

# FUND PROSPECTUS

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You are advised to read and understand the contents of the Prospectus. Before subscribing, please consult your Stockbroker, Solicitor, Banker, or an Independent Investment Adviser registered by the Securities and Exchange Commission. This Prospectus has been seen and approved by the Directors of Capital Trust Investments & Asset Management Limited and they jointly and individually accept full responsibility for the accuracy of all information given and confirm that, after having made all inquiries which are reasonable in the circumstances, and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

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FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE SEE RISK FACTORS ON PAGE 15.

**INITIAL PUBLIC OFFERING**

**OF**

**2,000,000 UNITS OF ₦1,000.00 EACH  
AT PAR**

**IN THE**

**CAPITALTRUST HALAL FIXED INCOME FUND**  
**(AUTHORIZED AND REGISTERED IN NIGERIA AS A UNIT TRUST SCHEME)**

**PAYABLE IN FULL ON APPLICATION**

**FUND MANAGER/PROMOTER:**



**CAPITAL TRUST INVESTMENTS & ASSET MANAGEMENT LIMITED**  
**RC: 644698**

**COMMENCEMENT DATE: 15 June, 2021**

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This Prospectus and the Units which it offers have been registered by the Securities and Exchange Commission. The Investments and Securities Act, 2007 provides for civil and criminal liabilities for the issue of a Prospectus which contains false or misleading information. Registration of this Prospectus and the Units which it offers does not relieve the parties of any liability arising under the Act for false or misleading statements contained or for any omission of a material fact in any Prospectus.

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**This Prospectus is dated 03 June, 2021**

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## DEFINITIONS

Abbreviation	Definition/Explanation
<b>"Account"</b>	Means the Cash and Securities Account.
<b>"Affiliate"</b>	means, with regard to any specified Person, (a) any other Person, directly or indirectly, controlling or controlled by, or under direct or indirect common control with such specified Person, or who has as a director a Person who is also a director of such specified Person; or (b) any other Person who is a director or officer of such specified Person, of any subsidiary of such specified Person, or of any Person described in (a) above.
<b>"Authorised Instructions"</b>	means instructions given by the Trustee or the Fund Manager to the Custodian as defined in Clause 8.3 of the Custodian Agreement.
<b>"Benchmark"</b>	The Fund will be benchmark against the Federal Government of Nigeria Seven Years Sukuk (FGNSUKUK) yield
<b>"Bid Price"</b>	The price, on the most recent Valuation Day, at which a Unit shall be sold/redeemed by an investor and shall be calculated in accordance with the stipulated valuation methods contained in the SEC Rules and Regulations as amended from time to time
<b>"Business/Working Day"</b>	Any day other than a Saturday, Sunday or official public holiday declared by the FGN from time to time on which commercial banks in Nigeria are open for non-automated business
<b>"Cash Account"</b>	has the meaning set out in Sub-Clause 6.3 of the Trust Deed and the Custodian Agreement
<b>"CBN"</b>	Central Bank of Nigeria
<b>"Custodian"</b>	United Bank for Africa PLC
<b>"Custody Agreement"</b>	The agreement, dated 03 June, 2021 between Fund Manager, the Trustee and the Custodian, extracts of which are set out from pages 34 to 53 of this Prospectus
<b>"Deposited Property"</b>	All assets, including cash held or deemed to be held in trust on behalf of the Fund by virtue of the Trust Deed
<b>"Directors" or "Board"</b>	The Directors of the Fund Manager, as at the date of this Prospectus, who comprise those persons whose names, are set out on page 29
<b>"Distributions"</b>	Income earned by the Fund and paid (less expenses and applicable taxes) to Unit-Holders
<b>"Distribution Period"</b>	Distribution will be on a quarterly basis beginning from the second year. However, first year dividend will be paid within the 1 <sup>st</sup> quarter of the second year.
<b>"FGN"</b>	Federal Government of Nigeria
<b>"Fund Manager" or "Manager"</b>	Capital Trust Investments & Asset Management Limited
<b>"IPO" or "Offer" or "Offering"</b>	The offer for subscription to the public of 2,000,000 Units of ₦1,000.00 each, in the Fund, at par
<b>"Investment Committee"</b>	The investment committee of the Fund, as constituted pursuant to the provisions of the Trust Deed
<b>"ISA"</b>	The Investment & Securities Act, No. 29 of 2007 as may be modified or amended from time to time
<b>"Issue Price"</b>	The price of one Unit of the Fund during the Offer Period
<b>"Minimum Investment Period"</b>	The minimum holding period for an investment in the Fund is ninety (90) calendar days from the date of investment.
<b>"Naira" or "N"</b>	The Nigerian Naira, the official currency of the Federal Republic of Nigeria
<b>"NEFT"</b>	Nigeria Inter-Bank Settlement System Electronic Fund Transfer, the CBN's electronic platform for inter-bank transfer of funds
<b>"Net Asset Value" or "NAV"</b>	The total value of all investments, and other assets in the Fund's portfolio, less all adjustments and/or deductions including fees, charges, expenses and other liabilities accrued by the Fund
<b>"NIBBS"</b>	Nigerian Inter-Bank Settlement System
<b>"Offer Documents"</b>	This document and any other document approved by the Commission, which disclose relevant information in respect of the Fund as required by the ISA and the SEC Rules and Regulations for the purpose of inviting the general public to subscribe to the Offer

<b>“Offer Period”</b>	The Initial Public Offer period (IPO) of the Fund
<b>“Offer Price”</b>	The price an investor will pay for one Unit when subscribing to the Fund during the Offer Period and subsequently, as computed in accordance with the applicable SEC Rules and Regulations as amended from time to time
<b>“Open-ended Fund”</b>	A mutual fund that continuously creates additional units separate from its initial offering throughout its life. Investors can redeem units of such a fund in line with the provisions of the Trust Deed constituting the Fund
<b>“Principal Transaction”</b>	A transaction which, singularly or in aggregate of over a 12- month period equals five percent (5%) or more of the Fund’s net asset value (NAV), in which the Fund Manager of an authorized Collective Investment Scheme acting on behalf of the CIS enters with an Affiliate of a Related Party to a CIS as defined under this Rule.
<b>“Prospectus”</b>	This document, which is issued in accordance with the provisions of the ISA and the SEC Rules and Regulations and which discloses important information about the Fund and the Offer
<b>“Receiving Agents”</b>	All banks, issuing houses and stockbrokers authorized to distribute application forms and receive application forms and monies from subscribers to this Offer for relay to the Fund Manager and Issuing Houses
<b>“Register”</b>	The register of Unit holders to be maintained by the Fund Manager
<b>“Related Party”</b>	A Related Party, having regards to a registered Collective Investment Scheme shall be the Trustee, Fund Manager and Custodian of such CIS
<b>“Related Party Transaction”</b>	Transactions between the Affiliates of related parties and the Fund Manager acting on behalf of a CIS
<b>“RTGS”</b>	Real Time Gross Settlement, the CBN’s electronic platform for inter-bank transfer of funds
<b>“SEC” or “Commission”</b>	Securities & Exchange Commission
<b>“Statement of Unitholding”</b>	a document or statement issued by the Fund Manager to a Unit Holder confirming the number of Units thereof held by a Unit Holder in the form set out in the Fifth Schedule or in line with any automated procedures prescribed by the Fund Manager.
<b>“Shari’ah Compliant or Compliant”</b>	In relation to contracts, investments or assets, means that which complies with Islamic commercial jurisprudence on the prohibition of business associated with interest, gambling, piggery, alcohol, immoral adult entertainment, excessive risks, and other items/trades that may be considered unlawful under Islamic commercial jurisprudence
<b>“Securities”</b>	includes all Shari’ah Compliant Instruments of Sovereign Sukuk, Sub-Sovereign Sukuk, Corporate Sukuk etc.
<b>“Securities Account”</b>	has the meaning set out in Sub-Clause 6.3 of the Trust Deed and the Custodian Agreement
<b>“The Fund”</b>	Capital Trust Halal Fixed Income Fund
<b>“The NSE” or “The Exchange”</b>	The Nigerian Stock Exchange
<b>“Trust Deed”</b>	An agreement dated 03 June, 2021 (as may be amended) between the Fund Manager and Trustee which sets out the terms and conditions of the management and administration of the Fund, extracts of which are set out on pages 34 to 47 of this Prospectus
<b>“Trustee” or “EAC”</b>	EAC Trustees Limited
<b>“Unit(s)”</b>	The Units of the Fund
<b>“Unit Holder(s)”</b>	Any person(s) or company whose names appear in the Register as holder(s) of Units of the Fund
<b>“Valuation Day”</b>	Any day after conclusion of the Offer on which the Offer and Bid Prices are calculated

## ABRIDGED TIMETABLE

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<b>Date</b>	<b>Responsibility</b>	<b>Responsibility</b>
15 June 2021	Application List opens	Fund Manager
02 July 2021	Receiving Agents make returns	Fund Manager/Registrar
07 July 2021	Collection of Subscription Monies by the Custodian	Custodian
08 July 2021	Return excess/rejected application monies	Fund Manager/Registrars
09 July 2021	Distribute statements of unit-holdings	Registrars
13 July 2021	Scheme Launch Report to the SEC	Fund Manager

***The dates given above are indicative only. The timetable has been prepared on the assumption that certain key activities including, but not limited to the receipt of regulatory approvals from the SEC for the Offer will be achieved as stated, if not, then dates surrounding key events in the timetable may be subject to adjustments without prior notice.***

## SUMMARY OF THE OFFER

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The following is a summary of the terms and conditions of an investment in the Capital Trust Halal Fixed Income Fund. This summary draws attention to information contained elsewhere in the Prospectus; it does not contain all of the information a prospective investor in the Fund should consider in making an investment decision. This summary should be read together with the entire Prospectus. **Investors are advised to seek information on the applicable fees and charges before investing in the Fund.**

<b>FUND MANAGER</b>	Capital Trust Investments & Asset Management Limited
<b>TRUSTEE TO THE FUND</b>	EAC Trustees Limited
<b>CUSTODIAN</b>	United Bank for Africa PLC
<b>THE OFFER</b>	2,000,000 Units of ₦1,000.00 each in the Fund
<b>METHOD OF OFFER</b>	Offer for Subscription
<b>NATURE OF THE FUND</b>	The Fund is an open-ended unit trust scheme constituted under a Trust Deed. The Fund Manager will always continuously offer Units to investors and redeem Units throughout the duration of the Fund.
<b>UNIQUE FEATURE</b>	<p>The Fund offers prospective investors the opportunity to invest in Shari'ah-compliant fixed income securities and investment products. Thus, the Fund affords investors the opportunity to earn competitive returns while avoiding exposure to the risks associated with equity investments.</p> <p>The Fund also seeks to achieve capital preservation whilst maximizing returns through investing in a strategically diversified portfolio of Shari'ah-compliant fixed income securities and products.</p>
<b>INVESTMENT OBJECTIVE AND POLICY</b>	The primary objective of the Fund is to generate competitive returns on investment in a Shari'ah compliant manner whilst ensuring capital preservation. This objective will be realised through investments in a carefully selected and well-diversified portfolio of Shari'ah-compliant fixed income instruments and products while leveraging on the bargaining power from pooling funds to earn competitive returns.
<b>TARGET INVESTORS/INVESTOR SUITABILITY</b>	The Fund is targeted at both retail and institutional investors with low-risk appetite, who seek safety and capital preservation as well as relatively attractive returns. The Fund is aimed at ethical investors seeking competitive returns without compromising their beliefs. The Fund welcomes participation from retail and institutional investors including Pension Funds Administrators (PFAs), non-profit organizations, and collective investment schemes.
<b>FUND SIZE</b>	₦2,000,000,000.00
<b>UNIT PRICE</b>	₦1,000.00 per Unit
<b>MINIMUM SUBSCRIPTION</b>	20 Units (₦20,000.00)
<b>FUND BENCHMARK</b>	The Fund will be benchmarked against the Federal Government of Nigeria Seven years Sukuk (FGNSUKUK) yield
<b>PAYMENT TERMS</b>	In full on application
<b>MANDATORY SUBSCRIPTION</b>	In compliance with the SEC Rules and Regulations which states that promoters of unit trust schemes in Nigeria must subscribe to a minimum of 5% of the initial issue of such schemes, the Fund Manager shall subscribe to 5% of the Offer.
<b>OPENING DATE</b>	15 June, 2021

<b>INVESTMENT BASIS</b>	The Fund proposes to receive funds from investors based on a Wakalah (agency/investment management) contract between the Fund Manager and the Investors. The Fund will receive monies from various investors and pool them together to invest in Shari'ah compliant instruments such as Sukuk, Shari'ah compliant fixed term investments and Shari'ah fixed income contracts such as Murabahah (cost plus financing), Ijarah (asset lease) among others.
<b>DISTRIBUTIONS</b>	All profits received from investment of funds would accrue to the Fund. The Fund does not guarantee any fixed return to Unit Holders. As the Fund will be investing in high quality fixed return instruments or contracts, it will have an indicative return rate which would be reflected in the distribution made. Subject to prevailing economic conditions, the Fund Manager shall distribute 80 per cent of the Fund's net income in any Financial Year to Unit Holders. The fund will distribute dividend once in the first year. Commencing from the 2 <sup>nd</sup> year, the distribution will be on a quarterly basis. Any undistributed profit shall be assigned to individual Unit Holders in proportion to the number of units they own and re-invested for their benefit and accounts. Unit Holders shall have the option to elect to receive their Distribution in cash or reinvest it in purchasing new Units at the offer price on the day the distribution is declared by the Fund Manager. Unit Holders who elect to have their Distributions reinvested in new Units shall be entitled to an issue of Units that shall be equal in value to the amount they would have otherwise received in cash as their Distribution. The preferred distribution option shall be made at the point of subscription.
<b>MINIMUM INVESTMENT PERIOD</b>	The minimum holding period for an investment in the Fund is ninety (90) calendar days from the date of investment.
<b>REDEMPTION</b>	<p>Redemption shall be affected on a continuous basis throughout the life of the Fund. Unit Holders shall have the right to redeem all or part of the Units held by them at the Bid Price on any Business Day immediately following the receipt of a redemption notice (in accordance with the instructions specified herein) by the Fund Manager from time to time. Any redemption during the lock-in period shall be subject to a deduction of 15% on the accrued profit from the Unit redeemed.</p> <p>The Fund will make redemption payments within five (5) Business Days of receipt of the Redemption Notice. Where only part of the Units comprised in a Statement of Unitholding are to be redeemed, the Unit Holders shall pay to the Fund Manager the stamp duty (if any) arising upon the issue of a revised Statement of Unitholding and thereupon the Fund Manager shall procure a new Statement of Unitholding to be issued free of charge reflecting the current balance of the Units owned by such Unit Holder.</p>
<b>QUALIFICATION</b>	The Units qualify as securities in which Trustees may invest under the Trustee Investment Act Cap T22 LFN 2004.
<b>QUOTATION</b>	No application has been made to the Council of The NSE for the listing of the Fund. However, the Fund Manager on the successful completion of the Offer, or at a later date, may seek a Memorandum Listing of the Fund on The NSE.
<b>STATUS</b>	The Units being offered for subscription shall rank <i>pari-passu</i> in all respects with other future Units to be issued by the Fund.
<b>SPONSOR</b>	The Fund is sponsored by Capital Trust Investments & Asset Management Limited. Capital Trust Investments & Asset Management Limited is duly registered with the SEC to carry out fund/portfolio management services.
<b>OVERSUBSCRIPTION</b>	Any oversubscription would be absorbed by the Fund subject to the approval of the Commission.
<b>SELLING RESTRICTIONS</b>	Under no circumstances shall this Prospectus constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these Units in any jurisdiction in which such offer, solicitation or sale would be unlawful.
<b>GOVERNING LAW</b>	The Offer Documents will be governed by and construed in accordance with the laws of the Federal Republic of Nigeria.

## THE OFFER

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A copy of this Prospectus and the documents specified herein have been approved by the Trustee and delivered to the Commission for clearance and registration.

This Prospectus is being issued in compliance with the provisions of the ISA, the Rules and Regulations of the Commission and contains particulars in compliance with the requirements of the Commission for the purpose of giving information to the public with regard to the IPO of 2,000,000 Units of ₦1,000.00 each at par in the proposed Fund by the Fund Manager.

The Directors of the Fund Manager individually and collectively accept full responsibility for the accuracy of the information contained in this Prospectus. The Directors have taken reasonable care to ensure that the facts contained herein are true and accurate in all respects and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no material facts the omission of which would make any statement herein misleading or untrue.

**The Promoter/Promoter:**



**CAPITALTRUST INVESTMENTS & ASSET MANagements LIMITED**

**Offer for Subscription**

and are authorized to receive applications for

**2,000,000 Units**

**of ₦1,000.00 each**

**at par**

**in the**

**CAPITALTRUST HALAL FIXED INCOME FUND**

(Authorised and Registered in Nigeria as a Unit Trust Scheme)

**Payable in full on Application**

The Application List for the Units being offered will be launched and open on  
**15 June, 2021.**



**MANAGING DIRECTOR**

**OKE OLUSEYI**  
6<sup>TH</sup> Floor  
Church House  
29, Marina, Lagos

**DIRECTOR**

**OSIBO FOLAWEWO**  
6<sup>TH</sup> Floor  
Church House  
29, Marina, Lagos

**DIRECTOR**

**IDRIS SHUAIBU**  
6<sup>TH</sup> Floor  
Church House  
29, Marina, Lagos

**DIRECTOR**

**OGUNBAYO IBIKUNLE**  
6<sup>TH</sup> Floor  
Church House  
29, Marina, Lagos

**CORPORATE DIRECTORY OF THE FUND  
MANAGER**

**CAPITALTRUST INVESTMENTS & ASSET MANAGEMENT  
LIMITED**  
6<sup>TH</sup> Floor, Church House  
29, Marina, Lagos, Nigeria  
Telephone: +234 805 506 3505  
Email: info@capitaltrustnigeria.com  
Website: www.capitaltrustnigeria.com

**COMPANY SECRETARY**

**Century Legal LP**  
4A Osagie Street  
Golden Pearl Estate  
Lekki - Lagos

**MEMBERS OF THE FUND INVESTMENT  
COMMITTEE**

Alhaji Shuaibu Idris  
Oluseyi A. Oke  
Augustina I. Ogbebor  
Attahiru Mohammed Maccido (Independent Member)  
Muhammadu-Nuh Demola Olatunji (Trustee Representative)

**MEMBERS OF THE FUND MANAGER'S  
SHARI'AH ADVISORY COUNCIL**

Prof. Ahmad Bello Dogarawa (Independent Member)  
Dr. Said Adekunle Mikail (Independent Member)

## PROFESSIONAL PARTIES TO THE OFFER

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**FUND MANAGER OF THE FUND**

**Capital Trust Investments & Asset Management Ltd.**  
6<sup>TH</sup> Floor  
Church House  
29, Marina, Lagos

**TRUSTEE TO THE FUND**

**EAC Trustees Limited**  
13 Maitama Sule Street  
South West Ikoyi  
Lagos

**CUSTODIAN TO THE FUND**

**United Bank for Africa PLC**  
UBA House, 57 Marina, Lagos

**SOLICITORS TO THE OFFER**

**Bloomfield Law Practice**  
Agodogba Avenue,  
Parkview Estate, Ikoyi  
Lagos

**REGISTRAR**

**Cordros Registrars Limited**  
110 Norman Williams Street, Ikoyi,  
P.O. Box 75590  
Victoria Island, Lagos, Nigeria.

**AUDITORS**

**KPMG Professional Services**  
KPMG Towers Bishop Aboyade Cole Street,  
Victoria Island, Lagos

## **A BRIEF ON THE FUND**

The Fund Manager is duly authorised and registered as an open-ended collective investment scheme under Section 160 of the ISA. The Fund is governed by a Trust Deed with EAC Trustees Limited as Trustees. The Fund is offering 2,000,000 Units for subscription at a price of ₦1,000.00 per Unit. The subscription application is payable in full on application with a minimum investment of 20 Units. Upon successful completion of the Offer, the net proceeds and the resultant investments will constitute the Fund and will be held in trust for the beneficial interest of the Unit Holders.

The Fund will invest strictly in Shari'ah-compliant fixed income instruments and contracts. Given the open-ended structure of the Fund, the Fund Manager will continuously offer and redeem Units throughout the life of the Fund.

## **PROSPECT OF THE FUND**

The Fund offers investors the opportunity to invest in high quality Shari'ah-compliant fixed income instruments and contracts. The CapitalTrust Halal Fixed Income Fund will leverage on the bargaining power derived from pooling funds to generate competitive returns while minimizing risk. The Fund seeks to attract investors with low risk appetite who require liquid investments. The Fund specifically targets investors who desire to benefit from Shari'ah-compliant wholesale investment return.

## **CONSTITUTION OF THE FUND**

The Fund shall be constituted out of the proceeds from the sale of Units in the Fund under the IPO. The net proceeds of the Offer and assets of the Fund will be vested in the Trustee. The Trustee shall enforce the provisions of the Trust Deed as well as other regulatory provisions. The assets of the Fund shall be held by the Custodian. The Fund Manager shall make all required regulatory filings with the SEC in accordance with the SEC Rules and Regulations. The Fund will bear all expenses incurred by it.

## **OPERATION OF THE FUND**

The Fund Manager shall be responsible for the operations of the Fund and shall effect such operations in accordance with the provisions of the Trust Deed.

## **BENCHMARK OF THE FUND**

The Fund will be benchmark against the Federal Government of Nigeria Seven years Sukuk (FGNSUKUK) yield.

## **INVESTMENT OBJECTIVE AND POLICY**

The primary objective of the Fund is to generate competitive returns on investment in a Shari'ah compliant manner whilst ensuring capital preservation. This objective will be realised through investments in a carefully selected and well-diversified portfolio of Shari'ah-compliant fixed income instruments and products while leveraging on the bargaining power from pooling funds to earn competitive returns.

The Fund Manager shall deploy active fund management tools and seek quality investible assets to optimise returns. To achieve this objective, the Fund Manager shall determine/adjust the investment mix of the portfolio from time to time in accordance with the asset allocation guidelines stated below.

## **ASSET CLASSES AND ALLOCATION**

The Fund Manager shall invest in Shari'ah-compliant fixed income instruments. The permissible asset classes within the Fund are as follows:

- a. **Sovereign and Sub-Sovereign Sukuk:** Sukuk are certificates of equal value representing undivided shares in the ownership of tangible assets, usufructs and services or (in the ownership of) the assets of particular projects or special investment activity and entitle the holder to the receipt of periodic returns derived from the underlying asset. Sovereign and sub-sovereign Sukuk are Shari'ah-compliant certificates issued by the Federal Government or its agencies (national/sovereign) or States or their agencies (sub-national/sub-sovereign).
- b. **Corporate Sukuk:** These are sukuk issued by rated corporate national or supranational, local or international organisations and multinationals.

- c. **Shari’ah-Compliant Fixed Term Investments:** These are term investments with reputable financial institutions based on the Islamic contracts of Murabahah (cost-plus financing), or other Islamic financial contract structures. The Fund may use the instrument of Murabahah line of credit with reputable financial houses. The investment outlet by the financial institution would be in trusted businesses with proven track record of certain yields.
- d. **Murabahah (cost-plus financing) Contracts:** Murabahah contracts are stable return contracts based on known and predetermined profit between the buyer and the seller. The Fund will enter into an agreement for the purchase and sale of certain compliant assets at an agreed mark-up price, with a deferred payment agreement.
- e. **Ijarah (lease) Contracts:** These are contracts for the lease of certain compliant assets to customers. Each customer will pay an agreed rent to the Fund for the use of the asset over a specific period and will also undertake to buy the asset itself gradually.

