



FIRST SUPPLEMENTAL TRUST DEED TO THE AIICO MONEY MARKET FUND TRUST
DEED

Between

AIICO CAPITAL LIMITED

RC No. 335978

And

UNITED CAPITAL TRUSTEES LIMITED

RC No. 645220

IN RESPECT OF THE AIICO MONEY MARKET FUND

Dated the 7th Day of December 2020

The Trustee shall be liable for breach of its duties where it fails to carry out its responsibilities under the Trust Deed or where it fails to report a breach of the terms of this Trust Deed to the Securities and Exchange Commission.

THIS **FIRST SUPPLEMENTAL TRUST DEED** dated the 7th day of DECEMBER 2020 is made

BETWEEN:

AIICO CAPITAL LIMITED a Private Limited Liability Company duly incorporated under the laws of the Federal Republic of Nigeria with RC No. 335978 and registered with the Securities & Exchange Commission as a Fund/Portfolio Manager, with its principal place of business situated at Plot PC 12 Churchgate Street, Victoria Island, Lagos. (hereinafter referred to as "**the Fund Manager**") which expression shall, where the context so admits, include its successors-in-title and assigns) of the one part;

AND

UNITED CAPITAL TRUSTEES LIMITED, a Private Limited Liability Company duly incorporated under the laws of the Federal Republic of Nigeria with RC No. 645220 and registered with the Securities & Exchange Commission as a Trustee, with its principal place of business at Afriland Towers, 3rd & 4th Floors, 97/105 Broad Street, Lagos (hereinafter referred to as "**the Trustee**") which expression shall, where the context so admits, include its successors – in – title and assigns) of the other part

WHEREAS:

- (A) By virtue of a Trust Deed dated the 18th day of February 2014 (hereinafter referred to as the "**Principal Trust Deed**") between AIICO Capital Limited and United Capital Trustees Limited, as the Trustee, the AIICO Money Market Fund (the "**Fund**") was constituted as a Unit Trust Scheme duly registered by the Securities and Exchange Commission (the "**Commission**") in accordance with the provisions of the Investment & Securities Act 2007.
- (B) Pursuant to the new Rules of the Commission (the "**New SEC Rules**") and the Amendment to the Rules and Regulations of the Commission which was signed on the 23rd of December 2019, it becomes necessary to amend the Principal Trust Deed in line with the new SEC Rules.
- (C) By virtue of Clause 44 of the Principal Trust Deed dated 18th day of February, 2014, the Fund Manager is desirous of amending certain provisions of the Principal Trust Deed to bring the Trust Deed into compliance with the new SEC Rules and Amendment to the Rules and Regulations of the Commission.

NOW THIS FIRST SUPPLEMENTAL TRUST DEED WITNESSES as follows:

1. DEFINITIONS AND INTERPRETATIONS

- 1.1 **Definitions:** For the purposes of this Trust Deed, unless otherwise amended, modified, defined or construed herein or unless the context otherwise requires, terms defined in

the Principal Trust Deed which are used in this First Supplemental Trust Deed shall have the same meaning in this Deed as provided in Clause 1 (Definitions) of the Principal Trust Deed.

Particularly, in this Trust Deed, the following expressions shall have the meanings indicated.

“Benchmark”	means the 91 days T-bill stop rate or such other benchmark as may be prescribed by the Fund Managers’ Association of Nigeria from time to time for a period of not less than five (5) years subject to the Commission’s approval.
“Effective Date”	means the date on which the last Party executes this First Supplemental Trust Deed;
“Party/Parties”	means the Fund Manager and the Trustee, individually or jointly as may be applicable;
“The Commission”	means the Securities and Exchange Commission
“Trust Deed”	means this First Supplemental Trust Deed;
“Principal Trust Deed”	means The AIICO Capital Money Market Fund Trust Deed dated 18 February 2014
“Principal Transaction”	A transaction which, singularly or in aggregate of over a 12month period equals five per cent (5%) or more of the Fund’s Net Asset Value (“NAV”), in which the Fund Manager acting on behalf of the Fund enters with an affiliate of a Related Party as defined in this Trust Deed.
“Related Party Transactions”	Transactions between the affiliates of Related Parties and the Fund Manager acting on behalf of the Fund.
“Related Party/Related Party to the Fund”	A Related Party, having regards to the Fund shall be the Trustee, Fund Manager and Custodian of the Fund.
“Affiliate of a Related Party”	An affiliate of a Related Party having regards to the Fund shall be any person natural or corporate falling

within the categories of the parties listed below:

