

1ST SUPPLEMENTAL TRUST DEED

BETWEEN

AXA MANSARD INVESTMENTS LIMITED
(FUND MANAGER)

AND

INVESTMENT ONE FINANCIAL SERVICES LIMITED
(TRUSTEE)

In Respect of:

THE AXA MANSARD EQUITY INCOME FUND

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

Dated this ----- day of -----, 2022

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THIS SUPPLEMENTAL TRUST DEED is made this ----- day of -----, 2022

BETWEEN

AXA Mansard Investments Limited, a private limited liability company duly incorporated in Nigeria with **RC No 724966** whose registered office is at Plot 927/928 Bishop Aboyade Cole Street, Victoria Island, Lagos ("hereinafter called "**the Fund Manager**" which expression shall where the context so admits include its successors-in-title and assigns) of the one part;

AND

Investment One Financial Services Limited, a private limited liability company duly incorporated in Nigeria with **RC No 725421** whose registered office is at 37, Kofo Abayomi Street, Victoria Island Lagos ("hereinafter called "**the Trustee**" which expression shall where the context so admits include its successor trustees) of the other part.

RECITALS:

- A. By virtue of the duly executed Trust Deed of the AXA Mansard Equity Income Fund ("**the Fund**") dated the 23rd day of May, 2016 ("**the Original Trust Deed**"), AXA Mansard Investments Limited, and Investment One Financial Services Limited, respectively became the Fund Manager and Trustee of the Fund;
- B. In pursuance of the "New Rules and Amendments to the Rules and Regulations of the Commission" made on December 23rd, 2019 ("**Amendment to the Rules**") by the Securities and Exchange Commission ("**the Commission**"), the Fund Manager has proposed the amendment of certain provisions of the Original Trust Deed and inclusion of new provisions therein through a supplemental trust deed.
- C. This supplemental deed ("**the First Supplemental Trust Deed**") is made further to the Original Trust Deed between the Trustee and the Fund Manager.
- D. By virtue of the provisions of Clause 47 (Power of Modification by Supplemental Trust Deed) of the Original Trust Deed, the Trustee and Fund Manager are entitled to modify, alter or add to the provisions of the Trust Deed, in such manner and to such extent as considered necessary or expedient subject to the prior approval of the Commission.
- E. The Trustee has by a letter to the Commission dated the 9th day of May, 2022, made the required certifications with respect to the aforesaid change, as specified by Clause 47 (Power of Modification by Supplemental Trust Deed) of the Original Trust Deed.
- F. Pursuant to the Original Trust Deed, the Trustee's certification, and the approval of the Commission having been obtained, the Fund Manager and the Trustee now

enter into this First Supplemental Trust Deed to modify the Original Trust Deed with the terms stated herein.

THIS FIRST SUPPLEMENTAL DEED WITNESSES *as follows:*

1. Definitions and Interpretation

The underlisted definitions are applicable, and unless otherwise defined herein, the definitions and provisions contained or attributed a particular meaning in the Original Trust Deed shall apply to this First Supplemental Trust Deed.

"Affiliate of a Related Party"

means any person, natural or corporate falling within the following categories defined in the Amendment to the Rules, and as may be reviewed from time to time by the Commission.

- a) Companies that share personnel of the Fund Manager, and who hold administrative, management and Board positions in the Fund Manager, in addition to front office staff engaged in investment management function of the Fund.
- b) Companies that share personnel of the Trustee who hold administrative, management and board positions in the Trustee company;
- c) Companies that share personnel of the Custodian Bank or Central Depositary who hold administrative and management position in the Bank or Depositary;
- d) Companies that are affiliates of the Fund Manager, Trustees, or Custodian 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 in 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 5% shareholding or beneficial ownership in the Fund Manager, Trustee or Custodian;
- l) Any other person(s) identified by the Fund Manager, Trustee, Custodian or the Commission as an affiliate of a related party.

"Custodian"

means **RMB NOMINEES** or such other entity duly licensed by the Commission as a custodian for safekeeping and administration of securities and other financial instruments, and appointed by the Fund Manager with the consent of the Trustee and final approval of the Commission.