The table below highlights the proposed asset allocation within the Fund:

Proposed Asset Class	Asset Allocation Range (%)	Target Allocation (%)
Sovereign and Sub-Sovereign Sukuk	0 – 60	45
Corporate Sukuk	0 – 20	12
Cash maintained in Shari’ah compliant institutions and non-interest bank accounts approved by ACE	0 – 5	5
Other Shari’ah Compliant Fixed Income mutual funds	0 – 20	15
Dollar denominated Sukuk issued by Nigerian issuer	0 – 5	3
Shariah compliant Fixed Income Contracts Murabahah, Ijarah and Other Fixed Income Contracts)	0 – 30	20

## INVESTMENT STRATEGY

The Fund Manager’s core objective is the generation of competitive returns on the Fund’s investments while ensuring long-term capital protection, value creation and preservation. The Fund Manager intends to achieve this objective by adopting a bottom-up investment approach and leveraging on its expertise and extensive network to identify secure and high quality Shari’ah-compliant investments. Comprehensive due diligence and robust research and analysis will be carried out on prospective investments prior to making a final investment decision. The Fund Manager also intends to make investment decisions based on a continuous assessment of eligible investment opportunities whilst maintaining strict adherence to the asset allocation policy.

## INVESTMENT INCENTIVES

Investment in the CapitalTrust Halal Fixed Income Fund will provide investors with:

- ✓ Capital preservation;
- ✓ Competitive returns;
- ✓ Diversified portfolio; and
- ✓ Regular and steady income stream not generally associated with other forms of investment.

## TARGET INVESTORS

The CapitalTrust Halal Fixed Income Fund targets investors who seek exposure to Shari’ah-compliant investment opportunities but have low risk appetite and do not want exposure to the risks associated with equity investments. The Fund specifically targets:

- ✓ Investors with low-risk appetite;
- ✓ Investors with short/medium term investment horizon;
- ✓ Investors who desire no exposure to stock market volatility;
- ✓ Ethical investors;
- ✓ Investors who seek capital preservation over the medium to long-term; and
- ✓ Investors who wish to benefit from wholesale investment return.

The Fund welcomes participation from retail and institutional investors such as PFAs, not-for-profit organisations, and collective investment schemes.

### **INVESTMENT DISCRETION**

Investments of the Fund will be undertaken at the discretion of the Fund Manager, subject to the policies instituted by the Investment Committee and the Shari'ah Advisory Council, pursuant to the Trust Deed with such modifications as may be made from time to time and in accordance with the provisions of the Investment and Securities Act and the Rules and Regulations of the SEC, as prescribed from time to time. The Fund Manager will be responsible for all decisions regarding investment strategies, assets, size and timing of the Fund's investments.

### **INVESTMENT GUIDELINES AND RESTRICTIONS**

The Fund Manager shall adhere strictly to the investment objective of the Fund and shall invest only in such instruments as are permissible under the Trust Deed and as authorised by the Investment Committee and Shari'ah Advisory Council. The Fund Manager is bound by certain restrictions contained in the Trust Deed, the main provisions of which are summarised on pages 34 to 47 of this Prospectus.

### **SUBSCRIPTION TO THE FUND**

Subsequent to the IPO, investors who desire to purchase Units of the Fund may do so through the Fund Manager or any of its designated agents, representatives or any medium that may be approved and provided by the Fund Manager from time to time. Purchase of Units after the Offer Period will be at the offer price on the Valuation Day preceding the day on which the Fund Manager receives the investor's funds.

### **MINIMUM INVESTMENT PERIOD**

The minimum holding period for an investment in the Fund is ninety (90) calendar days from the date of investment.

### **MEETING OF UNIT HOLDERS AND VOTING RIGHTS**

The Fund Manager or the Trustee may at any time at their discretion on the requisition in writing of the Unit Holders holding up to twenty-five per cent (25%) of the nominal amount of the Units, and upon being indemnified to their satisfaction against all costs and expenses to be thereby incurred, convene a meeting or meetings of the Unit Holders in accordance with the provisions of the Third Schedule to the Trust Deed to discuss and determine any matter affecting their interest. Any such meeting shall be held at such place as the Trustee shall determine or approve.

### **INCOME AND DISTRIBUTION**

The Fund shall earn returns and other incomes and may also realise capital gains from its investments. The distribution shall reflect the average accrued income to the Fund net of operating expenses. Subject to prevailing economic conditions, the Fund Manager shall distribute 80 per cent of the Fund's net income in any Financial Year to Unit Holders. The Fund will distribute first dividend within the 1<sup>st</sup> quarter of the second year. However, commencing from the 2<sup>nd</sup> year, the distribution will be on a quarterly basis. Any undistributed profit shall be assigned to individual Unit Holders in proportion to the number of Units they own and re-invested for their benefit and accounts.

### **DISTRIBUTION OPTION AND PAYMENTS**

Investors may select either of the following distribution methods:

- **Reinvestment Option:** Distributions are automatically reinvested in additional Units of the Fund at the Offer Price on the day the Distribution is declared by the Fund Manager.
- **Cash Option:** Distributions are paid via electronic transfer to the Unit Holder's bank account.

### **TAX CONSIDERATIONS**

Investment of Fund assets in sovereign and sub-sovereign sukuk bonds are tax exempt. However, income derived from other investments may be subject to tax.

This summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of Units of the Fund and does not purport to deal with the tax consequences applicable to all categories of investors. In addition, the summary is not

intended to be, and should not be construed to be tax advice to any particular investor. Any prospective investor who is in any doubt as to his/her tax position should consult his/her own professional advisers as to the consequences of an investment in the Fund in view of his/her peculiar circumstances. The Fund Manager, the Trustee or the Custodian shall not be liable to any investor in any manner for placing reliance upon the contents of this section.

### **STATEMENT OF UNIT HOLDING**

Except where a certificate is specifically requested, Unit Holders shall be notified of their holding via electronic mail, text messages or other electronic channel of communication. In addition, Holders may be granted access to a portal where they can confirm their holdings.

### **REDEMPTION OF UNITS**

The Fund Manager shall effect redemptions on a continuous basis throughout the life of the Fund at the Bid Price on any Business Day immediately following the receipt of a valid redemption notice.

The Fund shall make redemption payments within five (5) business days following the receipt of the redemption notice(s). The minimum holding period for an investment in the Fund is ninety (90) calendar days from the date of investment. No fees will be charged on redemption for Units after the lock-in period; however, any redemption during the lock-in period shall be subject to a deduction of 15% on the accrued profit from the Unit Redeemed.

### **TRANSFER AND TRANSMISSION OF UNITS**

Every Unit Holder shall be entitled to transfer the Units or any of the Units held by him through the Fund Manager in accordance with the provisions of the Trust Deed. In the case of death of a Unit Holder, the legal representative of such deceased may apply to have the Units transferred to him/her/it or his/her/its nominee. Every Unit Holder shall be entitled to transfer its Units subject to a minimum of five (5) Units and where the entire Units held are not being transferred, the balance Units held by such holder shall also not be less than five Units.

### **VALUATION OF UNITS OF THE FUND**

The Net Asset Value of the Fund shall be estimated at the close of each Business Day. The NAV of the Fund shall be determined on the basis of the amortized cost method in line with the SEC Rules and Regulations. The Fund Manager would publish the NAV, Bid and Offer price on its webpage: <https://capitaltrustnigeria.com/>

### **FEES, CHARGES AND EXPENSES OF THE FUND**

**Offer Expenses:** The Fund shall bear all charges and fees (including VAT where relevant) for establishing the Fund, including regulatory fees payable to the SEC, professional fees payable to the transaction parties, brokerage commission, printing, distribution and other related administrative expenses, amounting to and estimated at Nineteen Million Eight Hundred Thousand Naira only (₦15,645,000.00) representing 0.783% of the Offer Size. These costs shall be defrayed from the Offer proceeds.

**Management Fee:** The Fund Manager shall earn an annual management fee of 1.5% of the Fund's NAV before distribution to Unit Holders. The fee will accrue daily and be paid quarterly in arrears. In addition, the Fund Manager shall be entitled to an incentive fee which is changeable on the total returns above the benchmark and up to 20% above the excess returns. The benchmark shall be reflective of the fund underlying assets.

**Operating Expenses:** The Trustee and the Custodian shall each be entitled to annual fees corresponding to 0.03% and 0.05% respectively of the Fund's NAV.

All operating and management fees/ charges incurred in connection with the management of the Fund (including the annual management fee) but excluding incentive fee shall not exceed 3.5% of the Fund's NAV.

## **RISK FACTORS**

The Fund Manager will exercise all reasonable caution in investing monies mobilised by the Fund. However, it should be noted that all investments carry an element of risk. While there are a number of factors that may affect the performance of any given asset class, a summary of the major risks that can significantly affect the Fund's performance, and should therefore be considered when investing in the Fund, are listed below:

**Market Risk:** The rates of fixed income securities which forms part of the asset class of the Fund are influenced by market forces including the prevailing rates of the CBN and conventional financial institutions. Fluctuations in the level of these rates may have a significant impact on the NAV of the Fund. Fund managers cannot always fully estimate the impact of market risk on their portfolios.

**Shari'ah Non-Compliance Risk:** Islamic finance is still an emerging and developing field. There are few scholars knowledgeable in this field and sometimes there is no general consensus on issues relating to the suitability of certain investment vehicles or instruments. Thus, a product may be Shari'ah compliant and acceptable to one scholar and be non-compliant and objectionable to another.

**Investment/Loss Risk:** Investments in capital markets are generally volatile and there is no assurance that any projected returns would be achieved. In accordance with the principles of Islamic commercial jurisprudence, investment in the Fund is at the sole risk of the investor. The Fund Manager shall use its skills and expertise to invest the Funds in safe and secured investments but does not take responsibility nor provide any assurance or guarantee that any objective or any particular returns would be achieved.

**Operational Risk:** The business operation of the Fund Manager may be affected by unpredictable business risk factors and may thus impact the operations of the Fund.

### **BRIEF PROFILE OF THE FUND MANAGER**

The Fund Manager was incorporated as a limited liability company in 2006 and is licensed by the Commission to provide Fund Management and Financial Advisory Services on 26<sup>th</sup> September, 2006. Our Assets under Management (AUM) is currently in excess of N22Billion and our areas of core focus include Finance, Infrastructure, Healthcare, Real Estate as well as Small and Medium Scale Enterprises (SMEs). Capital Trust has BBB stable outlook ratings by GCR (Global Credit Ratings) as at August, 2020.

### **DIRECTORS OF THE FUND MANAGER**

The Board of Directors of the Fund Manager is currently constituted as follows:

#### ***Asiwaju Fola Osibo – Director***

Asiwaju Osibo is a seasoned Industrialist, with over three decades of experience in various multinational and indigenous companies. An alumnus of the University of Ibadan, he was former Technical Director of Lipton Nigeria Limited, General Manager of Inlaks Group Plc and Managing Director of Adeola Odutola Industries Plc. Former Managing Director/Chief Executive Officer of CSS Bookshops Limited and Bookshops House Limited and member, Nigerian – British Chamber of Commerce. He holds a B.Sc. Agriculture (University of Ibadan in 1970).

#### ***Alhaji Shuaibu Idris - Director***

Shuaibu Idris is a businessman, Financial Consultant and Industrialist. His experience cuts across Investment Banking, Treasury, Financial Advisory Services and Sovereign Country's Debts Trading He was a former Deputy Managing Director/CEO of Dangote Flour Mills Plc. He holds a B.Sc. Accounting from Bayero University Kano in 1985, MA Banking and Finance University of Wales 1993 and Advance Management Program Harvard Business School in 2008. Alhaji Idris is a member of the Institute of Directors of Nigeria, Nigerian Economic Summit Group, Chartered Institute of Management (UK), Cost Management Institute of Nigeria and the Association of National Accountants of Nigeria.

#### ***Engr Ibikunle Ogunbayo - Director***

Engr. Ibikunle Ogunbayo is an accomplished engineer and a successful corporate administrator. He is the founder and Chairman of KOA Consultants Ltd. He is a past President – Council for the Regulation of Engineering in Nigeria (COREN), Past President of the Association of Consulting Engineers Nigeria (ACEN) and past Chairman of the Nigeria Section of the Institute of Electrical and Electronics Engineers (IEEE). He is a past President – Council for the Regulation of Engineering in Nigeria (COREN), Past President of the Association of Consulting Engineers Nigeria (ACEN) and past Chairman of the Nigeria Section of the Institute of Electrical and Electronics Engineers (IEEE). Engr Ogunbayo holds a B.Sc. (Hons) Electrical Engineering from University of Lagos in 1973 and is an Alumnus of the Chief Executives Program of the Lagos Business School in 1996.

#### ***Mr. Seyi A. Oke – Managing Director***

Mr. Oke has over two decades of work experience spanning Corporate Finance, Asset Management, Financial and Investment Advisory, Infrastructure Project Finance, Private Equity and Venture Capital. A seasoned Stockbroker, member of both the Chartered Institute of Stockbrokers of Nigeria (CIS) and the Certified Pension Institute of Nigeria (CPIN). He is a graduate of Agricultural Sciences from the University of Ilorin in 1999 and an alumnus of London Business School Senior Executive Program (SEP64) in 2008 and M.Sc. Financial Services Management, University of Salford 2020. He is the Head of Funds and Current Group MD/CEO of CAPITALTRUST



## THE FUND MANAGEMENT TEAM

The Fund Management team is comprised of the following persons:

### **Oluseyi A. Oke**

Seyi is a stockbroker by training with experience spanning over 20 years in Corporate Finance, Asset Management, Infrastructure Project Finance, Private Equity, Financial and Investment Advisory, Venture Capital, Financial Control, Equipment Lease Financing, General Management and Leadership.

He started his career with Zawadi Investments Limited and then joined the Stock Broking Unit of Capital Bancorp Limited in 2000. He moved to CITICORP Financial Services Limited as the Treasurer in 2002 and prior to his exit in 2005 was the Group Head, Treasury & Investments. He then moved to CAPITALTRUST Investments & Asset Management Limited in 2006 as the Managing Director.

As the CEO of CAPITALTRUST, he led the team that pioneered Africa Infra Plus Fund, the first Private Sector driven Infrastructure Fund to unlock Naira denominated Equity Capital from Pension Fund Administrators (PFAs) in Nigeria into Infrastructure. He has also successfully set up the Nation's premier Naira denominated Healthcare focused Private Equity Fund to unlock investments from Pension Fund Administrators (PFAs), Development Finance Institutions (DFIs) and other such qualified Investors into the Nigeria Healthcare Sector.

Seyi who is a graduate of Agricultural Sciences is an astute finance and investment professional. He is an Associate Member of both the Chartered Institute of Stockbrokers of Nigeria (CIS) and the Certified Pension Institute of Nigeria (CPIN). He has attended various specialist finance, leadership and investment management training and he is an alumnus of the prestigious London Business School where he completed the institution's Senior Management Program (SEP64).

Seyi is the Chairman of the Board of Directors of Atoll Energy Group in Africa and a Non – Executive Director of Karrabo Financial Services Limited, an eCommerce platform provider for promoting financial inclusion in remote parts of Nigeria and partner on the Banking Sector settlement framework. Seyi is also committed to giving back He is the Co-Founder and Chairman of the Board of Trustees of Good News Vendors; a Non-Governmental Organization focused on caring for troubled youths and orphaned children. He is also a member of the Board of Trustees of Oyo Ile Economic Development Forum, a private sector initiative commitment to promoting and harnessing the economic potentials of the State.

Seyi has a Masters' Degree in Financial Services Management (M.Sc.) from the University of Salford Business School, Salford, United Kingdom, and he is currently the Group CEO of CAPITALTRUST Nigeria.

### **Olusegun Oso**

Segun has over 20 years of experience in healthcare, investment banking and private equity. He is the CIO of the Fund Manager and the MD of the Healthcare Fund. He will be responsible for the Healthcare Fund's overall management.

Prior to joining the Fund Manager, Segun was an Investment Principal with Aureos Capital, leading mid-market investor in emerging markets, and subsequently became a Director with The Abraaj Group following the latter's acquisition of Aureos in 2012. While at Aureos and Abraaj, Segun was a member of the investment teams on various regional and specialist funds, including the \$50m Aureos West Africa Fund, the \$380m Aureos Africa Fund, the \$105m Africa Health Fund and the \$1b Abraaj Growth Markets Health Fund, where his responsibilities included

both deal origination and portfolio management. Segun was Lead Health Specialist on the Africa Health Fund where he led and supported investments aimed at increasing quality, access and affordability of healthcare in key markets within sub-Saharan Africa.

Segun started his career as a medical intern with the University College Hospital, Ibadan in 1998. He also served as a medical officer at the Apapa General Hospital in 1999 during the mandatory National Youth Service Corp program, after which he changed careers and joined the financial services industry. Between 2000 and 2009, Segun worked in Corporate Finance, Management Consulting, and Investment Banking with FCMB, Accenture, Leadbank, PricewaterhouseCoopers and Afrinvest West Africa. During this period, he advised on landmark capital raising and M&A transactions in various sectors including financial services, manufacturing.

Segun holds an MBBS degree from the College of Medicine, University of Ibadan and an MBA from the Sloan School of Management at the Massachusetts Institute of Technology (MIT).

### **Augustina Ogbebor**

Augustina started her career as an Audit Associate at Deloitte & Touché (Formerly KPMG) and has over 16 years' experience in Investment Banking. She is a graduate of Economics from Bayero University Kano with an MBA from the University of Hull in the United Kingdom. She worked in the commodities space with JP Morgan, Deutsche Bank, and Macquarie all in the UK before proceeding to join Lotus Capital Limited the foremost ethical fund managers in Nigeria as the Head of Business Development.

She was responsible for lead generation, marketing, sales, client support, and investor relationship for years. She also worked as the Director, Client Services at the representative office of a boutique private wealth management outfit, Faithshield Investment Management Limited.

She is currently heading Advisory Services at CapitalTrust where she provides advisory and consultancy on customer-focused strategies, financial literacy training and wealth management. Augustina will also be primarily responsible for the running of the Halal Fixed Income Fund.

Augustina holds a CISI (Chartered Institute of Securities & Investment) International Certificate in Wealth & Investment Management and has attended training at the prestigious Cranfield School of Management and Lagos Business School (Pan Atlantic University) amongst others.

### **Opeyemi Akinkugbe**

An Accountant by profession, Opeyemi is an Associate Member of the Institute of Chartered Accountants of Nigeria (ACA). He is also a Certified Information System Auditor (CISA). He holds a Bachelor's degree in Accounting & Education from Olabisi Onabanjo University.

In the course of his career which spans over a decade, he has handled various accounting, auditing and finance control responsibilities such as Audit Assistance, Akinmade & Company (Chartered Accountants); Accountant, Electronic Payplus Ltd; Finance Controller & Strategy, Truebond Microfinance Bank.

Prior to joining CAPITALTRUST, Opeyemi was the Finance Controller of Truebond Microfinance Bank – A subsidiary of Truebond Global Investment Ltd. He joined CAPITALTRUST in 2019 as its Head, Finance & Control and He is currently the Ag. Chief Finance Officer of CapitalTrust Investment & Asset Management Limited

## **BRIEF PROFILE OF THE TRUSTEES**

The Trustee was incorporated as a Trust company in January 2018 and licensed by the Securities and Exchange Commission SEC on 11<sup>th</sup> December, 2018. With its head office in Ikoyi, Lagos, Nigeria, we are established to undertake a full range of Trust Services comprising Private, Corporate and Public (Capital Market) Trust services. EAC represent clients ranging from State Governments to corporate bodies and private individuals. EAC was promoted by experienced Capital Market Operators who constitute its shareholders alongside other individual and corporate shareholders.

The company possess quality and superior skills, depth and have in their team the most experienced industry experts with wide range of money, capital market and real estate transactions experience and have executed Trust mandates well in excess of ₦6.0 Trillion. EACT is a member of the Emerging Africa Capital Group. EAC operates solely as a Trust company, and this avails the benefit of:

- ✓ Focus and specialization
- ✓ Absence of conflicts with clients' interests
- ✓ Non-competition with clients

## **BOARD PROFILE OF THE TRUSTEES**

### **Mrs. Cecilia Madueke – Chairman**

Cecilia is a legal practitioner with over 30 years work experience that cut across Trusts, legal advisory, corporate governance, company secretariat etc. She obtained her LL. B in 1986, from the prestigious University of Buckingham, Buckinghamshire, England. She was called to the Nigerian Bar in 1987. She is a Member of the Chartered Institute of Arbitrators, UK (Nigeria Branch), an alumna of the Lagos Business School and Oxford University Business Economic Programme and LMDC Accredited Mediator.

Cecilia has decades of experience in Trusteeship and remains active in the Nigerian capital market scene and serves on many committees including the Committee on Multiple Subscriptions to Public Offers. She

## INFORMATION ON THE FUND MANAGER AND THE TRUSTEE

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worked with Royal Exchange Plc until October 2009 in various capacities, her last assignment being Group Executive Director (ERM & CG). She joined Julius Berger Nigeria Plc in May 2011. She is currently the Company Secretary of Julius Berger Group as well as in-house Counsel.

### **Olusola Odebunmi - Managing Director**

Sola is an experienced Trustee and senior corporate and commercial lawyer. He is a graduate of Law from the University of Ibadan and an Associate of the Chartered Institute of Arbitrators, UK.

In his previous role as Ag. Head of Trust Services at ALM Consulting Limited, he was responsible for the management of the trust services department, oversight of the public and corporate trust business and business development among others.

Prior to joining ALM Consulting Limited, he was the Team Lead for Legal Services at FBN Mortgages Limited (now FirstTrust Mortgages Limited).

### **Mrs. Toyin F. Sanni**

Toyin F. Sanni is the Group CEO of Emerging Africa Capital, an African provider of advanced financial and investing solutions to government, corporate bodies and individuals. Toyin Sanni is the immediate past Group CEO of United Capital Plc who over four years led the group to win multiple national and regional awards whilst delivering superior returns to shareholders. Prior to her appointment as Group CEO of United Capital, Toyin Sanni was CEO of UBA Trustees and UBA Global Investors Services. Her other roles include President Association of Corporate & Individual Investment Advisers, Past President, Association of Corporate Trustees, Chairperson, Technical Committee on Financial Literacy and Member, West Africa Capital Markets Integration Technical Committee.

### **Mr. Olusegun Sanni**

Segun Sanni is an experienced Economist with over 28 years' experience in the Money & Capital Markets. He possesses a Master Degree (M.Sc) in Economics (Unilag), a Master Degree (MBF) in Banking and Finance from the University of Ibadan obtained in 1998 and a B.Sc in Economics from the University of Ilorin obtained in 1984. Segun Sanni was a General Manager at Stanbic IBTC Nigeria and a Director with the Standard Bank of South Africa Group. His banking experience spanned Cash Management, Branch Management and Investment Management at Africa International Bank, Oceanic Bank, Stanbic Financial Services and Stanbic IBTC Bank.

