

# ACCOUNT OPENING FORM FOR AFRICAN ALLIANCE

## Kenya UNIT TRUST FUNDS



Once completed this form should be delivered to:

Account Opening Forms can also be mailed to:

African Alliance Kenya Management Company Limited  
Ground Floor, Kenya Re Towers  
Upper Hill, Off Ragati Road  
Nairobi  
Kenya  
www.africanalliance.com  
info@africanalliance.co.ke

African Alliance Kenya Management Company Limited  
PO Box 27639  
Nairobi, 00506  
Kenya  
Phone: +254 20 2712 709  
Phone: +254 20 2718 720

Note: New Accounts will only be opened on receipt of this Account Opening Form and Identification Documentation as listed. Fax copies of this Account Opening Form cannot be accepted by African Alliance.

(Please confirm telephonically that the form has been received)

Where appropriate, please mark boxes with a ☒

Investor Type	
Listed	<input type="checkbox"/>
Unlisted Company	<input type="checkbox"/>
Unincorporated Entity (Partnership, Body Corporate)	
Other (please specify)	

To be completed by African Alliance		
	Date	Initials
Received		
Identification		
Form details complete		
Account authorised		
Relationship No		

Investor Details			
Surname / Company		First Name	
Title		Other	
Company Contact - Surname		Company Contact - First Name	
Residential Address		Postal Address	
Post Code		Post Code	
Country		Country	
Telephone - Work		Telephone - Home	
Telephone - Mobile / Cellular		Fax	
e-mail Address			
Date of Birth	__ / __ / ____	Sex	Male <input type="checkbox"/> Female <input type="checkbox"/>
Next of Kin		Next of Kin ID	
Relationship			
Next of Kin		Next of Kin ID	
Relationship			

Method of Identification - mark with X			
Identification Document	<input type="checkbox"/>	Passport	<input type="checkbox"/>
Company Registration Documentation		Identity Presented at African Alliance offices	
		or	
Identification Number		Certified copies of identification presented together with Account Opening Form	
Nationality			

Bank Account Details	
Bank Name	Bank Address
Account Holder Name	
Branch Name	
Branch Code	
Account Number	
Account Type	SWIFT Code

Proof of bank details in the form of a cancelled cheque or a bank statement less than 90 days old are required together with this Account Opening Form. Please note - under no circumstances will redemptions payments be made to 3rd Parties. Redemption payments will only be made to the account listed above unless a change of details request has been received and processed.

## Verifications

The Undersigned hereby certifies the following:

- 1) I / We warrant that I am / we are duly authorised to sign this Account Opening Form and to invest in, switch or sell units in African Alliance Kenya's Unit Trust Funds (The Funds) and that by my / our investing, holding or purchasing units I / we will not be in breach of any laws or regulations of any competent jurisdiction and I / we hereby indemnify the Manager, Investment Manager, Custodian, Trustee, Administrator and other unitholders for any loss suffered by them as a result of this warranty / representation not being true in every respect.
- 2) I / we agree to provide the declaration and warranties contained herein to African Alliance Kenya Management Company Limited (African Alliance) and at such time as African Alliance may request such certifications, documents or other evidence as African Alliance may reasonably require to substantiate such representations. I / we agree to notify African Alliance immediately if I / we become aware that any of the declarations or warranties contained herein is / are no longer accurate or complete in all respects.
- 3) I / we hereby confirm that African Alliance, the Manager and the Administrator are each hereby authorised and instructed to accept and execute any instructions in respect of the Units to which this application relates given by me / us in written form or by facsimile. I / we hereby indemnify African Alliance, the Manager and the Administrator and agree to keep them indemnified, against any loss of any nature whatsoever arising to each of them as a result of any of them acting upon facsimile or telephone instructions. In circumstances where such instructions relate to a change in the Bank Account Details for redemption payments referred to above, I/we confirm that I/we will provide African Alliance, the Manager or the Administrator with an original written instruction. The Manager and Administrator may rely conclusively upon and shall incur no liability in respect of any action taken upon any notice, consent, request, instruction or other instrument believed in good faith to be genuine or to be signed by properly authorised persons.
- 4) I / we confirm that I / we have accessed and understood a copy of the relevant Trust Deed for the particular African Alliance Kenya Unit Trust Fund in which I / we wish to invest at the date of this application, as well as the Supplements thereto (together the Trust Deed). I / we acknowledge that this application is made on the terms of the Trust Deed and material contracts referred to therein.
- 5) I / we direct that on the death of one of us the Units for which we hereby apply will be held in the name of and to the order of the survivor(s) of us or the executors and administrators of such survivor (applicable to natural persons only).
- 6) African Alliance, the Manager and the Administrator reserve the right to seek evidence of identity to comply with applicable money laundering regulations. In such case of delay or failure to provide satisfactory information, African Alliance, the Manager and the Administrator may take such action as they see fit.
- 7) I / We acknowledge and understand that, African Alliance is not responsible for any tax liability that I / we may incur or for changes in my / our tax status as a result of any changes to the current tax regime.
- 8) Redemptions will only be made into the bank account as detailed in the Bank account details per the previous page and only as instructed by the duly authorised signatory(ies) as designated under Authorised Signatories below. Under no circumstances will any redemptions be paid into third party or nominee accounts.