- a) Companies that share personnel of the Fund Manager who hold administrative, management and Board position in the Company, in addition to front office staff engaged in investment management function of the Fund;
- b) Companies that share personnel of the Trustee Company who hold administrative, management and Board position in the Company;
- c) Companies that share personnel of the Custodian Bank or Central Depository who hold administrative and management position in the Bank or Depository;
- d) Companies that are affiliates of the Fund Manager, Trustees or Custodians within the same financial group or another group;
- e) Key persons undertaking asset management, investment analysis and other key front office tasks that impact or are likely to impact the Fund;
- f) Persons capable of exerting influence on management and Board decisions of Related Parties and their affiliates;
- g) Other Collective Investment Schemes managed by:
 - i. the Fund Manager
 - ii. an affiliate of the Fund Manager and/or companies belonging to the same group as the Fund Manager;
 - iii. an affiliate of the Trustee and/or companies belonging to the same group as the Trustee;
 - iv. a Company whether as affiliate, subsidiary or parent of the Fund Manager, Trustees or Custodian whose securities are unlisted or

listed on a recognized securities Exchange;

- h) Sponsor, administrator or managers of electronic/digital platforms which serve as channel for subscription to or redemption from, units of the Fund;
- i) Companies which share interlocking directorship with the Fund Manager, Trustee or Custodian;
- j) Companies that engage in principal transactions with the Fund Manager, Trustee or Custodian;
- k) Companies/Entities with at least five per cent (5%) shareholding or beneficial ownership in the Fund Manager, Trustee or Custodian;
- l) Any other person(s) identified by the Fund Manager, Trustee, the Custodian or the Commission as an affiliate of a Related Party.

1.2 Interpretation: In this Trust Deed, unless the context otherwise requires:

Any reference to a provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment;

- (a) References in this Trust Deed to “this Deed” shall with effect from the Effective Date and unless the context otherwise requires, mean references to the Principal Trust Deed and this First Supplemental Trust Deed which shall all be jointly read as one (1) document;
- (b) The headings and sub-headings are for ease of reference only and shall not affect the construction of this Trust Deed.

2. AMENDMENTS TO THE PRINCIPAL TRUST DEED

Pursuant to the new SEC rules of 23 December 2019, the Parties hereby agree to amend the Principal Trust Deed in the manner set out below.

2.1 Clause 4 – DESCRIPTION AND OBJECTIVE OF THE FUND

- 2.1.1 The existing Clause 4.2 of the Principal Trust Deed is hereby substituted with a new clause 4.2 as follows:

“The investment objectives of the Fund are capital preservation and steady income.”

- 2.1.2 A new Clause 4.4 is hereby created as follows:

Benchmark

The Fund shall be benchmarked to the ninety-one (91) days T-bill stop rate or such other benchmark as may be prescribed by the Fund Managers' Association from time to time and shall be in use for a period not less than 5 years.

2.2 Clause 8 – PAYMENT OF REMUNERATION AND FEES

The existing Clause 8.1 of the Principal Trust Deed is hereby substituted with a new clause 8.1 as follows:

The remuneration of the Fund Manager and all other administrative fees shall accrue daily. At the end of each month, the Custodian shall release the Fund Manager's fee into the AMMF Expense Account to be maintained by the Custodian and from which all operating expenses including charges and expenses in connection with the Management of the Fund plus annual fees payable to the Trustee, Auditors, Custodian, Registrar and Rating Agency will be paid.

Provided however that the total expenses of the fund (including the annual management fee) but excluding incentive fee shall not exceed 3.5% (three and a half percent) of the NAV of the Fund per annum.

2.3 Clause 15-INVESTMENT COMMITTEE AND RIGHT TO SELECT INVESTMENTS

The existing Clause 15.1 of the Principal Trust Deed is hereby substituted with a new clause 15.1 as follows:

“There shall be an Investment Committee responsible for advising the Fund Manager on the investments to be made by the Fund. The Investment Committee shall meet quarterly”.

