

**The Zenith Money Market Fund  
Supplemental Trust Deed**

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**Between**

**Quantum Zenith Asset Management & Investments Limited  
(Formerly known as Zenith Assets Management Limited)**

**And**

**Vetiva Trustees Limited**

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Dated the 1<sup>st</sup> Day of October 2021

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*SUPPLEMENTAL TRUST DEED  
(Amending and varying the Zenith Money Market Fund Trust Deed  
dated 6<sup>th</sup> September 2017)*

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*The Trustee will be liable for breach of its duties where it fails to carry out its responsibilities under the Trust Deed or any Supplemental thereto or to report a breach of the terms of the Trust Deed or any Supplemental thereto to the Commission*



**UDO UDOMA &  
BELO-OSAGIE**

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THIS SUPPLEMENTAL TRUST DEED is made the 1<sup>st</sup> day of Oct. 2021

**BETWEEN**

**QUANTUM ZENITH ASSET MANAGEMENT & INVESTMENTS LIMITED** whose registered office is situated at Plot 2, Ajoye Adeogun Street, Victoria Island, Lagos, Nigeria (hereinafter referred to as the "Fund Manager" or the "Manager" which expression shall, where the context so admits, include its successors-in-title and assigns) of the one part;

**AND**

**VETIVA TRUSTEES LIMITED** whose registered office is situated at 266b, Koro Abayomi Street, Victoria Island, Lagos Nigeria (hereinafter called "the Trustee" which expression shall, where the context so admits, include its successors-in-title and its assigns) of the other part.

**WHEREAS: -**

- A. By virtue of the Trust Deed dated 6<sup>th</sup> September, 2017 executed between Zenith Assets Management Limited and Vetiva Trustees Limited ("Zenith Money Market Fund Trust Deed"), The Zenith Money Market Fund ("the Fund") was constituted as a Unit Trust Scheme.
- B. The Fund is duly registered by the Securities & Exchange Commission in accordance with the provisions of the Investments & Securities Act 2007
- C. By virtue of a special resolution dated October 02, 2018, Zenith Assets Management Limited changed its name to Quantum Zenith Asset Management and Investments Limited.
- D. The Securities and Exchange Commission Rules issued on 23<sup>rd</sup> December 2019 required that certain amendments be made to the Trust Deed.
- E. By virtue of Clause 46 of the Zenith Money Market Fund Trust Deed and having obtained the approval of the Unitholders on \_\_\_\_\_ and the approval of the Securities and Exchange Commission obtained on 4<sup>th</sup> June 2021 in accordance with Section 162 of the Investments and Securities Act No. 29 of 2007, the Parties have agreed to amend and modify the Zenith Money Market Fund Trust Deed by this Supplemental Trust Deed in the manner set out in this Deed.
- F. This supplemental trust deed (hereinafter referred to as the "Supplemental Trust Deed") is supplemental to the Zenith Money Market Fund Trust Deed.

**NOW IT IS HEREBY AGREED as follows:**

- 1. **INTERPRETATION**
- 1.1 **Definitions in the Trust Deed**



Unless the context otherwise requires and save as mentioned below, words and expressions defined in the Zenith Money Market Fund Trust Deed shall have the same meaning when used in this Supplemental Trust Deed. Provided however, that in the event of a conflict between the meaning of any term defined in the Trust Deed and that used in this Supplemental Trust Deed, the definitions set out in this Supplemental Trust Deed shall prevail.

In this Supplemental Trust Deed, the following expressions shall have the meanings indicated:

**"Affiliate" or "Affiliate of a Related Party"** has the meaning given to it under the rules of the Securities and Exchange Commission.

**"Parties"** mean the parties hereto.

**"Principal Transaction"** means a transaction which, singularly or in aggregate of over a 12- month period equals five percent (5%) or more of the Fund's net asset value, in which the Fund Manager of an authorised Collective Investment Scheme acting ("CIS") on behalf of the CIS enters with an Affiliate of a Related Party to a CIS.

**"Related Party"** means the Manager, Trustee, Custodian and an Affiliate of a Related Party.

**"Related Party Transaction"** means transactions between Affiliates of Related Parties and the Manager.

**"Supplemental Trust Deed"** means this supplemental trust deed.

**"Signing Date"** means the date of this Supplemental Trust Deed, being the date on which the last Party executes this Trust Deed.

