

# **TRUST DEED**

**CONSTITUTING**

**ATLAS INCOME FUND**

This Trust Deed is made and entered into at Karachi, on this 20th day of February, 2003 by and between:

- (1) **Atlas Asset Management Company Limited**, a company incorporated under the Companies Ordinance 1984 with its registered office at Ground Floor, Federation House, Sharae Firdousi, Clifton, Karachi-75600 (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) Muslim Commercial Financial Services (Pvt.) Limited a company incorporated in Pakistan having its registered office at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi-74000 (hereinafter called the "Trustee" which expression where the context so permits shall include its successors in interest and assigns) of the other part. <sup>1</sup>[ ]

**WHEREAS:**

- A. The Management Company has been incorporated and is registered as an Asset Management Company (AMC) under the Asset Management Companies Rules, 1995 (hereinafter referred to as the "Rules") to inter alia establish and operate unit trusts;
- B. The Management Company has been authorised by the Securities and Exchange Commission of Pakistan (hereinafter referred to as the "Commission") vide its letter No. SC/MF-DD(MS)/363/2002 dated October 08, 2002 appended hereto as Annexure "A" to constitute a Trust under the name and title of Atlas Income Fund (hereinafter referred to as the "Unit Trust" or Trust" or Scheme") and to register this Trust Deed, pending authorization for the establishment and operation of the Scheme in accordance with the provisions of the Rules and this Deed.

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1. Central Depository Company of Pakistan Limited (CDC) was appointed as Trustee after retirement of Muslim Commercial Financial Services (Pvt.) Limited (MCFSL) vide Deed of Change of Trustee on June 11, 2005. Copy attached with the Trust Deed.

- C. The Management Company has nominated and appointed the Trustee as trustee of the Scheme and the Trustee has accepted such appointment upon the terms and conditions contained in this Deed;
- D. The Commission has approved the appointment of Trustee, vide letter No. SC/MF-DD(MS)/423/2002 dated November 20, 2002 appended hereto as Annexure "B".
- E. Subject to the terms of the Trust Deed, the scheme is geared towards maximizing income to the extent consistent with preservation of capital and maintenance of liquidity by investing in both short term and medium term non-equity based securities and other investments."

**NOW THIS TRUST DEED WITNESSES AND IT IS HEREBY DECLARED AS FOLLOWS:**

**1. DEFINITIONS**

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

- 1.1 **"Accounting Date"** <sup>2</sup>[means the thirtieth day of June in each year and any interim date on which the financial statements of the Trust are drawn up. Provided that the Management Company may, with the written consent of the Trustee and after obtaining approval from the Commission and the Commissioner of Income Tax may change such date to any other date and such change shall be intimated to the Commission.]
- 1.2 **"Accounting Period"** <sup>3</sup>[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 day following the preceding Accounting Period.]
- 1.3 **"Account Statement"** means statement of transactions in Units in the folio of the Holder.
- 1.4 **"Administrative Plans"** means investment plans offered by Management Company, where such plans allow investors a focused investment strategy in any one or a combination of unit trust schemes managed by the Management Company and for which the Trustee is appointed as the trustee.
- 1.5 **"AMC"** means Asset Management Company.

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2. Substituted, vide 3rd Supplemental Trust Deed dated 23rd June, 2010, for "means in case of the final Accounting Period, the date on which money required for the final distribution is transferred to the Distribution Account, and in any other case the thirtieth day of June in each year provided that the Management Company with the written consent of the Trustee, change such date to any other date and such change shall be intimated to the Commission."

3. Substituted, vide 3rd Supplemental Trust Deed dated 23rd June, 2010, for "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 end of the preceding Accounting Period."

- 1.6 **“Audit Date”** means the date on which the Auditor issues its report in respect of the Scheme’s balance sheet and income and expenditure account for the corresponding Accounting Period.
- 1.7 **“Auditor”** means the Auditors of the Trust appointed by the Management Company as per the Rules.
- 1.8 **“Authorised Branch”** <sup>4</sup>[means those branches of the Distributors whose addresses have been given in the Offering Document and updated on the website of Atlas Asset Management Limited i.e. [www.atlasfunds.com.pk](http://www.atlasfunds.com.pk). Such branches shall have proper date and time stamping mechanism for timely acknowledgement of the applications. The list of authorized distributors shall be disclosed in the Offering Document of the Fund.]
- 1.9 **“Authorised Investment”** <sup>5</sup>[means any investment/investment instrument available within or outside Pakistan allowed under the Rules/ Regulations. These include:
- (a) Government securities,
  - (b) Cash in Bank Accounts, Certificate of Investments (COI), money market placements, deposits, certificates of deposits (COD), certificates of Musharika (COM), TDRs, commercial paper, <sup>6</sup>[reverse repo, TFC/Sukuk] and spread transactions;
  - (c) Investments outside Pakistan subject to the prior approval of Commission and State Bank of Pakistan;
  - (d) Any other instrument that may be allowed by the Commission from time to time.

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4. Substituted, vide 3<sup>rd</sup> Supplemental Trust Deed dated 23<sup>rd</sup> June, 2010, for “means those branches of the Distributors authorized by the Management Company.”

