



TRUST DEED & RULES

FOR THE

MAYFAIR FIXED INCOME FUND

Trust Deed & Rules for the Mayfair Fixed Income Fund

TRUST DEED

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TRUST DEED

PART I - THE TRUST

1. DEFINITIONS

In this Deed, unless the context otherwise requires, words defined in the Act bear the meanings therein assigned to them, and unless inconsistent with the context, all words and expressions importing the masculine gender shall include the feminine, and words signifying the singular number shall include the plural and vice versa.

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

- “Accounting Period” - means each consecutive period of twelve months from the first day in January until the last day of December in each year. The Fund Manager, Mayfair Asset Managers Limited, shall publish and submit to the Authority reports and accounts as per requirements.
- The “Act” - means the Capital Markets Act, Chapter 485A of the Laws of the Republic of Kenya, and any regulations issued thereunder.
- “Annual Report” - means a report prepared in accordance with the Act.
- “Assets” means any tangible assets and includes the following:
(a) cash in hand or deposited with a Bank
(b) Authorized Investments
(c) Amounts owing to the Fund by debtors excluding any bad or doubtful debts
(d) Incoming accruing from authorized Investments to the extent not included in the preceding paragraphs of this definition
(e) Any prepayment of expenditure
(f) The proceeds of any borrowing.
- “Auditors” - means a person or a firm qualified for appointment as auditor of a public company in Kenya and appointed by the Fund Manager as its auditor and as auditor of the Trust, subject to the provisions of the Act.
- “Authorized Investments”- means those investments referred to in Clause 6.
- “Bid Price” - means the price quoted by the Fund Manager for the redemption of units in the Mayfair Fixed Income Fund, which price shall be based on the Net Asset Value per Unit.
- “Business Day” - means a day on which banks are open for normal banking business in Kenya (except Saturday) and such other day as the Fund Manager may determine from time to time.
- “Capital Gains” means and includes all securities, rights and other benefits in the nature of capital accruals received or to be received by or on behalf of the Mayfair Fixed Income Fund by reason of the holding of the underlying securities on behalf of the unit holders, whether received in cash or securities or by warrant or cheque.

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- “Cash” - includes personal cheques, Bankers cheques, Bank deposits, Bank transfers, swift transfers and Bank drafts in any currency
- “Certificate” or “Certificates” of Entitlement - means a certified statement of a Unit Holder’s current holdings within the Fund pursuant to the provisions of this Deed
- “Cleared Funds” - means funds that have been unconditionally credited by the collecting bank to the Manager’s account and in respect of which the Manager has been notified that it has acquired the unconditional right to the immediate use thereof.
- “CMA” - means the Capital Markets Authority of Kenya.
- “Custodian” - means a company approved by the Authority to hold in custody funds, securities, financial instruments or documents of title to the assets of the Mayfair Fixed Income Fund.
- “Corporation” means any corporate body wherever incorporated or domiciled.
- “Cost” in relation to any Asset, means the total of all amounts paid or payable whether in cash, by issue of Units, or otherwise, by or on behalf of the Trustee or the Manager that are directly attributable to the Trust acquiring ownership of the Asset including, in particular, stamp duty, brokerage fees, and commissions.
- “Dealing” - means an act of buying, selling or agreeing to buy or sell or trade units by the Manager.
- “Dealing Day” - every day of every week that is a Business Day being, however, a day on which the Net Asset Value per Unit of the Fund is calculated.
- “Distribution Dates” - in respect of each Fund distributions will be carried out from time to time as may be determined by the Manager and the Trustee; provided that the first distribution date of each Fund created under this Trust Deed shall not be more than twelve months after the date of creating such unit portfolio.
- “Form of Renunciation” - means a document in the form from time to time prescribed by the Fund Manager, by which a certificate 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.
- “Foreign Exchange and Exchange Contracts” - means the currency or exchange of any country in the world and any contract for the sale or purchase of any such currency or exchange at any point in time after the date of entering into such contract.
- “Fund Manager” - means Mayfair Asset Managers Limited, its successors or any other company, which from time to time administers, manages or controls the Mayfair Fixed Income Fund, in terms of the Act and this Trust Deed.
- “Fund” - means the Mayfair Fixed Income Fund which is part of Mayfair Umbrella Collective Investment Scheme.

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- “Income Accruals” - for an accounting period means any dividend, interest or other income for distribution received by or accrued to the Mayfair Fixed Income Fund, the Custodian, or the Fund Manager, on behalf of the unit holders for that accounting period together with any amounts carried forward from any previous accounting period as not having been distributed.
- “Issue Date” - in relation to an application for Units means the date on which the valuation of a Fund is made in order to determine the latest ruling Issue Price.
- “Issued Units” - in respect of a Fund, means all Units in that Fund for the time being created and issued and not cancelled as at a particular day but does not include Units which are redeemed or repurchased by the Manager on that particular day and fully paid Issued Units shall have a corresponding meaning.
- “Income Distribution Date” - means the day following the end of a period in respect of which a distribution of income is made pursuant to the provisions of this Deed.
- “Kenya” - means the Republic of Kenya.
- “Liabilities” - in respect of a Fund, means the following:
- (a) Unpaid administrative costs and expenses including fees of the Manager, the custodian and fees of the Trustees;
 - (b) Accrued charges in respect of or owing in relation to any of the Authorized Investments;
 - (c) Amounts required to meet present liabilities;
 - (d) Provision for tax;
 - (e) Underwriting fees and commissions which are outstanding;
 - (f) Such other amounts as are required to meet liabilities or other expenditure which in the opinion of the Manager should be taken into account and which have not otherwise been taken into account in determining the amount of the liabilities in any of the preceding paragraphs of this definition.
- “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 middle market price being midway between bid and offer where prices are quoted at that time and on that particular day on the said stock exchange, provided that –
- ◆ 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;
 - ◆ Where the Fund Manager has given to the Trustee notice of a reduction of the Mayfair Fixed Income 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

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relative unit portfolio shall be reduced by the amount payable to the Fund Manager upon such cancellation.

- “Manager” - means Mayfair Asset Managers Limited, a company registered and existing under the laws of Kenya bearing registration number PVT-27U56Q3L and licensed as a Fund Manager by the Capital Markets Authority, License No. 172.
- “Minimum Holding” - means such amount as the Manager may from time to time prescribe in the Scheme Particulars of the Trust to be the minimum value of the initial or any subsequent investment in the Fund.
- “Net Asset Value” or “NAV” - in relation to a Fund means the net asset value of the Fund, calculated in accordance with the Trust Deed.
- “Net Income” - represents all income due and receivable less all costs, charges and expenses due or accrued and paid or payable out of the Fund.
- “Payment in lieu of income accruals” means the amount which the Fund Manager must pay into the income account of the Mayfair Fixed Income Fund on the creation of new units to acquire the units so created equal participation in the relative income which has accrued (including payments received in lieu of Income Accruals) from the last ex-dividend date to the date on which the units are created. Such amount shall be calculated by dividing the total number of units in issue of a unit portfolio at the time at which the calculation is made into the total amount then standing to the credit of the relative income account and by multiplying the quotient by the number of new units created at the time at which the calculation is made.
- “Prospectus” - means the Information Memorandum issued by the Manager in respect of the Trust.
- "Preliminary Charge" means that portion of the selling price of a unit representing the Fund Manager's charge in respect to expenditure incurred and work performed by it in connection with the creation and issue of Units but does not include any service charge.
- "Recognized Securities Exchange" means the Nairobi Securities Exchange, or a securities exchange inside or outside Kenya approved by the Fund Manager.
- "Register" means the register in which are listed the names of unit holders of the Fund from time to time.
- “Securities” - means any shares, stocks, units in unit trusts, property or units in a property fund, debentures or bonds or any right or option in respect of any shares, stocks, debentures or bonds or any other alternative investments as deemed relevant to the Fund's investment mandate.
- “Service Charge” means the periodical charge deductible from income accruals and payments in lieu of income accruals to remunerate Mayfair Asset Managers Limited for administering the Fund, expressed as a percentage of the average month-end market value of the total assets comprising the Mayfair Fixed Income Fund during the accounting period for which the charge is levied.

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“Shillings”	means shillings in the currency of Kenya.
“Sovereign Issuer”	- means the Government of Kenya and any state, county, local authority or public international body approved by the Capital Markets Authority (“CMA”).
“Tax”	- includes all income tax, withholding tax, sales tax, excise tax and other taxes, state registration and other duties, and all levies whatsoever together with interest thereon.
“Termination Day”	- in respect of a Fund, means the day that is the first of the following days to occur: (a) such day as the Unit Holders of the Fund may by Extraordinary Resolution decide; (b) such day as either the Manager or the Trustee may appoint by written notice to the other so long as such appointed day is determined six (6) months in advance and written notice thereof is given to the Unit Holders at the time such day is appointed; (c) the day on which the Fund is terminated pursuant to the terms of this Deed or legislative enactment.
“Trust”	- means the trust established by the Deed and called the “Mayfair Fixed Income Fund” or by such other name as the Trustee and the Manager may from time to time determine.
"Trust Deed" or "Deed"	This trust deed and any other deeds supplemental thereto, in relation to the Mayfair Fixed Income Fund, means the trust deed that sets out the trusts governing the unit trust and includes every instrument that varies those trusts or effects the powers, duties or functions of the trustee or manager of the unit trust.
"Trustee"	means the person for the time being appointed as trustee of the trust pursuant to this Deed.
"Underlying Securities",	in relation to the Mayfair Fixed Income Fund, means the securities comprised in or constituting the unit portfolio concerned and includes any cash or claims derived or resulting from the conduct of the unit portfolio which are held by or due to the Fund, the Fund Manager or the Trustee for the benefit of the unit holders in that unit portfolio.
"Unit"	means an undivided share in or part of the Mayfair Fixed Income Fund as is provided for in this Deed and includes a fraction thereof.
"Unit holders"	means the persons who are for the time being shown on the Register as the holders of Units, and may include, at the Manager’s discretion and subject to the terms of the Prospectus, corporation by whatever name called or joint holders.
"Unit Portfolio"	means the underlying securities in which persons are invited or permitted by the Fund Manager to acquire units pursuant to the Mayfair Fixed Income Fund including any cash and/or claims forming part or deemed to form part of the assets pertaining to the Mayfair Fixed Income Fund but after deduction of any liability pertaining or deemed to pertain to such unit portfolio.

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- "Unit Trust Scheme" means a scheme established under a trust deed in compliance with the provisions of the Act and intended to provide facilities for the participation by a Unit Holder, as beneficiaries under the trust, in the income, profits and gains arising out of the acquisition, holding, management or disposal of securities or other properties. Herein referred to as the "Mayfair Fixed Income Fund".
- "Units in Issue" means all units which have been created and which have been entered in the Register including those held or deemed to be held by the Fund Manager, and which have not been cancelled.
- "USD" or "United States Dollars" - means the lawful currency of the United States of America.
- "Valuation Point" - means, in relation to the Fund, the cut off time on any Dealing Day on which the Net Asset Value of the Fund is calculated.
- "VAT" - means Value Added Tax or any other similar tax by whatever name called.
- "Working Day" - Excludes Saturday, Sunday and Public Holidays.
- "Year" - in relation to each Fund, means:
- (a) the period commencing on the date of commencement of the Fund and expiring on the following 31st December, provided that the period will be constituted of at least six months, failing which the period shall end on the 31st December immediately following those six months; and
 - (b) each succeeding period of twelve (12) months during the continuance of the Fund and includes any longer or shorter consecutive period than twelve (12) months that may arise as a result of the adoption of any substituted period for the Accounting Period and also includes any period between the end of the last complete Year prior to the date of termination of the Fund.

Reference to articles, enactments, sections of enactments, documents and agreements shall include reference to any amendments, modifications, extensions, substitutions or re-enactment thereof, as the case may be, for the time being in force.

In the interpretation of this Deed, unless the context otherwise requires:

- (i) Headings appear as a matter of convenience and do not affect the interpretation of this Deed;
- (ii) References to Parts, Clauses, paragraphs and the Schedule are to Parts, Clauses, paragraphs of, and the Schedule to this Deed;
- (iii) Words importing the singular number shall include the plural number and vice versa;
- (iv) Words importing the masculine gender only shall include the feminine gender;
- (v) The words "Written" and "Writing" include telefaxed and any means of visible reproduction;
- (vi) Words importing persons only shall include companies or associations or bodies of persons, whether corporate or not; and
- (vii) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative.

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2. THE CONSTITUTION OF THE MAYFAIR FIXED INCOME FUND

- (a) Mayfair Asset Managers Limited wishes to establish and to be the Manager of a Unit Trust Scheme to be Known as “Mayfair Fixed Income Fund” for the benefits of unit holders as hereinafter defined in the Trust Deed;
- (b) KCB Bank Kenya Limited agrees to act as Trustee of the said “Mayfair Fixed Income Fund” for the benefit of Unit Holders on the terms and conditions set out in the said Trust Deed.
- (c) Name: Mayfair Fixed Income Fund

Address:

Mayfair Centre,
Ralph Bunche Road, 7th floor,
P. O. Box 45161 – 00100
Nairobi, Kenya

3. DECLARATION OF THE MAYFAIR FIXED INCOME FUND

“Subject to the provisions of this deed and all rules of the Mayfair Fixed Income Fund for the time being in force, the Mayfair Fixed Income Fund (other than sums standing to the credit of the distribution account) is held by the trustee on trust for the unit holders of the units *pari passu* according to the number of units held by each unit holder, and the sum standing to the credit of the distribution account are held by the trustee on trust to distribute or apply them in accordance with the Act, Collective Investment Scheme regulations, and this deed.

4. OBJECTIVE OF THE MAYFAIR FIXED INCOME FUND

The objective of the Mayfair Fixed Income Fund is to provide a medium whereby investors can invest in a diversified portfolio of medium to long term securities.

In so doing the Fund Manager hopes to stimulate higher mobilization of savings. In order to achieve this objective the Fund Manager shall be entitled, subject to the provisions of this Deed and of the Act, to create and issue an unlimited number of units in the Mayfair Fixed Income Fund established in terms of this Trust Deed.

5. TRUST DEED TO BE BINDING AND AUTHORITATIVE

This deed is binding on each unit holder 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.

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6. THE INVESTMENT POLICY AND AUTHORIZED INVESTMENTS

Investment Objective

The investment objective of the Mayfair Fixed Income Fund is to achieve a reasonable level of return. This would be achieved by investing in a diversified selection of short-term fixed income securities.

The Fund will be suitable mainly for the following categories of investors:

- Investors seeking a regular income from their investment.
- Investors seeking a low-risk investment which offers a high income yield, and capital stability with moderate levels of liquidity.
- Investors who intend to secure a safe haven for their investments in times of stock market instability.

