

# TRUST DEED

## **ATLAS MONEY MARKET FUND** (Money Market Fund)

### **BY & BETWEEN:**

ATLAS ASSET MANAGEMENT LIMITED (AAML)

&

CENTRAL DEPOSITORY COMPANY OF PAKISTAN  
LIMITED (CDC)

## TABLE OF CONTENTS

1. NAME AND CATEGORY OF THE COLLECTIVE INVESTMENT SCHEME	3
2. PARTICIPATING PARTIES AND DEED OF TRUST	4
3. GOVERNING LAW	5
4. FOR THE TRUSTS	6
5. DEFINITIONS	6
6. STATEMENT OF THE INVESTMENT OBJECTIVE & INVESTMENT POLICY OF THE OPEN END SCHEME	11
8. ROLE & OBLIGATIONS OF MANAGEMENT COMPANY	13
9. CHANGE OF MANAGEMENT COMPANY	16
10. ROLE AND OBLIGATIONS OF TRUSTEE	17
11. CHANGE OF TRUSTEE	19
12. BANK ACCOUNTS	20
13. DEPOSITED PROPERTY	21
14. INVESTMENT RESTRICTIONS	22
15. BORROWING RESTRICTIONS	23
16. VOTING RIGHTS ON DEPOSITED PROPERTY	24
17. VALUATION OF PROPERTY AND PRICING	24
18. UNITS	26
19. DEALING, SUSPENSION, AND DEFERRAL OF DEALING	28
20. ISSUANCE OF UNIT CERTIFICATES	31
21. REPLACEMENT OF CERTIFICATES	32
22. TRANSFER OF UNITS	32
23. PLEDGE/ LIEN OF UNITS	33
24. FEES AND CHARGES	34
25. TRANSACTIONS WITH CONNECTED PERSON	36
26. DISTRIBUTION POLICY AND DATE	36
27. ANNUAL ACCOUNTING PERIOD AND DATE	38
28. AUDIT	38
29. BASE CURRENCY	38
30. MODIFICATION OF THE TRUST DEED	38
31. REVOCATION AND LIQUIDATION OF TRUST	39
32. DISTRIBUTION ON REVOCATION OF TRUST	39
33. ADMINISTRATIVE PLANS	40
34. ARBITRATION	40
35. CONFIDENTIALITY	40
36. MISCELLANEOUS	40
ANNEXURE A	42
ANNEXURE B	43
ANNEXURE C	44
ANNEXURE D	45

**TRUST DEED**  
**Constituting**  
**ATLAS MONEY MARKET FUND (AMF)**  
**(Money Market Scheme)**

**MANAGED BY**  
ATLAS ASSET MANAGEMENT COMPANY LIMITED

**TRUSTEE**  
CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

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This Trust Deed is made and entered into at Karachi, on this \_\_\_\_ day of \_\_\_\_\_, 2009.

**1. NAME AND CATEGORY OF THE COLLECTIVE INVESTMENT SCHEME:**

**1.1 NAME OF THE FUND**

Atlas Money Market Fund

**1.2 CATEGORY OF THE FUND**

“Atlas Money Market Fund” is an open-end Money Market Fund.

## **2. PARTICIPATING PARTIES AND DEED OF TRUST:**

### **2.1 PARTICIPATING PARTIES**

- (1) **ATLAS ASSET MANAGEMENT LIMITED**, a company incorporated under the Companies Ordinance, 1984 with its registered office at Ground Floor, Federation House, Shabrae Firdousi, Clifton, Karachi 75600, Pakistan (hereinafter called the “Management Company” which expression where the context so permits shall include its successors in interest and assigns) of the one part; and
- (2) **CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED**, a public limited company incorporated in Pakistan under the Companies Ordinance, 1984, having its registered office at CDC House, 99-B, Block B, SMCHS, Main Shabrae-e-Faisal, Karachi and registered to act as a central depository under the Central Depository Companies (Establishment & Regulation) Rules, 1996 (hereinafter called the “Trustee” which expression where the context so permits shall include its successors in interest and assigns) of the other part.

### **WHEREAS:**

- A. The Management Company has been incorporated and licensed by the Securities and Exchange Commission of Pakistan (hereinafter referred to as the “SECP”) as an Asset Management Company pursuant to the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (hereinafter referred to as the “Rules”) for the purpose of undertaking asset management services (License No. NBFC-II/25/AAML/AMS/15 dated June 26, 2009 attached hereto as Annexure “A”).
- B. The Management Company has been authorized by the SECP vide its letter bearing reference No. NBFC-II/DD/AMMF/999/2009 dated November 06, 2009 attached herewith as Annexure “B” to constitute the Trust under the name and title of “Atlas Money Market Fund” (hereinafter referred to as “the Scheme” or “the Trust” or “the Unit Trust” or “the Fund”) and to register this Trust Deed (“the Deed”), pending authorization for the establishment, operation and registration as notified entity of the Scheme in accordance with the provisions of the Ordinance, Rules and Regulations and this Trust Deed;

- C. The Management Company has nominated and appointed Central Depository Company of Pakistan Limited as trustee of the Scheme and the Trustee has accepted such appointment upon the terms and conditions herein contained and the tariff structure for trusteeship as per Annexure “C” attached herewith;
- D. The SECP has also approved the appointment of the Trustee vide its letter bearing reference No. NBFC-II/DD/AMMF/998/2009 dated November 06, 2009 attached herewith as Annexure “D”;
- E. Unless the context requires otherwise, the defined terms, words and expressions shall have the meaning respectively assigned to them in Clause 5 hereof:

**NOW THIS DEED WITNESSETH AS FOLLOWS:**

It must be clearly understood that in giving this approval, the SECP does not take any responsibility for the financial soundness of Atlas Money Market Fund nor for the accuracy of any statement made or any opinion expressed in this Trust Deed.

**2.2 DECLARATION OF TRUST**

It is hereby declared unequivocally, that a Trust in the name and title of Atlas Money Market Fund is hereby created and the Trustee is hereby nominated, constituted and appointed as the Trustee of the Trust. The Management Company and the Trustee hereby agree to such appointment and further declare that:

- a) The Management Company shall establish, manage, operate and administer the Trust;
- b) The Deposited Property shall be invested/ disinvested from time to time by the Trustee at the direction of the Management Company strictly in terms of the provisions contained and the conditions stipulated in this Deed, the Offering Document, the Rules, the Regulations and the conditions, if any, that the Commission may impose from time to time;
- c) The Trustee and Management Company may retire in the manner stated in Clauses 9 and 11 of this Deed;
- d) The Trust shall be managed and operated strictly in terms of the provisions contained and stipulated in this Deed, the Offering Document, the Rules (as amended or replaced from time to time), the Regulations (as amended or replaced from time to time) and the conditions, if any that may be imposed by SECP from time to time.

In the event of any conflict between this Trust Deed and the provisions required to be contained in a trust deed by the Rules and Regulations, the latter shall supersede and prevail over the provisions contained in this Trust Deed

The Trust shall have minimum investment in compliance with the requirement of the Regulations and the Management Company shall invest or arrange the investment of the required minimum amount by the Core Investors out of which at least fifty (50) million rupees shall remain invested for a minimum period of two years; and

In case the Management Company intends to apply for relaxation to any Regulations then it must take specific written approval from SECP for such relaxation.

**3. GOVERNING LAW**

- 3.1 This Trust Deed shall be subject to and governed by the laws of Pakistan, including the Ordinance, Rules, Regulations and all applicable laws and regulations as amended or replaced from time to time and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed by the Rules and Regulations shall be deemed to have been incorporated in this Trust Deed and in the event of any conflict between this Trust Deed and the provisions required to be contained in a trust deed by the Rules and Regulations, the latter shall supersede and prevail over the provisions contained in this Trust Deed.

- 3.2 Subject to the Arbitration Clause 34 hereafter, applicable between the Management Company and the Trustee inter se, each party, including the Unit Holder(s), irrevocably submit to the exclusive jurisdiction of the Courts at Karachi.
- 3.3 The Investments made in offshore countries and the Bank Accounts and custodial services accounts that may be opened by the Trustee for the Fund in any offshore countries on the instructions of the Management Company shall also be subject to the laws of such countries.
- 3.4 The Fund shall also be subject to the regulations framed by the State Bank of Pakistan and the SECP with regard to the foreign investments made by the Fund or in the Fund.

#### **4. FOR THE TRUSTS**

- 4.1 Atlas Money Market Fund, an open-end Collective Investment Scheme, is hereby constituted as a trust under the Trusts Act, 1882. The Trustee is hereby nominated, constituted and appointed as the trustee of the Unit Trust herein created and the Trustee hereby accepts such appointment on the terms and conditions contained in this Deed. The Management Company and the Trustee declare that:
- 4.2 **Binding on Unit Holders:** The terms and conditions of this Deed and any deed supplemental hereto shall be binding on each Unit Holder, as if he had been a party to it and so to be bound by its provisions and each Unit Holder authorizes and requires the Trustee and the Management Company to do as required of them by the terms of this Deed, the Rules and the Regulations.
- 4.3 **Limited Liability:** A Unit Holder is not liable to make any further payments after he has paid the Purchase Price/Offer Price of his Units and no further liability can be imposed on Unit Holders in respect of Units they hold except those as covered under the Deed.
- 4.4 **Unit Holders Ranking Pari Passu:** The Trustee shall hold and stand possessed of the Deposited Property that may from time to time hereafter be vested in the Trustee upon trust as a single common fund for the benefit of the Unit Holders ranking pari passu inter se, according to the number of Units held by each Unit Holder.
- 4.5 **Trustee Reports to Unit Holders:** The Trustee shall issue its report(s) to be included in the annual and quarterly reports of the Fund to be sent to Unit Holders in accordance with the provisions of the Regulations as amended or substituted from time to time.
- 4.6 The Trustee shall be entitled to require the Auditors to provide such reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Regulation. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible.

#### **5. DEFINITIONS**

Unless the context requires otherwise the following words or expressions shall have the meaning respectively assigned to them viz.:

- 5.1 **“Accounting Date”** means the thirtieth day of June in each year and any interim date(s) at which the financial statements of the Trust are drawn up. However, the Management Company may, with the consent of the Trustee and after obtaining approval of the Commission and any other relevant authority change such date to any other date.
- 5.2 **“Accounting Period”** means a period ending on and including an Accounting Date (i.e., the thirtieth day of June in each year and any interim date(s) at which the financial statements of the Trust are drawn up) and commencing (in case of the first such period) on the date on which the Deposited Property is first paid or transferred to the Trustee and (in any other case) from the next day of the Accounting Period
- 5.3 **“Administrative Plans”** means, investment plans offered by the Management Company, where such plans allow investors a focused investment strategy in any one or a combination of the Unit Trust Schemes managed by the Management Company and for which a common Trustee is appointed.

- 5.4 **“Account Statement”** means statement of transactions in Units in the account of the Holder.
- 5.5 **“Annexure”** means the annexure to this Deed.
- 5.6 **“Auditor”** means a firm of chartered accountants that is appointed by the Management Company, with the consent of Trustee, as the auditor for the Fund, who shall be independent of the auditor of the Management Company and the auditor of the Trustee, as provided under the Regulations.
- 5.7 **“Authorized Branch”** means those branches of the Distributors whose addresses have been given in the Offering Document and updated from time to time on the website of Atlas Asset Management Limited, under intimation to the Trustee. It also includes the distribution centers established by the Management Company to perform the Distribution Function.
- 5.8 **“Authorized Investments”** means the Investment transacted, issued traded or listed inside or outside Pakistan allow under the Rules/ Regulations and SECP directive as amended or substituted from time to time and includes any of the following:
1. Government securities, cash and near cash instruments which include cash in bank accounts (excluding TDRs), treasury bills, money market placements, deposits, certificate of deposits (COD), certificate of musharakas (COM), TDRs, commercial papers, reverse repo;
  2. Subject to SECP or other regulatory approvals the Scheme may seek to invest in foreign securities issued, listed or otherwise and traded outside Pakistan on such terms, guidelines and directions as may be issued by SECP and the State Bank of Pakistan from time to time.
- 5.9 **“Back-end Load”** means the Load not exceeding 5% of the Net Asset Value, deducted from the Net Asset Value in determining the Redemption Price. The Back-end Load shall be disclosed in the Offering Document and the amount of Back end Load shall form part of Deposited Property.
- 5.10 **“Bank”** means a banking company licensed under the Banking Companies Ordinance, 1962 or any other regulation for the time being in force or an institution providing banking services under the banking law of Pakistan or if operating outside Pakistan, under the banking laws of the jurisdiction of its operation outside Pakistan.
- 5.11 **“Bank Accounts”** means those accounts in the name of the Trustee, the beneficial ownership of which rests with the Unit Holders.
- 5.12 **“Bonus Units”** means the Units issued instead of cash dividend, on distribution of the distributable income.
- 5.13 **“Broker”** means any person licensed by the Commission and engaged in the business of effecting transactions in securities for the account of others.
- 5.14 **“Business Day”** means a day, from Monday to Friday, on which Banks are open for business in Pakistan.
- 5.15 **“Collection Accounts”** mean such temporary account(s) with ‘AA’ rated Bank(s), being maintained by the Trustee, where the amounts received for investment through Administrative Plans are temporarily deposited prior to the amount being transferred to the respective Funds accounts in proportion to the Units being allocated in both and the accounts where the redemption proceeds from the funds are transferred prior to the payment of the redemption proceeds to the Unit Holders.
- 5.16 **“Certificate”** means the definitive certificate acknowledging the number of Units registered in the name of the Holder issued at the request of the Holder pursuant to the provisions of this Deed.
- 5.17 **“Companies Ordinance”** means the Companies Ordinance, 1984, as amended or substituted from time to time.