## 1.2 Interpretation of the Zenith Money Market Fund Trust Deed

References in the Zenith Money Market Trust Deed to **"this Deed"** shall, with effect from the Signing Date and unless the context otherwise requires, be references to the Zenith Money Market Fund Trust Deed as amended by this Supplemental Trust Deed.

## 2. AMENDMENTS TO THE ZENITH MONEY MARKET FUND TRUST DEED

The Parties hereto have agreed, with the approval of the Unitholders, and at the direction and with the approval of the Securities and Exchange Commission, to modify the Zenith Money Market Fund Trust Deed as follows:

- 2.1. By deleting the following words from the definition of "Offer Price" in Clause 1.1 (Definitions) in the Trust Deed:

*"means the price at which an investor can buy units of The Fund which shall be at a stable net value of =N= 1.00 per unit, in accordance with the Rules and Regulations of the Securities and Exchanges Commission."*

and substituting in its place, the following:

"means the price at which an investor can buy units of The Fund which shall be at a stable net value of =N= 1.00 per unit, in accordance with the Rules and Regulations of the Securities and Exchanges Commission. The Offer price shall be based on the net asset value of the Fund calculated on a daily basis by the Manager as follows:

1. Add securities/investments (as applicable) e.g., quoted equities, fixed income investments, other investments (with disclosure), cash and bank and dividend/income, less payables (if any, with disclosures). This is the net asset value before fees.
2. Net asset value before fees less Auditor's fee, Custodian's fee, Manager's fee, Trustee's fee, Registrar's fee and other allowable fees and expenses (with disclosure). This is the next asset value after fees.
3. Net asset value after fees less stamp duty, brokerage fees, SEC fee and CSCS' fee. This is the offer value at Valuation Day.
4. Offer value at Valuation Day divided by number of outstanding units. This is the Offer Price."

- 2.2. By deleting the following words from the definition of "Bid Price" in Clause 1.1 (Definitions) in the Trust Deed:

*"means the price at which an investor can sell/redeem units of the Fund on any relevant day, based on the valuation method stipulated by the SEC being the summation of (1) to (3) less (4) and (5) below, divided by the number of Units Outstanding rounding off.*

1. *total market value of money market investments;*
2. *un-invested cash;*
3. *undistributed income to date less expenses;*
4. *applicable stamp duties;*
5. *Manager's fee/estimated fund expenses."*

and substituting in its place, the following:

"means the net asset value of the Fund calculated on a daily basis by the Manager as follows:

1. Add securities/investments (as applicable) e.g., quoted equities, fixed income investments, other investments (with disclosure), cash and bank and dividend/income, less payables (if any, with disclosures). This is the net asset value before fees.
2. Net asset value before fees less Auditor's fee, Custodian's fee, Manager's fee, Trustee's fee, Registrar's fee and other allowable fees and expenses (with disclosure). This is the next asset value after fees.
3. Net asset value after fees less stamp duty, brokerage fees, SEC fee and CSCS' fee. This is the bid value at Valuation Day.
4. Bid value at Valuation Day divided by number of outstanding units. This is the

Bid Price.

2.3 By deleting Clause 9.1.4 of the Trust Deed which reads as follows:

"9.1.4 annual Rating fee of N1,500,000 flat payable annually"

and substituting in its place, the following:

"9.1.4 The remuneration of the Rating Agency shall be as determined by the Trustees and Fund Manager."

2.4 By deleting Clause 9.1.5 of the Trust Deed which reads as follows:

"9.1.5 annual Audit fee of N1,500,000 flat payable annually"

and substituting in its place, the following:

"9.1.5.1 The Independent Investment Committee shall be remunerated for their responsibilities under section 12 with a sitting allowance to be determined by the Trustees and Manager.

9.1.5.2 The Investment Committee shall meet at least once every quarter."

2.5 By deleting Clause 9.5 of the Trust Deed which reads as follows:

"9.5. *Management, Advisory & Administrative Expenses*

*The Fund will pay the Manager 1% of the Net Asset Value plus expenses quarterly in arrears, but subject to this fee being payable out of income. This fee represents the remuneration due to the Manager for the management, advisory and administrative roles involved in the day to day management of the Fund. The Fund will also pay an incentive fee to the Manager, equivalent to 20% of total returns in excess of 10% of the Fund's Net Asset Value per annum."*

and substituting in its place, the following:

"9.5. *Management, Advisory & Administrative Expenses*

The Fund will pay the Manager 1% of the Net Asset Value plus expenses quarterly in arrears as management fee, but subject to this fee being payable out of income. Provided that the total expenses of the Fund (including management fee) but excluding incentive fees shall not exceed 3.5% of the net asset value of the Fund per annum. This fee represents the remuneration due to the Manager for the management, advisory and administrative roles involved in the day to day management of the Fund.