Investment Policies

In order to achieve its investment objective, the assets of the Mayfair Fixed Income Fund will be invested according to the following policies:

The Fund is designed for investors who want to participate in the fixed income markets so as to enjoy income and capital appreciation on their investments. The Fund would primarily invest in fixed income securities including but not limited to treasury bills, treasury bonds, corporate bonds, as well as bank deposits.

The basis of the Funds management will focus on maintaining an acceptable average interest rate sensitivity of the assets within the Fund, or duration. This will be done by considering the Funds constituents on the basis of the prevailing yield curve.

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

Investment Restrictions

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

- (i) Securities listed on a securities exchange in Kenya – 80%
- (ii) Securities issued by the Government of Kenya – 80%
- (iii) Other collective investment schemes including umbrella schemes – 25%
- (iv) Any other investment not listed on a securities exchange in Kenya – 25%
- (v) Off-shore investments – 10%

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(vi) Immovable property – 25%

These investments shall be made provided that:

- a) The book value of the investment in an interest bearing account, financial product or instrument of or issued by any single bank or financial institution or insurance company or a combination of any such investment in a single bank, financial institution or insurance company shall not in aggregate exceed twenty five percent of the Mayfair Fixed Income Fund and net asset value;
- b) The value of the Mayfair Fixed Income Fund's holding of securities relating to any single issuer shall not exceed 25% of the Unit Trust scheme's properties net asset value; and
- c) Any Unit trust scheme established for the investment of retirement benefits schemes shall comply with the investment guidelines prescribed under the Capital Markets & Retirement Benefits Acts.

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

The limits and restrictions in this Part shall be complied with at all times based on the most up-to-date value of the Mayfair 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 unit trust scheme.

Information on investment will be given in the semi - annual reports to the unit holder's on the investments in the portfolio undertaken by the Fund Manager. These reports will review the investment activity and performance of the investment portfolio and any changes comprising the Mayfair Fixed Income Fund.

Borrowing restrictions

The Mayfair Fixed Income Fund shall not lend all or part of the portfolio and shall not assume, guarantee, endorse, or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.

Switch in investments

The Fund Manager may, if it considers it in the best interest of the unit holders, sell, exchange, alter, or otherwise dispose of any of the underlying securities and in such event shall substitute for such underlying other securities or cash equal in value to the net amount realized for the underlying securities disposed of less the compulsory charges in respect of the securities substituted.

Trustee Entitled to Reject Securities

The Trustee shall refuse to accept as part of the Mayfair Fixed Income Fund any security which, according to its judgment, infringes the terms of this Deed or the Act and the Fund Manager shall, in such an event, deposit with the Custodian cash and/or other securities of equal value and which comply with the terms and objects of the Trust Deed. In order to enable the Trustee to give effect to the provisions of this Deed, the Fund Manager shall furnish to the Trustee such information as the latter may from time to time reasonably require.

Investment Strategy

Asset Class	Target Allocation	Asset Allocation Range	CIS Upper Limits	Fund Benchmark
Cash and cash	40%	20% - 40%	80%	Average 364 Day

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equivalents/ deposits				Treasury bill plus 1
Fixed Income securities	60%	60% - 80%	80%	

7. VALUATION OF THE MAYFAIR FIXED INCOME FUND

The 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 Mayfair Fixed Income Fund on the redemption of units shall be the net asset value at the end of the Working Day on which the written request to repurchase and redeem is received by the Fund Manager and the trustee respectively.

The bid price quoted shall be the net asset value computed by obtaining the Net Asset Value (NAV) of the portfolio (subtract total liabilities from total assets). Dealing costs of selling the entire portfolio are deducted from the Net Asset Value of the fund. This net amount is divided by the total number of units outstanding in the portfolio.

The formula to be adopted to determine the value of the Fund per Unit is:

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

The Fund Manager will calculate this at the end of each Working day.

Value of the assets of the Fund includes:

- a) Aggregate market value of the underlying securities in the unit portfolio at the point of valuation.
- b) Aggregate of all income accruals and payments received in lieu of income accruals from the creation of new units.
- c) Amount of the compulsory charges payable on the acquisition of all the underlying securities comprising the unit portfolio.
- d) Preliminary charge payable in respect of all the units in issue.

Liabilities shall include:

- a) Accrued fees.
- b) Expenses.
- c) Those income accruals and payments in lieu of income accruals, set aside at the last preceding ex-dividend date for distribution, but not yet distributed, in respect of the accounting period which ended on the day prior to the last ex-dividend date:
- d) Those income accruals and payments in lieu of income accruals, as in the opinion of the Fund Manager, represents a fair proportion, at the said date, of the service charge and other amounts and charges for the relevant accounting period.

8. RESTRICTED ECONOMIC OR GEOGRAPHICAL OBJECTIVES

Majority of the Fund's investments will be domiciled in Kenya, with an initial emphasis on publicly listed securities and fixed income securities. However, the Fund may from time to time invest in securities domiciled outside Kenya up to a maximum of 25% of the size of the Fund as outlined in

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the “Investment & Borrowing guidelines” segment. To the extent the Fund should invest Offshore i.e. beyond the region defined as Eastern Africa, or wider Sub-Saharan Africa, it is entitled to do so up to 10% of the total Fund size. Offshore investments would generally be considered with the aim of increasing portfolio diversification, by offering exposure to different geographies and assets with varying risk-return profiles.

9. HOLDER’S LIABILITY TO PAY

A unit holder is not liable to make any further payment after s/he has paid the purchase price of the total number of units to which s/he subscribes, and no further liability can be imposed on them in respect of the units held.

10. CERTIFICATES

The Fund Manager will upon issuance of units within the Fund issue the unit holder a certificate representing shares of ownership within the Fund upon request no later than 14 working days after subscription. The share register will be updated to reflect the most current status of ownership within the Fund thereafter.

The Fund Manager/Trustee may charge a fee for issuing of any documents or require a fee to amend an entry in the register, as long as such fee is deemed reasonable by the Fund Manager for additional services rendered, other than the issue or sale of shares.

The trustee shall countersign, graphically or otherwise, every certificate before it is delivered by the fund manager to a purchaser.

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PART II - THE FUND MANAGER

11. APPOINTMENT OF THE FUND MANAGER

The scheme will at all times be managed and administered by Mayfair Asset Managers Limited licensed by the Capital Markets Authority as the Fund Manager.

12. FUND MANAGER'S CAPITAL

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

13. DUTIES OF A FUND MANAGER

The Fund Manager shall:

- Carry out the administration of the Mayfair Fixed Income Fund including the management of the portfolio of investments in accordance with the direction and the authority of the Trustee, as well as the provisions of this Trust deed and the Act.
- Advise the trustee on the asset classes, which are available for investment.
- Formulate a prudent investment policy.
- Invest the scheme's assets in accordance with the Mayfair Fixed Income Fund's investment policy.
- Reinvesting any income of the scheme fund which is not required for immediate payments or distribution.
- Instruct the Custodian to transfer, exchange and deliver in the required form and manner the scheme assets held by such Custodian.
- Ensure that the units in the Mayfair Fixed Income Fund are priced in accordance with the provisions of this trust deed and the Act.
- Not sell or issue any units at a price calculated outside of the prescribed pricing guidelines in accordance with the provisions of this Trust deed and the Act and its regulations.
- Rectify any breach of matters relating to incorrect pricing of units or to the late payment in respect of the issue or redemption of units. This may involve the reimbursement or payment or arranging the reimbursement or payment of money by the Fund Manager to the unit holders or former unit holders, by the Fund Manager to the Mayfair Fixed Income Fund, or by the Mayfair Fixed Income Fund to the Fund Manager.
- At the request of a unit holder, purchase any units held by such a unit holder on the terms and at a price calculated in accordance with the provisions of this Trust deed, and the Act.
- Publish daily the price of units in at least one or more daily newspapers of national circulation, published in the English language. Where dealing is not on a daily basis, there shall be at least one publication a month of the prices of the units in at least one or more daily newspapers of national circulation, at least three days before the dealing day, specifying therein the date of the dealing day.

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- Prepare and dispatch timely all cheques, warrants, notices, accounts, summaries, declarations, offers and statements under the provisions of this trust deed, the Act and the rules of the Mayfair Fixed Income Fund.
- Make available for inspection to the trustee and any auditor appointed by the trustee, the records and the books of accounts of the Fund Manager.
- Make available to the trustee or board of directors such details as the trustee or board of directors may require with respect to all matters relating to the collective investment vehicle.
- Be fair and equitable in the event of any conflict of interest that may arise in the course of his duties.
- Credit to the Mayfair Fixed Income Fund, all monetary benefits or commissions arising out of managing the scheme funds.
- Account to the Trustee within thirty days after receipt by the Fund Manager any monies payable to the Trustee.
- Issue a receipt evidencing the purchase of units of the Mayfair Fixed Income Fund, for each purchase.
- Issue an account statement monthly, specifying any units held by the unit holder and showing the transactions in the unit holders accounts during the preceding month and which shall be prima facie evidence of the title of the unit holder to the units.
- Keep and maintain records of the investment portfolio at all times.
- Not to engage or contract any advisory or management services on behalf of the Mayfair Fixed Income Fund without prior written approval of the Trustee or board of directors provided that:
 - The fund manager will remain liable for any act or omission of the sub-contracted fund manager.
 - The fees and expenses of any such persons will be payable by the fund manager and will not be payable out of the CIS portfolio.
 - Any expenses incurred by any such persons which, if incurred by the fund manager would have been payable out of the CIS portfolio, may be paid out of the CIS portfolio to the fund manager by way of reimbursement.

14. FUND MANAGER'S PRELIMINARY CHARGE

The Fund Manager could charge an upfront fee or initial charge included in the issue price which may be expressed either as a fixed amount or calculated as a percentage of the issue price. The initial charge shall not exceed the amount stated in the Information Memorandum as the current initial charge.

The Fund Manager wishing to increase the current initial charge (not exceeding 10%), shall give a ninety day notice in writing after obtaining approval from the trustee of that increase and the date of its commencement to the trustee and all persons who ought reasonably to be known to the Fund Manager to have made an arrangement for the purchase of units at regular intervals, and the Information Memorandum shall be revised in accordance with the Act to reflect the new initial charge and the date of its commencement.

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15. FUND MANAGER'S PERIODIC CHARGE

The Fund Manager shall make a periodic charge, herein known as the service charge (but not exceeding a maximum of up to 10%) payable out of the income of the Mayfair Fixed Income Fund and this shall be expressed as an annual percentage of the value of the scheme portfolio.

The service charge applying in respect of the Mayfair Fixed Income Fund shall be proportionate to the length of the relevant accounting period and shall be calculated by the Fund Manager on the average month-end market value of the total investments of the fund.

As soon as practicable after the end of each calendar month, the Custodian shall pay to the Fund Manager from the Income Account on account of the service charge, an amount agreed between the Custodian and the Fund Manager.

16. FUND MANAGER'S REMUNERATION

The Fund Manager shall be entitled by way of remuneration for its services and to cover expenses and fees in performing its obligations including obligations to pay the remuneration to the Trustee and the Trustee's disbursements and the auditor's fees and expenses excluding expenses incurred by the Fund Manager or the Trustee for the purpose of enabling the trust to conform to legislation passed.

The Fund Manager will receive:

- A preliminary charge as per clause 14
- A periodic charge as per clause 15

The Fund Manager may at any time in its discretion waive or rebate in full or any portion of the amounts mentioned in this clause.

These payments may be made to the Fund Manager provided that:

- If the amount of the charges changes, then details of any previous amount, the rate or method may be obtained from the Fund Manager on request.
- A ninety-day notice in writing after obtaining approval from the Trustee would also be given to unit holders of the Fund Manager's intention, to introduce a new charge or to propose a change in the rate, amount or method.
- When any of the Fund Manager's charges are modified, the modification shall be expressed so as to apply only to units issued only after the date on which the modification takes place. Modifications will therefore not apply retroactively.
- Fees charged by the fund manager shall be disclosed to the unit holders in the annual financial statements.

17. REPORTS BY THE FUND MANAGER TO TRUSTEE

The Fund Manager shall provide the Trustee, unit holders and the Authority periodic reports from the date of the Fund Manager's appointment as required by each party. These reports will at a minimum contain:

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- a) A valuation of the Mayfair Fixed Income Fund and of all the investments representing the same, including the details of the cost of such investments and their estimated yields;
- b) A report reviewing the investment activity and performance of the investment portfolios comprising the Mayfair Fixed Income Fund since the last report date.
- c) The Fund Manager shall once every year provide every unit holder and the Authority with audited accounts and such other statements as may be necessary in relation to the operations of that 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:
- i) The Fund Manager's capital resources actually employed or immediately available for employment for the purposes of the scheme;
 - ii) In respect of the Mayfair Fixed Income Fund, the total market value of each of the several securities included in the portfolio, and the value of each of those securities expressed –
 - ◆ As a percentage of the total market value of the Mayfair Fixed Income Fund portfolio;
 - ◆ As a percentage of the total amount of securities of that class issued by the concern in which the investment is held; and
 - ◆ Indicating the percentage of such securities in relation to the investment guidelines specified in the regulations and this trust deed.
 - iii) The amount of dividends and interest and any other income for distribution which have accrued to the underlying securities comprised in the Mayfair Fixed Income Fund portfolio, indicating the classes of income and the amount derived from each class, and how the income has been or is intended to be allocated;
 - iv) The amount of proceeds of capital gains, and any other accruals and receipts of a capital nature which have been or are to be invested in the scheme for the benefit of the holders, indicating the classes thereof and the amount derived from each class, but excluding amounts derived from the sale of units.
 - v) 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;
 - vi) 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
 - vii) a review of the fluctuations in the selling and repurchase prices per share during the period in question including the highest and lowest selling prices and the highest and lowest repurchase price;
- e) Copies of the accounts and statements according to the Act shall be kept at the registered office of the Fund Manager and made available for inspection during ordinary office hours by any holder or other person interested in the purchase of units of the scheme;
- f) A Fund Manager shall in addition, within a period of thirty days after receipt of a written request from the Authority, or within such further period thereafter as the Authority may allow, lodge with the Authority such further information and explanations in connection with any accounts or statement in accordance to the Act as may be specified in the request;

The Fund Manager of the Mayfair Fixed Income Fund shall –

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- a) Keep and maintain a record of all minutes, statements of accounts and resolutions in respect of the investment portfolio;
- b) Keep or cause to be kept proper books of accounts and records in which shall be entered all transactions effected by the Fund Manager for the account of the Mayfair Fixed Income Fund and permit the Trustee or Board of Directors from time to time on demand to examine and take copies of or extracts from any such books and records;
- c) Maintain a daily record of units held by the Fund Manager, including the type of such shares acquired or disposed of, and of the balance of any acquisitions and disposals; and
- d) Keep and maintain a daily record of the units of the Mayfair Fixed Income Fund which are held, issued, redeemed, exchanged, and the valuation of the Portfolio including: the creation price; the repurchase price, the maximum issue price required upon completion of a valuation.

