

TRUST DEED AND RULES

September 2023

MADISON INVESTMENT MANAGERS LIMITED
(the “Promoter and Fund Manager”)

-AND-

KCB BANK KENYA LIMITED
(the “Trustee”)

THE MADISON UNIT TRUST FUNDS

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THIS TRUST DEED AND RULES is made on **22nd September 2023** between:

- 1) **MADISON INVESTMENT MANAGERS LIMITED** (the “**Promoter and Fund Manager**”) a company incorporated in Kenya having its registered offices in Nairobi and of P.O. Box 20092-00100 Nairobi, Kenya; and
- 2) **KCB BANK KENYA LIMITED** (the “**Trustee**”) a company incorporated in Kenya having its registered offices in Nairobi and of P.O. Box 30664-00100 Nairobi.

WHEREAS the Promoter and the Trustee have agreed to enter into this Trust Deed and Rules for the purpose of establishing an umbrella unit trust scheme under the name “Madison Unit Trust Funds” and by means of Supplemental Deeds to establish three sub funds, namely, Madison Money Market Fund, Madison Fixed Income Fund and Madison Wealth Fund in the manner hereinafter appearing **NOW THIS DEED WITNESSES** as follows:

PART I- CONSTITUTION OF TRUST

1. DEFINITIONS

1.1 In this Deed, unless otherwise specifically stated, words defined in the Capital Markets Act, Cap 485 A of the laws of Kenya (the “**ACT**”) bear the meanings assigned to them in the Act, and unless inconsistent with the context, all words and expressions importing the masculine gender shall include the feminine, and words signifying the singular number shall include the plural and vice versa.

1.2 In this deed, unless inconsistent with the context, the following expressions shall have the following meanings:

“**Accounting Period**” means the annual accounting period of the Madison Unit Trust Funds ending on the last day of December of each year.

“**Act**” means the Capital Markets Act, (Cap 485A of the Laws of the Kenya), or any statutory modification or re-enactment thereof or any rules and regulations made thereunder including but not limited to the CIS Regulations;

“**Auditor**” means a person or a firm qualified for appointment as auditor of a public company in Kenya and appointed by the Fund Manager as its auditor and as auditor of the Fund, subject to the provisions of the Act;

“**Business Day**” shall exclude Saturdays, Sundays and public holidays.

“**Capture**” means the creation of units on a given value date once a Unitholder’s application has been accepted and payment cleared as received by the Fund Manager.

“CIS Regulations” means the Capital Markets (Collective Investment Schemes) Regulations, 2001.

“CMA” means the Capital Markets Authority of Kenya established under Section 5 of the Capital Markets Act (CAP 485A).

“Certificate” means a document of title or periodic statement issued pursuant to the provisions of the Trust Deed that serves as evidence of title by a Unitholder to the units referred to therein in the Madison Unit Trust Funds and “Certificates” shall be construed accordingly.

“Companies Act” means the Companies Act No. 17 of 2015.

“Collective Investment Scheme” shall have the meaning assigned thereto in the Act.

“Custodian” means a company approved by the CMA to hold in custody funds, securities, financial instruments or documents of title to the assets of Madison Unit Trust Funds.

“Dealing” means an act of buying, selling or agreeing to buy or sell or trade securities by the Fund Manager.

“Distribution Dates” means the distributions of income to the Madison Unit Trust Funds in accordance with Clause 8 of the Supplemental Trust Deed of each Fund.

“Effective time” refers to that time in relation to winding up of the scheme at which the conditions referred to in sub-regulation 1 of regulation 100 of the CIS Regulations are satisfied or if later, the time determined in accordance with sub-regulation 2 of regulation 100, at which the scheme shall be wound up.

“Extraordinary meeting” means a meeting convened in accordance with clause 38.2.

“Extraordinary resolution” means a resolution passed by a majority of seventy-five percent (75%) of the votes cast in an extraordinary meeting.

“Form of Renunciation” means a document in the form from time to time prescribed by the Fund Manager, by which a Unit holder renounces all his right, title and interest in and to the Units to which the Form of Renunciation relates and acknowledges that he has no further interest in such Units.

“Funds” or **“Scheme fund”** means the portfolio comprising the Madison Unit Trust Funds.

“Fund Manager” means Madison Investment Manager Ltd, its successors or any other company, which from time to time administers, manages or controls the Madison Unit Trust Funds under the terms of the Act and this Deed.

“Income Accruals” for an accounting period means any dividend, interest or other income for distribution received by or accrued to the Fund, the Custodian, or the Fund Manager, on behalf of the Unitholders for that accounting period together with any amounts carried forward from any previous accounting period as not having been distributed.

“Incorporation Documents” means the incorporation documents for the Scheme as required under the CIS Regulations.

“Information Memorandum” means the information memorandum submitted to CMA pursuant to regulation 5 of the CIS Regulations.

“Madison Wealth Fund” means a sub fund of Madison Unit Trust Fund investing in a diversified portfolio of high yielding securities in the local and international markets including any assets for the time being held or deemed to be held upon trust pursuant to the Supplemental Trust Deed of Madison Wealth Fund, the Trust Deed of the umbrella Madison Unit Trust Fund or the incorporation documents or any other offering document of the Scheme.

Madison Fixed Income Fund” means a sub fund of Madison Unit Trust Fund investing in fixed income securities in the local and international markets including any assets for the time being held or deemed to be held upon trust pursuant to the Supplemental Trust Deed Madison Fixed Income Fund, the Trust Deed of the umbrella Madison Unit Trust Fund or the incorporation documents or any other offering document of the Scheme.

“Madison Money Market Fund” means a sub fund of Madison Unit Trust Fund investing in a diversified portfolio of interest-earning instruments in the local and international markets which have a weighted average tenor of thirteen months including any assets for the time being held or deemed to be held upon trust pursuant to the Supplemental Trust Deed Madison Money Market Fund, the Trust Deed of the umbrella Madison Unit Trust Fund or the incorporation documents or any other offering document of the Scheme.

“Management fee” means the payments made to remunerate the Fund Manager for managing the Madison Unit Trust Funds.

“Market Value” means with reference to an equity security at a point of time on a particular day, the last transaction price thereof on a recognized equity securities exchange and if no transactions have taken place on that particular day, the value of such security calculated by reference to the closing market price on that particular day on the said stock exchange, provided that –

- i. In respect of securities listed on a recognized securities exchange outside Kenya which is still open for trading at the point of time at which the market value is determined, the Fund Manager may determine that the market value of a security listed on such an exchange as the last closing

- transaction price of that security on that recognized securities exchange at the point of time at which the market value is determined;
- ii. Where securities have been purchased or sold but such purchase or sale has not been completed, such securities shall be included in or excluded from the Fund and the gross purchase or net sale consideration excluded or included, as the case may require, as if such purchase or sale had been duly completed;
 - iii. Where the Fund Manager has given to the Trustee notice of a reduction of the Fund by the cancellation of Units but such cancellation has not been completed, the Units to be cancelled shall not be deemed to be in issue and the value of the relative unit portfolio shall be reduced by the amount payable to the Fund Manager upon such cancellation;

“Lock-in Period,” means the period for which withdrawals from the Collective Investment Scheme shall not be permitted. The Lock-in Period begins on the date on which a Unitholder makes their first investment.

“Portfolio” means the underlying securities in which persons are invited or permitted by the Fund Manager to acquire units pursuant to the Madison Unit Trust Funds including any cash and/or claims forming part or deemed to form part of the assets pertaining to the Madison Unit Trust Funds but after deduction of any liability pertaining or deemed to pertain to such portfolio.

“Promoter” means Madison Investment Managers Limited, a company incorporated in Kenya having its registered office at Madison House, 2nd Floor, Upper Hill Road, P.O. Box 20092-00100 Nairobi.

“Recognized stock exchange” means the Nairobi Stock Exchange, or a securities exchange outside Kenya approved by the Fund Manager and the Trustee and subject to the terms of the Act.

“Register” means the register of Unitholders of the Madison Unit Trust Funds.

“Scheme” means the Madison Unit Trust Funds constituted by this Deed and all the other incorporation documents relating thereto.

“Securities” mean:

- a) Debentures or bonds issued by a government.
- b) Debentures, shares, bonds, Commercial Paper, or notes issued or proposed to be issued by a body corporate.
- c) Any right, warrant, option or futures in respect of any debenture, shares, bonds, notes or in respect of commodities.
- d) Any unit or interest share offered under a Collective Investment scheme; or
- e) Any instrument commonly known as securities but does not include-
 - (i) Bills of exchange
 - (ii) Promissory notes; or

- (iii) Certificates of deposits issued by a bank or financial institution licensed under the Banking Act.

“Shillings” means the currency of the Republic of Kenya.

“Trust Deed” also referred to as **“this Deed”** in relation to the Madison Unit Trust Funds means the Trust Deed and rules that sets out the trusts and rules governing the scheme and includes every instrument that varies that varies those trusts, or effects the powers or duties or functions of the trustee or manager of the scheme.

“Umbrella Fund” This is a scheme that has two or more sub-funds under the management of one Fund Manager.

“Underlying Securities” in relation to the Madison Unit Trust Funds, means the securities comprised in or constituting the scheme’s portfolio.

“Unit” means an undivided share in the Collective Investment Scheme portfolio of Madison Unit Trust Funds.

“Unitholder” means any person (other than the Fund Manager) who has purchased units and is a holder of units in the Madison Unit Trust Funds and is registered in the register of Unitholders evidencing that he has an interest in the scheme.

“Units in issue” means all units which have been created and which have been entered in the registers including those held or deemed to be held by the Fund Manager, and which have not been cancelled.

“Unit Trust Scheme” means the scheme or arrangement in nature of a Trust in pursuance of which persons are invited or permitted, as beneficiaries under the trust, to acquire an interest or undivided unit in one or more unit portfolios and to participate proportionately in the income or profits derived there from herein referred to as “Madison Unit Trust Funds”.

“Valuation point” means the time at which a valuation of the units takes place as fixed by the Fund Manager under this deed whether on a periodic basis or for a particular valuation.

“Working day” excludes Saturday, Sunday and public holidays.

2. THE CONSTITUTION OF THE MADISON UNIT TRUST FUNDS

- (a) The Promoter and the Trustee have entered into this Trust Deed and Rules establishing an umbrella Unit Trust Scheme to be known as the Madison Unit Trust Fund, and to create there under by means of Supplemental Trust Deeds, the sub funds, namely Madison Fixed Income Fund, Madison Money Market Fund and Madison Wealth Fund. Details of the Scheme are as follows:

Name:	The name of the Scheme is Madison Unit Trust Fund
Registered Office	The registered office of the Scheme shall be at Madison House, Second Floor Upper Hill Close P.O Box 20092 - 00100 Nairobi Telephone Number: +254 020 2864500 Fax Number: +254 20 2721339 E-mail: madisoninvestmentmanagers@madison.co.ke
Duration	The duration of the scheme shall be unlimited subject to the Perpetuities and Accumulations Act (Cap 161 of the laws of Kenya.)

3. DECLARATION OF TRUST

Subject to the provisions of this Deed and all rules of the Madison Unit Trust Funds for the time being in force, the Madison Unit Trust Funds (other than sums standing to the credit of the distribution account) is held by the Trustee in trust for the Unitholders of the Units *pari passu* according to the number of units held by each Unitholder, and the sums standing to the credit of the Distribution Account are held by the Trustee in trust to distribute or apply them in accordance with the Act and this Deed.

4. OBJECTS OF THE MADISON UNIT TRUST FUND

The object of the Madison Unit Trust Funds is to provide investors with a medium of participation in a diversified portfolio of securities in the various sub funds as detailed in Clause 6. For the purpose of achieving this objective, the Fund Manager shall be entitled, subject to the provisions of this Deed and of the Act, to create and issue units in the Madison Unit Trust Funds.

5. TRUST DEED TO BE BINDING AND AUTHORITATIVE

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

6. THE INVESTMENT POLICY AND AUTHORIZED INVESTMENTS

6.1 The investment objectives of each of the Sub-Funds under the Madison Unit Trust Funds are discussed below:

The Madison Money Market Fund

The objective of Madison Money Market Fund will be to achieve capital preservation while providing income. The fund will invest in a diversified portfolio of interest-earning instruments in the local and international markets which have a weighted average tenor of thirteen months. The Fund will receive regular income inflows which will be distributed to the Unitholders. The Scheme will invest in Government of Kenya securities, fixed deposits with selected banks, other Collective Investment Schemes, offshore investments and other investments. The Scheme will make its investments in accordance with the guidelines issued from time to time by CMA on investment of Collective Investment Schemes.