"Principal transaction"

means a transaction which, singularly or in aggregate of over 12-month period equals 5% or more of the Fund's net asset value, in which the Fund Manager acting on behalf of Fund enters with an affiliate of a related party to the Fund or as may be defined by the Commission from time to time.

"Related Party" means the Trustee, Fund Manager and Custodian of the Fund.

"Related Party Transaction" means transactions between the affiliates of related parties and the Fund Manager acting on behalf of the Fund.

2. Incorporation of Supplemental Trust Deed

2.1 Subject to the provisions herein contained, this First Supplemental Trust Deed is incorporated by reference to and shall be read and construed as part of the Original Trust Deed.

2.2 Unless the context otherwise requires and save as modified by this First Supplemental Trust Deed, the Original Trust Deed shall remain in force and shall be binding on the parties.

3. Supplemental Provisions

The Fund Manager and the Trustee hereby agree that the Original Trust Deed is to be amended and supplemented as follows:

3.1. By amending **Sub-clause 4.2** of the Original Trust Deed (**Description and Objective of Fund**) to read as follows:

"The fundamental objective of the Fund is to provide Unitholders with long-term capital growth and/or income generation derived from investments in equities listed on an exchange registered or recognized by the Commission and in related instruments permitted by the Rules and the Commission from time to time".

- 3.2. By amending **Sub-clause 10.2 and 10.5** of the Original Trust Deed (**Investment Policy and Investment Outlets of Fund**) to read as follows:

Monies forming part of the Fund, subject to the consent of the Trustee shall be invested at the discretion of the Fund Manager in authorized investments in the proportions specified in the table below;

| Proposed Asset Class | Asset Allocation Ranges % |
|--------------------------------|----------------------------------|
| Listed Equities | 70 - 95% |
| Other Money Market Instruments | 5 - 30% |
| Cash | 0 - 5% |

- 3.3. By deleting **Sub-clause 10.5** of the Original Trust Deed under (**Investment Policy and Investment Outlets of Fund**)

- 3.4. By amending **Sub-clauses 11.3, 11.5** and **11.7.1.** of the Original Trust Deed and inserting **Sub-clause 11.4.1 (Unitholders Right of Redemption)** to read as follows:

11.3 "All redemption requests shall be lodged with the Fund Manager not later than 10:00am on a Business Day, and the Fund Manager upon receiving such request shall endeavor to treat same day. Any request lodged after 10:00am on a Business Day shall be deemed as received on the next business day. Notwithstanding the foregoing, the Fund Manager may process any request lodged after 10:00am but before 1:30pm on the same Business Day, subject to availability of liquidity in the Fund and prevailing equity prices."

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- 11.5 "Subject to the provisions of Clause 12 of the Original Trust Deed, all cash transfers out of the Fund to a Unitholder, shall be made to the account of the Unitholder only and not to a 3rd Party's accounts. The Unitholder's account to which payment will be made shall be the bank account specified in the Register of Unitholders and any change to the account details in the Register shall be treated using a BVN validation, Banker's confirmation or such other official means as the Fund Manager and Trustee may consider sufficient."

11.7.1 "the total value of units requested to be redeemed by Unitholders on a single day shall not exceed 20% of the net asset value on the relevant day, accordingly, all redemptions in excess of 20% shall be suspended and treated the next business day, and not exceeding five (5) business days in any event";

3.5. By amending Sub-**clause 12.1** of the Original Trust Deed (**Payments**) to read as follows:

12.1 "Any moneys payable by the Fund Manager to a Unitholder under the provisions of this Deed shall be made to the account of the Unitholder only and not to a 3rd Party account. The Unitholder's account to which payment is made shall be as provided in the Register of Unitholders and any change to this account must be provided by the Unitholder through his email address registered with the Fund Manager, or personally delivered to the Fund Manager at the Fund Manager's registered address; the Unitholder shall accompany the evidence of such account change with a Banker's confirmation or BVN of the new account details"

3.6. By inserting new **Sub-clauses 14.2 and 14.3** to the Original Trust Deed (**Purchase of Investments**) to read as follows:

14.2 The Fund may invest in other money market instruments issued by affiliates of a related party to the fund subject to the following conditions.

