

DEED OF TRUST OF THE
LIQUID FUND UNIT TRUST SCHEME
[An Open Ended Instant Growth Scheme]

Entered into between



UTT ASSET MANAGEMENT AND INVESTOR SERVICES PLC
[THE MANAGER]

&



CRDB BANK PLC
[THE CUSTODIAN]

&

By Virtue of Clause 3.1 of the Deed –
All Persons who hold and those who shall become Holders of
Units in the Scheme
[THE UNIT HOLDERS]

To establish a Unit Trust Scheme known as
“LIQUID FUND UNIT TRUST SCHEME”

Further to the Deed made on 1st March, 2013, between

(1) Unit Trust of Tanzania, Registered Trustees a body incorporated under the provisions of the Trustees Incorporation Act (Cap 318) and whose address is at Sukari House, 2nd Floor, Sokoine/Ohio Street, P O Box 14825, Dar es Salaam, Tanzania (The Manager);

And

(2) CRDB Bank Plc, a limited liability company incorporated in Tanzania whose registered office is at Office Accommodation Scheme Building, Azikiwe Street, P. O. Box 268 Dar es Salaam, Tanzania (The Custodian);

And

(3) All persons who shall become holders of units in the scheme by virtue of clause 3.1 of this Deed;

Whereas the Government restructured the Unit Trust of Tanzania with intention of winding it up and assigned its functions to UTT Asset Management and Investor Services Plc in 2013, thus, from the operative date on 1st October 2013, this Deed is between:

(1) UTT Asset Management and Investor Services Plc (UTT AMIS), a body incorporated under the provisions of the Companies Act (Cap 212) and whose address is at Sukari House, 2nd Floor, Sokoine/Ohio Street, P. O. Box 14825, Dar es Salaam, Tanzania (The Manager);

And

(2) CRDB Bank Plc, a limited liability company incorporated in Tanzania whose registered office is at Office Accommodation Scheme Building, Azikiwe Street, P. O. Box 268 Dar es Salaam, Tanzania (The Custodian);

And

(3) All persons who hold and those who shall become holders of units in the scheme by virtue of clause 3.1 of this Deed;

PREAMBLE

01. The MANAGER and the CUSTODIAN have agreed to establish a unit trust scheme in accordance with the provisions of the Capital Markets and Securities Act, 1994 (Act No. 5 of 1994 - as amended) and to create there under, by means of a supplemental Trust Deed or Deeds, one or more separate unit schemes.

02. The MANAGER and the CUSTODIAN have agreed on all matters concerning the establishment and management of the Trust in terms of the provisions of this Deed of Trust and the Act.
03. Whenever there are amendments in the Trust Deed, the same should automatically be corrected in the Offer Document.

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1.0 INTERPRETATION

In this Trust Deed, unless the context otherwise requires, (i) the singular includes the plural and vice versa, (ii) reference to any gender includes a reference to all other genders and (iii) the following words have the meaning herein ascribed: Further, in this document the following words & expressions shall have the meanings specified herein unless the context otherwise requires:

- (i) **“Acceptance Date” or “Date of Acceptance” or “DOA”** means the date on which a Statement of Account/ Service Request Form [pertaining to subsequent period transactions] is received within the specified banking hours (i.e. from 09.00 hours to 16.00 hours) of a Business Day, by the Manager or a designated agent of the Manager.
- (ii) **“Accounting Year”** of UTT AMIS as well as the scheme is from July to June
- (iii) **“Act”** means the Capital Markets and Securities Act, 1994 (as amended) and the **Regulations** made there under.
- (iv) **“Additional Investment”** means investment made during subsequent sale period by existing unit holders.
- (v) **“Authority”** means the Capital Markets and Securities Authority established under the Act.
- (vi) **“Book Closure Dates”** means the dates during when the register of unit holders is closed for the purpose of administering some corporate action transaction like split of units etc.
- (vii) **“Business Day”** means a day other than (i) Saturday and Sunday or (ii) a day on which the principal stock exchange of the Country [i.e. Dar es Salaam Stock Exchange] or the Bank of Tanzania or banks in Dar es Salaam are closed for business, or (iii) a day on which the UTT AMIS offices remain closed.
- (viii) **“Citizen”** means a citizen of the United Republic of Tanzania in accordance with the Citizenship Act, 1995 including citizens of the East African Community as per the provisions of the Act.
- (ix) **“Commencement Date”** means the date on which the Manager for the first time offers for sale to the public units in the scheme (i.e. 1st March, 2013).
- (x) **“Compulsory Charge”** means any fiscal charge and any necessary charge payable for the benefit of any person other than the Manager in connection with the acquisition or holding of securities acquired by the scheme.
- (xi) **“Cool off Period”** means the period not exceeding 10 business days beginning immediately after the initial sale closure date and during which sale and repurchase operations will not be carried out under the scheme.

