



US\$  
INCOME  
FUND

# PROSPECTUS

November 23rd, 2010

Sponsored by ANSA Merchant Bank Limited  
Incorporated in Trinidad & Tobago.

The Trinidad and Tobago Securities and Exchange Commission  
has not in any way evaluated the merits of the securities offered  
hereunder and any representation to the contrary is an offence.



# **ANSA US\$ INCOME Fund**

Comprising two classes

Class A Units and Class B Units

A US\$ denominated income mutual fund

Organised under the laws of Trinidad and Tobago

## **PROSPECTUS**

**with respect to**

**Class A Units**

23rd November, 2010

**Sponsored and managed by ANSA Merchant Bank Limited  
incorporated in Trinidad & Tobago.**

The Trinidad and Tobago Securities and Exchange Commission has not in any way evaluated the merits of the securities offered hereunder and any representation to the contrary is an offence.

## RESPONSIBILITY STATEMENT

This Prospectus has been seen and approved by the Directors of ANSA Merchant Bank Limited and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

The Board of Directors of ANSA Merchant Bank Limited are:-

- ♦ Anthony Norman Sabga, 1-3 Wainwright Street, St. Clair;
- ♦ Ray Anand Sumairsingh, 30 Scotland Terrace, Andalusia, Maraval;
- ♦ Chip Sa Gomes, 5 Gittens Avenue, Maraval;
- ♦ Gregory N. Hill, 90 Highland Court, Paradise Gardens, Tacarigua;
- ♦ Varun Maharaj, 127 Bonito Street, Lange Park, Chaguanas;
- ♦ Timothy Hamel-Smith, 12 Park Avenue, Westmoorings By The Sea, Westmoorings;
- ♦ Peter Inglefield, 16 Golf Course Drive, Moka Heights, Moka, Maraval;
- ♦ Jeremy R. Matouk, 12 Wainwright Street, St. Clair.
- ♦ Nicholas W.S. Owen, 5 Princess Court, Bryanston Place, London;
- ♦ Ian Eddie Welch, 1b Cactus Ridge, Goodwood Park, Westmoorings

The original prospectus is signed by the Board of Directors of ANSA Merchant Bank Limited.

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**This Prospectus contains information to help you make an informed investment decision and to help you understand your rights. It contains information about the Fund, as well as the names of persons responsible for its organization and management.**

**YOU ARE ENCOURAGED TO READ THIS PROSPECTUS IN ITS ENTIRETY, PRIOR TO MAKING ANY INVESTMENT DECISION.**

## **FUND DIRECTORY**

### **♦ Sponsor**

ANSA Merchant Bank Limited  
11C Maraval Road  
Port of Spain  
Trinidad  
Telephone: (868) 623-8672  
Fax: (868) 624-8763

### **♦ Class B Unitholder**

ANSA Merchant Bank Limited  
11C Maraval Road  
Port of Spain  
Trinidad

### **♦ Trustee/Custodian**

First Citizens Trustee Services Limited  
45 Abercromby Street  
Port of Spain  
Trinidad

### **♦ Investment Manager**

ANSA Merchant Bank Limited  
11C Maraval road  
Port of Spain  
Trinidad

### **♦ Administrator**

ANSA Merchant Bank Limited  
11C Maraval Road  
Port of Spain  
Trinidad

♦ **Distributor**

ANSA Merchant Bank Limited.  
11C Maraval Road  
Port of Spain  
Trinidad

♦ **Attorneys-at-Law**

Pollonais, Blanc, de la Bastide & Jacelon  
17-19, Pembroke Street  
Port of Spain  
Trinidad

♦ **Auditors**

Ernst and Young  
5 & 7 Sweet Briar Road  
St Clair  
Port of Spain  
Trinidad

## KEY DEFINITIONS

**“Accounting Date”** means December 31st in each year beginning on the 31st December, 2010 until termination of the Fund or such other accounting date as the Trustee may from time to time determine and notify to the Unitholders.

**“Business Day”** means any day, other than a Saturday or Sunday, that is not a legal holiday or a day on which banks are generally authorised or obliged by law or regulation to close in Trinidad and Tobago.

**“Closed End Fund”** a pooled investment fund which has a fixed capitalisation after the Initial Period. Once issued, the units of a closed-end fund are not purchased or redeemed directly by the fund, but are bought and sold by other investors in the open market. To facilitate trading, a closed-end fund is generally listed on a stock exchange or traded in the over-the-counter market. Closed-end funds may trade at, above, or below their net asset value. Like other publicly traded securities, the market of closed-end fund units fluctuates and is determined by supply and demand in the market place.

**“Closing Date”** means the 29th day of December 2010.

**“Commission”** means the Trinidad and Tobago Securities and Exchange Commission established by the Securities Industry Act, 1995 of the laws of Trinidad and Tobago.

**“US\$”, “\$” or “dollars”** means the lawful currency for the time being of the United States of America.

**“Fund”** means the ANSA US\$ INCOME Fund.

**“Initial Period”** means the period commencing on the date of the Trust Deed and ending on the date of conversion of the Fund into a closed end fund pursuant to the provisions of the Trust Deed.

**“Ordinary Resolution”** means an ordinary resolution within the meaning of the Trust Deed.

**“Stock Exchange”** means the Trinidad and Tobago Stock Exchange or any other securities exchange or self-regulatory organisation established under the laws of Trinidad and Tobago for the purpose of facilitating transactions in securities.

**“Trust Deed”** means the trust deed dated the 23rd day of November 2010 and made between the Sponsor and the Trustee creating the Fund.

**“Unit”** means a Class A Unit as defined in the Trust Deed.

## INFORMATION SUMMARY

**The following section contains a summary of the information in the prospectus. You are encouraged to read this prospectus in its entirety, prior to making any investment decision.**

This Prospectus constitutes an invitation to investors to subscribe for Class A Units in a new mutual fund at the initial offer price of \$100.00 each (the “Unit” or “Class A Unit” and each holder of a Unit “Unitholder”) up until the 23rd day of November, 2010 or such later date as the trustee in its sole discretion may determine (the “Closing Date”) and thereafter at Net Asset Value per Class A Unit in the Fund established by the Trust Deed made between ANSA Merchant Bank Limited as Sponsor and **First Citizens Trustee Services Limited** as Trustee and known as the ANSA US\$ INCOME FUND (the “Fund”), subject to the terms of the Trust Deed. The contents of this Prospectus are qualified in their entirety by the detailed provisions of the Trust Deed. Class A Units are offered at the issue prices set forth under the section “Distribution of Units” below.

Pursuant to Section 65 of the Securities Industry Act, 1995, this Prospectus has been filed with the Trinidad and Tobago Securities and Exchange Commission and a receipt therefore has been issued by the Commission for the purpose of giving information to the public with regard to the ANSA US\$ INCOME FUND.

The Fund’s capital will be made up of two classes of Units. Class A Units which will be issued to investors pursuant to the terms of this Prospectus and the Trust Deed and the Class B Units which will be issued to the Fund Sponsor.



The Class B Unitholder is not entitled to receive any dividends and has no rights to the Fund's assets upon termination of the Fund, save and except for its original investment and any accretion thereto. Save where the context requires otherwise, words and expressions defined in the Trust Deed shall have the same meaning in this Prospectus.

No dealer, salesman or other person is authorised to give any information or to make any representations other than those contained in this Prospectus and if given or made such information or representations may not be relied upon as having been authorised by the Trustee or any adviser. This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The Fund is neither insured with the Deposit Insurance Corporation in Trinidad and Tobago nor is it guaranteed by the Central Bank of Trinidad and Tobago or by any of the parties related thereto. All references herein to "US\$", "\$" or "dollars" mean the lawful currency of the United States of America. A "Business Day" is any day on which commercial banks operate for all banking business in the Republic of Trinidad and Tobago.

