of all sums then due by it to the Trustee hereunder, the retiring Manager shall (without prejudice to the rights of the Trustee, Holders or other Persons, in respect of any act or omission prior to such retirement) be absolved and released from all further obligations under the Trust Deed. The new Manager shall thereafter exercise all the powers, enjoy all the rights, and be subject to all the duties and obligations of the Manager under the Trust Deed, as fully as if such new Manager had originally been a party to the Trust Deed.
- (3) Retiring Manager entitled to its Units: On any change in the Manager the retiring Manager shall remain entitled to all Units in respect of which no Certificate or valid claim shall then be outstanding, and shall have the right to require the Trustee to issue to it a Certificate in respect of any such Units and to enter its name in respect thereof in the Register. The retiring Manager shall continue to enjoy all the rights of a Holder in respect of all Units to which it is entitled.
- (4) Suspension of Manager's license: If the Manager's license is suspended in terms of the CIS Act 2003, it shall not, for the duration of the suspension, issue new Units but it shall, as regards existing Units, continue the management of the Unit Trust Scheme and in all respects deal with such Units as it would have been obliged to do if its registration had not been suspended.

20. REMOVAL OF THE MANAGER

- (1) Immediate removal of Manager: A Manager shall be removed immediately on the happening of any of the following events:
 - (a) If a court of competent jurisdiction orders liquidation of the Manager (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee and the Authority); or
 - (b) If a receiver is appointed for the undertaking of the Manager's assets or any part thereof.
- (2) Removal of Manager by Holders: A Manager shall be removed by 3 (three) months' notice in Writing by the Trustee to the Manager
 - (a) If an extraordinary resolution is passed by the Holders removing the Manager as defined by Section 138 of the Unit Trust regulations under the CIS Act 2003; or
 - (b) If the Holders of 75% (seventy five percent) majority in value of the Units in existence (excluding Units held or deemed to be held by the Manager or by any associate of the Manager) request in Writing to the Trustee that the Manager be removed

Provided that where a Manager is removed pursuant to clause 19(2) the procedure under clause 19(1) c shall apply mutatis.

- (3) Trustee to appoint new Manager: In the event of the removal of the Manager under this clause the Trustee shall with the Authority's approval appoint another incoming Manager to replace the Manager.
- (4) Removed Manager entitled to its Units: On the removal of the Manager in terms of the Act or the Trust Deed, the Manager so removed shall remain entitled to all Units in respect of which no Certificate or valid claim shall then be outstanding, and shall have the right to require the Trustee to issue to it a Certificate in respect of any such Units and to enter its name in respect thereof in the Register. The retiring Manager shall continue to enjoy all the rights of a Holder in respect of all Units to which it is entitled.

21. LIABILITY OF A MANAGER

The Manager shall not:-

Incur any liability by reason of any matter or thing done or suffered or omitted by it in good faith under the provisions of the Act and incorporation documents which include regulations of the Unit trust schemes set out in the Act.



Be liable for any loss, damage or market fluctuations in interest rates and stock prices which affects the value of the portfolio of fund or of any investment comprised therein unless in the case of loss and damage in the value of the Fund portfolio arises from negligence, willful default or fraud by the Manager or any of its agents, employees or associates.

22. MANAGER'S REMUNERATION

- (1) Manager's to be paid by Unit Portfolio: The Manager shall be entitled by way of remuneration for its services and to cover expenses and fees in performing its obligations to pay the remuneration to the Trustee and the Trustee's disbursements and the Auditor's fees and expenses but excluding expenses incurred by the Manager or the Trustee to conform to the Act or other legislation passed after the approval of this Trust by the Authority the expenses whereof to be paid out of the Unit Portfolio to receive the following amounts, namely
 - (a) The Initial Charge referred to in clause 24;
 - (b) The Periodic Charge referred to in clauses 25;
 - (c) Any other income permissible in terms of the CIS Act 2003 and regulations thereunder.
- (2) Manager may waive remuneration: The Manager may at any time at its discretion waive or rebate any or any portion of, the amounts mentioned in this clause.
- (3) Publication in the financial reports: All fees paid to the Manager shall be disclosed in the Trust's financial reports.

23. MANAGER'S PRELIMINARY AND REDEMPTION CHARGE

- (1) Initial Charge: The amount of the Initial Charge including an initial charge on the exchange of units amongst unit portfolios under the umbrella scheme; to be included in the Selling Price of a Unit shall not exceed 5% (five percent) of the made up price of Unit or such other charge as permitted by the Authority.
- (2) Increase of the Initial Charge: Should the Manager wish to increase the current Initial Charge, he shall give a 90 (ninety) day notice in Writing after obtaining approval from the Trustee of that increase and the date of its commencement to the Trustee and all Persons who ought reasonably to be known to the Manager to have made an arrangement for the purchase of Units at regular intervals; and the Scheme Particulars shall be revised in accordance with the Act to reflect the new initial charge and the date of commencement.
- (3) Exclusive of taxes: The Initial Charge charged in terms of this clause is exclusive of Value Added Tax or any other indirect taxes, which shall be for the account of the Holder.
- (4) Publication in the financial reports: The fees paid to the Manager as the Initial Charge shall be disclosed in the Trust's financial reports.
- (5) Redemption charge: The amount of the redemption charge including a redemption charge on the exchange of units amongst unit portfolios under the umbrella scheme; to be included in the buying price of a unit shall no exceed 5% (five percent) of the made up price of the unit or such other charge as permitted by the Authority.

24. MANAGER'S PERIODIC CHARGE

- (1) Maximum periodic charge: The periodic charge applicable to a Unit Portfolio shall be calculated at a daily rate not exceeding 5% (five percent) per annum (or such higher maximum percentage as the Authority may on application from the Manager allow) of the daily Market Value of the total assets of that Unit Portfolio including Income Accrued to such time. Unless and until such determination is made the periodic charge shall be at that rate specified in the supplemental Trust Deed of such Unit Portfolio.
- (2) Increase in maximum periodic charge: In the event of any increase in the maximum periodic charge specified in the supplemental Trust Deed, Holders will be advised in Writing not less than 90 (ninety) days in advance of the implementation of the change. Any increase in the periodic charge shall not apply to any contracts for the sale of Units entered into at a date prior to the date on which such increase came into effect.
- (3) Payment of periodic charge: The amount accrued on account of the periodic charge shall be paid in arrears to the Manager from the Income Account of the Unit Portfolio on or after the first Business Day after the end of a calendar month for the preceding period.
- (4) Exclusive of taxes: The periodic charge charged in terms of this clause is exclusive of Value Added Tax or any other indirect taxes, which shall be for the account of the Holder.
- (5) Publication in the financial reports: The fees paid to the Manager as the Periodic Charge shall be disclosed in the Trust's financial reports.