The Fund Manager shall make the Mayfair Fixed Income Fund's records available for inspection by the Trustee, or the Authority, free of charge at all times during office hours and shall supply the Trustee, or Authority with a copy of the records or any part of such records on request at no charge.

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 –

- (a) To manage and administer the Mayfair Fixed Income Fund for the benefit of the Unit Holders of that Fund with full and complete powers of management. The Manager hereby agrees to manage and carry out and perform its duties and obligations contained herein for the duration of the Fund subject to its removal or retirement as herein provided. In particular the Manager shall:
 - ◆ take all steps which are necessary or desirable for or in connection with the investigation of, or negotiation for, the acquisition or the disposal of the assets of the Fund; and
 - ◆ Subject to any directions given by the Trustee in respect thereof and for the purposes of managing the Fund, have the same powers as are granted to the Trustees by Clause 24 and any other provisions of this Deed.
- (b) To take all steps which are necessary or desirable for or in connection with the investigation of, or negotiation for, the acquisition or the disposal of the assets of the Fund;
- (c) To do all such things and to enter into all such arrangements as are necessary to achieve the provisions, and objects of the Mayfair Fixed Income Fund;
- (d) To purchase, select, sell, exchange or alter any of the underlying securities, provided that nothing in this clause contained shall impose any liability on it to bear the expense of stamping any unit certificate or any transfer deed relating to underlying securities;
- (e) To appoint in writing or otherwise or employ any person to be sub-agent for the Manager as the Manager may think necessary or proper for such purposes and with such powers, authorities and discretions (not exceeding those vested in the Manager) as it thinks fit; provided that the Manager shall at all times remain liable and responsible for the acts and omissions of any person appointed pursuant to this clause;
- (f) To act on the advice or information obtained from professional advisers and other persons considered experts, irrespective of whether these advisers or others are consulted or

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instructed by the Fund Manager. The Fund Manager shall ultimately 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

Preparing and dispatching all cheques, warrants, notices, accounts, summaries, declarations, offers, and statements required under the rules of the Mayfair Fixed Income Fund, or the Act, to be issued, served or sent for signing by the relevant executor, including the Trustee, and executing all statements and all transfers of securities.

20. RESIGNATION, RETIREMENT, SUBSTITUTION, SUSPENSION OR LIQUIDATION OF FUND MANAGER

Resignation

The Fund Manager shall:

- ◆ Give three months' notice to the Trustee of the Mayfair Fixed Income Fund and shall give reasons for the resignation.
- ◆ 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.
- ◆ During the last thirty days, hand over, transfer, and deliver to a Fund Manager, appointed in writing by the Trustee and licensed by the Authority to succeed the outgoing Fund Manager, all information within itself in relation to its contractual duties to the Unit Trust Scheme.
- ◆ These include statements pertaining to the Unit Trust Scheme, details of the Mayfair Fixed Income Fund, costs and estimated yield of the investment, all incomplete transactions, and any other information as may be reasonably required by the Unit Trust Scheme.
- ◆ Hand over, transfer and deliver all records of accounts required to be maintained by the Fund Manager, as may be reasonably required by the incoming Fund Manager.

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 unit holder in respect of all units to which it is entitled.

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 to existing units, continue the management of the Mayfair Fixed Income Fund and in all respects deal with such units as it would have been obliged to if its license had not been suspended.

Liquidation

If a court of competent jurisdiction orders liquidation of the Fund Manager (except for voluntary liquidation), the trustee shall appoint in writing a fund manager licensed by the Authority to succeed

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the outgoing Fund Manager. The outgoing fund manager shall within three months, hand over, transfer, and deliver all information within itself in relation to its contractual duties to the Umbrella Collective Investment Scheme.

If the fund manager goes into voluntary liquidation for the purpose of reconstruction or amalgamation, the fund manager shall communicate the terms in writing and discuss with the Trustee. The agreed upon terms shall be communicated to the Capital Markets Authority. The terms shall in no way disadvantage or infringe on the rights of any unitholder nor remove any liability from the outgoing fund manager, unless such liability is expressly transferred to the incoming fund manager.

21. REMOVAL OF THE FUND MANAGER

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

- ◆ If a court of competent jurisdiction orders liquidation of the Fund Manager (except for voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee).
- ◆ If a receiver is appointed for the undertaking of the Fund Manager's assets or any part thereof.
- ◆ If for good and sufficient reason the Trustee is of the opinion and so states in writing to the Authority that a change of Fund Manager is desirable in the interest of the unit holders.

The Fund Manager shall be removed by three months' notice in writing by the Trustee if:

- ◆ An extra ordinary resolution is passed by the unit holders removing the Fund Manager.
- ◆ The unit Holders of three quarters majority in value of the units in existence (excluding units held or redeemed 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.

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PART III-THE TRUSTEE

22. APPOINTMENT OF TRUSTEE

NAME: KCB BANK KENYA LIMITED

ADDRESS: P. O. Box 30664 - 00100,
KCB Tower, 7th Floor, Kenya Road, Upperhill
Nairobi, Kenya
Tel: +254 711 087000 /+254 732 187000

TERMS AND CONDITIONS OF SERVICE:

Subject to the provisions of the Act and of this Deed, KCB Bank Kenya Limited, shall be and act as the Trustee of the Mayfair Fixed Income Fund. The Trustee shall have authority necessary to protect the interests of unit holders in terms of the Act and this Deed and shall, save as otherwise provided in this Deed, have authority necessary to carry out the function and purposes of the Trust to secure the fulfillment of the objects of the Mayfair Fixed Income Fund.

23. TRUSTEE'S SHARE CAPITAL

The Trustee shall at all times satisfy the eligibility requirements under the Capital Markets Act. According to the published audited full year results for 2022, the Trustee – KCB Bank Kenya Limited – had a paid up share capital of Kes 53,986,100,000.

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

- ◆ The Trustee shall cause proper books of accounts to be kept by the Fund Manager in respect to the Mayfair Fixed Income Fund and shall make available annually in such manner as may be prescribed by the Authority, audited statement of accounts in respect of the Mayfair Fixed Income Fund, together with a summary of any amendments of the trust deed that have been made since the date of the last statement.
- ◆ The Trustee shall serve the unit trust scheme in compliance with the trust deed, and shall have the following duties:
 - a) Ensure that the Custodian takes into custody the Mayfair Fixed Income Fund and holds it in trust for the unit holders in accordance with 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 Mayfair Fixed Income Fund and/or claim any repayment of tax and direct any income received in trust for the unit holders to the Custodian in accordance with the Act or the Trust 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 are necessary and take all steps to ensure that instructions properly given to it by the Fund Manager, as to the exercise of right (including voting rights) attaching to the ownership of the Mayfair Fixed Income Fund are carried out.

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- f) Exercise any rights of voting conferred by any of the Mayfair Fixed Income Fund portfolio, which is in units in other collective investment schemes managed or otherwise operated by the Fund Manager.
- 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 Mayfair Fixed Income Fund 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 registered holder of any investment.
- i) Ensure that the Mayfair Fixed Income Fund is managed by the Fund Manager in accordance with the agreement of service with the Fund Manager, the Act, the incorporation documents, and the rules of the Mayfair Fixed Income Fund.
- j) Issue a report to be included in the annual report of the Mayfair Fixed Income Fund 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, the Information Memorandum, and the rules of the Mayfair Fixed Income Fund, 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 Mayfair Fixed Income Fund do not exceed the powers conferred on the Fund Manager.
- l) Ensure that the Fund Manager maintains sufficient records and adopt such procedures in methods for calculation of prices at which units are issued and redeemed to ensure that those prices are within the limits prescribed by the Act, the incorporation documents, the Information Memorandum, and the rules of the Mayfair Fixed Income Fund.
- m) In the event the Trustee is not satisfied with any of the matters outlined in clause 24, it must inform the Authority.
- n) A Trustee shall not delegate to the Fund Manager, his agent or associate any function of oversight in respect of the Fund Manager or any function of custody or control of the Mayfair Fixed Income Fund.
- o) Attendance of the Annual General Meeting of unit holders to present a compliance report.

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25. REGISTRATION AND RETENTION OF SECURITIES BY THE TRUSTEE

That part of each unit portfolio consisting of securities shall be registered either in the name of the Trustee or (with the written consent of the Fund Manager) in the name of a nominee company of the Trustee. 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.

26. LEGAL PROCEEDINGS BY OR AGAINST THE TRUSTEE.

All legal proceedings which may be instituted by or against the Mayfair Fixed Income Fund shall be instituted by or against the Trustee in its capacity as such, and the Trustee shall have the power and be capable of instituting, prosecuting, intervening in or defending any legal proceedings of whatsoever nature relating to or concerning the Trust or its affairs and as a prerequisite to such action, to require the Fund Manager to indemnify it against all costs and expenses thereby incurred.

The Trustee shall not be liable to make any payment hereunder to any unit holder except out of any funds held by or paid to it for that purpose under the provisions hereof.

27. TRUSTEE REMUNERATION

The Fund Manager shall pay the trustee by way of remuneration for its services, such sums as may from time to time be agreed with the Fund Manager, which will be disclosed to the unit holders in the annual report each year. Unit holders will have access to this information in the Information Memorandum as well as any other marketing material.

The agreement between the custodian and the trustee or board of directors or fund manager, as the case may be, will make provision on the computation of the fee in respect of trustee services which will be disclosed to the holders in the annual report each year.

The trustee shall, in addition to such remuneration, be entitled to be paid by the Fund Manager on demand, the amount of all its disbursement other than disbursements expressly required or authorized to be paid out of the Mayfair Fixed Income Fund, and any other disbursements incurred by it as a result of its own negligent, wrongful or unlawful conduct.

Such remuneration and disbursements shall be in addition to any sums the Trustee may be entitled to receive or retain pursuant to any other provision of this Deed.

The agreement between the custodian and the trustee or board of directors or fund manager, as the case may be, will make provision on the computation of the fee in respect of custodial services which will be disclosed to the holders in the annual report each year. The Trustee fee is defined on the basis of the size of asset under management such that it is a flat fee for assets under management below a certain quantum, with upward revisions past that size of asset under management. The fee is to be accrued annually and paid monthly.

28. RETIREMENT AND APPOINTMENT OF NEW TRUSTEE

A Trustee shall not be entitled to resign except upon the appointment of a new Trustee. If the Trustee wishes to resign, it shall give three months' notice in writing to that effect to the Fund Manager and the Authority and the Fund Manager shall appoint within two months within the date of such notice, some other qualified person as the new Trustee upon and subject to such person

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entering into a Trust Deed supplemental to the Trust Deed comprised in the incorporation documents.

If the Fund Manager is unable to appoint a new Trustee after such period of two months, the trustee shall be entitled to appoint a Company qualified to act as a Trustee in terms of the Act selected by it as the new Trustee.

29. THE REMOVAL OF THE TRUSTEE

The trustee shall be removed by the Fund Manager in writing immediately if:

- ◆ A court of competent jurisdiction orders its liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation under a scheme approved by the Authority);
- ◆ A manager or a receiver is appointed over any of its assets; or
- ◆ The Trustee ceases to carry on business as a financial institution.

The trustee shall be removed by three months' notice in writing given to the Trustee by the Fund Manager with the approval of the Authority if:

- ◆ The trustee fails or neglects after reasonable notice from the Fund Manager to carry out or satisfy any duty imposed on the Trustee in accordance with the Trust Deed, the incorporation documents, the Information Memorandum, and the rules of the Mayfair Fixed Income Fund and the Act.
- ◆ The unit holders, by extra ordinary resolution, resolve that such notice be given.

The Fund Manager shall by deed supplemental to the Trust Deed appoint as Trustee some other qualified person with the approval of the Authority to replace a Trustee who has been removed.

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PART IV-CUSTODIAN

30. APPOINTMENT OF THE CUSTODIAN

The Custodian Stanbic Bank Kenya Limited is licensed by the Authority as an Authorized Depository. The Custodian is not a holding or subsidiary company of the fund manager nor is it under the control of substantially the same persons or consist substantially of the same shareholders as the fund manager.

NAME: STANBIC BANK KENYA LIMITED

ADDRESS: Investor Services, 1st Floor
Stanbic Bank Centre, Westlands Road
Attention: Head of Investor Services
P.O. Box 72833- 00200
Nairobi, Kenya
Tel: +254 20 326 8000 / +254 20 363 8112 / +254 02 326 8285

31. DUTIES OF THE CUSTODIAN

- ◆ Maintain the custody of all the portfolio of the Mayfair Fixed Income Fund and hold it to the order of the Trustee or the Fund Manager, in accordance with the provisions of the Act, the incorporation documents, the Information Memorandum, the rules of Mayfair Fixed Income Fund and its Service Agreement;
- ◆ 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 Mayfair Fixed Income Fund;
- ◆ To open an account in the name of the Mayfair Fixed Income Fund for the exclusive benefit of the Fund.
- ◆ To transfer, exchange or deliver in the required form and manner securities held by the Custodian upon receipt of proper instructions from the Fund Manager or Trustee as the case may be;
- ◆ To require from the Fund Manager or trustee, such information as it deems necessary for the performance of its function as the Custodian of the Mayfair Fixed Income Fund;
- ◆ To promptly deliver to the Trustee or the Fund Manager or to such other persons as the Fund Manager or the trustee may authorize, copies of all notices, proxies, proxy soliciting materials received by the Custodian in relation to the securities held in the Mayfair Fixed Income Fund's portfolio, all public information, financial reports and stockbroker communications the Custodian may receive from the issuers of securities and all other information the custodian may receive, as may be agreed between the Custodian, Trustee or the Fund Manager, as the case may be, from time to time.
- ◆ 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;
- ◆ To exercise the same standard of care that it exercises over its own assets in holding, maintaining, servicing and disposing of the portfolio of Mayfair Fixed Income Fund and in fulfilling obligations in the agreement.

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- ◆ Where title to investments are recorded electronically, to ensure that entitlements are separately identified from those of the Fund Manager or the trustee, as the case may be, of the Mayfair Fixed Income Fund in the records of the person maintaining records of entitlement.
- ◆ To attend general meetings of the unit holders and be heard at any general meeting on matters which concern it as Custodian;
- ◆ To exercise the degree of care expected of a prudent professional custodian for hire in executing its duties;
- ◆ The Custodian discharging its contractual duties to the fund shall not contract an agent to discharge those functions except where a portion of the Mayfair Fixed Income Fund is invested in offshore investment or in countries where the Custodian is not present, in which case the Custodian may engage the services of a sub-Custodian approved by the Trustee or, with the notification of such appointment to the Authority.