The Fund will be an open ended fund from initial creation until exercise of the option granted to the Class B Unitholder to convert the Fund into a closed end fund by six months' written notice terminating on any Accounting Date.

During the Initial Period as there is no market for the Units in the Fund, and no such market is expected to develop, it may be difficult or even impossible for the holders to sell them. The Units in the Fund may, however, be redeemed/repurchased by the Trustee in accordance with the Trust Deed. After conversion into a closed end Fund, Units in the Fund will be listed on the Stock Exchange and may subsequently be listed on other stock exchanges in the Caribbean region. The Trustee will not redeem Units after such conversion, except in accordance with the Trust Deed upon the winding up of the Fund.

Under certain circumstances, as detailed under headings Redemption, Mandatory Redemption and Restrictions on Transfer in this Prospectus, the repurchase and cancellation of Units may be compulsory. Potential investors should consult their professional advisers on the tax consequences of subscribing, purchasing, holding, redeeming or selling Units under the laws and practice of their country of citizenship, domicile or residence or under the laws of any other relevant jurisdiction and in the light of their personal circumstances. Circulation of this Prospectus may be restricted in some jurisdictions and potential investors are responsible for informing themselves of any applicable laws or regulations.

It should be noted that the net asset value of Units in the Fund may go down as well as up. When listed on the Stock Exchange the price of the Units may also vary from that of the net asset value, being either higher or lower at any point in time.

If you are in any doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, lawyer, accountant or other professional adviser.

The applications for Units may be made only on the basis of this Prospectus and on the Application Form as provided by the Trustee.

Neither the delivery of this Prospectus nor the offer, sale or issue of Units shall constitute a representation that the information given herein is correct as of any time subsequent to the date hereof.

## **INTRODUCTION**

### **The Sponsor and Class B Unitholder**

The Sponsor and Class B Unitholder of the Fund is ANSA Merchant Bank Limited, one of the Caribbean's leading financial institutions, which has its roots in well-known local and international finance houses.

ANSA Finance Limited, formerly Amalgamated Finance Limited, operated a portfolio that included instalment loans via hire purchase, mortgage bills of sale and lease facilities.

Fleming ANSA Merchant Bank was a joint venture between ANSA McAl Limited and Robert Fleming & Co. Limited of Great Britain. This company's main areas of business were Investment Banking and Investment Management Services. In March 1998, ANSA McAl Limited purchased the shareholding of Robert Fleming and Company Limited, paving the way for the creation of ANSA Finance & Merchant Bank Limited, through the merger of ANSA Finance Limited and ANSA Merchant Bank Limited.

In June 2004, ANSA Finance and Merchant Bank Limited, once again became known as ANSA Merchant Bank Limited, when ANSA Finance & Merchant Bank Limited acquired Trinidad and Tobago Insurance Limited (TATIL), also of the ANSA McAl Group of Companies.

The strength of this new entity has thrust ANSA Merchant Bank Limited into a new competitive arena, providing the impetus for a broader range of financial services to be expertly presented to the local and regional markets. ANSA Merchant Bank Limited is licensed to perform the following classes of business:

1. Merchant Bank
2. Trust Company
3. Unit Trust
4. Financial Services
5. Confirming House / Acceptance House
6. Finance House / Finance Company
7. Leasing Corporation
8. Mortgage Institution

ANSA Merchant Bank Limited is a publicly traded company on the Trinidad and Tobago Stock Exchange, and the following information reflects a commendable operating performance in 2008:

- o Profit before taxation of the Bank was \$95.1MM
- o Earnings Per Share for 2008 summed up to 60 cents
- o Dividends declared totalled 30 cents
- o Profit attributable to shareholders was \$50 MM
- o Group assets grew by \$267 MM or 6.5% to \$4.4 BN

The following highlights represents the performance of Ansa Merchant Bank Limited for the year ended 2009:

<b>AMBL Financial Highlights - Dec. 31st 2009</b>	<b>000's</b>
Profit before Tax	227,574
Earnings Per Share	2.30
Dividends Declared	0.85
Profit Attributable to Shareholders	193,316
Group Assets Grew By	9.90%

ANSA Merchant Bank Limited is a member of the ANSA McAl Group of Companies. ANSA McAl is one of the largest commercial enterprises in the Caribbean with core businesses in:

- ♦ Manufacturing
- ♦ Brewing
- ♦ Finance And Merchant Banking
- ♦ Insurance
- ♦ Trading And Distribution
- ♦ Real Estate Development
- ♦ Shipping
- ♦ Media
- ♦ Retailing Automotive And Industrial Equipment

## **The Fund**

The Fund will be established as an open-ended mutual fund in which Units will be issued. An open ended mutual fund is one in which the number of units which may be issued in the Fund is unlimited. The Class B Unitholder pursuant to Clause 27 of the Trust Deed has the option to convert the Fund to a closed end fund by six months written notice to the Trustee. Upon conversion of the Fund no further subscriptions for Units will be accepted by the Trustee and an application will be made to the Stock Exchange for listing of the Class A Units then in issue.

The Fund is governed by the laws of the Republic of Trinidad and Tobago and established by the Trust Deed made between the Sponsor and the Trustee, both duly incorporated and validly existing and licensed under the provisions of the Financial Institutions Act, 2008 of the laws of the Republic of Trinidad and Tobago.

The Trustee is the Custodian of the Fund, which means that it is responsible for holding cash and other assets of the Fund and has ultimate responsibility for the issue and repurchase of Units, the investment of the Fund assets and the distribution of Fund Income. The Trustee has delegated certain of its duties and functions pursuant to its powers contained in the Trust Deed:

1. as to investment advice and management, to ANSA Merchant Bank Limited (the "Investment Manager");
2. as to fund administration and registrar functions, to ANSA Merchant Bank Limited (the "Fund Administrator"); and
3. as to distribution of the Units, to ANSA Merchant Bank Limited (the "Distributor").

There is no conflict of interest arising from the multiple roles of Ansa Merchant Bank Limited in relation to the Fund and no such conflict of interest is foreseen as different personnel such as a Mutual Fund Sales Manager, Mutual Fund Officer and Investment Manager are assigned to the separate functions of Distributor, Fund Administrator and Investment Manager respectively.

The principle of separation of duties is utilised throughout ANSA Merchant Bank Limited and is the primary basis for its organisational structure. This is done to minimise the potential for conflicts of interest and collusion.

The Mutual Fund sub-organisation can be broken down into three parts; there is a front office, middle office and a back office. There are clear and clinical procedures for the functioning of each of these offices. The Front Office is headed by the Executive Director – Investment Services, this part of the Mutual Funds sub-organisation has responsibilities for Portfolio Management, Trade

Execution, Sales and Marketing and Client Servicing. The Executive Director reports directly to the Managing Director.

The Middle Office has responsibilities for compliance and accounting. The Middle Office produces all the performance statistics and reporting on the fund which is sent out directly to subscribers. The person in charge of compliance ensures that the fund is being managed in accordance with the prospectus, trust deed, regulatory requirements and internal policies. This person also ensures that all filings with the Commission and the Central Bank of Trinidad and Tobago take place in a timely manner. In addition, monthly reports are sent to the Trustee. The person in charge of compliance reports directly to the Managing Director.

The Back Office has the responsibility for settling all trades which relate to portfolio management and trade execution. The person in charge of the Back Office reports directly to the Managing Director.