### **Mr. Oluseyi Adewale**

Seyi Adewale is the CEO Mainstream Cargo Limited, a Freight Forwarding and Customs Licensed Company. He is an astute professional with over 2 decades of experience that cuts across various sectors. He is an experienced Aviation Professional having served in prior leadership positions at National Aviation Handling Company (NAHCO) Plc in the last 7 years. Positions held include Chief Commercial Officer (COO), Ag. Managing Director Q3-2016, and GM/CEO of Mainland Cargo Options Limited (MCO), a subsidiary of NAHCO Plc

## **FUND INVESTMENT COMMITTEE**

The Investment Committee has supervisory oversight over the activities of the Fund Manager. The Investment Committee will provide robust advice and guidance to the Fund Manager on its investment strategies and policies in order to ensure that its activities are in line with the Fund's established investment objectives and for the overall benefit of the Unit Holders. The Investment Committee will also ensure that the Fund Manager's activities with respect to the Fund are in line with the SEC's guidelines regarding permissible investments as well as investment restrictions as prescribed from time to time. The Investment Committee will conduct a periodic review of the portfolio to assess its liquidity position, evaluate its risk parameters and will, from time to time, rebalance the portfolio.

The Investment Committee is constituted as follows:

S/No	Members
1.	Attahiru Maccido – Independent Member
2.	Shuaibu Idris
3.	Oluseyi A. Oke
4.	Augustina I. Ogbebor
5.	Damola Olatunji – <i>Representative of the Trustees</i>

Kindly refer to pages 16, 16, and 18 for the profiles of 2, 3, and 4 respectively.

## PROFILE OF SHARI'AH ADVISERS TO THE FUND

The Shari'ah Advisers to the Fund shall provide expert advice and guidance on the suitability of any proposed investment(s) to be undertaken by the Fund with regards to its compliance with relevant Shari'ah laws and requirements. The Shari'ah Advisers to the Fund are:

### **Dr Said Adekunke Mikail**

Dr. Sa'id Adekunle Mikail is a Researcher at International Shari'ah Research Academy for Islamic Finance (ISRA). He also teaches at International Centre of Education in Islamic Finance (INCEIF). He is a Shariah Committee Member of BNP Paribas (Najmah) Malaysia Berhad, Shariah Committee Member of PruBSN Takaful Malaysia Berhad, ACE Member of TAJ Bank Limited Nigeria and Shariah Advisor for Masyreif Management House in Malaysia and I Consult Africa (PTY) Ltd Ethical and Responsible Advisory, Cape Town, South Africa. He obtained his Bachelor Degree of Shari'ah (first class honour) from Islamic University of Madinah in Saudi Arabia, followed by Master of Comparative Laws and PhD (Law) from International Islamic University Malaysia (IIUM). His areas of specialisation include Islamic finance, comparative laws and Islamic private equity & venture capital. His publications focus on Shari'ah issues in Islamic finance, Islamic legal theory, Islamic private equity & venture capital, Islamic entrepreneurship, comparative law, Zakah, Waqf and Islamic social finance.

### **Prof. Ahmad Bello Dogarawa**

Ahmad Bello Dogarawa is a Professor with the Department of Accounting, Ahmadu Bello University (ABU) Zaria, Nigeria and a Certified Management Trainer. He is an alumnus of Al-Azhar University, Cairo from where he obtained Certificate in Islamic Religious Sciences, *Da'awah* (Islamic propagation) and Islamic Economics.

Dogarawa was a former Head of Department of Accounting and Deputy Dean of ABU Business School. He is a founding member of League of Scholars, Imam and Preachers in Sahel with headquarters in Algiers. He is also a member of Jaiz Bank's Advisory Committee of Experts. He has travelled throughout Nigeria and some neighbouring countries to present papers, give sensitisation lectures and conduct workshop on various topical issues that include different aspects of Islamic banking and finance, Islamic perspective of economic empowerment and investment. He has also participated in training of members of various religious and social groups in Nigeria and beyond.

## **AUTHORISATION**

The establishment of the Fund and the issuance of the Units pursuant to the IPO are duly and properly authorised by a resolution passed on Monday, August 3, 2020 by the Board of Directors of the Fund Manager. The Fund is also authorised and registered in Nigeria as a Collective Investment Scheme by the SEC in accordance with Section 160 of the ISA.

## **EXTRACTS FROM THE TRUST DEED**

### **2. APPOINTMENT OF TRUSTEE**

The Fund Manager hereby appoints the Trustee as the representative of the Unit Holders in accordance with the provisions of this Deed; to act for the benefit of the Unit Holders, and to hold the benefit of the covenants and other obligations of the Fund Manager herein contained for the Unit Holders and themselves in accordance with the terms of this Deed.

### **3. DECLARATION OF TRUST**

#### **3.1 The Trustee**

3.1.1 The Trustee hereby declares itself as Trustee for the Unit Holders with effect from the date of this Deed to hold the benefit of the covenants and other obligations on the part of the Fund Manager herein contained on trust for the Unit Holders and themselves according to their respective interests subject to the terms of this Deed.

3.1.2 By execution hereof, the Trustee agrees to be bound by the powers, duties and obligations of the Trustee specifically set forth herein and generally provided for in CAMA, the Trustee Investment Act, the ISA and any Applicable Law.

#### **3.2 The Trust Deed Binding on All Parties**

The provisions of this Deed shall be binding on the Fund Manager, the Trustee and the Unit Holders and all persons claiming through them respectively as if such Unit Holders and persons are parties to this Deed.

### **4. CONSTITUTION OF THE FUND**

4.1 The Fund shall initially be constituted out of the proceeds of the IPO.

4.2 The net proceeds of the IPO with all other properties and assets of the Trust shall be paid directly into the Designated Accounts to be opened and managed by the Custodian in the name of the Fund and the Trustee. The title to such assets shall at all-time be vested in the Trustee and shall constitute the Trust in the first instance.

4.3 The ownership of the Deposited Property shall be vested in the Trustee subject to the terms of this Deed to be held in trust for the benefit of the Unit Holders.

4.4 The Deposited Property of the Fund shall be held separately and distinctly and shall not be co-mingled with any other fund.

4.5 The Fund shall be held as a single common fund and no Unit shall confer any interest or share in any particular part of the Fund.

4.6 The powers hereby conferred on the Trustee shall be exercised in addition to any powers which may from time to time be vested in it by general law or as holder of the Fund's assets in so far as they do not, and shall not, conflict with the powers vested in the Fund Manager under this Deed.

4.7 The Trustee and Fund Manager in the exercise of powers and discretions vested under this Deed shall comply with the provisions of the ISA, and all SEC Rules and Regulations made pursuant to it.

- 4.8 The Fund Manager and the Trustee shall not borrow upon the Fund or use the asset(s) of the Fund as security for any borrowing save units owned by the Fund Manager or the Trustee where applicable. The Fund Manager and the Trustee shall not borrow on behalf of the Fund or Unit Holders and the Fund's cash shall not be borrowed for the purpose of acquiring Units in the Fund.

### 5. FORM OF UNITS

- 5.1 The beneficial interest in the Fund shall be divided into interest of equal value referred to as "Units", and shall be issued at a price calculated in accordance with Clause 8 (*Sale and Issue of Units*).
- 5.2 The Units thereof, shall be issued only as fully paid units.
- 5.3 No Unit of the Fund shall have any rights, preference or priorities over any other Unit of the Fund.
- 5.4 The Trustee may be a Unit Holder of the Fund and the Fund Manager shall be a Unit Holder of the Fund.

### 6. APPOINTMENT OF THE CUSTODIAN AND ESTABLISHMENT OF THE DESIGNATED ACCOUNTS

- 6.1 The Fund Manager has, with the consent of the Trustee, appointed the Custodian for the purposes contemplated in this Clause 6 and shall enter into a Custodian Agreement with the Custodian.
- 6.2 Where the Fund Manager, in consultation with the Trustee, for valid reasons, is of the opinion that a change of Custodian is desirable in the interest of the Unit Holders, the custodial arrangement with the Custodian shall be terminated in accordance with the Custodian Agreement and the Custodian shall, for consideration, convey the Deposited Property to the newly appointed Custodian as instructed by the Fund Manager. The Fund Manager will immediately thereafter take such steps as may be necessary to appoint a new Custodian for the Fund PROVIDED however that any appointment of a new Custodian will be subject to the prior approval of the Commission and the termination of the Custodian's appointment shall not take effect until the appointment of the new Custodian.
- 6.3 Subject to the SEC Rules, the Custodian shall open and operate the Securities Account and the Cash Account in the following joint names of the Trustee and the Fund which shall be held in trust for the Unit Holders, in respect of the Fund.
- 6.3.1 The **Securities Account** shall be for all securities from time to time received by the Custodian which have been designated for such Securities Account. Each Securities Account will be in the name of the Trustee/The Fund designated as the "*EAC Trustees/CapitalTrust Halal Income Fund Securities Account*"; and
- 6.3.2 The **Cash Account** shall be designated to receive all sums due to the Fund and shall be titled the "*EAC Trustees/CapitalTrust Fixed Halal Income Fund Cash Account*".
- 6.4 The Custodian shall not open any other bank accounts for the Fund except with the Trustee's approval.
- 6.5 All cash proceeds of the sale of Units shall be paid into the Cash Account or into such other designated account with the Custodian PROVIDED THAT during the IPO, the Fund Manager may open and maintain "receive only" bank accounts in respect of the Fund in the name of the Fund/Trustee with the Custodian into which the proceeds of the sale of Units shall be paid. The "receive only" accounts opened with the Custodian shall be utilised only for the purpose of receiving subscription payments from the public and all sums received in such accounts shall be transferred to the relevant Cash Account within three (3) Business Days of receipt of such payments and same shall form part of the Deposited Property. Upon request, the Fund Manager shall provide the Trustee and the Custodian with reports on the "receive only" bank accounts.
- 6.6 A portion of the proceeds from the sale of Units will from time to time, as hereinafter provided for, be used for the payment of the Charges.
- 6.7 The Designated Accounts shall be operated by the Custodian, who shall provide the Fund Manager and the Trustee with monthly and quarterly reports thereon as well as monthly and quarterly valuations of the investments held by the Fund, and file quarterly returns to the Commission.

## STATUTORY AND GENERAL INFORMATION

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- 6.8 All investments shall be made with monies drawn from the Cash Account of the Fund and such investments shall be in the name of the Fund and the Trustee.
- 6.9 All stamp duty and all other duties and charges payable in respect of this Deed or upon the constitution of the Units and expenses incurred in respect of the Fund shall be payable out of the Cash Account.
- 6.10 The Fund Manager and Trustee shall not mortgage, pledge, charge or otherwise provide the assets of the Fund as security for any borrowing, facility, guarantee, indemnity, lease or other contractual obligation, whether on their own behalf or on behalf of the Fund or the Unit Holders and monies may not be lent out of the investments or assets of the Fund.
- 6.11 The Fund Manager shall at the request of a Unit Holder, exchange all or a stated portion of its Units in the Fund for units of any other unit trust or mutual fund in which the Fund Manager at that time acts as Fund Manager provided however that such exchange will be effected using an exchange ratio that takes account of the prevailing offer price of the units of the other unit trust or mutual fund and the prevailing Bid Price of the Units being exchanged (less any statutory deductions whether in respect of Tax or otherwise that may be applicable to an exchange of units).

### **7. DESCRIPTION AND OBJECTIVES OF THE FUND**

- 7.1 The Fund is an actively managed open-ended unit trust scheme that offers Unit Holders the opportunity to invest in a diversified portfolio of Shari'ah compliant fixed income instruments and products including but not limited to sovereign and sub-sovereign sukuk, corporate sukuk, Shari'ah compliant fixed term investments, Murabahah contracts, Ijarah contracts and Istisna' contracts. It also provides portfolio managers and investors access to diversify their income stream and portfolio whilst providing for long-term capital appreciation.
- 7.2 The investment objective of the Fund is to generate competitive returns on investment in a Shari'ah compliant manner whilst ensuring capital preservation. The objective will be realised through investment in a carefully selected and well diversified portfolio of Shari'ah compliant fixed income instruments and products while leveraging on the bargaining power from pooling of funds to earn competitive returns.
- 7.3 The Fund shall be invested at the discretion of the Fund Manager in Shari'ah compliant investments approved by the Shari'ah Advisory Board in the proportions specified below in the Eight Schedule hereto.
- 7.4 In the event of adverse market or economic conditions, the Fund Manager, in consultation with the Investment Committee, and with the approval of the SEC, may revise the Investment Policy set forth hereto in order to protect the value of the Fund for the benefit of the Unit Holders.

### **8. SALE AND ISSUE OF UNITS**

- 8.1 Upon the establishment of the Fund and its division into Units, the Net Asset Value of the Fund shall be calculated at the end of every Business Day.
- 8.2 The IPO shall be an offer for subscription of Two Million (2,000,000) Units at par value of One Thousand Naira (₦1,000.00) each.
- 8.3 The Trustee may be a Unit Holder of the Fund and the Fund Manager shall be a Unit Holder of the Fund.
- 8.4 The minimum investment a Unit Holder or joint Unit Holders may make in the Fund shall be the Minimum Subscription.
- 8.5 A person who wants to subscribe for Units may do so at the Offer Price and must complete and deliver an application form to the Fund Manager in the format prescribed by the Fund Manager. Every application in whatever form shall be accompanied with the subscription money, or the document of transfer of the property to be vested in the Trustee. All applications are subject to detailed scrutiny and verification. Applications which are incomplete, invalid or ambiguous in any respect may be rejected after reasonable review by the Fund Manager.

- 8.6 Subject to any prescribed minimum investment requirement as set out in this Trust Deed, the Fund Manager may make offers of Units to the public of such number, and of such value, as the Fund Manager may from time to time determine, subject to the registration of such Units with the Commission. The Fund shall be open to the public for the entire period of the existence of the Fund.
- 8.7 The Fund Manager, upon receipt of a subscription form, shall accept or reject such subscription within (14) fourteen Business Days of receipt. Upon such acceptance or rejection, the Fund Manager will, in the case of rejection, forthwith return the subscription form and any payment made without interest thereon; and, in the case of acceptance, will forthwith forward a notice to the subscriber indicating the number of Units, if any, purchased by such subscriber. PROVIDED THAT for the purpose of the IPO, the approval of the Commission shall be obtained prior to the allotment of the Units to the subscriber.
- 8.8 Any new Units issued pursuant to Sub-clause 8.7 above, shall rank *pari passu* in all respects with the Units issued pursuant to this Trust Deed and shall represent an undivided part of the Deposited Property.
- 8.9 The Fund Manager, as the sponsor of the Fund, shall subscribe to and hold a minimum of five per cent (5%) of the registered Units.

## 9. REDEMPTION AND TRANSFER OF UNITS

### Redemption of Units

- 9.1 The minimum holding period for an investment in the fund is ninety (90) calendar days from the date of investment. No fees will be charged on redemption for Units after the lock-in period; however, any redemption during the lock-in period shall be subject to a deduction of 15% on the accrued profit from the Unit Redeemed.
- 9.2 All redemption must be made through the Fund Manager or any of its agents as may be appointed from time to time.
- 9.3 Subject to Sub-clause 9.4 below, Units shall be redeemed at the Bid Price.
- 9.4 Unit Holders can redeem their Units within five (5) Business Days of the Fund Manager or any of its agents receiving a Redemption Notice from such Unit Holders.
- 9.4.1 The Form of Redemption Notice shall be as set out in the Sixth Schedule of this Deed or in line with any automated procedure prescribed by the Fund Manager. The Fund Manager will notify the Unit Holder of any deficiencies in the notice of redemption.
- 9.4.2 The Redemption Notice will be treated by the Fund Manager between the hours of 9am and 2pm on a Business Day.
- 9.4.3 The redemption shall be effected at the Bid Price, subject to Sub-clause 9.6 below.
- 9.5 Where only part of the Units comprised in a Statement of Unitholding are to be redeemed, the Unit Holders shall pay to the Fund Manager the stamp duty (if any) arising upon the issue of a revised Statement of Unitholding and thereupon the Fund Manager shall procure a new Statement of Unitholding to be issued free of charge reflecting the current balance of the Units owned by such Unit Holder.
- 9.6 The Trustee shall use all reasonable endeavours to ensure that the calculations with respect to Unit Holders' interests are correct and where a Unit Holder notifies the Trustee of an error in any computation of such Unit Holder's interest, any such error shall be rectified as soon as possible. The Trustee shall be entitled at any time to require the Fund Manager to justify any errors in the computation of the Unit Holder's interests.



- 9.7 In no event shall the Custodian be bound to make any payment to the Fund Manager or any Unit Holder except out of the Deposited Property held by the Custodian for that purpose under the provisions of this Deed.
- 9.8 The Fund Manager shall be entitled in the name, and on behalf, of the Unit Holder to execute an instrument of transfer in respect of any Units to be redeemed hereunder and to provide an amended Statement of Unitholding, in respect of the Units to be redeemed. The Fund Manager shall also provide such statement as may be necessary or desirable as evidence that the Unit Holder no longer has any interest in the said Units PROVIDED THAT, in either event, the Fund Manager shall within a reasonable period thereafter furnish the Trustee with evidence of the authorization of the Unit Holder under which it acted.
- 9.9 Units redeemed may be re-sold to existing or incoming Unit Holders.
- 9.10 All Units which the Fund is required to redeem shall be deemed to be outstanding until payment for such Units are made in accordance with this Clause 9.

### **Transfer of Units**

- 9.11 Every instrument of transfer must be signed by the transferor and the transferee and the transferor shall be deemed to remain the holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof. The instrument of transfer need not be a deed.
- 9.12 Every instrument of transfer must be duly stamped and lodged with the Fund Manager for transmission to the Registrar accompanied by any necessary declarations or other documents that may be required in consequence of any regulation or legislation for the time being in force and by the Statement of Unitholding(s) relating to the Units to be transferred and or such other evidence as the Registrar may require to prove the title of the transferor or his right to transfer the Units and thereupon the Registrar shall register the transferee as holder of the Units referred to in such instrument of transfer and shall issue to such transferee a new Statement of Unitholding representing the Units so transferred. The Registrar shall also issue a revised Statement of Unitholding (where applicable) to the transferor.
- 9.13 All instruments of transfer that shall be registered may be retained by the Fund Manager or by the Registrar on its behalf.
- 9.14 A receipt signed by the Unit Holder in respect of any monies payable in respect of the Units shall be a good discharge to the Trustee and the Fund Manager and if several persons are registered as joint Unit Holders or in consequence of the death of a Unit Holder, are entitled so to be registered, any one of them may give an effectual receipt for any such monies.

## **10. RIGHTS OF UNIT HOLDERS**

- 10.1** The Unit Holders shall not have or acquire any right against the Trustee in respect of the Fund save as are expressly conferred upon them by this Deed or by law, regulation or a court order and no person shall be recognized as a Unit Holder except in respect of Units registered in its name.
- 10.2 The ownership of the Deposited Property shall be vested in the Trustee and, subject to the terms of this Deed, the right to conduct the affairs of the Fund will be exercised independently by the Trustee on behalf of the Unit Holders. The Unit Holders shall have no interest other than the beneficial interest provided for in this Deed and no Unit shall confer any interest or share in any particular part of the Deposited Property. The Unit Holders shall have no right to call for any partition or division of any portion of the Deposited Property nor shall they be called upon to share or assume any losses of the Fund or suffer any assessment or further payments to the Fund or the Trustee of any kind by virtue of their ownership of Units.
- 10.3 A Unit Holder shall have the right to share in the assets of the Fund in proportion to the number of Units held by it in the Fund.
- 10.4 Only persons who have been duly registered as Unit Holders shall have the right to be recognised as such.

- 10.5 The Fund Manager shall not be treated for the purposes of this Deed as the Unit Holder of each Unit during such time that neither the Fund Manager nor any other person is registered or entitled to be registered as the Unit Holder but nothing herein contained shall prevent the Fund Manager from subscribing for and becoming a registered holder of Units.
- 10.6 Subject as hereinafter provided, a Unit Holder shall be entitled to require payment of the Bid Price of all or any of its Units by giving notice (either written or via agreed electronic means) to the Fund Manager.
- 10.7 A Unit Holder shall have the right to pledge, charge, mortgage, or otherwise offer its Units to secure a debt, a loan or an obligation (preferably Shari'ah complaint) and in any such case shall notify the Fund Manager of the pledge, charge, mortgage or obligation.
- 10.8 A Unit Holder shall have the right to receive the notice of meetings and attend such meetings either in person or by proxy.

## **11. COVENANTS BY THE FUND MANAGER**

- 11.1 The Fund Manager hereby covenants with the Trustee that it will comply with and perform and observe all the provisions of this Deed which are expressed to be binding on it. The Trustee shall be entitled to enforce the obligations of the Fund Manager under the Fund as if the same were set out and contained in the Trust Deed constituting the same, which shall be read and construed as one document with the Fund. The Trustee will hold the benefit of this covenant upon trust for itself and the Unit Holders according to their respective interests.
- 11.2 The Fund Manager hereby covenants with the Trustee that for as long as the Fund is subsisting it shall:
- 11.2.1 obtain, make and keep in full force and effect all authorisations that may be required for the validity and enforceability against the Fund Manager of the Transaction Documents and to the extent that same have not been delivered previously, promptly supply certified copies to the Trustee of any material authorisation required under any Applicable Law to enable it to perform its obligations under the Transaction Documents and to ensure the legality, validity, enforceability or admissibility in evidence of the Transaction Documents in any jurisdiction where any of its assets are situate;
- 11.2.2 comply in all respects with Applicable Law, permits and licences, to which it may be subject and which in each case are material to its business and its obligations under the Transaction Documents and shall obtain and maintain such permits and licences;
- 11.2.3 duly and punctually pay and discharge all Taxes (a) for which it reasonably believes it is liable pursuant to any self-assessment procedure and (b) assessed upon it or its assets under Applicable Law within the time period allowed without incurring penalties, except solely in the case of (b) to the extent that:
- (i) such payment is being contested in good faith;
  - (ii) adequate reserves are being maintained for those taxes and any interest or penalties; and
  - (iii) such payment can be lawfully withheld;
- 11.2.4 ensure that it maintains its legal and tax status and complies with any Applicable Law required to maintain such status;
- 11.2.5 carry on and conduct its affairs in a proper and efficient manner and in particular cause all proceeds of the Fund to be applied exclusively to the agreed purpose;
- 11.2.6 keep proper books of account and ensure that the same shall at all reasonable times during working hours be open for inspection by the Trustee and any person (not being a person to whom the Fund Manager may reasonably object) appointed by the Trustee in writing for the purpose;

- 11.2.7 supply to the Trustee all such documents and information as the Trustee may from time to time require relating to or in connection with this Deed regarding payment of dividends;
- 11.2.8 send as soon as practicable to the Trustee, two (2) copies each of every financial statement and report and any other documents required by the Trustee; and
- 11.2.9 not change or amend its constitutional documents being the Memorandum and Articles of Association in a manner that would adversely affect its ability or perform its obligations under this Deed or other Transaction Documents unless the written consent of the Trustee is first obtained, which consent should not be unreasonably withheld and such amendment is required by Applicable Law.
- 11.2.10 not engage in any transactions with respect to or for the Fund that are not, in its opinion, in the best interests of the Unit Holders and the Fund;
- 11.2.11 not borrow money on behalf of the Fund for the purpose of acquiring securities or other property for the Fund or otherwise;
- 11.2.12 not mortgage, charge or impose any other encumbrance on any Deposited Property; and
- 11.2.13 not make a profit for itself from transactions in any assets held under the Fund, except in accordance with this Trust Deed.