14.2.1 that the Money market instruments issued by a related party affiliate shall not be below investment grade rating of A- and at yields/rates better than prevailing market yield/rates.

14.2.2 that consent/approval of the Trustees for compliance with preconditions for such investment has been obtained.

14.2.3 Not more than 5% of the total asset of the fund shall be invested in the money market instrument of a related party affiliates.

14.2.4 The Trustee shall ensure and report to the Commission compliance with limit set in (14.2.3) above

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

14.3.1 Principal Transactions on behalf of the Fund by the Fund Manager with its affiliates or Affiliate of other Related Parties as counterparty or vendor to ensure that cost, terms and conditions of the transactions are carried out at better terms and price than the prevailing market conditions;

14.3.2 Principal Transaction for sale or purchase of securities in the secondary markets where an Affiliate of a Related Party acts as broker or intermediary for such sale or purchase, and the Fund Manager shall present to the Trustee evidence showing the price or cost at which the transaction was made, in comparison with the highest and lowest price for similar transaction in the market for that day.

3.7 By amending **Sub-Clause 15.1** the Original Trust Deed (**Restriction on Investments**) to read as follows:

15.1 "No single investments shall be made by the Trustee in exercise of powers conferred by the provisions of the Trustees Investment Act in a single equity, if the investment would cause the value of portion of the Fund invested in the exercise of the power to exceed 15% or 1.2 times the share weight in the benchmark (whichever is higher) in the equity securities of any single company."

3.8 By amending **Sub-clause 15.7** of the Original Trust Deed (**Restriction on Investments**) to read as follows:

15.7 "No part of the Fund shall be invested in any units or securities of any collective investment scheme or in-house investments of the Fund Manager, the Trustee or Custodian except as otherwise permitted by the Commission."

3.9 By inserting new Sub-clauses **15.10, 15.11 and 15.12** to the Original Trust Deed (**Restrictions of Investments**) to read as follows:

15.10 "With the exception of treasury bills, money market instruments issued by any single issuer, shall not constitute more than 20% of the Fund's Net Asset Value."

15.11 "Fixed deposits with any single institution shall not constitute more than 20% of the Fund's Net Asset Value"

15.12 "Units of any collective investment scheme shall not constitute more than 20% of the Fund's Net Asset Value."

3.10. By inserting a new **Sub-clause 32.1.3** to the Original Trust Deed (**Remuneration of Fund Manager and Trustees**) to read as follows:

32.1.3 An incentive fee not exceeding 20% of the excess returns over the benchmark, provided that;

32.1.3.1 The benchmark shall be a composite benchmark of the All-Share Index and 3-month NITTY in the proportion of 82.5% and 17.5%, respectively;

- 32.1.3.2. where the fund underperforms its benchmark, the management fee charged shall also decrease by the same percentage by which the Fund underperformed;
- 32.1.3.3. the Fund performance must have reached a high-water mark. A high-water mark is reached when the Fund's value (on a per unit basis), exceeds its highest historical record.

3.11. By amending **Sub-clause 32.6** of the Original Trust Deed (**Miscellaneous Expenses**) to read as follows:

32.6 The total expenses of the Fund (including the annual management fee) shall not exceed 3.5% of the Net Asset Value of the Fund per annum. For the purpose of computing the total expense of the Fund, the incentive fee shall be excluded and shall not constitute part of the total expense of the Fund. The total expenses of the Fund shall include Trustee fees, audit fees, legal fees, consulting fee and other fees and charges incidental to the administration of the Fund.

4.0 By inserting a new **Clause 49** to the Original Trust Deed (**Conflict of Interest**) to read as follows:

49.1 The Fund manager shall, whenever a conflict arises or where it is reasonable to assume that a potential conflict of interest may exist, notify the Trustee and the SEC within twenty-four (24) hours.

49.2 The procedures for the management of conflicts of interest that may arise while initiating and executing Related Party transactions between the Fund Manager, the Trustee, the Custodian and their Affiliates shall be in accordance with the provisions of the Fourth Schedule hereto.