PART V: THE TRUSTEE

25. THE TRUSTEE

Name: Standard Chartered Bank Uganda

The date of license with the relevant Authority to operate as trustee of a collective investment scheme: _1st January 2020_

Nature of corporate form: Standard Chartered Bank Uganda is a company limited by shares

Date of Registration: 30th October 1969 Registration number 4226 having an unimpaired paid up share capital of 25,000,000,000 Uganda Shillings

Address of registered office: Plot 5, Speke Road P.O. BOX 7111 Kampala, Uganda.

Address of the Head office: Plot 5, Speke Road P.O. BOX 7111 Kampala, Uganda

Parent / Holding Company: Standard Chartered Group.

Place of incorporation of Holding Company: London UK

The Trustee may act as the Trustee in another approved collective investment scheme as at the date of this document.

The Trustee's principal activity is commercial banking as defined by the Financial Institutions Act 2004 as amended from time to time.

The Trustee is licensed to carry on investment business in Uganda by the Authority.

26. ROLE, POWERS, DUTIES AND OBLIGATIONS OF TRUSTEE

- (1) Trustee's powers: Subject to the provisions of the Acts and of the Deed and scheme particulars, Standard Chartered Bank Uganda Limited shall be and act as the Trustee of the Trust. The Trustee shall have all powers necessary to protect the interests of Holders in terms of the Acts and the Trust Deed and shall, save as otherwise provided in the Trust Deed, have all powers necessary to carry out the functions and purposes of the Trust and to secure the fulfilment of the objects of the Trust.
- (2) Trustee's duties: Provided that if the Trustee is not satisfied with any matter specified in this clause it must inform the Authority, the Trustee's duties shall include the following, to:
 - (a) Ensure that the Custodian takes into custody all the Trust and holds it in trust for the Holders in accordance with the Act and the Trust Deed;
 - (b) Take reasonable steps and execute all documents which are necessary to secure acquisitions or disposals properly made by the Manager in accordance with the Act and the Trust Deed,
 - (c) Collect any income due to be paid to the Trust and or claim any repayment of tax and direct any income received in trust for the Holders to the Custodian in accordance with the Act or the Trust Deed;
 - (d) Keep such records as are necessary –
 - (i) To enable it to comply with the Act and the Trust Deed; and
 - (ii) To demonstrate that such compliance has been achieved.
 - (e) Execute all documents as are necessary and take all steps to ensure that instructions properly given to it by the Manager as to the exercise of rights (including voting rights) attaching to the ownership of Unit Portfolio are carried out;
 - (f) Exercise any right of voting conferred by any of the Unit Portfolio which is in shares in other Collective Investment Schemes managed or otherwise operated by the Manager;
 - (g) Execute and deliver to the Manager or its nominee upon the Written request of the Manager from time to time such powers of attorney or proxies as the Manager may reasonably require, in such name or names as the



Manager may request, authorising such attorneys and proxies to vote consent or otherwise act in respect of all or any part of the Unit Portfolio;

- (h) Forward to the Manager and the Custodian without delay all notices of meetings, reports, circulars, proxy solicitations and other documents of a like nature received by it as registered Holder of any investment;
 - (i) Ensure that the Unit Trust Scheme is managed by the Manager in accordance with the agreement of service with the Manager, the CIS Act 2003, the Scheme Particulars and the Trust Deed;
 - (j) Issue a report to be included in the annual report of the Trust on whether in the opinion of the Trustee, the Manager has in all material respects managed the Trust in accordance with the provisions of the CIS Act 2003 and the Trust Deed, and if the Manager has not done so, the respect in which it has not done so and the steps which the Trustee has taken in respect thereof;
 - (k) Ensure that decisions about the constituents of the Unit Portfolio do not exceed the powers conferred on the Manager; and
 - (l) Ensure that the Manager maintains sufficient records and adopts such procedures and methods for calculation of prices at which Units are issued and redeemed to ensure that those prices are within the limits prescribed by the CIS Act 2003 and the Trust Deed.
 - (m) In this clause “voting” includes giving any consent or approval of any arrangement, scheme or resolution or any alternation in or abandonment of any rights attaching to any part of the Unit Portfolio and “right” includes a requisition or joining in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement or to consent to any short notice of any meeting.
- (3) Trustee may not delegate oversight and control functions: A Trustee shall not delegate to the Manager, his agent or associate
- (a) Any function of oversight in respect of the Manager; or
 - (b) Any function of custody or control of the Unit Portfolio

Provided that when it is impracticable for the Trustee to perform its functions pertaining to the registration of Securities and the safe custody of the documents of title to the Underlying Securities the Trustee may appoint representatives and the Trustee shall not be deemed to have been divested of its functions by virtue of such appointment.

- (4) Trustee may deal in Units and act as banker to the Trust: in the normal course of its business, provided that it at no time elevates its own interests above those of the Unit Trust Scheme or Holders or contravenes any provisions of the Act, nothing herein contained shall prevent the Trustee from purchasing, holding, dealing in or disposing of Units for its own account or otherwise; and, if the Trustee is a bank, acting as banker for the Trust; contracting or entering into any financial, banking or other transaction with the Manager or any Holder, or with any concern any of whose shares or Securities form part of the Underlying Securities; being interested in any such contract or transaction, or from holding any Security in any such concern. The Trustee shall not be liable to account in any way to the Manager, the Trust, Holders, or any of them, for any profits or benefits made or derived by it from any of the aforesaid matters.

27. REGISTRATION AND RETENTION OF SECURITIES BY THE TRUSTEE

- (1) Trustee to hold Securities: Subject to the provisions of the Trust Deed, the Underlying Securities shall be held by the Trustee in trust for Holders and the Trustee shall not permit the whole or any part of such Securities to be pledged or encumbered in any way not allowed by the CIS Act 2003.
- (2) Trustee may reject Securities: The Trustee may refuse to accept as part of a Unit Portfolio any Security which, according to its judgement, infringes the terms of the Trust Deed or the Act and the Manager shall, in such an event, deposit with the Trustee cash and/or other Securities of equal value and which comply with the terms and objects of the Trust Deed. In order to enable the Trustee to give effect to the provisions of the Trust Deed, the Manager shall furnish to the Trustee such information as the latter may from time to time reasonably require. The Trustee shall not be held liable in respect of any mistake, made in the exercise of its powers in respect of this clause effected in good faith.
- (3) Trustee and Manager may rely on rulings of Recognised Securities Exchanges: In determining what constitutes good delivery of Recognised Securities Exchange Securities and any other matters relating to such Securities, the Trustee and the Manager shall rely on the established practice and ruling of the relevant Recognised Securities Exchange and of any committee or duly authorised official thereof, and such practice and rulings shall be conclusive and binding for all purposes under the Trust Deed.