## **12. REPRESENTATIONS AND WARRANTIES**

### **12.1 Representations and Warranties of the Fund Manager**

The Fund Manager hereby represents and warrants that:

- 12.1.1 it has been duly incorporated, is in good standing and has full power and authority, and all governmental licences, authorisations, consents and approvals necessary, to:
  - (i) execute and deliver the Transaction Documents; and
  - (ii) perform its obligations under the Transaction Documents;
- 12.1.2 its execution and delivery of the Transaction Documents and its performance thereunder:
  - (i) have been duly authorized by all necessary corporate action (including any necessary shareholder resolution(s) or similar action);
  - (ii) will not contravene any Applicable Law; and
  - (iii) will not contravene or constitute a default under its constitutional documents, or any contractual obligation, judgment, injunction, order or decree binding upon it or its assets;
- 12.1.3 each of the Transaction Documents has been duly executed and delivered by it and (with respect to any Unit, upon its authentication and delivery by the Trustee) constitutes its legal, valid and binding obligation, enforceable against it (subject to corporate insolvency and similar exceptions) in accordance with its terms;
- 12.1.4 it is in substantial compliance with all Applicable Laws;
- 12.1.5 neither the Fund Manager nor any of its assets has any right of immunity on the ground of sovereignty or otherwise, from the jurisdiction, attachment (before or after judgment) or execution in respect of any action or proceeding relating in any way to the Transaction Documents that may be brought in the courts of the Federal Republic of Nigeria or any relevant jurisdiction;
- 12.1.6 the obligations of the Fund Manager to the Unit Holders under the Transaction Documents are direct, general and unconditional obligations of the Fund Manager;

12.1.7 it is neither unable nor has it admitted its inability to pay its debts as they fall due nor has it suspended making payments on any of its debts;

12.1.8 the value of its assets is not less than its actual liabilities;

12.1.9 all the information in the Transaction Documents (as supplemented from time to time) that has been or will hereafter be made available to the Unit holders by the Fund Manager or any director, officer, employee, or representative of the Fund Manager in connection with the transaction contemplated herein is and will at all times be complete and correct in all material respects and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances under which such statements were or are made; and

12.1.10 while the Fund is subsisting, the Fund Manager agrees to supplement any of the information referred to in Sub-clause 12.1.9 from time to time so that the representations and warranties contained in this Sub-clause 12.1 (*Representations and Warranties of the Fund Manager*) remain correct at all times and acknowledge that each of the Unit Holders is acting in reliance upon the accuracy of information supplied to it by the Fund Manager without any independent verification.

### 12.2 Representations and Warranties of the Trustee

The Trustee hereby represents and warrants to the Fund Manager that, as of the date of this Deed:

12.2.1 It is a company within the meaning of the CAMA;

12.2.2 It is duly incorporated and it is a validly existing company under the laws of Nigeria;

12.2.3 it's duly registered and authorised by the Commission to act as trustee in connection with capital market transactions;

12.2.4 it has full power and authority to enter into this Deed and to exercise its rights and perform its obligations hereunder and has obtained all authorisations and consents necessary for it to enter, exercise rights and perform obligations under this Deed and such authorisations and consent are in full force and effect;

12.2.5 it has the resources, capacity and expertise to adequately act on behalf of the Unit Holders;

12.2.6 the obligations expressed to be assumed by it under this Deed are legal and valid obligations binding on it in accordance with their terms and it shall comply with the provisions of the ISA, and this Deed, in the performance of its obligations;

12.2.7 it shall provide any information that the Commission or the Fund Manager may require in connection with its obligation to act on behalf of the Unit Holders;

12.2.8 it shall not allow any conflicts to occur between its obligations in connection with the Fund and its commercial interests;

12.2.9 it does not have any subsisting and undisclosed fiduciary relationship with the Fund Manager;

12.2.10 it shall comply with its obligations under this Deed; and

12.2.11 it's not aware of any order by a court of competent jurisdiction or resolution passed for the merger, acquisition of, amalgamation, dissolution of, winding up, or appointment of an administrator for the Trustee (otherwise than in the course of a reorganisation or restructuring of such Trustee on a solvent basis).

### 13. APPOINTMENT OF SHARI'AH ADVISORY BOARD

13.1 The Fund Manager shall appoint and constitute a Shari'ah Advisory Board which shall comprise of people or entities knowledgeable in Islamic finance and to provide advisory services to the Fund on Shari'ah related issues and shall operate in accordance with the terms set out in Seventh Schedule hereto.

13.2 The Shari'ah Advisory Board shall have the following obligations and such other obligations as set out in the Seventh Schedule hereto among others:

13.2.1 to provide Shari'ah expertise and guidance on all matters relating to the Fund;

13.2.2 to ratify the activities of the Investment Committee before implementation by the Fund Manager; and

13.2.3 to provide an annual report to the Trustee certifying that the Fund is being managed in accordance with Shari'ah principles.

#### **14. PAYMENT OF REMUNERATION AND FEES**

##### **14.1 Payment to the Fund Manager**

The remuneration of the Fund Manager and all other administrative fees shall accrue on a daily basis. At the end of each quarter, all such sums as have accrued shall be paid to the Fund Manager and the respective service providers. The respective fees payable shall be as follows:

14.1.1 Custodian fee of zero point zero five per cent (0.05%) of the Net Asset Value per annum shall be payable quarterly in arrears except as otherwise directed by the Commission; and

14.1.2 Trustee's fee of zero point zero five per cent (0.05%) of the Net Asset Value per annum shall be payable quarterly in arrears; PROVIDED THAT the rate of remuneration shall be reviewed on every second anniversary of the date of the Trustee's appointment pursuant to a review of this Deed which shall be subject to the approval of the Commission.

##### **14.2 Remuneration of Members of the Shari'ah Advisory Board**

The Fund Manager, in consultation with the Trustee, shall, on behalf of the Fund, fix the remuneration of the members of the Shari'ah Advisory Board which shall be payable quarterly in arrears.

##### **14.3 Auditors' Fees**

The Auditors' fees shall be due for payment at the end of the Financial Year and upon the completion of the audit of the accounts of the Fund, such fees shall be paid from the Cash Account.

##### **14.4 Payment to the Trustee**

14.4.1 The Fund Manager shall on behalf of the Fund pay all travelling and other costs, charges and expenses that the Trustee shall reasonably incur in connection with the execution of this Trust Deed and in the exercise of the powers and discretion hereby vested in them.

14.4.2 All such agreed costs, expenses, charges or remuneration due to the Trustee shall be payable upon demand. However, the Trustee shall provide the Fund Manager with invoices/receipts for all expenses incurred.

14.4.3 The Fund Manager shall, on behalf of the Fund, pay the Trustee all sums owing to the Trustee in respect of the remuneration cost stated in Sub-clause 14.1.2 above which shall be paid in accordance with Sub-clause 14.1 above except as otherwise directed by the Commission.

##### **14.5 Management, Advisory and Administrative Expenses**

14.5.1 The Fund will pay the Fund Manager one point five per cent (1.5%) per annum of the Net Asset Value quarterly in arrears as Management Fee, but subject to this Management Fee being payable out of income. The Management Fee represents the remuneration due to the Fund Manager for the management, advisory and administrative roles involved in the day-to-day management of the Fund. Provided that where the Fund underperforms its benchmark, the Management Fee shall decrease by the same percentage by which the Fund underperformed

14.5.2 The Fund will also pay an Incentive Fee to the Fund Manager on the total annualized return above the Benchmark and up to twenty per cent (20%) of the excess returns, provided that the Fund's performance must have reached the High-Water Mark.

### **15. INVESTMENT OBJECTIVE AND POLICY**

- 15.1 The primary objective of the Fund is to generate competitive returns on investment in a Shari'ah compliant manner whilst ensuring capital preservation. The objective will be realized through investments in a carefully selected and well diversified portfolio of Shari'ah compliant fixed income instruments and products while leveraging on the bargaining power from pooling funds to earn competitive returns.
- 15.2 The Fund Manager shall not deviate or alter the Investment Policy of the Fund as set out in the Second Schedule of this Deed without the consent of the Trustee and prior approval of the Commission.
- 15.3 The Fund Manager shall not change the Investment Objective and Policy of the Fund, without obtaining the approval of the Unit Holders.

### **16. RIGHT TO SELECT INVESTMENTS**

- 16.1 The Fund shall have an Investment Committee which shall be responsible for, *inter alia*, reviewing investment memoranda submitted by the Fund Manager and approving or rejecting prospective investment, on behalf of the Fund, in accordance with the Investment Objective and Policy of the Fund.
- 16.2 The Fund Manager shall have the power to determine the membership of the Investment Committee from time to time PROVIDED THAT the Investment Committee shall be made up of at least two (2) independent members possessing the requisite experience and expertise to be of value to the Fund. The Fund Manager shall in all cases nominate the independent members of the committee and inform the Commission of the names of the nominees before closure of the Fund to subscription.
- 16.3 The Investment Committee shall meet at least once every quarter to approve investments recommended by the Fund Manager.
- 16.4 The activities and recommendations of the Investment Committee shall be ratified by the Shari'ah Advisory Board who shall have the responsibility of ensuring the compliance of the various investments of the Fund with Shari'ah rules and principles.

### **17. REALISATION OF INVESTMENT**

Any monies accruing from investments of the Fund shall be treated as realised investments. The Fund Manager shall have the discretion subject to the agreed investment guidelines to reinvest any realised investment comprised in the Deposited Property in other Authorised Investments at any time PROVIDED ALWAYS THAT the Fund Manager acts with diligence and prudence in exercising this discretion.

### **18. INVESTMENT RESTRICTIONS**

- 18.1 No investment shall be made by the Fund Manager in exercise of its powers in securities according to the methodology which are not endorsed by internationally established standards especially those issued by recognised Shari'ah bodies such as the Accounting Auditing Organizations of Islamic Financial Institutions (AAOIFI), International Islamic Fiqh Academy of Organisation of Islamic Cooperation (IFA-OIC) and Islamic Financial Services Board (IFSB).
- 18.2 The Fund Manager shall not, on a single or aggregate basis, invest more than one-tenth (1/10th) of the Net Asset Value in any one company or body or in any one security, subject to such other limits as may be stipulated by the SEC Rules from time to time.

- 18.3 The Fund Manager shall not invest any part of the Fund in its in-house, Trustee's or associates' instruments or securities that are not transferable.
- 18.4 In addition, no part of the Fund shall be invested in the units or securities of another collective investment scheme being managed by the Fund Manager.
- 18.5 No more than fifteen per cent (15%) of the Fund's total assets may be invested in any single investment except those Shari'ah complaint instruments issued by the Federal Government of Nigeria or the CBN.

### **19. CHANGE IN INVESTMENTS**

- 19.1 It shall not be necessary for either the Fund Manager or the Trustee to effect any change in investments by reason of any appreciation in the value or the aggregate value of any investments in any one company or body or of any security or any depreciation in the value or the aggregate of the value of any investments causing the limits referred to in Clause 18 to be exceeded.
- 19.2 If and so long as the said limits are exceeded, the Fund Manager shall within three (3) months of exceeding the limit, sell so much of the investment or investments in respect of which any of the said limits is exceeded thereby bringing it into conformity with Clause 18, provided that if the Fund Manager and the Trustee agree that the sale of such investment(s) at that time would be against the interest of the Unit Holders, such investment(s) may not be sold.

### **20. APPOINTMENT OF REGISTRAR**

The Fund Manager in consultation with the Trustee shall appoint the Registrar who shall be in charge of keeping the records and particulars of the Unit Holders.

### **21. REGISTRATION OF UNIT HOLDERS**

- 21.1 The Fund Manager shall, pursuant to Clause 20 above, ensure that the Registrar keeps and maintains the Register of the Unit Holders and carries out other functions that may be required of a registrar of a fund.
- 21.2 The Register shall contain the names of Unit Holders, the respective number of Units held, the nominal value of the Units, the date of purchase, and any other information that may be deemed necessary by the Fund Manager.
- 21.3 The Registrar shall immediately be notified in writing of any change of name or address on the part of any Unit Holder and upon the Registrar's satisfaction thereof and in compliance with all such formalities as it may require shall cause the Register to be altered or the change to be registered accordingly.
- 21.4 All Unit Holders shall be entitled during business hours to freely inspect the Register at no cost. However, a nominal fee may be payable where copies of any documents from the Register are required by the Unit Holder. If the Register is maintained in an electronic format, the provisions of this clause will be satisfied by the production of legible evidence of the contents of the Register.
- 21.5 The Register shall be conclusive evidence of the persons entitled to the Units. Any person claiming to be interested in any Units or the dividends on them may protect his interest by serving on the Fund Manager a notice and an affidavit of interest whereupon the Fund Manager shall cause the Registrar to register the existence of such notice and Registrar shall not register, transfer or make a payment or return(s) in respect of the relevant Units contrary to the terms of the notice until the expiration of thirty (30) days' notice to the claimant of the proposed transfer or payment.
- 21.6 A corporate body may be registered as a Unit Holder or one of joint Unit Holders.

## STATUTORY AND GENERAL INFORMATION

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- 21.7 In the event of death of a unit holder, the Fund Manager shall suspend, without losing any contractual privileges, any withdrawal and distribution regarding such Units. The executors or administrators of the deceased Unit Holder shall present the Fund Manager with a death certificate duly issued by any relevant authority, a will, probate letter or letter of administration or such other documents to the satisfaction of the Fund Manager.
- 21.8 In the event of the death of a Unit Holder, only the legally appointed executors or administrators of the estate of the deceased Unit Holder (not being one of joint Unit Holders) or the surviving Unit Holder(s) of joint Unit Holders shall be recognized by the Registrar as having any title to or interest in the Units of the deceased Unit Holder.
- 21.9 Any person becoming legally entitled to any Units in consequence of the death, bankruptcy, dissolution, or winding-up of any Unit Holder or the survivor of joint Unit Holders shall, upon producing such evidence that he/she is entitled to such Units as the Fund Manager shall think sufficient, or a resolution of dissolution or winding-up or court order as the case may be, to the Fund Manager be entitled to elect either to be registered as the holder of such Units or have the Units transferred to some other person. If the person so becoming entitled elects to be registered as the Holder, he/she shall deliver or send to the Fund Manager, a notice in writing in a form to be prescribed by the Fund Manager signed by him/her stating that he/she so elects. If he/she elects to have some other person nominated by him/her registered, he/she shall testify his/her election by executing to such other person an assignment of such Units. All the provisions of this Deed relating to transfers of Units shall be applicable to any such notice or transfer as aforesaid as if the death, bankruptcy, dissolution or winding-up of the Unit Holder had not occurred and the notice or transfer were a transfer executed by such Unit Holder.
- 21.10 Any person becoming entitled to Units in consequence of the death or bankruptcy or dissolution or winding up of a Unit Holder shall, once he has provided sufficient evidence of such entitlement to the Registrar, even if actual registration has not yet taken place, be entitled to receive and may give a discharge for monies payable in respect of the Units. However, such person shall not be entitled to all the other rights of a Unit Holder until his name is entered in the register of Unit Holders.
- 21.11 The number of Units held by a Unit Holder shall be registered and recorded by the Registrar as a book entry.
- 21.12 The Fund Manager may, upon giving at least two (2) weeks' notice to the Unit Holders by advertisement in a widely circulated daily newspaper or its website, instruct the Registrar to close the Register, and such periods of closure shall not, in aggregate, exceed thirty (30) Business Days in each year.
- 21.13 The Fund Manager shall not, save as herein otherwise provided and except as ordered by a court of competent jurisdiction or as required by statute, be bound to recognize (even when having notice thereof) any trust or equity affecting the ownership of such Units or the rights incidental thereto.
- 21.14 The Fund Manager may in respect of the registration of any probate, letters of administration, power of attorney, certificates of marriage or death, orders of the court, deed poll, resolutions or other document affecting the transmission of any Units or distribution in respect thereof charge reasonable administrative fees as it may determine from time to time.
- 21.15 Notwithstanding any other provision of this Deed, the Fund Manager or any person appointed by it shall act solely as the agent of the Trustee in keeping the Register as required by the foregoing provisions of this clause and the Trustee shall have the same responsibility towards Holders as if the Register were kept by the Trustee.

## **22. VOTING RIGHTS ON FUND ASSETS**

- 22.1 All rights of voting conferred by any investments forming part of the Deposited Property shall be exercised by the Trustee who may delegate it to the Fund Manager in writing. The Trustee, acting in the best interest of the Unit Holders and exercising good faith, may refrain at its own discretion from the exercise of any voting rights and no Unit Holder shall have any right to interfere or complain. Upon written request and at the expense of the Fund Manager, the Trustee shall from time to time execute and deliver or cause to be executed or delivered to the Fund Manager or its nominees such powers of attorney or proxies in such name and names as the Fund Manager may request authorising such attorneys and proxies to vote, consent or otherwise act in respect of all or any part of the Deposited Property.



- 22.2 Upon delegation by the Trustee, the Fund Manager shall be entitled to exercise the said rights in what it considers to be the best interest of the Unit Holders. Subject to Section 168 of the ISA, neither the Fund Manager nor the Trustee shall be under any liability or responsibility thereof in respect of the management of the investment in question nor in respect of any vote, action or consent given or taken or not given or taken by the Fund Manager whether in person or by proxy and neither the Trustee, the Fund Manager, the Unit Holder or any such proxy or attorney shall incur any liability or responsibility by reason of any error of law or mistake of fact or any matter or thing done or omitted or approval voted or given or withheld by the Trustee or Fund Manager or by the Unit Holder and the Trustee shall be under no obligation to anyone with respect to any action taken or caused to be taken or omitted by the Fund Manager or by any such proxy or attorney PROVIDED THAT the Fund Manager and/or Trustee has/have exercised a high degree of care and diligence.
- 22.3 The phrase "right of voting" or the word "vote" used in this Clause shall be deemed to include not only a vote at a Meeting but any consent to or approval of any arrangement, scheme or resolution or any alteration in or abandonment of any rights attaching to any part of the Deposited Property and the right to requisition or join in a requisition to convene any Meeting or to give notice of any resolution or to circulate any statement.
- 22.4 The Fund Manager shall, when necessary, forward to the Trustee, all notices of meetings, reports, circulars and other documents of a like nature received by it or its nominee with regard to any investment of the Fund.

### **23. ISSUANCE OF STATEMENTS OF UNITHOLDING**

- 23.1 Upon the issue of Units, the Fund Manager shall notify the Unit Holder of the number of Units and fractions thereof, if any, purchased by such Unit Holder by issuing a Statement of Unitholding which shall indicate the total holding of that Unit Holder in respect of the Fund including any Units held prior to the issue of such Units.
- 23.2 A Unit Holder shall be issued with the electronic Statement of Unitholding within seven (7) Business Days, via e-mail, evidencing its ownership of the Units of the Fund unless the Unit Holder elects to receive a physical Statement of Unitholding.
- 23.3 All Unit Holders will be able to view their portfolios online, via the online portal, activated by the Fund Manager upon investment in the Fund.
- 23.4 Joint Unit Holders shall be entitled to only one electronic Statement of Unitholding for Units held jointly by them. Where a Statement of Unitholding is issued to the Joint Unit Holders, it shall be issued in the names of the joint Unit Holders and delivery of a Statement of Unitholding to one of the joint Unit Holders shall be sufficient delivery to all such Unit Holders.
- 23.5 Notwithstanding anything contained in this clause, a Unit Holder shall only be entitled to the issuance of a physical Statement of Unitholding upon an express request.

### **24. RIGHT OF ASSIGNMENT**

Every Unit Holder is entitled to assign, by way of security, all or any part of his or her Units/investments to third parties PROVIDED THAT the Fund Manager is duly informed of such assignment so that the necessary changes can be made in order to reflect the change in the Unit Holder's holding in the Fund. Such documentation shall be as prescribed by the Fund Manager.

### **25. INCOME DISTRIBUTION/REINVESTMENT**

All profits received from investment of the Fund would accrue to the Fund. The income of the Fund less any sums properly chargeable thereon or deductible therefrom shall be distributed quarterly, subject to prevailing economic conditions and at the discretion of the Fund Manager. The Fund does not guarantee any fixed return to Unit Holders. Unit Holders may, at the time of subscription, elect to receive their distributions either by electronic transfer to their bank accounts or re-invest their distribution by purchasing additional units of the Fund. Where the Unit Holder fails to indicate whether their distributions should be reinvested in the Fund or transferred to their bank account, such distribution shall be paid or transferred to their bank accounts.

**26. INDEMNITIES, RIGHTS AND DISCRETION OF TRUSTEE AND FUND MANAGER**

Without prejudice to any indemnity allowed by law or elsewhere herein given to the Trustee or to the Fund Manager the following provisions shall apply:

- 26.1 The Trustee, the Fund Manager and the Registrar shall not be responsible for the authenticity of any form of application, endorsement or other documents affecting the title to or transmission of Units or be in any way liable for any forged or unauthorized signature on or a seal affixed to such endorsement, transfer or other document or for acting on or giving effect to any such forged or unauthorized signature or seal affixed PROVIDED THAT they have exercised due care and diligence in examining the signature and/or document.
- 26.2 The Trustee, the Fund Manager and the Registrar shall not incur liability in respect of any action or omission by them in good faith in reliance upon any notice, resolution, direction, consent, certificates, affidavit, statement, certificate of stock, plan or scheme of reorganisation or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.
- 26.3 Neither the Trustee, nor the Fund Manager shall incur liability to the Unit Holders for doing or failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto or of any decree, order or judgment of any Court or by action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) the Trustee or Fund Manager is directed or requested to do or perform or to forbear from doing or performing any act or thing.
- 26.4 The Trustee and Fund Manager shall be entitled to require that the signature of any Unit Holder or joint Unit Holders to any document required to be signed by him under or in connection with this Deed shall be verified by a banker or broker or other responsible person or otherwise authenticated to their reasonable satisfaction.
- 26.5 The Trustee, its Affiliate shall not by reason of their office be precluded from purchasing, holding, dealing in or disposing of Units nor from contracting or entering any financial, banking or other transaction with the Fund Manager, its Affiliate or any Unit Holder or any company or body with an interest in any Unit(s) or from being interested in any such contract or transaction or from holding any shares or any investment in any such company or body. The Trustee shall not, except as otherwise herein provided, be in any way liable to account either to the Fund Manager or to the Unit Holders or any of them for any profits or benefits made or derived by the Trustee thereby or in connection therewith. PROVIDED THAT the Trustee shall always avoid any conflict of interest in the exercise of its duties.
- 26.6 The Trustee shall prosecute or defend any action or suit in respect of the provisions hereof or in respect of the Deposited Property or any part thereof or take part in or consent to any corporate action, PROVIDED THAT it is furnished with such reasonable indemnity against costs, as they may require to carry out such action, by the Fund.
- 26.7 Subject to the prior consent of the Trustee in each case, the Fund Manager may from time to time for the account of the Fund enter into underwriting and sub-underwriting contracts in relation to the subscription or purchase of Authorised Investments upon such terms in all respects as it shall think fit (but subject always to the SEC's consent and the provisions of this Trust Deed and so that no such contract shall relate to an investment which if acquired would constitute a holding in excess of the limits specified in Clause 18 hereof) and all commissions or other fees received by the Fund Manager and all Authorised Investments or cash acquired pursuant to any such contract shall form part of the Deposited Property.
- 26.8 Save for instances where the Trustee has been negligent, the Trustee shall not be liable to account to any Unit Holder or otherwise for any payment made or suffered by the Trustee in good faith to any duly empowered fiscal authority of Nigeria or elsewhere for taxes or other charges in any way arising out of or relating to any transactions under these presents notwithstanding that any such payments need not have been made or suffered.