The Fund will also pay an incentive fee to the Manager, when the Fund outperforms the stated benchmark. This incentive fee shall be chargeable on the total annualised returns above the benchmark by up to 20% of excess returns; Provided that:

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

2.6 By deleting the definition of "Trading Account or Zenith Money Market Fund Trading Account" in Clause 1.1 (Definitions) in the Trust Deed as follows

**"Trading Account or Zenith Money Market Fund Trading Account"**

means in relation to the Fund, the designated account to be opened by the Manager/Trustee with the Custodian and into which all proceeds of the sale of Units shall be paid.

and substituting in its place, the following:

**"Trading Account or Zenith Money Market Fund Trading Account"**

means in relation to the Fund, the designated account to be opened by the Custodian in the name of the Fund/Trustee and into which all proceeds of the sale of Units shall be paid.

2.7 By deleting Clause 14 of the Trust Deed which reads as follows:

**"14. Investment Restrictions**

- 14.1 *The Manager shall not invest any part of the Fund in its in-house, trustees or associates' instruments or securities that are not transferable.*
- 14.2 *In addition, no part of the Fund shall be invested in the units or securities of another collective investment scheme being managed by the Fund Manager.*
- 14.3 *No investment by the Manager in respect of the Fund shall be made which would result in either the value, or the aggregate of the values of any investment in any one company or body in any one security exceeding 10% of the Fund's total assets except those issued by Federal Government of Nigeria and the Central Bank of Nigeria."*

and substituting in its place, the following:

**"14. Investment Restrictions**

- 14.1 With the exception of securities issued by the Federal Government of Nigeria and the Central Bank of Nigeria, the value of the Fund's investment in:
- 14.1.1. money market instruments issued by any single issuer shall not constitute more than 20% of the Fund's Net Asset Value.
  - 14.1.2. fixed deposits with any single institution shall not constitute more than 20% of the Fund's Net Asset Value.
  - 14.1.3. Units of any collective investment scheme shall not constitute more than 20% of the Fund's Net Asset Value.
  - 14.1.4. The Fund shall not have any direct exposure to real estate
- 14.2 Where the investment limit as prescribed in this clause 14 is exceeded through an appreciation or depreciation of the Fund's Net Asset Value, the Manager shall not make any further acquisition with respect to any security with which the relevant limit is breached, and the 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.
- 14.3 The 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 rules of the Securities and Exchange Commission.
- 14.4 The Manager may invest the assets of the Fund in money market instruments of a related party's affiliates provided that:
- 14.4.1. Money market instruments issued by such affiliate shall not be below investment grade rating of A- (or equivalent) and at rates and conditions better than that prevailing in the market;
  - 14.4.2. The consent of the Trustees for compliance with pre-conditions for such investment has been obtained;
  - 14.4.3. The Fund Trustee shall ensure and report to the Securities and Exchange Commission compliance with limit set in (14.4.4) below
  - 14.4.4. No more than 15% of the Fund's Net Asset Value may be invested in a related party's affiliates.
  - 14.4.5. The Fund Manager may invest the assets of the Fund in the instruments or securities issued by the parties to the Fund, related entities or their affiliates in compliance with the conditions set out in the rules and regulations of the Commission as may be amended from time to time.

2.7 By deleting Clause 34.5 of the First Supplemental Trust Deed which reads as follows:

*"34.5. The remuneration of the Auditors shall be fixed by the Manager."*



and substituting in its place, the following:

"34.5 The remuneration of the Auditors shall be as determined by the Trustees and Fund Manager."

2.8 By creating a new clause 48 which reads as follows:

Benchmark

"48. The performance of the Fund shall be benchmarked to a weighted average of 90-day Nigerian Treasury Bills (NTB) rate. Provided that this benchmark shall be for a period of at least 5 years."