The Madison Fixed Income Fund

The objective of Madison Fixed Income Fund is to achieve capital growth while earning a steady income stream from investing in Fixed Income securities in the local and international markets. Nonetheless, the fund may adopt a tactical trading strategy from time to time. The Fund is expected to give the overall portfolio stability and a consistent income stream. The Scheme will invest in Government of Kenya securities, fixed deposits with selected banks, other Collective Investment Schemes, offshore investments and other investments. The Scheme will make its investments in accordance with the guidelines issued from time to time by CMA on investment of Collective Investment Schemes.

The Madison Wealth Fund

The objective of the Madison Wealth Fund is to maximize income while securing steady capital growth by investing in a diversified portfolio of high yielding securities in the local and international markets. Nonetheless, the fund may adopt a tactical trading strategy from time to time and is expected to give the overall portfolio growth and a consistent income stream. The Madison Wealth Fund shall be considered a Special Fund under CMA regulations.

The Scheme will invest in Kenyan quoted equities, selected unquoted equities, Government of Kenya securities, fixed deposits with selected banks, other Collective Investment Schemes, offshore investments and other investments. The Scheme will make its investments in accordance with the guidelines issued from time to time by CMA on investment of Collective Investment Schemes.

- 6.2 The Fund Manager shall not lend all or any part of the Scheme's portfolio or assume guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.
- 6.3 Further, the Fund Manager shall not apply any part of the Scheme's portfolio in the acquisition of any investments which are for the time being partly paid or otherwise in the opinion of the Trustee, likely to involve the Trustee in any liability contingent or otherwise.
- 6.4 Specifically, the categories in which the assets of the Madison Unit Trust Funds may be invested shall include the following:

The Madison Money Market Fund and The Madison Fixed Income Fund

Asset Class	Upper Limit (% of Portfolio)
Securities listed at a recognized stock exchange in Kenya	80%
Securities issued by Government of Kenya	80%
Immovable Property	25%
Other collective investment schemes	25%
Unlisted securities	25%
Offshore investments	10%
Bank deposits/deposits with Insurance Companies	No Limit

The Madison Wealth Fund

Asset Class	Upper Limit (% of Portfolio)
Equities listed at a recognized stock exchange in Kenya	70%
Securities issued by Government of Kenya	80%
Other Collective Investment Schemes	25%
Unlisted securities and Structured notes (Including Corporate Instruments)	85%
Offshore Investments	30%
Alternative Investments	30%
Bank deposits/deposits with Insurance Companies	No Limit

6.5 The Madison Unit Trust Funds may invest in any economic sector. Geographical restrictions of each of the Sub-Funds under the Madison Unit Trust Funds are discussed below:

6.5.1 The Madison Money Market Fund and The Madison Fixed Income Fund shall invest in Securities domiciled in the Republic of Kenya.

6.5.2 The Madison Wealth Fund may invest in Securities domiciled in any country or territory, subject to the limit on offshore investments set in Clause 6.4.

6.6 Nothing contained in the Deed shall preclude the Fund from varying the main objectives to take account of changing economic factors, tax laws and provisions or from retaining cash or placing cash on deposit in terms of this Deed.

7. VALUATION OF THE MADISON UNIT TRUST FUNDS

7.1 The value of the Madison Unit Trust Funds to be used in determining the selling price quoted by the Fund Manager and the price payable by the Fund Manager to the Trustee on the creation of additional units shall be Net Asset Value at the end of the business day on which the written request to repurchase and redeem is received by the Fund Manager and the Trustee respectively.

7.2 The value of the Madison Unit Trust Funds to be used in determining the repurchase price quoted by the Fund Manager and the price payable by the Trustee on the redemption of units shall be Net Asset Value at the end of the business day on which the written request to repurchase and redeem is received by the Fund Manager and the Trustee respectively.

7.3 The repurchase price quoted shall be the Net Asset Value of Madison Unit Trust Funds however computed.

7.4 The formulae to be adopted for determining the value of the Madison Unit Trust Funds per unit is:

$$\frac{\text{Value of the assets of the Fund} - \text{Liabilities}}{\text{Number of units issued and fully paid}}$$

7.5 The Value of the asset of the Madison Unit Trust Funds shall include:

7.5.1 Aggregate market value of the underlying securities in the unit portfolio at a valuation point;

7.5.2 Aggregate of all income accruals and payments received in lieu of income accruals from the creation of new units;

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- 7.5.3 Income accruals and payments in lieu of income accruals, set aside at the last preceding ex-dividend date for distribution, but not yet distributed, in respect of the accounting period which ended on the day prior to the last ex-dividend date.
- 7.6 The liabilities shall include:
- 7.6.1 Accrued fees;
 - 7.6.2 Expenses;
 - 7.6.3 Compulsory charges payable on the respect of the acquisition of all the underlying securities comprising the unit portfolio;
 - 7.6.4 Initial and/or exit charge payable in respect of all the units in issue; and
 - 7.6.5 Accrued payments that, in the opinion of the fund manager, represent a fair proportion, at the said date, of the service charge and other amounts and charges for the relevant accounting period.

8. CERTIFICATES

- 8.1. The Fund Manager shall issue statements of account representing units to Unitholders, whose names are entered on the register of Unitholders and any other certificate of entitlement upon request.
- 8.2. The Fund Manager will replace any certificate of entitlement that have either been lost or defaced provided that a sworn affidavit is produced by the Unitholder. This will effectively nullify the originally issued certificate. Where a certificate is issued, it will be signed by authorized personnel of the Fund Manager.
- 8.3. The Fund Manager is authorized to charge a fee for issuing, recording or amending an entry on the certificate of entitlement other than a statement of account.

9. UNITHOLDER LIABILITY

A Unitholder shall not be liable to make further payment after he has paid the purchase price of his units.

PART II - THE FUND MANAGER

10. APPOINTMENT OF THE FUND MANAGER

The Scheme will at all times be managed and administered by the Madison Investment Managers Limited who are licensed by the CMA as a Fund Manager.

11. FUND MANAGER'S CAPITAL

The Fund Manager shall at all times maintain a minimum paid-up share capital and unimpaired reserves as of Kenya Shillings Ten Million Shillings (Kshs. 10,000,000) or such other amounts as may from time to time be fixed by CMA.

12. DUTIES OF A FUND MANAGER

The Fund Manager shall carry out the following duties:

- a) Advise the Trustee on the asset classes which are available for investment;
- b) Formulate prudent investment policies consistent with the investment objectives of the Madison Unit Trust Funds investment objectives;
- c) Invest the assets of the Madison Unit Trust Funds in accordance with the Fund's investment policy statement;
- d) Reinvest any income of the Madison Unit Trust Funds which is not required for immediate payments;
- e) Instruct the Custodian to transfer, exchange or deliver in the required form and manner the assets of the Madison Unit Trust Funds held by such Custodian;
- f) Ensure that the units in the portfolio of the Madison Unit Trust Funds are priced in accordance with the Information Memorandum, this Deed and other incorporation documents;
- g) Not sell or issue any units otherwise than on the terms and at a price calculated in accordance with the provisions of the Information Memorandum, this Deed and other incorporation documents;
- h) Rectify any breach of matters arising from incorrect pricing of units. Unless the Trustee directs otherwise, such rectification shall extend to the reimbursement or payment or arranging the reimbursement or payment of money to the Unitholders or former Unitholders by the Fund Manager to the Scheme, or by the Scheme to the Fund Manager;

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- i) At the request of a Unitholder, to purchase any units held by such a Unitholder on the terms and at a price calculated in accordance with the Information Memorandum, this Deed and other incorporation documents;
 - j) Publish the price of units in at least two (2) daily newspapers of national circulation, published in English language. For the Money Market Fund and Fixed Income Fund, publication will be daily. For the Wealth Fund, publication will be at least once weekly. Where dealing is not on a daily basis, there shall be at least one publication a month of the prices of the units
 - k) Prepare and dispatch timely all cheques, warrants, notices, accounts, summaries, declarations, offers and statements required under the provisions of this Deed and the Act;
 - l) Execute, sign, issue and dispatch all certificates and all transfers of securities;
 - m) Make available for inspection by the Trustee or any auditor appointed by the Trustee, the records and the books of account of the Fund Manager. The Fund Manager shall also give to the Trustee or to any such auditor either oral or written information as required with respect to all matters relating to the Fund Manager, its properties and its affairs;
 - n) Make available or ensure that there is made available to the Trustee such details as the Trustee may require with respect to all matters relating to the Scheme;
 - o) Act fairly and equitable in the event of any conflict of interest that may arise in the course of discharging its duties;
 - p) Advise the Trustee for the purpose of enabling the Madison Unit Trust Funds to conform to legislation enacted from time to time;
 - q) Provide to the Trustee and CMA, quarterly, from the date of its appointment, a report on the performance of the portfolio including a summary valuation, market commentary and a general outlook;
 - r) Issue an account statement on a monthly basis, specifying any units held by the Unitholder and showing the transactions in the Unitholder's accounts during the preceding month and which shall be prima facie evidence of the title of the Unitholder to the units;
 - s) Keep the following records:
 - i. All minutes, statements of accounts and resolutions in respect of the scheme's investment portfolio;
 - ii. Proper books of account and records in which shall be entered all transactions effected by the Fund Manager for the account of the Scheme and permit the trustee from time to time, on demand, to examine and take copies of or extracts from any such books and records;

- iii. Units held by the Fund Manager, including the type of such units acquired or disposed of, and of the balance of any acquisitions and disposals;
 - iv. Units of the Madison Unit Trust Funds which are held, issued, redeemed, exchanged, and the valuation of the portfolio.
- (t) To publish in at least two (2) daily newspapers of national circulation: -
- i. Half-year unaudited financial statements of the Scheme within two (2) months after the end of the first half of the financial year of the Scheme; and
 - ii. Full year audited financial statements of the Scheme within three (3) months after the end of the financial year of the Scheme.
- (u) To prepare all financial statements of the Scheme in accordance with International Financial Reporting Standards.

13. FUND MANAGER'S INITIAL/ EXIT CHARGE

- 13.1 The Fund Manager may charge an initial charge which may be expressed either as a fixed amount or calculated as a percentage of the investment by the Unitholder. The initial charge shall not exceed 10% of the funds invested under the Scheme portfolio.
- 13.2 The Fund Manager will also be entitled to charge an exit fee or redemption charge, which shall not exceed the amount stated in the Information Memorandum as the current redemption charge. When the Fund Manager introduces new charge on redemption, the introduction shall be expressed so as to apply to all units.
- 13.3 The Fund Manager may increase the initial or exit charges with the approval of the Trustee and thereafter give a maximum of 90 days' written notice to the Unitholders of intention to increase the charges.

14. FUND MANAGER PERIODIC CHARGE

- 14.1 The Fund Manager shall be entitled to make a periodic charge of up to 5% per annum of the total investments of the Madison Unit Trust Funds, herein known as the Management Fee payable out of the income of the Scheme.
- 14.2 The Management Fee applying in respect of the Scheme shall be proportionate to the length of the relevant accounting period and shall be calculated by the Fund Manager on the daily average market value of the total investments of the Madison Unit Trust Funds.
- 14.3 As soon as practicable after the end of each calendar month the Custodian shall pay to the Fund Manager the Management Fee from the investment account of the Scheme maintained by the Custodian.

- 14.4 The Fund Manager will have the discretion to rebate or waive this fee but will only increase fee after obtaining approval of the Trustee and giving at least 90 calendar days' written notice to the Unitholders and CMA.

15. FUND MANAGER'S REMUNERATION

15.1 For its services and to cover expenses and fees in performing its obligations, the Fund Manager shall receive:

- a. A periodic charge as set out above
- b. Initial/ exit charge set out above and
- c. Any other charge(s) disclosed in the Information Memorandum.

15.2 Fees arising from obligations to pay the remuneration/disbursements to the Trustee, the fees and expenses of the Custodian, the fees and expenses of the Auditor/Publishing/AGM & expenses incurred by the Fund Manager or the Trustee for the purpose of enabling the Scheme to conform to legislation passed, will be met by the Scheme

16. REPORTS BY THE FUND MANAGER

16.1 The Fund Manager shall provide to the trustee and CMA from the date of the appointment, the following: -

- a) Quarterly management accounts and reports of the Scheme portfolio within fifteen (15) days of the end of each calendar quarter provided that the Fund Manager shall also prepare monthly reports of the Scheme portfolio within fifteen (15) days of the end of each calendar month which shall be made available to CMA at such times as CMA may require;
- b) Half yearly reports of the Scheme portfolio within thirty (30) days of the end of each half year;
- c) A valuation of the Scheme fund and of all the investments representing the same, including the details of the cost of such investments and their estimated yields;
- d) A report reviewing the investment activity and performance of the investment portfolios comprising the Scheme fund since the last report date and containing the Fund Manager's proposals for the investment of the Scheme fund during the period; and
- e) A record of all investment transactions during the previous period.