- 5.18 **“Commission” or “SECP”** means the Securities and Exchange Commission of Pakistan (SECP), established under section 3 of the Securities and Exchange Commission of Pakistan Act, 1997 and shall include its successor.
- 5.19 **“Connected Person”** shall have the same meaning as in the Rules/Regulations, as amended or substituted from time to time.
- 5.20 **“Constitutive Documents”** means this Trust Deed and the Offering Document which are the principal documents governing the formation, management or operation of the Trust and all other related material agreements.
- 5.21 **“Core Investors”** of the Fund shall be such investors, including the Management Company whose subscription shall in aggregate be in compliance of the requirements of the Regulations. The Core Investors shall be issued Core Units representing their subscription. Details of the Core Investors shall be included in the Offering Document that shall be issued for this Trust.
- 5.22 **“Core Units”** means such Units of the Trust that are issued to Core Investors with the condition that these Units are not redeemable for a period of two years from the date of issue. Such Units are transferable with this condition and shall rank pari passu with all other Units save for this restriction. Any transfer of the Core Units, during the first two years of their issue, shall be affected only on the receipt by the Transfer Agent of a written acceptance of this condition by the transferee.
- 5.23 **“Custodian”** means a banking company within the meaning of the Banking Companies Ordinance, 1962 (LVII of 1962), or a central depository company approved by the Commission, or any other depository eligible to act under the Rules that for the time being may be appointed by the Trustee with the approval of the Management Company to hold and protect the Deposited Property or any part thereof as Custodian on behalf of the Trustee. The Trustee may also itself provide custodial services for the Trust at competitive terms, as part of the normal line of its business.
- 5.24 **“Cut-Off Time”** means day time for dealing in Units of the Fund under intimation to the Trustee, Commission and the Unit Holders before which unit transactions shall be effectuated. The Details of Cut-off Time will be prescribed in Offering Document of the Fund and on the website of the Management Company.
- 5.25 **“Deed”** means this Trust Deed which is the principal Document governing the formation, management and operation of the Fund.
- 5.26 **“Deposited Property”** means the aggregate proceeds of the sale of all Units at Offer Price after deducting there from or providing there against any applicable Front end Load, Duties and Charges and includes the Investment and all income, profit and other benefits arising there from and all cash and other assets movable or immovable and property of every description for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holders pursuant to the Trust Deed but does not include any amount standing to the credit of the Distribution Account except any profit earned on the Distribution Account.
- 5.27 **“Distribution Account”** means the Bank Account with ‘AA’ rated Bank(s) which may be a current, saving or deposit account maintained by the Trustee with a scheduled commercial Bank having a minimum investment grade rating as per the criteria laid down by the credit rating agency approved by the SECP, approved by the Management Company in which the amount required for the distribution of income to the Holders shall be transferred and held till such time the entire amount of dividend is distributed to the Holders.
- 5.28 **“Distributor/ Distribution Company”** means an individual, company, firm or a Bank appointed by the Management Company under intimation to the Trustee for performing the Distribution Function and shall also include the Management Company, if it performs the Distribution Function.

5.29 **“Distribution Function”** means with regard to:

- (a) Receiving applications for issue of Units together with the aggregate Offer Price for Units applied for by the applicants;
- (b) Time stamping and forwarding of applications to the trustee within 24 hours of receipt
- (c) Issuing of receipts in respect of (a) above;
- (d) Issuing Units to the applicants in accordance with the terms of the Scheme.
- (e) Interfacing with and providing services to the Holders including receiving redemption applications, transfer applications, conversion notices and applications for change of address or issue of duplicate Certificates for immediate transmission, in accordance with the instructions given by the Management Company, to the Management Company or the Transfer Agent as appropriate; and
- (f) Accounting to the Management Company for all (i) payment instrument received from the applicants for issuance of Units; (ii) payment instrument delivered to the Holders on redemption of Units; and (iii) expenses incurred in relation to the Distribution Function.

The Distribution Function is the sole responsibility of the Management Company and any of its expense shall not be charged to the Deposited Property.

5.30 **“Duties and Charges”** means in relation to any particular transaction or dealing all stamp and other duties, taxes, Government charges, bank charges, transfer fees, registration fees and other duties and whether in connection with the constitution of the Deposited Property or the increase or decrease of the Deposited Property on the creation, issue, sale, transfer, redemption or purchase of Units or on the sale or purchase of Investments or in respect of the issue, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such Duties and Charges are payable but do not include the remuneration payable to the Distribution Company or any commission, charges or costs which may have been taken into account in ascertaining the Net Asset Value.

5.31 **“Financial Institution”** means a scheduled bank or development finance institution, an investment bank, and/or other financial institutions as defined under the Companies Ordinance, 1984.

5.32 **“Formation Cost”** means all preliminary and floatation expenses of the Trust including expenses in connection with registration of the Scheme, execution and registration of the Constitutive Document, issue, circulation and publication of the Offering Document, legal costs and all other expenses incurred during and up to the Initial Period. Provided, however that the Formation Cost will not exceed the amount to be specified by the Regulations and as mentioned in Clause 24.4 of this Deed.

5.33 **“Front-end Load”** means the charges not exceeding five percent (5%), if any, applicable to certain classes on units that is included in the Offer Price of the Units as per details in the Offering Document. In this Deed, wherever the word ‘Sales Load’ is used, it will be construed to mean the Front-end Load which is included in the Offer Price of Units.

5.34 **“Holder”** or **“Unit Holder”** means the investor for the time being entered in the Register as owner of a Unit, including investors jointly so registered pursuant to the provisions of this Deed.

5.35 **“Initial Period”** or **“Initial Offering Period”** means a period determined by the Management Company not exceeding ten (10) days during which Units will be offered at the Initial Price in terms of the Offering Document, inclusive of the offering to the Core Investors.

5.36 **“Initial Price”** means the price per Unit during the Initial Offering Period determined by the Management Company which shall be equal to Par Value including Front-End Load (if any)

- for certain classes of units or any other charges as may be disclosed in the Offering Document.
- 5.37 **“Investment”** means any Authorized Investment forming part of the Deposited Property.
- 5.38 **“Investment Facilitator/ Sales Agent”** means an individual, firm, corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Scheme as its agents. The Management Company may compensate the Investment Facilitators/ Sales Agents out of the Front-end Load collected by it in the Offer Price or from the Management Company’s own resources.
- 5.39 **“Minimum Investment Amount”** shall initially be Rupees Five Thousand (Rs 5,000/-) or as may be determined by the Management Company from time to time as mentioned in the Offering Document.
- 5.40 **“Net Assets”**, in relation to the Trust, means the excess of assets over liabilities of the Trust, such excess being computed in the manner specified under the Regulations
- 5.41 **“Net Asset Value”** or **“NAV”** means per Unit value of the Trust arrived at by dividing the Net Assets by the number of Units outstanding.
- 5.42 **“Offer Price”** means the sum to be paid to the Trustee for issuance of one Unit.
- 5.43 **“Offering Document”** means the prospectus, advertisement or other document (approved by SECP), which contains the investment and distribution policy and all other information in respect of the Unit Trust, as required by the Regulation and is circulated to invite offers by the public to invest in the Unit Trust and includes any other Supplementary Offering Document.
- 5.44 **“Par Value”** means the face value of a Unit that shall be Five Hundred Rupees (Rs. 500/-) or such other amount as may be determined by the Management Company with the approval of the Commission and under intimation to the Trustee.
- 5.45 **“Pre-IPO Investors”** of the Fund shall be such investors, other than Core Investors, whose subscription shall be received before Initial Public Offering of Units of the Fund.
- 5.46 **“Redemption Price”** means the amount to be paid to the relevant Holder of a Unit upon redemption of that Unit.
- 5.47 **“Register”** means the Register of the Holders kept pursuant to the Regulations and this Deed.
- 5.48 **“Registrar Functions”** means the functions with regard to:
- (a) Maintaining the Register;
  - (b) Receiving applications for redemption and transfer/transmission of Units directly from Holder or legal representatives or through Distributor;
  - (c) Processing requests for issue, redemption, transfer and transmission of Units and requests for recording of pledge or for recording of changes in information/ particulars/data with regard to the Holders;
  - (d) Issuing Account Statements to Holders;
  - (e) Issuing Certificates including Certificates in lieu of undistributed income to Holders;
  - (f) Dispatching income distribution warrants and allocating Units to Holders on reinvestment of dividends;
  - (g) Cancelling old Certificates on redemption or replacement;
  - (h) Maintaining records of lien/ pledge/ charge on units, transfer/switching of units, Zakat; and
  - (i) Keeping record of change of addresses/other particulars of the Holders.
- 5.49 **“Regulations”** means the Non-Banking Finance Companies and Notified Entities Regulations 2008 as amended or substituted from time to time.
- 5.50 **“Reporting Currency/ Base Currency”** means the currency used in pricing of units and presenting the financial statements of the Fund which shall be the Pakistani Rupee.

- 5.51 **“Rules”** means the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003, as amended or substituted from time to time.
- 5.52 **“Sales Load”** means the Front-end Load which is included in the Offer Price of Units, (Please refer to the definition of ‘Front-end Load’ above)
- 5.53 **“Stock Exchange”** means any stock exchange on which securities are generally traded and quoted and shall include stock exchanges registered and operating outside Pakistan.
- 5.54 **“Subscription Day”** means every Business Day on which any class of Unit is available for subscription provided that the Management Company may with the prior written consent of the Trustee and upon giving not less than seven (7) days notice in at least one newspaper, either English or Urdu circulating in Pakistan, declare any particular Business Day not to be a Subscription Day. Such notice shall be deemed to be duly served on the Holder.
- 5.55 **“Supplementary Offering Document”** means a document issued by the Management Company, in consultation with, and with the consent of, the Trustee after seeking approval of the Commission, describing amendments in the Offering Document.
- 5.56 **“Supplementary Trust Deed”** means a supplemental deed executed between the Management Company, and the Trustee, with the consent of the Trustee and the approval of SECP describing any amendments made to the Trust Deed.
- 5.57 **“Transaction Costs”** means the costs incurred or estimated by the Management Company to cover the costs (such as, but not limited to, brokerage, Trustee charges, taxes or levies on transaction, etc.) related to the investing or disinvesting activities of the Fund’s portfolio, necessitated by creation or cancellation of Units. Such cost may be added to the NAV for determining the Offer Price of Units or be deducted from the NAV in determining the Redemption Price. The element of Transaction Costs taken into account in determining the prices and collected so, shall form a part of the Deposited Property.
- 5.58 **“Transfer Agent”** means any company including the Management Company or a scheduled commercial Bank that the Management Company may appoint for performing the Registrar Function, and may also a department of the Management Company, if the Management Company elects to perform the Registrar Function itself.
- 5.59 **“Trust”, “Unit Trust”, “Fund”, “Collective Investment Scheme” or “Scheme”** means the Atlas Money Market Fund constituted under this Trust Deed executed between the Trustee and the Management Company for continuous offers for sale of Units of the Fund.
- 5.60 **“Unit”** means one undivided share in the Trust and where the context so indicates a fraction thereof.
- 5.61 **“Zakat”** has the same meaning as in the Zakat and Ushr Ordinance, 1980.

Words and expressions used but not defined herein shall have the meanings assigned to them in the Rules. Words importing persons include corporations, words importing the masculine gender include the feminine gender, words importing singular include plural words, “written” or “in writing” include printing, engraving, lithography, or other means of visible reproduction.

## **6. STATEMENT OF THE INVESTMENT OBJECTIVE & INVESTMENT POLICY OF THE OPEN END SCHEME**

### **6.1 INVESTMENT OBJECTIVE**

The investment objective of Atlas Money Market Fund, an open-end Money Market Scheme, is to provide its unit-holders competitive returns from a portfolio of low risk short duration assets while maintaining high liquidity.

### **6.2 INVESTMENT POLICY**

- (i) The Management Company shall invest the Deposited Property, from time to time, under the term and conditions of this deed, the Rules and the Regulations.

- (ii) The Fund shall invest the entire net assets in Government securities, cash and near cash instruments which include cash in bank accounts (excluding TDRs), treasury bills, money market placements, deposits, certificate of deposits (COD), certificate of musharakas (COM), TDRs, commercial papers, reverse repo; with a weighted average time to maturity of not more than 90 days and, in case of a single asset, maximum time to maturity of six months.
- (iii) The Fund shall take no direct/indirect exposure to equities i.e. no exposure in equities, CFS spread transactions etc.
- (iv) Rating of any NBFC and Modaraba with which funds are placed shall not be lower than AAA (Triple A).
- (v) Rating of any bank and DFI with which funds are placed should not be lower than AA (Double A).
- (vi) Rating of any security in the portfolio shall not be lower than AA (Double A).
- (vii) Time to maturity of any asset shall not exceed six months.
- (viii) Weighted average time to maturity of the net assets should not exceed 90 days
- (ix) The Fund will intend to reduce risk while maintaining liquidity. Liquidity will also be managed by opportunistically investing in the call money market when call money yields are attractive relative to other money market yields
- (x) The investment strategy of the Fund will be based on fundamental credit analysis of counter parties.
- (xi) Specifically, the Investment strategy will focus on the following broad parameters:
  - a) **Sponsor of the counterparty:** Investments will be made keeping in mind the market reputation and past track record of the counterparty and its main sponsors.
  - b) **Strength of financials and ability to repay:** The strength and stability of counterparty earnings will be taken into consideration and special focus will be made on its cash flows and the resultant ability to repay the amount.
  - c) **Rate of return offered:** Attempt will be made to invest in those instruments that offer competitive returns vis-à-vis other similar investments in the market.
  - d) **Industry fundamentals and future outlook:** Industry outlook and its future potential will also be looked into at the time of investing. The Fund will seek to invest in those money market instruments that offer attractive market returns and are issued by sponsors with good credit rating, strong financials and ability to repay.