## Financial Advisor / Broker

Broker Stamp		Phone Number	
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## Authorised Signatories

Signature 1.		Name	
Signature 2.		Name	
Signature 3.		Name	
Signature 4.		Name	
Assisted by (where legally necessary)		Name	
Number of Required Signatories on this Account		Date	___ / ___ / 2___

## Identification Requirements - mark with X

This fully completed Account Opening Form - signed by all applicants to the account together with the items listed below.  
Note: Either the original documents must be presented at African Alliance Offices, or certified copies should be attached to this form.

### Individual Investors

- 1) Identification document/  
or  
Passport ☐
- 2) Bank statement  
or  
Cancelled cheque ☐
- 3) Birth certificate for minors ☐

### Corporate / Other Investors

- 1) Certificate of Incorporation  
and  
Corporate Resolution, certified by at least two  
Directors, authorising the opening and operation  
of the account together with a corporate mandate  
and  
Memorandum and Articles of Association  
or equivalent documentation ☐
- 2) Bank statement  
or  
Cancelled cheque ☐

In terms of Part IV of The Capital Markets Authority Collective Investment Schemes Regulations, 2001 "Permission has been granted by the Capital Markets Authority to offer to the public the securities which are the subject of this issue. As a matter of policy, the Authority assumes no responsibility for the correctness of any statements or opinions made or reports contained in this information memorandum". This statement is valid as of January 2003.

The African Alliance Kenya Shilling Fund ("AAKSF"), the African Alliance Kenya Managed Fund ("AAKMF"), the African Alliance Kenya Fixed Income Fund ("AAKFIF"), collectively, ("the Funds") are Unit Trust Funds, registered in terms of a Trust Deed, each individually, at the offices of the Management Company, which is the address where the Trust Deed and any other periodic reports may be obtained. The African Alliance Kenya Management Company ("AAKMC"), the Fund Manager, was granted consent to register the unit trust scheme on 17 December 2002.

**RISKS ASSOCIATED WITH INVESTMENT:** It is important to note that there are risks associated with unit trust investments, and more specifically that the price of units may fall as well as rise. There may well be a difference between the sale and repurchase price of units in the Funds. It is suggested, should you have any queries with regard to this information memorandum or investing in the Funds, that you consult a financial advisor to assist you.

**APPLICABLE TAX LAWS:** As funds domiciled in Kenya, the Funds fall under the tax laws of Kenya. As all the income is distributed, the Funds themselves do not attract any income taxes. Unit holders are cautioned that their particular tax position will depend on a number of circumstances and that it may be desirable to consult a suitably qualified advisor.

**UNIT HOLDERS' RIGHTS:** All unit holders shall have a real right to their units and each unit is entitled to an undivided share of the relevant Fund and ranks equally with other units. The holders shall not be liable for the debts of the collective scheme. In no event shall a unit holder have or acquire any rights against the Trustee or the Management Company except as expressly conferred upon such unit holder in terms of the relevant Trust Deed. The Trustee shall not be bound to make any payment to unit holders except out of Funds held or controlled by it for that purpose under the relevant Trust Deed.

**UNIT HOLDER VOTING RIGHTS:** In terms of the relevant Trust Deed, each unit holder present shall be entitled to vote, either personally or by proxy, on a show of hands on any matter affecting his rights. The voting rights associated with the underlying securities held by the Fund in question will be exercised by the Management Company on behalf of the unit holders in a manner considered by the Management Company to be in the best interests of the unit holders.

**DENOMINATION OF UNITS:** The Funds will be denominated in Kenyan Shillings.

**REQUIRED CAPITAL:** Each Fund shall have at all times a minimum of KES100,000 invested capital, with no maximum.

**WINDING UP OF THE FUNDS:** The Funds shall be wound up by court order, except under the following provisions; Each Fund shall be perpetual provided, however, that if at any time after two years from the date of the registration of the relevant Trust Deed the market value of any individual Fund is less than KES 5 million, AAKMC may in its unrestricted discretion wind up such a portfolio. In the event of effect being in accordance with the provisions relating to winding up given in the Companies Act, to a proposal to wind up the affairs of a Company otherwise than by the court, and provided that the Authority shall have first exercised its powers to intervene in the management of any individual Fund before an application is made to court for winding up of the relevant Fund on or before notice is given to wind up the affairs of the relevant Fund otherwise by the court, the Trustee shall commence to make a full enquiry into the affairs of the relevant Fund so as to ascertain whether the relevant Fund will be able to meet all its liabilities (inclusive of contingent and prospective liabilities) and the Fund Manager shall prepare a statement confirming whether the relevant Fund will be able to meet all its liabilities within 12 months of the date of the statement, or whether such confirmation cannot be given. AAKMC shall as soon as practicable, publish in two daily newspapers of national circulation management's decision to wind up the relevant Fund. Once the Fund Manager has taken the decision