16.2 The Fund Manager shall once every year provide every Unitholder and CMA with audited accounts and such other statements as may be necessary in relations to the operations of the Scheme during the period which ended not more than three months before the date on which such accounts or statements are submitted, and in regard to its position as at the end of that period, including: -

- a) The Fund Manager's capital resources actually employed or immediately available for employment for the purposes of the Scheme;
 - b) In respect of the Scheme, the total market value of each of the several securities included in the Scheme, and the value of each of those securities expressed;
 - i. As a percentage of the total market value of the Scheme;
 - ii. As a percentage of the total amount of securities of that class issued by the concern in which the investment is held; and
 - c) The dividends and interests and any other income for distribution which have accrued to the underlying securities comprised in the Scheme, indicating the classes of income and the amount derived from each class; and how the income has been or is intended to be allocated;
 - d) The amount of proceeds of capital gains, rights and bonus issues and any other accruals and receipts of a capital nature which have been or are to be invested in the Scheme for the benefit of the Unitholders, indicating the classes thereof and the amount derived from each class, but excluding amounts derived from the sale of units;
 - e) The total amount derived from the sale of units, indicating the total amount paid in respect of compulsory charges, and the total amount paid in respect of the repurchase of units;
 - f) The Fund Manager's income derived from all sources in the operation of the Scheme, indicating the sources and the amount derived from each source, and its net profit or loss derived from such operation; and
 - g) A review of the fluctuations in the selling and repurchase prices per unit during the period in question including the highest and lowest selling prices and the highest and lowest repurchase price.
- 16.3 The Fund Manager shall prepare and submit to the Capital Markets Authority a performance measurement report at least quarterly in accordance with the Collective Investment Scheme Regulations.
- 16.5 The Fund Manager shall prepare and submit other reports as required by the Collective Investment Scheme Regulations.

17. LIABILITY OF A FUND MANAGER.

- 17.1 The Fund Manager shall not be liable for any loss, damage or depreciation in the value of the Funds or of any investment comprised therein or the income therefrom which may arise by reason of depreciation of the market value of the shares and other assets in which the scheme funds are invested unless such loss, damage or depreciation in the value of the scheme fund arises from negligence whether professional or otherwise, willful default or fraud by the Fund Manager or any of its agents, employees or associates.

- 17.2. In the absence of fraud or negligence by the Fund Manager, the Fund Manager shall not incur any liability by reason of any matter or thing done or suffered or omitted by it in good faith under the provisions of the Trust Deed, Information Memorandum of Madison Unit Trust Fund or the Act.
- 17.3. The Fund Manager shall not be under any liability except such liability as may be expressly assumed by the Fund Manager under the Trust Deed, Information Memorandum of Madison Unit Trust Fund and the Act, nor shall the Fund Manager save as expressly provided herein be liable for any act or omission of the Trustee.

18. FUND MANAGER'S POWERS

Subject to the provisions of this Deed and of the Act, the Fund Manager shall have power in its absolute and uncontrolled discretion to:

- a) Do all such things and to enter into all such arrangements as are necessary to achieve the provisions, and objects of the Scheme;
- b) Purchase, select, sell, exchange or alter any of the underlying securities provided that nothing in this clause shall impose any liability on the Fund Manager to bear the expenses of stamping any unit certificate or any transfer deed relating to the underlying securities;
- c) Appoint as such persons to perform such powers and duties on its behalf as it may deem expedient.
- d) To act on the advice or information obtained from professional advisers and other persons bona fide considered by it to be experts, irrespective of whether these advisors or others are consulted or instructed by the Fund Manager. The Fund Manager shall not be liable for anything done, omitted or permitted on the basis of such advice or information.

19. DOCUMENTS TO BE PREPARED BY THE FUND MANAGER

The Fund Manager shall, as necessary or required, prepare, execute or discharge, inter alia, the following documents:

- i. Certificates
- ii. Cheques
- iii. Warrants
- iv. Notices
- v. Accounts
- vi. Summaries
- vii. Declarations
- viii. Offers
- ix. Statements; and
- x. Such other documents as may be required under the provisions of the Information Memorandum, the rules of the Scheme or the Act, to be issued, served or sent or executed.

20. REMOVAL, RESIGNATION AND SUSPENSION OF THE FUND MANAGER

20.1 Removal

- a) The Fund Manager shall be removed immediately on the happening of any of the following events:
 - i. If a court of competent jurisdiction orders liquidation of the Fund Manager (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee and CMA); or
 - ii. If a receiver is appointed for the undertaking of the Fund Manager's assets or any part thereof; or
 - iii. If for good and sufficient reason the Trustee is of the opinion and so states in writing to the CMA that a change of Fund Manager is desirable in the interest of the Unitholders;
- b) The Fund Manager shall be removed by three (3) months' notice in writing by the Trustee if:
 - i. An extra-ordinary resolution is passed by the Unitholders removing the Fund Manager; or
 - ii. The Unitholders of three quarters majority in value of the Units in existence (excluding units held or deemed to be held by the Fund Manager or by any associate of the Fund Manager) request in writing to the Trustee, that the Fund Manager be removed.
- c) In the event of removal of the Fund Manager under paragraph (a) or (b) above, the Trustee shall cause the name of Scheme to be changed to a name which does not bear or include the name "Madison" or any other name bearing a close resemblance or thereto.
- d) In the event of removal of the Fund Manager, the outgoing Fund Manager shall hand over, transfer, and deliver to the incoming Fund manager, appointed in writing by the Trustee and licensed by the Authority to succeed the outgoing Fund manager, all information in their possession in relation to its contractual duties to the Unit Trust Funds. These include statements pertaining to the Unit Trust Funds, details of the Madison Unit Trust Fund, costs and estimated yield of the investment, all incomplete transactions, and any other information required to be maintained by a Fund Manager, as may be reasonably required by the incoming Fund Manager.

20.2. Resignation

- a) The Fund Manager may resign by giving three months' written notice to the Trustee, and shall give reasons for the resignation.

- b) Notice shall be deemed to have been served seven days from the date of its dispatch and shall come into effect four days after it is served and such termination will be deemed to be effective ninety days after the notice comes into effect.
- c) During the last thirty days after the notice of resignation is given, the Fund Manager shall
 - i. Hand over, transfer and deliver to a Fund Manager appointed in writing by the Trustee and licensed by CMA to succeed the outgoing Fund Manager, all information in its possession in relation to its contractual duties to the Scheme including statements pertaining to the entire Scheme fund; investment portfolio, including details of cost such investments and estimated yields; statements pertaining to all incomplete transactions and any other information as may reasonable be required by the Scheme; and
 - ii. Hand over, transfer and deliver all the records of accounts required to be maintained by the Fund Manager, as may be reasonably required by the incoming Fund Manager:
- d) Copies of the above information shall be submitted to the CMA within the same period of the last thirty days after the notice of resignation is given.

20.3. Retirement

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

20.4. Suspension

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

PART III – TRUSTEE

21. APPOINTMENT OF THE TRUSTEE

21.1 The Scheme has appointed Kenya Commercial Bank Limited as the Trustee. Details of the Trustee are shown below

Name	KCB Bank Kenya Limited
Date and place of incorporation	Incorporated in Nairobi on 20 th April 2015
Address of registered office and	PO BOX 30664-00100, Nairobi
Head office	KCB Tower, 7th Floor, Kenya Road, Upper Hill.
Principal business activity	A banking institution licensed under the Banking Act by the Central Bank of Kenya

21.2 Subject to the provisions of the Act and of this Deed, Kenya Commercial Bank Limited shall be and shall act as the Trustee of the Scheme. The Trustee shall have authority necessary to protect the interests of Unitholders in terms of the Act and this Deed and shall, save as otherwise provided in this Deed, have authority necessary to carry out the function and purposes of the Deed to secure the fulfilment of the objects of the Scheme.

22. TRUSTEE'S SHARE CAPITAL

The trustee shall at all times satisfy the share capital and any other eligibility requirements under the Act.

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

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

23.2 The Trustee shall provide services to the Scheme in compliance with the Trust Deed and shall, inter alia, have the following duties:

- a) Ensure that the Custodian takes into custody all the assets comprising the Scheme's portfolio, and holds such portfolio in trust for the Unitholders in accordance to the Act;
- b) Take all steps and execute all documents, which are necessary to secure acquisitions or disposals properly made by the Fund Manager in accordance with this Trust Deed, incorporation documents, and the Act;
- c) Collect any income due to be paid to the Scheme and/or claim any repayment of tax and direct any income received in trust for the Unitholders to the Custodian in accordance with the Act or this Deed;
- d) Keep records to enable it to comply with the Act and to demonstrate that such compliance has been achieved.
- e) Execute all documents as may be necessary and take all steps to ensure that instructions properly given to it by the Fund Manager, as to the exercise of rights (including voting rights) attaching to the ownership of the units in the Scheme portfolio are carried out;
- f) Exercise any rights of voting conferred by any security of the Scheme portfolio, which is in units in other Unit Trust's scheme managed or otherwise operated by the Fund Manager. For the purpose of this paragraph "voting" includes giving any consent or approval of any arrangement, Scheme, or resolution or any alternation in or abandonment of any rights attaching to any parts of the Madison Unit Trust Funds. 'Right' includes a requisition or joining in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement or to consent to any short notice of any meeting.
- g) Execute and deliver to the Fund Manager or its nominee upon the written request of the Fund Manager such powers of attorney or proxies as the Fund Manager may reasonably require, in such name or names as the Fund Manager may request, authorizing such attorneys and proxies to vote consent or otherwise act in respect of all or any part of the Scheme's portfolio.
- h) Forward to the Fund Manager and the Custodian without delay all notices of meetings, reports, circulars, proxy solicitations, and other documents of a like nature received by it as a registered Unitholder of any investment.
- i) Ensure that the Scheme is managed by the Fund Manager in accordance with the terms of service agreement with the Fund Manager, the Act, this Deed and the Incorporation Documents.
- j) Issue a report to be included in the Annual Report of the Scheme on whether in the opinion of the Trustee the Fund Manager has in all material respects managed the Scheme in accordance with the provisions of the Act, Incorporation Documents and the Information Memorandum, and if the Fund Manager has not done so, the respect in which it has not done so and the steps which the Trustee has taken in respect thereof.
- k) Ensure that decisions about the constituents of the Scheme portfolio do not exceed the powers conferred on the Fund Manager.
- l) Ensure that the Fund Manager maintains sufficient records and adopts such procedures or methods for calculation of prices at which Units are issued and redeemed to ensure that those prices are within the limits prescribed by the Act, this Deed, the Incorporation documents and the Information Memorandum.

24. REGISTRATION OF SECURITIES

All the securities of the Scheme shall be registered either in the name of the Trustee or (with the written consent of the Fund Manager) in the name of a nominee Company. Any reference in this Deed to the Trustee in relation to the vesting, registration or holding in its name of securities, or to its rights, obligations or discretion as the registered owner of securities, shall, where the context permits, be deemed also to be a reference to the said nominee company as nominee of the Trustee, in relation to the said matters. The Trustee shall be liable for any act of omission of the said nominee Company in relation to any underlying securities of which the said nominee Company is registered as owner.

25. LEGAL PROCEEDINGS BY OR AGAINST THE TRUSTEE

- 25.1 All legal proceedings which may be instituted by or against the Scheme shall be instituted by or against the Trustee in its capacity as such, and the Trustee shall have the power and be capable of instituting, prosecuting, intervening in or defending any legal proceedings of whatsoever nature relating to or concerning the Fund or its affairs and as a prerequisite to such action, to require the Fund Manager to indemnify it against all costs and expenses thereby incurred.
- 25.2 The Trustee shall in no wise be liable to make any payment hereunder to any Unitholder except out of any funds held by or paid to it for that purpose under the provisions hereof.