32. RECORDS TO BE MAINTAINED BY THE CUSTODIAN

The Custodian must keep such books, records and statements as may be necessary to give a complete and accurate record of:

- ◆ The entire fund of the Mayfair Fixed Income Fund held by the Custodian.
- ◆ Reconciliation of Mayfair Fixed Income Fund securities as held by the custodian versus securities held by Central Depository and Settlement Corporation in Kenya or any other authorized depository
- ◆ Each and every transaction carried out by the Custodian on behalf of the Mayfair Fixed Income Fund.

and shall permit the Trustee, the Fund Manager or a duly authorized agent of the Authority to inspect such books, records and statements within the premises of the custodian at any time during business hours.

33. REPORTS BY THE CUSTODIAN

- ◆ A written statement showing the activities within the Mayfair Fixed Income Fund will be sent to the Fund Manager on a daily basis, which lists all assets of the Fund in the fund account (s) with a full account of all receipts and payments made and other actions taken by the Custodian.
- ◆ Advice or notification of any transfers of Mayfair Fixed Income Fund 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 will be provided to the Fund Manager on a daily basis.
- ◆ A copy of the most recent audited financial statements (within the first six months of the year) of the Custodian prepared together with such information regarding the policies and procedures of the custodian as the Fund Manager or Trustee may request in connection with the agreement or the duties of the Custodian under that agreement.
- ◆ Provide a report annually to the Authority (within the first six months of the year) demonstrating that compliance with the Act, the incorporation documents, the Information Memorandum, the rules of the unit trust scheme and its Service Agreement has been achieved.

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- ◆ Provide a monthly reconciliation report between their investment security holdings and the Fund Manager's investment security holdings as presented in the CDSC statement.

34. RESIGNATION/RETIREMENT OF THE CUSTODIAN

- ◆ 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 months' notice in writing to that effect to the Fund Manager and the Authority and the custodian shall give reasons for the resignation.
- ◆ The Fund Manager shall appoint within two months after the date of notice, some other qualified person as the new custodian and subject to such person being approved by the Authority and entering into an agreement similar to the agreement comprised in the incorporation documents.
- ◆ If the Fund Manager is unable to appoint a new custodian within a period of two months, the Custodian shall be entitled to appoint a qualified company selected by it as the new custodian on the same basis as the previous custodian.
- ◆ On receipt of the notice by the trustee or the Fund Manager, the agreement between the Fund Manager and the Custodian shall be deemed to have been terminated.
- ◆ In the event the Custodian, desiring to retire or ceasing to be registered as a Custodian with the Authority, the Fund Manager may with the approval of the Authority, appoint another eligible person to be a Custodian in its place.

35. REMOVAL OF THE CUSTODIAN

The Custodian shall be removed by the Fund Manager in writing immediately if:

- ◆ A court of competent jurisdiction orders its liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation approved by the Authority; or
- ◆ A statutory manager or a receiver is appointed over any of its assets; or
- ◆ The custodian ceases to carry on business as a bank or financial institution.

A Custodian shall be removed by three months' notice in writing given by the Fund Manager to the Custodian if:

- ◆ The Custodian fails or neglects after reasonable notice from the Fund Manager or Trustee to carry out or satisfy any duty imposed on the Custodian in accordance with the agreement.
- ◆ The unit holders, by extra ordinary resolution resolve that such notice be given and the Fund Manager appoint as Custodian some other qualified institution with the approval of the Authority.

In the event of a termination of the Agreement, or from the date of a winding up order issued by a competent court against the Custodian, the Custodian shall immediately hand over, and deliver all assets, documents and funds including those from the bank accounts of the Mayfair Fixed Income Fund held by such Custodian to the Custodian appointed in writing by the Fund Manager or the Trustee, as the case may be, and approved by the Authority within thirty days from the date of such termination;

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Within twenty days from the termination of the Agreement, the Custodian shall submit to the Authority an audit report indicating the assets, liabilities, and an inventory of the Mayfair Fixed Income Fund, securities and title documents of the Fund's assets, which have been handed over, transferred and delivered to the appointed Custodian.

A copy of the notice given to the custodian for termination of services by the Fund Manager shall be given to the Trustee.

In the event of any disagreement between the Fund Manager or the Trustee as the case may be, and the Custodian, notification shall be made to the Authority by the Fund Manager giving reasons for the termination of services of the Custodian.

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PART V-UNIT TRUST PORTFOLIO

36. ISSUE AND PURCHASE OF UNITS

The Fund Manager shall be responsible for the payment of all expenses (including compulsory charges) arising out of and relating to the formation of the initial and any additional unit portfolio.

The first issue of units in the Mayfair Fixed Income Fund 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, the incorporation documents and the Information Memorandum.

The initial issue price and offer period shall not exceed thirty days from the date of the launching, and the proceeds of the issue shall be remitted by the Fund Manager to the Custodian of the Unit Trust Scheme with advice to the Trustee.

The price of one unit will be published daily and will be a reflection of the underlying value of the securities.

37. CREATION OF UNITS

The Fund Manager shall have the exclusive right to secure the creation and issue of further units, and for that purpose to accept application monies for the purpose of the Mayfair Fixed Income Fund, provided that the price at which the units are acquired shall be the made-up price at the time of the transaction. The time of the transaction shall be the next business day after the funds clear in the Fund Manager's account.

The Fund Manager shall instruct the trustee to create units in the scheme at the beginning of the first day of business in the initial offer period, and during the period. The instructions given by the Fund Manager to the trustee shall state, in relation to each type of unit to be created, the number to be created, expressed either as the number of units or as an amount in value or as a combination of the two.

The price of additional units created and payable by the fund manager to the trustee after the offer period of the initial offer of new fund are to be based on the net asset value of the fund. The same basis in the computation of the price will also be applicable to the price payable by the trustee on redemption by way of cancellation of units.

38. CANCELLATION OF UNITS

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 a number of units, or as an amount in value, or as a combination of the two.

This is provided that at any moment of such instruction, the Fund Manager shall not have any outstanding obligation to issue units, which by cancellation of units would prevent the Fund Manager from fulfilling such instruction.

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, as the case may be, of such evidence of the title to those units, as the custodian or trustee may reasonably require, the custodian or trustee shall, within 2 business days of the instructions given by the Fund Manager, pay the repurchase price of the units to the person who was the holder of those units or in accordance with

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the relevant provisions of the Information Memorandum, trust deed, and other incorporation documents.

The repurchase price payable for each unit by the custodian or the trustee shall be based on the net asset value of the Fund.

The Fund Manager may at any time give instructions to the trustee to create or to cancel units.

Where instructions are given at a time which is less than twelve 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.

Where instructions are given at a time which is more than twelve hours after the last valuation point:

- Instructions must be given by reference to the price next to be calculated; and
- The trustee shall create or cancel the units only after the next valuation point has been reached.

39. THE REDEMPTION OF UNITS

Any unit holder desiring to sell any of his units shall be entitled at any time, by valid notice received by the Fund Manager, to require the Fund Manager to redeem all or any part of such units, and the Fund Manager shall repurchase such units subject to the provisions of this Deed.

On agreeing to redeem units, the Fund Manager shall pay the appropriate proceeds of redemption to the unit holder, by the close of business on the fourteenth (14) business day, based on the relevant price on the day on which the redemption request is received.

No notice requiring the Fund Manager to repurchase units shall be valid unless 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 him in respect of such units.

The price per unit payable by the Fund Manager shall be not less than an amount ascertained by dividing the total number of units in issue in a unit portfolio at the time on which the valid notice was received by the Fund Manager into the aggregate amount of;

- The market value of the unit portfolio at the valuation point next following the date on which such notice was received by the Fund Manager;
- The Fund Manager shall have authority to make additional valuations at its discretion, in which case it shall give advance notice of its intention to do so to the Trustee.
- All income accruals and payments in lieu of income accruals from the creation of new units during the relevant accounting period, after excluding;
 - ◆ Any income accruals and payments in lieu of income accruals set aside at the last preceding distribution date, but not yet distributed, in respect of the accounting period ended, on the day prior to the said distribution date; and
 - ◆ Such further amount, out of income accruals and payments in lieu of income accruals, as in the opinion of the Fund Manager represents a fair proportion, at the said date of the service charge and other amounts and charges referred to in this deed, for the relevant accounting period.

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The Fund Manager may deduct from the price so payable for each such unit an amount not exceeding the equivalent of any fiscal or other necessary charges which would be payable in connection with the sale of that part of the underlying securities represented by one unit.

Upon payment being made by the Fund Manager the unit holder shall cease to be the unit holder of the units purchased by the Fund Manager and an entry to this effect shall be made in the register.

Nothing in this deed shall require the Fund Manager to part with money in respect of a cancellation or redemption of units where it has not yet received money due on the earlier issue or sale of those units from the unit holder.

Where the Fund Manager is permitted to make a deduction, the amount shall not exceed the amount that would be derived by applying the rate or method prescribed in the Information Memorandum at the date on which the relevant units were issued.

When the Fund Manager's charge on redemption is modified, the modification shall be expressed so as to apply only to units issued only after the date on which the modification takes effect.

The Fund Manager shall at all times during the dealing day issue or redeem units of the unit trust scheme at a price arrived at as described as in this deed.

This however shall not apply if 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, and any other person appearing to the Fund Manager to be acting in concert with that person, of more units than any number stated in the Information Memorandum as the maximum number to be purchased or held; or
- ◆ The Fund Manager has reasonable grounds, having regard to the interests of all the holders relating to the circumstances of the person concerned, for refusing to issue units to or redeeming units from such person.

PART VI -VALUATIONS

40. METHOD USED FOR VALUATION OF UNITS

The assets and liabilities shall be valued on a daily basis at the end of each working day.

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

The basis of the valuation shall be as follows:

- ◆ The market value shall form the basis of assets pricing and thus valuation;
- ◆ In the case of securities listed or quoted on a recognized securities exchange, the price shall be the price at the end of a trading day.
- ◆ In the case of units in authorized schemes the price shall be the Fund Manager's quoted selling price;
- ◆ Cash, current and deposit accounts shall be taken at nominal value unless the Fund Manager considers, with the agreement of the Trustee, that a different value is appropriate;

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- ◆ Other property, other than contingent liability transactions, to be taken at such amount as shall be the Fund Manager's reasonable estimate of its value and approved by the Trustee;
- ◆ Contingent liability transactions shall be valued at net premium receivable or value of margin on closing out (as appropriate).
- ◆ The valuation shall be made in Kenya shillings, where applicable converted from another currency at current rates of exchange appropriate for the value concerned.
- ◆ The valuation of the property of the Mayfair Fixed Income Fund to make provision for the issue and redemption of units, orders for which have been given to the Trustee prior to the valuation, and for the acquisition or disposal of property contracts for which have been unconditionally made but which in each case remain uncompleted.
- ◆ The value shall be reduced by the amount of all estimated liabilities.

41. PRICING OF UNITS

The pricing of the units will be according to the net asset value of the fund. The prices of the Mayfair Fixed Income Fund may vary on a daily basis.

Future Pricing

- 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.
- The Fund Manager will charge a service fee for the professional portfolio management and to cater for transaction and administration costs incurred on the funds up to a maximum of 10%.

42. NOTIFICATION OF PRICE TO THE TRUSTEE OR CUSTODIAN

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

- The creation price;
- The repurchase price;

The prices to be notified are those relevant to deals based on prices determined at that valuation day. Any notification shall include a statement of the number of units owned by the Trustee or Fund Manager as the case may be, for the scheme at that valuation day, or notified point if there is one.

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PART VIII -MEETINGS

The trustee, Fund Manager or unit holders as the case may be, shall convene a general meeting within three (3) months after the end of the relevant accounting reference date.

PART VII - MEETINGS

43. NOTICE OF MEETINGS

General Meeting

Not less than twenty-one (21) days written notice, inclusive of the date in which the notice is deemed to be served, and the day of the meeting, shall be given to the unit holders of a general meeting.

“Unit holders” shall mean only the persons who were investors in the Fund by the end of the last accounting period. Notice will not be less than 21 days written notice, inclusive of the date on which the notice is deemed to be served, and the day of the meeting. However this does not apply to the notice of an adjourned meeting.

General meetings shall be held either physically or virtually.

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

Extra-Ordinary Meeting

The Trustee, Fund Manager or unit holders, as the case may be, may convene an extra-ordinary meeting of unit holders at any time but not later than six weeks after receipt of the requisition.

A requisition shall -

- ◆ State the objects of the meeting;
- ◆ Be dated;
- ◆ Be signed by unit holders who, at that date, are registered as the unit holders of units representing not less than 25% in value of all of the units in the Unit trust scheme then in issue;
- ◆ Be deposited at the head office of the unit trust scheme.

A requisition may consist of several documents deposited with the Fund Manager at the same time, each being in like form and signed by one or more unit holders.

44. QUORUM FOR A MEETING

No business shall be transacted at any meeting unless the requisite quorum is present (physically or virtually) at the commencement of the meeting. The quorum of unit holders' meeting is unit holders present in person or by proxy holding 10 per cent or 100 units, whichever is lower, of the units in issue.

If within a reasonable time from the indicated starting time 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 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 meetings a quorum is not present within fifteen minutes from the time appointed for the meeting, the unit holders present shall comprise the quorum as described in the Information Memorandum.

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45. VOTING RIGHTS

- At any meeting a resolution put to the vote shall be decided on a show of hands unless a secret ballot is, before or on the declaration of the result of the show of hands, demanded by the Trustee, by participants holding not less than 25% of the units in issue present in person or by proxy.
- On a show of hands, every unit holder who, being an individual is present in person or, being a corporation, is present by its representative duly authorized in that regard, shall have one vote. If the number of votes recorded in favor of or against a resolution, on a show of hands is not conclusive evidence of a unanimous vote or by a particular majority or lost, a secret ballot shall be demanded.
- Votes may be given either personally or by proxy and the voting rights attached to each shall be such proportion of the voting rights attached to all of the units in issue as the price of the unit bears to the aggregate price or prices of all the units in issue, as per the specified notice date, a unit holder entitled to more than one vote, need not, if he votes, use all his votes or cast all his votes in the same way.
- In the case of joint unit holders of a unit, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint unit holders and for this purpose, seniority shall be determined by the order in which the names stand in the register of unit holders.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his Attorney duly authorized in writing, or, if the appointer is a corporation, under the hand of an officer or attorney duly authorized. A proxy need not be a unit holder.
- An instrument appointing a proxy shall be in the usual common form or such form as may be submitted with the notice convening the meeting.
- The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a secret ballot.
- The trustee shall keep minutes of every meeting in a minute book.

46. PROXIES

A unit holder entitled to attend and vote at a meeting of the Mayfair Fixed Income Fund is entitled to appoint another person to attend and vote in his place whether such a person is a unit holder or not. Every notice calling a meeting of the unit holders in the Mayfair Fixed Income Fund shall contain a prominent statement citing this fact.

A unit holder shall be entitled to appoint one proxy to attend on the same occasion, but a proxy shall be entitled to vote only on a poll.