6.3 During and prior to the commencement of the Initial Period the Trustee as advised by the Management Company shall hold the Deposited Property in Bank Account(s) with Scheduled Commercial Bank(s) having minimum 'AA' rating as per the criteria laid down by a credit rating agency approved by the SECP, and selected by the Management Company. Any income from such investments shall accrue to the Fund. After the Initial Period all cash, except in so far as such cash may in the opinion of the Management Company be required for transfer to the Distribution Account, shall be invested by the Trustee from time to time in such Authorized Investments as may (subject always to the provisions of this Deed and Offering Document) be directed by the Management Company in terms of the Investment Strategy of the Fund.

6.4 Any Investment may at any time be realized at the discretion of the Management Company either in order to invest the proceeds of sale in other Authorized Investments or to provide cash required for the purpose of any provision of this Deed or in order to retain the proceeds of sale in cash or on deposit as aforesaid or partly one and partly another. Any Investment which ceases to be an Authorized Investment shall be realized and the net proceeds of realization shall be applied in accordance with this Clause. Provided that the Trust may

postpone the realization of such Investment for such period as the Management Company may determine to be in the interest of Holders.

6.5 The purchase or sale of any Investment in listed securities for the account of the Trust shall be made on the Stock Exchange through a Broker who must be a member of the Stock Exchange, unless the Management Company is satisfied that it is possible to make such purchase or sale more advantageously in some other manner. The Broker shall be appointed, from time to time, by the Management Company under intimation to the Trustee.

#### 6.6 **BENCHMARK**

6.6.1 The Benchmark for “Atlas Money Market Fund” will be a 50/50 composition as follows:

- (i) 50% that would be an average of “3-Month deposit rates of three scheduled banks (AA and above rated)” for the period of return; and
- (ii) 50% that would be an average of “3 Month PKRV rate” for the period of return as available through Reuters and Financial Markets Association of Pakistan (FMA).

6.6.2 The performance of the Scheme will be compared to its benchmark after deducting all the expenses which are charged to the Scheme as per the Regulations;

### **7. INVESTMENTS OUTSIDE PAKISTAN**

7.1 The Investments outside Pakistan shall be subject to prior approval from the Commission and SBP. These investments will enable the Fund to diversify the risk as well as avail opportunities for higher returns in markets that are undervalued. Such Investments may be made up to 30% of net assets of the Fund and are subject to a cap of US\$ 15 million unless some other ceiling is imposed by the SBP and/or SECP.

7.2 In case the limit to international investment is exceeded, the Management Company shall regularize the excess within three months of breach of the limit.

7.3 The Deposited Property can be invested in international investments including the following:

- a) International profit bearing securities;
- b) International money market instruments;
- c) Foreign currency bank deposits & certificates of investment;
- d) Foreign currency bank accounts in Pakistan;
- e) Mutual funds;

7.4 While investing internationally, Deposited Property will not be placed in any investment that has the effect of unlimited liability to the Fund.

7.5 In making investments outside Pakistan, the currency of the investment shall be convertible currencies like the US Dollar, Pound Sterling, Euro and Japanese Yen or any other currency. This condition however will be relaxed in those cases where the Fund Manager feels that there exists cost effective conversion mechanism to convert foreign currency in Pakistani currency or any other convertible currency. Provided however the Base currency of the Fund shall always be considered as Pak Rupee. The Pak Rupee rates used for this purpose will be the same as notified by the State Bank of Pakistan (SBP).

7.6 Arrangements for international custody of securities where required will be made with reputable institutions and procedures will be agreed upon by the Trustee. The Management Company will make best efforts to minimize costs affiliated with international transactions so that the savings can be passed on to the unit holders.

### **8. ROLE & OBLIGATIONS OF MANAGEMENT COMPANY**

8.1 The Management Company shall establish, manage, operate and administer the Fund in accordance with the Rules, the Regulations,, directives/circulars issued by the Commission, this Trust Deed and the Offering Document

- 8.2 The Management Company has the primary responsibility for all record keeping, regular determination of announcement of prices and for producing financial reports from time to time. The Management Company shall provide the Trustee unhindered access to all records relating to the Scheme. The Management Company shall maintain the books of accounts and other records of the Scheme for a period of not less than ten years.
- 8.3 The responsibilities of the Management Company are to invest and manage the assets of the Fund in the interest of the Unit Holders, according to the provisions of this Deed, the Offering Document, the Rules and the Regulations in good faith, to the best of its ability, and without gaining any undue advantage for itself or any of its related parties including connected persons and group companies or its officers.
- 8.4 The Management Company shall appoint a qualified fund manager and constitute an investment committee in accordance with the provisions of the Regulations to invest and manage assets of the Fund. The investment committee shall be responsible to the Chief Executive of the Asset Management Company and the Chief Executive shall ensure that Committee functions effectively.
- 8.5 The Management Company shall comply with the provisions of the Rules, the Regulations, this Deed and Offering Documents for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Management Company by any officer or responsible official of the Management Company or by any nominee or agent appointed by the Management Company and any act or matter so performed shall be deemed for all the purposes of this Deed to be the act of the Management Company.
- 8.6 The Management Company shall develop criteria for appointing a diverse panel of Brokers and monitoring compliance thereof to avoid undue concentration of business with any single Broker.
- 8.7 The Management Company shall be liable to the Trustee for any loss in value of the Deposited Property where such loss has been caused by its negligence or reckless or willful act and/or omission or by its officers or agents.
- 8.8 Any purchase or sale of Investments made under any of the provisions of this Deed shall be made by the Trustee according to the instructions of the Management Company, unless such instructions are in conflict with the provisions of this Deed or the Rules or the Regulations. The Management Company shall not be liable for any loss caused to the Fund or to the value of the Deposited Property due to any elements or circumstances beyond its reasonable control.
- 8.9 The Management Company shall maintain at its principal office, proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Scheme, all transactions for the account of the Scheme and amounts received by the Scheme in respect of issues of Units and paid out by the Scheme on redemption of Units and by way of distributions and pay out at the termination of the Scheme;
- 8.10 The Management Company shall prepare and transmit the annual report (physically or subject to SECP approval through electronic means or on the web) in such form and manner as set out in Regulations as amended or substituted from time to time.
- 8.11 Within one month of the close of first and third quarters and within two months of the close of second quarter, prepare and transmit to the unit holders (physically and/or electronically and make them available on its website i.e. [www.atlasfunds.com.pk](http://www.atlasfunds.com.pk)), the trustee, the Commission and the stock exchanges, on which the units of the scheme are listed:
- (i) balance sheet as at the end of that quarter;
  - (ii) income statement;
  - (iii) cash flow statement;
  - (iv) statement of movement in unit holders' or certificate holders' fund or net assets or reserves; and

- (v) statement showing the securities owned at the beginning of the relevant period, securities purchased or sold during such period, and the securities held at the end of such period together with the value (at carrying and at market) and the percentage in relation to its own net assets and the issued capital of person whose securities are owned for that quarter, whether audited or otherwise.
- 8.12 The Management Company shall maintain a record of Unit Holders of the Scheme and inform the Trustee and the Commission of the address where the Register is kept. However, the Management Company may appoint a Transfer Agent, who is responsible for performing Registrar Functions, as its agent to maintain the register and may, from time to time, (with the intimation to the Trustee and the Commission) remove or replace the Transfer Agent. The Transfer Agent shall perform the Registrar Functions and all other related and incidental activities and any other role assigned to the Transfer Agent as per the transfer agent agreement. The Management Company may also itself perform the Registrar Functions.
- 8.13 The Management Company shall make available or ensure that there is made available to the Trustee such information as the Trustee may reasonably require in respect of any matter relating to the Trust.
- 8.14 The Management Company shall with the consent of the Trustee appoint at the establishment of the Scheme and upon any vacancy, the Auditor, who shall be independent of the auditors of the Management Company and of the Trustee. The appointment of Auditor and contents of the Auditor's report shall be in accordance with the provisions of the Rules and Regulations.
- 8.15 The Management Company shall not be under any liability, except such liability as may be expressly assumed by this Deed or liability imposed under the Rules and the Regulations, nor shall the Management Company (save as herein otherwise provided) be liable neither for any act or omission of the Trustee nor for anything except its own negligence or willful breach of duty hereunder. The Management Company shall also not be liable for any loss caused to the Fund or to the value of the Fund Property due to any elements or circumstances beyond its reasonable control. If for any reason it becomes impossible or impracticable to carry out the provisions of this Deed, the Management Company shall not be under any liability therefore or thereby and it shall not incur any liability by reason of or any matter or thing done or suffered or omitted to be done in good faith hereunder.
- 8.16 The Management Company shall, under intimation to the Trustee, from time to time appoint, remove or replace one or more Distribution Company (ies) for carrying out the Distribution Function(s) at one or more locations locally or internationally. Provided the Management Company and its affiliates may also perform Distribution Function(s) and act as a Distribution Company (ies). The Management Company shall ensure, where it delegates the Distribution Function, that the Distributors to whom it delegates, have acquired and are maintaining the associate membership of the association(s) constituted in consultation with the commission and are abiding by the code of conduct prescribed by the association(s) and the written contract with the Distributors clearly states the terms and conditions for avoidance of frauds and sales based upon misleading information.
- 8.17 The Management Company shall obtain rating of the Fund, once it becomes eligible for rating as per the rating criteria of the rating agency, and such rating shall be updated once every year and shall be disclosed in the annual and quarterly reports.
- 8.18 The Management Company shall designate and disclose the location of its official points for acceptance of applications for issuance, redemption, conversion, etc of units in the Offering Document of the Scheme and its website. The Management Company shall receive the said applications only at such designated points.
- 8.19 The Management Company shall ensure that all the designated points for acceptance of applications for issuance, redemption, conversion, etc of units of the Scheme have appropriate date and time stamping mechanism for timely acknowledgement of the said applications.
- 8.20 The Management Company shall announce the Net Asset Value (NAV) of the Scheme as per Regulations or direction of SECP.

- 8.21 The Management Company shall clearly specify cut-off timings (for acceptance of application forms of issuance, redemption, conversion etc of units of the Scheme) in the Offering Document, on its web site and at designated points. Such cut-off timing shall uniformly apply on all Unit Holders.
- 8.22 The Management Company shall ensure that no entry and exit from the Scheme (including redemption and re-issuance of Units to the same Unit Holders on different NAVs) shall be allowed other than the following manners, unless permitted otherwise by the Commission under the Regulations:
- (a) cash settled transaction based on the formal issuance and redemption requests
  - (b) net off issuance and redemption transaction at same net asset value when redemption request is ready to disburse and rank at the top in the list of pending redemption requests (if any).
- 8.23 Subject to Clause 8.24, the Management Company may appoint investment advisors to assist in investing and managing the assets of the Fund or to invest and manage part or whole of the assets of the Fund at its own cost and discretion, provided that the Management Company will be responsible for all acts of such investment advisers.
- 8.24 The Management Company may in consultation with the Trustee further appoint legal, financial advisors and professionals in offshore countries for determining and ensuring compliance with the requisite legal and regulatory requirements to be fulfilled by the Fund, by the Management Company and by the Trustee and their respective obligations in relation thereto.

## **9. CHANGE OF MANAGEMENT COMPANY**

- 9.1 The Commission may either on its own or on the recommendation of the Trustee remove the Management Company, by giving at least ninety days notice for sub-clause (a) hereunder and immediate notice for sub-clauses (b), (c) and (d) hereunder in writing to the Management Company, on the happening of any of the following events:
- (a) The Management Company has willfully contravened the provisions of this Deed in any material respect and has failed to rectify the contravention within a reasonable period after the contravention has come to its notice;
  - (b) The Management Company has gone into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for purpose of reconstruction and amalgamation);
  - (c) A receiver has been appointed over any of the assets of the Management Company.
  - (d) The Management Company has become ineligible to act as Management Company of the Scheme under the provisions of the Rules and/or the Regulations or any other law for the time being in force.

Provided that any notice given to the Management Company shall not be construed as acceptance of such contravention or violation and the Management Company shall have the right to defend such action.

- 9.2 If the Commission at its own or on the recommendation of Trustee removes the Management Company under the provisions of the Rules and Regulations, the Commission shall appoint another asset Management Company as the Management Company for the Scheme according to the provisions of the Constitutive Documents and the Rules and Regulations.
- 9.3 The Management Company may retire at any time with the prior written consent of the Commission and at least 90 days notice to the Trustee. Provided that until the new management company is appointed, the Management Company shall continue to perform its functions as the Management Company and shall be entitled to receive its usual remuneration till the effective date of removal or retirement.
- 9.4 If the Commission has cancelled the license of the Management Company under the provisions of the Ordinance, the Rules and/or the Regulations, the Commission shall appoint

another management company for the Scheme with the consent of the Trustee according to the provisions of this Deed and the Regulations.

- 9.5 Upon a new management company being appointed, the Management Company will take immediate steps to deliver all the documents and records pertaining to the Trust to the new management company and shall pay all sums due to the Trustee. The Management Company shall have the right to receive its remuneration up-to the effective date of removal or retirement.
- 9.6 Upon its appointment the new management company shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Management Company hereunder as fully as though such new management company had originally been a party hereto.
- 9.7 Furthermore, the Trustee may immediately in case of retirement, removal or cancellation of license of Management Company appoint auditors with the consent of the Commission from amongst the panel of auditors designated as "A" Category by State Bank of Pakistan for the audit of financial institutions. The Trustee shall ensure that accounts of the Fund till the day of the appointment of the new management company are audited by such Auditor.
- 9.8 The auditors so appointed shall be other than the existing auditors of the Fund, the Management Company and the Trustee.
- 9.9 The auditors shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Trustee or Commission.
- 9.10 The audit report for the audit shall be submitted by the auditors to the Trustee not later than thirty (30) Business Days from their appointment. A copy of the report shall also be provided to the Commission, Management Company and the new Management Company.
- 9.11 The costs of audit shall be shared equally by the outgoing Management Company and the Fund.