- (4) Receipts by the Trustee: The following receipts shall be paid in cash or deposited to a separate trust account for each Unit Portfolio with a bank, registered in terms of the Financial Institutions Act 2004 and as amended from time to time being an account under the control and supervision of the Trustee
 - (a) All monies which accrue for investment as a result of the issue of Units;
 - (b) All dividends and interest or other income which accrue on the Underlying Securities;
 - (c) The proceeds of all capital profits, rights and bonus issues;
 - (d) All monies received by the Manager for the benefit of the Unit Portfolio in respect of the Underlying Securities
- (5) Income Account: As and when accrued to a Unit Portfolio, all Income Accruals shall be credited to an account called the Income Account in the books of account of the Unit Portfolio concerned and shall form part of such Unit Portfolio under the supervision and control of the Trustee. If a Unit Portfolio receives any bonus, right or benefit in respect of any of the Underlying Securities whether in cash or scrip or by warrant, cheque, credit or otherwise, which is in the nature of income, the Manager shall convert the bonus, right or benefit into cash for the credit of the relative Income Account. Any other bonus, right or benefit shall be treated as a Capital Gain and shall be included in the relevant Unit Portfolio. No new Units shall be created out of Income Accruals or such Capital Gains. All Income Equalisations from the creation and issue or redemption and cancellation of Units in a Unit Portfolio during an Accounting Period shall be credited to the Income Account and shall be available for distribution to Holders in that Unit Portfolio as at the next ex-dividend date.
- (6) Manager's decision on nature of bonus conclusive: If any doubt arises as to whether any bonus, right or benefit referred to in clause 26(5) constitutes an Income Accrual or a Capital Gain, such doubt shall be determined by the Manager after consulting the Trustee and the Auditors, and such determination shall be conclusive.
- (7) Nominee Companies permissible: That part of each Unit Portfolio consisting of Securities shall be registered either in the name of the Trustee or (with the Written consent of the Manager) in the name of a nominee Company of the Trustee. Any reference in the Trust Deed to the Trustee in relation to the vesting, registration or holding in its name of Securities, or to its rights, obligations or discretions as the registered owner of Securities, shall, where the context permits, be deemed also to be a reference to the said nominee Company as nominee of the Trustee, in relation to the said matters. The Trustee shall be liable for any act or omission of the said nominee Company in relation to any Underlying Securities of which the said nominee Company is registered as owner. Notwithstanding the a foregoing, the Trustee shall take delivery of and retain under its own supervision and control the documents of title to the Underlying Securities.
- (8) Trustee not obliged to furnish security: The Trustee shall not be obliged to furnish security to any official for the due performance by it of any of its obligations hereunder.

28. LEGAL PROCEEDINGS BY OR AGAINST THE TRUSTEE

- (1) Trustee to represent Trust in legal proceedings: All legal proceedings which may be instituted by or against the Trust shall be instituted by or against the Trustee in its capacity as such, and the Trustee shall have the power and be capable of instituting, prosecuting, intervening in or defending any legal proceedings of whatsoever nature relating to or concerning the Trust or its affairs.
- (2) Trustee to pay Holders from Unit Portfolios: The Trustee shall in no wise be liable to make any payment hereunder to any Holder except out of any funds held by or paid to it for that purpose under the provisions hereof.
- (3) Trustee may accept signed requests from the Manager: The Trustee shall not be liable for anything done or omitted or suffered by it in good faith in accordance with or pursuant to any Written request, notice, direction, advice or other communication of the Manager. The Trustee may accept any document signed on behalf of the Manager by a duly authorized person notified in Writing by the Manager to the Trustee, as sufficient evidence of any request, notice, direction, advice or other communication from the Manager to the Trustee.
- (4) Trustee not accountable for payments made in good faith: The Trustee shall not be liable to account to the Trust, to any Holder or otherwise for any payment made or suffered by the Trustee in good faith to any duly empowered fiscal authority of Uganda or elsewhere, for taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under the Trust Deed, notwithstanding that any such payment ought not to, or need not, have been made.
- (5) Trustee may act on advice of competent Persons: The Trustee may act, and shall not be liable for anything done or omitted or suffered by it, upon the advice and statements of or information obtained from lawyers (whether consulted and/or instructed by the Trustee or by the Manager), the Manager, bankers, accountants, Stockbrokers, Financial Instrument traders or other Persons believed by the Trustee in good faith to be expert in relation to the matters upon which they are consulted.



- (6) Trustee not responsible for errors: The Trustee shall not be responsible for any misconduct, mistake, oversight or error of law or judgment by the Manager or any banker, accountant, Stockbroker, Financial Instrument trader, lawyer, agent or other Person acting as adviser of the Trustee or as agent or adviser of the Manager.
- (7) Trustee and Manager to determine Trust Deed: Save as otherwise herein specifically provided and without prejudice to the right of any person to have recourse to the Courts, the Trustee and the Manager shall have full power to determine all questions and doubts arising in relation to any of the provisions of the Trust Deed.
- (8) Trustee not liable for Security selection and valuation: Subject to the duty imposed on a Trustee by clause 25 of the Trust Deed, the Trustee shall not be responsible in any circumstances for any loss howsoever arising from the purchase, selection, sale, exchange or alteration of any Security.

29. TRUSTEE'S REMUNERATION

In every Accounting Period, the Trustee shall be paid, out of Unit Portfolio funds

- (a) Pay to the Trustee by way of remuneration for the Trustee's services, such amount as may from time to time be agreed between them based on the size of the unit trust scheme assets; and
- (b) Refund to the Trustee the amount of all its disbursements incurred in connection with the unit trust scheme, other than disbursements expressly required by this Deed to be paid out of a Unit Portfolio, and other than disbursements incurred by it as a result of its own negligent, wrongful or unlawful conduct.
- (c) Such remuneration and disbursements shall be in addition to any sums the Trustee may be entitled to receive or retain pursuant to any other provision of this Deed.
- (d) Exclusive of taxes: The Trustee's remuneration charged in terms of this clause is exclusive of Value Added Tax or any other indirect taxes, which shall be for the account of the Holder.
- (e) The Trustee's remuneration shall be disclosed in the financial reports of the Trust.

30. RETIREMENT AND APPOINTMENT OF NEW TRUSTEE

- (1) Retirement of Trustee: A Trustee shall not be entitled to retire except upon the appointment of a new Trustee. If a Trustee wishes to retire, it shall give 3 (three) months' notice in Writing to that effect to the Manager and the Authority and the Manager shall appoint within 2 (two) months after the date of such notice, some other qualified Person as the new Trustee upon and subject to such person entering into a Trust Deed supplemental to the Trust Deed.
- (2) Trustee to Appoint Replacement if Manager does not: If the Manager is unable to appoint a new Trustee as aforesaid within such period of 2 (two) months, the Trustee shall be entitled to appoint a Qualified Company selected by it as the new Trustee on the same basis as aforesaid.
- (3) Definition of "Qualified Company": In this clause the expression "Qualified Company" means a Company qualified to act as Trustee in terms of the CIS Act 2003 and the Trust Deed.