- (xii) **“Custodian”** means an entity that under the Deed of Trust is a participating party performing the functions of a Trustee under the Act.
- (xiii) **“Date of Acceptance”** – please refer to “Acceptance Date”.
- (xiv) **“Deed of Trust”, “Trust Deed” or “Deed”** means the deed incorporating the Liquid Fund Unit Trust Scheme’ dated 1st March, 2013, revisions made thereafter and any deed supplemental thereto.
- (xv) **“Directors”** means the Board of Directors of UTT Asset management and Investor Services Plc.
- (xvi) **“Fund”** means the Liquid Fund incorporated pursuant to the Deed of Trust.
- (xvii) **“Financial Year”** means the period commencing on 1st July and ending on 30th June of every year.
- (xviii) **“Initial Sale”** means the sale of units by the scheme from the commencement date up to a specific period as determined by the Manager [i.e. from 1st March, 2013 till 30th March, 2013].
- (xix) **“Initial Investment”** means amount invested by an investor during the initial sale period and the first investment an investor makes during subsequent sale.
- (xx) **“Manager”** means an entity (i.e. UTT AMIS or any such entity), which is responsible for the day to day management and administration of the scheme.
- (xxi) **“Minister”** means the Minister responsible for Finance in the Government of the United Republic of Tanzania.
- (xxii) **“Net Asset Value” or “NAV”** means the value arrived at after taking the value of the scheme’s assets and subtracting there-from the liabilities of the scheme taking into account the accruals and provisions.
- (xxiii) **“Offer Document” or “Offering Document”** means the document dated 1st March, 2013 and revisions made thereafter.
- (xxiv) **“Operative Date”** means 1st October 2013 when UTT AMIS took over all functions of the Unit Trust of Tanzania (UTT).
- (xxv) **“Record Date”** means the date appointed for entitlement relating to corporate actions such as split of units etc.
- (xxvi) **“Register”** means the register of unit holders maintained by the Manager.

- (xxvii) **“Repurchase”** means the purchase of units either in part or full, by the scheme from unit holders previously sold and held by unit holders.
- (xxviii) **“Sale”** means the initial sale and the subsequent sale of units and is explained as follows:
- a) **“Initial Sale”** means the offer for sale of units during initial sale period.
 - b) **“Subsequent Sale”** means the offer for sale of units after closure of the Initial Sale. Note: subsequent sale to commence not later than 10 business days cool off period from the initial sale closure date.
- (xxix) **“Scheme”** means the “Liquid Fund” incorporated pursuant to the Deed of Trust.
- (xxx) **“Statement of Account” or “SOA”** means an accounting advice issued by the scheme to a unit holder indicating the number of units held by the unit holder in the scheme.
- (xxxi) **“Time”** means East African Standard Time.
- (xxxii) **“Trustees”** means the Board of Trustees of the Unit Trust of Tanzania, predecessor organization to UTT AMIS.
- (xxxiii) **“Unit”** means a unit issued under the scheme representing a proportionate right in the beneficial ownership of the assets and to entitlements under the scheme.
- (xxxiv) **“Unit Capital”** means the aggregate of the face value of units issued under the scheme and outstanding for the time being.
- (xxxv) **“Unit holder”** means a person recognized by the scheme as a *bona fide* holder of units.
- (xxxvi) **“Unit Trust of Tanzania”** means the Registered Trustees of the Unit Trust of Tanzania.

Note: In this document, unless the context otherwise requires, the Scheme means the Fund and vice versa.

2.0 DECLARATION OF TRUST AND NAME OF THE SCHEME

- 2.1. The Manager and the Custodian hereby constitute a unit trust scheme of which the Custodian agrees to act as a trustee.
- 2.2. The name of the scheme is “Liquid Fund Unit Trust Scheme” or in short “Liquid Fund”.

3.0 EFFECT OF DEED ON UNIT HOLDERS

- 3.1. This deed is binding on the Manager and the Custodian, as well as on each Unit holder and persons claiming through him as if he had been a party to it and so to be bound by its provisions.

4.0 COMPLIANCE BY MANAGER AND CUSTODIAN

- 4.1. UTT AMIS as Manager and CRDB Bank Plc as Custodian shall in all manners act as required of them by the terms of this Deed of Trust and the Act.
- 4.2. The Manager shall have the power and competencies as set out in its constitutive document and shall subject to the provisions of this Deed of Trust be entitled to make arrangements necessary to carry into effect the objects, investment policy and provisions of the “Liquid Fund Unit Trust Scheme”.
- 4.3. Neither the Manager nor the Directors thereof shall either directly or indirectly derive any pecuniary advantage or personal interest from the acquisition or sale by the Manager of any securities or property intended for the purpose of the “Liquid Fund Unit Trust Scheme”.
- 4.4. The Custodian shall exercise all the powers necessary to protect the interest of unit holders under this Deed of Trust.
- 4.5. The Custodian shall not have or acquire an interest in any agreement or transaction which has conflicting interests with the scheme or concerning an underlying security or property but the Custodian may (if eligible) purchase, hold or dispose off units for its own account.