## **10. ROLE AND OBLIGATIONS OF TRUSTEE**

- 10.1 Take under its control all the property of the Scheme and hold it in trust for the Unit Holders in accordance with the Rules, Regulations and the Constitutive Documents and the cash and registerable assets shall be registered in the name of, or to the order of the Trustee.
- 10.2 The Trustee shall comply with the provisions of this Deed, the Rules and the Regulations, for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee under intimation to the Management Company. Provided that the Trustee shall be responsible for the willful acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Trust for any loss in value of the Deposited Property where such loss has been caused by willful act and/or omission of the Trustee or any of its officers, nominees or agents in relation to any custody of assets or investments forming part of the Deposited Property.
- 10.3 The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holders. The Trustee shall not be under any liability on account of anything done or not done by the Trustee in good faith in accordance with or in pursuance of any request of the Management Company, provided these are not in conflict with the provisions of this Deed or the Rules and the Regulations or the Offering Document. Whenever, pursuant to any provision of this Deed any certificate, notice, direction, instruction or other communication is to be given by the Management Company to the Trustee, the Trustee may accept as sufficient evidence thereof:
  - (a) a document signed or purporting to be signed on behalf of the Management Company, by any person whose signature the Trustee, is for the time being, authorized in writing by the Management Company to accept.
  - (b) Any instruction received online through the software solution adopted by the

Management Company or the Trustee for managing and keeping records of the Fund to the satisfaction of the Trustee or the Management Company, as the case may be.

- 10.4 The Trustee shall not be liable for any loss caused to the Fund or to the value of the Fund Property due to any elements or circumstances beyond its reasonable control.
- 10.5 The Trustee shall ensure that the purchase, issue, repurchase, redemption, transfer and cancellation of Units effected by the Scheme are carried out in accordance with the provisions of the Constitutive Documents and the Regulations;
- 10.6 The Trustee shall carry out the instructions of the Management Company in all matters including investment and disinvestment and disposition of the Deposited Property, unless such instructions are in conflict with the provisions set out in the Constitutive Documents, the Rules, and the Regulations.
- 10.7 The Trustee shall ensure that the investment and borrowing limitations set out in the Constitutive Documents and the Regulations and the conditions under which the Scheme was registered are complied with;
- 10.8 The Trustee shall report to the Unit Holders in accordance with the Regulations and this Trust Deed including such report(s) to be included in the annual and quarterly reports of financial statements of the Fund
- 10.9 The Trustee shall ensure that Units of the Scheme have been issued after realization of subscription money. The Management Company will provide the Trustee with the detail of issuance of Units within 24 hours of such issuance.
- 10.10 The Trustee shall, in consultation with the Management Company, from time to time, appoint, remove or replace one or more Custodian(s) for performing the Custodian Function at one or more locations, on terms and conditions to be agreed between the Custodian and the Trustee and approved by the Management Company.
- 10.11 The Trustee shall make available or ensure that there is made available to the Management Company such information as the Management Company may reasonably require, from time to time, in respect of the Deposited Property and all other matters relating to the Trust.
- 10.12 The Trustee shall be entitled to require the Auditors to provide such reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Rules and the Regulations. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible. The Trustee shall be entitled to receive copies of financial statements on quarterly, half yearly and annual basis.
- 10.13 The Trustee shall, if advised by Management Company, may if it considers necessary for the protection of Deposited Property or safeguarding the interest of Unit Holders, institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Deposited Property or any part thereof, with full powers to sign, swear, verify and submit pleadings and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized persons. All costs, charges and expenses (including legal fees) incurred in instituting or defending any such action shall be borne by the Trust and the Trustee shall be indemnified against all such costs, charges and expenses, provided that no such indemnity shall be available in respect of any action taken against the Trustee for gross negligence or breach of fiduciary duties in connection with its duties as the Trustee under this Deed or the Regulations. For the avoidance of doubt it is clarified that, notwithstanding anything contained in this Deed, the Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities, whatsoever, suffered or incurred by the Trust arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or shareholders' action or otherwise, howsoever, and (save as herein otherwise provided), all such losses, claims, damages and other liabilities shall be borne by the Fund.
- 10.14 The Trustee shall ensure that the Management Company has specified criteria in writing to provide for a diverse panel of Brokers at the time of the offering of the Scheme or for any

subsequent change and shall ensure that the Management Company has been diligent in appointing Brokers to avoid undue concentration with any Broker.

- 10.15 The Trustee shall not be under any liability, except such liability as may be expressly assumed by it under the Regulations and this Deed, nor shall the Trustee (save as herein otherwise provided) be liable for any act or omission of the Management Company nor for anything except its own gross negligence or willful breach of duty hereunder. If, for any reason, it becomes impossible or impracticable to carry out the provisions of this Deed, the Trustee shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.
- 10.16 Trustee shall not invest in the Units of the Fund.
- 10.17 Trustee shall immediately inform the Commission if any action of the Management Company contravenes the Ordinance, the Rules, these Regulations, Constitutive Documents, guidelines, codes, circulars, directives or any other applicable laws and comply with the directions of the Commission given in the interest of the Unit Holders.

## **11. CHANGE OF TRUSTEE**

- 11.1 In the event of the Trustee desiring to retire, it shall serve a three months notice to the Management Company under intimation to the Commission. The Management Company shall, within a period of three months of the Trustee's notice of intent to retire (or in default the Trustee) with the prior written approval of the Commission may by a deed supplemental hereto under the seal of the Management Company, appoint a new trustee under the provisions of the Regulations in place of the retiring Trustee and also provide in such supplemental deed for the automatic vesting of all the assets of the Trust in the name of the new trustee. The retirement shall take effect at the same time as the new trustee is appointed with the approval of the Commission or from the date of assumption of assets of the Fund by the newly appointed trustee, whichever is later.
- 11.2 If the Trustee goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction on terms previously agreed to with the Management Company) or ceases to carry on business or a receiver of its undertaking is appointed or it becomes ineligible to act as a trustee of the Trust under the provisions of the Regulations, the Management Company may apply to the Commission, by instrument in writing, for removal of the Trustee from its appointment under this Deed and shall by the same or some other instrument in writing, simultaneously, recommend the appointment of some other company or corporation according to the provisions of the Regulations and this Deed as the new trustee.
- 11.3 In circumstances where the Commission is of the opinion that the Trustee has been in violation of the Regulations or the provisions of this Trust Deed or is found guilty of misconduct or has failed to discharge its obligations under the Regulations, the Commission may remove the Trustee after giving opportunity of being heard and may appoint another Trustee for the Fund.
- 11.4 The Management Company may apply to the Commission giving cogent reasons for change of Trustee by simultaneously proposing the appointment of a new trustee. If the Commission is satisfied with the circumstances and reasons for the change applied for, may accord approval for appointment of a new Trustee.
- 11.5 Upon the appointment of a new trustee, the Trustee shall, immediately, deliver all the documents and records to the new trustee and shall transfer all the Deposited Property and any amount deposited in any Distribution Account to the new trustee and make payments to the new trustee of all sums due from the Trustee. The Trustee shall have the right to receive its remuneration up-to the effective date of removal or retirement.
- 11.6 The new trustee shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Trustee hereunder as fully as though such new trustee had originally been a party hereto.
- 11.7 Notwithstanding, the removal/resignation of the Trustee and its subsequent discharge from its duties under this Deed and the Regulations, the Trustee shall remain entitled to the benefit of

Clauses 10.1.3, 10.1.4 and 10.1.15 without prejudice to the Trustee's responsibility or obligation to liquidate any liability for which the Trustee may have become liable under this Deed and/or the Rules and the Regulations.

- 11.8 The Management Company may immediately in case of retirement or removal of Trustee appoint auditors with the consent of the Commission from amongst the panel of auditors designated as "A" Category by State Bank of Pakistan for the audit of financial institutions. The Management Company shall ensure that accounts of the Fund till the day of the appointment of the new trustee are audited by such Auditor.
- 11.9 The auditors so appointed shall be other than the existing auditors of the Fund, the Management Company and the Trustee.
- 11.10 The auditors shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Management Company or Commission.
- 11.11 The audit report for the audit shall be submitted by the auditors to the Management Company not later than thirty (30) Business Days from their appointment. A copy of the report shall also be provided to the Commission, the Trustee and the new trustee.
- 11.12 The costs of audit shall be shared equally by the outgoing Trustee and the Fund.

## **12. BANK ACCOUNTS**

- 12.1 The Management Company would perform all banking activities through Trustee of the Fund. The rating of the banks where bank accounts will be maintained shall be AA (double AA) as defined in rules, regulations and circulars issued by SECP from time to time.
- 12.2 The Management Company shall not open or close or arrange to open or close account(s) with any Bank without approval of its board. However where the Management Company has obtained approval for opening/arranging to open an account(s) with any particular bank, it may open accounts with any branch of that bank and shall obtain approval of its board in the subsequent meeting.
- 12.3 The Management Company would perform all banking activities through the Trustee of the Scheme as per requirements of this Trust Deed, the Rules and the Regulations.
- 12.4 The Trustee, at the request of the Management Company, shall open Bank Accounts titled "**CDC – Trustee Atlas Money Market Fund**" for the Trust at designated Bank(s) in Pakistan for collection, investment, redemption or any other use of the Trust's funds.
- 12.5 The Management Company may also require the Trustee to open Bank Account(s) as Distribution Account(s) for dividend distribution out of the Scheme.
- 12.6 All interest, income, profit etc earned in the Distribution Account(s), including those accruing on unclaimed dividends, shall form part of the Trust Property for the benefit of the Unit Holder(s) and shall be transferred periodically from the Distribution Account(s) to the main Bank Account of the Scheme.
- 12.7 The amounts received from the Core Investors (seed capital) and Pre-IPO investors shall be deposited in Bank Account(s) titled "**CDC - Trustee Atlas Money Market Fund**" account and transferred to the main Bank Account of the Scheme upon the close of the Initial Period. The Management Company may issue additional Units to the Core Investors and Pre-IPO Investors at the Initial Price for an amount equivalent to the income etc earned on their investments up to the close of the Initial Period.
- 12.8 The Trustee shall, if requested by the Management Company open Bank Accounts titled "**CDC – Trustee Atlas Money Market Fund**" in offshore countries where the Investments are made on account of the Fund, if such Investments necessitate opening and operation of Bank Accounts by the Trustee. For this purpose, the Trustee shall be deemed to be authorized to sign if required and submit the prescribed account opening forms of such Banks, including custodial/sub-custodial services accounts and brokerage accounts with such Banks, custodians, sub-custodians, and brokers, as may be required to be appointed for offshore

Investments of the Fund. The opening, operation and maintenance of such Bank Accounts, custodial/sub-custodial and brokerage services accounts in offshore countries shall always be subject to the approval of the State Bank of Pakistan and the exchange control regulations, as well as any directives of the State Bank of Pakistan and/or the SECP.

12.9 The Management Company while exercising due caution and diligence in appointment of such Bank(s), brokerage house(s) and custodian(s)/sub-custodian(s) in offshore country(ies). The Management Company and the Trustee shall not incur any personal liability for any consequences that may arise in the opening and operation of such Bank Accounts, brokerage accounts and/or custodial/sub-custodial services accounts. The Management Company and the Trustee shall be indemnified out of the Trust Property for any losses, costs and expenses that may be suffered, sustained or incurred by the Management Company /Trustee and against all consequences arising from and out of:

(1) the signing and submission by the Management Company /Trustee of the account opening forms/ documents with all particulars as may be required by such Bank(s), Financial Institution(s), custodian(s)/sub-custodian(s) and brokerage house(s);

(2) the opening of such account(s) with the offshore Bank(s), Financial Institution(s), custodian(s)/sub-custodian(s) and brokerage house(s);

(3) the Investments made in offshore countries on account of the Trust;

(4) the appointment of Bank(s), Financial Institution(s), broker(s) and/or custodian(s)/sub-custodian(s) for the Fund's Investments, securities and other assets internationally; and

(5) all other related or incidental activities of the Management Company/Trustee in relation to the above.

Provided that such indemnity shall not be available to the Management Company and/or the Trustee, if such loss, cost or expense is sustained or incurred due to wilful or negligence on their respective part.

12.10 For the purpose of making investments in offshore countries and for opening, maintaining and operating accounts mentioned in Clause 12.8 above, the Management Company may in consultation with the Trustee retain the services of legal, financial and other advisors and professionals to ensure legal and regulatory compliances on part of the Management Company and the Trustee, as provided in Clause 8.24 above.

12.11 Notwithstanding anything in this Trust Deed, the beneficial ownership of the balances in the Accounts shall vest in the Unit Holder(s).

12.12 All bank accounts shall be operated by the Trustee of the Fund and in case of any unauthorized activity in such accounts, the Trustee may report to SECP and/or State Bank of Pakistan and may also consider removing such banker from Funds' bank accounts panel.

### **13. DEPOSITED PROPERTY**

13.1 The aggregate proceeds of all Units issued from time to time after deducting Duties and Charges and after deducting there from or providing there out any applicable Front-end Load and adding thereto any early redemption charges in the form of Back-end Load, shall constitute part of the Deposited Property and the Distribution Company shall remit such proceeds, unless exempted under this Deed or applicable law, the Front-end Load and the Duties and Charges to the Trustee in accordance with the instructions given by the Management Company from time to time.

13.2 The Deposited Property shall initially be constituted out of the proceeds of the Units issued to the Core Investors, Pre-IPO Investors and other Units issued during the Initial Period.

13.3 The Trustee shall take the Deposited Property into its custody or under its control either directly or through the Custodian and hold it in trust for the benefit of the Holders of Units in accordance with the provisions of the Regulations and this Deed. The Deposited Property shall always be kept as a separate property and shall not be applied to make a loan or advance except in connection with the normal business of the Trust. All registerable Investment shall be registered in the name of the Trustee and shall remain so registered until disposed off or transferred to new Trustee pursuant to the provisions of this Deed.