31. REMOVAL OF TRUSTEE

- (1) Immediate Removal of Trustee: A Trustee shall be removed by the Manager in Writing immediately on the happening of any of the following events, that is if:-
 - (a) A court of competent jurisdiction orders its liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation under a scheme approved by the Authority);
 - (b) A manager or a receiver is appointed over any of its assets; or
 - (c) The Trustee ceases to carry on business as a bank or financial institution.
- (2) Removal by Notice: A Trustee shall be removed by 3 (three) months' notice in Writing given to the Trustee by the Manager with the approval of the Authority if:-
 - (a) The Trustee fails or neglects after reasonable notice from the Manager to carry out or satisfy any duty imposed on the Trustee in accordance with the Act or the Trust Deed; or
 - (b) The Holders, by extraordinary resolution resolve that such notice be given.
 - (c) The Manager shall by deed supplemental to the Trust Deed appoint as Trustee some other Qualified Company with the approval of the Authority to replace a Trustee who has been removed.



PART VI: THE CUSTODIAN

32. THE CUSTODIAN:

Name: Standard Chartered Bank Uganda

The date of approval with the relevant Authority to operate as a custodian: _1st January 2020_

Nature of corporate form: Standard Chartered Bank Uganda is a company limited by shares

Date of Registration: 30th October 1969 having an unimpaired paid up share capital of 25,000,000,000 Uganda Shillings

Address of registered office: Plot 5, Speke Road P.O. BOX 7111 Kampala, Uganda.

Address of the Head office: Plot 5, Speke Road P.O. BOX 7111 Kampala, Uganda.

Parent / Holding Company: Standard Chartered Group.

The custodian may act as the custodian in another approved collective investment scheme as at the date of this document.

The custodian's principal activity is commercial banking as defined by the Financial Institutions Act 2004 as amended from time to time.

33. DUTIES OF A CUSTODIAN

- (1) Custodian's duties: A Custodian shall render custodial services to the Unit Trust Scheme pursuant to the Trust Deed between Standard Chartered Bank Uganda Limited and the Manager including the following
- (a) To maintain the custody of all the Unit Portfolio and hold it to the order of the Trustee or Manager in accordance with the provisions of the Act ,the Trust Deed, the Scheme Particulars and any service agreement concluded with the Custodian;
 - (b) To receive and keep in safe custody title documents, Securities and cash amounts of the Unit Trust Scheme;
 - (c) To open an account in the name of the Unit Trust Scheme for the exclusive benefit of such Unit Trust Scheme;
 - (d) To transfer, exchange or deliver in the required form and manner Securities held by the Custodian upon receipt of proper instructions from the Manager or Trustee;
 - (e) To require from the Manager or Trustee, such information as it deems necessary for the performance of its functions as a Custodian of the Unit Trust Scheme;
 - (f) To promptly deliver to the Trustee or Manager or to such other Persons as the Manager or Trustee may authorize, copies of all notices, proxies, proxy soliciting materials received by the Custodian in relation to the Securities held in the Unit Trust Scheme Portfolio, all public information, financial reports and stockholder communications the Custodian may receive from the issuers of Securities and all other information the Custodian may receive, as may be agreed between the Custodian, Trustee or Manager, as the case may be, from time to time;
 - (g) To exercise subscription, purchase or other similar rights represented by the Securities subject to receipt of proper instructions from the Manager or the Trustee as the case may be;
 - (h) To exercise the same standard of care that it exercises over its own assets in holding, maintaining, servicing and disposing of the Unit Trust Scheme Portfolio and in fulfilling obligations in the agreement;
 - (i) Where title to investments are recorded electronically, to ensure that entitlements are separately identified from those of the Manager or the Trustee, as the case may be, of the Unit Trust Scheme in the records of the person maintaining records of entitlement;
 - (j) To attend general meetings of the Holders and be heard at any general meeting on matters which concern it as Custodian.

Provided that the Custodian shall in executing its duties exercise the degree of care expected of a prudent professional Custodian for hire.



- (k) A Custodian discharging its contractual duties to the scheme shall not contract an agent to discharge those functions; except where a portion of the Unit Trust Scheme Portfolio is invested in offshore investments, in which case the Custodian may engage the services of an overseas sub-Custodian approved by the Trustee, with the notification of such appointment to the Authority.
- (l) The agreement between the Custodian and the Trustee or Manager, as the case may be, shall make provision on the computation of the fee in respect of custodial services which shall be disclosed to the Holders in the annual report each year.

(2) Custodian may deal in Units and act as banker to the Trust: Provided that it at no time elevates its own interests above those of the Unit Trust Scheme or Holders or contravenes any provisions of the Act, nothing herein contained shall prevent the Custodian from purchasing, holding, dealing in or disposing of Units for its own account or otherwise; and, if the Custodian is a bank, acting as banker for the Trust; contracting or entering into any financial, banking or other transaction with the Manager or any Holder, or with any concern any of whose shares or Securities form part of the Underlying Securities; being interested in any such contract or transaction, or from holding any Security in any such concern. The Custodian shall not be liable to account in any way to the Manager, the Trust, Holders, or any of them, for any profits or benefits made or derived by it from any of the aforesaid matters.

34. RECORDS TO BE MAINTAINED BY A CUSTODIAN

- (1) Maintenance of records: The Custodian must keep such books, records and statements as may be necessary to give a complete record of:
 - (a) The entire fund of the Unit Portfolio held by the Custodian; and
 - (b) Each and every transaction carried out by the Custodian on behalf of the Unit Trust Scheme,
- (2) Inspection of records: The Custodian shall permit the Trustee, the Manager or a duly authorized agent of the Authority to inspect such books, records and statements within the premises of the Custodian at any time during Business Hours;

35. COPIES OF THE DEED, REPORTS, SCHEME PARTICULARS AND RELATED INFORMATION AND INSPECTION THEREOF

- (1) A copy of this deed shall at all times during business hours be made available by the Manager and the Trustee at their respective head offices for inspection by Unit holders and intending purchasers of units.
- (2) On request to the Manager and upon payment of a fee determined by the Manager, any Unit holder shall be entitled to receive a copy of this deed on production of a Certificate or other acceptable evidence of his/her unit holding.
- (3) The manager shall give notices of the fact that annual and half yearly reports are available for inspection; of the issue and redemption prices that a distribution of income has been declared; of the calling of a meeting of participants; of the termination of the scheme or the revocation of its authorisation; that amendments have been made to the trust deed; and that the scheme particulars have been revised on its website.

36. REPORTS BY A CUSTODIAN

- (1) The Custodian must provide to the Manager, the Trustee and to the Authority:
 - (a) A Written statement at agreed reporting dates which lists all assets of the Unit Trust Scheme in the Trust account together with a full account of all receipts and payments made and other actions taken by the Custodian;
 - (b) Advice or notification of any transfers of Unit Portfolio or Securities to or from the Trust account indicating the Securities acquired for the account and the identity of the Person having physical possession of such Securities;
 - (c) A copy of the most recent audited financial statements of the Custodian prepared together with such information regarding the policies and procedures of the Custodian as the Manager or the Trustee may request in connection with the agreement or the duties of the Custodian under that agreement; and
 - (d) Provide a report annually to the Authority demonstrating that compliance with the Act and the Trust Deed has been achieved.