5.0 LIMIT OF LIABILITY FOR UNIT HOLDERS

5.1. Unit holders under the scheme are not liable to make any further payment after they have paid the purchase price towards the purchase of units and no further liability shall be imposed by the Manager or Custodian on them in respect of the units which they hold.

6.0 NO EXEMPTION OF LIABILITY FOR MANAGER AND CUSTODIAN

6.1. The Manager and Custodian of the scheme shall not be exempted from any liability to holders unopposed under the law of Tanzania or breaches of trust through fraud or negligence nor may they be indemnified against such liability by holders or at holder's expense.

7.0 INTEREST OF UNIT HOLDERS IN PROPERTY OF THE SCHEME

7.1. The property of the scheme consists of the investment amount as well as all income and rights arising out of application of the investment amount.

7.2. The property of the scheme is held by the Custodian in trust for the holders of the units *pari-passu* according to the number of units held by each holder.

7.3. In no event shall a unit holder have or acquire any rights against the Manager or Custodian except as expressly conferred upon such unit holder by this Deed of Trust.

8.0 DUTIES OF THE MANAGER

8.1. The Manager of the scheme shall:

- (i) Manage the scheme in accordance with this deed in the exclusive interest of the unit holders and fulfill the duties imposed on it by the general law;

- (ii) Maintain or cause to be maintained the books and records of the scheme and prepare the scheme's accounts and reports;
- (iii) Publish and distribute to unit holders at least two reports in respect of each financial year, where the annual report would be sent within four months of the end of the scheme's financial year, provided that the Manager may subject to approval of the Authority distribute an abridged version to unit holders;
- (iv) Maintain an up-to-date register of unit holders in the scheme;
- (v) Ensure that appropriate systems and procedures are put in place for servicing the investors;
- (vi) Ensure that this Deed of Trust is made available for inspection by the public in Tanzania, free of charge at all times during normal working hours at its place of business and make copies of such documents available upon the payment of a reasonable fee.

9.0 DUTIES OF THE CUSTODIAN

9.1. The Custodian of the scheme shall:

- (i) Take into custody or under his control all the property of the scheme and hold it in trust for the unit holders in accordance with the provisions of this Deed of Trust and ensure that cash and registrable assets are held or registered in the name of or to the order of the scheme;
- (ii) Be liable for any act or omission of any agent with whom any investments in bearer form are deposited as if they were the act or omission of any nominee in relation to any investment forming part of the property of the scheme;
- (iii) Take reasonable care to ensure that the sale, repurchase and cancellation of units effected by the scheme are carried out in accordance with the provisions of this Deed of Trust;
- (iv) Take reasonable care to ensure that the methods adopted by the Manager in calculating the value of units are adequate to ensure that the sale and repurchase prices are calculated in accordance with the provisions of this Deed of Trust;
- (v) Carry out the instructions of the Manager in respect of investment unless they are in conflict with the provisions of this deed;

- (vi) Take reasonable care to ensure that the investment and borrowing limitations as set out in this Deed of Trust and conditions stipulated in any law or regulations under which this scheme is authorized, are complied with;
- (vii) Issue a report to the unit holders to be included in the annual report on whether in the Custodian's opinion, the Manager has in all material respects managed the scheme in accordance with the provisions of this Deed of Trust: if the Manager has not done so, the respects in which it has not done so and the steps which the Custodian has taken in respect thereof;
- (viii) Take reasonable care to ensure that Statements of Account are not issued until subscription moneys has been paid and realized by the Manager;
- (ix) Ensure that any registrable investments which are held for unit holders in the scheme are properly registered in the name of the scheme;
- (x) Where title to investments is recorded electronically, to ensure that entitlements are separately identified from those of the Manager of the scheme in the records of the person maintaining records of entitlement.

10.0 PERFORMANCE OF DUTIES OF MANAGER AND CUSTODIAN

- 10.1. The Manager or Custodian may when they consider it necessary in the interest of the better operation of the Scheme outsource professional services for that purpose provided that in so doing, the Manager or Custodian shall outsource those services from an entity that is licensed to do the outsourced functions by the Authority.