An instrument appointing a proxy or any other document necessary to show the validity of or otherwise relating to, the appointment of a proxy shall not be required to be received by the Fund Manager or trustee or as the case may be, more than 48 hours before the meeting or adjourned meetings in order that the appointment may be effective.

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47. RESOLUTIONS

Resolutions shall be passed by a simple majority of the votes validly cast at a general meeting of unit holders except for extra-ordinary resolutions as per the Act.

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.

48. AMENDMENTS TO INCORPORATION DOCUMENTS

The incorporation documents may be altered by the fund manager without consulting the unitholders, provided that the trustee certify in writing that in their opinion the proposed alteration:

- a. Is necessary to enable compliance with fiscal, statutory or other official requirements; or
- b. Does not materially prejudice unitholders' interests, does not to any material extent release the trustee, custodian, fund manager or the board of directors, their agents or associates from any liability to holders and does not materially increase the costs payable from the collective investment scheme portfolio concerned; or
- c. Is necessary to correct a manifest error.

An amendment to the incorporation documents may be made by resolution of the Directors if:

- The instrument of incorporation provides for amendment to be made;
- The amendment is required for implementation of change in law including a change brought by an amendment of the Act of the unit trust scheme;
- To change the name of the unit trust scheme;
- To remove from the incorporation documents obsolete provisions;
- To make any other change to the instrument of incorporation, which the trustee considers, does not involve any unit holder or potential unit holder in any material prejudice;
- The amendment would not introduce or affect any provision relating to the descriptions of the transferable securities in which the Mayfair Money Market Fund may be invested unless it is required solely to reflect the introduction of a new sub-fund;
- Amendments shall be done by a supplemental trust deed, with the approval of unit holders, and the Authority.

All alterations shall be filed with the Capital Markets Authority within seven days of the relevant decision.

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PART VIII -SUSPENSION AND TERMINATION

49. WINDING UP OF A UNIT TRUST

The Mayfair Fixed Income Fund shall not be wound up otherwise than by a court order except under the provisions of the Act.

The circumstances in which the Mayfair Fixed Income Fund may be wound up are:

(i) 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 the company, otherwise than by the court, and provided that the Authority has exercised its powers to intervene in the management of the Mayfair Fixed Income Fund before an application is made to court for the winding up of the scheme.

(ii) A statement must be prepared and sent or delivered to the Authority and a copy to the custodian, to confirm that Mayfair Fixed Income Fund will be able to meet all its liabilities, within twelve months of the date of the statement. This statement shall –

- (a) Relate to the Mayfair Fixed Income Fund's affairs at the date which must not be more than twenty-one days prior to the date on which notice is given to the Authority; and
- (b) Be approved by the trustee and be signed on their behalf by the Fund Manager, or alternatively be 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.
- (c) If an extra ordinary resolution to that effect has been passed or when the period (if any) fixed for duration of the Unit trust scheme by its incorporation documents expires or the event occurs, on the occurrence of which its instrument of incorporation provides that the Mayfair Fixed Income Fund is to be wound up.
- (d) Unless a statement from the Fund Manager has been prepared and sent or delivered to the Authority in accordance to the procedures stated below.

The effective time of winding up means the time at which clause '49(a)' has been satisfied, and the time at which the unit trust scheme shall be wound up.

Immediately following the effective time -

- ◆ Regulations pertaining to pricing, dealing, investment and borrowing powers shall cease to apply to the unit trust scheme;
- ◆ The unit trust scheme shall cease to issue and cancel units;
- ◆ The Fund Manager shall cease to sell or redeem units or to arrange for the unit trust scheme to issue or cancel them;
- ◆ No transfer of a unit shall be registered and no other change to register of unit holders shall be made without the sanction of the trustee or, as the case may be; and
- ◆ The unit trust scheme shall cease to carry on its business, except so far as may be required for its beneficial winding up; however, the corporate state and corporate powers of the

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scheme and (subject to the preceding provisions of the Act) the powers of the trustee shall continue until the unit trust scheme is dissolved.

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

- ◆ Publish in not less than two daily newspapers of national circulation published in the English language, management's decision to wind up the unit trust scheme and the date of commencement of the winding up; and
- ◆ If the Fund Manager has not previously notified the unit holders of the proposal to wind up, give written notice of the commencement of the winding up to the unit holders.

50. MANNER OF WINDING UP

The Fund Manager shall cause the Mayfair Fixed Income Fund's portfolio to be utilized and the liabilities of the scheme to be met out of the proceeds.

The Fund Manager shall give instructions to the Custodian of how such proceeds (until utilized to meet liabilities or make distributions to unit holders) shall be held and such instructions shall be with a view to the prudent protection of the creditors and unit holders against loss.

Provided there are sufficient liquid funds, after making adequate provision for expenses, the Fund Manager may arrange to make one or more interim distributions out of such funds to the unit holders proportionately to their right to participate in the collective scheme portfolio attached to their respective units as at the effective time.

The Fund Manager shall make a final distribution on or prior to the date on which the final account is sent to the unit holders after realizing the portfolio and all the liabilities of the Mayfair Fixed Income Fund.

The manner of winding up is subject to the terms of any scheme of amalgamation or reconstruction sanctioned by extraordinary resolution of the CIS passed on or before the effective time.

51. FINAL ACCOUNT

As soon as the unit trust 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 unit trust scheme portfolio has been disposed of and the account shall, following its approval by the Trustee as the case may be, be signed on their behalf by the Fund Manager and the Trustee and the account once signed, shall be the 'final account' for the purposes of the Act.

The final account shall state the date on which the unit trust scheme's affairs were fully wound up and the date stated shall be regarded as the final day of the accounting period of the scheme then running of the 'final accounting period'.

The unit trust 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.

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 it to the Authority, and to each person who was a unit holder (or the first named joint unit holder) immediately before the final accounting period.

52. DUTY TO ASCERTAIN LIABILITIES

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The Fund Manager shall have a duty to ensure that all liabilities of the unit trust scheme are discharged prior to the completion of the winding up. This relates to all liabilities of a scheme which –

- ◆ The Fund Manager is, or becomes, aware prior to the completion of the winding up; or
- ◆ 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 unit trust scheme.

If the Fund Manager rejects any claim against the unit trust scheme in whole or part, the Fund Manager shall forthwith send to the claimant written notice of its reasons for doing so.

If after the effective time the Fund Manager becomes of the opinion that the unit trust scheme will be unable to meet all its liabilities within twelve months of the date of the statement provided:

- ◆ The Fund Manager shall notify the trustee as the case may be immediately; and
- ◆ The trustee as the case may be shall forthwith present a petition or cause the unit trust scheme to present a petition for the winding up in accordance with the provisions in the Companies Act.

The Fund Manager shall be personally liable to meet any liability of a unit trust scheme wound up under the Act (whether or not the unit trust scheme has been dissolved) that was not discharged prior to the completion of the winding up.

The liability of the fund manager will not affect any other obligation of the fund manager under the CIS Regulations or the general law.

53. ACCOUNTS AND REPORTS

While the unit trust 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 required.

The Fund Manager need not send to each unit holder a copy of any report relating to an accounting period or half-yearly accounting period which began after the effective time, if the trustee of the unit trust scheme as the case may be, after consulting the Capital Markets Authority, are satisfied that the interests of the unit holders are not such as to require the report to be sent to the unit holders, but a copy of the report shall be sent or supplied free of charge to any unit holder requesting the same.

54. CAPITAL MARKETS TRIBUNAL

Any dispute or difference which may arise between the unit holders, Fund Manager, trustee as the case may be, custodian and the other or others shall be referred to the Capital Markets Tribunal, established under the Act.

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PART IX-OTHER MATTERS PROVIDED FOR IN THE TRUST DEED

55. OTHER MATTERS

- The custodian shall, subject to the terms of the trust, hold title to the underlying securities in trust for the unit holders;
- 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 to the required value, together with all documents necessary to effect transfer thereof;
- The monies of the Mayfair Fixed Income Fund shall be accounted for in full to the trustee by the Fund Manager and the Custodian, and kept in a trust account at a licensed bank and shall include the following:
 1. Any monies for investments accruing from the issue of securities;
 2. Dividends, interest or any other income accruing on underlying instruments;
 3. The proceeds of capital gains, rights and bonus issues; and
 4. Any money received by the Fund Manager from the realization of underlying securities.
- The securities of the Mayfair Fixed Income Fund shall be kept with a custodian approved by the Authority;
- The proceeds of the capital gains, rights, and bonus issues shall be invested in the Mayfair Fixed Income Fund for the benefit of the unit holders;
- All transactions of the Mayfair Fixed Income Fund portfolio will be individually reported to the trustee by the Fund Manager within two weeks of such transaction;
- The funds of the Mayfair Fixed Income Fund will be invested in accordance with the investment limits prescribed by the Authority;
- It shall be incumbent upon the Fund Manager to repurchase, subject to such terms and conditions as may in terms of the trust deed apply, any number of units offered to it;
- The specific method of calculations of the value of the Mayfair Fixed Income Fund, and of the unit at which unit holders shall transact their holdings with the unit trust fund, shall be acceptable to the Authority;
- The initial charge (up to a maximum of 10%) shall be deductible charge from unit values in transaction with unit holders and be stated;
- The fee charge (up to 10%) by the Fund Manager shall be the only monies payable to the Fund Manager. This shall be disclosed in the financial statements and shall be an annual fee;
- The accounts and financial records of the Mayfair Fixed Income Fund will be maintained in a system acceptable to the Authority;
- The fees payable to the Trustee and the Custodian of the Mayfair Fixed Income Fund shall be stated;

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- The Trust deed may be amended in the manner prescribed in the Trust deed i.e. through issuance of a supplemental Trust deed;
- The valuation of the securities shall take place on a daily basis, at the end of each working day.

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PART X: CERTAIN VOID PROVISIONS OF TRUST DEEDS, AND AMENDMENTS OF TRUST DEEDS

Any provisions in the trust deed relating to Mayfair Fixed Income Fund, which is inconsistent with any provisions of the regulations issued, shall be void.

Any provisions in this Trust Deed purporting to relieve any party thereto from liability to the unit holders on account of its own negligence shall be void.

The parties to a Trust Deed may by a supplemental deed alter or rescind any provisions of such Trust Deed or add further provisions thereto, but no alterations or rescission of or addition to any Trust Deed shall be valid unless:

- ◆ The consent of unit holders has been obtained in the manner prescribed in this Trust Deed, provided that if the trustee is satisfied that any such alteration will not prejudice the interests of the unit holders and does not release the trustee or Fund Manager from any responsibility to the unit holders, such consent may be dispensed with.
- ◆ The Authority is satisfied that any alteration does not contain anything inconsistent with the provisions of the Capital Markets act or with sound financial principles.

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THE RULES

FUND RULES OF MAYFAIR FIXED INCOME FUND

The following are the Fund Rules adopted by the Trustees of the Mayfair Fixed Income Fund (the “Fund”) on JULY 2023.

R1 Interpretation

- R1.1 Unless the context otherwise requires and except as varied or otherwise specified in these Fund Rules, words and expressions used herein shall have the same meanings as in the Trust Deed establishing the Mayfair Fixed Income Fund.
- R1.2 “**Accounting Period**” means each consecutive period of twelve months from the first day in January until the last day of December in each year. The Manager, Mayfair Asset Managers Limited, shall publish and submit to the Authority an audited interim report for the half-year period ending on the last day of June each year.
- R1.3 The “**Act**” means the Capital Markets Act, Chapter 485A of the Laws of the Republic of Kenya, and any regulations issued thereunder.
- R1.4 “**Annual Report**” means a report prepared in accordance with the Act.
- R1.5 “**Assets**” mean any tangible assets and includes the following:
- a) Cash in hand or deposited with a Bank
 - b) Authorized Investments
 - c) Amounts owing to the Fund by debtors excluding any bad or doubtful debts
 - d) Incoming accruing from authorized Investments to the extent not included in the preceding paragraphs of this definition;
 - e) Any prepayment of expenditure
 - f) The proceeds of any borrowing.
- R1.6 “**Auditors**” mean 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 Trust, subject to the provisions of the Act.
- R1.7 “**Authorized Investments**” mean those investments referred to in Rule R7.
- R1.8 “**Bid Price**” means the price quoted by the Fund Manager for the redemption of units in the Mayfair Fixed Income Fund, which price shall be based on the Net Asset Value per Unit.
- R1.9 “**Business Day**” means a day on which banks are open for normal banking business in Kenya (except Saturday) and such other day as the Fund Manager may determine from time to time.
- R1.10 “**Capital Gains**” means and includes all securities, rights and other benefits in the nature of capital accruals received or to be received by or on behalf of the Mayfair Fixed Income Fund by reason of the holding of the underlying securities on behalf of the unit holders, whether received in cash or securities or by warrant or cheque.
- R1.11 “**Cash**” includes cheques, Bank cheques, Bank deposits, Bank transfers and Bank drafts in any currency`
- R1.12 “**Certificate**” or “**Certificates of Entitlement**” means a statement of investment holdings in the fund to be issued to a Unit Holder pursuant to the provisions of the Trust Deed

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- R1.13 “**Cleared Funds**” means funds that have been unconditionally credited by the collecting bank to the Manager’s account and in respect of which the Manager has been notified that it has acquired the unconditional right to the immediate use thereof.
- R1.14 “**CMA**” means the Capital Markets Authority of Kenya.
- R1.15 “**Custodian**” means a company approved by the Authority to hold in custody funds, securities, financial instruments or documents of title to the assets of the Mayfair Fixed Income Fund.
- R1.16 “**Corporation**” means any corporate body wherever incorporated or domiciled.
- R1.17 “**Cost**” in relation to any Asset, means the total of all amounts paid or payable whether in cash, by issue of Units, or otherwise, by or on behalf of the Trustee or the Manager that are directly attributable to the Trust acquiring ownership of the Asset including, in particular, stamp duty, brokerage fees, and commissions.
- R1.18 “**Dealing**” means an act of buying, selling or agreeing to buy or sell or trade units by the Manager.
- R1.19 “**Dealing Day**” every day of every week that is a Business Day being, however, a day on which the Net Asset Value per Unit of the Fund is calculated.
- R1.20 “**Distribution Dates**” in respect of each Mayfair Fixed Income Fund distributions will be carried out daily, and/or such other day or days as may be determined by the Manager and the Trustee; provided that the first distribution date of each Mayfair Fixed Income Fund created under this Trust Deed shall not be more than twelve months after the date of creating such unit portfolio.
- 1.21 “**Form of Renunciation**” means a document in the form from time to time prescribed by the Fund Manager, by which a certificate 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.
- 1.22 “**Foreign Exchange and Exchange Contracts**” means the currency or exchange of any country in the world and any contract for the sale or purchase of any such currency or exchange at any point in time after the date of entering into such contract.
- 1.23 “**Fund Manager**” means Mayfair Asset Managers Limited, its successors or any other company, which from time to time administers, manages or controls the Mayfair Fixed Income Fund, in terms of the Act and this Trust Deed.
- 1.24 “**Fund**” means the Mayfair Fixed Income Fund.
- 1.25 “**Income Accruals**” for an accounting period means any dividend, interest or other income for distribution received by or accrued to the Mayfair Fixed Income Fund, the Custodian, herein Stanbic Bank Kenya Limited, or the Fund Manager, on behalf of the unit holders for that accounting period together with any amounts carried forward from any previous accounting period as not having been distributed.
- 1.26 “**Issue Date**” in relation to an application for Units means the date on which the valuation of a Fund is made in order to determine the latest ruling Issue Price.
- 1.27 “**Issued Units**” in respect of a Fund, means all Units in that Fund for the time being created and issued and not cancelled as at a particular day but does not include Units which

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are redeemed or repurchased by the Manager on that particular day and fully paid Issued Units shall have a corresponding meaning.