- 13.4 Save, as herein expressly provided, the Deposited Property shall always be kept as separate property free from any mortgages, charges, liens or any other encumbrances whatsoever and the Trustee or the Custodian shall not except as allowed under the Regulations create any mortgages, charges, liens or any other encumbrances whatsoever to secure any loan, guarantee, or any other obligation actual or contingent incurred, assumed or undertaken by the Trustee, the Custodian or any other person except for securing finances obtained from Banks or institutions upon the direction of the Management Company and subject to the limitations contained in the Regulations.
- 13.5 The Trustee shall have the sole responsibility for the safe-keeping of the Deposited Property. Subject to the provisions of Clause 10.3, in the event of any loss due to negligence or breach of fiduciary duties on part of the Trustee, the Trustee shall have an obligation to replace the lost Investment forthwith with similar investment of the same class and issue together with all rights and privileges pertaining thereto or compensate the Trust to the extent of any such loss. However, the Trustee shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.
- 13.6 All cash forming part of the Deposited Property shall be deposited by the Trustee in one or more separate Bank Account(s) on the instructions of the Management Company, in the name of the Trustee with a scheduled commercial Bank approved by the Management Company, having minimum 'AA' rating, as per criteria laid down by a credit rating agency approved by SECP. The scheduled commercial Bank shall allow profit thereon in accordance with the rules prescribed by the Bank for sharing of profits or mark-up on deposits maintained in such account or under any other arrangement approved by the Management Company.
- 13.7 Remuneration of the Management Company and the Trustee and any other expenses, charge, duty, tax pertaining to the Fund permissible under the Regulations shall be payable out of the Deposited Property.
- 13.8 All interest, income or profit, etc. earned in the Distribution Account(s), including those accruing on unclaimed dividends, shall form part of the Deposited Property for the benefit of the Unit Holders and shall be transferred periodically from the Distribution Account(s) to the main scheduled commercial Bank Account of the Trust.

#### **14. INVESTMENT RESTRICTIONS**

- 14.1 The Deposited Property shall be subject to such exposure limits as are provided in the Regulations/circulars/directives (subject to any exemptions that may be specifically given to the Fund by the SECP).
- 14.2 In the event the exposure of the Scheme exceeds the limits specified in the Offering Document and the Rules and Regulations, because of corporate actions including taking up rights or bonus issue or due to market price increase or decrease in net assets, the excess exposure shall be regularized within three months of the breach of limits unless the said period of three months is extended by the Commission on an application by the Management Company.
- 14.3 The Management Company shall not on behalf of the Fund:
- a. affect a short sale in a security whether listed or unlisted,
  - b. purchase any security in a forward contract;
  - c. purchase any security on margin;
  - d. apply any part of its assets to real estate, commodities or commodity contracts;
  - e. invest in securities of the Management Company;
  - f. issue at any time, without the prior approval of the Commission in writing, a senior security which is either stock or represents indebtedness;

- g. apply for de-listing from Stock Exchange, unless it has obtained prior approval of the Commission in writing to the scheme of de-listing;
  - h. lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person; provided that reverse repo transactions involving Government Securities shall not be attracted by this Clause provided risk management parameters are disclosed in the Offering Document of the Scheme;
  - i. Sell Units for consideration other than cash unless permitted by the Commission.
  - j. Without obtaining prior approval of the Commission merge the Scheme with another Collective Investment Scheme or take over any other Collective Investment Scheme.
  - k. Take exposure in any other Collective Investment Scheme
  - l. Shall not take any exposure in listed or unlisted equity securities
- 14.4 In case of redemptions requests are pending for more than the period as stipulated in the Regulations, the Management Company shall not make any investment or rollover of any investment without consent of the Trustee.
- 14.5 The Management Company shall not net off any investment of the Fund against the investment of the Unit Holder(s) in the Fund.
- 14.6 In case investments are made on behalf of the Fund in any offshore countries, the same shall be subject to the limits as may be prescribed by the State Bank of Pakistan and/or the SECP, which shall be indicated in the Offering Document, and shall be subject to prior approval of the SBP and the Commission.

## **15. BORROWING RESTRICTIONS**

- 15.1 Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained the Management Company may arrange borrowing with the approval of the Trustee, from Banks or Financial Institutions for the account of the Fund, provided that such arrangement shall not be resorted to, except for meeting the redemption request and the charges payable to such Bank or Financial Institution are not higher than the prevailing market rates. Provided further that the borrowing for the account of the Trust shall be arranged as per the manner and limitations prescribed under the Regulations and if subsequent to such borrowing, the Net Assets are reduced as a result of depreciation in the market value of the Deposited Property or redemption of Units, the Management Company shall not be under any obligation to reduce such borrowing.
- 15.2 Such borrowing shall not exceed fifteen per cent or such other limit as specified by the Commission of the total net asset value of an Open End Scheme at the time of borrowing and shall be repayable within a period of ninety days;
- 15.3 Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such borrowings from banks and Financial Institutions. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such loans or advances.
- 15.4 For the purposes of securing any such borrowing the Trustee may, with the instruction of the Management Company mortgage, charge or pledge in any manner all or any part of the Deposited Property provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limit provided in the Regulations.
- 15.5 Neither the Trustee nor the Management Company shall incur any liability by reason of any loss to the Trust or any loss that a Unit Holder may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangement made hereunder.

## **16. VOTING RIGHTS ON DEPOSITED PROPERTY**

- 16.1 All rights of voting attached to any Deposited Property shall be exercisable by the Management Company on behalf of the Trust and it shall be entitled to exercise the said rights in what it may consider to be the best interests of the Unit Holders and may refrain at its own discretion from the exercise of any voting rights and the Trustee or the Unit Holders shall not have any right to interfere or complain.
- 16.2 The Trustee shall, upon written request by the Management Company, at the expense of the Fund, from time to time, execute and deliver or cause to be executed and delivered to the Management Company or their nominees, powers of attorney or proxies authorizing such attorneys and proxies to vote, consent or otherwise act in respect of any Investment in such form and in favor of such persons as the Management Company may require in writing.
- 16.3 The word “vote” used in this Clause shall be deemed to include not only a vote at a meeting but the right to elect or appoint directors, any consent to or approval of any arrangement scheme or resolution or any alteration in or abandonment of any rights attaching to any Investment and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.
- 16.4 The Trustee shall forward to the Management Company in a timely manner all notices of meetings and all reports and circulars received by the Trustee as the registered holder of any Investment.
- 16.5 The Management Company shall keep a record of voting on special business for five years.

## **17. VALUATION OF PROPERTY AND PRICING**

### **17.1 VALUATION OF PROPERTY**

- 17.1.1 The valuation and pricing of the Deposited Property will be in accordance with the Rules, the Regulations and SECP Directives as amended or substituted from time to time.

### **17.2 DETERMINATION OF OFFER PRICE**

- 17.2.1 Units offered to the Core Investors will be at Par Value of Rs 500 where as Pre-IPO Investors will be offered units at the Net Asset Value (NAV). However, Front-End Load shall not be charged to both, Core Investors and Pre-IPO Investors.
- 17.2.2 Units offered and issued during the Initial Period shall be issued at the Offer Price determined by the Management Company and stated in the Offering Document. The offer and issuance of Units during the Initial Period shall remain open during the period specified in the Offering Document.
- 17.2.3 Subsequent to the Initial Period, the Offer Price shall be calculated and announced by the Management Company on the following basis:
- (a) The Net Asset Value as of the close of the Subscription Day;
  - (b) Any Front-end Load as per the Offering Document;
  - (c) Such amount as the Management Company may consider an appropriate provision for Duties and Charges in accordance with the Regulations and;
  - (d) Such amount as the Management Company may consider an appropriate provision for Transaction Cost.

Such sum shall be adjusted upwards to the nearest Paisa.

- 17.2.4 Units will be allocated to the investor(s) at the Purchase (Offer) Price so determined for the Subscription Day on which completely and correctly filled investment form(s) along with payment instrument submitted by the investor(s) is/are received by the Distributor(s) or the Management Company during business hours and within Cut-Off Time. In case the investment form is received after the Cut-off time, the Units shall be issued on the NAV as of the next business day.

In any case the cumulative Front-end Load and Back-end Load on a particular Unit would not exceed 5% of the NAV.

- 17.2.5 The investment application form can be lodged with any Authorized Branch of the Distributor or directly lodged with Management Company. No other person is authorized to accept the form. Any investment application Form received after business hours will be transferred to the next Business Day. Provided that if a Business Day is not a Subscription Day the Investment application Form would be transferred to the next Subscription Day.
- 17.2.6 In the event payment has been accepted by cheque, the payment will be deemed to be completed on the date the cheque is received by the Management Company. However, the Management Company may impose such limits it deems fit as to the bank branch on which it is drawn and as to the monetary limits on cheques, and in the event a cheque is returned unpaid, the Management Company may instruct the Transfer Agent to cancel the Units so allocated at the then prevailing Redemption Price but not exceeding the Redemption Price fixed on the day the Units were allocated. In the event the Management Company instructs the Transfer Agent to cancel the Units, the investor may be prosecuted for recovery of the shortfall in the issue and Redemption Price and /or other punitive action for presenting a cheque that is returned unpaid.
- 17.2.7 The Management Company may announce different plans under different administrative arrangements, with differing levels of Front-end/Back end Load, which may also vary according to other criteria as disclosed in the Offering Documents.
- 17.2.8 In the event that the provision for payment of Duties and Charges is insufficient to pay in full such Duties and Charges pursuant to Clause 17.2.3 (c), the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retroactive effect after the date of payment in which case such excess shall be recovered from the Deposited Property).
- 17.2.9 In the event that the provision for payment of Duties and Charges pursuant to Clause 17.2.3(c), exceeds the relevant amount of Duties and Charges the Transfer Agent under instruction to the Management Company, shall issue additional Units or fractions thereof to the Unit Holder based on the price applicable to the Units issued against the relevant application.
- 17.2.10 The Offer Price determined by the Management Company shall be made available to the public at the office of the Management Company and Authorized Branches and at the discretion of the Management Company may also be published in at least two daily newspapers, one in English and one in Urdu, widely circulated in Pakistan and make it available at its website.

### 17.3 DETERMINATION OF REDEMPTION PRICE

- 17.3.1 The Redemption Price shall be calculated according to the following method:

The Net Asset Value as of the close of the Subscription Day, less:

- (a) Any Back-end Load as per the Offering Document. However, Back-end Load shall not be charged to Core Investors;
- (b) Such amount as the Management Company may consider an appropriate provision for Duties and Charges in accordance with the Regulations and
- (c) Such amount as the Management Company may consider an appropriate provision for Transaction Cost.

Such sum shall be adjusted downwards to the nearest Paisa.

- 17.3.2 The Redemption Price so determined shall apply to redemption requests, complete in all respects, received by the Distributor/Management Company before the Cut-Off Time on the same day that the Redemption Price is calculated. In case the Redemption form is received after the Cut-off time, the Units shall be redeemed at the Redemption Price as of the next business day.
- 17.3.3 In any case the cumulative Front-end Load and Back-end Load on a particular Unit would not exceed 5% of the NAV.
- 17.3.4 The Redemption Form can be lodged with any Authorized Branch of the Distributor or directly lodged with the Management Company. No other person is authorized to accept the form. The applicant must obtain a copy of the form signed and stamped by an authorized officer of the Distributor/Management Company acknowledging the receipt of the form and the Certificates, if any. Any Redemption Forms received after business hours will be transferred to the next Business Day. Provided that if a Business Day is not a Subscription Day the Redemption form would be transferred to next Subscription Day.
- 17.3.5 The payment of the redemption amount may be made by virtue of a transfer to the Unit Holder's (the first named joint holder, if jointly held) designated banker or by cross cheque payable to the Unit Holder.
- 17.3.6 In the event that the amount deducted for payment of Duties and Charges pursuant to sub-clause 17.3.1(b) is insufficient to pay, in full, such Duties and Charges, the Management Company shall be liable for the payment, in full, of the amount of such Duties and Charges in excess of the provisions (except where such excess arises from any Duties and Charges levied with retroactive effect).
- 17.3.7 In the event that the amount deducted as provision for payment of Duties and Charges pursuant to sub-clause 17.3.1(b), exceeds the relevant amount of Duties and Charges, the same shall become part of the Deposited Property.
- 17.3.8 The Redemption Prices determined by the Management Company shall be made available to the public at the office and branches of the Management Company and, at the discretion of the Management Company, may also be published in at least two daily news papers, one in English and one in Urdu, widely circulating in Pakistan and make it available at its website i.e. [www.atlasfunds.com.pk](http://www.atlasfunds.com.pk).

## **18. UNITS**

### **18.1 CHARACTERISTICS OF UNITS**

- 18.1.1 Atlas Money Market Fund is divided into Units having a Par Value of Rs. 500.
- 18.1.2 Units of the Fund have the following characteristics
- (a) **Minimum Investment:** Details regarding minimum investment to open an account and subsequent investment will be specified in Offering Document of the Fund.
  - (b) **Front End Load:** as per details given in the Offering Document
  - (c) **Back End Load:** as per details given in the Offering Document
  - (d) **Distribution Method:** These Units will be entitled to get Bonus Units and/or Cash dividend as decided by the Management Company.
- 18.1.3 Cumulative Front-end Load and Back-end Load on a particular Unit would not exceed 5% of the Net Assets Value of the Unit.
- 18.1.4 Certain Unit Holders may authorize the Management Company to re-invest any cash distributions from the Fund into additional Units of the Fund provided such Unit Holder has to opt for such an arrangement at the time of applying for the Units or request the Transfer Agent in writing prior to declaration of the distribution of any relevant period. Reinvestment would be as per criteria given in Clause 26.3.5.