11.0 CONDITIONS WITH REGARDS TO SALE OF UNITS BY THE MANAGER

- 11.1. It shall be a condition for the sale of each unit by the Manager that:
- (i) the purchaser shall pay the full price thereof to the Manager simultaneously with the submission of his offer to purchase the units;
 - (ii) no portion of the sale price shall be paid or deemed to have been paid in respect of units to be sold to the purchaser by the Manager at any future date;
 - (iii) each purchase of units shall be a completed transaction and the right of title to the units shall pass to the unit holder immediately upon the

acceptance by the Manager of the offer by the purchaser to purchase the units and the payment of the sale price by the unit holder;

- (iv) after every sale, the Manager shall forthwith take steps to have the unit holder recorded in the register as the holder of the units concerned;
- (v) the unit holder may, at any time, demand from the Manager a Statement of Account (SOA) in respect of the units thus acquired;
- (vi) neither any units shall be made available for sale by the Manager during cool off period and the book closure period nor shall the Manager create units during these periods.

12.0 INVESTMENT AND BORROWING RESTRICTIONS

12.1. The scheme shall not borrow.

12.2. The investment policy of the Manager shall be aimed at investing at fair prices in fixed income securities [money market as well as debt instruments] in order to achieve the stated objectives of the scheme;

12.3. In line with the Scheme's Investment Policy, the Manager shall not invest the scheme property into Equity Instruments;

12.4. The Manager shall not invest scheme property in securities which are partly paid up or which in other ways are likely to incur any liability for the scheme.

12.5. Investment of scheme property shall be effected in accordance with the regulations prescribed by the Authority from time to time and in line with the scheme Investment policy as outlined hereunder:

(i) Investment Policy

- a) Low risk coupled with high level of liquidity being the hallmark of this Fund; hence no investment in the equity market is proposed.
- b) Thus, the asset allocation of the Fund's investment policy shall be 100% in Money Market and Debt Instruments. Debt instruments include fixed income securities such as: Treasury Bonds, Treasury Bills, Corporate Bonds, Bank placements, Repurchase agreements etc.

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- c) Change in Investment Pattern: Subject to regulatory provisions, the asset allocation pattern between securities may change from time to time keeping in view the market conditions, market opportunities, political situation and economic factors.
- d) UTT AMIS shall notify the Authority within one week of any significant changes in the Investment Pattern.

13.0 VALUATION OF ASSETS AND PRICING

13.1. Investments held by the scheme shall be valued by taking:

- (i) The latest closing prices of listed securities including cross listed ones as on every business day;
- (ii) The value of investments not listed or quoted on a recognized market shall be determined on a regular basis by a professional person approved by the Trustee/ Custodian as qualified to value such investments;
- (iii) In case of quoted debentures and bonds, the market rate, being cum-interest, the same is adjusted for the interest element if any;
- (iv) For unquoted and quoted but not actively traded (as per the prescribed limits) fixed income securities, the valuation method is "Yield to Maturity" using comparable traded securities adjusted to accommodate risk and illiquidity factors. Also an adjustment for tax should be made;
- (v) Amount of principal and accrued interest less tax on interest earning deposits;
- (vi) Where instruments have been bought on "repo" basis, the instrument must be valued at the resale price after deduction of applicable interest up to date of resale. If the repurchase price exceeds the value, the credit must be taken for appreciation and if the repurchase price is lower than the value, depreciation must be provided for;
- (vii) Such other criteria or methods as may be prescribed by the Authority from time to time.
- (viii) In the event that any of the accounting procedures outlined under 13.1 is not in compliance with the treatment required under International Financial Reporting Standards (IFRS) 9 on financial

instruments and other International Accounting Standards (IAS), the treatment and reporting requirements of IFRS and IAS shall prevail.

14.0 METHODS OF DETERMINING THE NET ASSET VALUE

14.1. The Net Asset Value (NAV) of the scheme shall be calculated by determining the value of the scheme's assets and subtracting there-from the liabilities of the scheme taking into account, the accruals and provisions. The NAV per unit shall be calculated by dividing the NAV of the scheme by the total number of units issued and outstanding under the scheme on the date of calculation. The scheme will declare its 1st NAV not later than 10 business days from the initial sale closure date and thereafter on daily basis as follows:

- (i) The NAV shall be issued to the press for publication on every Business day.
- (ii) The NAV shall be published in newspapers of wide circulation in Tanzania.
- (iii) The NAV shall also be available on the website of UTT AMIS (www.uttamis.co.tz).
- (iv) For listed securities, if the Dar es Salaam Stock Exchange is closed due to public holiday or any other reason, the prices of the previous Business day shall be taken for the purpose of NAV calculation.

15.0 RELATIONSHIP BETWEEN BIDS OR OFFERS AND NET ASSET VALUE

- 15.1. The price at which a unit will be sold or purchased by the scheme on any business day shall be arrived at by taking the Net Asset Value per unit for the respective day and without adding or subtracting any service charge respectively. This means that both sale and repurchase of units shall be carried out at the applicable prevailing NAV.
- 15.2. Every sale or repurchase of units by the scheme shall be effective as on the acceptance date at the applicable prevailing NAV of the following business day.
- 15.3. The scheme shall as early as possible after the close of business on each business day publish on the website, other electronic media or where appropriate in newspapers of wide circulation the sale and repurchase prices of units except during the cool off period not exceeding 10 business days from the initial sale closure date.