- 1.28 “**Income Distribution Date**” means the day following the end of a period/day in respect of which a distribution of income is made pursuant to the provisions of this Deed.
- 1.29 “**Kenya**” means the Republic of Kenya.
- 1.30 “**Liabilities**” in respect of a Fund, means the following:
- (a) Unpaid administrative costs and expenses including fees of the Manager and fees of the Trustees;
 - (b) Accrued charges in respect of or owing in relation to any of the Authorized Investments;
 - (c) Amounts required to meet present liabilities;
 - (d) Provision for tax;
 - (e) Underwriting fees and commissions which are outstanding;
 - (f) Such other amounts as are required to meet liabilities or other expenditure which in the opinion of the Manager should be taken into account and which have not otherwise been taken into account in determining the amount of the liabilities in any of the preceding paragraphs of this definition.
- 1.31 “**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 middle market price being midway between bid and offer where prices are quoted at that time and on that particular day on the said stock exchange, provided that –
- a. 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;
 - b. Where securities have been purchased or sold but such purchase or sale has not been completed, such securities shall be included in or excluded from the relative Mayfair Fixed Income 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;
 - c. Where the Fund Manager has given to the Trustee notice of a reduction of the Mayfair Fixed Income 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.
- 1.32 “**Manager**” means Mayfair Asset Managers Limited, a company registered and existing under the laws of Kenya bearing registration number PVT- 27U56Q3L and licensed as a Fund Manager by the Capital Markets Authority.
- 1.33 “**Minimum Holding**” means such amount as the Manager may from time to time prescribe in the Scheme Particulars of the Trust to be the minimum value of the initial or any subsequent investment the Fund.

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- 1.34 “**Net Asset Value**” or “**NAV**” in relation to a Fund means the net asset value of the Fund, calculated in accordance with the Trust Deed.
- 1.35 “**Net Income**” represents all income due and receivable less all costs, charges and expenses due or accrued and paid or payable out of the Fund.
- 1.36 “**Payment in lieu of income accruals**” means the amount which the Fund Manager must pay into the income account of the Mayfair Fixed Income Fund on the creation of new units to acquire the units so created equal participation in the relative income which has accrued (including payments received in lieu of Income Accruals) from the last ex-dividend date to the date on which the units are created. Such amount shall be calculated by dividing the total number of units in issue of a unit portfolio at the time at which the calculation is made into the total amount then standing to the credit of the relative income account and by multiplying the quotient by the number of new units created at the time at which the calculation is made.
- 1.37 “**Prospectus**” means the Scheme Particulars issued by the Manager in respect of the Trust.
- 1.38 “**Preliminary Charge**” means that portion of the selling price of a unit representing the Fund Manager’s charge in respect to expenditure incurred and work performed by it in connection with the creation and issue of Units but does not include any service charge.
- 1.39 “**Recognized Securities Exchange**” means the Nairobi Securities Exchange, or a securities exchange inside or outside Kenya approved by the Fund Manager.
- 1.40 “**Register**” means the register in which are listed the names of unit holders of the Fund from time to time.
- 1.41 “**Securities**” means any shares, stocks, units in unit trusts, debentures or bonds or any right or option in respect of any shares, stocks, debentures or bonds.
- 1.42 “**Service Charge**” means the periodical charge deductible from income accruals and payments in lieu of income accruals to remunerate Mayfair Asset Managers Limited for administering the Fund, expressed as a percentage of the average month-end market value of the total assets comprising the Mayfair Fixed Income Fund during the accounting period for which the charge is levied.
- 1.43 “**Shillings**” means shillings in the currency of Kenya.
- 1.44 “**Sovereign Issuer**” means the Government of Kenya and any state, local authority or public international body approved by the CMA.
- 1.45 “**Tax**” includes all income tax, withholding tax, sales tax and other taxes, state registration and other duties, and all levies whatsoever together with interest thereon.
- 1.46 “**Termination Day**” in respect of a Fund, means the day that is the first of the following days to occur:
- (a) such day as the Unit Holders of the Fund may by Extraordinary Resolution decide;
 - (b) such day as either the Fund Manager or the Trustee may appoint by written notice to the other so long as such appointed day is determined six (6) months in advance and written notice thereof is given to the Unit Holders at the time such day is appointed;
 - (c) the day on which the Fund is terminated pursuant to the terms of this Deed or legislative enactment.

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- 1.47 “**Trust**” means the trust established by the Deed and called the “Mayfair Fixed Income Fund” or by such other name as the Trustee and the Manager may from time to time determine.
- 1.48 “**Trust Deed**” or “**Deed**” The trust deed and any other deeds supplemental thereto, in relation to the Mayfair Fixed Income Fund, means the trust deed that sets out the trusts governing the unit trust and includes every instrument that varies those trusts or effects the powers, duties or functions of the trustee or manager of the unit trust.
- 1.49 “**Trustee**” means the person for the time being appointed as trustee of the trust pursuant to the Trust Deed.
- 1.50 “**Underlying Securities**” in relation to the Mayfair Fixed Income Fund, means the securities comprised in or constituting the unit portfolio concerned and includes any cash or claims derived or resulting from the conduct of the unit portfolio which are held by or due to the Mayfair Fixed Income Fund, the Fund Manager or the Trustee for the benefit of the unit holders in that unit portfolio.
- 1.51 “**Unit**” means an undivided share in or part of the Mayfair Fixed Income Fund as is provided for in the Trust Deed and includes a fraction thereof.
- 1.52 “**Unit holders**” means the persons who are for the time being shown on the Register as the holders of Units, and may include, at the Manager’s discretion and subject to the terms of the Prospectus, corporation by whatever name called or joint holders.
- 1.53 “**Unit Portfolio**” means the underlying securities in which persons are invited or permitted by the Fund Manager to acquire units pursuant to the Mayfair Fixed Income Fund including any cash and/or claims forming part or deemed to form part of the assets pertaining to the Mayfair Fixed Income Fund but after deduction of any liability pertaining or deemed to pertain to such unit portfolio.
- 1.54 “**Unit Trust Scheme**” means a scheme established under a trust deed in compliance with the provisions of the Act and intended to provide facilities for the participation by a unit holder, as beneficiaries under the trust, in the income, profits and gains arising out of the acquisition, holding, management or disposal of securities or other properties, herein referred to as the “Mayfair Fixed Income Fund”.
- 1.55 “**Units in Issue**” means all units which have been created and which have been entered in the Register including those held or deemed to be held by the Fund Manager, and which have not been cancelled.
- 1.56 “**USD**” or “**United States Dollars**” means the lawful currency of the United States of America.
- 1.57 “**Valuation Point**” means, in relation to the Fund, the cut off time on any Dealing Day on which the Net Asset Value of the Fund is calculated.
- 1.58 “**VAT**” means Value Added Tax or any other similar tax by whatever name called.
- 1.59 “**Working Day**” Excludes Saturday, Sunday and Public Holidays.
- 1.60 “**Year**” in relation to each Fund, means:
- (a) the period commencing on the date of commencement of the Fund and expiring on the following 31st December, provided that the period will be constituted of at least

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six months, failing which the period shall end on the 31st December immediately following those six months; and

- (b) each succeeding period of twelve (12) months during the continuance of the Fund and includes any longer or shorter consecutive period than twelve (12) months that may arise as a result of the adoption of any substituted period for the Accounting Period and also includes any period between the end of the last complete Year prior to the date of termination of the Fund.

R2 Fund Manager

- R2.1 Mayfair Asset Managers Limited, a company incorporated in Kenya and having its registered office in Nairobi with a postal address of P.O. Box 45161-00100 Nairobi, was appointed as the Manager to the Fund under a Unit Trust Management Agreement dated JULY 2023.
- R2.2 The Scheme will be at all times be managed and administered by Mayfair Asset Managers Limited, licensed by the Capital Markets Authority as a Fund Manager.

R3 Custodian/Trustee

R3.1 Trustee

KCB Bank Kenya Limited, a company incorporated in Kenya and having its registered office in Nairobi with a postal address of P. O. Box 30664 -00100 Nairobi, is a Bank licensed under the Banking Act of Kenya (Cap. 488, Laws of Kenya) and was appointed as Trustee under the Trust Deed dated JULY 2023.

R3.2 Custodian

Stanbic Bank of Kenya Limited, a company incorporated in Kenya and having its registered office in Nairobi with a postal address of P. O. Box 72833- 00200 Nairobi, is a Bank licensed under the Banking Act of Kenya (Cap. 488, Laws of Kenya) and was appointed as a Custodian under the Trust Deed dated JULY 2023.

R4 Eligibility

To be eligible to invest in the Mayfair Fixed Income Fund:

- R4.1 One must hold official identification document (National identity card / Passport).
- R4.2 Anyone aged below 18 years can invest by submitting parents or legal guardians' identification documents.
- R4.3 Parents or legal guardians who would like to open unit trust accounts for their children and/or dependents under the age of 18 can open the account under their name until the beneficiary attains age 18.
- R4.4 You must not be resident in any jurisdiction where such an investment would be unlawful.
- R4.5 You should satisfy yourself that you are permitted to make this investment under any tax regulations or other legislation which might affect you.
- R4.6 You can either be a private investor or an institutional investor (i.e., companies, trusts, saccos, welfare groups, retirement benefits schemes etc)

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R4.7 If the plan is to be held in joint names, both investors must conform to the above requirements for eligibility.

R5 Investment Objectives

R5.1 The investment objective of the Mayfair Fixed Income Fund is to achieve a reasonable level of return.

R5.2 To achieve this objective, the Fund will be invested in a diversified array of short to long term securities.

R5.3 The Fund could have some offshore exposure denominated in Euro, Sterling or Dollar principally for diversification as well as a hedge against inflation.

R6 Investment Risk Profile

R6.1 This is a medium-risk Fund.

R7 Investment Policies

R7.1 In order to achieve its investment objective, the assets of the Mayfair Fixed Income Fund will be invested according to the following policies:

R7.1.1 The fund will invest in high yielding fixed income securities including Government Treasury bills, short-term Treasury bonds, Fixed Deposits, commercial papers (“CPs”), and any other fixed income securities with suitable characteristics.

R7.1.2 The portfolio may have direct and/or indirect exposure to offshore as a hedge against inflation.

R7.2 The Fund Manager shall keep under review and may from time to time amend the allocation of the Fund’s assets in the manner deemed appropriate for the purpose of achieving the Fund’s Investment Objective.

R8 Investment & Borrowing Guidelines

R8.1 The following restrictions shall apply to the investments of the Fund provided that should any one or more of these restrictions be exceeded as a result of events, happening subsequent to an investment being made, that are beyond the control of the Fund or the Manager such as, for instance, fluctuations in the market value of underlying investments, the Manager shall seek to remedy the situation in the shortest time possible and shall in so doing take due account of the interest of the unit holders of the Fund.

R8.1.1 Securities listed on a securities exchange in Kenya – 80%

R8.1.2 Securities issued by the Government of Kenya – 80%

R8.1.3 Other collective investment schemes including umbrella schemes – 25%

R8.1.4 Any other investment not listed on a securities exchange in Kenya – 25%

R8.1.5 Off-shore investments – 10%

R8.1.6 Immovable property – 25%

R8.2 These investments shall be made provided that:

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- R8.2.1 The book value of the investment in an interest-bearing account, financial product or instrument of or issued by any single bank or financial institution or insurance company or a combination of any such investment in a single bank, financial institution or insurance company shall not in aggregate exceed 25% of the Mayfair Fixed Income Fund and net asset value;
- R8.2.2 The value of the Mayfair Fixed Income Fund's holding of securities relating to any single issuer shall not exceed 25% of the Unit Trust scheme's properties net asset value; and
- R8.2.3 Any Unit trust scheme established for the investment of retirement benefits schemes shall comply with the investment guidelines prescribed under the Retirement Benefits Act.
- R8.3 The Fund Manager shall not apply any part of the Mayfair 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.
- R8.4 The limits and restrictions in this rule shall be complied with at all times based on the most up-to-date value of the Mayfair 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 unit trust scheme.
- R8.5 Information on investment will be given in the semi - annual reports to the unit holders on the investments in the portfolio undertaken by the Fund Manager. These reports will review the investment activity and performance of the investment portfolio and any changes comprising the Mayfair Fixed Income Fund.
- R8.6 The Mayfair Fixed Income Fund shall not lend all or part of the Scheme portfolio and shall not assume, guarantee, endorse, or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.
- R8.7 The Fund Manager may, if it considers it in the best interest of the unit holders, sell, exchange, alter, or otherwise dispose of any of the underlying securities and in such event shall substitute for such underlying other securities or cash equal in value to the net amount realized for the underlying securities disposed of less the compulsory charges in respect of the securities substituted.
- R8.8 If any of the investments and borrowing restrictions are breached, the Manager shall as a priority objective take all steps necessary within a reasonable period of time to remedy the situation, having due regard to the interest of the unit holders.
- R8.9 The Manager is not require to sell investments if any of the investment restrictions are exceeded as a result of changes in the value of the Fund's investments, reconstructions or amalgamations, payments out of the assets of the Fund or redemptions of units but for so long as such limits are exceeded the Manager will not acquire any further investments subject to the relevant restriction and will take all reasonable steps to restore the position so that the limits are no longer required.
- R9 Accounting Date, Business Days, Dealing Days, Distribution Dates, Valuation Point**
- R9.1 The Annual Accounting Date for this Fund shall be 31 December in each year.

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- R9.2 The Business Days for this Fund shall be any day on which banks are open for normal business in Kenya (except Saturday) and such other day as the Fund Manager may determine from time to time.
- R9.3 The Dealing Days for this Fund shall be every day of the week that is a Business Day being, however, a day on which the Net Asset Value per Unit of the Fund is calculated.
- R9.4 Distribution Dates for this Fund shall be daily.
- R9.5 The Valuation Point for this Fund shall be after 1500hrs Kenyan time, the end of the dealing session at the Nairobi Securities Exchange.