## **INVESTMENT STRATEGY**

### **1. Investment Objective and Policy**

The Investment Objective of the Fund is to seek to generate investment returns which are superior to all US\$ income mutual funds registered in Trinidad and Tobago, while providing for acceptable levels of liquidity and credit risk by investing primarily in a diversified portfolio of debt securities, equities, instruments and contracts which are backed mainly by marketable securities. Interest income, capital gain and preservation of capital will be important, though not the only, investment considerations for the Fund. The Fund may invest in securities and contracts, including sovereign debt, issued in countries other than Trinidad and Tobago, which are expected to provide high income yield and are not expected to cause deterioration in capital values. The Fund will focus on building and maintaining a portfolio of debt instruments, which are secured or backed by marketable securities. The Fund aims to generate an attractive level of revenue by investing mainly in both government and non-government bonds denominated in US\$.

In selecting debt securities and contracts denominated in currencies other than US\$, the Investment Manager will consider, among other factors, the effect of movements in currency exchange rates on the value of such securities.

For the purpose of hedging risks and enhancing returns, the Fund may enter into derivative transactions, including but not limited to, forward currency contracts.

The Investment Manager generally intends to allocate the Fund's assets among asset classes such as corporate bonds, international and local, regional, foreign holdings, local and regional equity holdings, cash and short-term investments and mortgages.

Subject to the restrictions referred to below the Trustee shall have power on behalf of the Fund, on the advice of the Investment Manager, to cause the Investment Manager to invest in, subscribe for, reinvest in, purchase, sell or otherwise acquire or dispose of in the manner herein securities and financial instruments of all kinds, local and foreign, whether private or publicly traded including but not limited to the following Investments:

- (i) The evidence of indebtedness of any Person (with or without security);
- (ii) Monetary instruments;
- (iii) Cash balances deposited with any licensed bank or financial institution and cash equivalents;
- (iv) Units in any unit trust and/or mutual fund;
- (v) The fully paid shares of any company;
- (vi) Convertible securities;
- (vii) Mortgages secured by real estate or leaseholds;
- (viii) Options, swaps, forward contracts, various forms of hedge transactions and all types of derivative instruments for the purpose of maximising investment returns and/or minimising risk.

Evidence of indebtedness includes but is not restricted to banker's acceptances, promissory notes, securitised loans, commercial paper, mortgage backed securities and other securities backed by bonds, debentures, loans and/or fully paid ordinary shares.

All investments must be made on the advice of, or with the approval of the Investment Manager in accordance with the Investment Management Agreement.

## **2. Investment Restrictions**

There are certain investment policies that are fundamental policies for the Fund, including restrictions that:

- a) No securities that are subject to restrictive legal or contractual obligations on resale may be acquired.
- b) Neither derivative transactions nor forward currency transactions may be entered into for speculative purposes.
- c) In accordance with Clause 13(A) in the Trust Deed, the Fund may not borrow monies in excess of 5% of the net assets of the Fund taken at market value at the time of borrowing.
- d) The Fund may not purchase a security of an issuer if, immediately after the purchase, more than 10% of the net assets of the Fund, taken at market value at the time of the purchase would be invested in securities

of that issuer. This restriction does not apply to a purchase of:

- evidences of indebtedness, other than cash equivalents that have a remaining term to maturity of not more than one year that are issued, or fully and unconditionally guaranteed as to principal and interest by a financial institution or government entity (other than a foreign government or any political division thereof that issue bonds, debentures or other evidences of indebtedness.,
- e) The Fund will not purchase a security of an issuer if, immediately after the purchase, the Fund would hold securities representing more than 10% of the votes attaching to the outstanding voting securities of that issuer, or the outstanding equity securities of that issuer.
- f) The Fund will not purchase a security for the purpose of exercising control or direction over, or management of, the issuer of the security.
- g) The Fund will not purchase equity securities that cannot be readily disposed of through market facilities on which public quotations in common use are widely available, if immediately after the purchase, more than 10% of the net assets of the Fund, taken at market value at the time of the purchase, would be invested in such equity securities.

Some securities considered for investment by the Fund may also be appropriate for other clients advised by the Investment Manager, including its affiliates, as well as other funds. If the purchase or sale of securities is consistent with the Fund's investment policies and one or more of such other funds or clients are considered at or about the same time, transactions in such securities will be allocated among the several clients in a manner deemed fair and equitable. These allocations may be advantageous or disadvantageous to the Fund.

### **3. Risk Disclosure**

The assets of the Fund will:

- a) Be invested in securities and contracts the portfolio of which will be subject to the risk of fluctuations in capital and financial instruments. The Trustee will seek for the Fund to produce positive total investment returns, in any particular year. However, these returns may rise or fall resulting in a change in the yield and period at that time to new investors.
- b) Any investment in the Fund is at the sole risk of the investor.

### **Foreign Exchange or Currency Risk**

The assets of the Fund may be invested in investments denominated in currencies other than US\$. Therefore the portfolio may be exposed to adverse movements in the exchange rate.

### **Credit Risk**

Credit risk is the risk that an issuer of a bond or other fixed income security may not be able to pay interest or repay principal when due. The risk of this occurring is greater with some issuers than with others. When the risk is considered greater, the interest rate paid by the issuer is generally higher than for an issuer where the risk is considered to be lower.

### **Equity Risk**

The value of a mutual fund that invests in equity securities (also called stocks and shares) will be affected by changes in the market price of those securities. The price of a stock is affected by individual company developments and by general economic and financial conditions in those countries where the company is located or carries on business or where the stock is listed for trading.

### **Liquidity Risk**

Liquidity is an indicator of how easily an investment may be converted into cash. An investment may be less liquid if it is not widely-traded or if there are restrictions on the exchange where the trading takes place. As well, the liquidity of any particular security may depend on the general market liquidity of the jurisdiction(s) in which such security is traded. Further, there may not exist a market for certain securities. Investments with low liquidity can have significant changes in market value.

### **International Business Risk**

Purchase investments in businesses located internationally. The taxation regulations of the various jurisdictions may impose withholding and other taxes. Additionally, the accounting and reporting standards may be different from those with which the investors are familiar, and may not require the same amount of disclosure and public information. The level of Government supervision and regulation of foreign exchange may also vary from the practices with which the investors are accustomed. Foreign investment may also be subject to political risk such as expropriation of assets, confiscation, embargoes, political or social instability or adverse diplomatic relations, which could negatively affect the value of the portfolio.

### **Interest Rate Risk**

The fund may invest in fixed interest bearing debt instruments such as a bond whose price is sensitive to changes in interest rates. Typically, there is an inverse relationship between the movement of the price of a fixed interest bond and



the rate of interest. An increase in interest rates will cause the price of a bond to decrease. Conversely, a decrease in interest rates will lead to an increase in the price of a bond. As such, the portfolio can be affected by changes in interest rates.

The Fund is neither insured with the Deposit Insurance Corporation in Trinidad and Tobago nor is it guaranteed by the Central Bank of Trinidad and Tobago or by any of the parties related thereto. The Fund is suitable for investors with a moderate appetite for the risks set out herein.

### **Derivatives**

The Fund may utilise derivative instruments such as swaps, options or forward contracts, to modify or replace the economic attributes associated with an investment in a security (including interests in collective investment vehicles), commodities, currencies, interest rates or other financial instruments. These investments are all subject to additional risks that can result in a loss of all or part of an investment. Such risks include interest rate risk, credit risk, volatility risk, world and local market price and demand, and general economic factors and activity.

#### **4. Modification of Investment Objective**

The Investment Objective may not be modified without the approval of the Trustee, an Ordinary Resolution of the Class A Unitholders and an Ordinary Resolution of the Class B Unitholders.