26. TRUSTEE REMUNERATION

- 26.1 The Fund Manager shall pay to the Trustee, out of the funds of the Scheme, by way of remuneration for its services, such sums as may from time to time be agreed with the Fund Manager and the Trustees and, which will be disclosed to the Unitholders in the Annual Report each year.
- 26.2 The Trustee shall, in addition to such remuneration, be entitled to be paid, on demand, any amount of all its disbursement other than disbursements expressly required or authorized to be paid out of the Scheme and other than disbursements incurred by it as a result of its own negligent, wrongful or unlawful conduct.

27. REMOVAL, RETIREMENT AND APPOINTMENT OF NEW TRUSTEE

- 27.1 The Trustee shall be removed by the Fund Manager immediately on the happening of any of the following events:
- a) A court of competent jurisdiction orders its liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation under a Scheme approved by the CMA);
 - b) A manager or a receiver is appointed over any of its assets; or
 - c) The Trustee ceases, for any reasons, to carry on business as a bank or financial institution.
- 27.2 A Trustee shall be removed by three (3) months' notice in writing given to the Trustee by the Fund Manager with the approval of the CMA if:
- a) The Trustee fails or neglects after reasonable notice from the Fund Manager to carry out or satisfy any duty imposed on the Trustee in accordance with the ACT, this Deed or the Incorporation Documents;
 - b) The Unitholders, by extra-ordinary resolution, resolve that such notice be given.
- 27.3 Upon removal of the Trustee, The Fund Manager shall by deed supplemental to the Trust Deed appoint as Trustee and with the approval of the CMA some other qualified person to replace the Trustee who has been removed.

PART IV – CUSTODIAN

28. APPOINTMENT OF THE CUSTODIAN

The trustee has appointed Equity Bank Limited as the Custodian. The details of the Custodian are shown below;

Name	Equity Bank Kenya Limited
Date of Incorporation	10 th January 2005
Address of Registered Office and Head Office	P.O. Box 75104-00200 Nairobi. Ground Floor, Equity Centre.
Principal Business Activity	Banking Institution licensed under the Banking Act by the Central Bank of Kenya

29. DUTIES OF THE CUSTODIAN

29.1 The duties of the Custodian shall include:

- a) To maintain the custody of the assets comprising the Scheme’s portfolio and hold such assets to the order of the Trustee or the Fund Manager, in accordance with the provisions of the Act, this deed and the Incorporation Documents.
- b) To receive and keep in safe custody and retain under its own supervision and control the title documents to the underlying securities and cash amounts of the Scheme;
- c) Open an account in the name of the Fund for the exclusive benefit of the Scheme.
- d) Transfer, exchange or deliver in the required form and manner securities held by the Custodian upon receipt of proper instructions from the Fund Manager or the Trustee.
- e) To require from the Fund Manager or the Trustee such information as it deems necessary for the performance of its function as the Custodian of the Scheme.
- f) To promptly deliver to the Trustee or the Fund Manager or to such other persons as the Fund Manager or the Trustee may authorize, copies of all notices, proxies, proxy soliciting materials received by the Custodian in relation to the securities held by the Scheme, all public information, financial reports and stockbroker communications the Custodian may receive from the issuers of securities and all other information the Custodian may receive, as may be agreed between the Custodian, the Trustee or the Fund Manager, (as the case may be), from time to time.
- g) To exercise subscription, purchase or other similar rights represented by the securities subject to receipt of proper instructions from the Fund Manager or the Trustee;
- h) To exercise the same standard of care that it exercises over its own assets in holding, maintaining, servicing and disposing of the Scheme’s portfolio and in

- fulfilling obligations in the service agreement relating to its appointment as Custodian of the Scheme.
- i) Where title to investments are recorded electronically, to ensure that entitlements are separately identified from those of the Fund Manager or the Trustee in the records of the person maintaining records of entitlement.
 - j) To attend General Meetings of the Unitholders and be heard at any General Meeting on matters which concern it as Custodian of the assets hereunder.
- 29.2 In discharging its contractual duties to the Scheme, the Custodian shall apply the degree of skill and care to be expected of a professional Custodian for hire discharging its contractual duties to the Scheme, and shall not contract an agent to discharge those functions except where a portion of the Scheme is invested in offshore investments, in which case the Custodian may engage the services of an overseas sub-custodian approved by the Trustee with the notification of such appointment to CMA.
- 29.3 The Fund Manager shall pay the Custodian, out of the funds of the Scheme, by way of remuneration for its services, such sums as may from time to time be agreed with the Custodian, which will be disclosed to the Unitholders in the Annual Report each year.

30. RECORDS TO BE MAINTAINED BY THE CUSTODIAN

- 30.1 The Custodian shall keep such books, records and statements as may be necessary to give a complete record of:
- i. The entire portfolio of the Scheme held by the Custodian; and
 - ii. Each and every transaction carried out by the Custodian on behalf of the Scheme.
- 30.2 The Custodian shall permit the Trustee, the Fund Manager or a duly authorized agent of CMA to inspect such books, records and statements within the premises of the Custodian at any time during business hours.

31. REPORTS BY THE CUSTODIAN

The Custodian shall be required to prepare the following reports:

- a) A written statement showing the activities within the Scheme which the Custodian will send to the Fund Manager on a daily basis. The statement will list all assets of the Scheme and in the fund account (s) with a full account of all receipts and payments made and other actions taken by the Custodian.
- b) Advice or notification of any transfers of the assets comprised in the Scheme portfolio or securities to or from the Scheme account(s) indicating the securities acquired for the account(s) and the identity of the party having physical

possession of such securities. The report will be provided to the Fund Manager on a daily basis.

- c) A copy of the most recent audited financial statements (within the first six months of the year) of the Custodian prepared together with such information regarding the policies and procedures of the Custodian as the Fund Manager, or the Trustee may request in connection with the service agreement with the Custodian or the duties of the Custodian under such service agreement.
- d) A report to the CMA annually (within the first six months of the year) demonstrating that compliance with the Act, this deed, other incorporation documents and the Information Memorandum has been achieved.

32. RESIGNATION OF THE CUSTODIAN

- 32.1 The Custodian shall not be entitled to resign except upon the appointment of a new custodian. If the Custodian wishes to resign, it shall give three (3) months' notice in writing to that effect to the Fund Manager and CMA, and the Custodian together shall give reasons for the resignation.
- 32.2 The Fund Manager shall appoint within two (2) months after the date of the resignation notice by the Custodian, some other qualified person as the new custodian and subject to such person being approved by CMA and entering into an agreement similar to the agreement comprised in the incorporation documents.
- 32.3 If the Fund Manager is unable to appoint a new custodian within the period of two (2) months, the Custodian shall be entitled to appoint a company (which is qualified for such appointment under the Act) selected by it as the new custodian on the same basis as the previous Custodian.
- 32.4 On receipt of the Custodian's resignation notice by the Fund Manager, the agreement between the Fund Manager and the Custodian shall be deemed to have been terminated with effect from the date of expiry of the resignation notice.
- 32.5 In the event the Custodian desires to retire or to cease to be registered as a Custodian with CMA, the Fund Manager may with the approval of CMA, appoint another eligible person to be a custodian in its place.

33. REMOVAL OF THE CUSTODIAN

- 33.1 The Custodian shall be removed by the Fund Manager in writing immediately if:
- i. A court of competent jurisdiction orders its liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation approved by CMA.
 - ii. A statutory manager or a receiver is appointed over any of its assets.
 - iii. The Custodian ceases to carry on business as a bank or financial institution.
- 33.2 The Custodian shall be removed by three (3) months' notice in writing given by the Fund Manager to the Custodian if:
- i. The Custodian fails or neglects after reasonable notice from the Fund Manager to carry out or satisfy any duty imposed on the Custodian in accordance with the service agreement relating to its appointment.
 - ii. The Unitholders, by extra-ordinary resolution, resolve that such notice be given and that the Fund Manager appoints with the approval of CMA, as custodian some other institution (which is qualified for such appointment under the Act).

TERMINATION

- 33.3 In the event of a Custodian ceasing to be a custodian under any of the grounds mentioned in clauses 31 or 32, the Custodian shall immediately hand over, and deliver all assets, documents and funds including those from the bank accounts of the Scheme held by such Custodian to the Custodian appointed in writing by the Fund Manager or the Trustee (with the approval of CMA) within thirty (30) days from the date of such termination or from the date of winding up order issued by a competent court against the Custodian.
- 33.4 Within twenty (20) days of the Custodian ceasing to be a Custodian hereunder, the Custodian shall submit to CMA an audit report indicating the assets, liabilities, and an inventory of the assets comprising the Scheme portfolio, securities and title documents of the Fund's assets which have been handed over, transferred and delivered to the new custodian.
- 33.5 A copy of the notice given to the Custodian for termination of services by the Fund Manager shall be given to the Trustee.
- 33.6 In the event of any disagreement between the Fund Manager, the Trustee and the Custodian with respect to the termination of the Custodian, notification shall be made to CMA by the Fund Manager giving reasons for the termination of services of the Custodian.

PART V - UNIT PORTFOLIO

34. CREATION, ISSUE AND PURCHASE OF UNITS

- 34.1 During the initial offer period, the Fund Manager shall instruct the Trustee to create units in the Scheme at the beginning of the first day of business and during the entire period. The Trustee must create units on receipt of instructions by the Fund Manager and must not, during the initial offer period create units otherwise.
- 34.2 The instructions given by the Fund Manager to the Trustee shall state the number of units to be created, expressed either as a number of units or as an amount in value or a combination of the two.
- 34.3 The first issue of Units in the Scheme to persons shall be made in such a manner and at such a price as the Fund Manager may decide, in accordance with the Act and the Incorporation Documents.
- 34.4 The initial issue price of units of the Scheme shall not be less than the issue price paid by investors during the launching and offer period less the Fund Manager's fee and management fees prescribed in the Incorporation Documents and the latest Information Memorandum.
- 34.5 The period of initial offer shall not exceed thirty (30) days from the date of the launching. The Fund Manager shall have exclusive right to secure the creation and issue of further units and for that purpose to accept application monies for the purpose of the Scheme provided that the price at which units are acquired shall be the made up price at the of the transaction.

35. CANCELLATION OF UNITS

- 35.1 Where the Fund Manager wishes that units be cancelled, it shall instruct the Trustee to cancel such Units, and any instruction given by the Fund Manager shall state, in relation to each type of Units to be cancelled, the number to be cancelled, expressed either as number of units or as an amount in value or as a combination of the two.
- 35.2 Such restriction may only be issued if at the time of issue, the Fund Manager shall not have any outstanding obligation to issue units, which by cancellation of units would prevent the Fund Manager from fulfilling such instruction.
- 35.3 The Trustee shall cancel the Units on receipt of instructions given by the Fund Manager. On cancellation of units and on delivery to the Custodian or the Trustee of such evidence of the title to those Units as the Custodian or Trustee may reasonably require, the Custodian or Trustee shall, within two (2) business days of the instructions given by the Fund Manager, pay the repurchase price of the Units to the

person who was the holder of those Units and in accordance with the relevant provisions of the Information Memorandum, this Deed, and other incorporation documents.

- 35.4 The Fund Manager shall within six (6) business days following the receipt of the request to redeem, effect payment of the appropriate proceeds of redemption to the Unitholder.
- 35.5 The repurchase price payable for each unit by the Trustee shall be based on the Net Asset Value of the Fund.
- 35.6 The Fund Manager may at any time give instructions to the Trustee to create or to cancel units.
- 35.7 Where instructions are given at a time which is less than twelve (12) hours after the last valuation point and before the next valuation point the instructions must be given by reference to the price calculated or being calculated for the last valuation point.
- 35.8 Where instructions are given at a time which is more than twelve (12) hours after the last valuation point:
- i. Instructions must be given by reference to the price next to be calculated; and
 - ii. The fund manager shall create or cancel the units only after the next valuation point has been reached.

36. REDEMPTION AND REPURCHASE OF UNITS

- 36.1 The Fund Manager, shall at all times during the dealing day issue or redeem units of the Scheme unless:
- i. The number or value of the units sought to be issued or redeemed is less than any number or value stated in the Supplemental Trust Deed or Information Memorandum as the minimum number or value to be purchased or held or redeemed;
 - ii. The Fund Manager believes on reasonable grounds that the number or value of units sought to be issued would lead to the holding by any one person or by any one person and any other person appearing to the Fund Manager to be acting in concert with that person of more units than any number stated in the Information Memorandum or prescribed by law as the maximum number to be purchased or held;
 - iii. The Fund Manager has reasonable grounds, having regard to the interests of all the Unitholders relating to the circumstances of the person concerned, for refusing to issue units to him or redeeming units from him.
- 36.2 The Fund Manager will use the future pricing method, which will be established each evening and then applied to transactions, which occurred on the same day. All sales,

repurchases, liquidations and creation of units which happen during the day can only be processed and priced at the end of the day.