16.0 DEALING, SUSPENSION AND DEFERRAL OF DEALING

16.1. Circumstances under which Dealing can be Deferred or Suspended:

- (i) The Manager shall not carry out the sale or re-purchase of units during the cool off period not exceeding 10 business days from the initial sale closure date.
- (ii) The Manager shall with the approval of the Authority suspend repurchase of units in the event of exceptional circumstances.
- (iii) The Manager shall defer to the next dealing day repurchase of units if 10% of the units are repurchased within one dealing day.
- (iv) Sale and Repurchase operations shall not be carried out by the Manager during book closure [if any].

16.2. Interval between receipt of request for Repurchase and Payment of the Repurchase Money:

- (i) Repurchases will be effected on receipt of the Statement of Account by the Manager or his agent along with the Application for Repurchase Form or such other document as may be prescribed by the Manager and approved by the Authority, from time to time duly completed in all respects.
- (ii) Payment of Repurchase proceeds shall be disbursed within 3 to 5 business days from the date of acceptance of an application by the Manager or his agent duly completed in all respects. Payment shall be made by way of bank transfers by crediting the notified bank accounts of unit holders as recorded into the unit holders register maintained by the Manager.

17.0 TREATMENT OF INCOME

17.1. The Manager shall, on receipt thereof, pay the following moneys to the Custodian in cash or deposit such moneys into an account controlled by the Custodian at a bank licensed under the Banks and Financial Institutions Act, 1991:

- (i) All moneys accruing from the issue of units;
- (ii) All interest or any other income accruals received in respect of the underlying securities;

- (iii) All moneys received by the Manager on behalf of the scheme in respect of the sale of underlying securities;
- (iv) Rights and bonus issues from investments shall form part of the scheme;
- (v) Income of the scheme shall be reinvested in line with Investment Policy of the Scheme.

18.0 APPROPRIATION OF INCOME

18.1. No amount shall be deducted from the income of the scheme other than an amount which in the opinion of the Manager and the Auditor is required to pay compulsory charges and auditors' fees for which the scheme is liable. The Manager and Auditor shall consult the Custodian prior to deducting any amount from the income of the scheme.

19.0 FEES AND CHARGES

19.1. Initial Charge

- (i) There shall be no initial charge for units sold during the initial sale of units under the scheme. All initial charges shall be borne by the Manager.

19.2. Subsequent Charges

- (i) The Manager shall not levy any service charge to arrive at the sale as well as repurchase price of a unit and thus the Scheme units would be sold and repurchased at the prevailing applicable NAV.

19.3. Charges to the Scheme

- (i) The income of the scheme shall be charged with:
 - a) Taxes as per the rates applicable;
 - b) Commissions as per rates prescribed by Self Regulatory Organizations such as the Stock Exchanges;

- c) Investment management /advisory fee at 1.80% of NAV per annum;
 - d) Custodian fees at 0.1% of NAV per annum with a minimum of TZS 5 million.
 - e) Other charges at 0.35% of NAV. These include commonly rated charges in the normal course of business such as marketing, promotion and advertising expenses, bank charges, audit fees, legal fees, transaction costs pertaining to distribution of units and costs relating to investor servicing.
- (ii) However, the other charges and investment management/ advisory fee as shown above will be limited to 2.25 % of NAV. In an event, where the other charges exceed 0.35 % of NAV, the excess portion shall be borne by the Manager.
 - (iii) All expenses during the Initial Sale period of the scheme were borne by the Manager while subsequent charges are borne by the Scheme.

20.0 TRANSACTIONS WITH ASSOCIATED PERSONS

- 20.1. Cash forming part of the property of the scheme shall be placed as deposits with the Custodian, Manager, an investment adviser or any persons connected with these companies (being institutions authorized to accept deposits) so long as that institution pays interest at a rate not lower than is in accordance with normal banking practice. The commercial rate for deposits of the size of a deposit in question shall be negotiated at arm's length.
- 20.2. Any transaction between the Scheme and the Manager, an investment adviser or any of their commercial persons as principal may only be made with the prior written consent of the Custodian.

21.0 REGISTER OF UNIT HOLDERS

- 21.1. The Scheme shall maintain a register of unit holders.
- 21.2. There shall be entered in the register of unit holders:
 - (i) The names and addresses of units holders;
 - (ii) The details on number of units held by every such unit holder;

- (iii) The date on which such person became the holder of units standing in his name;
- (iv) An Investor Account Number;
- (v) Other relevant details pertaining to unit holder's investment in the scheme.