## **KEY ORGANISATIONAL DOCUMENTS OF THE FUND**

### **1. The Trust Deed**

The Trust Deed is dated the 23rd November 2010 and is made between the Sponsor ANSA Merchant Bank Limited and the Trustee First Citizens Trustee Services Limited. It is the principal document constituting the Fund and serves to establish the Fund. It vests the assets of the Fund in the Trustee and contains all the rights, powers and obligations of the Trustee, the Unitholders and the Sponsor. It contains provisions for the retirement or removal of the Trustee. The Trust Deed also details the method of valuation of the Units of the Fund and provides for how the Trustee issues Units in the Fund and how they can be transferred and redeemed by Unitholders. It sets out the requirements for conversion of the Fund into a closed end Fund and details the rights and obligations of Unitholders including their rights in relation to distributions.

The Trust Deed will continue until the Fund is terminated. The ways in which the Fund can be terminated are detailed later on in this Prospectus under the heading 'Termination'.

A copy of the Trust Deed is available for inspection at all times during usual business hours at the offices of the Investment Manager.

## The Trustee

The Trustee, **First Citizens Trustee Services Limited** is a licensed trustee operating in Trinidad and Tobago. It is a wholly owned subsidiary of First Citizens Bank Limited. The Trustee's principal business is the provision of trustee services and it has operated as a trustee since October 2, 2006. It currently acts as trustee for over 12 investment offerings. It should be noted that the First Citizens group has provided trustee services to its clients for over 35 years. The Trustee performs all its functions and duties and exercises all its powers and discretions in relation to the Fund from their offices.

As stated above, the Trustee is the Custodian of the Fund which means that it is responsible for holding all Units and cash of the Fund and has responsibility for the issue and repurchase of Units during the Initial Period, the investment of the Fund assets and the distribution of Fund Income. As referred to above, the Trustee has delegated certain responsibilities to the Investment Manager, the Fund Administrator and the Distributor.

It is not the responsibility of the Trustee as the Custodian of the Fund to evaluate the merits of the Units offered and the Trustee expresses no opinion in this regard.

The fees payable to the Trustee are detailed below in the section entitled "Fees".

The Trust Deed provides that in carrying out its duties concerning the safekeeping of, and dealing with the assets of the Fund, the Trustee shall exercise:

- (i) the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Fund;
- (ii) the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances; and
- (iii) at least the same degree of care as it exercises with respect to its own property of a similar kind, if this is a higher degree of care than the degree of care referred to at sub-paragraph (ii).

Certain provisions of the Trust Deed, indemnify the Trustee and limit its liability. Details of these are contained later on in this Prospectus under the heading "Limitation on Liability and Indemnification of Trustee".

Subject to the Clause 22 of the Trust Deed a new Trustee must be appointed by the Class B Unitholder prior to the existing Trustee retiring. The new Trustee is appointed with an Ordinary Resolution of the Fund's Class A Unitholders and an Ordinary Resolution of the Class B Unitholder. If the Class B Unitholder is unable to find a replacement Trustee within 30 days of the Trustee giving notice of its intention to retire having used reasonable endeavours to do so, then the Trustee may retire 90 days' after written notice.

The Trustee cannot be removed except upon the appointment of a replacement trustee. It is subject to removal by an Ordinary Resolution of the Class A Unitholder and an Ordinary Resolution of the Class B Unitholder.

### Members of the Board of Directors for the Trustee

- ✦ Mr. Michael Quamina – Chairman, Non-executive
- ✦ Mr. Govind Maharaj – Non-executive
- ✦ Ms. Sharon Christopher
- ✦ Mr. Shiva Manraj

### Mutual Funds under Custodianship

Number of mutual funds under Custodianship	Total Assets under Management for Funds TT\$
12 Mutual Funds	4,928,790,000

### Summary of the Trustee's Financial Position

Item	September 30, 2007 TT\$	September 30, 2008 TT\$	September 30, 2009 TT\$
<b>Balance Sheet</b>			
Total Assets	30,600,735	36,479,487	55,709,668
Total Liabilities	4,545,097	1,881,268	9,263,221
Total Shareholder's Equity	26,055,638	34,598,219	46,446,447
<b>Income Statement</b>			
Total Income	13,569,093	15,439,617	19,386,762
Operating Expenses	137,673	4,326,973	2,966,866
Profit Before Taxation	13,431,420	11,112,644	16,419,896
Taxation	3,499,273	2,570,063	4,571,668
Profit after Taxation	9,932,147	8,542,581	11,848,228

## **2. The Investment Management Agreement**

The Investment Management Agreement is dated the 23rd November 2010 and is made between the Trustee (First Citizens Trustee Services Limited) and the Investment Manager (ANSA Merchant Bank Limited). It serves to appoint the Investment Manager as investment manager and adviser of the Fund and contains all of the rights and obligations of the Investment Manager.

### *Termination of Investment Management Agreement and appointment of new Investment Manager*

The Investment Manager may terminate the Investment Management Agreement at any time by giving to the Trustee and the Unitholders 90 days' written notice.

The Trustee may terminate the Investment Management Agreement by giving the Investment Manager and the Unitholders written notice if the Investment Manager is guilty of any gross default or misconduct, has a receiver appointed over its assets or becomes insolvent.

The Unitholders may terminate the Investment Management Agreement by removing the Investment Manager by passing an Ordinary Resolution (as defined in the Trust Deed) to this effect at a meeting of Class A Unitholders and with the Ordinary Resolution of the Class B Unitholder.

A new Investment Manager may be appointed by the Trustee with the sanction of an Ordinary Resolution of the Class A Unitholders and with an Ordinary Resolution of the Class B Unitholder. No such sanction is necessary for the appointment of an Investment Manager which is an affiliate of the outgoing Investment Manager.

A copy of the Investment Management Agreement is available for inspection at all times during usual business hours at the offices of the Investment Manager.

### *The Investment Manager*

The Investment Manager is ANSA Merchant Bank Limited, a corporation, which is licensed under the Financial Institutions Act, 2008 to offer Financial Services. As detailed above, ANSA Merchant Bank Limited has been involved in managing institutional and individual portfolios valued in excess of \$4 billion.

As referred to above, the Investment Manager is entrusted with managing the investment of the assets of the Fund and for providing investment advice to the Trustee. The Investment Manager is prohibited from making any investments, which are not compliant with the investment objectives and policies of the Fund and must comply with the investment strategy and restrictions contained in this Prospectus, the Trust Deed and the Investment Management Agreement.

The fees payable to the Investment Manager are detailed in the section entitled “Fees”.

The investment management duties of the Investment Manager include buying and selling securities on behalf of the Fund, determining the proportion of the assets of the Fund which are held in debt securities, making investment decisions on the Fund’s behalf and placing purchase and sale orders for the portfolio of securities and contracts. The investment advisory duties of the Investment Manager include advising or directing the Trustee on the application of the assets of the Fund in the acquisition of investments and making recommendations to the Trustee on the selection of securities for purchase and sale.

The Trustee must act on the advice of the Investment Manager in relation to the investment of Fund assets and must obtain the Investment Manager’s approval for all investments of Fund assets.

The Investment Management Agreement provides that the Investment Manager will:

1. exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Fund; and
2. exercise the degree of care diligence and skill that a reasonably prudent person would exercise in the circumstances; and
3. comply with the investment objective and strategy contained in the Prospectus and any restrictions contained therein and generally with the provisions of the Investment Management Agreement, the Trust Deed and the Prospectus.

It also provides that the Investment Manager will be liable for any losses to the Fund arising from its failure to discharge its responsibilities in accordance with the above.

#### **Investment Committee Members**

Ray A Sumairsingh (Chairman) – MBA, ACIB (25 years experience)

Chip Sa Gomes – BSc., MBA, CFA (15 years experience)

Varun Maharaj – B.Comm ( Hons.), M.Sc (Finance), C.P.A, C.V.A, C.A  
(18 years experience)

Nigel Edwards – ACCA, M.Sc. (Fin) (13 years experience)

### **3. The Administration Agreement**

The Administration Agreement is dated the 23rd November 2010 and is made between the Trustee (First Citizens Trustee Services Limited) and the Fund Administrator (ANSA Merchant Bank Limited). It serves to appoint the Fund Administrator as administrator of the Fund and contains all of the Fund Administrator's rights and obligations in relation to the Fund.