- 36.3 Value of the fund to be used in determining the repurchase price quoted by the Fund Manager and the price payable by a Trustee of the Scheme on the redemption of units shall be the Net Asset Value at the end of the business day on which the written request to repurchase and redeem is received by the Fund Manager.
- 36.4 The formulae to be adopted to determine the value of the Scheme portfolio per units is to divide the value of the assets of the Scheme less its liabilities (including such provisions and allowances for contingencies as the Fund Manager may think appropriate) by the number of units issued and fully paid. The Net Asset Value of the Scheme and the Net Asset Value per unit shall be calculated by the Fund Manager as at the end of each business day. Liabilities shall include the amount of any accrued fees and expenses at the relevant valuation date of the scheme. The number of units in issue shall be those units that are issued and fully paid.
- 36.5 In addition to the selling price which is derived from the net asset value, the Fund Manager may charge a service fees as disclosed in the information memorandum and such charge shall be disclosed separately in the application form.
- 36.6 If the determination of the repurchase price is computed on a different basis other than Net Asset Value of the Scheme, the repurchase price so computed and quoted by the Fund Manager shall not be less than the Net Asset Value of the Scheme and no deductions, other than deductions for incidental expenses such as Stamp Duty shall be made from the computed repurchase price.
- 36.7 Notice requiring the Fund Manager to repurchase Units shall be accompanied by any certificates issued representing the units for sale, or at the option of the Fund Manager such evidence of his title to the units to be sold as the Fund Manager shall think sufficient, together with in each case a form of renunciation or redemption duly completed by the Unitholder in respect of such units. If the redemption price is not paid to the Unitholder on delivery of the said documents to the Fund Manager, the Unitholder shall be issued with a receipt for such documents.

PART VI – VALUATIONS

37. METHOD USED FOR VALUATION OF UNITS

- 37.1 The Scheme will be valued daily and the price per unit established.
- 37.2 The valuation will be based on the market value of securities held by the Scheme as at the time of valuation.
- 37.3 The price of the units will be calculated based on the following formulae:

Value of the assets of the Scheme – liabilities

Number of units issued and fully paid

- a) Value of the assets of the Scheme shall include:
- i. The aggregate market value of the underlying securities in the unit portfolio at a valuation point;
 - ii. Aggregate of all income accruals and payments received in lieu of income accruals from the creation of new units;
 - iii. Income accruals and payments in lieu of income accruals, set aside at the last preceding ex-dividend date for distribution, but not yet distributed, in respect of the accounting period which ended on the day prior to the last ex-dividend date.
- b) Liabilities shall include;
- i. Accrued fees.
 - ii. Expenses.
 - iii. Amount of compulsory charges payable on the respect of the acquisition of all the underlying securities comprising the unit portfolio;
 - iv. Initial and/or exit charge payable in respect of all the units in issue; and
 - v. Accrued payments that, in the opinion of the Fund Manager, represent a fair proportion, at the said date, of the service charge and other amounts and charges for the relevant accounting period.
- 37.4 The Fund Manager shall have authority to vary the valuations technique, in which case it shall be given advance notice of its intention to do so to the Trustee.

PART VII – MEETINGS

38. CONVENING MEETINGS

- 38.1 Notwithstanding anything contained in this Trust Deed (or any Supplemental Deed), Annual General Meetings and Extraordinary General Meetings may be held by way of telephonic conference, closed circuit television, video and teleconferencing or other electronic means of audio/ visual communication or a combination thereof (“Conference”). Notwithstanding that the Holders are not present in one place at the time of a teleconference or video-conference or any of the means set out hereinbefore, a resolution passed by Holders constituting a quorum at such a Conference as aforementioned shall be deemed to have been passed at a meeting of the Holders as held on the day on which and at the time at which the conference was held and as specified by the Notice calling it. The provisions of this Trust Deed (or any Supplemental Deed) relating to proceedings of Holders apply insofar as they are capable of application mutatis mutandis to such Conference.
- 38.2 The Trustee shall convene a General Meeting of the Unitholders within six (6) months of the relevant accounting reference date.
- 38.3 The Trustee may convene an extra-ordinary meeting of Unitholders at any time but not later than six (6) weeks after receipt of a requisition of the Unitholders. The requisition shall:
- i. State the objects of the meeting;
 - ii. Be dated;
 - iii. Be signed by unitholders who, at that date, are registered as the unitholders of unit representing not less than one-tenth in value of all of the units in the scheme then in issue;
 - iv. Be deposited with the Fund Manager at the Registered Office of the Scheme.
- 38.4 A requisition may consist of several documents deposited with the Fund Manager at the same time, each being in like form and signed by one or more Unitholders.
- 38.5 For the purposes of clause 38.2, the expression “Unitholders” shall mean only the persons who were holders of units in the Scheme seven (7) days before the notices of the relevant meetings are sent out.

39. NOTICE OF MEETINGS

- 39.1 Not less than twenty-one (21) days written notice, inclusive of the date in which the notice is deemed to be served, and the day of the meeting, shall be given to the Unitholders of the General Meeting. This notice requirement shall not apply to the notice of an adjourned meeting.

39.2 The non-receipt of a notice by a Unitholder shall not invalidate the proceedings at any meetings.

40. QUORUM FOR A MEETING

- a) No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of the meeting. The quorum of the meeting of Unitholders is the Unitholders present in person or by proxy or, in the case of a body corporate, by a duly authorized representative, of one-tenth in value of all the units in issue.

- b) If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall be dissolved and shall stand adjourned to such a day and time not being less than seven (7) days thereafter and to such a place as may be appointed by the chairman if any has been appointed pursuant to the incorporation documents or otherwise by the Trustee or the Fund Manager. If at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for the meeting, the Unitholders present shall comprise the quorum as described in the Information Memorandum.

41. VOTING RIGHTS

- 41.1 At any meeting a resolution put to the vote shall be decided on a show of hands, unless before or on the declaration of the result of the show of hands, a secret ballot is demanded by the Trustee or by Unitholders holding not less than ten percent (10%) of the units in issue present in person or by proxy. On a show of hands, every Unitholder who, being an individual is present in person or, being a corporation is present by its representative duly authorized in that regard, shall have one (1) vote.
- 41.2 Voting rights attached to a Unitholder will be in such proportion of the voting rights attached to all units in issue as the price of the unit bears to the aggregate price or prices of all the units in issue, as per specified notice date, a Unitholder entitled to more than one vote, need not, if he votes, use all his votes or cast all his votes in the same way.
- 41.3 In the case of joint Unitholders of a unit, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Unitholders and for this purpose, seniority shall be determined by the order in which the names stand in the register of Unitholders.
- 41.4 An instrument appointing a proxy shall be in the usual common form or such form as may be submitted in the notice convening the meeting.
- 41.5 The Trustee shall keep minutes of every meeting in a minute-book.

42. PROXIES

- 42.1 A Unitholder entitled to attend and vote at a meeting of the Scheme is entitled to appoint another person to attend and vote in his place whether such a person is a Unitholder or not.
- 42.2 A Unit holder shall be entitled to appoint more than one (1) proxy to attend on the same occasion but a proxy shall be entitled to vote only on a poll.
- 42.3 An instrument appointing a proxy or any other document necessary to show the validity of or otherwise relating to, the appointment of a proxy shall [not] be received by the Fund Manager more than 48 hours before the meeting or adjourned meeting in order that the appointment to be effective. In default, the instrument of proxy shall not be treated as valid.

43. RESOLUTIONS

- 43.1. Except where an extraordinary resolution is specifically required under this Deed or by the Act, any resolutions of the Unitholders shall be passed by a simple majority of the votes validity cast at a General Meeting of Unitholders.
- 43.2. In the case of an equality of votes cast in respect of a resolution put to a General Meeting, the chairman appointed pursuant to the incorporation documents shall be entitled to casting a vote in addition to any other vote he may have.

44. AMENDMENTS TO INCORPORATION DOCUMENTS

- 44.1. The incorporation documents of the Scheme may be amended by an extraordinary resolution of the Unitholders.
- 44.2. The incorporation documents may also be altered by the Fund Manager without consulting the Unitholders provided that the Trustee certifies in writing that in the Trustee's opinion the proposed alteration:
- a) Is necessary to enable compliance with the law including a change resulting from an amendment to the Act or any regulations made thereunder;
 - b) Does not materially prejudice Unitholders' interests, does not to any material extent release the Trustee, the Fund Manager, the Custodian or their respective agents or associates from any liability to the Unitholders and does not materially increase the costs payable from the Scheme portfolio;
 - c) Is necessary to correct a manifest error in the incorporation documents or to remove obsolete provisions from such incorporation documents;
 - d) It would not introduce or affect any provision relating to the description of transferable securities in which the Scheme's portfolio may be invested.

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- 44.3. All the proposed alterations or amendments to the incorporation documents shall be submitted to the Authority for prior approval.
- 44.4. The incorporation documents may also be altered by the Fund Manager:
- a) If the relevant incorporation document provides for such amendment to be made; or
 - b) To change the name of the scheme.
- 44.5. All alterations under clause 43.4 shall be filed with CMA within seven (7) days of passing the necessary resolution.

45. SERVICE OF NOTICES AND OTHER DOCUMENTS

- 45.1 Any notice or document required to be served upon a Unitholder shall be deemed to have been duly served if it is sent by post to or left at holder's address appearing in the Register.
- 45.2 Any notice required to be served or information to be supplied or given to any other person, including CMA, shall be in writing or in such other form as enables the recipient to know or record the time of receipt and to preserve a legible copy of the notice.
- 45.3 Any notice or document served by post shall be deemed to have been served on the fourth day following that on which the letter containing the same is posted, and in providing such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted; any notice or document left at a registered address or delivered other than post shall be deemed to have served on the day it was so left or delivered.

PART VIII- SUSPENSION AND TERMINATION

46. WINDING UP OF THE SCHEME

- 46.1 The Scheme shall not be wound up otherwise than by a court order under the following circumstances.
- a) Unless and until effect may be given in accordance with the provisions relating to winding up given in the Companies Act to a proposal to wind up the affairs of a company, otherwise than by the court, provided that CMA shall have first exercised its powers to intervene in the management of the scheme before an application is made for the winding up of the Scheme to the court;
 - b) Unless a statement has been prepared and sent or delivered to CMA with a copy to the Custodian, to confirm that Scheme will be able to meet all its liabilities within twelve months of the date of the statement. The statement shall:
 - i. Relate to the Scheme's affairs at the date which must not be more than twenty-one days prior to the date on which notice is given to CMA; and
 - ii. Be approved by the Trustee and signed on its behalf by the Fund Manager, or alternatively, signed by the Fund Manager and contain a statement signed by the auditor to the effect that in his opinion the enquiry to ascertain the Scheme's ability to meet all its liabilities (contingent and prospective) has been properly made and is fairly reflected by the confirmation.
- 46.2. Subject to clause 45.1, any other provisions of this Deed, the Scheme shall be wound up if an extraordinary resolution to that effect has been passed by the Unitholders or when an extraordinary resolution to that effect has been passed by the Unitholders under clause 19.1(b)(i) or a request is made to the Fund Manager in accordance with clause 19.1(b)(ii) or when the period (if any) fixed for the duration of the Scheme by its incorporation documents expires or an event occurs, or the occurrence of which the incorporation documents provide that the Scheme is to be wound up.

47. CONSEQUENCES OF COMMENCEMENT OF WINDING UP

- 47.1. In this clause "effective time" means the time at which both conditions in clause 45 have been satisfied, or, if later, the time, determined in accordance with clause 45.2 at which the Scheme shall be wound up.
- 47.2. Immediately following the effective time –
- a) Regulations pertaining to pricing, dealing, investment and borrowing powers shall cease to apply to the Scheme;
 - b) The Scheme shall cease to issue and cancel units.

- c) The Fund Manager shall cease to sell or redeem units or to arrange for the Scheme to issue or cancel them;
- d) No transfer of a unit shall be registered and no other change to the register of Unitholders shall be made without the sanction of the Trustee; and
- e) The Scheme shall cease to carry on its business, except so far as may be required for its beneficial winding up; However, the corporate state and corporate powers of the Scheme and (subject to the preceding provisions of the Act) the powers of the Trustee shall continue until the Fund is dissolved.