## STATUTORY AND GENERAL INFORMATION

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- 26.9 The Trustee shall not be under any liability on account of anything done or suffered by it in good faith in accordance with or in pursuance of any request, notice, direction or advice of the Fund Manager. Whenever a notice or other communication is to be given by the Fund Manager to the Trustee, the latter accepts as sufficient evidence thereof, a document signed on behalf of the Fund Manager by any person whose signature the Trustee is for the time being authorised in writing by the Fund Manager to accept.
- 26.10 The Trustee may exercise all of the powers and discretion vested in it by these presents and, in the absence of fraud or negligence, shall not in any way be responsible for any loss, costs or damages that may result from the exercise or non-exercise thereof.
- 26.11 The Trustee may act upon the advice of or statement or information obtained from stockbrokers, accountants, lawyers, bankers or other persons believed by the Trustee in good faith to be experts in the matters on which they have been consulted whether instructed by the Trustee or Fund Manager and the Trustee shall not be liable for anything done or omitted or suffered to be done by it in reliance upon such advice statement or information.
- 26.12 The Trustee shall be responsible for the acts of its duly appointed lawyer, banker, accountant, broker or any other agent acting on the instruction of the Trustee within the course and scope of their appointments.
- 26.13 The Fund Manager shall in no way be liable to make any payment hereunder to any person except out of the monies of the Fund set aside for that purpose.
- 26.14 If for any reason it becomes impossible or impracticable to carry out any of the provisions of this Deed, neither the Fund Manager nor the Trustee shall be under any liability thereby, neither shall they incur liability for any error of law in the absence of fraud or negligence in connection with any matter or thing done or suffered to be done or omitted to be done by them in good faith hereunder PROVIDED ALWAYS that nothing in this section may be construed as exempting the Trustee from or indemnifying the Trustee against liability for breach of trust arising from any fraudulent or negligent act or omission on its part or any other breach of duty hereunder.
- 26.15 The Fund Manager shall not be under any liability except such liability as may be expressly assumed by it under this Deed or imposed by law nor shall the Fund Manager (save as herein otherwise appears) be liable for any act or omission of the Trustee or for anything except its own breach of duty hereunder.
- 26.16 Under no circumstances shall the Fund Manager be bound to make any payment to any person except out of the funds held by the Custodian for that purpose under the provisions of this Deed.
- 26.17 The Fund Manager, shall not be responsible for acting upon any resolution passed at a Meeting of the Unit Holders in respect of which minutes shall have been made and signed even though it may be subsequently found that there was some defect in the constitution of the Meeting or the passing of the resolution or that for any reason the resolution was not binding upon all the Unit Holders PROVIDED HOWEVER that nothing in this Sub clause 26.17 shall be construed to relieve the Trustee from an obligation to exercise due care and diligence in carrying out its obligation as Trustee or to relieve the Trustee from liability for any breach of trust.
- 26.18 With the exception of the selection of investments and except as otherwise set out herein, the Trustee covenants that effective control over the affairs of this Fund shall be vested in the Trustee and will be independently exercised by the Trustee on behalf of the Unit Holders.
- 26.19 The Trustee undertake to notify the Commission of any proposed change in the management of the Fund during the entire period of existence of the Fund.
- 26.20 Subject to the provisions of this Deed, the selection of all investments, shall, in all respects, be the sole responsibility of the Fund Manager (who shall exercise due diligence and prudence in its selection process having due regard to the Investment Objective and Policy of the Fund in such selection. The Fund Manager shall seek the written consent of the Trustee prior to making such investments.

26.21 The Fund Manager shall be entitled, subject to the consent of the Trustee, to delegate to any person, firm or corporation upon such terms and conditions as it may think fit, all or any of their powers and discretion in relation to the selection, acquisition, holding and realisation of investments and the application of any monies forming part of the Deposited Property PROVIDED THAT the Fund Manager shall remain liable hereunder for any act or omission of any such person, firm or corporation in relation to the exercise or non-exercise of any powers or discretion so delegated as if the same were an act or omission of the Fund Manager.

## **27. DUTIES AND FUNCTIONS OF THE TRUSTEE AND FUND MANAGER**

### **27.1 Duties of the Trustee**

The Trustee shall:

- 27.1.1 ensure that the basis on which the sale, issue, repurchase or cancellation, as the case may be, of the Units effected by or on behalf of the Fund is carried out in accordance with the ISA, SEC Rules and this Trust Deed as well as the relevant Shari'ah rules and principles;
- 27.1.2 ensure that the selling or repurchase price or participatory interests is calculated in accordance with the ISA, SEC Rules and this Trust Deed;
- 27.1.3 carry out the instructions of the Fund Manager unless they are inconsistent with the ISA, SEC Rules or this Trust Deed;
- 27.1.4 verify that, in transactions involving the Deposited Property any consideration is remitted to it within time limits which are acceptable market practice in the context of a particular transaction;
- 27.1.5 verify that the income accruals of the Fund are applied in accordance with the ISA, SEC Rules and this Trust Deed;
- 27.1.6 enquire into and prepare a report on the administration of the Fund by the Fund Manager during each annual accounting period, in which it shall be stated whether the Fund has been administered in accordance with the provisions of the ISA, SEC Rules and this Trust Deed;
- 27.1.7 if the Fund Manager does not comply with the limitations and provisions referred to in Sub-clause 27.1.6 of this Trust Deed, state the reason for the non-compliance and outline the steps taken by the Fund Manager to rectify the situation;
- 27.1.8 send the report referred to in Sub-clause 27.1.6 of this Trust Deed to the Commission and to the Fund Manager in good time to enable the Fund Manager to include a copy of the report in its annual report;
- 27.1.9 ensure that there is legal separation of the Deposited Property, and that the legal entitlement of investors to such assets is assured;
- 27.1.10 ensure appropriate internal control systems are maintained and that records clearly identify the nature and value of the Deposited Property, the ownership of each asset and the place where documents of title pertaining to each asset are kept;
- 27.1.11 whenever it becomes necessary for the Trustee to enforce the terms and conditions of this Trust Deed, the Trustee shall do so within ten (10) Business Days and shall inform the Commission not later than ten (10) Business Days after becoming aware of the breach;
- 27.1.12 satisfy itself that every income statement, balance sheet or other return prepared by the Fund Manager in compliance with Section 169 of the ISA fairly represents the assets and liabilities, as well as the income and distribution of income, or every portfolio of the Fund administered by the Fund Manager;
- 27.1.13 ascertain that the monthly, quarterly and other periodic returns/reports relating to the Fund are sent by the Fund Manager to the Commission;
- 27.1.14 ascertain the rationale for investment decision-making of the Fund Manager;

- 27.1.15 monitor the Register of the Unit Holders; and
  - 27.1.16 generally, monitor the activities of the Fund Manager and the Custodian on behalf of and in the interest of the Unit Holders.
- 27.2 The Trustee may request that every director or employee of the Fund Manager shall submit to the Trustee any book, document or information relating to the administration of the Fund by the Fund Manager which is in its possession or at its disposal, and which the Trustee may consider necessary to perform its functions and no person shall interfere with the performance by the Trustee of its functions under the ISA.
- 27.3 Duties of the Fund Manager
- The Fund Manager shall have the following duties:
- 27.3.1 selection and management of the portfolio of investment in accordance with this Trust Deed and relevant Shari'ah rules and principles;
  - 27.3.2 redemption and issue of Units of the Fund;
  - 27.3.3 maintenance of a schedule of Unit Holders;
  - 27.3.4 preparation of periodic accounting records of the Fund in accordance with the ISA and the SEC Rules;
  - 27.3.5 keeping of books and other proper records in relation to the Fund;
  - 27.3.6 filing of monthly and other periodic returns /reports with the Commission, the Trustee, the Registrars and the Unit Holders;
  - 27.3.7 organising the Meetings of the Unit Holders of the Fund;
  - 27.3.8 representing the interest of the Fund;
  - 27.3.9 complying with ISA, SEC Rules, any Applicable Law and this Trust Deed;
  - 27.3.10 avoiding conflict of interests between the Fund Manager and the Unit Holders;
  - 27.3.11 disclosure of the interests of its directors and management with respect to the Fund to the Trustee and the Unit Holders;
  - 27.3.12 maintenance of adequate financial resources to meet its commitments to manage the risks to which the Fund is exposed;
  - 27.3.13 organise and control the Fund in a reasonable and responsible manner expected of a Fund Manager;
  - 27.3.14 employment of adequately trained staff for the operation of the Fund;
  - 27.3.15 establishing well defined compliance procedures;
  - 27.3.16 obtain prior approval of the Trustee before entering and executing Principal Transactions with its Affiliate as counter party or vendor to ensure that cost, terms and conditions of the transactions are carried out at better terms and price than prevailing market condition; and
  - 27.3.17 obtain the prior consent of the Trustee for any Principal Transaction for the sale or purchase of securities in the secondary market where the Affiliate of a Related Party acts as broker or intermediary for such sale or purchase showing the price or cost at which the transaction was made as compared to the highest and lowest price for similar transaction in the market for that day.

#### 27.4 Risk Management Process

The Fund Manager:

27.4.1 will adopt appropriate risk management techniques and tools in the management of the Fund. In order to mitigate against risk, the Fund Manager shall determine or alter the investment mix of the portfolio from time to time in view of the developments in the component sectors or companies.

27.4.2 has no control over future market or economic conditions and will not indemnify any investor on the occurrence of any adverse events or conditions affecting the performance of the Fund. Although the Fund Manager shall exercise due care in investing the Trust's money, it does not guarantee that expected income will be attained.

#### 27.5 Conflict of Interest

- (a) A Party or a Related Party who has or may have conflict of interest either as a result of Related Party Transaction (or any other conflict as may be determined by the Parties) must with twenty-four (24) hours, whenever a conflict arises, disclose the interest in writing to the other Parties. The conflicted Party may participate in the deliberations affecting the matter but shall not vote on such matter and shall leave the meeting for any such vote, unless there is a unanimous resolution of the other non-conflicted Parties approving the vote by the conflicted Party. The interest must be recorded.
- (b) All transactions or services undertaken by the Fund Manager on behalf of the Fund with the affiliate of a Related Party shall be done at arm's length and at terms based on cost, price, and prevailing market conditions in the interest of the Fund.
- (c) The Fund Manager shall disclose to the Commission any service contract between a Related Party and an affiliate of a Related Party with potential of conflict of interest for the Fund;
- (d) The Fund Manager shall disclose to the Commission, after obtaining the Trustee's consent for purchase of securities (on behalf of the Fund by the Fund Manager) in which its affiliate acts as issuing house/underwriter to an offer;
- (e) The Fund Manager shall disclose to the Commission the purchase of securities stated in Clause 27.5 (d) above where the Fund Manager and the Trustee have:
  - (i) shown that the transaction to be in the best interest of the Fund and Unit Holders;
  - (ii) shown the transaction to be carried out at arm's length;
  - (iii) made full disclosure to the Commission on transaction cost and terms with the affiliate of a Related Party.
- (f) The Fund Manager shall be required to obtain the Trustee's consent in respect of:
  - (i) the Principal Transactions, on behalf of the Fund by the Fund Manager, with its Related Party affiliate as counter party or vendor to ensure that cost, terms and conditions of the transaction are carried out at better terms and price than prevailing market condition; and
  - (ii) Principal Transactions for sales or purchase of securities in the secondary market where the affiliate of a Related Party acts as broker or intermediary for such sale or purchase showing the price or cost at which the transaction was made as compared to the highest and lowest price for the similar transaction in the market for that day.

**28. FUND MANAGER AND TRUSTEE ACTING FOR OTHER TRUSTS**

The Fund Manager and Trustee shall be entitled whether in conjunction or separately to establish and act as Fund Manager or Trustee for other trusts separate and distinct from this Trust PROVIDED that this does not conflict with the interest of the Unit Holders under this Trust Deed.

**29. CONDITIONS FOR EFFECTING TRANSACTIONS OR DEALINGS**

Notwithstanding anything herein contained, neither the Trustee nor the Fund Manager and/or any other party shall be required to effect any transaction or dealing with any Unit Holder or with any part of the investments of the Deposited Property on behalf of or for the benefit of or at the request of any Unit Holder unless such Unit Holder shall first have paid to the Trustee, the Fund Manager or such other party to its or their satisfaction, as the case may be, such amount sufficient to cover all duties and charges and any necessary stamp duty which may have become or may be payable in respect of or prior to or upon the occasion of such transaction or dealing PROVIDED ALWAYS that the Trustee, the Fund Manager or such other party shall be entitled to, as it or they may think fit, pay and discharge all or any of such duties charges or stamp duty on behalf of the Unit Holder and to retain the amount so paid out of any money or property to which such Unit Holder may be or become entitled in respect of his Unit or otherwise however hereunder.

**30. VARIATION OF PAR VALUE OF UNITS**

Subject to the approval of the Trustee and the prior consent of the Commission, the Fund Manager shall have the right by notice to the Unit Holders to vary the par value of the Units and, in consequence thereof, to effect reductions or increases in the number of outstanding Units of the Fund. Such notice shall state the number of Units to be cancelled and the new par value of the Units.

**31. TRUSTEE, NOT UNIT HOLDERS, TO ENFORCE COVENANTS, ETC.**

The Trustee shall not be bound to take any action in relation to this Deed or any proceedings and/or other steps mentioned in any Transaction Document executed pursuant thereto unless specifically directed or requested to do so by a Special Resolution of the Unit Holders and then only if it (and every attorney, delegate, manager, agent or other person appointed by the Trustee hereunder) shall be indemnified and/or secured to its satisfaction by the Unit Holders against all liabilities, proceedings, claims, demands, costs, charges and expenses to which it may render itself liable, or which it may incur by so doing. The Trustee may also waive on such terms and conditions as it shall deem expedient any of the covenants herein contained and on the part of the Fund Manager to be performed and observed.

**32. POWERS, RELIEFS AND INDEMNITIES OF THE TRUSTEE**

The Trustee shall enjoy all powers, reliefs, and indemnities herein below by way of supplement to the powers conferred upon it by the Trustees Investments Act. The powers hereby conferred upon the Trustee shall be in addition to any powers, which may from time to time be vested in it by general law or by the Unit Holders.

In addition, **IT IS HEREBY EXPRESSLY AGREED AND DECLARED** as follows:

**32.1 Reliance on Experts' Advice**

The Trustee acting reasonably and in good faith, may in relation to this Deed act on the opinion or advice of, or any information from any solicitor, valuer, surveyor, broker, auctioneer, accountant, or other expert, whether obtained by the Fund Manager or by the Trustee or otherwise, and shall not be responsible for any loss occasioned by so acting. Any such advice, opinion or information may be obtained or sent by letter, or electronic mail, and the Trustee shall not be liable for acting on any advice, opinion or information purporting to be so conveyed even though the same shall contain some error or shall not be authentic provided however that the Trustee have exercised due care and diligence in relying on any such advice, opinion or information;

### 32.2 **Trustee not Bound to Give Notice**

Except as already stated in this Deed, the Trustee shall not be bound to give notice to any person or persons of the execution hereof or of any acts or deeds made or done by virtue of this Deed or to see to the registration hereof in any registry or to any other formalities in connection herewith;

### 32.3 **Discretion**

Save as herein otherwise expressly provided, the Trustee shall as regards all trusts, powers, authorities and discretions hereby vested in it have absolute and uncontrolled discretions as to the exercise thereof, and in the absence of fraud, lack of diligence, negligence, or the Trustee acting in default of its powers, the Trustee shall not be responsible for any loss, costs, damages, expenses or inconvenience that may result from the exercise or non-exercise thereof, and in particular they shall not be bound to act at the request or discretion of the Unit Holders under any provision of this Deed unless the Trustee shall first be indemnified to their satisfaction against all costs, charges, expenses and liability which may be incurred in complying with such request or discretion by the Unit Holders.

### 32.4 **Dealing with the Fund Manager**

The Trustee shall be at liberty in the ordinary course of its business, and every director, other officer or servant of the Trustee shall be at liberty, to enter into or be interested in any contract or financial or other transaction with, or hold any office for profit under the Fund and to act as trustee to any other securities or obligations of the Fund Manager without being accountable for any receipt profits, interest charges, commissions, fees, brokerage or other remuneration arising therefrom.

### 32.5 **Trustee's Discretion as to Enforcement**

32.5.1 The Trustee may at any time, at its discretion and with prior notice to the Fund Manager, take such proceedings and/or other steps as it may think fit against or in relation to the Fund Manager to enforce its obligations under this Deed;

32.5.2 Except as herein otherwise expressly provided, the Trustee shall be and is hereby authorised to assume without enquiry and it is hereby declared to be the intention that it shall assume without enquiry in the absence of express notice to it to the contrary that the Fund Manager is duly performing and observing all the covenants and provisions herein contained to be performed and observed on its part, notwithstanding any knowledge by or notice to the Trustee of any breach of covenant or obligation by the Fund Manager it shall not take any action or proceedings to enforce the performance thereof, and the Trustee shall not be bound to declare the Units immediately repayable or to take any steps to enforce payment in accordance with this Deed and other Transaction Documents unless and until in any of such cases the Trustee is required to do so in writing by a Special Resolution of the Unit Holders, and then only if provisions shall have been made to the satisfaction of the Trustee for the costs, charges and expenses of the Trustee incidental to the exercise of any such power or the taking of any such steps PROVIDED THAT the Trustee shall in any case inform the Unit Holders of the happening of any adverse events that comes within their actual knowledge;

### 32.6 **Conditional Consent**

With a view to facilitating any dealing under any provision of this Deed, the Trustee shall have full power to consent (where such consent is required) to any specified transaction subject to specified conditions laid down or approved by the Unit Holders;

### 32.7 **Application of Monies Subscribed**

The Trustee shall not be responsible for the monies paid to the Fund Manager by subscribers to the Fund but shall be bound to see to the application of the proceeds of Fund;

### 32.8 **Defect in Unit Holders' Resolution**

The Fund Manager shall not be responsible for having acted upon any resolution purporting to have been passed at any meeting of the Unit Holders in respect whereof minutes have been made and signed, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution with the effect that the resolution was not valid or



binding upon the Unit Holders except where the Fund Manager had knowledge of such defect and in which case the Fund Manager shall become liable for such acts;

**32.9 Indemnity**

32.9.1 Without prejudice to the right of indemnity given by law to trustees, the Trustee and every attorney, manager, agent or other person appointed by him shall be entitled to be indemnified by the Fund Manager in respect of all liabilities and expenses incurred by them in the execution or purported execution of the powers and trusts hereof or of any powers, authorities or discretions vested in them pursuant to this Deed;

32.9.2 The Fund Manager shall indemnify the Trustee in so far as may be lawful in respect of all costs and expenses reasonably incurred by it in relation to or arising out of any application made to any court by the Trustee or any of the Unit Holders for an order that the trust hereof may be carried out under the direction of the court or for an order or declaration relating to the administration of the trust hereof or the enforcement of the rights hereunder of the Trustee or the construction of this Deed;

**32.10 Breach of Trust**

The Trustee shall not be liable for anything save only a breach of trust by the Trustee. PROVIDED nevertheless that nothing contained in this Sub-clause shall exempt the Trustee from or indemnify it against any liability for breach of trust where the Trustee fails to show the degree of care and diligence required of it having regard to the provisions hereof conferring on it any powers, authorities or discretions;

**32.11 Liability of the Trustee**

The Trustee shall be held liable for any breach of the provisions of this Trust Deed arising out of any act or act of omission committed by it or any of its agents or persons acting on its behalf, as a result of lack of degree of care and or diligence as required of a trustee;

**32.12 Confidential Information**

The Trustee shall not and shall procure that its employees, agents or directors (unless and to the extent ordered so to do by a court of competent jurisdiction or pursuant to any statute, law, rule or regulation of governmental authority) are not required to disclose to any Unit Holder any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to the Trustee by the Fund Manager or any other person in connection with this Deed, such information not being in the public domain and no Unit Holder shall be entitled to take any action to obtain from the Trustee any such information;

The restrictions set out in this Sub-clause shall continue to apply notwithstanding the termination of this Deed. The Trustee hereby agrees to indemnify the Fund Manager against any costs, damages or losses suffered by the Fund Manager as a result of the breach of the obligations stated in this Sub-clause;

**32.13 Trustee to Regard General Interest of Unit Holders**

In connection with the exercise by it of any of its trusts, powers, authorities and discretions under this Deed (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Unit Holders as a class.

**32.14 Mistakes**

Without prejudice to the breadth of Sub-clauses 32.3 (*Discretion*) and 32.10 (*Breach of Trust*), and subject to the provisions of Section 188 of CAMA and PROVIDED THAT the Trustee has shown the degree of care and diligence required of it as Trustee, the Trustee shall not be responsible to the Unit Holders, the Fund Manager or anybody whatsoever for the consequence of any mistake, oversight, or error of judgment on its part or on the part of any servant or officer of the Trustee;

### **32.15 Power of Trustee to Delegate**

The Trustee hereof being bodies corporate may in the execution and exercise of all or any of the trusts, powers and discretions vested in it by this Deed act by its duly authorised officer(s) and the Trustee may also whenever they think it expedient in the interest of the Unit Holders delegate, by power of attorney or otherwise to any person or persons or company or body of persons, all or any of the powers and discretions vested in it by this Deed, and such delegation may be made upon such terms and conditions and subject to such regulations including power to sub-delegate as the Trustee may in the interests of the Unit Holders think fit PROVIDED ALWAYS that the Trustee shall be responsible for the acts and defaults of all such persons so appointed.

### **32.16 Power of Trustee to Employ Agents**

Whenever in the interest of Unit Holders, the Trustee deems it expedient, the Trustee may in the conduct of the trust's business instead of acting personally employ and pay an agent, whether a solicitor or other person, to transact or concur in doing all acts required to be done by the Trustee.

### **32.17 Limitation of the Liability of the Trustee**

The Trustee shall have all the rights and powers conferred upon it by the Trustee Investments Act, as though same were expressly set out herein and by way of supplement hereto, in addition to the other powers conferred on the Trustee and provisions for its protection, and not by way of limitation or derogation of anything in this Deed contained nor any statute limiting the liability of the Trustee in Nigeria.

## **33. APPOINTMENT OF NEW TRUSTEE(S)**

- 33.1 The power to appoint a new trustee(s) of this Deed (a new Trustee), shall be vested in and may be exercised by the Fund Manager. PROVIDED THAT no new Trustee shall be appointed who shall not have been previously approved by the Commission and a Special Resolution of the Unit Holders. The new Trustee, shall upon acceptance of its appointment, deliver to the Fund Manager a duly executed Deed of Accession in or substantially in the form set out in Fourth Schedule to this Deed.
- 33.2 The new Trustee must be reputable and competent to exercise all the duties, powers, trusts authorities and discretions vested in the Trustee by this Deed.
- 33.3 Any new Trustee(s) must be registered as a trustee with the Commission. In the event that no appointment has been made, the Trustee or another trustee nominated by it and registered by and approved by the Commission shall continue in office until the Unit Holders have been paid and the Fund wound-up/liquidated.
- 33.4 Any appointment of a new Trustee under this Deed shall as soon as practicable thereafter be notified by the Fund Manager to the Unit Holders.