5. Substituted, vide 3<sup>rd</sup> Supplemental Trust Deed dated 23<sup>rd</sup> June, 2010, for “means Pakistan origin investments transacted, issued, traded or listed inside or outside Pakistan and includes any of the following:

- (a) Bonds, debentures, debenture stock, participation term certificates, term finance certificates, Euro bonds, Global Deposit Receipts (GDR) \* [*convertible debt securities till such time they are not converted into equity securities, Redeemable preference shares, Certificate of Musharika (COM) issued by a Modarba having minimum investment grade credit rating*] and other asset backed or mortgaged backed securities. Such investments shall include those for ready as well as those for future settlements;
- (b) Treasury bills and other Government Securities;
- (c) Money Market Instruments, Certificates of Deposit and Bankers Acceptances;
- (d) Deposits in Banks or with financial institutions;
- (e) Investment in any debt security that may or may not be listed on the Stock Exchange; and
- (f) Repurchase transactions (REPO's) and reverse REPO's including Carry Over Transactions (COT). Purchase or sale of a security for ready settlement and the reverse thereof (sale or purchase, as the case may be) for future settlement.

but does not include Restricted Investments.

\* Inserted vide 1<sup>st</sup> Supplemental Trust Deed dated 11<sup>th</sup> June, 2005.

6. Inserted vide 4<sup>th</sup> Supplemental Trust Deed dated 12<sup>th</sup> November, 2010.

Further, the following restrictions apply on the investments of the Fund:

- a) At least 25% of the net assets shall be invested in cash and near cash instruments which include cash in bank accounts (excluding TDRs) and treasury bills not exceeding 90 days maturity;
  - b) No more than 15% of the net assets shall be invested in non-traded securities (including reverse repo, bank deposits, certificates of investments (COI), certificate of musharaka (COM) and anything over 6 month maturity which is not a marketable security);
  - c) Rating of any debt instrument in the portfolio shall not be lower than investment grade;
  - d) Rating of any Bank, DFI, NBFC and Modaraba with which funds are placed shall not be lower than investment grade;
  - e) The weighted average time to maturity of the net assets shall not exceed 4 years. The condition shall not apply to securities issued by the Federal Government and there is no restriction regarding the time to maturity or duration of any single asset in the portfolio.]
- 1.10 **“Back-end Load”** <sup>7</sup>[means Load not exceeding five (5) percent of the Net Asset Value deducted by the Management Company from the Net Asset Value in determining the Redemption Price; provided however that different levels of Back-end Load may be applied to different classes of units, as may be determined by the Management Company and shall be disclosed in the Offering Document of the Fund. The amount of Back end Load shall form part of Deposited Property.]
- 1.11 **“Bank”** means a banking company licensed under the Banking Companies Ordinance, 1962 or any other regulation for the time being in force.
- 1.12 **“Bank Accounts”** means those accounts the beneficial ownership of which rests in the Holder and for which Trustee has been appointed as the trustee.
- 1.13 **“Broker”** means any person engaged in the business of effecting transactions in securities for the account of others.
- 1.14 **“Business Day”** means a day, <sup>8</sup>[from Monday to Friday] on which Banks are open for business in Pakistan.
- 1.15 <sup>9</sup>[ ]

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7. Substituted, vide 3<sup>rd</sup> Supplemental Trust Deed dated 23<sup>rd</sup> June, 2010, “means sales Load deducted from the Net Asset Value in determining the Redemption Price.”

8. Inserted vide 3<sup>rd</sup> Supplemental Trust Deed dated 23<sup>rd</sup> June, 2010.

1.16 **“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.

<sup>10</sup>[1.16A **“Collection Account(s)”** mean such <sup>11</sup>[investment grade] Bank Account(s), being maintained by the Trustee, where the amounts received for investment through Administrative Plans are <sup>12</sup>[temporarily] deposited prior to the amount being transferred <sup>13</sup>[by the Trustee upon instruction of the Management Company to the respective Fund’s] accounts in proportion to the Units being allocated. <sup>14</sup>[ ] ]

1.17 **“Companies Ordinance”** means the Companies Ordinance, 1984, as amended from time to time.

1.18 **“Commission”** means the Securities and Exchange Commission of Pakistan, established under section 3 of the Securities and Exchange Commission of Pakistan Act, 1997.

1.19 **“Connected Person”** shall have the same meaning as in the Rules.

1.20 **“Constitutive Document”** means the Trust Deed that is the principal document governing the formation, management or operation of the Trust, the Offering Document and all material agreements in relation to the Trust.

1.21 <sup>15</sup>[ ]

1.22 **“Core Investors”** means the initial investors, who shall be required to subscribe to and to hold number of Units of par value of not less than two hundred fifty million Rupees (Rs.250,000,000) for the minimum two years from the date of payment in full of such Units.