47.3. The Fund Manager shall as soon as practicable after the effective time:

- a) Publish in not less than two daily newspapers of national circulation in Kenya published in the English language, the decision to wind up the Scheme and the date of commencement of the winding up; and
- b) If the Fund Manager has not previously notified the Unitholders of the proposal to wind up the Scheme, give written notice of the commencement of the winding up to the Unitholders.

48. MANNER OF WINDING UP

- 48.1. The Fund Manager shall cause the Scheme's portfolio to be utilised and the liabilities of the Scheme to be met out of the proceeds.
- 48.2. The Fund Manager shall give instructions to the Custodian on how such proceeds (until utilised to meet liabilities or make distributions to Unitholders) shall be held and such instructions shall be with a view to the prudent protection of the creditors and Unitholders against loss.
- 48.3. Provided there are sufficient funds, after provision for expenses the Fund Manager may arrange to make one or more interim distributions out of such funds to the Unitholders.
- 48.4. The Fund Manager shall make a final distribution on or prior to the date on which the final account is sent to the Unitholders after realising the portfolio and all the liabilities of the Scheme.

49. FINAL ACCOUNT

- 49.1. As soon as the Scheme's affairs are fully wound-up including distribution or provision for distribution in accordance to this Deed, the Fund Manager shall prepare an account of the winding up, showing how it has been conducted and how the Scheme portfolio has been disposed of and the account shall, following its approval by the Trustee be signed by the Fund Manager and the Trustee or on their behalf the account once signed, shall be the 'final account' for the purposes of the Act.

- 49.2. The final account shall state the date on which the Scheme's affairs were fully wound up and the date stated shall be regarded as the final day of the accounting period of the Scheme then running of the 'final accounting period'.
- 49.3. The Scheme's auditor shall make a report in respect of the final account, which shall state the auditor's opinion as to whether the final account has been properly prepared for the purpose of sub-regulation(a).
- 49.4. Within two months of the end of the final accounting period, the Fund Manager shall send a copy of the final account and the auditor's report on the final account to CMA, and to each person who was a Unitholder (or the first named joint Unitholder) immediately before the final accounting period.

50. DUTY TO ASCERTAIN LIABILITIES

- 50.1. The Fund Manager shall have a duty to ensure that all liabilities of the Scheme are discharged prior to the completion of the winding up. This relates to all liabilities of the Scheme which -
- a) The Fund Manager is, or becomes, aware prior to the completion of the winding up; or
 - b) The Fund Manager would have become aware of prior to the completion of the winding up had it used all reasonable endeavors to ascertain the liabilities of the Scheme.
- 50.2. If the Fund Manager rejects any claim against the Scheme in whole or part, the Fund Manager shall forthwith send to the claimant written notice of its reasons for doing so.
- 50.3. If after the effective time the Fund Manager becomes of the opinion that the Scheme will be unable to meet all its liabilities within twelve months of the date of statement referred to in clause 45.1(b):
- a) The Fund Manager shall notify the Trustee immediately; and
 - b) The Trustee shall forthwith present a petition or cause to be presented a petition for the winding up in accordance with the provisions in the Companies Act.
- 50.4. The Fund Manager shall be personally liable to meet any liability of a Scheme wound up under the Act (whether or not the Scheme has been dissolved) that was not discharged prior to the completion of the winding up unless the Fund Manager can establish to the satisfaction of CMA that it has complied with the Act, and this Deed.

51. ACCOUNTS AND REPORTS

- 51.1. While the Scheme is being wound up:
- (a) The annual and half-yearly accounting periods shall continue to run;

- (b) The provisions about annual and interim allocation of income shall continue to apply; and
 - (c) Annual and half-yearly reports shall continue to be preferred.
- 51.2. The Fund Manager shall send to each Unitholder a copy of any report relating to an accounting period or half-yearly accounting period which began after the effective time, if the Trustee after consulting the CMA, is satisfied that the interests of the Unitholders are not such as to require the report to be sent to the Unitholders, but a copy of the report shall be sent or supplied free of charge to any Unitholder requesting for the same.

52. CAPITAL MARKETS TRIBUNAL

Any dispute or difference, which may arise between the Unitholders, the Fund Manager, the Trustee or the Custodian shall be referred to the CMA and thereafter to the Capital Markets Tribunal established under the Act.

PART IX – OTHER MATTERS

53. OTHER MATTERS

- 53.1 The Trustee shall, subject to the terms of this Deed, hold title to the underlying securities in trust for the Unitholders.
- 53.2 Upon purchase or sale of units, the Fund Manager shall issue to the Unitholder a receipt evidencing the purchase or sale.
- 53.3 Certificates shall be issued to Unitholders within one week of any purchase.
- 53.4 The Trustee shall countersign; graphically or otherwise, every certificate before it is delivered by the fund manager to the Unitholder.
- 53.5 The Trustee shall not countersign any certificate unless it has received from the Fund Manager a full account of the cash proceeds of the issue of that certificate or securities
- 53.6 The monies of the Scheme shall be accounted for in full to the Trustee, and kept in a trust account at a licensed bank and shall include the following:
- a) Any monies for investments accruing from the issue of securities.
 - b) Dividends and interest or any other income accruing on underlying instruments.
 - c) The proceeds of capital gains, rights and bonus issues; and
 - d) Any money received by the Fund Manager from the realization of underlying securities.
- 53.7 The securities of the Scheme shall be kept with the Custodian.
- 53.8 The proceeds of the capital gains, rights, and bonus issues shall be invested in the Scheme for the benefit of the Unitholders.
- 53.9 All transactions of the Scheme portfolio will be individually reported to the Trustee by the Fund Manager within two weeks of such transaction.
- 53.10 The funds of the Scheme will be invested in accordance with the investment limits prescribed by CMA from time to time.
- 53.11 It shall be incumbent upon the Fund Manager to repurchase, subject to such terms and conditions contained in this Deed as may apply thereto, any number of units offered to it.
- 53.12 The specific method of calculations of the value of the Scheme portfolio and of the unit at which Unitholders shall transact their holdings with the Scheme shall be acceptable to CMA.
- 53.13 The unit value will be the market valuation of all monies and properties of the Scheme divided by units outstanding at that time.

- 53.14 The Initial Charge (up to a maximum of 10% of the Scheme Fund) shall be the only deductible charge from unit values in transaction with Unitholders.
- 53.15 The Management Fee that shall be payable to the Fund Manager will be up to 10 % of the Fund value of the Scheme and shall be an annual fee.
- 53.16 The accounts and financial records of the Scheme will be maintained in a system acceptable to CMA.
- 53.17 The fees payable to the Trustee and the Custodian of the Scheme shall be negotiated with the Fund Manager and be paid out of the funds in the Scheme. Each shall be an annual fee.
- 53.18 This Deed may be amended in the manner herein prescribed.
- 53.19 The valuation of the securities shall take place on a daily basis, at the end of each business day (1700hrs).

PART X –CERTAIN VOID PROVISIONS AND AMENDMENTS TO THE TRUST DEED

54. VOID PROVISIONS

- 54.1. Any provisions of this Deed which is inconsistent with any provisions of the Act, shall be void.
- 54.2. The parties hereto may supplement this Deed or alter or rescind any provisions of the Deed or add further provisions thereto, but no alterations or rescission of or addition to this Deed shall be valid unless:
- a) The consent of Unitholders has been obtained in the manner prescribed in this Deed provided that if the Trustee is satisfied that any such alteration or rescission or addition will not prejudice the interests of the Unitholders and does not operate to release the Trustee or Fund Manager from any responsibility to the Unitholders, such consent may be dispensed with; and
 - b) CMA is satisfied that any alteration, rescission or addition does not contain anything inconsistent with the provisions of the Act or with sound financial principles.
- 54.3. Any provision in this Deed purporting to relieve any party from liability to the Unitholders on account of its own negligence shall be void.

**APPENDIX I: SUPPLEMENTAL TRUST DEED FOR THE MADISON
MONEY MARKET FUND**

SUPPLEMENTAL TRUST DEED

To

THE TRUST DEED

ENTERED INTO BETWEEN

MADISON INVESTMENT MANAGERS LIMITED.
("THE PROMOTER AND FUND MANAGER")

And

KCB BANK KENYA LTD
("THE TRUSTEE")

Entered into for the purpose of establishing a unit trust portfolio to be known as
"MADISON MONEY MARKET FUND"

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

1. PREAMBLE

- 1.1 The Fund Manager and the Trustee, have agreed to establish, by this Supplemental Trust Deed, a sub fund of the Madison Unit Trust Fund, to be known as the Madison Money Market Fund, which shall be subject to all the relevant provisions of the Trust Deed together with any amendments thereto the Act, such legislation as may be published from time to time, and this Supplemental Trust Deed.
- 1.2 Expressions defined in the Trust Deed shall bear the meanings therein given to them when used in this supplemental trust deed.

2. THE CONSTITUTION OF THE PORTFOLIO

2.1 Address

Name: Madison Money Market Fund.

Address of Head office:

Madison House, Upper Hill Close

P.O Box 20092, 00100

Nairobi, Kenya.

- 2.2 MADISON INVESTMENT MANAGERS LTD and the TRUSTEE entered into a TRUST DEED establishing the Madison Unit Trust Fund (“the TRUST DEED”).
- 2.3 MADISON INVESTMENT MANAGERS LTD and the TRUSTEE have agreed to establish by this Supplemental Trust Deed, a Fund, known as “Madison Money Market Fund” which shall be subject to all the provisions of the Trust Deed and this Supplemental Trust Deed.
- 2.4 The Trustee shall ensure that the investment policy set out in this Supplemental Trust Deed and the provisions of the Trust Deed are carried out.

3. OBJECTS OF THE MADISON MONEY MARKET FUND.

The object of the Madison Money Market Fund is to achieve capital preservation while providing income. The Fund will invest in a diversified portfolio of interest-earning instruments in the local and international markets which have a weighted average tenor of thirteen months. The Fund will receive regular income inflows which will be distributed to the Unitholders. The Fund will invest in Government of Kenya securities, fixed deposits with selected banks, other Collective Investment Schemes, offshore investments and other investments. The Fund will make its

investments in accordance with the guidelines issued from time to time by CMA on investment of Collective Investment Schemes.

4. THE INVESTMENT POLICY AND AUTHORISED INVESTMENTS.

In selecting securities for the Madison Money Market Fund, the Fund Manager shall seek to achieve an investment medium for unit holders, which shall have as its primary objectives; steady growth of income, a reasonable level of current income and the maximum stability for capital invested.

5. INVESTMENT OBJECTIVE.

The objective of the Madison Money Market Fund is to generate total return through investing in a diversified portfolio of interest-earning instruments in the local and international markets which have a weighted average tenor of thirteen months, while offering maximum security to the investor.

6. INVESTMENT PRINCIPLES.

6.1 The guiding principles for the Madison Money Market Fund are:

- i. To invest only in money market instruments spread between institutions of repute.
- ii. To manage the portfolio according to best practice.
- iii. To administer the portfolio according to best practice by treating the generation of income as a higher priority than capital growth or as the case may be to place equal emphasis on the generation of income and on capital growth and that (in either case) this may accordingly constrain capital growth;
- iv. To minimize losses, while maximizing on investment returns, by investing in near cash or cash deposits;
- v. To disclose investments on a weighted average basis

6.2 The Madison Money Market fund will predominantly invest its assets in the Kenyan investment markets at all times and will be permitted to make investments in a mix of Money Market securities, to the maximum permitted by the Act, and any other securities, which may be included in a portfolio in terms of the Act and relevant legislation, which are consistent with the portfolio's investment policy.

6.3 The Fund Manager may from time to time invest in participatory interests or any other form of participation in portfolios of Collective Investment Schemes or other similar Collective Investment Schemes, that predominantly invest in money market securities, as the Act may allow from time to time. Where the aforementioned

schemes are operated in territories other than Kenya, participatory interests or any other form of participation in portfolios of these schemes will be included in the portfolio only where the regulatory environment is to the satisfaction of the Fund Manager and the Trustee and is of sufficient standards.