37. RETIREMENT OF A CUSTODIAN

- (1) Retirement of Custodian: The Custodian shall not be entitled to resign except upon the appointment of a new Custodian and if the Custodian wishes to resign it shall give 3 (three) months' notice in Writing to that effect to the Manager, the Authority and the Custodian shall give reasons for the retirement.



- (2) Manager to appoint new Custodian: The Manager shall appoint within 2 (two) months after the date of a notice under this clause some other qualified Person as the new Custodian upon and subject to such Person being approved by the Authority and entering into an agreement on the terms of the CIS Act 2003 and the Trust Deed.
- (3) Custodian may appoint replacement if Manager fails to do so: If the Manager is unable to appoint a new Custodian as within the period of 2 (two) months, the Custodian shall be entitled to appoint a qualified company selected by it as the new Custodian on the same basis as a Custodian appointed under clause 30 of the Trust Deed.
- (4) Deemed termination of appointment: On receipt of the notice by the Trustee or the Manager the agreement between Manager and the Custodian shall be deemed to have been terminated.
- (5) Manager may appoint replacement: In the event the Custodian desiring to retire or ceasing to be registered as a Custodian with the Authority, the Manager, may with the approval of the Authority appoint another eligible Person to be a Custodian in its place.

38. REMOVAL OF A CUSTODIAN

- (1) Immediate removal of Custodian: A Custodian shall be removed in Writing immediately on the happening of any of the following events, that is if-
 - (a) A court of competent jurisdiction orders its liquidation, except a voluntary liquidation for the purpose of reconstruction or amalgamation approved by the Authority; or
 - (b) A statutory manager or a receiver is appointed over any of its assets; or
 - (c) The Custodian ceases to carry on business as a bank or financial institution.
- (2) Removal by Notice: A Custodian shall be removed by 3 (three) months' notice in Writing given by the Manager to the Custodian if –
 - (a) The Custodian fails or neglects after reasonable notice from the Manager or Trustee to carry out or satisfy any duty imposed on the Custodian in accordance with the agreement; or
 - (b) The Holders, by extraordinary resolution resolve that such notice be given, and the Manager appoint as Custodian some other qualified institution with the approval of the Authority.
 - (c) A copy of the notice given to the Custodian for termination of services by the Manager shall be given to the Trustee.
- (3) Custodian to hand over assets etc: In the event of a termination of the agreement provided for under this clause 39 or from the date of a winding up order issued by a competent court against the Custodian, the Custodian shall immediately hand over, and deliver all assets, documents and funds including those from the bank account of the Unit Trust Scheme held by such Custodian to the Custodian appointed in Writing by the Manager or Trustee and approved by the Authority, within 30 (thirty) days from the date of such termination.
- (4) Custodian to report to Authority: Within 20 (twenty) days from the termination of the agreement, the Custodian shall submit to the Authority an audit report indicating the assets, liabilities and an inventory of the Unit Trust Scheme, Securities and title documents of the Unit Trust Scheme assets which have been handed over, transferred and delivered to the appointed Custodian.
- (5) Authority to be informed of disagreements: In the event of any disagreement between the Manager, the Trustee and the Custodian, notification shall be made to the Authority by the Manager giving reasons for the termination of services of the Custodian.

39. CUSTODIAN REMUNERATION

- (1) The Custodian shall be paid by way of remuneration for its services hereunder fees at the rates as otherwise agreed with the manager and the trustee of the scheme from time to time.
- (2) The scheme will reimburse the Custodian in addition to the fees referred to above for all out-of-pocket expenses properly incurred by the Custodian in carrying out its duties hereunder subject to prior approval from the Manager.
- (3) The Custodian shall be entitled to debit the bank account of the scheme by all the amounts of charges payable by the scheme under the Agreement under the instruction of the scheme or without such instruction where such invoice has been outstanding for 30 days from the date the invoice is sent to the scheme.



PART VI: THE AUDITOR

40. THE AUDITOR:

- (1) Name: PriceWaterhouseCoopers (U)
- (2) PriceWaterhouseCoopers has a practicing license issued by Institute of Certified Public Accountants of Uganda: No. 113041
- (3) Nature of corporate form: PriceWaterhouseCoopers (U) is a limited partnership
- (4) Address of registered office: Communications House, 1 Colville Street, P. O. Box 882, Kampala
- (5) Address of the Head office: Communications House, 1 Colville Street, P. O. Box 882, Kampala
- (6) Parent / Holding Company: PriceWaterhouseCoopers
- (7) The Auditor may act as the Auditor in another approved collective investment scheme as at the date of this document.
- (8) The Auditor's principal activity is audit assurance.

41. RETIREMENT AND REMOVAL OF THE AUDITOR

- (1) The manager with the approval of the trustee and the Authority shall periodically appoint and rotate the Auditor
- (2) The Auditor may retire and notify the Authority of its reasons for retirement.

42. RENUMERATION OF THE AUDITOR

In every Accounting Period, the Auditor shall be paid out of Unit Portfolio funds by way of remuneration for the Audit services, such amount as may from time to time be agreed between him and the manager based and set out in a contract.

PART VII: PAYMENTS

43. PAYMENTS

- (1) Payment into bank account: Any monies payable under the Trust Deed to a Holder, the Trustee or the Manager may be paid directly into the bank account of the payee whether by direct deposit or electronic transfer in a manner that the Manager and / or Trustee consider in the interests of the payee to be safe and convenient.
- (2) Payment by Cheque: Any monies payable under the Trust Deed to a Holder, the Trustee or the Manager not paid directly into the payee's bank account shall be paid by crossed cheque marked "Not Negotiable" or "Not Transferable" and made payable to or to the order of, and sent through the post to the registered address of, such payee, or be paid or delivered in such other manner as the Manager and / or the Trustee consider, in the interests of the payee to be safe and convenient, or in the case of joint Holders may be made payable to or to the order of and sent through the post to the registered address of that one of the joint Holders who is first named in the Register, or otherwise as above, at his or their risk. In the event of a Holder or the joint Holder who is first named in the Register having given a mandate in Writing to the Manager, in such form as the Manager shall approve, for payment to the bankers or other agent or nominee of the Holder or joint Holders, then the same shall be sent through the post to the address given in such mandate, or otherwise be dealt with in accordance with such mandate. Payment as set out above shall be a good discharge to the Trustee and the Manager.
- (3) Receipt by one of joint Holders valid discharge: The payment or posting to the joint Holder who is first named in the Register of any monies payable to joint Holders, or of any Certificates, notices or other documents intended for joint Holders, shall be deemed to be receipt thereof by all such joint Holders.