#### **Termination of Fund Administration Agreement and appointment of new Fund Administrator**

The Fund Administrator may terminate the Fund Administration Agreement at any time by giving to the Trustee and the Unitholders 90 days' written notice.

The Trustee may terminate the Fund Administration Agreement by giving the Fund Administrator and the Unitholders written notice if the Fund Administrator is guilty of any gross default or misconduct, has a receiver appointed over its assets or becomes insolvent.

The Unitholders may terminate the Agreement by removing the Fund Administrator by passing an Ordinary Resolution to this effect at a meeting of Class A Unitholders and with an Ordinary Resolution of the Class B Unitholder.

A new Fund Administrator may be appointed by the Trustee with the sanction of an Ordinary Resolution of the Class A Unitholders and with an Ordinary Resolution of the Class B Unitholder. No such sanction is necessary for the appointment of a Fund Administrator which is an affiliate of the outgoing Fund Administrator.

A copy of the Administration Agreement is available for inspection at all times during usual business hours at the offices of the Investment Manager.

#### **The Fund Administrator**

The Fund Administrator is ANSA Merchant Bank Limited, a corporation, which is licensed under the Financial Institutions Act, 2008.

The Fund Administrator will provide all administrative services to the Fund, including maintaining the Register of Units and Unitholders, maintaining the corporate and financial books and records of the Fund, preparing the financial statements of the Fund and calculating the Net Asset Value of the Fund and the Net Asset Value per Unit (see "Determination of the Net Asset Value per Unit" below).

The fees payable to the Fund Administrator are detailed in the section entitled "Fees".

The Administration Agreement provides that the Fund Administrator will:

1. exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Fund; and
2. exercise the degree of care diligence and skill that a reasonably prudent person would exercise in the circumstances.

It also provides that the Fund Administrator will be liable for any losses to the Fund arising from its failure to discharge its responsibilities in accordance with the above.

#### **4. The Distribution Agreement**

The Distribution Agreement is dated the 23rd November 2010 and is made between the Trustee (First Citizens Trustee Services Limited) and the Distributor (ANSA Merchant Bank Limited). It serves to appoint the Distributor as marketer and distributor of the Fund and contains all of the Distributor's rights and obligations in relation to the Fund.

##### Termination of Distribution Agreement and appointment of new Distributor

The Distributor may terminate the Distribution Agreement at any time by giving to the Trustee and the Unitholders 90 days' written notice.

The Trustee may terminate the Distribution Agreement by giving the Distributor and the Unitholders written notice if the Distributor is guilty of any gross default or misconduct, has a receiver appointed over its assets or becomes insolvent, or has obtained the sanction of an Ordinary Resolution of the Class A Unitholders and an Ordinary Resolution of the Class B Unitholder of the Fund for such termination.

The Trustee may, subject to an Ordinary Resolution of the Class B Unitholder, appoint a new Distributor.

A copy of the Distribution Agreement is available for inspection at all times during usual business hours at the offices of the Investment Manager.

##### The Distributor

The Distributor is ANSA Merchant Bank Limited, a corporation, which is licensed under the Financial Institutions Act, 2008.

The Distributor is responsible for the marketing, distribution, placement and sale of the Units of the Fund to potential investors. The Distributor also has the right to grant sub-distributorships as it sees fit. The Distributor is also responsible for providing the following to each interested:

- (i) a copy of the Prospectus (free of charge);
- (ii) the most recent audited statement of the net assets of the Fund;
- (iii) an opportunity to ask questions of, and receive answers from, the authorised representatives of the Distributor concerning the placement of Units.

The Distributor will also make copies of all material organisation documents of the Fund (including the Trust Deed, the Investment Management Agreement, the Administration Agreement and the Distribution Agreement) available for inspection by prospective investors and Unitholders free of charge during normal business hours at the offices where it offers the Units for sale.

The fees payable to the Distributor are detailed in the section entitled “Fees”.

## **MODIFICATION OF TERMS OF TRUST DEED**

The Trustee is not entitled to any of the following modifications to the Fund without first obtaining the necessary approvals under the Trust Deed:

- a) A change in the Investment Objective without an Ordinary Resolution of the Class A Unitholders and an Ordinary Resolution of the Class B Unitholder;
- b) A change in the Auditors without an Ordinary Resolution of the Class A Unitholders and an Ordinary Resolution of the Class B Unitholder;
- c) A change in the methodology used to calculate the Net Asset Value per Unit of the Fund without the approval of the Investment Manager and an Ordinary Resolution of the Class A Unitholders and an Ordinary Resolution of the Class B Unitholder;
- d) Increase the fees or expenses charged to the Fund, including, but not limited to, an increase in fees payable to the Trustee, Investment Manager, Fund Administrator or Distributor without an Ordinary Resolution of the Class A Unitholders and an Ordinary Resolution of the Class B Unitholder;
- e) Change the name of the Fund without an Ordinary Resolution of the Class B Unitholder;
- f) Change the jurisdiction in which the Fund is situated without an Ordinary Resolution of the Class A Unitholders and an Ordinary Resolution of the Class B Unitholder;
- g) Change to the Investment Manager, without the approval of the Class B Unitholder and the Class A Unitholders, unless the successor Investment Manager is an affiliate of the out-going Investment Manager.



## SEGREGATION OF CASH

The Investment Management Agreement, the Administration Agreement and the Distribution Agreement all provide that cash received by the Investment Manager, the Fund Administrator or the Distributor for the investment in, or on the redemption of, Units in the Fund, or on the distribution of the assets of the Fund as the case may be:

- a) shall be accounted for separately and be deposited in a trust account or trust accounts established and maintained in accordance with the requirements of the said Agreements; and
- b) may be commingled only with cash received by the Investment Manager, Fund Administrator or Distributor as the case may be for the sale, or on the redemption of, securities of this Fund.

## UNITHOLDERS RIGHT TO VOTE

The holders of Units in the Fund have the right to vote with respect to certain matters related to the Fund. Voting by Class A Unitholders takes place at meetings which may be convened annually by the Trustee or which may be called by the Trustee at the request of the Class B Unitholder or a Unitholder or Unitholders holding not less than 25% of the outstanding Units of the Fund. All expenses incurred by the Trustee in connection with the holding of meetings are charged against the assets of the Fund.

At Unitholder meetings, Unitholders are entitled inter alia, to:

- (i) require the removal of the Trustee and/or approve the appointment of a new Trustee under Clause 22 of the Trust Deed; and
- (ii) to sanction any modification, alteration or addition to the provisions of the Trust Deed which is proposed by the Trustee and the Sponsor under Clause 31 of the Trust Deed unless the Trustee and the Sponsor certify in writing that they are of the opinion that (a) the modification does not materially prejudice the interests of the Unitholders, does not operate to release the Trustee from any material obligation to the Unitholders and does not materially increase the amount of expenses chargeable on the assets of the Fund; or (b) is necessary in order to make possible compliance with any fiscal, statutory or official requirement; or (c) is made to correct a manifest error.

Unitholders may attend and vote in person or may vote by proxy. A proxy need not be a Unitholder. The instrument of proxy may be in any usual or common form or in any other form, which the Trustee approves and must be in writing under the hand of the appointer or his attorney or if the appointer is a corporation, either under the common seal or under the hand of an officer or attorney so authorised.