R10 Currency Denomination

This Fund shall be denominated and valued in Kenya Shillings

R11 Initial Subscription Price/ Base

The Subscription base per unit at which the initial allotment of units shall be made is Kshs 10 for the Mayfair Fixed Income Fund.

R12 Initial Charge

The Mayfair Fixed Income Fund attracts no initial charge.

R13. Subscription and Issue of Units

- R13.1 Subscriptions for units will be dealt with on the relevant Dealing Day. Dealing Days are each business day.
- R13.2 Subscriptions for units should be made by completing the Application Form and sending it to the Manager, together with remittance advice evidencing payment for the units or a cheque for the subscription monies and the initial charge. All mandatory fields in the application form must be completed otherwise the form will be deemed to be incomplete. Investors should read and sign the declarations outlined in the application form.
- R13.3 Subscriptions paid by cheque will not be processed until the next business day after the funds have cleared. Investors should be aware that if they pay by cheque, there may be delays in having their subscription processed.
- R13.4 The original of any subscription form (s) given by fax should be forwarded to the Manager. Subscriptions will be effected on receipt by the Manager. The Manager and the Trustee shall not be responsible to any investors for any loss resulting from non-receipt of any subscription form (s) sent by facsimile.
- R13.5 Payment should be made in one of the ways set out in the application form. Payments should be made in Kenya shillings. Payments in other freely convertible currencies may be accepted.
- R13.6 Where amounts are received in a currency other than the currency in which the Fund is denominated, they will be converted into the relevant currency, using such currency exchange rates prevailing in the market from time to time and the proceeds of conversion (after deducting the costs of such conversion) will be applied in the subscription of units in the relevant Fund. Conversion of currency may involve some delay. Subscription monies paid by any person other than the applicant will not be accepted unless the Trustee and the Manager otherwise determine at their absolute discretion.

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- R13.7 Payment of subscription monies in cleared funds for the Fund should be received by the Manager and Trustee by close of business on the relevant Dealing Day. Subscriptions received after close of business will be carried forward and dealt with on the next Dealing Day.
- R13.8 The issue price of units of a Fund on a Dealing Day will be calculated by reference to the net asset value per unit of that Fund as at close of business (the "Valuation Point") on that Dealing Day.
- R13.9 Units issued by the Trust will be held for investors in registered form.
- R13.10 A contract note will be issued upon allocation of units to an investor and will be forwarded by email to the unit holders.
- R13.11 Once a completed Application form and monies are received, investors will be allocated an account number as indicated in the application form.
- R13.12 Fractions of not less than one-hundredth of a unit may be issued. Subscription monies representing smaller fractions of a unit will be retained by the Fund.
- R13.13 The Manager has an absolute discretion to accept or reject in whole or in part any subscription for units. In the event the subscription is rejected, subscription monies will be returned without interest. No units of the Fund will be issued where the determination of the net asset value for the Fund is suspended.

R14. Creation of Units

- R14.1 The Fund Manager shall have the exclusive right to secure the creation and issue of further units, and for that purpose to accept application monies for the purpose of the Mayfair Fixed Income Fund provided that the price at which the units are acquired shall be the made-up price at the time of the transaction.
- R14.2 The Fund Manager shall instruct the trustee to create units in the scheme at the beginning of the first day of business in the initial offer period, and during the period. The instructions given by the Fund Manager to the trustee shall state, in relation to each type of unit to be created, the number to be created, expressed either as the number of units or as an amount in value or as a combination of the two.

R15. Cancellation of Units

- R15.1 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 a number of units or as an amount in value or as a combination of the two.
- R15.2 This is provided that at any moment of such instruction, the Fund Manager shall not have any outstanding obligation to issue units, which by cancellation of units would prevent the Fund Manager from fulfilling such instruction.
- R15.3 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, as the case may be, of such evidence of the title to those units, as the custodian or trustee may reasonably require, the custodian or trustee shall, within 2 business days of the instructions given by the Fund Manager, pay the repurchase price of the units to the person who was the holder of those units or in accordance with the relevant provisions of the Trust deed, and other incorporation documents.

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- R15.4 The repurchase price payable for each unit by the custodian or the trustee shall be based on the net asset value of the Fund.
- R15.5 The Fund Manager may at any time give instructions to the trustee to create or to cancel units.
- R15.6 Where instructions are given at a time which is less than twelve 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.
- R15.7 Where instructions are given at a time which is more than twelve hours after the last valuation point:
- (a) Instructions must be given by reference to the price next to be calculated; and
 - (b) The trustee shall create or cancel the units only after the next valuation point has been reached.

R16. Minimum Investment

- R16.1 The minimum initial investment for the Mayfair Fixed Income Fund is Kshs.5,000 (Inclusive of the initial charge where applicable). There is no maximum investment. This minimum investment level may be subject to change depending on various factors outside the fund manager's control e.g., macro-economic conditions like inflation could pose investment constraints on clients' investment liquidity.

R17. Regular Investment Plan

- R17.1 An investor may want to make monthly contributions to the Mayfair Fixed Income Fund. For example individual investors could invest a lump sum of Kshs. 1,000 as an example and top up as regularly as they are able.

R18 Type of Accounts

The following are the types of accounts which are available for unit holders.

- R18.1 **Individual Accounts:** This is an account held by an individual investor.
- R18.2 **Joint Accounts:** A joint account means that both parties have joint ownership of the units. This should be checked off on the Application Form. Specimen signatures of each joint holder should be provided in the Application Form.
- R18.3 **Minor's accounts:** This is an account held on behalf of an individual under the age of 18 for the purpose of saving for their future.
- R18.4 **Corporate Accounts:** The represents investments from companies and other corporate bodies. The choice of this account should be checked off on the application form.
- R18.5 **Association accounts:** The represents investments from associations, investment groups, as well as cooperatives.
- R18.6 **Mandate Accounts:** For this type of account the Broker House/individual can transact on behalf of their client. All communication shall be sent to the mandate holder.

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R19 Redemption of Units

R19.1 Subject to the provisions outlined below, any unit holder may redeem the units on any Dealing Day in whole or in part. If the resulting balance falls below the minimum investment amount, the Fund Manager, can without referring to the unit holder, refund the entire balance or charge them a monthly nominal levy on it.

R19.2 The Manager may levy a redemption charge of up to one per cent of the redemption value, if the investor exceeds one withdrawal per month.

R19.3 Redemption Procedure:

R19.3.1 Redemption of units should be made by completing the Redemption Form and submitting to the Fund Manager. Redemption of units must be made by submitting fully executed redemption instructions.

R19.3.2 Unless otherwise agreed by the Trustee and the Fund Manager, redemption request can be given by email to the Fund Manager.

R19.3.3 A redemption request received by the Fund Manager by close of business on a Dealing Day will be dealt with on the following Dealing Day.

R19.3.4 Units redeemed on a Dealing Day will be redeemed at a price calculated by reference to the net asset value per unit of the Fund as at the Valuation Point on the previous Dealing Day. If at any time during the period from the time at which the redemption price is calculated and the time at which redemption monies are converted out of any other currency into the base currency of the Fund, there is a devaluation or depreciation of that currency, the amount payable to any relevant redeeming unit holder may be reduced as the Manager considers appropriate to take account of the effect of that devaluation or depreciation.

R19.4 Payment of Redemption Proceeds:

R19.4.1 Redemption proceeds will not be paid to any redeeming unit holder until:

(a) Original redemption request is received or redemption request is received via email as per unit holder records held by Fund Manager; and

(b) Where redemption proceeds are to be paid by telegraphic transfer, the identity of the unit holder (or each joint unit holder) has been verified to the satisfaction of the Manager and the Trustee.

R19.4.2 Unless the Manager and the Trustee otherwise determine at their absolute discretion, redemption proceeds paid by cheque will be paid to the unit holder only (or to both of the unit holders in the case of joint account holders), and redemption proceeds paid by telegraphic transfer will be paid only to the account of the unit holder (or to both of the unit holders in the case of joint account holders). No payment will be made to third parties.

R19.4.3 Subject as mentioned above and as long as relevant account details have been provided, redemption proceeds will be paid in the base currency of the Fund by remittance to the unit holders bank account (or in the absence of account details, by cheque) normally within six business days as per the CMA act.

R19.4.4 If relevant account details are not provided, redemption proceeds will be paid to the redeeming unit holder (or to the joint unit holders) by cheque, subject to

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parties providing instructions to the contrary. Bank charges (if any) incurred in making payment will be borne by the redeeming unit holder.

R19.4.5 Unit holders shall be granted one free withdrawal a month to the designated bank account. Any additional withdrawal will be subject to a standard withdrawal frequency charge.

R19.4.6 The minimum withdrawal is Kshs.1,000.

R19.5 Payment of Redemption Proceeds by Distribution

R19.5.1 The Manager has an absolute discretion to effect a redemption payment to any or all redeeming unit holders in kind rather than in cash. The circumstances in which the Manager envisages exercising this discretion include, without prejudice to the generality of the foregoing, a situation where substantial redemption requests are received by the Fund which will make it impracticable to redeem the underlying securities in order to fund the redemption payments.

R19.5.2 In making redemption payments in kind, the Manager will use the same valuation procedures used in determining the net asset value of the Fund when determining the value to be attributed to the relevant securities to be transferred or assigned or otherwise made available to the redeeming unit holders.

R19.5.3 Redeeming unit holders receiving the redemption payment in kind will be responsible for all custody and other costs involved in changing the ownership of the relevant securities from the Fund to the redeeming unit holder and for all ongoing custody costs in respect of such securities.

R19.6 Restrictions on Redemption

R19.6.1 No redemptions can be carried out within the first 14 days, known as the holding period.

R19.6.2 The Manager may suspend the redemption of units or delay the payment of redemption proceeds during any periods in which the determination of the net asset value of the Fund is suspended.

R19.6.3 No redemptions will be carried out against uncleared cheques/monies.

R19.6.4 No withdrawals can occur for units that have been ceded

R19.6.5 With a view to protecting the interests of unit holders, the Manager is entitled, to limit the number of units of the Fund redeemed on any Dealing Day to 10 per cent of the total number of units of the Fund. In this event, the limitation will apply pro rata so that all unit holders wishing to redeem units of the Fund on that Dealing Day will redeem the same proportion of such units, and units not redeemed (but which would otherwise have been redeemed) will be carried forward for redemption, subject to the same limitation, on the next Dealing Day. If requests for redemption are so carried forward, the Manager and the Trustee will inform the unit holders concerned.

R19.7 Cash Withdrawal Facility

R19.7.1 The client can select how frequently he or she wants to receive the cash from quarterly, half-yearly or yearly payment options, if provided, and when the first payment should be made.

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R19.7.2 Unit holders should be aware that if the level of payments specified consistently exceeds the rate of investment growth achieved, capital will be eroded.

R20. Switching Between Funds

R20.1 Unit holders have the right (subject to any suspension in the determination of the net asset value of any relevant Fund) to switch part of their units of a Fund (the “**Existing Fund**”) into units of another Fund managed by Mayfair Asset Managers Limited (the “**New Fund**”) (including any Fund subsequently established).

R20.2 To effect a switch, unit holders are required to submit a duly completed switch request to the Manager.

R20.3 A switching request received by the Manager before the dealing deadline for the Existing Fund on a Dealing Day will be dealt with on that Dealing Day. Switching requests received after such time or on a day which is not a Dealing Day will be carried forward and dealt with on the next Dealing Day.

R20.4 Where a switching request is made by fax or electronic mail, the Manager and the Trustee shall not be held responsible to any unit holder for any loss resulting from non-receipt of such switching request. Unless otherwise agreed by the Manager and the Trustee, the original of any switching request should be forwarded to the Manager.

R20.5 Unit holders are allowed one free switch per month. Additional switches will be subject to a standard switching frequency fee. The Manager may levy a switching fee of 0.5% of the switch value.

R20.6 Switching will be effected by redeeming units in the Existing Fund on the relevant Dealing Day and issuing units of the New Fund on the Dealing Day for units of the New Fund falling on or after:

- (i) the date of redemption of the units of the Existing Fund; and
- (ii) the satisfaction of any conditions attaching to the issue of units of the New Fund (for example, such units may only be issued on receipt of the cleared funds for the account of the Fund.)

R20.7 Any fraction smaller than one-hundredth of a unit of the New Fund so arising will be ignored and monies representing any such fraction will be retained as part of the old Fund.

R21 Valuation of the Fund

R21.1 *Calculation of Net Asset Value*

R21.1.1 The value of the Net Assets of the Fund will be determined as at the Valuation Point on each Dealing Day in accordance with the Trust Deed.

R21.1.2 The 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 Mayfair Fixed Income Fund on the redemption of units shall be the net asset value at the end of the Working Day on which the written request to repurchase and redeem is received by the Fund Manager and the trustee respectively.

R21.1.3 The repurchase price quoted shall be the net asset value of the Mayfair Fixed Income Fund however computed.

R21.1.4 The formula to be adopted to determine the value of the Fund per unit is:

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Value of the assets of the Fund – Liabilities

Number of units issued and fully paid

The Fund Manager will calculate this at the end of each Working Day.

R21.1.5 Value of the asset of the Fund includes:

- a) Aggregate market value of the underlying securities in the unit portfolio at a valuation point
- b) Aggregate of all income accruals and payments received in lieu of income accruals from the creation of new units
- c) Amount of the compulsory charges payable on the acquisition of all the underlying securities comprising the unit portfolio.
- d) Preliminary charge payable in respect of all the units in issue.

R21.1.6 Liabilities shall include:

- a) Accrued fees.
- b) Expenses.
- c) Those income accruals and payments in lieu of income accruals, set aside at the last preceding ex-dividend date for distribution, but not yet distributed, in respect of the accounting period which ended on the day prior to the last ex-dividend date:
- d) Those income accruals and payments in lieu of income accruals, as in the opinion of the Fund Manager, represents a fair proportion, at the said date, of the service charge and other amounts and charges for the relevant accounting period;

R21.1.7 The value of any investment which is not listed or ordinary dealt in on a market shall be the initial value thereof equal to the amount expended out of the Fund in the acquisition of such investment (including in each case the amount of stamp duties, commissions and other acquisition expenses) provided that a Manager may with the approval of the Trustee cause a revaluation to be made by a professional person approved by the Manager and Trustee as qualified to value such investments.

R21.1.8 The Manager may with the consent of the Trustee adjust the value of any investment or permit some other method of valuation to be used if, having regard to relevant circumstances, the Manager considers that such adjustment or use of such other method is required to reflect the fair value of the investment.

R21.1.9 The Manager shall have authority to make additional valuations at its discretion in which case it shall give advance notice of its intention to do so to the Trustee.