1.23 **“Core Units”** means such Units of the Trust that are issued to Core Investors with the condition that these are not redeemable for a period of two years from the date of issue. However, such Units are transferable with this condition and shall rank pari passu with all other Units save for this restriction. Any transfer of these Core Units, during the first two years of their

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9. Deleted vide 3rd Supplemental Trust Deed dated 23rd June, 2010. Before deletion read as **“Carry Over Transaction (COT)”** means a form of financing through the Stock Exchange consisting of two simultaneous transactions, the first for purchase of an underlying security (shares) on the following scheduled settlement date for the security and the second for selling back the security for a subsequent settlement date.”

10. Inserted vide 2nd Supplemental Trust Deed dated 29th October, 2007.

11. Substituted, vide 3rd Supplemental Trust Deed dated 23rd June, 2010, for “temporary.”

12. Inserted vide 3rd Supplemental Trust Deed dated 23rd June, 2010.

13. Inserted vide 3rd Supplemental Trust Deed dated 23rd June, 2010.

14. Deleted vide 3rd Supplemental Trust Deed dated 23rd June, 2010. Before deletion read as “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.”

15. Deleted vide 3<sup>rd</sup> Supplemental Trust Deed dated 23<sup>rd</sup> June, 2010. Before deletion read as **“Contingent Load”** means Sales Load payable on redemption of Units within a certain number of years from the date of purchase and/ or at a rate declining for every year Units are held.”

issue, shall be affected only on the receipt by the Transfer Agent of a written acceptance of this condition by the transferee and the Management Company will, prior to such transfer, intimate the Commission.

- 1.24 **“Custodian”** <sup>16</sup>[“Custodian” means a Bank, a Depository or an Investment Finance Company licensed under the Regulations, which may be appointed by the Trustee with the approval of the Management Company to hold and protect the Trust Property or any part thereof as custodian on behalf of the Trustee; and shall also include the Trustee itself if it provides custodial services for the Fund.]
- 1.25 **“Deposited Property”** <sup>17</sup>[means the aggregate proceeds of the sale of all Units at Offer Price after deducting there from or providing there out any applicable Front end Load and 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 Holders pursuant to this Deed but does not include any amount standing to the credit to the Distribution Account except any profit earned on the Distribution Account. Back end Load, if any, shall become part of the deposited property.]
- 1.26 **“Discount Rate”** means the rate at which the State Bank of Pakistan makes funds available to banks for short periods against the collateral of government bonds; and if no longer published then the substitute thereof.
- 1.27 **“Distribution Account”** means the account (which may be a current, saving or deposit account) maintained by the Trustee with a Bank, approved by the Management Company in which the amount required for the distribution of income to the Holders shall be transferred.
- 1.28 **“Distributor/ Distribution Company”** <sup>18</sup>[means a company or companies, firm, or bank appointed by the Management Company, under intimation to the Trustee, for performing any or all of the Distribution Functions and shall include the Management Company itself, if it performs the Distribution Function.]
- 1.29 **“Distribution Function”** means with regard to:

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16. Substituted, vide 3rd Supplemental Trust Deed dated 23rd June, 2010, for “Custodian” means a Bank that 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 and the said appointment will be intimated to the Commission.”

17. Substituted, vide 3rd Supplemental Trust Deed dated 23rd June, 2010, for “means the aggregate proceeds of the sale of all Units at Offer Price after deducting therefrom or providing thereout any applicable Sales Load and Duties and Charges and includes the Investment and all income, profit and other benefits arising therefrom 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 Holders pursuant to this Deed but does not include any amount standing to the credit of the Distribution Account.”

18. Substituted, vide 3rd Supplemental Trust Deed dated 23rd June, 2010, for “means a company, firm or a Bank appointed by the Trustee with the approval and instructions of the Management Company for performing the Distribution Function and shall also include the Management Company itself, if it performs the Distribution Function.”

- <sup>19</sup>[(a) Receiving applications for issue of Units together with the aggregate Offer Price for Units applied for by the applicants;
- (b) Issuing of receipts in respect of (a) above;
- (c) 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; and
- (d) 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.]
- 1.30 **“Duties and Charges”** means in relation to any particular transaction or dealing all stamp and other duties, taxes, Government charges, brokerage, bank charges, transfer fees, registration fees and other duties and charges whether in connection with the constitution of the Deposited Property or the creation, issue, sale, transfer, redemption or purchase of Units or the sale of 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.
- 1.31 **“Formation Cost”** means all preliminary and floatation expenses of the Trust including expenses in connection with authorization of the Scheme, execution and registration of the Constitutive Document, issue, circulation and publication of the Offering Document and all expenses incurred during the Initial Period.
- 1.32 **“Front-end Load”** <sup>20</sup>[means the Load not exceeding five percent (5%) of the NAV which may be included in the Offer Price of certain class of Units. 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.]

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19 . Substituted, vide 3<sup>rd</sup> Supplemental Trust Deed dated 23<sup>rd</sup> June, 2010, for

“(a) Receiving applications for issue of Units together with the aggregate Offer Price for Units applied for by the applicants;

(b) Issuing of receipts in respect of (a) above;

(c) Issuing Units to the applicants in accordance with the terms of the scheme.

(d) 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 or the Trustee, to the Management Company or the Trustee, to the Management Company or the Transfer Agent as appropriate; and

(e) Accounting to the Trustee for all (1) moneys received from the applicants for issuance of Units; (2) payments made to the Holders on redemption of Units; and (3) expenses incurred in relation to the Distribution Function.”