- 21.3. The Scheme shall only recognize the person or persons registered as the case may be, as the holder or holders as being entitled to the units in respect of which he or they have been registered.
- 21.4. If any units stand registered in the names of two or more persons, such persons shall be deemed to hold the units jointly and a discharge by all the persons named in the register of unit holders shall, as regards the amounts due in respect such units, discharge the scheme in respect of such amount.
- 21.5. Except when the register is closed in accordance with the provisions in that respect hereinafter contained, the register shall during business hours subject to such reasonable restrictions as the scheme may impose so that not less than one hour on each business day shall be allowed for inspection by any unit holder, without charge.
- 21.6. The register will be closed at such times and for such periods as the scheme may from time to time determine, provided that it shall not be closed for more than 15 business days in any one year.
- 21.7. The Scheme shall give notice of such closure by advertisement in newspapers of wide circulation in Tanzania in both English and Swahili.

22.0 TRANSFER OF UNITS

- 22.1. Subject to clause 21.2 every unit holder shall be entitled to transfer all or any of the units held by him by a written instrument in common form or in such other form as the Manager and the Custodian may from time to time approve. The instrument of transfer accompanied by the Statement of Account in respect of the units represented thereby and such other evidence as the Manager may require to prove the title of the transferor or his right to transfer the units (together with any necessary declarations or other documents) shall be duly completed and executed by the transferor and (unless otherwise determined by the Manager) by the transferee, and shall be lodged with the Manager, whereupon the Manager shall register the transferee as the holder of the units referred to in such instrument of transfer and shall issue to such transferee not later

than 14 (fourteen) business days after the receipt of such instrument, evidence and documents, duly completed, a new Statement of Account representing the units so transferred.

22.2. The transferor shall remain entitled to the units to be transferred by any such transfer until the name of the transferee is entered in the register in respect thereof. No transfer or purported transfer of units, other than a transfer made in accordance with this clause, shall entitle the transferee to be registered in respect thereof, nor shall any notice of such transfer or purported transfer be entered in the register. The Manager shall retain all instruments of transfer subject to the provisions of clause 33.

23.0 DEATH OF A UNIT HOLDER

23.1. In the event of death of any one of the holders of units, the survivor shall be the only person recognized by the scheme as having any title to or interest in the units represented by the Statement of Account [applicable in case of Joint holding].

23.2. Where a nomination in respect of any unit has been made, the units shall, on the death of all the unit holders, vest in the nominee and on compliance of necessary formalities the nominee shall be issued a Statement of Account in respect of the units so vested subject to any charge or encumbrance over the said units. Provided that nothing herein contained shall affect any right, which any other person may have as against such survivors or survivor in respect of the said units.

23.3. In absence of a nomination, the executor or administrator of a deceased sole unit holder shall be the only person who may be recognized by the scheme as having any title to a unit. In such a case, the executor or administrator of the deceased's estate shall be recorded as the holder of the units previously held in the name of the deceased. A Statement of Account shall be issued to the administrator or executor in that capacity.

23.4. Alternatively, in absence of a nomination, any person becoming entitled to a unit in consequence of the death of any sole unit holder or upon the death of both unit holders [when units are held on joint basis], subject as hereinafter provided, upon producing such evidence as the scheme shall consider sufficient either be registered as a holder of such unit upon giving to the scheme notice in writing of his desire to that effect or transfer such unit to some other person.

23.5. All the limitations, restrictions and provisions of this scheme relating to transfers shall be applicable to any such notice or transfer as if the death had not occurred and such notice or transfer were a transfer executed by the unit holder.

23.6. The scheme may retain any moneys payable by it in respect of any unit of which any person is entitled to be registered as the unit holder or which any person under these provisions is entitled to transfer, until such person be registered as the holder of such unit or shall duly transfer the same.

24.0 ANNUAL ACCOUNTING PERIOD

24.1. The financial year of the scheme will close on 30th June of every individual year.

25.0 AUDIT

25.1. The Manager shall prior to the approval of the scheme by the Authority, appoint an auditor to audit the accounts of the scheme;

25.2. The auditor appointed by the Manager shall be:

- (i) Authorized to perform the role of auditor under the Accountants and Auditors Registration Act, 1972 (as amended);
- (ii) (b) Eligible to audit financial institutions as determined by the Bank of Tanzania.

25.3. The auditor shall perform his duties and report on the results of the audit as specified under the Act.

26.0 PUBLICATION OF ANNUAL AND INTERIM REPORTS

26.1. The Manager shall as soon as may be after 30th June but not later than the end of October of each subsequent year cause to be published the annual report of the scheme which shall contain the particulars prescribed under the Act.

26.2. The Manager shall publish an interim report covering six months of operations before the end of February of each year.