49.3 The Fund Manager shall file quarterly and annual reports to the Commission disclosing:

- 49.3.1 All service contracts with Affiliates of Related Parties such as securities brokerage, advisory, marketing fees and aggregate cost of such services to the Fund in absolute amount and as percentage to total operating cost;
- 49.3.2 Investment/portfolio holdings in securities, instruments issued by Affiliates of Related Parties showing the aggregate value and percentage composition to the Fund's net asset value;

- 49.3.3 Principal Transaction relating to the purchase or sale of securities and assets between the Fund Manager and Affiliates of Related Parties showing the purchase cost or sale price; best prevailing market price or cost at the time of transaction; evidence that the transaction was carried out at best execution price or under terms same or better than prevailing market condition at time of transaction;
- 49.3.4 Principal Transactions relating to the purchase or sale of securities and assets by the Fund Manager acting on the Fund's behalf and a client of the Fund Manager under a discretionary portfolio management service of the Fund Manager or Affiliate of the Fund Manager, showing price or cost of the transaction and best market price or cost of similar transaction for that day;
- 49.3.5 Primary market transactions involving the subscription to securities offerings at the primary market by the Fund Manager in which an Affiliate of a Related Party acts as Issuing House/Underwriter disclosing the number of units/shares and value of securities subscribed for, the percentage composition subscribed and total subscription of the offer.

- 4.1 By inserting a new **Fourth Schedule** to the Original Trust Deed (**Conflict of Interest Management Procedure for Related Party Transactions**) to read as follows:

FOURTH SCHEDULE

CONFLICT OF INTEREST MANAGEMENT PROCEDURE FOR RELATED PARTY TRANSACTIONS

1.0 Conflict of Interest

The Fund Manager and Trustee have fiduciary duty to the Unitholders' and as such must identify and take steps to mitigate potential conflicts of interest.

A conflict of interest may arise when the Related Parties and/or its employees have competing professional or personal interest which could impact the ability of the Fund Manager to act in the best interest of Unitholders'. A conflict could also be manifested even if there was no unethical intent or improper act that results from it.

The Fund Manager shall ensure that before concluding a transaction with an affiliate of a Related Party, the following conditions are met:

- 1.1 any transactions entered into by the Fund Manager on behalf of the Fund with any party shall be consistent with best execution;

- 1.2 an "Ethical" wall has to be established to restrict the flow of information between different business areas within the Fund Manager that are likely to generate a conflict of interest;
- 1.3 the implementation of the "Ethical" wall will be such that it enables the Fund Manager implement investment strategies and actions on behalf of the Fund, without the influence of any information held by other different business areas of the Fund Manager having a potential cause conflict of interest;
- 1.4 the Fund Manager will ensure that transactions carried out on behalf of the Fund shall be at normal commercial terms negotiated at arm's length. All transactions shall be in the best interests of the Unitholders of the Fund;
- 1.5 The conflict-of-interest policy and procedures in place are to be reviewed on an ongoing basis by the Fund Manager; and same communicated to the Trustee;

The Fund Manager shall ensure that before concluding a transaction with an Affiliate of a Related Party, the following conditions are met:

2.1 Equity Income Securities:

- a. The Fund Manager must ensure that the equity price quote offered by the Affiliate of the Related Party, or any other counterparty, is the best price in the market;
- b. The brokerage offered by the Affiliate of the Related Party is competitive relative to other offerings especially where the other parties offer similar best price;
- c. The approved limit to invest or execute with the Affiliate of the Related Party or any counterparty, shall be based on established internal risk framework and limits put in place by the Fund Manager.
- d. There may be other factors to determine the execution of a transaction with the Affiliate of a Related Party or any other counterparty; and this is not limited to the ability to fill all the volume mandate of the instruction, best execution price among others;
- e. All transactions shall be documented and saved electronically or otherwise in a secured place, where it can be accessed at all times;

2.2 Money Market Instruments

- a. The interest rate/yield obtained from the counterparty at the time of the transaction is better than prevailing market yield/rates.
- b. Other factors shall include the un-utilized credit limit of the Fund and investment tenors offered by the various approved counterparties. In any event, the liquidity management needs of the Fund shall be a primary consideration.