- 6.4 Nothing contained in this Supplemental Trust Deed shall preclude the Fund Manager from varying the main objective to take account of changing economic factors, tax laws and provisions and from retaining cash or placing cash on deposit in terms of this Supplemental Trust Deed.
- 6.5 The Trustee shall ensure that the investment policy set out here in the preceding clause is carried out. Nothing in this supplemental trust deed shall preclude the Fund Manager from varying the ratios of securities, to maximise capital growth and investment potential in a changing economic environment or market conditions or to meet the requirements, if applicable, of any exchange formally recognised in terms of legislation and from retaining cash or placing cash on deposit in terms of the Trust Deed; provided that the Fund Manager shall ensure that the aggregate value of the assets comprising the unit trust portfolio shall consist of securities and liquid asset investments of the aggregate value required from time to time by the Act.
- 6.6 The Categories in which the funds of the Madison Money Market Fund may invest and Investment restrictions:
- i. Securities listed at a recognized stock exchange in Kenya – up to 80%
 - ii. Securities issued by the Government of Kenya – up to 80%
 - iii. Immovable property – up to 25%
 - iv. Other collective investment schemes– 25%
 - v. Unlisted securities – up to 25%
 - vi. Offshore investments – up to 10%
 - vii. Bank deposits/deposits with Insurance Companies No Limit
- 6.7 These investment categories shall be made provided that:
- i. No limits shall apply to investment of the Madison Money Market Fund in an interest-bearing account, product or financial instrument of or issued by a bank or financial institution as defined by the Banking Act; or and insurance company as defined in the Insurance Act;
 - ii. The book value of an investment in an interest-bearing account, financial product or instrument of or issued by any single bank or financial institution or insurance company or a combination of any such investment in a single bank, financial institution or insurance company shall not in aggregate exceed 25% of the Madison Money Market Fund and Net Asset Value;
 - iii. The book value of the Madison Money Market Fund's holding of securities relating to any single issuer shall not exceed twenty-five per cent of the unit trust scheme's properties Net Asset Value; and

iv. The Fund Manager shall not apply any part of the Madison Money Market Fund in the acquisition of any investments which are for the time being, partly paid or otherwise in the opinion of the Trustee likely to involve the Trustee in any liability contingent or otherwise.

6.8 The limits and restrictions in this part shall be complied with at all times based on the most up-to-date value of the Madison Money Market Fund, but a five percent allowance in excess of any limit or restriction shall be permitted where the limit or restriction is breached through the appreciation in value of the scheme.

6.9 Information on the investments will be given in monthly reports to the unit holders on the investments in the portfolio undertaken by the Fund Manager. These reports will review the investment performance of the investment portfolio and any changes comprising the Madison Money Market Fund.

7. PRICING OF UNITS

The pricing of units will be according to the Net Asset Value of the fund.

8. DISTRIBUTION DATES.

8.1 Distributions shall take place on a monthly basis.

8.2 Madison Money Market Fund shall be subject to all the provisions of the Trust Deed as amended by the preceding clauses of the Supplemental Trust Deed, as amended from time to time.

9. INVESTMENT MINIMUMS AND LOCK IN PERIOD

9.1 The minimum value of units that a Unitholder can hold in the Madison Money Market Fund shall be Kshs 5,000.

9.2 The minimum value of top ups and withdrawals for the Madison Money Market Fund shall be Kshs. 1,000.

9.3 The Fund Manager has up to three (3) working days, after a valid redemption notice has been received, to instruct the Custodian to make payments to the Unitholder in the Madison Money Market Fund.

9.4 The Madison Money Market Fund will not have a Lock in period.

9.5. The Madison Money Market Fund will charge Kshs 250 per withdrawal for withdrawals done more than once in a calendar month.

10. CHARGES

- 10.1 The Fund Manager shall make a periodic charge, known as the management fee (but not exceeding a maximum of up to 5%), payable out of the income of the Madison Money Market Fund and this shall be expressed as an annual percentage of the value of the portfolio scheme.
- 10.2 The management fee applying in respect of the Madison Money Market Fund shall be proportionate to the length of the relevant accounting period and shall be calculated at such percentage by the Fund Manager on the average daily market value of the total investments of the fund.
- 10.3 The Fund Manager may apply an initial charge in respect to the Madison Money Market Fund. Where an initial charge is applied, it shall be set out in the updated Information Memorandum and shall not exceed 10% of the funds invested.
- 10.4 In respect to the Madison Money Market Fund, the Fund Manager may apply an exit or redemption charge. Where an exit charge is applied, it shall be set out in the updated Information Memorandum and shall not exceed 10% of the funds invested.
- 10.5 The fees payable to the Trustee of the Madison Money Market Fund will be 0.15% of the Funds Under Management.
- 10.6 The fees payable to the custodian of the Madison Money Market Fund are up to a maximum of 0.25% p.a. of Funds Under Management.
- 10.7 The Trustee shall not be responsible in any circumstances for any loss whatsoever arising from the purchase, selection, sale, exchange or alteration of any security.
- 10.8 Any provisions in the Trust Deed relating to Madison Money Market Fund which is inconsistent with the Regulations issued hereunder shall be void.

Dated this 22nd day of September 2023

Sealed with the common seal of

MADISON INVESTMENT MANAGERS LIMITED)

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Director)

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Director

Signed by the Authorized Signatories of

KCB BANK KENYA LIMITED)

Florence Nduba

FLORENCE NDUBA
IPA 70987/1

PATRICIA A. ODONGO
ADVOCATE
P. O. Box 58025 - 00200
NAIROBI

**APPENDIX II: SUPPLEMENTAL TRUST DEED FOR THE MADISON
FIXED INCOME FUND**

SUPPLEMENTAL TRUST DEED

To

THE TRUST DEED

ENTERED INTO BETWEEN

MADISON INVESTMENT MANAGERS LIMITED.
("THE PROMOTER AND FUND MANAGER")

And

KCB BANK KENYA LTD
("THE TRUSTEE")

Entered into for the purpose of establishing a unit trust portfolio to be known as
"MADISON FIXED INCOME FUND"

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

1. PREAMBLE

- 1.1 The Fund Manager and the Trustee, have agreed to establish, by this Supplemental Trust Deed, a sub fund of the Madison Unit Trust Fund, to be known as the Madison Fixed Income Fund, which shall be subject to all the relevant provisions of the Trust Deed together with any amendments thereto the Act, such legislation as may be published from time to time, and this Supplemental Trust Deed.
- 1.2 Expressions defined in the Trust Deed shall bear the meanings therein given to them when used in this supplemental trust deed.

2. THE CONSTITUTION OF THE PORTFOLIO

2.1 Address

Name: Madison Fixed Income Fund.

Address of Head office:

Madison House, Upper Hill Close

P.O Box 20092, 00100

Nairobi, Kenya.

- 2.2 MADISON INVESTMENT MANAGERS LTD and the TRUSTEE entered into a TRUST DEED establishing the Madison Unit Trust Fund (“the TRUST DEED”).
- 2.3 MADISON INVESTMENT MANAGERS LTD and the TRUSTEE have agreed to establish by this Supplemental Trust Deed, a Fund, known as “Madison Fixed Income Fund” which shall be subject to all the provisions of the Trust Deed and this Supplemental Trust Deed.
- 2.4 The Trustee shall ensure that the investment policy set out in this Supplemental Trust Deed and the provisions of the Trust Deed are carried out.

3. OBJECTS OF THE MADISON FIXED INCOME FUND.

The objective of Madison Fixed Income Fund is to achieve capital growth while earning a steady income stream from investing in fixed income securities in the local and international markets. Nonetheless, the fund may adopt a tactical trading strategy from time to time. The Fund is expected to give the overall portfolio stability and a consistent income stream. The Fund will invest in Government of Kenya securities, fixed deposits with selected banks, other Collective Investment Schemes, offshore investments and other investments. The Fund will make its

investments in accordance with the guidelines issued from time to time by CMA on investment of Collective Investment Schemes.

4. THE INVESTMENT POLICY AND AUTHORISED INVESTMENTS.

In selecting securities for the Madison Fixed Income Fund, the Fund Manager shall seek to achieve an investment medium for unit holders, which shall have as its primary objectives; steady growth of income, a reasonable level of current income, a reasonable level of capital gains and stability for capital invested.

5. INVESTMENT OBJECTIVE.

The objective of the Madison Fixed Income Fund is to generate total return through investing in a diversified portfolio of interest-earning instruments in the local and international markets, while offering security of capital to the investor.

6. INVESTMENT PRINCIPLES.

6.1 The guiding principles for the Madison Fixed Income Fund are:

- i. To invest only in money market and fixed income instruments spread between institutions of repute.
- ii. To manage the portfolio according to best practice.
- iii. To administer the portfolio according to best practice by treating the generation of income as a higher priority than capital growth or as the case may be to place equal emphasis on the generation of income and on capital growth and that (in either case) this may accordingly constrain capital growth;
- iv. To minimize losses, while maximizing on investment returns, by investing in mostly in government securities and near cash or cash deposits;
- v. To disclose investments on a weighted average basis

6.2 The Madison Fixed Income Fund will predominantly invest its assets in the Kenyan investment markets at all times and will be permitted to make investments in a mix of government securities and Money Market securities, to the maximum permitted by the Act, and any other securities, which may be included in a portfolio in terms of the Act and relevant legislation, which are consistent with the portfolio's investment policy.

6.3 The Fund Manager may from time to time invest in participatory interests or any other form of participation in portfolios of Collective Investment Schemes or other similar Collective Investment Schemes, that predominantly invest in fixed income and money market securities, as the Act may allow from time to time. Where the

above-mentioned schemes are operated in territories other than Kenya, participatory interests or any other form of participation in portfolios of these schemes will be included in the portfolio only where the regulatory environment is to the satisfaction of the Fund Manager and the Trustee and is of sufficient standards.

- 6.4 Nothing contained in this Supplemental Trust Deed shall preclude the Fund Manager from varying the main objective to take account of changing economic factors, tax laws and provisions and from retaining cash or placing cash on deposit in terms of this Supplemental Trust Deed.
- 6.5 The Trustee shall ensure that the investment policy set out here in the preceding clause is carried out. Nothing in this supplemental trust deed shall preclude the Fund Manager from varying the ratios of securities, to maximise capital growth and investment potential in a changing economic environment or market conditions or to meet the requirements, if applicable, of any exchange formally recognised in terms of legislation and from retaining cash or placing cash on deposit in terms of the Trust Deed; provided that the Fund Manager shall ensure that the aggregate value of the assets comprising the unit trust portfolio shall consist of securities and liquid asset investments of the aggregate value required from time to time by the Act.
- 6.6 The Categories in which the funds of the Madison Fixed Income Fund may invest and Investment restrictions:
- i. Securities listed at a recognized stock exchange in Kenya – up to 80%
 - ii. Securities issued by the Government of Kenya – up to 80%
 - iii. Immovable property – up to 25%
 - iv. Other Collective Investment Schemes– 25%
 - v. Unlisted securities – up to 25%
 - vi. Offshore investments – up to 10%
 - vii. Bank deposits/deposits with Insurance Companies No Limit
- 6.7 These investment categories shall be made provided that:
- i. No limits shall apply to investment of the Madison Fixed Income Fund in an interest-bearing account, product or financial instrument of or issued by a bank or financial institution as defined by the Banking Act; or and insurance company as defined in the Insurance Act;
 - ii. The book value of an investment in an interest-bearing account, financial product or instrument of or issued by any single bank or financial institution or insurance company or a combination of any such investment in a single bank, financial institution or insurance company shall not in aggregate exceed 25% of the Madison Fixed Income Fund and net asset value;

- iii. The book value of the Madison Fixed Income Fund's holding of securities relating to any single issuer shall not exceed twenty-five per cent of the unit trust scheme's properties Net Asset Value; and
 - iv. The Fund Manager shall not apply any part of the Madison Fixed Income Fund in the acquisition of any investments which are for the time being, partly paid or otherwise in the opinion of the Trustee likely to involve the Trustee in any liability contingent or otherwise.
- 6.8 The limits and restrictions in this part shall be complied with at all times based on the most up-to-date value of the Madison Fixed Income Fund, but a five percent allowance in excess of any limit or restriction shall be permitted where the limit or restriction is breached through the appreciation in value of the scheme.
- 6.9 Information on the investments will be given in monthly reports to the unit holders on the investments in the portfolio undertaken by the Fund Manager. These reports will review the investment performance of the investment portfolio and any changes comprising the Madison Fixed Income Fund.

7. PRICING OF UNITS

The pricing of units will be according to the Net Asset Value of the fund.

8. DISTRIBUTION DATES.

- 8.1 Distributions shall take place on a monthly basis.
- 8.2 Madison Fixed Income Fund shall be subject to all the provisions of the Trust Deed as amended by the preceding clauses of the Supplemental Trust Deed, as amended from time to time.