## PURCHASE OF UNITS AND DISTRIBUTIONS

### Subscription for Units

Units in the Fund will initially be offered at \$100.00 per Unit during the Investment Period (being the period from the date of execution of the Trust Deed to 23rd November, 2010 or such later date as the Trustee in its sole discretion may determine (the "Closing Date") and thereafter Units may be offered for sale at the Net Asset Value per Class A Unit calculated on the business day prior to the date of the purchase. Subject to the Trustee determining otherwise, the minimum initial investment in Units by an investor will be \$3,000.00 and thereafter, the minimum amount of an additional investment by a Unitholder in Units, will be \$500.00 save and except in the instances of the re-investment of any distributions payable. Completed Application Forms must be received by the Trustee (or its duly authorised agent) by no later than 11 a.m. on the date of purchase of the units.

### Change of Information on Application Forms

If any of the information of a Unitholder contained in his Application Form, including his name or address, is changed, it is the Unitholder's responsibility to inform the Fund Administrator of this in writing as soon as the change occurs.

### Payment for Units

Units will only be issued for immediately cleared funds in the lawful currency of the United States of America, which must be received with the relevant Application Form.

### Rejection of Application to purchase Units

The Trustee may in its discretion reject any application to purchase Units. Such decision must however be made within one day after receipt of the application. If an application is rejected, all money received with the application will be returned immediately.

Due to the lack of an active primary and secondary market for debt securities in Trinidad and the wider Caribbean, and in order to protect existing Unitholders, the Fund reserves the right to restrict new investment into the Fund until such time as new potential investments become available or existing Unitholders redeem their shares. In such cases, during the Initial Period, the Fund will accept subscriptions from potential investors on a "1st come/1st served" basis, in the exact order in which they are received. *During this period the investment manager will have the right to convert all mandates for reinvestment of distributions to that of payout.*

There is provision for fractional Units.

## **Income and Distributions**

The Trustee will make distributions out of the net income of the Fund. The net income received by the Fund is the total income generated from the Fund's portfolio attributed to the Units less fees and expenses (equation 1).

### **Equation 1: Net Income = Total Income – Total Expenses**

Total Income - is equal to the sum of interest, dividends and any net gains / (losses) on the disposal of investments.

Total Expenses - is equal to the sum of management fees, administrative expenses and audit fees.

### **Equation 2: Actual Return = $\frac{\text{Total Distribution}}{\text{Unit Price}}$**

Total Distribution- is the sum of the daily income awarded to Unitholders.

Unit Price- \$100.00

Distribution will be calculated and accrued to Units daily and distributed to Unitholders quarterly. Units will accrue entitlement to distributions as long as they are issued and not redeemed. Calculation of distributions will be up to but not include a Redemption Date.

Please note that the Fund may be converted into a closed end fund as of any Accounting Date.

Unless a Unitholder indicates on his Application Form when he purchases his Units, his preference for the handling of distributions payable to him, the Fund will automatically reinvest all distributions in additional Units in the Fund during the Initial Period. In the situation where the Fund is in a Quiet Period the Investment Manager will have the right to convert the reinvestment of distributions to that of payout. During a Quiet Period and after conversion of the Fund to a closed end fund, distributions may not be re-invested and shall be made to the Unitholders in accordance with the Trust Deed.

If a Unitholder elects to receive distributions by cheque and the cheque is returned as undeliverable, or if the cheque is not cashed within 6 months of its date, the distribution, and [all subsequent distributions], will be reinvested in additional Units in the Fund during the Initial Period.

If a Unitholder wishes to change the way his distributions are handled, he must notify the Fund Administrator of this in writing.

## **Statement of Units held**

No certificates will be issued in respect of Units registered in the holder's name and the Unit Register kept by the Fund Administrator, as registrar of the Fund will be conclusive evidence of the persons entitled to the Units entered therein.

Quarterly statements will be sent to Unitholders stating: the number of Units held at the beginning of the period to which the statement relates, interest accrued during the period, details of any transactions (purchases, redemptions or transfers), information on distributions made (cash or Units), number of Units held as at end of period, Net Asset Value per Unit and the value of Units held.

#### **Valuation & Calculation of Performance Data:**

The Trustee will make distribution out of the net income of the Fund. The net income received by the Fund is the total income generated from the Fund's portfolio attributed to the Units less fees and expenses.

**Equation 1:**  $\text{Net Income} = \text{Total Income} - \text{Total Expenses}$

Total Income is equal to the sum of interest, dividends and any net gains/ losses on the disposal of the investments.

Total Expenses is equal to the sum of management fees, administrative expenses and audit fees.

**Equation 2:**  $\text{Actual Return} = \text{Total Distribution} / \text{Unit Price}$

Total Distribution – is the sum of the daily income awarded to Unit holders.

Distribution will be calculated and accrued to Units daily and distributed to unit holders quarterly. Units will accrue entitlement to distribution as long as they are issued and not redeemed. Calculation of distributions will be up to but not include the redemption date. Please note that the Fund may be converted into a closed end fund as of any Accounting Date and distributions will be paid to Unit holders.

Information as to the Performance Date of the Fund will be distributed to Unitholders quarterly and be published at the same time as such distribution in one daily newspaper.

#### **Determination of Net Asset Value per Unit**

After expiration of the Investment Period and during the Initial Period, the subscription price of each Unit will be the Net Asset Value per Unit. It is the objective of the Fund to maintain a price of \$100 per Unit. The assets of the Fund are valued at the close of business on [each business day] in order to determine the Net Asset Value of the Fund (being the value of the Fund's total assets minus its total liabilities including provision for accrued fees and expenses and dividends declared but not paid). The Net Asset Value per Unit will be calculated on each business day or such other day or days as the Trustee may determine by dividing the Net Asset Value of the Fund by the total number of Units outstanding on a relevant Valuation Date. The Net Asset Value per

Unit as at the end of each quarter will be published quarterly. The Net Asset Value per Unit calculated as at any other Valuation Date will be available to any Unitholder upon request.

The Trustee may suspend the determination of Net Asset Value and, accordingly, the issue and repurchase of Units in the Fund during:

- (a) any period in which there is a suspension of trading of the Investments or other property or a substantial part thereof, of the Fund; and
- (b) while circumstances exist as a result of which in the opinion of the Trustee on the advice of the Investment Manager it is not reasonably practicable to realise any Investments or other property or a substantial part thereof, held or contracted for the account of the Fund or to determine fairly the Net Asset Value of the Fund; and
- (c) during any other period permitted by order of the Securities and Exchange Commission or the Stock Exchange for protection of investors.

### **Valuation of the Fund**

Equities, bonds and other debt obligations, which are listed on a stock exchange or traded on an over-the-counter market, shall be valued at the last available sale price or the average of the last bid and offer prices. Unlisted equities, bonds and other debt obligations will be valued based on prices provided by an accepted pricing service to reflect fair market value. Assets not priced in these ways may be valued at cost. All other assets, which have no quoted market price, shall be valued on the basis of such price quotation as the Investment Manager determines best reflects their fair value.

### **Redemption**

During the Initial Period redemption of Units will be executed on each Business Day. To execute Redemption of Units, Unitholders must submit Redemption Forms, which must be received by the Trustee (or its duly authorised agent) by no later than 11 a.m. on the relevant Redemption Date. The Redemption Price will be the Net Asset Value per Unit on the Valuation Date immediately preceding the Redemption Date in respect of which such price is being calculated. Units having an aggregate Redemption Price of up to \$150,000.00 will be redeemed at the Redemption Price less any stamp duty or taxation leviable thereon on the relevant Redemption Date.