27.0 RETIREMENT OR REMOVAL OF CUSTODIAN

27.1. Should the Custodian intend to retire from the Trust, it shall give the Manager and the Authority at least 6 (six) months' written notice of its

intention to do so and during the said period of 6 (six) months the Manager shall take steps to appoint in its place as Custodian under the Deed of Trust some other person qualified in terms of section 119 of the Act.

- 27.2. The Manager or Trustees shall give written notice to the Authority of any proposal to replace the Custodian in accordance with section 121 of CMS Act.
- 27.3. Should the Manager fail to take the above mentioned steps within the said period of 6 six months, the Authority may, after consulting with the Manager, direct the latter to appoint a Custodian under the Deed of Trust a competent person nominated by the Authority, who is willing to act as such.
- 27.4. The Manager or Trustee shall, with the approval of the Authority, by written notice advise the Custodian that it has been removed from its office as Custodian if:
- (i) It is requested to do so by means of a ballot by unit holders, excluding the Manager holding not less than 75% of the units of the scheme;
 - (ii) An extraordinary resolution has been adopted to that effect.
- 27.5. If a Custodian has been removed from its office in terms of above stated clause, the Manager shall with the prior written permission of the Authority, appoint as Custodian under the Deed of Trust another person qualified and willing to act as such. A Custodian appointed, as well as a Custodian appointed in terms of clause 27.1 shall undertake by means of a Supplemental Deed entered into with the Manager and approved by the Authority, to fulfill all the obligations of the Custodian in terms of this Trust deed. From the date of appointment, the new Custodian shall exercise all the powers and enjoy all the rights and be subjected to all the duties and obligations of a Custodian under this Deed of Trust and the Act, as fully as if such new Custodian had originally been a party to this Deed.
- 27.6. Upon retirement, the retiring Custodian shall be exempted and released from all further obligations under this Deed of Trust subject, however, to the rights of the Manager, unit holders or other persons with regard to any act, liability, neglect or dishonesty prior to such retirement.
- 27.7. The Custodian shall be deemed to have resigned if its registration under the Banking and Financial Institutions Act, 1991 has been revoked or if it has been placed under judicial management or liquidation, and in such an event the Manager shall with the approval of the Authority immediately appoint another person as Custodian under the Deed of Trust. The

provisions of clause 27.5 shall apply mutatis mutandis to such appointment.

28.0 REMOVAL OF THE MANAGER

- 28.1. The Manager may upon recommendation of the Custodian after having consulted the Authority be removed by the Minister.
- 28.2. The Custodian shall give written notice to the Authority of any proposal to replace the Manager in accordance with section 121 of CMS Act.
- 28.3. If the Manager has been removed from its office in terms of clause 28.1, the Minister on recommendation of the Authority shall appoint another person qualified and willing to act as such. A Manager thus appointed shall undertake by means of a Supplemental Deed entered into with the Custodian and approved by the Authority, to fulfill all the obligations of the Manager in terms of this Deed of Trust. From the date of appointment, the new Manager shall exercise all the powers and enjoy all the rights and be subject to all the duties and obligations of a Manager under this Deed of Trust and the Act, as fully as if such new Manager had originally been a party to this Deed.
- 28.4. The Manager shall be deemed to have resigned if its registration under the Companies Act (Cap. 212) has been revoked or its investment adviser's license has been revoked by the Authority and in such an event the Minister on recommendation of the Authority shall appoint another person as Manager. The provisions of clause 28.3 shall apply mutatis mutandis to such appointment.

29.0 AMENDMENT TO THE DEED OF TRUST

- 29.1. Subject to the approval of the Authority given under the Act, the Manager and the Custodian may by a supplemental deed alter or rescind any provision of this Deed of Trust, or add further provisions hereto. No such alteration, rescission or addition shall be valid unless approved by a majority of unit holders exercising such votes as they are entitled to exercise under the scheme, excluding the Manager.
- 29.2. The approval of unit holders shall not be necessary if the Authority is satisfied that any such alteration, rescission or addition is required only to enable the provisions of this deed to be carried into effect more conveniently or economically, or is required otherwise to benefit unit holders, will not prejudice the interests of unit holders, does not alter the

fundamental provisions or objects of the Trust and does not release the Custodian or the Manager from any responsibility to unit holders.

30.0 INSPECTION OF THE DEED OF TRUST

30.1. Copy of this Deed and of every supplemental deed thereto shall at all times during normal business hours be made available by the Manager and the Custodian free of charge at their respective registered offices for the inspection by unit holders and intending purchasers of units. Any unit holder shall be entitled to receive from the Manager a copy of this Deed of Trust and of every supplemental deed thereto on production of his Statement of Account, on making request therefore to the Manager, and on payment to the Manager of a reasonable fee for each copy of the document required. The Manager shall on demand and at its expense supply to the Custodian such copies of this Deed of Trust as the Custodian may from time to time require.