18.1.5 The Management Company may initially issue the following classes and types of Units:

(a) **Classes of Units:**

- i. **Class "A"** (Restricted / Core Units) Units issued to the Core Investors with no Front-end Load in compliance with the requirement of Regulation 44(3)(e)(ii) of the Regulations. Out of total investment at least fifty million rupees shall remain invested and cannot be redeemed for a period of two (2) years from the date of closure of Initial Public Offering. However such Units are transferable on the condition that the transferee(s) shall also not redeem the same before the expiry of the period of two years as stated above. Further the management company will notify to the Trustee on each transfer.
- ii. **Class "A"** Units being offered and issued during the Private Placement and Initial Public Offering (IPO) with no Front-end Load.
- iii. **Class "B"** Units, which shall be offered and issued after the Initial Public Offering (IPO) with or without Sales Load, Front-end Load, Back- end Load or any combination of foregoing from time to time

The details regarding the level of Front-end and Back-end Load to be charged and the authorized points for dealing in Units shall be disclosed in the Offering Document of the Fund.

(b) **Types of Units:**

- i. The Management Company with prior written approval of the SECP and under intimation to the Trustee may also offer at its discretion at on a subsequent stage such Units which specify or offer such conditions or privileges with respect to purchase of Units, redemption of Units, distribution of profits (whether by cash or additional Units), fixed or flexible timing of such redemption or distribution at the option of the unit holder and/or the Management Company.

The details of such Units shall be provided in the Offering Document of the Fund.

- ii. Subject to the terms of this Deed, all Units and fractions thereof represent an undivided share in the Fund and rank pari passu as to their rights in the Net Assets, earnings, and the receipt of the dividends and distributions. However, the Management Company may offer such types of units which may offer distribution of profits either by cash or additional Units at the option of the holder and the Management Company. Each Unit Holder has a beneficial interest in Scheme, proportionate to the Units held by such Unit Holder.
- iii. Irrespective of the different classes of Units issued, all Units issued from time to time shall rank pari passu inter se and shall have such rights as are set out in this Deed and the Offering Documents. The liability of the Holders shall be limited to the unpaid amount (if any) on the Units.

## 18.2 LEGAL STATUS OF UNITS

18.2.1 The Units of the Fund rank pari passu with each other. For the convenience of investors, the Management Company may issue Units with different options as to the administrative arrangements.

18.2.2 The Units issued with differing options may have differing quantum of Front-end Load added to the Net Asset Value for determining the Offering Price thereof and differing levels of Back-end Load deducted for determining the Repurchase Price, which shall be disclosed in the Offering Document.

18.2.3 Units shall be accounted for in fractions up to four decimal places, with the fifth decimal being rounded up if it has a value of five or higher.

- 18.2.4 Statements shall be sent to the Unit Holders at their designated addresses after the close of every year. The Unit Holders shall also be sent a statement in electronic form every time there is any activity in the account subject to the availability of the email address of the Unit Holder.
- 18.2.5 Unit Holders may obtain certificates representing the Units they hold by paying a nominal fee that might be imposed by the Management Company representing the costs involved. However in such cases, requests for redemption, transfer or transmission of Units shall be processed only on the production of the certificates. In the event of loss or defacing of certificates, the process shall be carried out subject to appropriate safeguards to the satisfaction of the Transfer Agent. Certificates shall not be issued under certain plans governed by Supplemental Offering Documents.
- 18.2.6 The Management Company reserves the right to alter the minimum amounts stated herein above at its discretion after giving fourteen (14) days prior notice to the Unit Holders. In the event the investment in any investor's account falls below the minimum level as a result of revised limits, redemption, transfer or transmission, the Management Company may instruct the Transfer Agent to either change the account/units to another type or to close such account by redeeming the Units in such accounts at the close of any accounting period at the price applicable to redemptions on such date.
- 18.2.7 Notwithstanding anything stated above, there will be no Front-end or Back-end Load on Units subscribed by the Core Investors.
- 18.2.8 Core Units shall be issued in compliance with the Regulations and out of which Rs 50,000,000 (Rupee Fifty Million Only) shall not be redeemable for a period of two years from the date of issue. A mention of such restriction and its termination date shall be entered into the Register and shall be noted on any Certificate issued in respect of such Units. The Offer Price shall be determined, from time to time, pursuant to Clause 17.2 of this Deed.
- 18.2.9 The Management Company may list the Units of the Fund on Stock Exchanges in Pakistan and subject to compliance with legal requirements, in any foreign jurisdiction.
- 18.2.10 By a deed supplemental to this Deed, the Management Company may at any time, with the consent of the Trustee and approval of the Commission, on giving not less than 21 days notice in writing to each Unit Holder, subdivide or consolidate the whole or any part of the Units and the Unit Holder shall be bound accordingly.

## **19. DEALING, SUSPENSION, AND DEFERRAL OF DEALING**

### **19.1 ISSUE OF UNITS AND LIMITATION OF LIABILITY**

- 19.1.1 The Management Company shall be responsible for obtaining all required consents and approvals for the offer and issue of Units and for the issue, publication or circulation of the Offering Document.
- 19.1.2 Except as provided herein the Units shall be offered through the registered offices of the Management Company, authorized offices or branches of the Distribution Companies on all Subscription Days.
- 19.1.3 Each Unit Holder shall only be liable to the extent of the Offer Price of the Units subscribed by him and no further liability shall devolve on him in respect of any Units held by him except those covered under the Deed. Units shall be issued only against receipt of full payment. No further liability shall devolve on a Unit Holder save any transfer fees or taxes applicable to transfers and transmission.
- 19.1.4 Application for issuance of Units shall be made by completing the prescribed application form and submitting it with the payment, in such form as is prescribed by the Management Company, in favour of the Trustee at the Authorized Branch or office of any Distribution Company. The respective officer shall verify the particulars given in the application for issue of Units and ensure that the signature of any Unit Holder or joint Unit Holder to any document required to be signed by him under or in connection with the application for issue of Units is verified.

19.1.5 The Management Company shall formally forward all the requests for issuance of Units, duly time and date stamped, to the Trustee within 24 hours of the receipt of such requests

19.1.6 Unit holders are advised to talk to an investment professional and read the Offering Document and Trust Deed before investing in the Units of the Fund.

## 19.2 REDEMPTION OF UNITS

19.2.1 Unit Holders may redeem any Units held by them using the prescribed redemption form(s). Certificates, if issued, must be submitted with the redemption form with an endorsement at the back of the Certificate. Partial redemption of Units covered by a single Certificate is not permitted. However, Holders may apply for a splitting of the Certificate before applying for redemption. Unless the Joint Holders of Units have specified otherwise, all the Joint Holders shall sign the redemption form of such Units.

19.2.2 All forms can be obtained from the Management Company or any Distributor or Facilitator of the Management Company or downloaded from the Management Company website (as the case may be) or requested from the Management Company by mail.

19.2.3 The redemption form can be lodged with any Authorized Branch of the Management Company. No other person is authorized to accept the form. The applicant must obtain a copy of the form signed and stamped by an authorized officer of the Distributor/Management Company acknowledging the receipt of the form and the Certificates, if any.

19.2.4 The Redemption Price at which Units shall be redeemed shall be the price fixed by the Management Company under Clause 17.3.

19.2.5 In redeeming Units of the Fund, no money shall be paid to any person except the Unit Holder or his or her duly authorized representative.

19.2.6 After an existing Unit Holder has redeemed all his Units and collected all his dues, he shall have no further claims against the Fund.

19.2.7 The Management Company may frame additional operational procedures regarding redemption of de-materialized Units registered with a depository organization.

## 19.3 CIRCUMSTANCES UNDER WHICH DEALING METHODOLOGY CAN CHANGE

19.3.1 A permanent change in the method of dealing shall be made after expiry of one month's notice to Unit Holders and with the approval of Trustee.

19.3.2 A temporary change shall only be made

- (a) in exceptional circumstances, having regard to the interests of Unit Holders; or
- (b) if the possibility of a change and the circumstances in which it can be made have been fully disclosed in the Offering Document; and
- (c) with the approval of the Trustee.

19.3.3 Suspension of redemption shall be provided in exceptional circumstances, having regard to the interest of Unit Holders and such a decision shall be made with the prior approval of the board of the Management Company.

19.4 The Management Company shall formally forward details of all the requests for dealing in Units, including the information of stamped time and date, to the Trustee within 24 hours of the receipt of such requests.

## 19.5 DEFERRAL/SUSPENSION OF DEALING IN UNITS

19.5.1 **Deferral/Suspension of issue of Units:** The Management Company may at any time suspend or defer the issue of fresh Units if in its opinion the total number or any one request for fresh issue of Units is so large that investing the funds would take some time and be contrary to the interests of the present Unit Holders. In this case the Management Company may at its discretion accept certain request for fresh issue of Units

and may defer part or all of certain request for fresh issue of Units and issue only a limited number of fresh Units. The Units that are issued on a deferred basis, some time after the request for fresh issue of Units has been received, will be issued at the Offer Price prevailing on the date of such issue. The Management Company shall immediately notify the Commission and the Trustee if dealing in Units is suspended and shall also have the fact published, immediately following such decision, in the newspaper in which the Fund's prices are normally published.

**19.5.2 Refusal to accept fresh issue/account opening request:**

The Management Company or the Distribution Company may at any time refuse to accept a request for account opening/fresh issue of Units in any of the following cases:

- (a) In case the application for account opening/fresh issue request is contrary to the "Know-Your-Customer" rules or any other money laundering rules that the Fund may be subject to or that the Management Company may frame for self regulation.
- (b) In case the request for account opening/fresh issue of Units is contrary to the rules of the foreign jurisdiction that the Fund or the investor may be subject to or if accepting the request may subject the Fund or the Management Company to additional regulation under the foreign jurisdiction.
- (c) If, in the opinion of the Management Company, moneys received for purchase of Units of the Fund are associated with moneys derived from illegal activities

**19.5.3 Suspension or deferral of redemption of Units:** The redemption of Units may be suspended or deferred during extraordinary circumstances, including war (declared or otherwise), natural disasters, a major break down in law and order, breakdown of the communication system, closure of the banking system, computer breakdown or strikes or other events that render the Management Company or the Distributors unable to function, or the existence of a state of affairs which, in the opinion of the Management Company, constitutes an emergency, as a result of which disposal of any Investment would not be reasonably practicable or might seriously prejudice the interest of the Fund or of the Unit Holders or a break down in the means of communication normally employed in determining the price of any Investment or when remittance of money can not be carried out in reasonable time and if the Management Company is of the view that it would be detrimental to the remaining Unit Holders to redeem Units at a price determined in accordance with the Net Asset Value. Such a measure shall be taken to protect the interest of the Unit Holders in the event of extraordinary circumstances or in the event redemption requests accumulate in excess of ten percent of the Units in issue. In the event of a large number of redemption requests accumulating, the requests may be processed in a Queue System and, under extreme circumstances; the Management Company may decide to wind up the Fund. Details of the procedure are given in Clause 19.5.7 below.

19.5.4 Such suspension or Queue System shall end on the day following the first Business Day on which the conditions giving rise to the suspension or Queue System shall, in the opinion of the Management Company, have ceased to exist and no other condition, under which suspension or queue system is authorized under the Deed, exists. In case of suspension and invoking of a Queue System and end of suspension and Queue System, the Management Company shall immediately notify the Commission and the Trustee and publish the same in at least two daily news papers in which the Fund's prices are normally published.

19.5.5 The Management shall ensure that in case of suspension of redemption of Units of the Scheme due to extra ordinary circumstances, the issuance of fresh Units shall also be kept suspended until and unless redemption of Units is resumed.

**19.5.6 Queue System:** In the event redemption requests on any day exceed 10% of the Units in issue, the Management Company may invoke a Queue System whereby requests for redemption shall be processed on a first come first served basis for up to 10% of the Units in issue. The Management Company shall proceed to sell adequate assets of the Fund and/or arrange borrowing, as may be permissible under the Regulations as it deems fit, in the best interest of the Unit Holders, and shall determine the Redemption Price to be applied to the redemption requests based on such action. Where it is not practical to determine the

chronological ranking of any requests in comparison to others received on the same Business Day, such requests shall be processed on a proportional basis, proportionate to the size of the requests. The requests in excess of the 10% shall be treated as redemption requests qualifying for being processed on the next Business Day at the price to be determined for such redemption requests. However, if the carried over requests and the fresh requests received on the next Business Day still exceed 10% of the Units in issue, these shall once again be treated on first-come -first-served basis and the process for generating liquidity and determining the Redemption Price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten percent (10%) of the Units then in issue.

- 19.5.7 **Winding up in view of major redemptions:** In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Fund being run down to an unmanageable level or it is of the view that the sell-off of assets is likely to result in a significant loss in value for the Unit Holders who are not redeeming, it may announce winding up of the Fund, as per the Regulations, under intimation to the Commission and the Trustee. In such an event, the queue system, if already invoked, shall cease to apply and all Unit Holders shall be paid after selling the assets and determining the Final Redemption Price. However, interim distributions of the proceeds may be made if the Management Company finds it feasible.
- 19.5.8 The Commission may cancel the registration of the Scheme before the investment of the core Units and direct the Management Company and/or the Trustee to wind-up the Scheme. In such case, the terms so specified by the Commission shall be adhered to by both the parties individually and collectively.