44. OTHER PAYMENTS OUT OF THE SCHEME

Other payments out of the scheme shall include but not limited to:

- (a) Incidental taxes and other statutory levies incurred during the operation of the scheme
- (b) Interest on borrowings
- (c) trading expenses incurred
- (d) Other expenses as agreed upon between the manager and the Trustee relating to the operation of the scheme



PART VIII : UNIT HOLDERS

34. GENERAL AND EXTRAORDINARY MEETINGS

- (1) Annual General Meetings: The Trustee, the Manager or Holders, as the case may be, shall convene a general meeting within 6 (six) months after the relevant Financial Year End.
- (2) Extraordinary meetings: The Trustee, the Manager or Holders, as the case may be, may convene an extraordinary meeting of Holders at any time but not later than 6 (six) weeks after receipt of the requisition. A requisition shall –
 - (1) State the objects of the meeting;
 - (2) Be dated;
 - (3) Be signed by Holders who, at that date, are registered as the Holders representing not less than 10% (ten percent) in value of all of the Units in issue excluding the Manager's unit holdings;
 - (4) Be deposited at the head office of the Collective Investment Scheme. A requisition may consist of several documents deposited with the Manager at the same time, each being in like form and signed by one or more Holders.

35. NOTICE OF MEETINGS

- (1) Minimum notice period: Not less than 14 (fourteen days) days notice, inclusive of the date on which the notice is deemed to be served and the day of the meeting, shall be given to the Holders of a general meeting. This shall not apply to notice of an adjourned meeting.
- (2) Proceedings not invalidated: The non-receipt of notice by a Holder shall not invalidate the proceedings at any meeting.
- (3) Posted notices: Any notice required to be served on a Holder shall be deemed to have been duly given if sent by post to or left at his registered address or posted on the promoter's website. Any notice so sent or posted shall be deemed to have been served 4 (four) days after the same was posted or left. In proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice or date of notice was posted.
- (4) Facsimile notices: Any notice sent to a Holder by means of a facsimile shall be deemed to have been served as at the date of transmission. The accidental omission to give notice to a Holder, or the non-receipt of any notice by any holder, shall not give rise to any claims of whatsoever nature by such Holder against the Trust, the Trustee or the Manager, and shall not invalidate any matter or thing done pursuant to or in terms of such notice.
- (5) Notices to dead or insolvent Holders: Any notice or document sent by post to or left at the registered address of a Holder shall, notwithstanding that such Holder be then dead, insolvent, or under any other legal disability, and whether or not the Trustee or the Manager has notice of his death, insolvency or other disability, be deemed to have been duly served, and such service shall be deemed a sufficient service on all Persons interested in the Units concerned, whether jointly with or as claiming through or under him.

36. QUORUM

- (1) Holders needed for a quorum: The quorum at a meeting of Holders shall be at least 2 (two) Holders who, at that date, are registered as the Holders representing not less than 10% (ten percent) in value of all of the Units in issue;
- (2) No business without a quorum: No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of the meeting.
- (3) Adjourning if no quorum present: If within 30 (thirty) minutes from the time appointed for the meeting a quorum is not present the meeting, if convened on the requisition of Holders, shall be dissolved and in any other case it shall stand adjourned to such day and time not being less than 14 (fourteen) days thereafter and to such place as may be appointed by the chairman if any has been appointed pursuant to the Trust Deed, the CIS Act 2003 and regulations thereunder or otherwise by the Trustee or Manager, as the case may, be and if at such adjourned meeting a quorum is not present within 15 (fifteen) minutes from the time appointed for the meeting, the Holders present shall comprise the quorum.
- (4) Notice of adjourned meetings: Notice of any adjourned meeting of Holders shall be given and such notice shall state that the Holders present at the adjourned meeting whatever their number and the number of units held by such Holder or Holders shall form a quorum.



37. RESOLUTIONS

- (1) Simple majority required for ordinary resolutions: Except where an extraordinary resolution is specifically required or permitted by the CIS Act 2003 and regulations thereunder or the Trust Deed, any resolution required under the CIS Act 2003 and regulations thereunder or the Trust Deed shall be passed by a simple majority of the votes validly cast for and against the resolution at a general meeting of Unit Holders.
- (2) Casting Vote: In the case of an equality of votes cast, in respect of a resolution, put to a general meeting, the Manager shall not be entitled to a casting vote in addition to any other vote he may have.
- (3) Extraordinary resolutions: An extraordinary resolution shall mean a resolution passed at an extraordinary meeting as defined in clause 44(2) and in accordance with section 138 of the CIS Act 2003 Unit Trust regulations.
- (4) Amendments to Trust Deed by Holders: The Manager and the Trustee may, subject to the provisions of the Act, by supplemental deed alter or rescind any provisions of the Trust Deed or add further provisions thereto. The consent of Holders to such an amendment must be obtained in the following manner:
 - (a) Where such an amendment only affects a single Unit Portfolio, the Holders of no less than 10% (ten percent) in value of the total number of Units then issued in such Unit Portfolio, must respond in Writing in a ballot conducted by the Manager. The amendment must be consented to by the Holders of a majority in value of the Units held by the Holders who have responded.
 - (b) Where the amendment affects more than one or all the Unit Portfolios in the Unit Trust Scheme, the Holders of no less than 10% (Ten percent) in value of the total number of Units then issued in the Unit Portfolios affected, must respond in Writing. The amendment must be consented to by the Holders of a majority in value of the Units held by the Holders have responded.
 - (c) If the Holders of less than 10% (ten percent) in value of the total number of Units then issued have responded in accordance with sub-sub-clauses (i) and (ii), a second ballot must be conducted. In this ballot the Holders of a majority in value of the Units held by the Holders who have responded, must consent to the amendment.
 - (d) Every registered Holder shall have a right to a vote in the case of a ballot in respect of each Unit held by him: Provided that a Holder or his duly authorized representative shall be entitled to exercise all his voting rights as aforesaid, but shall not be obliged to exercise all his votes or exercise all his votes he is entitled to in the same way. A holder may chose to exercise any votes or combination thereof to vote for, vote against or abstain from voting on any motion.
 - (e) When a ballot is necessary the Manager shall dispatch to every Holder a ballot paper and a memorandum approved by the Authority containing the reasons for the proposed amendment.
 - (f) For the purpose of this clause only ballot papers which are received by the Manager within 30 (thirty) days after dispatch to Holders shall be taken into account and be regarded as valid. Ballot papers shall be counted by the Auditors or the Manager and their finding, as conveyed in Writing to the Manager, shall be final and binding.
 - (g) In particular and without prejudice to the generality of the afore-going, the Trustee and the Manager shall be entitled at any time at their discretion and with the approval of the Authority to effect any sub-division or consolidation of Units in issue in any particular Unit Portfolio proposed by the Manager, without prejudice to the rights and privileges of then existing Holders. For the purpose hereof the Manager shall be obliged to send a Written notice to all Holders which shall include the following information, *inter alia* –
 - (i) Full particulars of the sub-division or consolidation; and
 - (ii) In the case of sub-division, the number of additional Units which have been entered in the Register as the property of the Holder; and
 - (iii) In the case of consolidation, the number of Units to which the Holder is entitled, after the consolidation and which have been entered in the Register as the property of the Holder.
 - (iv) The costs involved in the sub-division or consolidation of any existing Certificates shall be borne by the Manager which shall within 21 (twenty-one) days after the date on which the sub-division or consolidation takes place issue additional Certificates or Certificates replacing existing Certificates to Holders. If a Holder tenders Units to the Manager for repurchase after the date of the sub-division or consolidation but



before additional Certificates are issued or existing Certificates replaced, a Certificate issued before the sub-division or consolidation shall be deemed to represent the number of Units to which the Holder is entitled after the sub-division or consolidation