20. Substituted, vide 3<sup>rd</sup> Supplemental Trust Deed dated 23<sup>rd</sup> June, 2010, for “means the Sales Load that is included in the Offer Price of Units”.



- 1.33 **“Government Securities”** means securities and other instruments issued and to be issued by any Federal or Provincial Government of the Islamic Republic of Pakistan and/or State Bank of Pakistan, including but not limited to Federal Investment Bonds, Pakistan Investment Bonds and any securities/instruments replacing or substituting the foregoing from time to time.
- 1.34 **“Holder” or “Unit Holder”** means the investors 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.
- 1.35 **“Initial Period” or “Initial Offering Period”** means a period determined by the Management Company not exceeding ninety days during which Units will be offered at the Initial Price in terms of the Offering Document.
- 1.36 **“Initial Price”** means the price per Unit during the Initial Offering Period determined by the Management Company.
- 1.37 **“Investment”** means any Authorised Investment forming part of the Deposited Property.
- 1.38 **“Investment Facilitator/ Sales Agents”** means an individual, firm, corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Scheme. The Management Company shall compensate the Investment Facilitators/ Sales Agents out of the Sales Load collected by it in the Offer Price.
- 1.39 **“Net Assets”** shall have the same meaning as in the Rules.
- 1.40 **“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.
- 1.41 **“No Sales Load”** means no Sales Load payable on sale or redemption of Units.
- 1.42 **“Offer Price”** means the sum to be paid to the Trustee for issuance of one Unit, such price to be determined pursuant to clause 15 of this Deed.
- 1.43 **“Offering Document”** means the prospectus, advertisement or other document (approved by the Commission), which contains the investment and distribution policy and all other information in respect of the Scheme, as required by the Rules and is calculated to invite offers by the public for purchase of Units in the Unit Trust.
- 1.44 **“Ordinance”** means the Securities and Exchange Ordinance, 1969, as amended from time to time.
- 1.45 **“Par Value”** means the face value of a Unit that shall be Rupees five hundred (Rs. 500) or such other amount as may be determined by the Management Company in consultation with the Trustee from time to time and such other amount shall be intimated to the Commission.
- 1.46 **“Permitted Amendments”** is defined in clause 33.3.

- 1.47 **“Personal Law”** means the law of inheritance and succession as applicable to the individual Unit Holder.
- 1.48 **“Redemption Price”** means the amount to be paid to the relevant Holder of a Unit upon redemption of that Unit, such amount to be determined pursuant to clause 18 of this Deed.
- 1.49 **“Register”** means the Register of the Holders kept pursuant to the Rules and this Deed.
- 1.50 **“Registrar Functions”** means the functions with regard to:
- (a) Maintaining the Register;
  - (b) Receiving application 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 <sup>21</sup>[and distributing bonus Units or partly both] and allocating Units to Holders on re-investment of dividends as per clause 30.4 of this Deed;
  - (g) Canceling old Certificates on redemption or replacement;
  - (h) Maintaining record of lien/ pledge/ charge; and
  - (i) Keeping record of change of addresses/ other particulars of the Holders.
- 1.51 **“Reporting Currency/ Base Currency”** means the currency used in presenting the financial statements which will be the Pakistani Rupee.
- 1.52 **“Restricted Investments”** means the following:
- (a) Shares forming the part of a company’s equity;
  - (b) Bearer securities;
  - (c) Securities on margin;

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21. Inserted vide 1st Supplemental Trust Deed dated 11th June, 2005.

- (d) Securities which result in assumption of unlimited liability (actual or contingent);
  - (e) Commodities or commodity contracts; and
  - (f) Real estate or interest in real estate save and except in securities which are secured by real estate or interests therein or issued by companies that invest in real estate or interest therein and are approved by the Management Company;
- 1.53 **“Rules”** means the <sup>22</sup>[Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.]
- <sup>23</sup>[1.53 A **“Regulations”** means the Non-Banking Finance Companies and Notified Entities Regulations, 2008, as amended from time to time; (In this Deed, where reference is made to Rules, it shall be construed that it also refers to Regulations);]
- 1.54 <sup>24</sup>[ ]
- 1.55 **“Stock Exchange”** means Karachi Stock Exchange, Lahore Stock Exchange, Islamabad Stock Exchange or any other stock exchange registered under Section 5 of the Ordinance.
- 1.56 **“Subscription Day”** means every Business Day provided that the Management Company may with the prior written consent of the Trustee and upon giving not less than seven days notice in at least one English and one Urdu newspaper widely circulated in Pakistan, declare any particular Business Day not to be a Subscription day.
- 1.57 **“Supplementary Offering Document”** means a document issued by the Management Company, in consultation with the Trustee, after seeking approval of the Commission, describing the special features of an administrative plan offering investment in the Income Fund or a combination of the Income Fund and other schemes managed by the Management Company, or any amendments made to the Offering Document.
- 1.58 **“Transfer Agent”** means a company including a Bank that the Management Company may appoint for performing the Registrar Function.<sup>25</sup>[The Management Company may itself perform the Registrar Function.]
- 1.59 **“Trust”, “Unit Trust” or “Scheme”** means the Unit Trust constituted by this Trust Deed for continuous offers for sale of Units.