## **34. UNDESIRABLE SITUATIONS AND PRACTICES**

For the purpose of this Deed, an undesirable situation or practice is a situation or practice which may prejudice the interests of the Unit Holders. These include without limitation:

- 34.1 Where an order is issued by a court of competent jurisdiction or a company resolution passed for the dissolution of or appointment of a receiver for the Trustee (otherwise than in the course of a re-organisation or restructuring on a solvent basis);
- 34.2 where any person takes any step, which is not withdrawn or discharged within ninety (90) days, to appoint a liquidator, manager, receiver, administrative receiver or other similar officer in respect of any assets of the Trustee;
- 34.3 where the Trustee convenes a meeting of its creditors or makes or proposes any arrangement or compromise with, or any assignment for the benefit of, its creditors;

- 34.4 if in the reasonable opinion of the Fund Manager, an undesirable situation or practice has developed or is developing regarding the activities of the Trustee, the Fund Manager may take any of the steps below to correct the situation or practice;
- 34.4.1 convene a meeting of the Unit Holders. At such meeting, the Unit Holders may pass a Special Resolution either:
- (a) suspending the Trustee and appointing another trustee to act in place of the suspended Trustee during the period of suspension; or
  - (b) terminating the appointment of the Trustee and immediately appointing a new trustee in accordance with the provisions of this Deed;
- 34.4.2 give directions to the Trustee to act in such a manner as will correct or assist in overcoming the situation or practice; or
- 34.4.3 take any other action it considers necessary to assure and safeguard the interests of the Unit Holders.

### **35 RETIREMENT AND APPOINTMENT OF FUND MANAGER**

- 35.1 The Fund Manager shall have the right to voluntarily retire in favour of some other fund manager approved by the Trustee and the SEC upon and subject to such other fund manager entering into such deed or deeds as mentioned below.
- 35.2 In the event of the Fund Manager desiring to retire, the Trustee shall use its best endeavours to find a new Fund Manager. If within six (6) months of notice by the Fund Manager seeking to retire, no suitable replacement is identified, the Trustee may terminate the Trust by giving six (6) months' notice to this effect to the Unit Holders, the Fund Manager and the Commission.
- 35.3 The Fund Manager shall be subject to removal by notice in writing given by the Trustee in any of the following circumstances PROVIDED THAT in every case the proposed removal has been approved by the Commission or one (1) month has passed since notice was served on the Commission without the Commission having notified the Trustee that the proposed removal is not approved before service on the Fund Manager:
- 35.3.1 if the Unit holders representing not less than seventy-five per cent (75%) of the Units for the time being outstanding of the Fund deliver to the Trustee a request in writing that the Fund Manager should retire;
- 35.3.2 if the Fund Manager goes into liquidation (except for a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of its assets;
- 35.3.3 if the Trustee certifies and provides evidence to the satisfaction of the Commission to the effect that the Fund Manager has been fraudulent or has acted with gross misconduct in its management of the Fund and it is in the best interests of the Unit Holders that the Fund Manager should be removed; or
- 35.3.4 if the licence of the Fund Manager is suspended or withdrawn by the Commission.
- 35.4 In any of the cases, the Fund Manager shall, upon notice by the Trustee, immediately cease to be the Fund Manager and the Trustee shall by writing under its seal subject to approval by the Commission appoint some other qualified corporation to be the Fund Manager. Such corporation shall enter such Deed or Deeds as the Trustee may advise is necessary or desirable in order to secure the due performance of its duties as Fund Manager. PROVIDED THAT the Fund shall, as soon as practicable, cease to use the phrase "Capital Trust" in its name and that neither the Trustee nor the new manager shall hold themselves out as being connected with the retiring Manager in any way.

### **36 RETIREMENT/REMOVAL OF THE TRUSTEE**

- 36.1 The Trustee may retire at any time without being responsible for any costs occasioned by such retirement, provided it shall have given three (3) months' notice in writing to the Commission, the Fund Manager and the Unit Holders. The Unit Holders may by Extraordinary Resolution (hereinafter defined) remove the Trustee appointed in accordance with this Deed. The Fund Manager undertakes that in the event of the Trustee giving notice under this Clause or being removed by Extraordinary Resolution it will use its best endeavours to procure that a new trustee is appointed as soon as reasonably practicable thereafter. The retirement or removal of the Trustee appointed hereunder shall not become effective until a new trustee is appointed who shall be a reputable, duly registered and experienced trustee and such successor trustee having accepted such appointment, delivers to the Fund Manager a duly executed Deed of Accession in or substantially in the form in the Fourth Schedule to this Deed. In the event that no appointment is made within the period notice has been given of their intention to retire, the Units outstanding at that time shall be repurchased and liquidated.
- 36.2 In the event of resignation by the Trustee, the Trustee shall be entitled to its accrued fees up to the effective date of its resignation.
- 36.3 Where the appointment of the Trustee is terminated, the Trustee shall within seven (7) (seven) days submit a report to the SEC stating the following:
- 36.3.1 The assets and liabilities of the Fund.
- 36.3.2 Whether any irregularity or undesirable practice has taken place or is taking place in the conduct of the affairs of the Fund which has caused or is likely to cause financial loss to investors in the Fund.
- 36.3.3 Particulars of any such irregularity or undesirable practice.
- 36.3.4 The reason, if known, for the termination of its appointment.

### **37 PREPARATION OF NOTICES AND OTHER DOCUMENTS**

The Fund Manager shall prepare all notices, accounts, offers or statements which the provisions of this Trust Deed require to be prepared, issued, served or sent to either Party or the Unit Holders.

### **38 DISTRIBUTION**

- 38.1 The Fund Manager may make distributions quarterly from the net income of the Fund in line with the provisions of this Deed and subject to the applicable laws, rules and regulations of the Commission.
- 38.2 Subject to prevailing economic conditions, the Fund Manager shall distribute eighty per cent (80%) per cent of the Fund's net income in any Financial Year to Unit Holders. Any undistributed profit shall be assigned to individual unit holders in proportion to the number of units owned by them and reinvested for their benefit and account. Provided however, that the Fund Manager shall within five (5) Business Days of it becoming aware that the Fund may be unable to distribute eighty percent of the Fund's income in any Financial Year, notify the Trustee in writing of the reason(s) for such inability to meet the target distribution percentage.
- 38.3 Unit Holders shall have the option to receive Distributions in cash or reinvested in additional Units at the Offer Price on the day the Distribution is declared by the Fund Manager.
- 38.4 Any monies payable by the Fund Manager to a Unit Holder or former Unit Holder under the provisions of these presents shall be paid by electronic money transfer made payable to the nominated account or the registered address of such Unit Holder as the case may be. Where an authority in writing shall have been received by the Fund Manager from the Unit Holder or former Unit Holder in such form and signed or sealed in such manner as the Fund Manager shall direct, authorising the Fund Manager to pay any monies due to him by electronic or any other mode of payment to a banker, agent or

nominee, the Fund Manager shall pay the monies payable to the Unit Holder as the case may be in the same manner and with the same effect as hereinbefore provided as if such banker, agent or nominee were the Unit Holder and such payment shall be a good discharge of the Fund Manager.

- 38.5 Unit Holders who elect to receive their Distributions in cash will have their distributions paid into their specified bank account or any account advised by them.
- 38.6 Without prejudice to the application of Sub-clause 38.5 above, a receipt signed or purported to be signed by a Unit Holder or former Unit Holder for any monies payable in respect of Units held or formerly held by him shall be a good discharge to the Trustee and Fund Manager.

### **39 RECONSTRUCTION AND AMALGAMATION**

- 39.1 The Trust may be reconstructed or amalgamated upon the following conditions being satisfied:
- 39.1.1 the Fund Manager has agreed with the Fund Manager of some other trust the terms and conditions of a scheme of reconstruction or amalgamation;
  - 39.1.2 the Trustee has not dissented to the proposed reconstruction or amalgamation;
  - 39.1.3 the Unit Holders have been informed of the particulars of the proposed reconstruction or amalgamation in a manner approved by the Trustee and a Special Resolution has been passed at a Meeting of the Unit Holders approving such proposed reconstruction or amalgamation; and
  - 39.1.4 the Fund Manager has duly notified the Commission of the proposed reconstruction or amalgamation and the Commission has approved the proposed reconstruction or amalgamation.
- 39.2 If the conditions provided in Sub-clause 39.1 above have been fulfilled the proposed reconstruction or amalgamation shall take effect upon the date on which such conditions are satisfied or such later date as the Trustee may provide whereupon the terms of the Trust shall be binding upon all the Unit Holders who shall be bound to give effect thereto accordingly and the Fund Manager and the Trustee shall do all such acts and things as may be necessary or requisite for the implementation thereof.

### **40 POWER OF MODIFICATION BY SUPPLEMENTAL DEED**

- 40.1 The Trustee and Fund Manager shall be entitled by supplemental deed and upon approval of the Commission, to consolidate, modify, alter or add to the provisions of this Trust Deed in such manner and to such extent as they may consider necessary or expedient having regard to any issues that they may consider relevant PROVIDED THAT the Trustee shall certify in writing that in its opinion such consolidation, modification, alteration or addition does not prejudice the interest of the Unit Holders, or operate to release the Trustee or Fund Manager from any responsibility to the Unit Holders. The Fund Manager shall notify the Unit Holders of any such consolidation, modification, alteration or addition no more than two (2) weeks after the supplemental deed is signed. No such consolidation, modification, alteration or addition shall impose any further payment on any Unit Holder in respect of his Units or any liability in respect thereof.
- 40.2 Without prejudice to the foregoing, the Trustee and the Fund Manager shall be entitled by way of a supplemental deed and with the sanction of a Special Resolution of a Meeting of Unit Holders duly convened and held, to consolidate, modify, alter and add to the provisions of this Trust Deed where such consolidation, modification, alteration or addition is considered so material as to cause the objective of the Fund to be changed. No such consolidation, modification, alteration or addition shall impose any further payment on any Unit Holder in respect of his Units or any liability in respect thereof.

PROVIDED ALWAYS that notwithstanding Sub-clauses 40.1 and 40.2 above, the Fund Manager and the Trustee shall seek the approval of the Commission for any proposed modification to the Trust Deed by service of notice on the Commission.

## **41 COMPLIANCE**

- 41.1 The Trustee shall at all times in the course of administering the Trust comply and also monitor compliance by the Fund Manager with the provisions of this Trust Deed, the ISA and the rules and regulations made thereunder. The Trustee shall ascertain that periodic statutory reports and audited annual accounts relating to the Fund are filed on a timely basis by the Fund Manager with the Commission.
- 41.2 The Fund Manager shall file annual reports with the Commission disclosing:
- (a) All service contract with Affiliates of Related Parties such as securities brokerage, advisory, marketing fees and aggregate cost of such services to the Fund in absolute amount and as percentage to total operating cost;
  - (b) Investment/portfolio holdings in securities, instruments issued by Affiliates of Related Parties showing aggregate value and percentage composition to Fund Net Asset Value;
  - (c) Principal Transactions (purchase or sale) of securities and assets between the Fund Manager and Affiliate of Related Parties showing the purchase cost, sale price, best prevailing market price or cost at the time of transaction, evidence that the transaction was carried out at best execution price or under terms same or better than the prevailing market condition at the time of the transaction;
  - (d) Principal Transactions (purchase or sale) of securities and assets between the Fund Manager acting on its behalf, and a client of the Fund Manager under discretionary portfolio management service of the Fund Manager or Affiliate of the Fund Manager, showing the price or cost of the transaction and the best market price or cost of similar transaction for that day; and
  - (e) A primary market transaction involving the subscription to securities offerings at the primary market by the Fund Manager in which an Affiliate of a Related Party acts as Issuing House/Underwriter disclosing the number of units/shares and value of securities subscribed for, percentage composition subscribed and total subscription of the offer.

## **42 AUDITING OF THE FUND'S ACCOUNTS**

- 42.1 The Financial Year end of the Fund is December 31.
- 42.2 At least once in every Financial Year, the Fund Manager shall cause to be audited and certified by the Auditors the accounts relating to the management of the Fund. The audited accounts of the Fund shall be signed by the Fund Manager and the Trustee.
- 42.3 The results of the audits together with any other accounts relating to the Fund including accounts of the Fund Manager in relation to the Fund and the Trustee's report, statements of remuneration in connection therewith and performance reports shall be circulated to the Unit Holders no later than one (1) month.
- 42.4 A copy of the Auditor's report in respect of the Fund, which has been certified by the Auditor, shall be sent by the Fund Manager to the Commission and the Trustee, and shall be published in national newspapers within three (3) months after the end of the Financial Year to which the accounts relate or as the Commission may, from time to time, prescribe. A copy of the Auditor's report, which has been certified by the Auditor, shall also be uploaded on the Fund Manager's website within one (1) month after the accounts have been reviewed by the SEC or as the Commission may from time to time specify.
- 42.5 The Fund Manager shall submit first audited account of the Fund to the Commission no later than Eighteen (18) months from the opening of the Fund.

42.6 The Fund Manager may appoint tax consultants or such other accounting or tax professionals as it may determine from time to time.

### **43 AUDITORS**

43.1 The Auditors shall be appointed by the Fund Manager with the approval of the Trustee. No Auditor shall be a person who is not qualified for appointment as an Auditor of a company under Section 358 of the CAMA and Section 184 of the ISA.

43.2 Within thirty (30) days of the date of appointment of the Auditors, the Fund Manager shall apply to the Commission for approval of the appointment of the Auditors; and the Commission may at any time withdraw its approval of the appointment of the Auditors;

43.3 Any Auditors appointed may be removed by the Fund Manager with the approval of the Trustee by notice to the Auditors, PROVIDED THAT notice of such removal shall be provided to the SEC by the Fund Manager within seven (7) Business Days of such removal.

43.4 The remuneration of the Auditors shall be fixed by the Fund Manager and approved by the Trustee.

43.5 Notwithstanding any agreement between the Fund Manager and the Auditors, the Unit Holders may by resolution remove the Auditor before the expiration of the Auditors' term of office; and where a resolution removing an Auditor is passed at a meeting of the Unit Holders, the Fund Manager shall within fourteen (14) days of such meeting give formal notice of the removal of the Auditor to the Trustee, Auditors and the SEC.

43.6 The Auditors may resign their office by serving a notice in writing to that effect at the registered office of the Trustee and any such notice shall operate to determine their office on the date on which notice is received or on such later date as may be specified therein.

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

43.7.1 a statement to the effect that there are no circumstances connected with their resignation which they consider should be brought to the notice of the Unit Holders or the SEC; or

43.7.2 a statement setting out the circumstances connected with their resignation which they consider should be brought to the notice of the Unit Holders or the SEC.

43.8 Where a notice under this section is served at the Trustee's registered offices, the Trustee shall within fourteen (14) days of receipt of the said notice send a copy of the notice to the Fund Manager. The Fund Manager shall inform the Commission of the resignation of the Auditors within a period of seven (7) Business Days from the date of receipt of such notice.

### **44 DURATION AND TERMINATION OF THE TRUST**

44.1 The Trust constituted by this Deed shall be for a period of ninety-nine (99) years subject only to the provisions for termination as are herein contained.

44.2 The Trust may be terminated upon no less than six (6) months' notice by the Trustee in writing to the Fund Manager, Unit Holders and the Commission, if the Trust becomes illegal or if in the opinion of the Trustee it is impracticable or inadvisable to continue the Trust.

44.3 The Trust may at any time be terminated by a resolution of the Unit Holders holding not less than seventy-five per cent (75%) of the total Units at a meeting of the Fund duly convened and held in accordance with the provisions herein contained in respect of the Fund regarding meetings and such termination shall take effect no less than six (6) months from the date on which the said Special Resolution is passed or on such later date (if any) as the said Special Resolution may provide.

- 44.4 The Trust may be duly terminated by the Commission where any of the activities of the Trust is outside the ambit of permissible activities as provided for by the ISA, any relevant regulations enacted thereunder and/or any other Applicable Law, the Fund ceases to be primarily a Shari'ah compliant fund or where the Commission's approval of the Fund is withdrawn.
- 44.5 The Fund Manager may, by notice to the Commission, Unit Holders and the Trustee terminate the Fund if, in the opinion of the Fund Manager, the investment objective of the Fund is no longer achievable or the value of the Fund's assets is insufficient to justify the continued operation of the Fund or if, due to a change in law or other circumstance deemed appropriate by the Fund Manager, the continued operation of the Fund is no longer justified.
- 44.6 In the event of termination, the liquidation of the Fund and redemption of the Unit Holders' Units will be satisfied solely out of the assets of the terminated Fund without recourse to the assets of any other constituent fund or the assets of the Fund Manager.

### **45 PROCEDURE AFTER TERMINATION OF THE TRUST**

Upon the Trust being terminated in accordance with SEC Rule 453, the Trustee shall proceed as follows:

- 45.1 In conjunction with the Fund Manager, procure the sale of all investments remaining as part of the Deposited Property and pay therefrom all liabilities properly payable. Such sale shall be carried out in the best interest of the Unit Holders, in such manner and within such period after the termination of the Trust as the Trustee and the Fund Manager deems fit.
- 45.2 In conjunction with the Fund Manager, distribute or effect the distribution to the Unit Holders, in proportion to their Units, of all net cash proceeds derived from the realisation of the Deposited Property available for the purpose of such distribution. The Trustee may request for any additional information/document for the purpose of making such terminal distribution. PROVIDED THAT the Trustee shall be entitled to retain out of any monies in its hands as part of the Deposited Property a provision for all costs, charges, expenses, claims and demands incurred or made by the Trustee in connection with or arising out of the termination of the Trust and out of the monies so retained to be indemnified against any such costs, charges, expenses, claims and demands.
- 45.3 In conjunction with the Fund Manager, shall comply with the SEC Rules in respect of report to be submitted to the Commission upon completion of the termination.

### **46 MEETINGS**

Meetings of the Fund shall be held as provided in the Third Schedule to the Deed.

### **47 CIRCULARS AND ADVERTISEMENTS**

- 47.1 No advertisement circular or other document of a similar nature containing any statement with reference to the price of Units or containing any invitation to buy Units shall be issued by or on behalf of the Fund Manager unless such documents also contains a statement with respect to the yield/proposed yield from the Unit and as approved by the Trustee and the Commission
- 47.2 No advertisement circular or other document of a similar nature containing any statement with respect to the price of Units or the payments of other benefits received or likely to be received by Unit Holders or containing any invitation to buy Units shall be issued by or on behalf of the Fund Manager until the Trustee has had a reasonable opportunity to consider the terms of the document. No such document shall be issued if within ten (10) days after the document first comes under the Trustee's consideration, the Trustee notifies its disapproval of the terms thereof in writing to the Fund Manager. All such documents shall also be subject to the approval of the Commission before they are issued.
- 47.3 In all letters, circulars, advertisements or other publications referring to the issue or sale of Units reference shall be made to the Trustee only in terms previously consented to by the Trustee and the Commission.



## **48 NOTICES**

- 48.1 Any notice may be given by the Fund Manager or by the Trustee to any Unit Holder by licensed courier, email or by sending the same through the post in a prepaid letter addressed to such Unit Holder at the address appearing on the Register of Unit Holders, and when deemed expedient so to do any such notice may be communicated to any Unit Holder by advertisement in two (2) widely circulated national newspapers.
- 48.2 Any notices, or other communication or document to be given or delivered pursuant to this Deed to any of the Parties shall be sufficiently served if sent by prepaid first class post or hand and shall be deemed to be given on the day of delivery if delivered before 5 p.m. on a Business Day at the place of the addressee or otherwise on the next Business Day at the place of the addressee if delivered thereafter or (in the case of first class post) when it would be received in the ordinary course of the post.

## **49 COPIES OF TRUST DEED TO BE MADE AVAILABLE**

- 49.1 A copy of this Deed and of any deed supplemental hereto shall, at all times, during usual business hours be made available by the Fund Manager and the Trustee at their respective head offices and any Unit Holder shall be entitled to receive from the Fund Manager a copy of such Deed(s) as aforesaid on production of such evidence satisfactory to the Fund Manager or Trustee, including a Statement of Unitholding, and making payment to the Fund Manager of the prescribed amount for each copy of the document.
- 49.2 The Trustee shall keep the original of the Trust Deed while the Fund Manager is to keep a certified true copy of the Trust Deed.

## **50 COMPLIANCE WITH THE ISA**

The Trustee in exercise of the powers and discretions vested on it pursuant to this Deed shall comply with the provisions of the ISA.

## **51 MISCELLANEOUS**

### **51.1 Waiver, Authorisation and Determination**

The Trustee may without the consent or sanction of the Unit Holders and without prejudice to their rights in respect of any subsequent breach from time to time and at any time but only if and in so far as in their opinion the interests of the Unit Holders shall not be materially prejudiced thereby waive or authorise any breach or proposed breach by the Fund Manager of any of the covenants or provisions contained in this Deed shall not be treated as such for the purposes of this Deed PROVIDED ALWAYS THAT the Trustee shall not exercise any powers conferred on it by this Sub-clause in contravention of any express direction given by Extraordinary Resolution but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Trustee may determine, shall be binding on the Unit Holders, and, if, but only if, the Trustee shall so require, shall be notified by the Fund Manager to the Unit Holders as soon as practicable thereafter.

### **51.2 Breach**

Any breach of or failure to comply with any such terms and conditions as are referred to in Sub-clause 50.1 (*Waiver, Authorisation and Determination*) shall constitute a default by the Fund Manager in the performance or observance of a covenant or provision binding on it under or pursuant to this Deed.

### **51.3 Waiver**

No failure or delay by the Trustee in exercising any right or remedy shall operate as a waiver thereof nor shall any single or any partial exercise or waiver of any right or remedy preclude their further exercise or the exercise of any other right or remedy.

### 51.4 Severance

Each of the provisions of this Deed is severable and distinct from the others and if at any time one or more of such provisions is or becomes invalid, illegal or enforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

### 51.5 No amalgamation, reconstruction or other change in the status of the Fund Manager shall be

interpreted to avoid the obligations herein imposed on the Fund Manager and in the event (if any) of any change in status of the Fund Manager as aforesaid, the successor or successors-in-title of the Fund Manager as the case may be shall be held and deemed responsible for the due performance of the obligations herein intended by this Deed.

### 51.6 Execution in Counterpart

This Deed may be executed simultaneously in any number of counterparts, each of which shall be deemed to be an original, but all of which taken together, shall constitute one and the same instrument.

## 52 GOVERNING LAW

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

## 53 DISPUTE RESOLUTION

53.1 A notification shall be given to the SEC by any of the Parties of any dispute arising out of or relating to or connected with this Trust Deed within five (5) Business Days of the occurrence of such dispute.

53.2 The Parties shall endeavour to amicably resolve any dispute or misunderstanding that may arise between them, in relation to the terms of this Trust Deed.

53.3 Where the Parties are unable to resolve any dispute amicably within ten (10) Business Days of holding consultations after a dispute arises, such dispute shall then be settled by arbitration, conducted in accordance with the Arbitration and Conciliation Act, which is deemed to be incorporated by reference into this Sub-clause 53.3, which shall also have a maximum period of ten (10) Business Days to resolve the dispute after the exchange of pleadings by the Parties.

53.4 There shall be a single arbitrator appointed by the mutual agreement of the Parties PROVIDED THAT if the Parties are unable to agree on the choice of an arbitrator within ten (10) Business Days from the date on which a request for appointment of an arbitrator is made, the arbitrator who is expert in Shari'ah and Islamic financing transaction shall be appointed by the Chairman of the Chartered Institute of Arbitrators UK (Nigeria branch).

53.5 The place of arbitration shall be Lagos State, Nigeria and the language of the Arbitral proceedings shall be English.

