

Frequently Asked Questions Endowment Trust

1. What is an Endowment Trust?

An Endowment Trust is a long term financial structure established to preserve capital and generate sustainable income to fund a chosen cause or institution. The principal remains intact while income generated from investments is applied in line with the Trust Deed.

2. What is the main objective of the Endowment Trust?

The objective is to establish sustainable investment and fund management that supports the long term financial needs of families, institutions, communities and philanthropic initiatives while promoting continuity and inter generational impact.

3. How does the structure operate?

The settlor contributes an initial capital amount which is professionally invested. Income generated from these investments is disbursed periodically in accordance with the terms and objectives stated in the Trust Deed, while the principal is preserved.

4. Is the capital preserved?

Yes. The product is designed around continuous capital preservation. Only the income generated from investments is distributed.

5. What purposes can the trust support?

The trust may support education, healthcare, religious institutions, cultural preservation, community development, institutional support or other clearly defined philanthropic or social purposes as stated in the Trust Deed.

6. Who can establish an Endowment Trust?

High Net Worth Individuals and families, corporate organisations, communities, foundations, non profit organisations and schools are identified as the target market for this product.

7. Who manages the investments?

Funds are invested through licensed asset managers under the oversight of Coronation Trustees to ensure professional management and long term sustainability.

8. How is governance and transparency maintained?

The trust operates under independent trustee oversight. Clients receive periodic financial reports and statements. Audits and reporting mechanisms support transparency and accountability.

9. Is the trust designed to continue beyond the lifetime of the settlor?

Yes. The Endowment Trust is structured for perpetual continuity to ensure that the chosen cause continues to receive funding beyond the lifetime of the settlor.

10. What are the fees for establishing an Endowment Trust?

The set-up fee is ₦2,000,000 and the annual trustee fee is ₦1,000,000.

11. What documentation is required to establish the trust?

Clients must complete the required application form and provide valid identification, address verification, passport photographs where applicable, a risk classification form and full KYC documentation in line with regulatory standards.

12. What regulatory and compliance safeguards apply?

Full implementation of KYC procedures, verification of settlor and beneficiary identities, source of funds checks, transaction monitoring and compliance sign off are required before acceptance of contributions.

13. What operational controls support this product?

The product relies on defined standard operating procedures, maker checker controls, compliance reviews, financial reporting oversight and technology monitoring to ensure proper administration.

14. What risks are identified in the product paper?

Identified risks include regulatory and compliance risk, operational risk, financial risk, legal risk, technology risk and communication or awareness risk. Each risk has defined mitigants including due diligence procedures, documentation controls, legal drafting and cybersecurity safeguards.

15. How does this product benefit clients?

Clients benefit from long term financial sustainability for their chosen cause, preservation of capital, professional fund management, transparency, custom structuring and peace of mind that their objectives will continue beyond their lifetime.