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22. Substituted, vide 1st Supplemental Trust Deed dated 11th June, 2005, for “means the Asset Management Companies Rules, 1995, as amended from time to time.”

23. Inserted vide 3rd Supplemental Trust Deed dated 23rd June, 2010.

24. Deleted vide 3rd Supplemental Trust Deed dated 23rd June, 2010. Before deletion read as “Sales Load” means the sales and processing charge or commission (excluding Duties and Charges) not exceeding five percent (5%) of the Net Asset Value, (the exact percentage will be disclosed in the Offering Document), which may be included in the Offer Price of certain class of units or deducted from the Net Asset Value in order to determine the Redemption Price of certain classes of Units. The Management Company may apply different levels of Sales Load for different Plans under the Atlas Income Fund”.

25. Inserted vide 1st Supplemental Trust Deed dated 11th June, 2005.

- 1.60 **“Unit”** means one undivided share in the Trust <sup>26</sup>[and where the context so indicates a fraction thereof.]

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.

<sup>27</sup>**[1 A. NAME AND CATEGORY OF THE SCHEME**

“Atlas Income Fund” is an open-ended Income Scheme.]

**2. DECLARATION OF TRUST**

It is hereby declared unequivocally, that a unit trust in the name and title of Atlas Income Fund is hereby created and the Management Company is hereby appointed to establish, manage, operate and administer the said Unit Trust and the Trustee is hereby nominated, constituted and appointed as the Trustee of the Unit Trust. <sup>28</sup>[The Unit Trust shall be an open-end ‘Income Scheme’.] The Management Company and the Trustee hereby agree to such appointment and further declare:

- a) 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 Holders ranking *pari passu* inter se according to the number of Units held by each Holder;
- b) The Deposited Property shall be invested from time to time by the Trustee at the request of the Management Company strictly in terms of the provisions contained and the conditions stipulated in this Deed, the Offering Documents, the Rules and the conditions (if any) which may be imposed by the Commission from time to time;
- c) The Management Company shall manage, operate and administer the Fund in accordance with the Rules.

**3. DEPOSITED PROPERTY**

3.1 The aggregate proceeds of all Units issued from time to time after deducting Duties and Charges and after deducting therefrom or providing thereout any applicable Sales 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 Sales Load and the Duties and Charges to the Trustee in accordance with the instructions given by the Management Company from time to time.

3.2 The Deposited Property shall initially be constituted out of the proceeds of the Units issued to the Core Investors and other Units issued during the initial

26. Inserted vide 1st Supplemental Trust Deed dated 11th June, 2005.

27. Inserted vide 3rd Supplemental Trust Deed dated 23rd June, 2010.

28. Inserted vide 3rd Supplemental Trust Deed dated 23rd June, 2010.

Period after deducting any applicable Duties and Charges therefrom or any Sales Load.

- 3.3 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 in accordance with the provisions of the Rules 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 of pursuant to the provisions of this Deed. All expenses incurred by Trustee in effecting such registration shall be payable out of the Deposited Property.
- 3.4 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 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.
- 3.5 The Trustee shall have the sole responsibility for the safekeeping of the Deposited Property. Subject to the provisions of Clause 7.2 below, in the event of any loss arising as a result of an act/ omission of the Trustee, in violation of the terms of this Deed, 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.
- 3.6 All cash forming part of the Deposited Property shall be deposited by the Trustee in a separate account, in the name of the Trustee with a scheduled Bank or financial institution approved by the Management Company, having at least minimum investment grade rating, as per criteria laid down by a credit rating agency approved by the Commission. The Bank or a financial institution shall allow profit thereon in accordance with the rules prescribed by the Bank or financial institution for sharing of profits or mark-up on deposits maintained in such account or under any other arrangement approved by the Management Company.
- 3.7 Remuneration of the Management Company and the Trustee, brokerage and transaction costs relating to investing and disinvesting of the Deposited Property, all expenses incurred by the Trustee effecting the registration of all registerable property in the Trustee's name, legal and related costs as may be incurred in protecting or enhancing the interests of the Scheme or the collective interests of the Holders; Bank charges and borrowing/ financial costs; audit fees; listing fee payable to a Stock Exchange; formation Cost and taxes if any applicable to the Trust <sup>29</sup>[and any other charges as may be allowed by the Commission,] shall be payable out of the Deposited Property.

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29. Inserted vide 3rd Supplemental Trust Deed dated 23rd June, 2010.

<sup>30</sup>[3.8 The profit earned on the funds in distribution account shall form part of the Deposited Property.]