53.6 Each Party shall bear its own costs and would be liable to contribute an equal amount in respect of fees to be paid to the arbitrator.

53.7 The Parties agree that the arbitration award shall be final and binding.

53.8 The arbitrator and the Parties shall keep confidential all matters relating to the arbitration proceedings. Confidentiality also extends to the arbitral award, except where its disclosure is necessary for purposes of implementation and enforcement or to the extent otherwise permitted by this Deed.

**54 ASSIGNMENTS AND TRANSFERS**

54.1 Transfers by the Trustee

The Trustee may assign or transfer any of its rights or interests under or in respect of this Deed to any successor as Trustee subject to the provisions of this Deed.

54.2 Transfers by the Fund Manager

The Fund Manager may not assign or transfer any of its rights, interests or obligations under or in respect of this Deed to any person, without (a) the express consent of the Majority of the Unit Holders

## EXTRACTS FROM THE CUSTODIAN AGREEMENT

Below are relevant extracts from the Custody Agreement:

### 2. Appointment and Role of the Custodian

- 2.1 subject to the terms and conditions of this Agreement, the Fund Manager hereby appoints the Custodian for the purpose of managing the Deposited Property and the Custodian hereby accepts its appointment to act as the Custodian in respect to the Fund.
- 2.2 The Custodian is hereby appointed to do the following;
- (a) The settlement of Securities and to hold the same on behalf of the Trustee/Fund upon terms and conditions hereof.
  - (b) Custody of all the Deposited Property from time to time on behalf of Trustee/Fund.
  - (c) To ensure that the Deposited Property is always immediately identifiable by third parties as custody assets of the Fund by the inclusion of such words in the title to sufficiently describe it as such.
  - (d) The collection of dividends, and principal amounts due for redemption on due date.
  - (e) The exercise or sale of subscription rights and attending to other related corporate actions, provided that, it shall be liable to the Trustee/Fund in full for any losses incurred due to its failure to carry out its obligation in relation to any corporate action affecting all or any part of the funds or assets covered by this Agreement.
  - (f) Transaction processing/settlement, monthly and quarterly reporting of status of Fund's assets to Fund Manager, Trustee, and the Commission.
  - (g) Carry out monitoring, oversight, administrative and other functions required in accordance with the terms and conditions of this Agreement.
  - (h) Act independently of the Fund Manager, the Trustee and of the management of the Fund and solely in the interest of the Unitholders.
  - (i) Be accountable to the Fund Manager, the Trustee, and the Commission in the performance of its obligations herein and such other functions as may reasonably be expected to perform pursuant to upholding the best interest of Unitholders and the Fund.
  - (j) Not create a charge on, security, lien or loan out, the Deposited Property.
  - (k) Ensure that applicable accounting standards are maintained in the preparation of the Fund's books.
  - (l) Ensure the financial statements are prepared on a going concern basis.
  - (m) The Custodian's role includes all the obligations as provided in SEC Rule 456.

### 3. Role of the Fund Manager

- 3.1 The Fund Manager is the investment manager whose role is to administer the Fund by doing the following:
- (a) Make investment decisions, in relation to the Fund and assets under the Fund.

- (b) Keep proper books of account and prepare financial statements.
- (c) Ensure that appropriate internal controls is set-up for the Fund.
- (d) Maintain adequate financial resources to meet its commitments and manage the risks thereon.

#### **4. Compliance with Relevant Regulation(s)**

Holding of Securities by the Custodian or any Securities Depository or Sub-Agent will be subject to Relevant Regulation(s) and practices, including the Rules and Regulations of the Commission. To the extent that such regulations conflict with the terms hereof, the former shall prevail. The Custodian may take or omit to take any action it deems in its absolute discretion fit to ensure compliance with any relevant regulation(s). Neither the Custodian nor any of its associates, directors, officers, agents, delegates, or employees shall be liable in respect thereof save in the case of gross misconduct or negligence of the Custodian or its Agents.

#### **5. The Account(s) and Record Keeping**

- 5.1 The Custodian shall establish and maintain the following accounts/books for the Fund: -
  - (a) A Securities Account for all securities from time to time received by the Custodian that have been designated for such Securities Account. Each Securities Account will be titled 'EAC Trustees/Capital Trust Halal Fixed Income Fund'. The Fund assets will be separate from that of the Custodian in line with Rule 456(b) of the SEC Rules;
  - (b) A Cash Account shall be designated to receive all sums due to the Fund and shall be titled 'EAC Trustees/Capital Trust Halal Fixed Income Fund'.
- 5.2 The Custodian shall hold the Property in the relevant Account on behalf of the Trustee/Fund.
- 5.3 The Property held in the Account shall be recorded on the books of the Custodian as belonging to the Trustee/Fund. The Custodian may treat Securities as fungible and therefore identification of the specific Securities held by the Custodian on behalf of the Trustee/Fund for a particular Unitholder may not be possible, provided, that the Custodian shall ensure that its assets are separate and distinct from the Fund has deposited Property and any other assets under its custody.
- 5.4 The Custodian shall also maintain a complete record of the number and type of Securities held by the Trustee/Fund for the account of the Fund.
- 5.5 Registration of Securities
  - (a) The Custodian shall arrange for the registration of Securities on behalf of the Trustee/Fund. The Custodian shall conduct regular registry inspections, at least quarterly, to confirm that the records of each registrar are identical to those of the Custodian with respect to each Security held for the Account.
  - (b) The Custodian shall be responsible for obtaining the consent of each registrar to conduct such inspection and shall provide a report of such inspection to the Trustee and the Fund Manager. In addition, the Custodian shall advise the Trustee and Fund Manager immediately upon discovery of any discrepancies between the records of a registrar and the Custodian's records regarding any Securities.
  - (c) The Custodian agrees to maintain those Securities capable of physical delivery in safekeeping at its registered offices or such other offices as the Custodian may occupy at any time hereafter subject to providing the Trustee and the Fund Manager with adequate notice thereof.

- (d) The Cash Account will be a sub-account within the Custodian's own Naira bank account for the purpose of receiving and distributing payments and other income, payments, proceeds of sale, redemption monies, or cash equivalent associated with the Trustee/Fund's Securities. The Custodian shall use its reasonable efforts to procure the receipt by it of the relevant evidence as soon as practicable, whereupon the Custodian shall procure the remittance of such monies to the Account in the name of the Trustee/Fund or as otherwise instructed by the Fund Manager.
- (e) The Custodian shall maintain records of the details of the Deposited Property, including date and amount, of debits and credits to the Deposited Property. The Custodian shall maintain a record in its own books of the Trustee/Fund and the number and type of Deposited Property for the Trustee/Fund.
- (f) The Custodian shall provide the Trustee and the Fund Manager with a confirmation of every change in the proportion of Deposited Property due to the Trustee/Fund since the last date of such confirmation.
- (g) The Custodian shall render the relevant reports in line with the Rules and Regulations of the Commission as amended from time to time.

## 6. Use of Securities Depositories and Agents

- 6.1 The Custodian may, with the prior written consent of the Fund Manager and the Trustee engage the services of a Securities Depository to hold funds and assets deposited in the Account provided that the Fund Manager or the Trustee may generally object to the use of any Securities Depository or agent which it has reason to believe may not uphold the fundamental objective of this Agreement.
- 6.2 If the Custodian deposits Property in a Securities Depository, the Custodian shall identify the Property so deposited on the Custodian's books as belonging to the Trustee/Fund and shall require that such Securities Depository identify the Property so deposited on its books as belonging to the Trustee/Fund.

## 7. Authorised Signatories

- 7.1 Upon the execution of this Agreement the Fund Manager/ Trustee shall supply to the Custodian a list of persons who are authorised to give instructions in respect of the Fund's accounts, operated by the Custodian and the said persons' relative specimen signatures.
- 7.2 The Fund Manager and Trustee shall promptly notify the Custodian of any changes that may be Made to the persons authorised under Clause 7.1 above and shall in the case of new signatories provide duly completed specimen signature cards in respect thereof.

## 8. Actions upon Authorised Instructions

- 8.1 Upon the receipt of Authorised Instructions (as hereinafter defined) the Custodian is authorised to sell, assign, transfer, deliver or exchange, or to receive or purchase for the Account, Securities, but only as provided in such Authorised Instructions.
- 8.2 Notwithstanding anything herein stated to the contrary, the Custodian shall not be responsible for the performance of such duties as are set forth in this Agreement or contained in Authorised Instructions given to the Custodian that is contrary to Relevant Regulation(s). The Custodian shall promptly notify the Fund Manager and the Trustee if it cannot comply with Authorised Instructions.
- 8.3 For the purposes of this Agreement, Authorised Instructions means:
  - (a) Instructions issued by the Fund Manager to the Custodian by SWIFT;
  - (b) Instructions issued by the Fund Manager to the Custodian via electronic mail;

- (c) Instructions issued by the Fund Manager in writing signed by such persons as are designated in writing by the Trustee;
  - (d) Other forms of instruction issued by the Fund Manager or the Trustee in computer readable form as shall be customarily utilised for the transmission of like information and acceptable to the Custodian; and
  - (e) Such other forms of communication issued by the Fund Manager or the Trustee as from time to time agreed upon by the Fund Manager/Trustee and the Custodian.
- 8.4 Subject to Clause 7 hereof, the Custodian shall undertake to carefully examine the signatures of the authorised signatories but shall not be bound to make any further examination with respect to identity.
- 8.5 Authorised Instructions shall continue in full force and effect until cancelled or superseded.
- 8.6 The Fund Manager shall be responsible for safeguarding any test keys, identification codes or other
- 8.7 security devices, which the Custodian may make available to the Fund Manager.
- 8.8 The Custodian shall only act upon written authorised instructions given by the Fund Manager.
- 8.9 If an Authorised Instruction is incomplete, unclear, ambiguous, and or, is in conflict with Another Authorised Instruction, the Custodian must request for resolution, where the Fund Manager is unable to provide clarification within 2 hours, the Custodian may in its reasonable discretion refuse to act on such Authorised Instructions until any incompleteness, unclearness, ambiguity or conflict has been resolved to its satisfaction.
- 8.10 Any Authorised Instructions validly given by the Fund Manager in accordance with this Agreement and received by the Custodian in such manner that it is reasonable to believe that it is authentic (notwithstanding any error in the transmission thereof), shall, as against the Fund Manager and in favour of the Custodian be conclusively deemed to be valid Authorised Instructions from the Fund Manager to the Custodian provided however that the Custodian may in its reasonable discretion decline to act upon any Authorised Instructions where the Custodian has reasonable grounds for concluding that the same have not been accurately transmitted or are not genuine. The Fund Manager is responsible for any loss, claim or expense incurred by the Custodian for following or attempting to follow the Authorised Instructions, if there are grounds to conclude that same was validly issued by the Fund Manager.

## **9. Actions without Authorised Instructions**

- 9.1 Unless the Custodian receives Authorised Instructions of the Fund Manager to the contrary, the Custodian is authorised to-
- (a) Exchange Securities when the exchange is purely ministerial -(including, without limitation, the exchange of interim receipts or temporary Securities for Securities in definitive form and the exchange of warrants, or other documents of entitlement to Securities, for the Securities themselves);
  - (b) Surrender Securities at maturity or when called for redemption upon receiving payment therefore;
  - (c) Take non-discretionary action on mandatory corporate actions; and
  - (d) In general, attend to all non-discretionary details in connection with the custody, sale, purchase, transfer, and other dealings of the Deposited Property.

## **10. Settlement**

In accordance with Authorised Instructions and subject to the receipt by the Custodian of any outstanding fees, costs or expenses in connection with this Agreement the Custodian will arrange for the settlement of the sale or other disposition of any security for the account of the Fund and for the purchase of any securities for the account of the Fund (which securities, when so purchased, will form part of the Securities) which have been executed by the Trustee.

Instructions shall be given to the Custodian for the settlement of any Securities transactions within a reasonable time and in any case not less than 2 (two) Business Days' notice shall be given to the Custodian for the withdrawal of the Securities from the Accounts or from any eligible depository.

## **11. Scope of Custodian's Responsibility**

- 11.1 The Custodian shall be under no duty to take or omit to take any action with respect to the Deposited Property or otherwise except in accordance with the terms of this Agreement.
- 11.2 The Custodian will exercise reasonable care and diligence in performing its obligations under this Agreement acting in the best interest of Unitholders and the Fund.
- 11.3 The Custodian shall maintain adequate policies of insurance covering any loss or damage to the Deposited Property whilst under its possession. Provided that prior to the full execution of this Agreement it furnishes the Fund Manager and the Trustee with evidence of a guarantee or other insurance policies covering the full value of all funds and assets to be transferred to the Custodian.
- 11.4 The Custodian shall have a duty to make reasonable enquiries as to safekeeping arrangements, collection thereof, delivery and/or transfer procedures of any Securities Depository or Agent that it may appoint to act in any capacity in relation to the Deposited Property subject to clause 6.1.
- 11.5 The Custodian shall have no duty of supervision or monitoring of any Securities Depository or Agent Other than to perform reasonable due diligence as to their selection as herein provided. It shall take all reasonable steps to ensure that insofar as the acts and omissions of such depository or agent affects the safekeeping and other custody roles regarding all or any part of the Deposited Property, the agent or securities depository shall act in the best interest of Unitholders and the Fund.
- 11.6 Subject, to the agreement by both parties the Custodian will use its best endeavours to obtain double-taxation treaty exemption certificate or otherwise provide tax reclamation services.

## **12. Reporting**

The Custodian shall provide the Fund Manager and the Trustee with monthly and quarterly reports, transaction advice and/or statements of accounts relating to the Property, the dates and depth of reporting level of which shall be as expressly agreed in writing between the Custodian and the Fund Manager from time to time. In the absence of filing with the Custodian by the Fund Manager of exceptions or objections to any information, report statement, confirmation, note or other document within 21(Twenty-One) days of the date of receipt thereof, the Custodian shall have no responsibility for any errors or omissions therein and the Fund Manager shall be deemed to have approved the contents thereof and accepted responsibility for all of its obligations appearing therein.

## **13. Lien**

The Custodian shall have no rights of set off or rights of lien with respect to all or any part of the Deposited Property. Provided further that where this Agreement is terminated pursuant to a notice given to the Fund Manager by the Custodian terminating the Agreement, the Custodian shall take reasonable steps to obtain its fees and shall not be entitled to exercise a right of lien or set off in respect hereof. Provided further that where the termination of this Agreement is pursuant to the directives of the Commission or an order of court having an immediate effect, the Custodian also waives its right of lien or set off hereof.



**14. Liability and Indemnity**

- 14.1 Each party shall indemnify the other in respect of claims, demands, costs and expenses made, suffered or sustained to the extent that the claims, demands, costs and expenses arise directly out of the negligence or default of the offending party or its employees, agents or representatives.
- 14.2 The Custodian shall be liable for any loss or prejudice suffered by the Fund or the Unitholders of the Fund due to the fraud by the Custodian, wilful default or negligence including the unjustifiable failure to perform in part or whole the Custodian's obligations set out under this Agreement unless otherwise stated.
- 14.3 In any event, the liability of the Custodian will be limited to the market value at the date of discovery or occurrence, whichever one is higher.
- 14.4 The Custodian shall only be liable to the Fund Manager for any expense, loss or damage suffered by or occasioned to the Fund Manager to the extent that the Custodian is in any default whatsoever, of its duties under this Agreement.
- 14.5 The Custodian shall not be liable to the Trustee/Fund for any expense, loss or damage suffered by or occasioned to the Fund by:
- (a) (without prejudice to Clause 14.1 hereof), any act or omission, or insolvency of any third party; or
  - (b) No fault of the Custodian, the collection or deposit or crediting to the Securities Account of invalid, fraudulent or forged Securities or any entry in the Securities Account or Cash Account which may be made in connection therewith provided that the Custodian has made reasonable efforts in connection with the collection, deposit or crediting of the Securities Account as herein provided; or
  - (c) Delay arising by no fault of the Custodian from obtaining clarification of Authorised Instructions which are unclear; or
  - (d) The Custodian, subject to Clause 9 above, acting on what in good faith it believes to be Authorised Instructions or in relation to notices, requests, waivers, consents, receipts, corporate actions or other documents, which the Custodian in good faith believes to be genuine.
- 14.6 For the avoidance of doubt, the Custodian accepts no liability whatsoever for any expense, loss or damage suffered by or occasioned to the Fund resulting from the general risks of investment, or the holding of securities, including but not limited to, losses arising from nationalisation, expropriation or other governmental actions, including changes in market rules, currency restrictions, devaluations or fluctuations, and market conditions affecting the execution or settlement of transactions or the value of securities or delays in registration or failure to register securities owing to the registrar's default outside the control of the Custodian, fraud or lack of corporate governance by issuers or fraud or negligence of registrars or delays in or failure to repatriate income or principal arising from the Property.
- 14.7 The Custodian shall not be liable to the Trustee/Fund for any partial or nonperformance of its obligations hereunder by reason of any cause beyond the reasonable control of the Custodian, including without limitation, any breakdown or failure of transmission known and acceptable to all parties, acts or regulations of any governmental or supranational bodies and the failure of any Agent or Securities Depository approved by the Fund Manager.
- 14.8 The Custodian shall use reasonable endeavours to communicate to the Fund Manager and the Trustee any of the events detailed in 14.6 and 14.7 above as soon as the Custodian becomes aware of such events.

**15. Confidentiality**

The Custodian shall not disclose to any other person apart from the Trustee and the Fund Manager any information obtained as a result of entering into this Agreement, unless required to do so by any relevant legislation, a regulatory authority or an order of court, and will not make use of any such information in a manner which would or might have a material adverse effect on the rights and interests of the Trustee in relation to the Property or this Agreement. The Custodian shall whenever practicably inform the Trustee and the Fund Manager as soon as such request is made.

**16. Right of Inspection**

The books, records, documents, accounting procedures and practices of the Custodian relevant to this Agreement are subject to examination by the Trustee, the Fund Manager, or their lawful representatives during normal business hours. Notice is not required for such inspections.

**17. Charges**

The Custodian Fee shall be 0.05% (zero point zero five per cent) of assets under custody per annum and payable quarterly in line with Rule 456(h) of the SEC Rules.

**18. Representations and Warranties**

- 18.1 The Custodian hereby represents and warrants to the Trustee and the Fund Manager that it is an authorised depository registered in accordance with the Laws of the Federal Republic of Nigeria and shall adhere to any regulations regarding the operations of such depository.
- 18.2 The Custodian is duly organised and in good standing in every jurisdiction where it is required so to be;
- 18.3 It has the power and authority to sign and to perform its obligations under this Agreement;
- 18.4 This Agreement is duly authorised and signed and is its legal, valid and binding obligation;
- 18.5 Any consent, authorisation or instruction required in connection with this Agreement has been provided by any relevant third party;
- 18.6 Any act required by any relevant governmental or other authority to be done in connection with this Agreement has been or will be done (and will be renewed if necessary); and
- 18.7 Its performance of this Agreement will not violate or breach any applicable law, regulation, contract or other requirement.
- 18.8 In the event that the Custodian no longer qualifies as an authorised depository, it shall notify the Fund Manager and the Trustee in writing or by other authorised means of such event upon receipt of which the Trustee may terminate this Agreement immediately.
- 18.9 The Fund Manager hereby represents and warrants that it has full capacity and authority to effect investments and to appoint Trustee to act in accordance with this Agreement.

**19. Amendment**

This Agreement may be amended from time to time by agreement in writing between the Custodian, the Fund Manager and the Trustee. However, all amendments shall be subject to prior review and approval of the Commission.

**20. Termination**

This Agreement remains valid until its termination upon 60 (sixty) days prior written notice from any of the Parties subject to prior notice to the Commission. The Trustee may terminate this Agreement with immediate effect if the Custodian is in breach of any of its duties hereunder and the Custodian has failed to remedy such breach after a notice period of one month have been given to it to remedy the breach.

- 20.1 Any such notice whether given by the Custodian or the Trustee shall be followed within 30 (thirty) days by instructions specifying the names of the persons to whom the Cash in the Accounts shall be paid and securities in the name of the Trustee/Fund shall be transferred. If within 30 (thirty) days following the giving of such notice of termination the Custodian does not receive such instructions, the Custodian shall continue to hold such Securities and Cash subject to this Agreement until such instructions are given.
- 20.2 Upon receipt of any instructions as afore-said the Custodian shall effect for no consideration any payment or transfer as specified in the same after payment to the Custodian of all amounts due and outstanding to it under this Agreement.
- 20.3 The Parties agree that the termination of this Agreement shall not come into effect prior to the appointment of another Custodian and the due transfer of the assets held in custody by the leaving custodian to the new custodian.

### **21. Assignment**

The rights and obligations of the parties to this Agreement shall not be assigned charged or otherwise dealt with by any of them without the prior written consent of all the parties to the Agreement.

### **22. Governing Law**

This Agreement will be governed and construed in accordance with the Laws of the Federal Republic of Nigeria

### **23. Dispute Resolution**

- (a) Whenever a dispute arises between the parties, the Commission shall be notified within 5 (five) working days.
- (b) A maximum period of 10 (ten) working days will be allowed for the parties to resolve the dispute themselves or to appoint arbitrators.
- (c) The arbitration panel shall consist of three (3) arbitrators, one appointed by each party, and the fourth who shall preside over the panel shall be appointed by the three (3) arbitrators appointed by the three (3) Parties. Where the three (3) appointed arbitrators are unable to agree on the choice of the fourth arbitrator within two (2) Business Days of their appointment, the choice of such arbitrator shall be referred to the President of the Chartered Institute of Arbitrators, Nigeria at the request of any of the Parties to this Agreement.
- (d) The arbitrators shall have a maximum period of 10 (ten) working days to resolve the dispute after the exchange of pleadings, failing which the matter shall be referred to the Commission for resolution.
- (e) Any party aggrieved by the decision of the Commission may refer the matter to the Investment and Securities Tribunal.
- (f) Arbitration pursuant to this agreement shall be in accordance with the Arbitration and Conciliation Act CAP A18, Laws of the Federation of Nigeria and the place of arbitration shall be Nigeria.

## STATUTORY AND GENERAL INFORMATION

### **INDEBTEDNESS**

As at the date of this Prospectus, the Fund Manager has no material indebtedness or obligations except in the ordinary course of business.

### **CLAIMS AND LITIGATION**

As at the date of this Prospectus, the Fund Manager has no material claims or litigation that its involved.

### **RELATIONSHIP BETWEEN FUND MANAGER AND THE TRUSTEES**

The Fund Manager and the Trustees do not have common shareholders or directors, and neither is a subsidiary nor holding company of the other.

### **RELATIONSHIP BETWEEN FUND MANAGER AND THE CUSTODIAN**

The Fund Manager and the Custodian do not have common shareholders or directors, and neither is a subsidiary nor holding company of the other.

### **COST AND EXPENSES**

The costs, charges and expenses of and incidental to the Offer, including fees payable to the SEC, professional parties, brokerage, printing and distribution expenses, are estimated at about Nineteen Million, Eight Hundred Thousand Naira (₦15,645,000.00) representing 0.783% of the gross Offer proceeds and are payable by the Fund and deductible from the monies raised by the Fund.

### **MATERIAL CONTRACTS**

The following agreements have been entered into and are considered material to this Offer:

1. A Trust Deed, dated 03 June, 2021, between the Fund Manager and the Trustee, under which the Fund is constituted;
2. A Custody Agreement, dated 03 June, 2021, between the Trustee, the Fund Manager and the Custodian, pursuant to which the Fund Manager has appointed the Custodian to act as custodian of the Fund's investments, cash and other assets and to accept responsibility for the safe custody of the Deposited Property which is delivered to and accepted by the Custodian.