30.2. Normal business hours of the Manager shall be Monday to Friday 09.00 – 16.00 hours except during holidays.

31.0 NOTICES TO UNIT HOLDERS

31.1. Any notice required to be served on a unit holder shall be deemed to have been duly served if sent by post to his registered address. Any notice so sent shall be deemed to have been served 7 (seven) days after the same was posted. In proving such service it shall be sufficient to prove that the envelope containing the notice was posted.

32.0 DISPUTE RESOLUTION

32.1. Subject to the provisions of this Deed of Trust, the Manager and the Custodian may, after consultation, resolve any question arising from the management and administration of the scheme under this Deed provided that;

- (i) Any unit holder may enforce his rights by virtue of a Statement of Account and this Deed of Trust against the Manager or the Custodian or against both, as the case may be in any competent court.
- (ii) Should any dispute arise between the Manager and the Custodian in connection with matters concerning this Deed (other than disputes in respect of the values of securities) and if such dispute

cannot be settled amicably by negotiation between the parties within thirty days after its commencement, it shall be referred to arbitration under the Arbitration Act.

- (iii) Should any dispute in connection with the value of securities held by the scheme arise between the Manager and the Custodian the parties in dispute shall appoint two advisers, one to be appointed by each, who shall determine the value of such securities after considering the valuations of the each party in dispute and the value thus determined shall be binding on all parties concerned. The two advisers appointed each by the disputing parties shall appoint a third who shall be umpire.

33.0 DISPOSAL OF DOCUMENTS

33.1. The Manager shall be entitled to destroy or otherwise dispose of all documents related to various investor service transactions carried out under the scheme, after the expiration of 7 (seven) years from the date of registration thereof and all registers, statements and other records and documents other than this deed relating to the trust at any time after the expiration of 7 (seven) years from the termination of the trust. The Manager shall not be under any liability whatsoever in consequence of any such destruction. Unless the contrary is proved, every document so destroyed shall be deemed to have been a valid and effective document, duly and properly registered.

34.0 PERPETUITY OF THE LIQUID FUND UNIT TRUST SCHEME

34.1. This Liquid Fund Unit Trust Scheme shall be a perpetual Trust.

35.0 WINDING UP OF THE SCHEME

35.1. The Scheme may be wound-up if:

- (i) It is so resolved at an extra ordinary general meeting of the unit holders;
- (ii) Winding up may also take place pursuant to section 122 and 124 of the CMS Act.

36.0 GOVERNING LAW

36.1. This Deed is made under and governed by the laws of Tanzania.

37.0 MEETINGS

37.1. There shall be held every year a general meeting of Unit holders. The Scheme shall conduct meetings of unit holders as follows:

- (i) Unit holders shall be able to appoint proxies;
- (ii) Votes shall be proportionate to the number of units held;
- (iii) The quorum for meetings at which a special or extraordinary resolution is to be considered shall be the holders of twenty five per cent of the units in issue; and ten per cent if only an ordinary resolution is to be considered;
- (iv) If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned for not less than fifteen days and the quorum at an adjourned meeting shall be those persons present in person or by proxy;
- (v) An extraordinary general meeting shall be convened for the following purposes:
 - a) to modify, alter or add to the Trust Deed;
 - b) to terminate the Scheme.
- (vi) The Custodian, Manager and their associated persons are prohibited from voting their beneficially owned units at or counted in the quorum for a meeting at which they have material interest in the business to be conducted.
- (vii) An ordinary resolution may be passed by a simple majority of the votes of those present and entitled to vote in person or by proxy at a duly convened meeting; and
- (viii) A special or extraordinary resolution may only be passed by seventy-five per cent or more of the votes of those present and entitled to vote in person or by proxy at a duly convened meeting.

IN WITNESS WHEREOF the parties have executed these presents in the manner and respective date hereinafter appearing;

SEALED with the Common Seal of the said UTT Asset Management and Investor Services Plc (THE MANAGER) and DELIVERED in the presence of us on the 28th day of May, 2021.

Signature:

Name: Casmir A. Kyuki

Qualification: Chairman, Board of Directors

Postal Address: P. O. Box 14825, DSM

Signature:

Name: Mr. Ramadhani Hamisi

Qualification: Director

Postal Address: P. O. Box 14825, DSM

Signature:

Name: Mr. Juma A. Muhimbi

Qualification: Director

Postal Address: P. O. Box 14825, DSM

SEALED with the Common Seal of the said CRDB BANK PLC. (THE CUSTODIAN) and DELIVERED in the presence of us on the 28th day of May, 2021.

Signature:

Name: Abdulmajid Mussa Nsekela

Qualification: CEO and Managing Director

Postal Address: P. O. Box 268, DSM

Signature:

Name: Mr. John Baptist Rugambo

Qualification: Company Secretary

Postal Address: P. O. Box 268, DSM