Remittance of Redemption Proceeds will be executed on the relevant Redemption Date. Redemptions having an aggregate Redemption Price in excess of \$150,000.00 or one percent or more of the Net Asset Value of the Fund (whichever is less) may be redeemed within five (5) Business Days after submission of the relevant Redemption Form to the Trustee. In the event that the Unitholders holdings in the Fund during the Initial Period falls below the minimum requirement

of \$3,000.00, the Trustee has the discretion to redeem the Units and to remit the balance to the Unitholder in accordance with Clause 8(D) of the Trust Deed.

The Redemption of Units may be suspended in the circumstances detailed in the section above entitled "Determination of Net Asset Value per Unit".

Unitholders who have submitted Redemption Forms will be notified of any such suspension as soon as may be practicable after such suspension and those who have not withdrawn their Redemption Forms during the period of such suspension will be promptly notified upon termination of such suspension.

The executor or administrators of the estate of a deceased Unitholder who was a sole Unitholder or was the sole survivor of joint Unitholders shall be the only Persons recognised by the Trustee as being entitled to the Units represented thereby **PROVIDED ALWAYS** that without further enquiry the Trustee may rely on documents which in its sole discretion appear to validly appoint such executors or administrators.

### **Mandatory Redemption**

If it shall come to the attention of the Trustee that Units are held by any person who is determined by the Trustee to be an inappropriate person to hold Units, as detailed in the Trust Deed, or that Units were acquired or are held by any person in breach of the laws or requirements of any country or governmental authority, then the Trustee shall utilise procedures contained in the Trust Deed Clause 8(E) to compulsorily redeem such Units.

### **Restrictions on Transfers**

Units may be transferred only to persons who are not prohibited from holding Units under the terms of the Trust Deed. The transferee will be required to represent to the Trustee's satisfaction that it is acquiring the Units for investment on its own account and that it is not disqualified from holding Units pursuant to the terms of the Trust Deed. A transfer of Units must be by way of Transfer Form and no such transfer will be effective and binding on the Trustee until entered in the Register.

Subject to a resultant holding of Units by the transferee after the proposed transfer, of which the current value shall be not less than \$3,000.00, no Transfer Form shall relate to Units of a then current aggregate value of less than \$3,000.00 unless such Transfer Form relates to all Units registered in the name of the transferor.

In the event that the number of Units held by the transferor after the proposed transfer falls below the minimum requirement of \$3,000.00 the trustee has the discretion to redeem the remaining Units held by the transferor in accordance with Clause 6(E) of the Trust Deed.

## LIMITATIONS ON LIABILITY AND INDEMNITY

### The Trustee

The Trust Deed limits the liability of the Trustee in certain respects. It provides *inter alia*, that subject to the Trustee's obligations under Clause 18(a) of the Trust Deed (see the section above entitled '*The Trustee*')

- (i) The Trustee shall not be liable for any loss occasioned by acting in good faith in reliance on advice or information obtained from the Investment Manager or from any bankers, accountants, property advisors, brokers, lawyers, agents or other persons acting as agents or advisors of either the Trustee or the Investment Manager;
- (ii) The Trustee shall not be responsible for any misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of the Investment Manager or of any such banker, accountant, broker, lawyer, agent or other person as aforesaid of the Trustee or the Investment Manager;
- (iii) When the Trustee is required by the provisions of the Trust Deed to act in consultation with the Investment Manager or the Fund Administrator, the Trustee shall not incur liability for any loss arising from any action so taken;
- (iv) Neither the Trustee nor any person appointed by the Trustee to calculate the Net Asset Value and the Net Asset Value per Unit, shall be responsible for, or under any duty to perform, any investigation as to the completeness, accuracy or sufficiency of any information provided to them by any pricing service in accordance with the Trust Deed and neither of them shall be responsible to any Unitholder or any person whatsoever as a result of reliance upon such information and pricing services.

The Trust Deed also indemnifies the Trustee, *inter alia* as follows:

- (i) The Trustee, its directors, officers, servants and agents shall be indemnified out of the assets of the Fund against any actions, costs, claims, damages, expenses, demands or other liability incurred by them in connection with the proper exercise or performance of their powers and duties under the Trust Deed;
- (ii) Subject as provided in the Trust Deed, the Trustee is entitled for the purpose of indemnity against action, costs, claims, damages, expenses or demands to which it may be put as trustee to have recourse to the assets of the Fund or any part thereof.



### **The Investment Manager**

The Investment Management Agreement limits the liability of the Trustee in certain respects. It provides as follows:

- (i) The Investment Manager shall not incur any liability in respect of any action taken or thing suffered by it in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganisation or other document of title, or other paper or document reasonably believed to be genuine and reasonably believed to have been passed, sealed or signed by the proper parties;
- (ii) The Investment Manager shall not be liable for any loss occasioned by acting in good faith in reliance on advice or information obtained from any bankers, accountants, property advisors, brokers, lawyers, agents or other persons acting as agents or advisors of either the Trustee or the Investment Manager;
- (iii) The Investment Manager shall not be responsible to any Unitholder or any person whatsoever as a result of its reliance upon any pricing information provided to it, the Trustee or the Fund Administrator by any person in accordance with the Trust Deed.

The Investment Management Agreement also indemnifies the Investment Manager *inter alia* as follows:

- (i) The Investment Manager, its directors, offices, servants and agents shall be indemnified out of the assets of the Fund against any actions, costs, claims, damages, expenses, demands or other liability incurred by them in connection with the proper exercise or performance of their powers and duties under the Investment Management Agreement;
- (ii) Subject as provided in the Investment Management Agreement, the Investment Manager shall be entitled for the purpose of indemnity against actions, costs, claims, damages, expenses or demands to which it may be put as investment manager, to have recourse to the assets of the Fund or any part thereof.

### **The Fund Administrator**

The Administration Agreement limits the liability of the Fund Administrator in certain respects. It provides as follows:

- (i) The Fund Administrator shall not be responsible for determining the authenticity of any signature on or any seal affixed to any Transfer Form, Application Form, Redemption Form, notice of change of information or other document affecting the



- title to or transmission of Units; or to be in any way liable for any forged or unauthorised signature on or seal affixed to such form; or other document or for acting on or giving effect to any such forged or unauthorised signature or seal;
- (ii) The Fund Administrator shall not be liable for any loss occasioned by acting in good faith in reliance on advice or information obtained from any bankers, accountants, property advisors, brokers, lawyers, agents or other persons acting as agents or advisors of either the Trustee or the Fund Administrator.
  - (iii) Neither the Fund Administrator nor any person appointed by the Fund Administrator to calculate the Net Asset Value and the Net Asset Value per Unit, shall be responsible for, or under any duty to perform, any investigation as to the completeness, accuracy or sufficiency of any information provided to them by any pricing service in accordance with the Trust Deed or the Administration Agreement and neither of them shall be responsible to any Unitholder or any person whatsoever as a result of reliance upon such information and pricing services.

The Administration Agreement also indemnifies the Fund Administrator inter alia that the Fund Administrator, its directors, offices, servants and agents shall be indemnified out of the assets of the Fund against any actions, costs, claims, damages, expenses, demands or other liability incurred by them in connection with the proper exercise or performance of their powers and duties under the Administration Agreement;

## **UNITHOLDER LIABILITY**

The Trust Deed disclaims Unitholder liability for acts or obligations of the Fund and the Trustee and provides for indemnification out of the Fund's property for all loss and expense of any Unitholder held personally liable for the obligations of the Fund.

## **NOTICES**

Changes to the Fund whether requiring the approval of unitholders or not will be published on the ANSA Merchant Bank Limited web site [www.ansabank.com](http://www.ansabank.com), in a daily newspaper and by notice posted to the Unitholder at the address last advised to the Trustee.