Other than as stated above, the Fund Manager has not entered into any material contracts except in the ordinary course of business.

### **CONSENTS**

The following have given and not withdrawn their written consents to the issue of this Prospectus with their names and reports (where applicable) included in the form and context in which they appear:

#### **DIRECTORS OF THE FUND MANAGER**

Asiwaju Fola Osibo

Engr Ibikunle Ogunbayo

Alhaji Shuaibu Idris

Mr. Seyi A Oke (*Managing Director*)

CENTURY LEGAL LP  
Olushola Osinubi

<b>TRUSTEE TO THE FUND</b>	EAC Trustees Limited
<b>CUSTODIAN TO THE FUND</b>	United Bank for Africa PLC
<b>SOLICITORS TO THE OFFER</b>	Bloomfield Law Practice
<b>AUDITORS</b>	KPMG Professional Services
<b>REGISTRARS</b>	Cordros Registrar Limited
<b>SHARI'AH ADVISERS</b>	Prof. Ahmad Bello Dogarawa
	Dr. Sa'id Adekunle Mikail

**SHARI'AH COMPLIANCE CERTIFICATION - CERTIFICATE**

In the name of Allah, the Most Gracious the Most Merciful

All praise is due to Allah, the Lord of the worlds, and peace and blessings be upon the Prophet Muhammad (S.A.W), his family and all his companions.

**SHARI'AH COMPLIANCE CERTIFICATE**

**OF THE**


**CAPITALTRUST HALAL FIXED-INCOME FUND**

The Shari'ah Advisory Council of Capital Trust Investment and Asset Management Ltd has reviewed the structure, investment policy, Trust Deed and other related documents based on the Fund Prospectus of the Capital Trust Investments and Asset Management Ltd, and passed the Resolution on 12<sup>th</sup> October 2020 with Ref. No. SAC-12102020 that the Halal Fixed-Income Fund being issued by Capital Trust Investments and Asset Management Ltd is in compliance with the principles of Islamic law (Shari'ah).

We hereby approve the structure of the fund and issue this Fatwa to confirm the same.

And Almighty Allah knows best.

For and on behalf of the Shari'ah Advisory Council;





Prof. Ahmad Bello DOGARAWA  
Member, Shari'ah Advisory Council  
CapitalTrust Halal Fixed Income Fund



Dr. Sa'id Adekunle MIKAIL  
Member, Shari'ah Advisory Council  
CapitalTrust Halal Fixed Income Fund

Date: 12 October 2020 / 24 Safar, 1442 AH

**SHARI’AH COMPLIANCE CERTIFICATION - RESOLUTION OF SHARI’AH ADVISORY COUNCIL**

Resolution of Shari’ah Advisory Council (SAC) of Capital Trust Halal Fixed Income Fund	
<b>Reference Number</b>	SAC-12102020
<b>Date</b>	12th October 2020
<b>Purpose</b>	<p>1.1 To give concurrence on the compliance of the Fund and related documentation with Shari’ah requirements;</p> <p>1.2 To issue the resolution of Shari’ah Advisory Council (“SAC”) of the Capital Trust Investments and Asset Management Ltd (“Capital Trust”) on the Fund and related documentation.</p>
<b>Background/ Recommendation</b>	<p><b>Background:</b></p> <p>2.1 Sequel to the appointment of SAC by Capital Trust and subsequent communication on the Fund and related documents as part of the Shari’ah governance requirements to issue Shari’ah resolution on the compliance of the Fund with Shari’ah requirements.</p> <p>2.2 We, the members of SAC, have vetted and reviewed the Fund and relevant documents.</p>
<b>Documents Reviewed</b>	<p>3.1 Prospectus of Capitaltrust Halal Fixed Income Fund (CTHFIF)</p> <p>3.2 Trust Deed of the Fund</p>
<b>Resolutions</b>	4.1 Pursuant to our review of the above documents, we are of the view that the Fund and the relevant documents comply with the Shari’ah rules and principles.
<b>Endorsement</b>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">   <b>Professor Ahmad Bello</b>  <b>DOGARAWA</b>                      Member, SAC                 </div> <div style="text-align: center;">   <b>Dr. Sa'id Adekunle MIKAIL</b>                      Member, SAC                 </div> </div>
<b>Reasons for Dissent (if any)</b>	<i>Shari’ah Advisory Council member(s) who are not agreeable MUST state the reason(s).</i>

**1. Application**

- 1.1 The general public is hereby invited to apply for Units of the Fund through any of the Receiving Agents listed in this Prospectus.
- 1.2 Applications for Units must be made in accordance with the instructions set out at the back of the Application Form attached hereto. Care must be taken to follow these instructions, as applications which do not comply will be rejected.
- 1.3 The Application List for the Units now being offered will open on 15 June, 2021. Applications must be for a minimum of 20 Units. The number of Units for which an application is made and the value of the cheque or bank draft attached should be entered in the boxes provided on the Application Form.
- 1.4 A single applicant should sign the declaration and write his/her full names, address, daytime telephone number and mobile telephone number in the appropriate space on the Application Form. Where the application is being made on behalf of a minor, the full names of the applicant and the minor as well as the date of birth of the minor should be provided. Item "2" should be used by joint applicants. A corporate applicant should affix its seal in the box provided and state its Incorporation Registration (RC) Number.
- 1.5 Applications below ₦10 million should be forwarded together with a payment instrument (e.g bank draft, cheque etc) or supporting evidence for the full amount of the purchase price made payable to the Offer proceeds account indicated below. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "**EAC TRUSTEES**" with the name, address and daytime telephone number of the applicant written on the back. All bank commissions and transfer charges must be prepaid by the applicant. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected and returned through the post at the applicant's risk.

**2. Allotment**

The Directors of the Fund Manager reserve the right to accept or reject any application in whole or in part for not meeting the conditions of the Offer. In the event of an over subscription, additional Units of the Fund will be absolved, subject to the Commission's approval.

**3. Application Monies**

All application monies will be retained in a separate bank account by the Custodian. If any application is not accepted or is accepted for fewer Units than the number applied for, a crossed cheque for the full amount paid or the balance of the amount paid (as the case may be) will be returned by registered post within five (5) Business Days of allotment or through a bank transfer within 48 hours of allotment.

Statements of Unit Holding will be sent by registered post to the physical address provided by the subscriber on the attached Application Form and/or by electronic mail to the email address provided on the attached Application Form, not later than seven (7) Business Days from the date of allotment.

<b>Account Name:</b>	<b>UBA NOM -EAC TRUSTEES/CAPITALTRUST HALAL FIXED INCOME FUND</b>
<b>Bank:</b>	<b>UBA PLC</b>
<b>Account No.:</b>	<b>1023670456</b>
<b>Currency:</b>	<b>NGN</b>
<b>Branch:</b>	<b>UBA Head Office</b>



## RECEIVING AGENTS

**All capital market operators with current SEC registration as at the date of this Prospectus are eligible to act as Receiving Agents to the Issue.** A brokerage commission of 0.25% will be paid on the value of allotted Units in respect of applications bearing their official stamps.

*The Fund Manager cannot accept responsibility for the conduct of any Receiving Agent. Investors are therefore advised to conduct their own independent enquiries before choosing an agent to act on their behalf. Evidence of lodgement of funds with any Receiving Agent, in the absence of corresponding evidence of receipt by the Fund Manager, cannot give rise to a liability on the part of the Fund Manager under any circumstances.*

Banks			
Access Bank PLC	First City Monument Bank Limited	Stanbic IBTC Bank Plc Standard	United Bank for Africa PLC
Citi Bank Nigeria Limited	Guaranty Trust Bank PLC	Chartered Bank Nig.	Unity Bank PLC
EcoBank Transnational Incorp	Heritage Bank Limited	Sterling Bank PLC	Wema Bank PLC
Fidelity Bank PLC	Keystone Bank Limited	Taj Bank Limited	Jaiz Bank PLC
First Bank of Nigeria Limited	Polaris Bank PLC	Union Bank of Nigeria PLC	Zenith Bank PLC

Stockbrokers and Others			
Adamawa Securities Ltd	EDC Fund Management Ltd	Kundila Finance Services Ltd	Rostrum Investment And Securities Ltd
Adonai Stockbrokers Ltd	EDC Securities Ltd	Lambeth Trust And Investment Co. Ltd	Rowet Capital Management Ltd
African Alliance Stockbrokers Ltd	Edgefield Capital Management Ltd	Lead Assets Management Ltd	Royal Crest Finance Ltd
Afrinvest Securities Ltd	Efcpl Ltd	Lead Capital Ltd	Royal Guaranty And Trust Ltd
Afrinvest West Africa Ltd	Elixir Asset Management Ltd	Lead Securities & Investment Ltd	Royal Trust Securities Ltd
Aiico Capital Ltd	Elixir Securities Ltd	Lighthouse Assets Management Ltd	Santrust Securities Ltd
Alpha Morgan Capital Managers Ltd	Enterprise Stockbrokers Plc	Longterm Global Capital Ltd	Securities Africa Financial Ltd
Alternative Capital Partners Ltd	Equity Capital Solutions Ltd	Lotus Financial Services Ltd	Securities And Capital Mgt. Company Ltd
Altrade Securities Ltd	Eurocomm Securities Ltd	Magnartis Finance & Investment Ltd	Security Swaps Ltd
Amyn Investments Ltd	Express Discount Asset Management Ltd Express	Mainland Trust Ltd	Sfc Securities Ltd
Anchorage Securities and Finance Ltd	Portfolio Services Ltd	Mainstreet Bank Capital Ltd	Sfs Capital Nigeria Ltd
Anchoria Investment and Securities Ltd	Fbc Trust And Securities Ltd	Mainstreet Bank Securities Ltd	Sfs Financial Services Ltd
Apel Asset Ltd	Fbn Capital Asset Management Ltd	Mansard Investment Ltd	Shalom Investment Financial Services Ltd
Apt Securities and Funds Ltd	Fbn Capital Ltd	Marimpex Finance & Investment Co. Ltd	Shelong Investment Ltd
Aquila Asset Management Ltd	Fbn Securities Ltd	Marrina Securities Limited	Sigma Securities Ltd
Argentil Capital Partners Ltd	Fcmb Capital Markets Ltd	Marriot Securities & Investment Co. Ltd	Signet Investments & Securities Ltd
Arian Capital Mgt Ltd Arm Harith	Fcsl Asset Management Company Ltd Fidelity	Maxifund Investments And Securities Plc	Sim Capital Alliance Ltd
Infrastructure Investment Ltd Arm	Finance Company Ltd	Mayfield Investment Ltd	Skyview Capital Ltd
Investment Managers Ltd	Fidelity Securities Ltd	Mbc Capital Ltd	Smadac Securities Ltd
Arm Securities Ltd	Fiducia Capital Investment Advisers Ltd Financial	Mbc Securities Ltd M	Solid-Rock Securities & Investment Plc
Arthur Steven Asset Management Ltd	& Analytics Capital Ltd	bl Financial Services Ltd	Spring Trust & Securities Ltd
Asset & Resource Management Co. Ltd	Financial Derivatives Co. Ltd	Mega Capital Financial Services Ltd	Springboard Trust & Investment Ltd
Associated Asset Managers Ltd	Financial Trust Company Nig. Ltd	Mega Equities Ltd Meristem Securities Ltd	Stanbic Ibt Capital Ltd
Associated Discount House Ltd	Finmal Finance Services Ltd	Meristem Stockbrokers Ltd	Stanbic Ibt Stockbrokers Ltd
Atlas Portfolios Ltd	First Ally Capital Ltd	Meristem Wealth Management Ltd	Standard Union Securities Ltd
Bauchi Investment Corporation Ltd	First Inland Capital Ltd	Milestone Stockbrokers Ltd	Sterling Asset Management & Trustee Ltd
Belfry Investments and Securities Ltd	First Integrated Capital Management Ltd Fis	Milestone Capital Management Ltd	Sterling Capital Markets Ltd
Bestlink Investment Ltd	Securities Ltd	Mission Securities Ltd	Strand Capital Partners Ltd
Bestworth Asset and Trust Ltd	Foresight Securities & Investment Ltd Forte	Molten Trust Ltd	Tak Asset Management Ltd
Boston Advisory Ltd	Financial Ltd	Morgan Capital Securities Ltd	Taraba Investment & Properties Ltd
Calyx Securities Ltd	Forthright Securities And Investments Ltd Fortress	Mountain Investment And Securities Ltd	Tfs Securities & Investment Company Ltd
Camry Securities Ltd	Asset & Investment Management Ltd	Mutual Alliance Investment & Securities Ltd	The Bridge Securities Ltd
Capital Assets Ltd	Fortress Capital Ltd	Network Capital Ltd	Tib Asset Management Ltd
Capital Bancorp Plc	Fsdh Asset Mgt. Ltd	Network Securities & Finance Ltd	Taraba Investment & Properties Ltd
Capital Express Securities Ltd	Fsdh Securities Ltd	Newdevco Investment & Securities Co. Ltd	Tfs Securities & Investment Company Ltd
Capital Trust Brokers Ltd	Funds Matrix And Assets Management Ltd Future	Nigerian International Securities Ltd	The Bridge Securities Ltd
Capital Trust Investment & Asset	View Financial Services Ltd Futureview Securities	Nigerian Stockbrokers Ltd	Tiddo Securities Ltd
Management Ltd	Ltd	Nova Finance & Securities Limited	Tomil Trust Limited
Cardinalstone Partners Ltd	Gem Asset Management Limited Gidauniya	Options Securities Ltd	Topmost Securities Ltd
Cardinalstone Securities Ltd	Investment And Securities Ltd Global Asset	Pac Asset Management Ltd	Tower Assets Management Ltd
Cashcraft Securities Ltd	Management Nig. Ltd	Pac Securities Ltd	Tower Securities & Investment Company Ltd
Cashville Investments & Securities Ltd	Globalview Consult & Investments Ltd	Panafrican Capital Plc	Tradeflink Securities Ltd
Cdl Capital Markets Ltd	Goldbanc Management Associates Ltd	Partnership Securities Ltd	Traders Trust And Investment Company Ltd
Centre Point Investments Ltd	Golden Securities Ltd	Peace Capital Market Ltd	Transafrica Financial Services Ltd
Century Securities Limited	Greenwich Assets Management Ltd	Perfecta Investment Trust Ltd	Transworld Investment & Securities Ltd
Chapelhill Denham Securities Ltd	Greenwich Securities Ltd	Phoenix Global Capital Markets Ltd	Treasure Capital & Trust Ltd
Chartwell Securities Ltd	Greenwich Trust Ltd Gresham Asset Mgt. Ltd	Phonosis Securities Ltd	Trust Yields Securities Ltd
Citi Investment Capital Limited	Grueene Capital Limited	Pinefields Investments Services Ltd	Trustbanc Asset Management Ltd
City Code Trust & Investment Company Ltd	Gti Capital Ltd	Pipc Securities Ltd	Trustbanc Capital Management Ltd
Clearview Investments Co. Ltd Compass	Gti Securities Ltd	Pivot Trust & Investment Company Ltd	Trusthouse Investments Ltd
Investment & Securities Ltd	Halo Nigeria Capital Ltd	Planet Capital Ltd	Trw Stockbrokers Ltd
Cordros Asset Management Ltd	Harmony Securities Ltd	Primera Africa Fund Managers Ltd	Primewealth Capital Ltd
Cordros Capital Ltd	Heartbeat Investments Ltd	Primera Africa Securities Ltd	Prominent Securities Ltd
Core Trust and Investment Ltd	Hedge Securities & Investments Company Ltd	Primeval Capital Ltd	Psi Securities Ltd
Coronation Securities Ltd	Heritage Capital Market Ltd	Pyramid Securities Ltd	Pyramid Securities Ltd
Cowry Securities Ltd	Horizon Stockbrokers Ltd	Quantum Securities Ltd	Quest Advisory Services Ltd
Crane Securities Ltd	Icmg Securities Ltd	Radix Capital Partners Ltd	Rainbow Securities And Investment Co. Ltd
Crossworld Securities Ltd	Icon Stockbrokers Ltd	Rand Merchant Bank Nigeria Ltd	Readings Investments Ltd
Crown Capital Ltd Crystal Trust Asset	Imperial Asset Managers Ltd	Regency Assets Management Ltd	Renaissance Securities Ltd
Management Ltd	Independent Securities Ltd	Rencap (Securities) Nigeria Ltd	Rencap (Securities) Nigeria Ltd
Csi Stockbrokers Ltd	Integrated Trust & Investments Ltd	Resort Securities & Trust Ltd	Reward Investments & Services Ltd
De Lords Securities Ltd	Interstate Securities Ltd	Reward Investments & Services Ltd	
Deep Trust Investment Ltd	Investment One Financial Services Ltd		
Diamond Securities Ltd	Investment One Funds Management Ltd		
Dominion Trust Ltd	Investment One Stockbrokers Int'l Ltd		
Dsu Brokerage Services Ltd	Investment Shark & Asset Management Ltd		
Dunbell Securities Ltd	Investors And Trust Company Ltd		
Dunn Loren Merrifield Advisory Partners Ltd	Iroko Capital Advisory Ltd		
Dunn Loren Merrifield Securities Ltd	Iworld Financial Services Ltd		
Dunnloren Merrifield Asset Mgt. & Research	Kapital Care Trust & Securities Ltd		
Co. Ltd	Kedari Capital Ltd		
Dynamic Portfolio Ltd	Kellogs Assets Mgt. Ltd		
Ezellon Capital Ltd	Kinley Securities Ltd		
	Kofana Securities & Investment Ltd		

## APPLICATION FORM

**INITIAL PUBLIC OFFERING OF 2,000,000  
UNITS AT ₦1,000.00 PER UNIT**

FUND MANAGER

**IN THE  
CAPITAL TRUST HALAL FIXED INCOME FUND**



(Authorised and registered in Nigeria as a unit Trust Scheme)

Applications must be made in accordance with the instructions set out on the reverse side of this application form. Care must be taken to follow these instructions as applications that do not comply may be rejected. If you are in doubt as to the action to take, please consult your Stockbroker, Accountant, Banker, Solicitor, or any other professional adviser for guidance immediately.

Please Complete All Relevant Sections of This Form Using Block Letters Where Applicable

Guide to Application		Declaration
Number of Units applied for	Amount payable	I/We declare that I/We have read the Prospectus dated 03 June 2021 issued by CapitalTrust Investments & Asset Management Limited We the undersigned, confirm that we have full capacity to contract and hereby irrevocably apply for the number of Units specified hereon I/We attach the amount payable in full on application for the number of units indicated in the Capital Trust Halal Fixed Income Fund at ₦1,000.00 per Unit I/We agree to accept the same or any smaller number of Units in respect of which allotment may be made upon the terms of the Prospectus dated XX Month, 2020 and subject to the Trust Deed constituting the Fund
Minimum Subscription	₦20,000	
Subsequent multiples of 5	₦5,000	
Units Applied		
Value of Units Applied/ Amount Paid		
Date (DD/MM/YYYY)		
Control No. (For Fund Manager's Use Only)		

**Applicant Details (Individual/Corporate/Joint) (Please use one box per alphabet leaving one box blank between the first word and second)**

Surname/Corporate Name	
First Name (For Individuals Only)	Other Names (For Individuals Only)
Joint Applicant's First Name (If Applicable)	Other Names (For Joint Applicant Only)
Contact Person (For Corporate Applicant)/ Next of Kin (For Individual Applicant)	
Occupation	
Form of Identification	Identification Number
Address In Full (Please Do Not Repeat Applicant(s)' Name. Post Office Box No. Alone Is Not Sufficient)	
Tel.	
City	State
Email	

**Beneficiary Details (For Individual Only)**

Surname		Other Names	
Address In Full (Please Do Not Repeat Applicant(s)' Name. Post Office Box No. Alone Is Not Sufficient)			
Tel.			
City	State	Email	

**Please Complete This Section If This Application Is Being Made on Behalf of a Minor:**

Surname Of Minor		Other Names	
Date Of Birth (DD/MM/YYYY)	Gender	Nature of Relationship (Parent/Guardian)	
/ /	Male <input type="checkbox"/> Female <input type="checkbox"/>		
Address In Full (Please Do Not Repeat Applicant(s)' Name. Post Office Box No. Alone Is Not Sufficient)			
Tel.			
City	State	Email	

**Income**

Please Tick The Box To Indicate The Preferred Option		Cash	Reinvestment
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**Bank Details (For E- Distribution)**

Bank Name	Branch
Account Number	Bank Sort Code
Bank Verification Number	CHN

**Authorisations**

Signature	2nd Signature (Corporate/Joint)	Official Seal / RC No.
		OR *Thumbprint* (For Illiterates Only)
Name of Authorised Signatory / Designation (Corporate Only)	Name of Authorised Signatory / Designation (Corporate Only)	

**Form of Attestation (Compulsory requirement for a witness of a thumbprint impression only)**

I, \_\_\_\_\_ [please insert full name of person attesting] of \_\_\_\_\_ [insert address] hereby testify that the above \*thumbprint\* was affixed in my presence this \_\_\_\_\_ day of \_\_\_\_\_ 2021, and is the true right thumb print of \_\_\_\_\_ [insert name of person executing] who has acknowledged to me after due explanation of the Application Form in the language understandable to him/her that (i) he/she has voluntarily executed this instrument and (ii) he/she understands the contents and effect thereof.

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_, 2021.      Witness Signature: \_\_\_\_\_

## INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

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1. Applications must be made only on this Application Form, or on a photocopy, downloaded or scanned copy of the Application Form.
2. The Application List for the Units will be open to prospective investors from the date of commencement.
3. Applications must be for a minimum of 20 Units in the first instance. The number of Units for which an application is made and the applicable value should be entered in the boxes provided.
4. An application for a minor must include the full names and date of birth of the minor, as well as the full names and address of the adult (Parent or Guardian) making the application on such minor's behalf.
5. Joint applicants must all sign the Application Form.
6. An application from a corporate body must bear the corporate body's common seal and be completed under the hand of a duly authorized official.
7. An application by an illiterate should bear his right thumbprint on the Application Form and be witnessed by an official of the Receiving Agent at which the application is lodged whom is to have first explained the meaning and effect of the Application Form to the illiterate in his own language. Above the thumbprint of the illiterate, the witness must record in writing that he has given this explanation to the illiterate in a language understandable to him and that the illiterate appeared to have understood same before affixing his thumb impression.
8. An applicant should not print his signature. If he is unable to sign in the normal manner he should be treated for the purpose of this Offer as an illiterate and his right thumbprint should be clearly impressed on the Application Form.
9. Applications in Naira below ₦10 million should be forwarded together with a bank draft for the full amount of the purchase price made payable to any of the Receiving Agents listed in this Prospectus or via NEFT or RTGS into the Offer proceeds account. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "EAC TRUSTEES" with the name, address and daytime telephone number of the applicant written on the back. All bank commissions and transfer charges must be prepaid by the applicant. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected and returned through the post at the applicant's risk.
10. Applications in Naira above ₦10 million should be transferred via RTGS into the Offer proceeds accounts.
11. An applicant must provide bank details in the space provided in the Application Form (Applications without bank details will be treated as invalid and thus rejected).

**APPLICATION FORM**  
**CAPITAL TRUST HALAL FIXED**  
**INCOME FUND**