2.9 By inserting a new clause 49 in the Trust deed as follows:

**"49. MANAGEMENT OF CONFLICT OF INTEREST/RELATED PARTY TRANSACTIONS**

The following provisions shall guide the management of conflict of interest/related party transactions between the Fund Manager of the Fund and affiliates of related parties on behalf of the Fund:

- 49.1 The investment committee of the Fund 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.
- 49.2 All services provided by affiliates of a related party with chargeable fees exceeding ₦500,000.00 shall be approved by the investment committee through a special resolution as reflected in the minutes of a convened meeting and an internal memo.
- 49.3 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.
- 49.4 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.
- 49.5 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
- 49.6 The Fund Manager shall comply with all regulatory limits on transactions with affiliates of a related party

49.7 After obtaining the Trustee's 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 / Underwriter to the Offer, the Fund Manager shall also disclose to the Commission the details of the transaction.

49.8 The Fund manager shall render disclosures to the Commission on purchase of securities in (49.7) above, where the Fund Manager and Trustees have:

49.8.1. shown the transaction to be in the best interest of the Fund and unit holders,

49.8.2. shown the transaction to be carried out at arm's length

49.8.3. made full disclosure to the Commission on transaction costs and terms with the affiliate of a related party.

49.9 The Fund Manager shall be required to obtain the Trustee's consent in respect of:

49.9.1. 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;

49.9.2. Principal Transaction 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"

2.10 By deleting paragraph 1 (Investment objective) of the First Schedule to the Trust Deed which reads as follows:

***"Investment objective***

*The Zenith Money Market Fund objective is to enable investors achieve a steady current income and preservation of principal while maintaining liquidity. It will invest a minimum of 65% in select portfolio of short-term money market securities and short dated government paper, including discounted instruments such as Treasury Bills, Commercial Papers, Banker's Acceptances, Collateralized Repurchase Agreements, Certificates of Deposits, Deposits (Fixed/Tenured) with eligible financial institutions and other instruments introduced and approved by the Central Bank of Nigeria from time to time.*

*The Fund's objectives would be achieved by taking advantage of the economies of scale that come with pooling together of funds to actively invest and the Fund manager's experience in the Nigerian capital markets*

and substituting in its place, the following:

**“Investment objective**

The Zenith Money Market Fund seeks to provide capital preservation while maintaining liquidity and a stable price of ₦1 for all classes of investors that value liquidity and security of assets.” The Fund is suitable for a low risk investor seeking to invest for the short term.

The Fund's objectives would be achieved by taking advantage of the economies of scale that come with pooling together of funds to actively invest and the Fund manager's experience in the Nigerian capital markets”

2.11 By deleting paragraph 3 of the First Schedule to the Trust Deed which reads as follows:

**Asset Allocation**

*In line with the fund objective and all applicable rules governing money market funds, the Fund manager has established a target asset allocation. These target weights help manage risk and return in pursuit of the fund's investment objectives. The Fund Manager shall hold a maximum of 5% of net assets in cash and a maximum of 5% in less liquid securities to meet near term redemptions by Unitholders.*

*In the event of extreme market conditions, the Fund Manager may revise the asset allocation in an attempt to preserve the value of the Fund for the benefit of Unit holders subject to rebalancing of the asset allocation, in accordance with the Fund's investment policy within a reasonable period not exceeding 3 months and subject to notifying the Commission.*

<b>Instrument Asset Class</b>	<b>Weighted (%)</b>		<b>Target Weight (%)</b>
	<b>Lower limit</b>	<b>Upper limit</b>	
<i>Short-term Government Securities</i>	25	100	65
<i>Bank placements</i>	10	75	10
<i>Other Money Market Securities</i>	10	75	20
<i>Cash</i>	0	5	5

and substituting in its place, the following:

**Asset Allocation**

In line with the fund objective and all applicable rules governing money market funds, the Fund manager has established a target asset allocation. These target weights help

manage risk and return in pursuit of the fund's investment objectives. The Fund Manager shall hold a maximum of 5% of net assets in less liquid securities to meet near term redemptions by Unitholders.

In the event of extreme market conditions, the Fund Manager may revise the asset allocation in an attempt to preserve the value of the Fund for the benefit of Unit holders subject to rebalancing of the asset allocation, in accordance with the Fund's investment policy within a reasonable period not exceeding 3 months and subject to notifying the Commission.

The Fund shall invest a maximum of 75% in Placements (Financial & Non-Financial Institutions). A minimum of 25% of the fund shall be invested in short term government securities. A maximum of 75% shall be invested in other money market securities.

The Manager shall strive to maintain the following asset allocation for the Fund.