to wind up the relevant Fund, regulations pertaining to pricing, dealing, investment and borrowing powers cease to apply to such Fund. The relevant Fund shall cease to issue, cancel, sell or redeem units. No transfer of a unit will be registered and the relevant Fund will cease to carry on its business, except so far as it may be beneficial to its winding up. On the winding up of the relevant Fund, the Management Company shall realise all the underlying securities comprising such Fund as expeditiously as possible having regard to the interests of the unit holders, but shall incur no liability by reason of the exercise of its discretion as to the time of realisation of any security. Upon the realisation of the entire Fund in question and once all the liabilities of such Fund have been met, AAKMC shall make a final distribution.

**INVESTMENT OBJECTIVES AND POLICY:** Investments to be included in the unit portfolio shall comprise a mix of securities and liquid assets as defined in the Act, acquired at fair market value with the aim of achieving the primary investment objective.

1) The African Alliance Kenya Shilling Fund's primary investment objective is to seek an attractive level of current income and the preservation of capital. The Fund shall invest in money market and short-term debt instruments providing that such instruments do not exceed 13 months to maturity and that the average period of such investments in the portfolio shall not be more than 90 days. Where Investments are held with a bank they shall only be held with the Central Bank of Kenya or banks registered in terms of the Banking Act and which are regulated by the Central Bank of Kenya. The market value of an investment in any company or units in a unit trust or Collective Investment Schemes ("CIS") shall not exceed 20% of the net asset value of the Fund. Securities issued by any one company or units in a unit trust or CIS shall be limited to 5% of the aggregate issued number of all securities of that class in the case of a company and 25% of the aggregate issued number of all securities of that class in the case of units in a unit trust or CIS.

2) The African Alliance Kenya Managed Fund's primary investment objective is to seek long-term stability and growth of capital consistent with moderate investment risk and a reasonable level of current income. The Fund will at all times comply with the current investment guidelines laid down by the Retirement Benefits Authority in addition to the following restrictions: The market value of an investment in any one company shall not exceed 10% of the net asset value of the Fund nor shall the market value of an investment in a CIS or investment company of a similar nature exceed 20% of the net asset value of the Fund. Securities issued by any one company or units in a unit trust or CIS shall be limited to 5% of the aggregate issued number of all securities of that class in the case of a company and 25% of the aggregate issued number of all securities of that class in the case of units in a unit trust or CIS.

3) The African Alliance Kenya Fixed Income Fund's primary investment objective is to seek medium-term stability and growth of capital consistent with moderate investment risk and a reasonable level of income with the following restrictions: The market value of an investment in any one company shall not exceed 10% of the net asset value of the Fund nor shall the market value of an investment in a CIS or investment company of a similar nature exceed 20% of the net asset value of the Fund. Securities issued by any one company or units in a unit trust or CIS shall be limited to 5% of the aggregate issued number of all securities of that class in the case of a company and 25% of the aggregate issued number of all securities of that class in the case of units in a unit trust or CIS.

A minimum of 5% will be invested in cash investments at all times. The securities included in a Unit Portfolio in the Funds shall consist of a minimum of 95% of Market Value of Listed Securities. The Funds may not encumber or pledge any part of the Fund in a way not expressly provided for in the Act, nor may the Fund borrow on an unsecured basis.

**ACCOUNTING PERIODS AND DISTRIBUTIONS:** The Funds' financial year-end is 31 December and income is distributed to unit holders on the last day of every month and shall be paid within 14 days.

**FUND MANAGER:** African Alliance Kenya Management Company Limited, incorporated on the 29 June 2001 (Incorporation number 94417), with issued and fully paid up share capital of KES 10 million. The registered office address of the fund manager is - African Alliance Kenya Management Company, Kenya-Re Towers – Ground Floor, Upper Hill, P O Box 27639 - 00506, Nairobi. African Alliance Kenya

# African Alliance Kenya Shilling Fund, African Alliance Kenya Managed Fund and African Alliance Kenya Fixed Income Fund Information Memorandum

Management Company Limited is a wholly owned subsidiary of African Alliance Kenya (Incorporation number 94418), a licensed investment bank capitalised at KES 30 million, which in turn is a wholly owned subsidiary of African Alliance Limited, incorporated in the Isle of Man and which registered address is: African Alliance Limited, 1 Castle Street, Castletown, Isle of Man, 1M91LF.