- c. The credit limit to invest with counterparties, shall be based on established internal risk framework and limits put in place by the Fund Manager.
- d. The investment shall follow the established internal approval limits.
- e. The preconditions for such investments, for only "Principal Transactions" *(transactions which singularly or in aggregate over a 12-month period equals five percent (5%) or more of the Fund's net asset value (NAV), in which the Fund Manager of an authorized Collective Investment Scheme (CIS) acting on behalf of the CIS enters with an affiliate of a related party to a CIS as defined under the SEC rules)* have been consented to by the Trustee.
- f. The yield for the same securities shall be sourced from other counterparties and documented accordingly to provide market quotes at the time of execution.
- g. Notwithstanding the above, the price or cost involved in the transaction is compared to the highest and lowest price for similar transaction in the market for that day as required by SEC rules.
- h. The closing yield for a money market security on FMDQ shall serve as a reference where the Fund Manager is unable to find information on the highest and lowest price for the day as required by the SEC rules.

2.3 Dealing Procedures for Equity & Money Market Transactions;

Determine the Universe of counterparties based on approved internal risk limits;

- 2.3.1 Contact counterparties for rates/equity price quotes via different communication channels including Bloomberg, FMDQ platform, telephone or emails;
- 2.3.2 Collate responses and keep a record for ease of future reference;
- 2.3.3 Determine allocation to affiliate, provided that all conditions required to execute are in place;
- 2.3.4 Seek approval via standard governance procedure (i.e. email approvals and subject to approval limits)

The request for approval shall include rates/yields/equity price, volume execution, price discovery and execution etc., obtained from other counterparties as well as other important information to provide adequate evidence and justification for consummating the transaction with the issuer or counterparty.

- 2.3.5 Fund Manager to disclose the transactions to the Trustee and the Commission on a quarterly and annual basis in line with the SEC rules.
- 2.4 The Value of trades through each affiliate in respect of percentage of total trades, shall be monitored daily and reported when such exceeds 5% of the NAV of the Fund as required by the SEC Rules.

- 2.5 Routine monitoring of exposure to related party within the permissible limit by the Risk Management Unit; in conjunction with the Compliance Unit and Investment Management departments.

3 Treatment of a Breach in Related Party Transaction Exposure Limit

- 3.2 Where the investment permissible limit as prescribed in Rule 465(2) of the Amendment to the Rules is exceeded as a result of a corporate action or through an appreciation or depreciation of the Fund's net asset value either through subscription or redemption, the Fund Manager shall not make further acquisition or investment with the particular entity for which the breach occurred.
- 3.3 The Fund Manager shall ensure funds are returned to cash upon the next maturity in the event of a fixed deposit placement or the fixed income security attributed to Related Party held to maturity by making no further investment in the particular entity for which the breach occurred.
- 3.4 Where there is a breach due to execution error, the Fund Manager shall take immediate steps to correct the error.
- 3.5 in any event of a breach, the Fund Manager shall immediately notify the Trustee in writing and explaining the immediate steps required to remedy such breach.

4. Counterparts

This First Supplemental Trust Deed may be executed in any number of counterparts by the parties each of which when so executed and delivered shall be an original, and all the counterparts shall together constitute one and the same agreement.

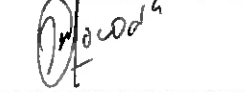
IN WITNESS WHEREOF the Parties have caused this Deed to be duly executed and delivered, the day and year first above written.


THE COMMON SEAL of AXA MANSARD INVESTMENTS LIMITED
was affixed in the presence of:


Deji Tunde- Anjous
DIRECTOR


Oyedoyin Awoyinfa
COMPANY SECRETARY

THE COMMON SEAL of INVESTMENT ONE FINANCIAL SERVICES LIMITED
was affixed in the presence of:


Kemi Abili
DIRECTOR


Ademola Aofolaju
DIRECTOR