## **20. ISSUANCE OF UNIT CERTIFICATES**

- 20.1 Upon being satisfied that the amount for each Unit has been received in full from the successful applicant, the Transfer Agent shall issue an Account Statement that will constitute evidence of the number of Units registered in the name of the Unit Holder. Units may be issued up to four decimal places.
- 20.2 Certificates shall be issued only if so requested by the Unit Holder at the time of application or at any later stage and upon payment of a fee to be set by the Management Company from time to time. The proceeds of such fee will accrue to the Management Company.
- 20.3 Account statements or Certificates, as the case may be, shall only be issued against full payment of the subscription money.
- 20.4 Certificates shall be issued as herein provided not later than 21 (twenty one) Business Days after the date of request. The Certificate may be sent to the Unit Holder or his duly authorized nominee at his own risk by registered post or by courier service.
- 20.5 In the case of Units held jointly, the Transfer Agent shall not issue more than one Certificate for the Certificates held by such joint Unit Holders and delivery of such Certificate to the Unit Holder named first therein shall constitute sufficient delivery to all joint Unit Holders.
- 20.6 Certificates shall be issued in such form as may, from time to time, be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the name and address of the Management Company and the Trustee, shall bear a distinctive serial number and shall specify the number of Units represented thereby and the name and address of the Unit Holder as appearing in the Register.
- 20.7 Certificates may be engraved or lithographed or printed as the Management Company may determine from time to time with the approval of the Trustee and shall be signed on behalf of the Trustee by a duly authorized officer of the Trustee and on behalf of the Management Company by a duly authorized officer of the Management Company. Every such signature shall be autographic unless there shall be for the time being in force an arrangement authorized by the Trustee adopting some lithographic or other mechanical method of signature in which event all or any of such signatures may be effected by the method so adopted. The Certificates shall also bear the signature of the authorized representative of the Transfer Agent, which shall always be autographic. No Certificate shall be of any force or

effect until signed as hereinabove mentioned. Certificates so signed shall be valid and binding notwithstanding that before the date of delivery thereof the Trustee or the Management Company or the Transfer Agent or any person whose signature appears thereon as a duly authorized signatory may have ceased to be the Trustee, Management Company, Transfer Agent or an authorized signatory.

- 20.8 Where the Units are in the form of book entry securities registered with the Central Depository Register of the Central Depository Company of Pakistan Limited, the issue of certification or receipt in lieu of physical Certificate or any other record shall be in accordance with the procedures laid down by the Central Depository Company of Pakistan Limited Regulations.
- 20.9 The Register may be closed under intimation to the Trustee for such period as the Management Company from time to time determine and after giving at least seven (7) days notice to the Unit Holders, provided that it is not closed for more than forty-five days in a calendar year. However, the time period for closure of register shall not exceed six (6) working days at a time.

## **21. REPLACEMENT OF CERTIFICATES**

- 21.1 Subject to the provisions of this Deed and in particular to the limitations of the denominations of Certificates as may be fixed by the Management Company and subject to any regulations from time to time made by the Trustee with the approval of the Management Company every Holder shall be entitled to exchange upon surrender of the existing Certificate any or all of his Certificates for one or more Certificates of such denominations as the Holder may require representing the same aggregate number of Units.
- 21.2 In case any Certificate shall be lost, stolen, mutilated, defaced or destroyed, the Transfer Agent with the approval of the Management Company may issue to the person entitled new Certificate in lieu thereof. No such new Certificate shall be issued unless the applicant shall previously have:
- (I) returned the mutilated or defaced Certificate or furnished the Distribution Company/Transfer Agent evidence satisfactory to the Management Company of the loss, theft or destruction of the original Certificate;
  - (II) paid all expenses incurred in connection with the investigation of the facts and any notice to be issued in newspapers inviting any claim (if any) against the lost Certificate to be notified to the Management Company, Trustee or Transfer Agent; and
  - (III) furnished such indemnity as the Management Company and the Trustee may require. Neither the Management Company nor the Trustee nor the Distribution Company/Transfer Agent shall incur any liability for any action that they may take in good faith under the provisions of this sub-clause.
- 21.3 Before the issuing of any Certificate under the provisions of this sub-clause the Distribution Company/ Transfer Agent may require a fee of Rupees twenty five as certificate fee from the applicant, subject to revisions of fee from time to time by the Management Company together with a sum sufficient in the opinion of the Management Company to cover any Duties and Charges payable in connection with the issue of such Certificate.

## **22. TRANSFER OF UNITS**

- 22.1 Every Unit Holder shall be entitled to transfer the Units held by him by an instrument in such form as the Management Company may prescribe, from time to time under intimation to the Trustee.
- 22.2 A Unit shall be transferable only in its entirety.
- 22.3 Both the transferor and the transferee must sign every instrument of transfer and the transferor shall be deemed to remain the holder of the units transferred until the name of the transferee is entered in the register in respect thereof.

- 22.4 Every instrument of transfer must be duly completed in all respects including affixation of transfer stamps of the requisite value. Where certificates have been issued, the Trustee may dispense with the production of any certificate where the certificate has been lost, stolen or destroyed, subject to compliance by the transferor with like requirements to those arising in the case of an application by him for the replacement and may further require issuance of public notice and/or abstention of indemnity.
- 22.5 The transfer shall be carried out after the Transfer Agent has been satisfied that all the requisite formalities including payment of any taxes have been completed and has recovered the fee prescribed for the service, if any.
- 22.6 Transfer of Units to successors in case of inheritance or distribution of the assets of a deceased Unit Holder shall be processed by the Transfer Agent after satisfying himself as to all legal requirements. The processing fee, legal costs and taxes, etc., if any, shall be borne and paid by the transferees.
- 22.7 The Transfer Agent shall retain all instruments of transfer.
- 22.8 The Transfer Agent, with the prior approval of the Management Company and the Trustee, shall be entitled to destroy all instruments of transfer or the copies thereof, as the case may be, which have been registered, at any time after the expiration of twelve years from the date of registration thereof and all certificates which have been cancelled at any time after the expiration of ten years from the date of cancellation thereof and all registers, statements and other records and documents relating to the Trust at any time after the expiration of ten years from termination of the Trust. The Trustee or the Management Company or the Transfer Agent shall be under no liability, whatsoever, in consequence thereof and it shall conclusively be presumed in favor of the Trustee or the Management Company or the Transfer Agent that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered by the Trustee or the Management Company or the Transfer Agent and that every certificate so destroyed was a valid certificate duly and properly cancelled, provided always that:
- (i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant;
  - (ii) nothing in this sub-clause shall be construed as imposing upon the Trustee or the Management Company or the Transfer Agent any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of proviso (i) above are not fulfilled; and
  - (iii) reference herein to the destruction of any document includes reference to the disposal thereof in any manner.

### **23. PLEDGE/ LIEN OF UNITS**

- 23.1 Any Unit Holder or all joint Unit Holders may request the Transfer Agent to record a pledge of all or any of his/their Units in favor of any third party legally entitled to invest in such Units in its own right. The Transfer Agent shall register a pledge on any Units in favor of any third party with the specific authority of the Management Company. Any charges, duties, levies etc applicable on such Pledge/Lien will be borne by the Pledgor.
- 23.2 The pledge, once registered, shall be removed by the authority of the party in whose favor the pledge has been registered or through an order of a competent court. Neither the Trustee, nor the Management Company, nor the Transfer Agent, shall be liable for ensuring the validity of any such pledge. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company nor the Transfer Agent takes any responsibility in this matter.
- 23.3 Payments of dividends or the issue of Bonus Units for Units under pledge shall be made to the pledge holder for the account of the Unit Holder.

## **24. FEES AND CHARGES**

### **24.1 ALLOCATION OF FRONT- END / BACK-END LOAD**

The remuneration of Distribution Companies and Investment Facilitators shall be paid exclusively from any Front-end Load received by the Trustee and no charges shall be made against the Deposited Property or the Distribution Account in this respect. The remainder of any Front-end Load after such disbursement shall be paid by the Trustee to the Management Company as distribution support and processing charges for their distribution services for the Trust. If the Front-end Load received by the Trustee is insufficient to pay the remuneration of the Distribution Companies and Investment Facilitators, the Management Company shall pay to the Trustee the amount necessary to pay in full such remuneration. The Back-end Load shall form part of Deposited Property.

### **24.2 MANAGEMENT COMPANY REMUNERATION**

24.2.1 The Management Company is allowed to charge a remuneration of an amount not exceeding three percent per annum of the average annual Net Assets during the first five years of the Scheme and two percent per annum of the average annual Net Assets thereafter. Current level of management fee shall be disclosed in the Offering Document.

24.2.2 The remuneration shall begin to accrue from the close of Initial Period. In respect of any period other than an Accounting Period such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued in the Accounting Period concerned..

24.2.3 The remuneration due to the Management Company shall be calculated and accrued on a daily basis but paid in arrears on monthly basis.

24.2.4 In consideration of the foregoing, and save as aforesaid, the Management Company shall be responsible for the payment of all expenses incurred by the Management Company from time to time in connection with its responsibilities as Management Company of the Fund. The Management Company shall not make any charge against the Unit Holders or against the Fund Property or against the Distribution Account for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the Regulations and the Offering Document or the Trust Deed to be payable out of Deposited Property.

24.2.5 The Management Company shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of this constitutive Documents and the Regulations.

24.2.6 The fees payable on offshore investments due to appointment of international fund managers, investment advisors, financial advisors and professionals shall be borne by Management Company.

### **24.3 TRUSTEE REMUNERATION**

24.3.1 The Trustee shall be entitled to a remuneration based on tariff annexed to this Deed as Annexure C. The remuneration shall begin to accrue from the close of Initial Period.. The Trustee's remuneration shall be paid to the Trustee in arrears within thirty days after the end of each calendar month.

24.3.2 In consideration of the foregoing, and save as aforesaid, the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with their duties as Trustee of the Trust. The Trustee shall not make any charge against the Unit Holders or against the Deposited Property or against the Distribution Account for their services or for their expenses, except such expenses as are expressly authorized to be paid out of the Deposited Property under the provisions of the Regulations, this Deed and the Offering Document.

24.3.3 The Trustee shall bear all expenditures in respect of its secretarial and office space and professional management services provided in accordance with the provisions of this Deed and the Offering Document.

24.3.4 Any increase in the remuneration of the Trustee agreed by the Management Company shall require the approval of the Commission. However any decrease in the remuneration of the Trustee shall not require approval of the Commission.

#### 24.4 **FORMATION COST**

24.4.1 All expenses incurred in connection with Formation Cost shall be borne by the Management Company and shall be reimbursable to the Management Company by the Fund (subject to the audit of expenses).

24.4.2 Formation Cost that will not exceed 1.0% of the pre-Initial Public Offering investment in the Fund or Rs. 5,000,000/-, whichever is lower. The Formation Cost shall be amortized over a period of not less than five years.

24.4.3 The Formation Cost shall be reported by the Management Company to the Commission and the Trustee giving their break-up under separate heads, as soon as the distribution of the Units is completed.

#### 24.5 **FEES AND CHARGES OF THE FUND**

24.5.1 Fees and charges shall include:

- (a) remuneration of the Management Company;
- (b) remuneration of the Trustee or Custodian;
- (c) listing fee payable to the Stock Exchange including renewals;
- (d) charges and levies of Stock Exchange, national clearing and settlement company and central depository company;
- (e) rating fee of the Scheme payable to approved rating agency;
- (f) Auditors' fees and out of pocket expenses as billed by them ;
- (g) fees payable to the Commission;
- (h) Formation Cost
- (i) brokerage and transaction costs related to investing and disinvesting of the assets of the Scheme;
- (j) expenses incurred by Trustee in effecting registration of all registerable assets in the name of the Trustee;
- (k) legal and related costs incurred in protecting or enhancing the interests of the Unit Holders of the Scheme;
- (l) bank charges and borrowing and financial costs;
- (m) hedging costs including forward cover, forward purchase or option purchase costs;
- (n) any printing costs and related expenses for issuing the Scheme's quarterly, half-yearly and annual reports, etc.;

(o) taxes, fees, cess, duties and other charges applicable to the Scheme on its income or its properties, including taxes, fees, cess, duties and other charges levied by foreign jurisdiction on investments outside Pakistan; and

(p) any other expense or charge as may be permitted by the Commission.

24.5.2 Any cost associated with sales, marketing and advertisement of the Scheme shall not be charged to the Scheme.

## **25. TRANSACTIONS WITH CONNECTED PERSON**

25.1 The Management Company, on behalf of a Collective Investment Scheme shall not without the approval of the Board of Directors in writing and consent of Trustee, purchase from, or sell any securities to any connected person or employee of the Management Company:

This Clause shall not apply to the issue, sale or redemption of units or shares or certificates issued by the Collective Investment Scheme.

25.2 The Deposited Property shall not be invested in any security of a company if any director or officer of the Management Company individually owns more than five per cent (5%) of the total amount of securities issued, or, the directors and officers of the Management Company own more than ten per cent (10%) of those securities collectively.

For the purpose of Clauses 25.1 and 25.2 above the term director, officer and employee shall include spouse, lineal ascendants and descendants, brothers and sisters.

25.3 Where cash forming part of assets of the Scheme is deposited with the trustee or the Custodian that is a banking company or an NBFC, a return on the deposit shall be paid by such Trustee or Custodian at a rate that is not lower than the rate offered by the said banking company or NBFC to its other depositors on deposits of similar amount and maturity.

25.4 All transactions with connected persons carried out by the Management Company on behalf of the Collective Investment Scheme shall be in accordance with the provisions of the Constitutive Documents and shall be disclosed in the annual report of the Collective Investment Scheme.

## **26. DISTRIBUTION POLICY AND DATE**

### **26.1 DISTRIBUTION POLICY**

26.1.1 The Management Company, on behalf of the Collective Investment Scheme shall, for every accounting year, distribute to the unit holders, not less than ninety per cent or any other amount that is required under the tax laws and other regulations in force including Rules & Regulations and that may be beneficial for its Unit Holders, out of the accounting income of the Collective Investment Scheme received or derived from sources other than unrealized capital gains as reduced by such expenses as are chargeable to a Collective Investment Scheme.

26.1.2 The entire amount available for distribution may be distributed as cash dividend, bonus, partially cash/bonus or in any other form acceptable to the Commission that may qualify under the tax laws. The Fund will comply with regulatory and taxation requirement and the distribution policy may be amended accordingly

### **26.2 DETERMINATION OF DISTRIBUTABLE INCOME**

26.2.1 The Management Company shall decide as soon as possible, but not later than 45 days after the Accounting Date whether to distribute among Unit Holders, profits, if any, available for the distribution at the end of the Accounting Period to comply with the requirement of the Regulations, the tax laws and other regulations in force relating to income distribution and shall advise the Trustee of the rate of such distribution per Unit.