- (5) Deemed amendments to Trust Deed: An amendment to the Trust Deed may be made by agreement between the Manager, the Trustee and the Authority and shall be deemed to have agreed to by all Holders, if the amendment is required solely –
- (a) To implement any change in the law and regulations, including a change brought by an amendment of the CIS Act 2003 and regulations thereunder; or
 - (b) As a direct consequence of any such change; or
 - (c) To change the name of the Unit Portfolio; or
 - (d) To include a provision to enable the manager to deduct a charge on redemption, where the circumstance envisaged by regulation 34 does not apply
 - (e) To remove from the Trust Deed obsolete provisions; or
 - (f) To replace the manager or the Trustee when he or she has been removed or wishes to retire or has retired
 - (g) To remove references to a constituent part of an umbrella fund; or
 - (h) To make any other modifications to the Trust deed which the trustee and the manager have agreed in writing does not involve any Holder or potential Holder in any material prejudice, and
 - (i) It would not introduce or affect any provision relating to the descriptions of the transferable Securities in which the Unit Portfolio may be invested unless it is required solely to reflect the introduction of a new sub-fund.

38. VOTING

- (1) One vote per Holder: Every Holder who, being an individual is present in person or, being a corporation, is present by its Representative duly authorized in that regard, shall have 1 (one) vote.
- (2) Votes in person or by proxy: Votes may be given either personally, electronically or by proxy or in any other manner permitted by the Trust Deed and the voting rights attached to each shall be such proportion of the voting rights attached to all of the Units in Issue as the price of the Units bears to the aggregate price or prices of all the Units in Issue at the date specified in clause 45 and a Holder entitled to more than 1 (one) vote need not, if he votes, use all his votes or cast all his votes in the same way.
- (3) Joint Holders' Votes: In the case of joint Holders of a Unit, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Holders and for this purpose, seniority shall be determined by the order in which the names stand in the Register.
- (4) Voting by a poll: In case a poll is demanded by the chairperson, by the trustee or by one or more holders present in person, or electronically or by proxy at a meeting, it shall be taken in such a manner provided for under Regulation 134 of the CIS (Unit Trusts) Regulations.

39. PROXIES

- (1) Holdings may appoint proxies: A Holder entitled to attend and vote at a meeting of a Unit Portfolio is entitled to appoint another Person to attend and vote in his place whether such other person is a Holder or not..
- (2) Only one proxy permitted: A Holder shall be entitled to appoint no more than 1 (one) proxy to attend on the same occasion and a proxy shall be entitled to vote only on a poll.
- (3) Notice to state proxies allowed: Every notice calling a meeting of the Holders in the Unit Trust Scheme shall contain a reasonably prominent statement that a Holder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him.
- (4) Proxy to be received 48 hours in advance: An instrument appointing a proxy, or any other document necessary to show the validity of, or otherwise relating to, the appointment of a proxy shall not be required to be received by the Unit Trust Scheme or any other person more than 48 (forty-eight) hours before the meeting or adjourned meeting in order that the appointment may be effective.



PART IX: WINDING UP

40. WINDING UP

- (1) Condition for winding up: The Unit Trust Scheme shall not be wound up otherwise than by a court order except under the provisions of the CIS Act 2003, regulations thereunder and the Trust Deed
 - (a) Unless and until effect may be given in accordance with the provisions relating to winding up given in the Companies Act, to a proposal to wind up the affairs of a Company otherwise than by the court, and provided that the Authority shall have first exercised its powers to intervene in the management of the Unit Trust Scheme before an application is made to court for winding up of the Unit Trust Scheme;
 - (b) Unless a statement has been prepared and sent or delivered to the Authority in accordance with the Act and received by the Authority prior to satisfaction of the condition in clause 50 (1) (a).
- (2) Extraordinary resolution or insufficient size to lead to winding up: Subject to clause 50 (1) and the subsequent provisions of the Act, a Unit Portfolio shall be wound up under the Act and the Trust Deed if an extraordinary resolution to that effect has been passed or the Unit Portfolio at any time after 2 (two) years from the date of the Trust Deed has a Market Value of less than UGX10,000,000 (Ten million Uganda Shillings), as set out in clause 3(2) of the Trust Deed.
- (3) Trustee to make full enquiry: On or before a notice is given to the Authority in the event of a proposal to wind up the affairs of the Unit Trust Scheme otherwise than by the court, the Trustee shall commence to make a full enquiry into the Unit Trust Scheme's affairs so as to ascertain whether the Unit Trust Scheme will be able to meet all its liabilities (which include contingent and prospective liabilities) and the Manager shall prepare a statement, which shall reflect the results of such enquiry, and either –
 - (a) Confirm that the Unit Trust Scheme will be able to meet all its liabilities within 12 (twelve) months of the date of the statement; or
 - (b) State that such confirmation cannot be given.
- (4) Trustee's statement: The statement referred to in clause 50(1)(b) shall
 - (a) Relate to the Unit Trust Scheme's affairs at the date which must not be more than 21 (twenty-one) days prior to the date on which notice is given to the Authority; and
 - (b) Be approved by the Trustee and be signed on his behalf by the Manager, and contain a statement signed by the Auditor to the effect that in his opinion the enquiry required by this clause has been properly made and is fairly reflected by the confirmation.
 - (c) Following compliance with this sub-clause, the statement referred to in clause 50 (1)(b) must be sent or delivered to the Authority and a copy sent to the Custodian.
- (5) Consequences of commencement of winding up:
 - (a) In this clause the "Effective Time" means either the time at which the both conditions referred to in clause 50 (1) are satisfied or, if later, the time, determined in accordance with clause 50 at which the Unit Trust Scheme shall be wound up.
 - (b) Immediately following the Effective Time
 - (a) Regulations pertaining to pricing, dealing, investment and borrowing powers shall cease to apply to the Unit Trust Scheme;
 - (b) The Unit Trust Scheme shall cease to issue and cancel Units;
 - (c) The Manager shall cease to sell or redeem Units or to arrange for the Unit Trust Scheme to issue to cancel them;
 - (d) No transfer of a Unit shall be registered and no other change to Register shall be made without the sanction of the Trustee; and
 - (e) The Unit Trust Scheme shall cease to carry on its business, except so far as may be required for its beneficial winding up; however the corporate state and corporate powers of the Unit Trust Scheme and (subject to the preceding provisions of this clause) the powers of the Trustee shall continue until the Unit Trust Scheme is dissolved.