**TRUSTEE & CUSTODIAN:** Stanbic Kenya, Stanbic Building, Kenyatta Avenue, Nairobi.

**AUDITOR:** KPMG Kenya, 16th Floor, Lonrho House, Standard Street, P O Box 40612, 00100 GPO, Nairobi.

**EVIDENCE OF TITLE:** The Management Company shall issue certificates to provide evidence of title on request from a unit holder. A record of all unit holder interests will be kept in a register, and all distributions or dividends will be paid in terms of the register. The register will be kept at the offices of African Alliance Kenya Management Company Limited.

**PAYMENTS TO THE FUND MANAGER:** AAKMC shall be entitled by way of remuneration to cover expenses and fees in performing its obligations and to pay the remuneration to the Trustee and the Trustee's disbursements and the Auditor's fees and expenses. AAKMC's remuneration shall take place in the form of an initial charge to be included in the selling price of a unit, and shall be fixed at the discretion of AAKMC from time to time, but shall not exceed 5% of the price of the unit. A monthly payment to the Fund Manager shall be made in the form of a service charge, and shall be fixed by AAKMC at its discretion from time to time, and shall be calculated at a daily rate not exceeding 2% per annum, for the Kenya Managed Fund and the Kenya Fixed Income Fund, and not exceeding 1% for the Kenya Shilling Fund, inclusive of accrued interest. The payments made to AAKMC in the form of either charge, are charged exclusive of VAT or any other indirect taxes, which shall be for the account of the unit holder. AAKMC reserves the right to waive or rebate any, or any portion of, the payments made to the Fund Manager at its discretion. In the event of an increase in either the initial or service charge, holders will be advised in writing not less than 90 days in advance of the implementation of the change. At the discretion of AAKMC, a redemption fee may be charged up to an amount of 0.50% of the value of the redemption amount.

**SALE AND REDEMPTION OF UNITS:** AAKMC will receive requests for the issue and redemption of units from 09h00 to 16h00 on all business days. AAKMC has the exclusive right to create and issue units, and for that purpose to accept application monies for the purpose of the Trust. The minimum number of units that may be purchased shall be determined by AAKMC from time to time. Any application monies paid in respect of a unit to be created shall, after deduction

of the initial charge, if any, included in the price of the unit to be sold, be paid into a trust account under the supervision and control of the Trustee. Upon such payment such unit shall be deemed to have been created and issued. Save during the 2 months immediately prior to the termination of the unit portfolio and subject to the terms of the Trust Deed, any holder desiring to sell any units shall be entitled by valid notice in writing received by the Fund Manager, to require AAKMC to repurchase such units. The trustee shall pay the repurchase price of the units to the holder. In the event of a holder desiring to sell at any one time more than 20,000 units, or KES250,000 worth of market value, AAKMC may at its discretion, require a period of 4 days in order to establish a price for the repurchase of the units. The repurchase of units by AAKMC can be suspended in the event of any recognised securities, bond or futures exchange on which the Fund is invested being closed on a business day, the disposal of the underlying securities is not reasonably practicable or is not in the interests of the holders and the Trustee is satisfied that it is not reasonably practicable. The suspension of the repurchase of units by AAKMC shall cease as soon as the Trustee is satisfied that the market value of the underlying securities can be practicably determined or within 28 days of the commencement of the suspension of the dealings in units. AAKMC shall have exclusive right and absolute discretion, by notice in writing to the Trustee to effect reductions of units. The unit prices of the Fund will be published on all business days in The Daily Nation and East African Standard. The Trustee shall pay the repurchase price of the units to the holder within 6 days from receipt of a valid written instruction by the Fund Manager.

**VALUATION OF THE FUND:** The formula to determine the net asset value per unit is to divide the aggregate market value of the underlying assets of the Fund less its liabilities by the units in issue. The Fund is priced on a forward basis. The valuation point for determining the repurchase price quoted by the Fund Manager and the price payable by the Trustee shall be the end of the business day on which a valid written request to repurchase and redeem is received by the Fund Manager and Trustee respectively.

**GENERAL INFORMATION:** The Fund Manager shall provide the Trustee and the Authority with an audited annual report not more than 3 (three) months after the end of an accounting period. The Fund Manager shall provide the Trustee and the Authority with a quarterly report stipulating the valuation of the fund, the costs of all investments and their estimated yields and a review of the investment activity and performance of the Fund.

The details contained in this Information Memorandum are an extract from the Trust Deed and other Fund documentation of the African Alliance Kenya Management Company and are meant for informational purposes only. The Information Memorandum will at all times be ancillary to the Trust Deed.