R21.2 *Suspension of Calculation of Net Asset Value*

R21.2.1 The Manager may, after giving notice to the Trustee, declare a suspension of the determination of the net asset value of a Fund for the whole or any part of any period during which:

- (i) There is closure of or the restriction or suspension of trading on any securities market on which a substantial part of the investments of the Fund is normally

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traded or a breakdown in any of the means normally employed by the Manager or the Trustee (as the case may be) in ascertaining the prices of the investments or the net asset value of the Fund or the net asset value per unit in the Fund.

- (ii) For any other reason the prices of investments of the Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained; or
- (iii) Circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practicable to realize any investments of the Fund or it is not possible to do so without seriously prejudicing the interest of unit holders; or

R21.2.2 Such suspension shall take effect forthwith upon the declaration thereof and thereafter there shall be no determination of the net asset value of the Fund until the Manager shall declare the suspension at an end, except that the suspension shall terminate in any event on the day following the first business day on which (i) the condition giving rise to the suspension shall have ceased to exist and (ii) no other condition under which suspension is authorized shall exist.

R21.2.3 Whenever the Manager declares such a suspension it shall, as soon as may be practicable after any such declaration and at least once a month during the period of such suspension, publish a notice in one of the English dailies and/or cause a notice to be given to unit holders and to all those (whether unit holders or not) whose application to subscribe for, redeem or switch units shall have been affected by such a suspension stating that such declaration has been made.

R21.2.4 No units in the Fund may be issued, redeemed or switched during such a period of suspension.

R22. Pricing

R22.1 *Future Pricing*

R22.1.1 The Manager will price the units of the Fund using Future Pricing.

R22.1.2 Under this approach, the price is established each Dealing day and applied to transactions which occurred during the same day. This means that all the buying and selling, leading to the creation and cancellation of units respectively, which occur during the day can only be priced at the end of the day.

Therefore, investors will only know of the value of their transaction the day after it has occurred.

R22.2 *Calculation of Issue and Redemption Prices*

R22.2.1 The issue price of a unit in the Fund on a Dealing Day will be calculated by dividing the net asset value of the relevant Fund on that Dealing Day by the number of units in the Fund in issue on that Dealing Day, prior to any issue or redemption being effected on that Dealing Day.

R22.2.2 There shall be added to the issue price an initial charge of up to 10 per cent of the issue value.

R22.2.3 The redemption price of a unit in a Fund on a Dealing Day will also be calculated by dividing the net asset value of the Fund on that Dealing Day by the number of units in the Fund in issue on that Dealing Day from which may be deducted such amount as the Manager reasonably considers to be an appropriate allowance for fiscal and sales charges

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which would be incurred for the account of the Fund in realizing assets to provide funds to meet any redemption request.

- R22.2.4 The issue price and the redemption price of units in a Fund on a Dealing Day may not be the same.

R22.3 *Publication of Prices*

- R22.3.1 The issue and redemption prices per unit of the Fund will be published daily in at least two local daily newspapers.

R23 *Dealing*

- R23.1 The Manager will act as principal in the trading of units. As a result, it must act as market maker for its units inclusive of meeting demand from investors by creating units. The Manager would therefore create and cancel units within the scope of the Act and its obligations to unit holders.
- R23.2 The Manager is obliged to act in the best interests of all unit holders. This would imply that, with regard to the creation and cancellation of units, it applies a consistent basis in the creation and cancellation of units, and with the exception of the recognition that a daily pricing window is required to facilitate the creation and liquidation of units.
- R23.3 The Manager may suspend, issue, cancel, sell or redeem units, if they are of the opinion that due to exceptional circumstances, there are good and sufficient reasons to do so after having regard to the interest of all unit holders. At all times, the Manager shall comply with the CMA Act and the Trust Deed on suspension and resumption of dealings.
- R23.4 The Manager shall immediately notify unit holders if dealing has been cancelled or suspended and the fact following such cancellation shall be published immediately following such decision and at least once every week during the period of suspension, in the newspaper in which the scheme's prices are normally published.
- R23.5 The close of time for dealing will be as at close of business.

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R24 Distributions

R24.1 *Distribution Policy*

R24.1.1 A distribution for the Mayfair Fixed Income Fund consists of interest income from liquid assets such as treasury bills, bonds, cash and bank deposits, held in the portfolio.

R24.1.2 Details of the distribution arising from interest will be shown on the monthly statements distributed to unit holders.

R24.1.3 All income arising from receipts of interest will be distributed to unit holders after provision of expenses net of tax.

R24.1.4 All distributions will be reinvested in the unit holder's account. Distributions of income from the Mayfair Fixed Income Fund will be made daily.

R24.2 *Determination of Distributable Income*

R24.2.1 The calculation of the distributable income shall:

(i) Take the aggregate income of the portfolio received or receivable for the account of the Mayfair Fixed Income Fund in respect of the period;

(ii) Deduct charges and expenses paid or payable out of the income of the portfolio in respect of the period;

(iii) Add the Fund Manager's best estimate of any relief from tax on such charges and expenses;

(iv) Make appropriate adjustments in relation to:

a. Taxation;

b. Proportion of the price received or paid for units that are related to income;

c. Potential income which is unlikely to be received until twelve months after the income allocation date;

d. Income, which should not be accounted for on an accrual basis;

e. Any transfer between income and capital account.

R24.2.2 The amount of income allocated to the accumulation units shall with effect from the end of the annual accounting period, become part of the capital of the investment scheme portfolio.

R24.2.3 The interest of the unit holders in the amount shall be satisfied by an adjustment as at the end of the period in proportion of the value of the unit trust scheme portfolio to which the price of a unit of the relevant class is related. This adjustment will ensure that the price of an accumulation unit remains unchanged notwithstanding the transfer of income to the capital of the investment scheme portfolio.

R25 Charges and Expenses

R25.1 Management Fees

R25.1.1 The Manager will be entitled to receive in arrears a monthly management fee for carrying out the required professional management and administration services for the Mayfair Fixed Income Fund.

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R25.1.2 This is an annual charge of upto 2.5% per annum, which is calculated daily but expressed as a percentage of the average month-end market value of the total assets comprising the Fund.

R25.1.3 The unit holder shall therefore be debited for this fee from the Fund.

R25.1.4 The Manager may increase or decrease the rate of management fee payable in respect of a Fund by giving not less than three months' notice of such a change to the Trustee and the unit holders.

R25.2 Discounted Management Fees

R25.2.1 Clients whose initial lump sum investment is greater than Kshs. 5 million, could qualify for a discounted management fee, subject to the discretion of the Fund Manager.

R25.3 The Initial Charge

R25.3.1 The Mayfair Fixed Income Fund attracts no initial charge.

R25.4 Switching Charge

R25.4.1 A switching charge of up to 0.5% of the switch value will be levied upon switching the Fund, if switches in excess of the one free switch are made per month.

R25.5 Redemption Charge

R25.5.1 The Manager is entitled to receive a redemption charge for redemption of units in the Fund, of up to 0.5% of the redemption value.

R25.7 Trustee Fees

R25.7.1 The Trustee is entitled to receive in arrears a monthly trustee fee in relation to the services provided to the Fund.

R25.7.2 The current rate of Trustee fees in relation to the Fund is calculated on a flat percentage rate per annum according to the net asset value of the Fund, subject to an agreed rate as per the agreement between the Fund Manager and the Trustee.

R25.8 Transactional Based Charges

Outlined below is a summary of all the charges that are triggered by transactions.

R25.8.1 **Ledger Fee:** A ledger fee of Kshs. 100 per month will apply on all unit holders who maintain balances below a certain threshold. This levy will be applied at the discretion of the Fund Manager.

R25.8.2 **Transfer Frequency Fee:** This is a standard charge of **0.5%** of the value of the transfer amount. This levy will be applied at the discretion of the Fund Manager.

All unit holders shall be allowed **one** free transfer a month before additional transfers are subject to transfer frequency fees as described above.

R25.8.3 **General Adjustment Sale:** This will be charged against the client's account if an incorrect instruction was given to the Manager and the instruction processed. If the adjustment/rectification of this mistake resulted in a loss, the client would be debited the equivalent sum of this loss.

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- R25.8.4 **Ad Hoc Statements:** A standard charge of **Kshs 100** will be charged to clients who require a printed statement of their account balances, transaction history etc on an ad-hoc basis as per the Fund Manager's discretion.

The statements will be sent free-of-charge to unit holders by email. Statements are sent out monthly to all unit holders.

- R25.8.5 **Cheque Request Charge:** All unit holders and agents who request to receive any amounts payable to them such as distribution payouts, redemptions, commissions etc in the form of a cheque from the Fund Manager will incur a standard charge as levied by the Custodial Bank.

- R25.8.6 All payouts made to the unit holders and agents will be subject to Custodial Bank charges.

R26 Statements

- R26.1 A statement will act as evidence of entitlement for the unit holder. The statements will be sent by email every month free of charge to all unit holders.

- R26.2 Clients may request for their statements to be sent via post at their own expense and risk.

R27 Accounts and Reports

- R27.1 The Fund financial year end is 31st December in each year. Audited accounts will be availed to unit holders during the Annual General Meeting.

R28 Transfer of Units

- R28.1 This is the transfer of ownership from one person to another within the same unit trust fund.

- R28.2 Subject as provided below, units may be transferred by completing a request by (or, in the case of a body corporate, signed on behalf of or sealed by) the transferor and the transferee. The transferor will be deemed to remain the holder of the units transferred until the name of the transferee is entered into the Register of unit holders in respect of such units.

- R28.3 If the transferee is not a client of Mayfair Asset Managers Limited Unit Trusts, a new Application form would be required along with the Transfer form.

- R28.4 If the transfer is requested as a result of one joint account member wishing to have their name removed from the account, both joint owners should fill out and sign the transferor section on the transfer form and the individual wishing to leave fills out the transferee section.

R29 Adjustments

- R29.1 This transaction is a result of an error either made by the unit holder, your broker/agent or the Manager. On completion of this form the Managers will rectify the error on the unit holder's account.

- R29.2 This instruction must be submitted in writing by completing an Adjustment Form.

- R29.3 Although we do not envision many transactions of this type, clients are strongly encouraged to study their monthly statements carefully and report any discrepancies to our Investor Services Department to ensure timely correction.

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R30 Compulsory Redemption or Transfer of Units

R30.1 The Manager may require a unit holder to transfer the unit holders' units or, failing such transfer, may redeem such units in accordance with the Trust Deed if it shall come to the notice of the Manager that the unit holder holds such units:

- (a) in breach of the law or requirements of any country, any governmental authority or any stock exchange on which such units are listed; or
- (b) in circumstances (whether directly or indirectly affecting such unit holder and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Manager to be relevant) which, in the opinion of the Manager, might result in the Trust or any Fund incurring any liability to taxation or suffering any other pecuniary disadvantage which the Trust or any Fund might not otherwise have incurred or suffered.

R31 Meetings of unit holders

R31.1 The Trust Deed provides for meetings of unit holders to be convened by the Trustee or the Fund Manager upon at least 21 days' notice. Notices of meetings of unit holders will be sent to unit holders via email as indicated by unit holder on the application form and posted in the Fund Manager's website.

R31.2 Proxies may be appointed. The quorum at unit holders' meeting is unit holders present in person (physically or virtually) or by proxy holding 10 per cent or 100 units, whichever is lower, of the units in issue. If a quorum is not present, the meeting will be adjourned for not less than 7 days. Separate notice of any adjourned meeting will be given, and at adjourned meeting unit holders whatever their number or the number of units held by them will form a quorum.

R31.3 An extraordinary resolution is required under the Trust Deed for certain purposes and is a resolution proposed as such and passed by a simple majority of 51 per cent of the total number of votes cast.

R31.4 The Trust Deed provides that at any meeting of unit holders, on a show of hands, every unit holders who (being an individual) is present in person or (being a partnership or corporation) is present by an authorized representative shall have one vote and, on a poll, every unit holder who is present as aforesaid or by proxy shall have one vote for every unit of which he is the holder.

R32 Winding Up

R32.1 The Trust Deed provides for the circumstances, manner and consequence of winding up the Fund.

R32.2 The Fund shall not be wound up otherwise than by a court order, except under the provisions of the Act.

R32.3 The Trustee may terminate the Trust if:

R32.3.1 The Manager goes into liquidation (except voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved by the Trustee); or

R32.3.2 In the opinion of the Trustee, the Manager is incapable of performing its duties properly; or

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R32.3.3 If the Trust ceases to be so authorized or otherwise officially approved or if any law is passed which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Trust; or

R32.3.4 The Manager ceases to manage the Trust and the Trustee fails to appoint a successor Manager within a period of 30 days.

R32.4 The Manager may terminate the Trust if:

R32.4.1 The Trust fails to become authorized or otherwise officially approved pursuant to the CMA Act;

R32.4.2 Any law is passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable to continue the Trust.

R32.5 Where the Trust is terminated as provided in Rule 32.3 or Rule 32.4 above, the party terminating the Trust must give at least three months' notice of termination to unit holders.

R32.6 The Manager may terminate the Fund if:-

R32.6.1 The Fund fails to be officially approved by the CMA or, having become officially approved, ceases to be officially approved; or

R32.6.2 Any law is passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable to continue the Fund.

R33 Advertising

R33.1 Any advertisement made shall be under the following provisions of the Act:

R33.1.1 No person shall advertise or make other invitations to the public or a section of the public in Kenya to invest in a collective investment scheme which has not obtained approval from the Authority.

R33.1.2 Every advertisement or invitation to the public, or a section of the public shall be submitted to the Authority at least forty-eight hours before the date of publication and may be used until such as significant or material changes arise in the information contained in the advertisement, invitations, public announcement or other promotional materials, after which a new submission for approval may be made to the Authority.

R33.1.3 Any advertisement or invitation or other promotional material to the public or a section of the public, which includes information on the trustee, shall be accompanied by the trustee's written consent.

R33.1.4 If a collective investment scheme is described as having been approved by the Authority it shall be stated that, in giving this approval, the Authority does not take responsibility for the financial soundness of the scheme or for the correctness of any statements made or opinions expressed in this regard.

R33.1.5 Advertisements shall include a warning statement that:

- (a) the price of shares, and the income there from if the collective investment scheme pays dividends may go down as well as up; and
- (b) investors are reminded that in certain specified circumstances their right to redeem their shares may be suspended.

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R33.1.6 Warning statements shall be written in such a manner as to be capable of being read with reasonable ease by anyone reading the advertisement.

AS WITNESS this Agreement has been executed by the parties hereto as appears herein below.

Signed by the Corporate Trustee;

KCB Bank Kenya Limited on this _____ day of _____ 2023.

SIGNED BY: _____)
The Duly Authorized Attorney of the Trustee) -----
KCB BANK KENYA LIMITED)
)
)
In the presence of:)
)
-----)
)
-----)

SIGNED BY: _____) -----
)
)
)
SIGNED BY: _____) -----
)

The Duly Authorized Representatives of)
MAYFAIR ASSET MANAGERS LIMITED)
)
)
In the presence of:)
)
-----)
)
-----)