2.4 Clause 18 – INVESTMENT RESTRICTIONS

2.4.1 The existing Clause 18.1 of the Principal Trust Deed is hereby substituted by a new clause 18.1 as follows:

“With the exception of treasury bills, no investment shall be made which would result in either the value or the aggregate of the values of money market instruments issued by any single issuer exceeding 20% of the value of the Fund immediately after such investment has been made.”

2.4.2 The existing Clause 18.2 of the Principal Trust Deed is hereby substituted with a new clause 18.2 as follows:

“The Fund Manager shall not invest the assets of the Fund in securities or assets of Related Parties to the fund and their affiliates except as otherwise permitted by the Commission”

2.4.3 The following new sub clauses are hereby created:

18.3 “Fixed Deposits with any single institution shall not constitute more than 20% of the Fund’s NAV”

18.4 “Units of any Collective Investment Scheme shall not constitute more than 20% of the Fund’s NAV;

18.5 “The Fund Manager may invest in money market instruments issued by the affiliates of a Related Party to the Fund only where the following conditions have been satisfied:

- i) That the Money market instruments issued by a related party affiliate shall not be below investment grade rating of A- and at yields better than prevailing market rates;
- ii) That consent of the Trustees for compliance with pre-conditions for such investment has been obtained”

18.6 The investment in money market instruments of a Related Party’s affiliates shall not exceed (15%) of the total assets of the Fund for Money Market Funds

18.7 The Trustee shall ensure and report to the Commission compliance with the investment limit in Clause 18.5 and 18.6 above in line with the SEC Rules.”

18.8 Where the investment limit is exceeded as a result of a corporate action or through an appreciation or depreciation of the Fund’s NAV, the Fund Manager shall not make any further acquisition with respect to any security with which the relevant limit is breached, and the Fund Manager shall within a period of not more than 3 months from the date of the breach take all necessary steps and actions to rectify the breach.

2.5 The following new Clauses are hereby inserted after the existing Clause 30 (DUTIES AND RESPONSIBILITIES OF THE MANAGER AND TRUSTEE) in the Principal Trust Deed:

2.5.1 Clause 31 - Requirement on the Fund Manager -

The Board of the Fund Manager shall:

- a. Approve and institute guidelines, policies and procedures for managing conflict of interest on Related Party Transactions for the Fund and all asset management operation;
- b. Identify and manage real and potential conflicts of interest in its overall asset management operations including its management of the Fund in line with the policies and procedures established in (a);
- c. Strictly enforce policies on conflict of interest management and guidelines on related party transactions undertaken for and on behalf of the Fund;
- d. Report/disclose to the Commission (in its quarterly returns), and Trustees of all Related Party transactions, service contracts/agreements; fees, commissions, transaction costs arising from transactions or service provision with Related Parties of the Fund Manager and showing comparable best market price and cost to support that the transaction and service were carried out at terms and prevailing conditions in the best interest of the Fund;
- e. Maintain a record of all transactions and service executions undertaken with the affiliate of a Related Party on behalf of the Fund.

2.5.2 Clause 32 – CONFLICT OF INTEREST/RELATED PARTY TRANSACTION

The following provisions shall guide the management of conflict of interest/Related Party transactions between the Fund Manager and affiliates of Related Parties on behalf of the Fund:

1. Every Conflict of Interest issues shall be addressed on a case by case basis
2. The investment committee of the Fund Manager shall critically review all proposed investments in the affiliates of a Related Party, following which decisions shall be reached on the proposed investments, having considered all matters of conflict of interest arising on the transaction(s). The decision of the committee shall reflect in the minutes of the meeting and a special resolution document/memo.
3. The Fund shall only invest in instruments of related parties and their affiliates where such instruments are of investment grade 'A' with returns and conditions better than that prevailing in the market. The Trustee must consent to such investments.

4. The Fund Manager shall disclose to the Trustee and Commission not later than 24) hours, whenever a conflict arises or where it is reasonable to assume that a potential conflict may exist.

5. All services or transactions undertaken by the Fund Manager on behalf of the Fund with the affiliate of a Related Party shall be done at arm's length and at terms based on cost, price, and prevailing market conditions in the interest of the Fund.

6. Any service contract between the Fund Manager on behalf of the fund and an affiliate of a related party with potential conflict of interest for the fund shall be disclosed to the Commission.