<b>Cash &amp; Placements</b>		<b>Short Term</b>		<b>Other Money</b>			
<b>Equivalents</b>		<b>(Financial and Government Securities)</b>		<b>Market Securities</b>			
<b>(Financial and Non-Financial Institutions)</b>							
Minimum	Maximum	Minimum	Maximum	Minimum	Maximum		
0%	5%	0%	75%	25%	100%	0%	75%

2.12 By deleting the Fourth Schedule of the First Supplemental Trust Deed which reads as follows:

**THE FOURTH SCHEDULE**

**THE REGISTER OF UNITHOLDERS**

1. The Registrar appointed to keep the Register of Unitholders on behalf of the Trustee (hereinafter referred to as "the Registrar") shall act as registrar to the Fund and as such shall keep the Register in all respects in accordance with the requirements of the Trust Deed.
2. The Registrar shall maintain and conduct the Register in such form and in such manner as the Trustee may from time to time direct and shall permit no alteration in the form of the Register or its conduct without the consent in writing of the Trustee which the Trustee shall be entitled to give or to withhold as its entire discretion.
3. The Registrar shall promptly comply with all requirements which may be notified to it from time to time by the Trustee as to the form and conduct of the Register.
4. The Registrar shall at all times at the request of the Trustee provide the Trustee with all

such information and explanations in relation to the Register and the conduct thereof as the Trustee may require.

5. The Registrar shall permit the Trustee or any person representing it to have access at all times to the Register and to all subsidiary records and all documents, orders, transfers, cancelled Certificates and other papers relating to the conduct of the Register.
6. The Trustee its authorized officials or any person representing it shall be entitled to attend at the Registrar's premises at any time with or without previous notice to inspect any documents the Trustee may wish to have inspected and to carry out such checks as the Trustee may deem fit.

and substituting in its place the following:

## **THE FOURTH SCHEDULE**

### **THE REGISTER OF UNITHOLDERS**

1. The Manager or any registrar appointed by the Manager shall act as the Registrar of the Fund and, with the consent of the Trustee keep the Register of Unitholders on behalf of the Trustee in accordance with the requirements of the Trust Deed.
2. The Manager or any registrar appointed by the Manager shall maintain and conduct the Register in such form and in such manner as the Trustee may from time to time direct and shall permit no alteration in the form of the Register or its conduct without the consent in writing of the Trustee which the Trustee shall be entitled to give or to withhold as its entire discretion.
3. The Manager or any registrar appointed by the Manager shall promptly comply with all requirements which may be notified to it from time to time by the Trustee as to the form and conduct of the Register.
4. The Manager or any registrar appointed by the Manager shall at all times at the request of the Trustee provide the Trustee with all such information and explanations in relation to the Register and the conduct thereof as the Trustee may require.
5. The Manager or any registrar appointed by the Manager shall permit the Trustee or any person representing it to have access at all times to the Register and to all subsidiary records and all documents, orders, transfers, cancelled Certificates and other papers relating to the conduct of the Register.
6. The Trustee, its authorized officials or any person representing it shall be entitled to attend at the Registrar's premises at any time with or without previous notice to inspect any documents the Trustee may wish to have inspected and to carry out such checks as the Trustee may deem fit.

**3. MISCELLANEOUS**

Save as amended by this Supplemental Trust Deed, the provisions of the Zenith Money Market Fund Trust Deed shall continue in force and effect and the Zenith Money Market Fund Trust Deed, and this Supplemental Trust Deed shall be read as one document.

**4. GOVERNING LAW**

This Supplemental Trust Deed is governed by, and shall be construed in accordance with, the laws of the Federal Republic of Nigeria.



IN WITNESS WHEREOF, the parties have executed and delivered this Supplemental Trust Deed the day and year first above written.


The Common Seal of the within named  
**VETIVA TRUSTEES LIMITED**  
was hereunto affixed in the presence of:


  
.....  
DIRECTOR

ALP Nominees Limited  
COMPANY SECRETARY  
.....  
SECRETARY

The Common Seal of the within named  
**QUANTUM ZENITH ASSET MANAGEMENT & INVESTMENTS LIMITED**  
was hereunto affixed in the presence of:

  
.....  
DIRECTOR

  
.....  
SECRETARY

  
THE WITHIN INSTRUMENT IN THE  
OPINION OF THE COMMISSIONER OF  
STAMP DUTIES CHARGEABLE WITH A  
DUTY OF ₦500  
AND THE DUTY THEREON HAS BEEN  
ASSESSED ACCORDINGLY  
COMMISSIONER OF STAMP DUTIES  
LAGOS