## **TERMINATION OF THE FUND**

The Fund shall continue until terminated by one of the following ways:

- a) The Fund will be terminated automatically if either:
  - (i) all of the Units comprising the Fund are redeemed; or

- (ii) the Trustee retires and no new trustee is appointed; or
  - (iii) the Investment Manager resigns or is removed and no new Investment Manager is appointed within 90 days of the resignation or removal; or
  - (iv) the Perpetuity Period expires. The Perpetuity Period will expire at the end of the period of 21 years from the date of the death of the last survivor of all the descendants, male and female, of Her Majesty Queen Elizabeth II living on the date of execution of the Trust Deed.
- b) The Fund may also be terminated at any time by the Ordinary Resolution of the Class A Unitholders and the Ordinary Resolution of the Class B Unitholder.
- c) The Fund may also be terminated by the Class B Unitholder at any time on 6 months' notice to the Trustee and the Unitholders if:
- (i) in the judgment of the Class B Unitholder the remaining investment opportunities of the Fund will not be sufficient to achieve the Investment Objective; or
  - (ii) prior to the conversion of the Fund to a closed end fund, 50% or more of the Units of the Fund are redeemed by Unitholders within the one-month period prior to the termination notice; or
  - (iii) if ANSA Merchant Bank Limited is removed by the Trustee or the Unitholders as the Investment Manager or the Fund Administrator; or
  - (iv) if the Investment Manager or the Fund Administrator resign without a new Investment Manager or Fund Administrator being appointed in their place.

Subject to certain conditions set out in the Trust Deed, in order to effect such termination the Trustee with the advice of the Investment Manager will liquidate the assets of the Fund. After payment of all debts and liabilities of the Fund and all fees and expenses of the Trust, the Trustee shall calculate the Net Asset Value of the Class A Units and distribute same, to the extent not distributed prior thereto, on the thirtieth Business Day following termination of the Fund pro rata to the Unitholders of record on the date of termination of the Fund. If there is no Trustee at the time of such termination, the above obligations will be carried out by the Sponsor.

## **TAX CONSIDERATIONS**

With respect to interest and dividends which are derived locally no income tax is payable by residents of Trinidad and Tobago. However, withholding tax is payable by non-residents at the rate of 20% on interest and 15% on

dividends. These rates may be reduced where there is in force a double taxation treaty between Trinidad and Tobago and the Unitholder's country of residence. Prospective purchasers of Units should consult their own tax advisers as to the taxes applicable to the acquisition, income on, or disposition of Units under the laws of the countries of their respective citizenship, residence or domicile.

## **INSPECTION OF FINANCIAL STATEMENTS**

The Fund's annual financial statements will be made up to 31st December in each year beginning in 2010. In the case that the Fund is launched in the fourth quarter of 2010 the Trustee shall seek the consent of the Commission for the submission of unaudited statements for 2010 and audited statements thereafter. Annual audited financial statements of the Fund will be published in the newspapers.

The Trustee shall publish or shall cause to be published in one or more daily newspapers in Trinidad and Tobago and such other newspapers and publications as the Trustee may determine, within 60 days of the end of each quarter of its financial year, interim financial statements.

Copies of the Annual Report of the Sponsor may be inspected at the registered office of the Trustee and of the Sponsor and/or at such other offices as the Trustee may from time to time determine and notify to Unitholders and prospective Unitholders.

## **FEES**

### **Trustee**

The Trustee shall be paid from the assets of the Fund an annual fee which shall not exceed an annual rate of 0.15% on the Average Net Asset Value of the Fund, subject to a minimum annual fee of \$12,000.00 exclusive of VAT. Such fee shall, in respect of the year in which the Fund is terminated, be pro rated on the basis of the number of days remaining in such year from and including the termination date of the Fund and the number of days in the relevant year. The fees payable to the Trustee may be changed with the affirmative vote of a majority of the Fund's outstanding Units.

### **Investment Manager**

The Investment Manager shall be paid from the assets of the Fund a quarterly fee, calculated on the basis of the average Net Asset Value in that quarter pro rated where necessary on the basis of number of days remaining or elapsed in the quarter, according to an annual rate not to exceed 2.50% on the average Net Asset Value of the Fund. The Investment Manager will be reimbursed all reasonable out-of-pocket expenses incurred in the performance of its duties as Investment Manager. The fees payable to the Investment Manager may be increased with the affirmative vote of a majority of the Fund's outstanding Units.

### **Fund Administrator**

The Fund Administrator shall be paid out of the assets of the Fund, a quarterly fee, calculated on the basis of the average Net Asset Value in that quarter, prorated where necessary on the basis of the number of days remaining or elapsed in the quarter, according to an annual rate not to exceed 1.00% on the average Net Asset Value of the Fund. The Fund Administrator will also be reimbursed all reasonable out-of-pocket expenses incurred by it in the performance of the Fund Administrator's duties. The fees payable to the Fund Administrator may be increased with the Ordinary Resolution of the Class A Unitholders and with the Ordinary Resolution of the Class B Unitholder.

### **Distributor**

The Distributor shall be paid out of the assets of the Fund a quarterly fee, calculated on the basis of the average Net Asset Value of the Fund in that quarter, prorated where necessary on the basis of the number of days remaining or elapsed in the quarter according to an annual rate not to exceed 0.75 % on the average Net Asset Value of the Fund. The Distributor will also be reimbursed all reasonable out-of-pocket expenses incurred by it in the performance of the Fund Administrator's duties. The fees payable to the Distributor may be increased with the affirmative vote of a majority of the Fund's outstanding Units.

The Appendix hereto sets out a schedule of fees payable.

### **EXPENSES**

All fees and expenses charged directly or indirectly to the Fund must be for amounts reasonably incurred in connection with the administration and management of the Fund. In addition, none of the fees and expenses of the formation or initial organisation of the Fund or the preparation and filing of this initial Prospectus will be charged directly or indirectly to the Fund or the Unitholders.

Subject to the preceding paragraph, the following is a summary of the expenses that may be charged to the assets of the Fund. The Trust Deed contains at clause 18, a detailed list of all of the expenses, which may be charged to the Fund: -

- a) all stamp and other duties, taxes, governmental charges, brokerages, placement fees, commissions, bank charges, transfer fees and expenses and all other such administrative expenses incidental to the operation of the Fund;
- b) the fees and expenses of the Auditors;
- c) the wire transfer, bank draft charges and any other charge incurred in effecting payment of any distributions from the Fund;

- d) all legal charges and out-of-pocket expenses incurred by the Trustee wholly and exclusively in the performance of its duties including legal fees incurred in initiating and defending any action on behalf of the Fund;
- e) expenses incurred by the Trustee in offering the Units for subscription;
- f) the expense of preparing deeds supplemental to the deeds referred to in this Prospectus and of amending this Prospectus;
- g) the expense of holding meetings of Unitholders;
- h) all other miscellaneous costs, fees and expenses with respect to the Fund and its assets including the cost of preparing, printing and distributing statements, accounts and reports;
- i) the costs, fees and expenses of any agent or delegate of the Trustee including the Investment Manager, the Fund Administrator and the Distributor.

The Directors of ANSA Merchant Bank Limited confirm that, after having made all reasonable enquires, and to the best of their knowledge and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the Fund distributed by this Prospectus.

## APPENDIX

### Schedule of Fees

Party	Fee payable	Frequency
Trustee	Not to exceed the annual rate of 0.15% of the average Net Asset Value of the Fund subject to a minimum fee of <b>\$12,000.00</b> exclusive of VAT	quarterly
Investment Manager	Annual rate not to exceed of 2.50% of the average Net Asset Value of the Fund	quarterly
Fund Administrator	Annual rate not to exceed of 1.0% of the average Net Asset Value of the Fund	quarterly
Distributor	Annual rate not to exceed of 0.75% of the average Net Asset Value of the Fund	quarterly

## NOTES

## NOTES







Trust. Security. Confidence.

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