7. The Fund Manager shall comply with all regulatory limits on transactions with affiliates of a Related Party.

8. After obtaining the Trustees consent on a transaction for the purchase of securities on behalf of the Fund by the Fund Manager, which has an affiliate of the Fund Manager acting as Issuing house / Under writer to the offer, the Fund Manager shall also disclose to the commission the details of the transaction.

9. The Fund manager shall render disclosures to the Commission on purchase of securities in (8) above, where the Fund Manager and Trustees have:

- i. shown the transaction to be in the best interest of the Fund and unit holders,
- ii. shown the transaction to be carried out at arm's length
- iii. made full disclosure to the Commission on transaction cost and terms with the affiliate of a Related Party.

10. The Fund Manager shall be required to obtain the Trustees consent in respect of:

- i. Principal transactions on behalf of the fund by the Fund Manager with its affiliate as counter party or vendor to ensure that cost, terms and conditions of the transaction are carried out at better terms and price than prevailing market condition;
- ii. Principal transactions for sales or purchase of securities in the secondary market where the affiliate of a Related Party acts as broker or intermediary for such sale or purchase showing the price or cost at which the transaction was made as compared to the highest and lowest price for the similar transaction in the market for that day"

2.6 Following the inclusion of the new Clauses 31 and 32 above that the existing Clauses 31 – 48 be renumbered as Clauses 33-50 follows:

CLAUSE 33 – REMOVAL OR RETIREMENT AND APPOINTMENT OF MANAGER

CLAUSE 34 – REMOVAL OR RETIREMENT AND APPOINTMENT OF TRUSTEE

CLAUSE 35 – PREPARATION OF STATEMENTS OF UNITHOLDING, CHEQUES AND WARRANTS

CLAUSE 36 – AUDITING OF THE FUND'S ACCOUNT

CLAUSE 37 – AUDITORS

CLAUSE 38 – TERMINATION OF THE TRUST

CLAUSE 39 – PROCEDURE AFTER TERMINATION OF THE TRUST

CLAUSE 40 – MEETINGS

CLAUSE 41 – CIRCULARS AND ADVERTISEMENTS

CLAUSE 42 – NOTICES

CLAUSE 43 – PAYMENT

CLAUSE 44 – COPIES OF TRUST DEED TO BE MADE AVAILABLE

CLAUSE 45 – RECONSTRUCTION AND AMALGAMATION

CLAUSE 46 – POWER OF MODIFICATION BY SUPPLEMENTAL TRUST DEED

CLAUSE 47 – COMPLIANCE

CLAUSE 48 – MISCELLANEOUS

CLAUSE 49 – GOVERNING LAW

CLAUSE 50 - ARBITRATION

3. Continuation of Principal and Supplemental Trust Deeds

Save as amended by this First Supplemental Trust Deed, the covenants, provisions, and terms and powers contained and subsisting under the Principal Trust Deed shall together with this First Supplemental Trust Deed, be henceforth read and construed as one document.

4. Certification

The Trustee hereby certifies in its opinion, that the modifications, alterations, amendments and additions made to the Principal Trust Deed pursuant to this First Supplemental Trust Deed do not prejudice the interest of Unitholders; do not operate to

release the Trustee or the Fund Manager from any responsibility to the Unitholders or any of them; and they do not impose upon Unitholders or any of them, any obligation to make further payment in respect of their units nor accept any liability in respect thereof.

5. Governing Law

This Trust Deed and all matters arising from or connected with it shall be governed by the laws of the Federal Republic of Nigeria.

IN WITNESS WHEREOF the Parties hereto have caused their respective Common Seals to be hereunto affixed the day and year first above written.

THE COMMON SEAL of the within named

AIICO CAPITAL LIMITED was hereunto affixed in the presence of:


Name: **AYODELE BAMIDELE**
DIRECTOR

5th Feb 2021

Date


Name: **DONALD KANU**
SECRETARY

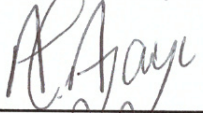
5th February, 2021

Date

THE COMMON SEAL of the within named

UNITED CAPITAL TRUSTEES LIMITED

was hereunto affixed in the presence of:


Name: **TOKUNBO AJAYI**
DIRECTOR

12th Feb. 2021

Date


Name: **LEO OKAFOR**
SECRETARY

12/2/2021

Date