#### **4. INVESTMENT OF THE DEPOSITED PROPERTY**

- 4.1 During and prior to the commencement of the Initial Period the Trustee shall hold the Deposited Property in cash in a separate account with a Bank or a financial institution having atleast, if available, an investment grade rating (assigned by any credit rating agency licensed by the Commission) and approved by the Management Company. 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) be directed by the Management Company.
- 4.2 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 Authorised 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 Authorised 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.
- 4.3 <sup>31</sup>[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 and permissible under the rules and regulations to make such purchase or sale more advantageously in some other manner. The broker will be appointed from time to time by the Management Company under intimation to the Trustee and in accordance with the criteria developed for the appointment of broker.]
- 4.4 <sup>32</sup>[The Deposited Property shall be subject to such exposure limits as are provided in the Rules/Regulations, as amended from time to time (subject to any relaxations/exemptions that may be specifically given to the Fund by the Commission).]

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30. Inserted vide 3rd Supplemental Trust Deed dated 23rd June, 2010.

31. Substituted, vide 3rd Supplemental Trust Deed dated 23rd June, 2010, for "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. The Broker will be appointed, from time to time, by the Trustee with the approval and the instructions of the Management Company.

The Management Company shall not nominate directly or indirectly as a broker, any of its directors, executives, officers or employees or their family members (which term shall include its spouse, parents, children, brothers or sisters)."

32. Substituted, vide 3rd Supplemental Trust Deed dated 23rd June, 2010, for "The Deposited Property shall be subject to such exposure limits as are provided in the Rules; Provided that it will not be necessary for the Trustee to sell any Investment merely because owing to appreciation or depreciation of any Investment or redemption of Units such limit may be exceeded, subsequent to the acquisition of such Investment."

- 4.5 <sup>33</sup>[In the event exposure limits are exceeded due to corporate actions including taking up rights or bonus issue and owing to appreciation or depreciation in value of any Investment, disposal of any Investment or Redemption of Units, 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.]
- 4.6 The Deposited Property shall not be invested in any security of a company if any director or officer of the Management Company <sup>34</sup>[ ] owns more than five percent (5%) of the total nominal amount of the securities issued <sup>35</sup>[ ] or collectively the directors and officers of the Management Company <sup>36</sup>[ ] owns more than ten percent (10%) of the securities issued of the said company.
- 4.7 <sup>37</sup>[ ]
- 4.8 The Trust will not at any time:
- (a) Invest or deal in Restricted Investments.
  - (b) Participate in a joint account with others in any transaction.
  - (c) Make short sales of any security or maintain a short position.
- 4.9 <sup>38</sup>[ ]
- 4.10 <sup>39</sup>[ ]
- <sup>40</sup>[4.11 At least 25% of the Net Assets shall be invested in cash and near cash instruments which include cash in bank account (excluding TDRs) and Shariah Compliant government securities not exceeding 90 days maturity.

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33. Substituted, vide 3rd Supplemental Trust Deed dated 23rd June, 2010, for "If and so long as the value of the holding in a particular company or sector shall exceed the exposure limit imposed in a particular company and sector by the Rules, the Trustee shall not purchase any further investments in such company or sector."

34. Deleted vide 3rd Supplemental Trust Deed dated 23rd June, 2010. Before deletion read as "or any of their Connected Person."

35. Deleted vide 3rd Supplemental Trust Deed dated 23rd June, 2010. Before deletion read as "of such company,"

36. Deleted vide 3rd Supplemental Trust Deed dated 23rd June, 2010. Before deletion read as "or any of their Connected Person."

37. Deleted vide 3rd Supplemental Trust Deed dated 23rd June, 2010. Before deletion read as "The Trust shall not purchase from or sell any security to the Management Company or to any director, officer or employee of the Management Company or to any person who beneficially owns ten percent (10%) or more of the equity of the Management Company, save in the case such party is acting as an intermediary."

38. Deleted vide 3rd Supplemental Trust Deed dated 23rd June, 2010. Before deletion read as " Subject to the Rules and any other applicable law, the Management Company may, on behalf of the Scheme, write call options on any of the securities held in the portfolio, if there is a market based exit mechanism from options so written. The Management Company may also, on behalf of the Scheme, buy put options equivalent to any securities held in the portfolio. Under no circumstances shall the Management Company buy or sell options on behalf of the Scheme that results in an exposure beyond the number of underlying securities held in the portfolio of the Scheme. The Management Company may, however, buy or sell call or put options on one or more item (financial or otherwise) that in its opinion would act as a hedge against risk."

39. Deleted vide 3rd Supplemental Trust Deed dated 23rd June, 2010. Before deletion read as " The Management Company may from time to time, for the account of the Trust, request the Trustee to enter into underwriting, sub-underwriting contracts in relation to the subscription or purchase of Authorised Investments upon such terms in all respects as the Management Company shall think fit but subject always to the provisions of the Rules and the Constitutive Documents and so that no such contract shall relate to an Authorised Investment which if acquired would constitute a holding in excess of the exposure limit specified in the Rules. The underwriting and sub-underwriting commission and all Authorised Investments acquired pursuant to any such contract shall form part of the Deposited Property and any subscription or purchase moneys payable there under shall be paid out of the Deposited Property."