9. INVESTMENT MINIMUMS AND LOCK IN PERIOD

- 9.1 The minimum value of units that a Unitholder can hold in the Madison Fixed Income Fund shall be Kshs 5,000.
- 9.2 The minimum value of top ups and withdrawals for the Madison Fixed Income Fund shall be Kshs. 1,000.
- 9.3 The Fund Manager has up to three (3) working days, after a valid redemption notice has been received, to instruct the Custodian to make payments to the Unitholder in the Madison Fixed Income Fund.
- 9.4 The Madison Fixed Income Fund will not have a Lock in period.
- 9.5 The Madison Fixed Income Fund will impose a 2% redemption charge on the withdrawn amount if there are more than one withdrawals every 3 calendar months.

10. CHARGES

- 10.1 The Fund Manager shall make a periodic charge, known as the management fee (but not exceeding a maximum of up to 5%), payable out of the income of the Madison Fixed Income Fund and this shall be expressed as an annual percentage of the value of the portfolio scheme.
- 10.2 The management fee applying in respect of the Madison Fixed Income Fund shall be proportionate to the length of the relevant accounting period and shall be calculated at such percentage by the Fund Manager on the average daily market value of the total investments of the fund.
- 10.3 The Fund Manager may apply an initial charge in respect to the Madison Fixed Income Fund. Where an initial charge is applied, it shall be set out in the updated Information Memorandum and shall not exceed 10% of the funds invested.
- 10.4 In respect to the Madison Fixed Income Fund, the Fund Manager may apply an exit or redemption charge. Where an exit charge is applied, it shall be set out in the updated Information Memorandum and shall not exceed 10% of the funds invested.
- 10.5 The fees payable to the Trustee of the Madison Fixed Income Fund will be 0.15% of the Funds Under Management.
- 10.6 The fees payable to the Custodian of the Madison Fixed Income Fund are up to a maximum of 0.25% p.a. of Funds Under Management.
- 10.7 The Trustee shall not be responsible in any circumstances for any loss whatsoever arising from the purchase, selection, sale, exchange or alteration of any security.
- 10.8 Any provisions in the Trust Deed relating to Madison Fixed Income Fund which is inconsistent with the Regulations issued hereunder shall be void.

Dated this 22nd day of September 2023

Sealed with the common seal of

MADISON INVESTMENT MANAGERS LIMITED)

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Director

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Director

Signed by the Authorized Signatory of

KCB BANK KENYA LIMITED


FLORENCE NDUBA
IPA 70987/1



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In the Presence of Advocate

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PATRICIA A. ODONGO
ADVOCATE
P. O. Box 58025 - 00200
NAIROBI


**APPENDIX III: SUPPLEMENTAL TRUST DEED FOR THE MADISON
WEALTH FUND**

SUPPLEMENTAL TRUST DEED

To

THE TRUST DEED

ENTERED INTO BETWEEN

MADISON INVESTMENT MANAGERS LIMITED.
("THE PROMOTER AND FUND MANAGER")

And

KCB BANK KENYA LTD
("THE TRUSTEE")

Entered into for the purpose of establishing a unit trust portfolio to be known as
"MADISON WEALTH FUND"

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

1. PREAMBLE

- 1.1 The Fund Manager and the Trustee, have agreed to establish, by this Supplemental Trust Deed, a sub fund of the Madison Unit Trust Fund, to be known as the Madison Wealth Fund, which shall be subject to all the relevant provisions of the Trust Deed together with any amendments thereto the Act, such legislation as may be published from time to time, and this Supplemental Trust Deed.
- 1.2 Expressions defined in the Trust Deed shall bear the meanings therein given to them when used in this supplemental trust deed.

2. THE CONSTITUTION OF THE PORTFOLIO

2.1 Address

Name: Madison Wealth Fund.

Address of Head office:

Madison House, Upper Hill Close

P.O Box 20092, 00100

Nairobi, Kenya.

- 2.2 MADISON INVESTMENT MANAGERS LTD and the TRUSTEE entered into a TRUST DEED establishing the Madison Unit Trust Fund (“the TRUST DEED”).
- 2.3 MADISON INVESTMENT MANAGERS LTD and the TRUSTEE have agreed to establish by this Supplemental Trust Deed, a Fund, known as “Madison Wealth Fund” which shall be subject to all the provisions of the Trust Deed and this Supplemental Trust Deed.
- 2.4 The Trustee shall ensure that the investment policy set out in this Supplemental Trust Deed and the provisions of the Trust Deed are carried out.

3. OBJECTS OF THE MADISON WEALTH FUND.

The objective of the Madison Wealth Fund is to maximize income while securing steady capital growth by investing in a diversified portfolio of high yielding securities in the local and international markets. Nonetheless, the Fund may adopt a tactical trading strategy from time to time and is expected to give an overall portfolio growth and a consistent income stream. The Madison Wealth Fund shall be considered a Special Fund under CMA regulations. The Fund will invest in Government of Kenya securities, fixed deposits with selected banks, other Collective Investment Schemes, offshore investments and other investments. The

Fund will make its investments in accordance with the guidelines issued from time to time by CMA on investment of Collective Investment Schemes.

4. THE INVESTMENT POLICY AND AUTHORISED INVESTMENTS.

In selecting securities for the Madison Wealth Fund, the Fund Manager shall seek to achieve an investment medium for unit holders, which shall have as its primary objective; steady growth of capital invested.

5. INVESTMENT OBJECTIVE.

The objective of the Madison Wealth Fund is to generate total return through investing in a diversified portfolio of instruments within various asset classes in the local and international markets.

6. INVESTMENT PRINCIPLES.

6.1 The guiding principles for the Madison Wealth Fund are:

- i. To invest only in financial instruments spread between institutions of repute.
- ii. To manage the portfolio according to best practice.
- iii. To administer the portfolio according to best practice by treating the generation of capital growth as the primary goal;
- iv. To guard against losses, while maximizing on investment returns, by diversifying the allocation of funds;

6.2 The Madison Wealth Fund will predominantly invest its assets in the Kenyan investment markets at all times and will be permitted to make investments in a mix of investment securities, which are consistent with the portfolio's investment policy and as limited by relevant legislation.

6.3 The Fund Manager may from time to time invest in participatory interests or any other form of participation in portfolios of Collective Investment Schemes or other similar Collective Investment Schemes, that are aligned with the Madison Wealth Fund's investment policy, as the Act may allow from time to time. Where the aforementioned schemes are operated in territories other than Kenya, participatory interests or any other form of participation in portfolios of these schemes will be included in the portfolio only where the regulatory environment is to the satisfaction of the Fund Manager and the Trustee and is of sufficient standards.

- 6.4 Nothing contained in this Supplemental Trust Deed shall preclude the Fund Manager from varying the main objective to take account of changing economic factors, tax laws and provisions and from retaining cash or placing cash on deposit in terms of this Supplemental Trust Deed.
- 6.5 The Trustee shall ensure that the investment policy set out here in the preceding clause is carried out. Nothing in this supplemental trust deed shall preclude the Fund Manager from varying the ratios of securities, to maximise capital growth and investment potential in a changing economic environment or market conditions or to meet the requirements, if applicable, of any exchange formally recognised in terms of legislation and from retaining cash or placing cash on deposit in terms of the Trust Deed; provided that the Fund Manager shall ensure that the aggregate value of the assets comprising the unit trust portfolio shall consist of securities and liquid asset investments of the aggregate value required from time to time by the Act.
- 6.6 The Categories in which the funds of the Madison Wealth Fund may invest and Investment restrictions:
- i. Equities listed at a recognized stock exchange in Kenya – up to 70%
 - ii. Securities issued by Government of Kenya – up to 80%
 - iii. Other Collective Investment Schemes - up to 25%
 - iv. Unlisted securities and Structured notes (Including Corporate Instruments) – up to 85%
 - v. Offshore Investments – up to 30%
 - vi. Alternative Investments – up to 30%
 - vii. Bank deposits/deposits with Insurance Companies - No Limit
- 6.7 These investment categories shall be made provided that:
- i. No limits shall apply to investment of the Madison Wealth Fund in an interest-bearing account, product or financial instrument of or issued by a bank or financial institution as defined by the Banking Act; or and insurance company as defined in the Insurance Act;
 - ii. The book value of an investment in an interest-bearing account, financial product or instrument of or issued by any single bank or financial institution or insurance company or a combination of any such investment in a single bank, financial institution or insurance company shall not in aggregate exceed 25% of the Madison Wealth Fund and Net Asset Value;
 - iii. The book value of the Madison Wealth Fund's holding of securities relating to any single issuer shall not exceed twenty-five per cent of the unit trust scheme's properties Net Asset Value; and
 - iv. The Fund Manager shall not apply any part of the Madison Wealth Fund in the acquisition of any investments which are for the time being, partly paid or otherwise in the opinion of the Trustee likely to involve the Trustee in any liability contingent or otherwise.

- 6.8 The limits and restrictions in this part shall be complied with at all times based on the most up-to-date value of the Madison Wealth Fund, but a five percent allowance in excess of any limit or restriction shall be permitted where the limit or restriction is breached through the appreciation in value of the scheme.
- 6.9 Information on the investments will be given in monthly reports to the unit holders on the investments in the portfolio undertaken by the Fund Manager. These reports will review the investment performance of the investment portfolio and any changes comprising the Madison Wealth Fund.

7. PRICING OF UNITS

The pricing of units will be according to the Net Asset Value of the fund.

8. DISTRIBUTION DATES.

- 8.1 Distributions shall take place on a monthly basis.
- 8.2 Madison Wealth Fund shall be subject to all the provisions of the Trust Deed as amended by the preceding clauses of the Supplemental Trust Deed, as amended from time to time.

9. INVESTMENT MINIMUMS AND LOCK IN PERIOD

- 9.1 The minimum value of units that a Unitholder can hold in the Madison Wealth shall be Kshs 1,000,000.
- 9.2 The minimum value of top ups and withdrawals for the Madison Wealth Fund shall be Kshs. 1,000,000.
- 9.3 The Fund Manager has up to six (6) working days, after a valid redemption notice has been received, to instruct the Custodian to make payments to the Unitholder in the Madison Fixed Income Fund.
- 9.4 The Madison Wealth Fund will have a Lock I period of six months. During this period, a Unitholder may not withdraw any amounts from the fund.
- 9.5 For the Wealth Fund, Unitholders may withdraw every six (6) months from the date of the investment, and every contribution will be subject to the six-month lock-in period.

10. CHARGES

- 10.1 The Fund Manager shall make a periodic charge, known as the management fee (but not exceeding a maximum of up to 5%), payable out of the income of the Madison Wealth Fund and this shall be expressed as an annual percentage of the value of the portfolio scheme.
- 10.2 The management fee applying in respect of the Madison Wealth Fund shall be proportionate to the length of the relevant accounting period and shall be calculated at such percentage by the Fund Manager on the average daily market value of the total investments of the fund.
- 10.3 The Fund Manager may apply an initial charge in respect to the Madison Wealth Fund. Where an initial charge is applied, it shall be set out in the updated Information Memorandum and shall not exceed 10% of the funds invested.
- 10.4 In respect to the Madison Wealth Fund, the Fund Manager may apply an exit or redemption charge. Where an exit charge is applied, it shall be set out in the updated Information Memorandum and shall not exceed 10% of the funds invested.
- 10.5 The fees payable to the Trustee of the Madison Wealth Fund will be 0.15% of the Funds Under Management.
- 10.6 The fees payable to the custodian of the Madison Wealth Fund are up to a maximum of 0.25% p.a. of Funds Under Management.
- 10.7 The Trustee shall not be responsible in any circumstances for any loss whatsoever arising from the purchase, selection, sale, exchange or alteration of any security.
- 10.8 Any provisions in the Trust Deed relating to Madison Wealth Fund which is inconsistent with the Regulations issued hereunder shall be void.

11. Reports by the Fund Manager

For the Madison Wealth Fund, the Fund Manager shall prepare and submit to the Capital Markets Authority at least quarterly in accordance with the Collective Investment Scheme Regulations. The report shall show:

- i. A detailed breakdown of Securities held and their percentage distribution.
- ii. In regard to bank deposits, a detailed breakdown of amounts held in each bank/financial institution.
- iii. The fees charged to investors and the yield of the fund.
- iv. A list of investors and their investment amounts.

Dated this 22nd day of September 2023

Sealed with the common seal of

MADISON INVESTMENT MANAGERS LIMITED)

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Director)

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Director

Signed by the Authorised Signatory of

FLORENCE NDUBA
IPA 70987/1

KCB BANK KENYA LIMITED)



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In the Presence of Advocate