26.2.2 The amount available for distribution in respect of any Accounting Period shall be determined by the Management Company after consulting the Auditors and shall be the sum total of:

- (a) The total income earned on the Deposited Property during such Accounting Period, including all amounts received in respect of, mark-up, profit and fee;
- (b) From the above amounts shall be deducted expenses and such other adjustment as the Management Company may determine in consultation with the Auditors.

26.2.3 The Management Company may also distribute an amount, through cash dividend, bonus, partially cash/bonus or in any other form acceptable to the Commission, for an interim period that is not a full month / Accounting Period.

### 26.3 DISTRIBUTION OF INCOME

26.3.1 After the fixing of the rate of bonus distribution per Unit, in case of distribution in the form of Bonus Units, the Management Company shall, under intimation to the Trustee, issue additional Units issued in the name of the Unit Holders as per the bonus ratio. The Bonus Units shall rank pari passu as to their rights in Net Assets, earning and the receipts of the dividends and distributions, with the existing Units of the Fund from the date of issue of these Units.

26.3.2 After determining the amount available for the distribution Management Company shall, in case of cash distribution, instruct the Trustee to issue payment instrument to the Unit Holders or transfer to the Distribution Account such amount of cash as required to effect the cash distribution of income to the Unit Holders net of re-investment of dividend as provided by Clause 26.3.5 below. The amount standing to the credit of the Distribution Account shall not be treated as part of the Fund Property but shall be held by the Trustee upon trust to distribute to Unit Holders except any profit on the Distribution Account which shall form part of the Deposited Property as herein provided. Management Company may decide not to open a separate Distribution Account for each dividend distribution.

26.3.3 After the fixing of the rate of cash distribution per Unit, cash distribution payments may be made by transfer to the Unit Holders' designated bank accounts, or in the case of joint Unit Holders, to designated bank account of the joint Unit Holder first named on the Register/record. The receipt of funds by such designated bankers shall be a good discharge thereof.

26.3.4 Before making any payment in respect of distribution, the Trustee may, upon instruction of the Management Company, make such deductions as may be required by law in respect of any Zakat, income or other taxes, charges or assessments, whatsoever, and issue to the Unit Holder the certificate in respect of such deduction in the prescribed form, in a form approved by the concerned authorities.

26.3.5 The Management Company may at its discretion announce cash/bonus dividend or combination of both for all Unit Holders. Certain Unit Holders may authorize the Management Company to re-invest any cash distributions from the Fund into additional Units of the Fund. The Management Company, in such cases will not instruct the Trustee to pay cash distribution but will issue such Units and pay for such Units out of the relevant cash distribution net of any deductions as may be required by law in respect of any Zakat, income or other taxes, charges or assessments. Issue of the Account Statement by the Transfer Agent showing an increase in Units shall be a good discharge of the obligation to pay dividends. In such cases, the additional Units will be issued at Net Asset Value at the distribution date after appropriation of the dividend less any duties and charges and will not attract any front-end or transaction charges. Deductions in respect of any Zakat, income or other taxes, charges or assessments shall be paid as cash to the relevant Government agencies and the Unit Holder will be issued a certificate in respect of such deduction in the prescribed form or in a form approved by the concerned authorities.

26.3.6 Where the Units are placed under pledge, the payment of dividends or the issue of Bonus Units for Units under pledge shall be made to the pledge holder for the account of the Unit Holder.

## **27. ANNUAL ACCOUNTING PERIOD AND DATE**

- 27.1.1 The Annual Accounting Period shall commence on first day of July of a calendar year and shall end on thirtieth day of June of the succeeding calendar year.
- 27.1.2 Accounting Period means a period ending on, and including, an Accounting Date and commencing (in case of the first such period) on the date on which the Deposited Property is first paid or transferred to the Trustee and (in any other case) from the next day of the preceding Accounting Period.
- 27.1.3 Accounting Date means the date 30th June in each year and any interim dates at which the financial statements of the Fund are drawn up. Provided, however, that the Management Company may, with the consent of the Trustee and after obtaining approval of the Commission and the Commissioner of Income Tax, change such date to any other date.

## **28. AUDIT**

- 28.1 The Management Company shall appoint, as per provisions of the Rules and Regulations, an Auditor, with the consent of the Trustee, who shall not be the Auditor of the Management Company and the Trustee. The Management Company may at any time remove the Auditor and appoint another Auditor in its place. The same firm of chartered accountants cannot be appointed Auditor for more than five consecutive years.
- 28.2 The Auditor shall hold office until transmission of the annual report and accounts but may be reappointed as per the Rules and the Regulations.
- 28.3 The persons not qualified to be the Auditor of a public company under the Companies Ordinance shall not be qualified to be the Auditor.
- 28.4 Appointment of a partnership firm to be the Auditor shall be deemed to be the appointment of all persons who are partners in the firm for the time being.
- 28.5 The Auditor shall have access to the books, papers, accounts and vouchers of the Trust, whether kept at the office of the Management Company, Trustee, Custodian, Transfer Agent or elsewhere and shall be entitled to require from the Management Company, Trustee, Custodian, Transfer Agent and their officers and agents such information and explanations as considered necessary for the performance of audit.
- 28.6 The Auditor shall prepare a written report to the Holders on the account and books of accounts of the Trust and the balance sheet and income and expenditure account and on every other document forming part of the balance sheet and income and expenditure account, including notes, statements or schedules appended hereto.
- 28.7 The contents of the Auditors report shall be as required in the Rules and the Regulations.

## **29. BASE CURRENCY**

- 29.1 The currency of transaction of the Fund is the Pakistani Rupee and the Management Company, Trustee or any Distributor are not obliged to transact the issuance or redemption of the Units in any other currency and shall not be held liable, save as may be specifically undertaken by the Management Company under this Deed, for receipt or payment in any other currency or for any obligations arising there from.

## **30. MODIFICATION OF THE TRUST DEED**

- 30.1 The Trustee and the Management Company, acting together, shall be entitled, by deed supplemental hereto, to modify, alter or add to the provisions of this Deed in such manner and to such extent as they may consider expedient for any purpose, subject only to the approval of the Commission. Provided that, the Trustee and the Management Company shall certify, in writing, that in their opinion, such modification, alteration or addition is required pursuant to any amendment in the Rules and/or the Regulations or to ensure compliance with any fiscal or statutory requirement or to enable the provisions of this Deed to be more efficiently, conveniently or economically managed or to enable the Units to be listed on a

Stock Exchange or otherwise for the benefit of the Unit Holders and that it does not prejudice the interests of the Unit Holders or any of them or operate to release the Trustee or the Management Company from any responsibility to the Unit Holders.

- 30.2 Where this Deed has been altered or supplemented, the Management Company shall notify the Unit Holders.

### **31. REVOCATION AND LIQUIDATION OF TRUST**

- 31.1 The Trust may be terminated by the Commission on the grounds given in the Rules and/or the Regulations.
- 31.2 The Management Company, after the prior written approval of the Commission, shall give at least three months notice to unit holders and trustee if it intends to have the registration of the Atlas Money Market Fund cancelled.
- 31.3 At the end of the notice period given under Clause 31.2 above, the Commission may by an order in writing cancel the registration of the Atlas Money Market Fund.
- 31.4 Upon representation to the Commission, by three fourth in value of the total unit holders of Atlas Money Market Fund, or if in the opinion of the Commission further continuation of the registration of the Scheme will be detrimental to the interest of the unit holders or the market generally, the Commission may cancel the registration of the Scheme;

Provided that the registration of the Scheme shall not be cancelled without providing an opportunity of being heard to the Management Company and the trustee.

- 31.5 In case of cancellation of registration, the Management Company shall revoke the Scheme and refund the proceeds to the unit holders in such manner and within such time as may be specified by the Commission.
- 31.6 Notwithstanding anything contained in any other provision, where in the opinion of the Commission or the Management Company any delay in the revocation of the Scheme is detrimental to the interest of the unit holders or the market generally, the Commission may direct the immediate revocation of the Scheme without first canceling the registration or providing an opportunity of being heard to the Management Company in such manner and within such time as may be specified by the Commission.
- 31.7 Where the Commission grants approval under Regulation 45(1) or cancels the registration of the Scheme or orders the revocation of the Scheme, all issuance and redemption of units of the Scheme shall stand suspended immediately.
- 31.8 In case of revocation of the Scheme all unit holders shall be treated *pari passu*.

### **32. DISTRIBUTION ON REVOCATION OF TRUST**

- 32.1 Upon the Trust being revoked, the Management Company shall suspend the sale and redemption of Units forthwith and proceed to sell all Investments then remaining in the hands of the Trustee as part of the Deposited Property and shall repay any borrowing effected by the Trust together with any mark-up remaining unpaid and the bank charges, if any.
- 32.2 The Trustee, on the instruction of the Management Company, shall from time to time, distribute to the Unit Holders *pro rata* to the number of Units held by them, respectively, all net cash proceeds derived from the realization of the Deposited Property after making payment as mentioned in Clause 32.1 above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands. In case of any surplus, the same shall be distributed proportionately among the Unit Holders, provided neither the Trustee nor the Management Company shall be liable for any shortfall.
- 32.3 In case the Trust is terminated by the Commission on the grounds given in the Regulations, the Commission may appoint a liquidator in consultation with the Trustee.

### **33. ADMINISTRATIVE PLANS**

- 33.1 The Management Company may offer different Administrative Plans, where such Plans allow investors a focused investment strategy in any one or a combination of unit trust schemes, managed by the Management Company after getting consent of the trustee and obtaining prior approval of the SECP. These Plans/Schemes shall have the same Trustee.

### **34. ARBITRATION**

In the event of any disputes arising out of this Trust Deed or Offering Document between the Management Company on the one part and the Trustee on the other part, including as to the respective rights and obligations of the Parties hereto, as well as those relating to the interpretation of the terms and conditions of this Trust Deed, the Offering Document and/or the Supplementary Trust Deed(s) and Offering Document(s) relating to the Scheme, the same shall be referred to arbitration by two arbitrators, one to be appointed by the Management Company and the other to be appointed by the Trustee. In the event of lack of consensus between the two arbitrators, the matter shall be referred to an umpire, to be selected by the two arbitrators before commencement of the reference. The unanimous decision of both the arbitrators, or the decision of the umpire, as the case may be, shall be final and binding upon both the Parties. The arbitrators and the umpire shall be selected from amongst senior partners of renowned firms of chartered accountants or senior partners of renowned law firms or senior bankers or senior members of the Karachi Stock Exchange (Guarantee) Limited, (who may even be the heads of corporate members). The venue of the arbitration shall be Karachi. The arbitration shall be conducted in accordance with the Arbitration Act, 1940.

### **35. CONFIDENTIALITY**

The Trustee, the Management Company, the Transfer Agent, the Custodians, the Distributors, the Investment Facilitators and every director or officer of the said parties who are in any way engaged in the business of the Trust and all persons employed or engaged by the said parties in connection with the business of the Trust shall observe strict confidentiality in respect of all transactions of the Trust, its Unit Holders and all matters relating thereto and shall not disclose any information or document which may come to his knowledge or possession in the discharge of his duties, except when required to do so in the ordinary course of performance of his duties or by law or if compelled by any court of law or a competent authority.

### **36. MISCELLANEOUS**

- 36.1 Any notice required to be served upon a Unit Holder shall be deemed to have been duly given if sent by post or courier service to or left at his address as appearing in the Register. Any notice so served by post or courier shall be deemed to have been served on the third day following that on which the letter containing the same is posted or delivered to the courier and in proving such service, it shall be sufficient to prove that such letter was properly addressed, stamped and posted or delivered to the courier. Notice sent by e-mail shall be deemed to have been served when the status of transmission is confirmed in the mail box. Provided that the Management Company may also at their discretion advertise the notice in newspapers.
- 36.2 Where the provisions of this Deed require issuance of notice in newspapers, the Management Company shall advertise any such notice in two leading daily newspapers in Pakistan one in English and one in Urdu having wide circulation in Pakistan.
- 36.3 Service of a notice or document on any one of several joint Unit Holders shall be deemed effective service on the other joint Unit Holders.
- 36.4 Any notice or document sent by post or courier service to or left at the registered address of a Unit Holder or served by publication in newspapers in accordance with Clause 36.1 and Clause 36.2 above, shall notwithstanding that such Unit Holder be then dead or bankrupt and whether or not the Trustee or the Management Company have notice of his death or bankruptcy, be deemed to have been duly served and such service shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under him) in the Units concerned.

36.5 A copy of this Deed and of any such supplemental deed shall be made available for inspection at the respective Head Offices of the Trustee and of the Management Company at all times during usual business hours and shall be supplied by the Management Company to any person on application.

IN WITNESS WHEREOF THIS DEED has been executed on the day and year first above written.

The Common Seal of Atlas Asset Management Limited was hereunto affixed in the presence of:-

Seal (1) \_\_\_\_\_

(2) \_\_\_\_\_

The Common Seal of Central Depository Company of Pakistan Limited was hereunto affixed in the presence of:-

Seal (1) \_\_\_\_\_

(2) \_\_\_\_\_

Witnesses:

\_\_\_\_\_  
Name:  
Occupation:  
Address:

\_\_\_\_\_  
Name:  
Occupation:  
Address:

**ANNEXURE A**  
**SECP License**

**ANNEXURE B**  
**SECP Approval Letter (Constitution of Trust)**

## ANNEXURE C

### TARIFF STRUCTURE FOR OPEN END COLLECTIVE INVESTMENT SCHEMES

The trustee remuneration shall consist of reimbursement of actual custodial expenses / charges plus the following tariff:

NET ASSETS	TARIFF
Up to Rs.1,000 million	Rs. 0.7 million or 0.20% p.a. of NAV, which ever is higher.
On an amount exceeding Rs.1,000 million	Rs. 2.0 million plus 0.10% p.a. of NAV, on amount exceeding Rs.1,000 million.

**ANNEXURE D**  
**SECP Approval on Appointment of Trustee**