40. Inserted vide 3rd Supplemental Trust Deed dated 23rd June, 2010.

- 4.12 No more than 15% of the Net Assets shall be invested in non-traded Shariah Compliant securities including reverse repos, bank deposits, certificates of investments (COI), certificate of musharakas (COM) and anything over 6 months maturity which is not a marketable security.
- 4.13 Weighted average time to maturity of the Net Assets shall not exceed 4 years. This condition shall not apply to securities issued by the Federal Government. However, there is no restriction regarding time to maturity and duration on any single asset in the portfolio.
- 4.14 The Management Company, on behalf of the Fund, shall not at any time rollover the investments, if in the opinion of trustee ,the Fund would not be able to issue payment instrument for the redemption money to the unit holder within time period stipulated in the Regulations.]

<sup>41</sup>[**4A. PERFORMANCE BENCHMARK**

The Performance Benchmark for Atlas Income Fund shall be average six (6) month KIBOR (Offer).]

<sup>42</sup>[**4B. TRANSACTIONS WITH CONNECTED PERSONS**

- (a) AIF 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 collectively own more than ten per cent (10%) of those securities.
- (b) The Management Company on behalf of the Scheme shall not without the approval of its Board of Director in writing and consent of Trustee, purchase from, or sell any security to, any connected person or employee of the Management Company.
- (c) For the purpose of sub-paragraph (a) and (b) above, the terms director, officer and employee shall include spouse, lineal ascendants and descendants, brothers and sisters.
- (d) Cash forming part of the property of the Scheme may be placed as deposits with the Trustee or an institution licensed to accept deposits.
- (e) Money can be borrowed from the Financial Institutions provided that the charges are not higher than the normal bank charges.]

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41. Inserted vide 3rd Supplemental Trust Deed dated 23rd June, 2010.

42. Inserted vide 3rd Supplemental Trust Deed dated 23rd June, 2010.



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

- 5.1 All rights of voting attached to any Deposited Property shall be exercisable by the Management Company on behalf of the Trustee and the Management Company shall be entitled to exercise the said rights in what it may consider to be the best interests of the Holders, and may refrain at its own discretion from the exercise of any voting rights and the Trustee or the Holders shall not have any right to interfere or complain.
- 5.2 The Trustee shall upon written request by the Management Company and at their expense, from time to time execute and deliver or cause to be executed or delivered to the Management Company or their nominees powers of attorneys or proxies authorizing such attorneys and proxies to vote consent or otherwise act in respect of any Investment in such form and in favour of such persons as the Management Company may require in writing.

The phrase "rights of voting" or the word "vote" used in this sub-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.

- 5.3 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.

## **6. BORROWING**

- 6.1 Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained the Trustee may, at any time at the written request of the Management Company, concur with the Management Company in making and varying arrangements with Banks or other financial institutions for borrowing by the Trustee for the account of the Trust. Provided that the charges payable to such Bank or financial institution are not higher than the normal bank charges. Provided further that the maximum borrowing for the account of the Trust shall not exceed the limit provided in the Rules but if subsequent to such borrowing, the Net Assets have 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.
- 6.2 For the purpose of securing any such borrowing the Trustee may with the approval of the Management Company mortgage, charge or pledge in any manner all or any part of the Deposited Property, provided that the aggregate amount to be secured by such mortgage, charge or pledge shall not exceed the limit provided in the Rules.
- 6.3 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 on account of the Trust 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 any borrowings.

- 6.4 The Trustee or the Management Company shall not incur any liability by reason of any loss to the Trust or any loss that a Holder may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangement made hereunder.

## 7. DUTIES AND POWERS OF TRUSTEE

- 7.1 The Trustee shall comply with the provisions of the Rules and the Constitutive 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 Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee.<sup>43</sup>[ ]

Provided that the Trustee shall be responsible for the 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 negligence or any reckless or willful act and/ or omission of the Trustee or any of its directors, officers, nominees or agents.

- 7.2 The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Holders. The Trustee shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or in pursuance of any request of the Management Company provided they are not in conflict with the provisions of the Constitutive Documents or the Rules. Whenever pursuant to any provision of this Deed or the Rules. Whenever pursuant to any provisions 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 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 authorised in writing by the Management Company to accept.

- 7.3 The Trustee shall carry out the instructions of the Management Company in all matters including investment and disposition of the Deposited Property, if such instructions are not in conflict with the provisions of the Constitutive Documents or the Rules or any applicable law and regulations.

- 7.4 <sup>44</sup>[ ]

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43. Deleted vide 3rd Supplemental Trust Deed dated 23rd June, 2010. Before deletion as "with the written approval of the 'Management Company.'"

44. Deleted vide 3rd Supplemental Trust Deed dated 23rd June, 2010. Before deletion read as "The Trustee shall, from time to time, on the instruction of the Management Company appoint, remove or replace one or more Distribution Company(s) for carrying the Distribution Function at one or more locations, on terms and conditions to be incorporated in the Distribution Agreement to be entered into between the Distribution Company and the Trustee."