- (c) The Manager shall as soon as practicable after the Effective Time:
- (d) Publish in 1 (one) daily newspapers of national circulation published in the English language and the Uganda Gazette management's decision to wind up the Unit Trust Scheme and the date of commencement of the winding up; and
- (e) If the Manager has not previously notified the Holders of the proposal to wind up, give Written notice of the commencement of the winding up to the Holders.

(6) Manner of winding up:

- (a) The Manager shall, as soon as practicable after the Effective Time cause the Unit Portfolio to be utilized and the liabilities of the Unit Trust Scheme to be met out of the proceeds.
- (b) The Manager shall give instructions to the Custodian as to how such proceeds (until utilized to meet liabilities or make distributions to Holders) shall be held and such instructions shall be with a view to the prudent protection of the creditors and Holders against loss.
- (c) Provided there are sufficient liquid funds available after making adequate provision for the expenses of the winding up and the discharge of the liabilities of the Unit Trust Scheme remaining to be discharged, the Manager may arrange to make 1 (one) or more interim distributions out of such funds to the Holders proportionately to the right to participate in a Unit Portfolio attached to their respective Unit as at the effective time.
- (d) When the Manager has caused all the Unit Portfolio to be realized and all of the liabilities of the Unit Trust Scheme known to the Manager to be met, the Manager shall make a final distribution, on or prior to the date on which the final account is sent to the Holders in accordance with the Act and the Trust Deed, of the balance remaining (net of a provision for any further expenses of the Unit Trust Scheme) to the Holders in the same proportions as provided in the Act and the Trust Deed.
- (e) Regulations 126 and 127 shall apply to the terms of any scheme of amalgamation or reconstruction sanctioned by an extraordinary resolution of the Collective Investment Scheme passed on or before the effective time.

(7) Final account:

- (a) As soon as the Unit Trust Scheme's affairs are fully wound up including distribution or provision for distribution in accordance with the Act or the Trust Deed, the Manager shall prepare an account of the winding up showing how it has been conducted and how the Unit Portfolio has been disposed of and the account shall, following its approval by the Trustee, be signed on his behalf by the Manager and the Trustee and the account once signed, shall be the "Final Account" for the purposes of the Act and the Trust Deed.
- (b) The Final Account shall state the date on which the Unit Trust Scheme's affairs were fully wound up and the date stated shall be regarded as the final day of the Accounting Period of the Unit Trust Scheme then running of the "Final Accounting Period".
- (c) The Auditor shall make a report in respect of the Final Account, which shall state the Auditor's opinion as to whether the Final Account has been properly prepared for the purpose of the Act and the Trust Deed:
- (d) Within 2 (two) months of the end of the Final Accounting Period, the Manager shall send a copy of the Final Account and the Auditor's report on it to the Authority, and to each Person who was a Holder (or the first named joint Holders) immediately before the Final Accounting Period.
- (e) Duty to ascertain liabilities:
 - (i) The Manager shall have a duty to use all reasonable endeavours to ensure that all the liabilities of the Unit Trust Scheme are discharged prior to the completion of the winding up.
 - (ii) The duty in this clause relates to all liabilities of the Unit Trust Scheme of which
 1. The Manager is, or becomes, aware prior to the completion of the winding up; or
 2. The Manager would have become aware of prior to the completion of the winding up had it used all reasonable endeavors to ascertain the liabilities of the Unit Trust Scheme.
 3. If the Manager rejects any claim against the Unit Trust Scheme in whole or part, the Manager shall forthwith send to the claimant written notice of its reasons for doing so.



4. If after the Effective Time the Manager becomes of the opinion that the Unit Trust Scheme will be unable to meet all its liabilities within 12 (twelve) months of the date of the statement provided under clause 50(1)(b).
5. The Manager shall notify the Trustee immediately; and
6. The Trustee shall forthwith present a petition or cause the Unit Trust Scheme to present a petition for the winding up in accordance with the provisions in the Companies Act.

(8) Accounts and reports:

- (a) While a Unit Trust Scheme is being wound up:
 - (i) The annual and half-yearly Accounting Periods shall continue to run;
 - (ii) The provisions about income allocations shall continue to apply; and
 - (iii) Annual and half - yearly reports shall continue to be required.
 - (iv) The Manager need not send to each Holder a copy of any report relating to an Accounting Period or half-yearly Accounting Period which began after the Effective Time, if the Trustee after consulting the Authority, are satisfied that the interests of the Holders are not such as to require the report to be sent to the Holders, but a copy of the report shall be sent or supplied free of charge to any Holder requesting the same.
- (b) Liability of a Manager:

The Manager will not be liable for either of the following:

1. Any loss or damage occasioned by the exercise of any discretion or power hereby or by law conferred on the Manager or by failure to exercise any such discretion or power.
2. Any breach of duty whatsoever unless it is proved to have been committed due to failure to exercise due care and diligence in the discharge of its functions in respect of the scheme.

41. Additional Information

Declarations

- (a) The Scheme Particulars is made under and governed by the laws of Uganda.
- (b) Subject to the restrictions in "The Act" or scheme regulations or the deed; the scheme has the power to invest in any securities market approved by the Manager and the Authority.
- (c) Subject to the deed and all scheme regulations in force, the property of the scheme is to be held on trust for unit holders equally depending on the units held; and that the sum of the distribution account is to be distributed in accordance with "The Act".
- (d) The Unit holders are not liable for the debts of the Scheme
- (e) There are no guarantees on the client's capital as the performance of units and Interest-bearing investments in the underlying unit trust determines the value of a unit holders investment in the fund
- (f) The yield of units can fluctuate as a result of changes in the value of the underlying investments.
- (g) Past performance should not be used as a guide to future investment performance.
- (h) The scheme particulars include full details about the scheme, including the fees and charges. Commission may be paid and will be paid out of fees already charged to the fund.
- (i) The units are accumulation units, priced daily or any other interval as the manager may decide and deals on a forward pricing basis.



Advertisements shall include a warning statement that:

- (j) The yield of units or the price of units, and the income there from, if the unit trust scheme pays distributions may fluctuate.
- (k) Investors are reminded that in certain specified circumstances their right to redeem their units may be suspended.

All incorporation documents will be available for inspection at the Manager's office.

42. **Governing law**

This scheme particulars is governed by the laws of the Republic of Uganda.