- 7.5 The Trustee shall, with the approval of the Management Company, from time to time appoint, remove or replace one or more custodian 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.
- 7.6 <sup>45</sup>[ ]
- 7.7 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 Scheme.
- 7.8 <sup>46</sup>[The Trustee shall issue a report to be included in the annual and second quarter report of the Collective Investment Scheme and therein state whether, in its opinion, the Management Company has in all material respects managed the Scheme in accordance with the provisions of the Constitutive Documents, the Rules and these Regulations, and if the Management Company has not done so, the respects in which it has not done so and the steps that the trustee has taken in respect thereof;]
- 7.9 The Trustee shall, if requested by Management Company, 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 pleading 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 authorised directors and officers. All costs, charges and expenses (including <sup>47</sup>[ ] legal fees) incurred in instituting or defending any such action shall be on account of the Deposited Property and the Trustee shall (out of the Deposited Property) 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 negligence or breach of fiduciary duties in connection with its duties as the Trustee under this Deed or the Rules. 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 Trust.
- 7.10 Neither the Trustee or the Custodian (if Trustee has appointed another person as Custodian) nor the Management Company or any of their

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45. Deleted vide 3rd Supplemental Trust Deed dated 23rd June, 2010. Before deletion read as "The Trustee shall appoint a Broker in terms of clause 4.3 of this Deed."

46. Substituted, vide 3rd Supplemental Trust Deed dated 23rd June, 2010, for " The Trustee shall report on all matters provided in the Rules including issue to the Holders a report on all the matters in which it is required to issue a report under the Constitutive Documents and the Rules to the Holders including a report to be included in the annual report whether in its opinion, the Management Company has in all material respects managed the Deposited Property in accordance with the provisions of the Rules and the Constitutive Documents and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof."

47. Deleted vide 3rd Supplemental Trust Deed dated 23rd June, 2010. Before deletion read as "reasonable".

Connected Person shall sell or purchase or deal in the sale of any Investment or enter into any other transaction with the Trust (save in the capacity of an intermediary).

- 7.11 The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Rules 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 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.

Notwithstanding removal / resignation of Trustee, the Trustee shall remain entitled to the benefit of this clause.

- 7.12 The Trustee shall promptly forward to the Management Company any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government, regulator, stock or other exchange or any other party having any connection with the transaction. The Trustee shall promptly act on any instruction of the Management Company in all such matters relating to recovery of the Deposited Property.

- 7.13 The Trustee shall promptly provide proxies or other forms of powers of attorney to the order of the Management Company with regard to any voting rights attaching to any investment.

- 7.14 <sup>48</sup>[ ]

- 7.15 The Trustee shall ensure that: (a) the sales, issue, repurchase, redemption, and cancellation of Units are carried out in accordance with the provisions of the Constitutive Documents and the Rules; and (b) the methods adopted by the Management Company in calculating the value of the Units are adequate and in accordance with the provisions of the Constitutive Documents and the Rules.

<sup>49</sup>[7.16 The trustee shall not invest in the Units of the Funds.

- 7.17 The Trustee shall immediately inform the Commission if any action of the Asset Management Company contravenes the Ordinance, the Rules, the

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48. Deleted vide 3rd Supplemental Trust Deed dated 23rd June, 2010. Before deletion read as "Any transaction between the Trustee and the Management Company or any of the Connected Person as principal, shall only be made, if permissible under the Rules and with the prior written consent of the Trustee."

49. Inserted vide 3rd Supplemental Trust Deed dated 23rd June, 2010.

Regulations, Constitutive Documents, guidelines, codes, circulars, directives or any other applicable laws.]

## 8. REMUNERATION OF TRUSTEE AND ITS AGENTS.

- 8.1 <sup>50</sup>[The Trustee remuneration shall consists of reimbursement of actual custodial expenses/charges (excluding book entry custody fee which is waived) plus the following tariff:

Net Assets	Tariff
Up to Rupees one billion	Rupees 0.7 million or 0.20% p.a of NAV, whichever is higher
Exceeding Rupees one billion	Rupees 2.0 million plus 0.10% of NAV exceeding Rupees 1,000 million

The Calculation for remuneration shall be based on average daily or weekly Net Assets during such calendar month. The remuneration shall begin to accrue from the date of payment in full of all Units subscribed by the Core Investors. For any period other than a full calendar month such remuneration will be prorated on the basis of the actual number of days for which such remuneration has accrued for the total number of days in the calendar month concerned.

- 8.2 Such remuneration shall be paid to the Trustee in arrears within thirty (30) Business Days after the end of each calendar month.
- 8.3 <sup>51</sup>[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 Holders or against the Deposited Property or against the Distribution Account for its service or for its expenses, except as are expressly authorized to be payable out of the Deposited Property under the provisions of the Rules and the Deed.]
- 8.4 The Trustee shall bear all expenditures in respect of their secretarial and office space and professional management, including all accounting and

50. Substituted, vide 1st Supplemental Trust Deed dated 11th June, 2005, for "The Trustee shall be entitled to a monthly remuneration out of the Deposited Property based on an annual tariff of charges which is as follows.

Net Assets	charges
*Up to Rs.250 million	0.50% p.a. with a minimum of Rs.1.25 million p.a.
*an amount exceeding Rs.250 million up to Rs.500 million.	Rs.1.25 million +0.35% of amount exceeding Rs.250 million p.a.
*an amount exceeding Rs.500 million up to Rs.1,000 million.	Rs.2.125 million +0.25% of amount exceeding Rs.500 million p.a.
*an amount exceeding Rs.1,000 million.	Rs.3.375 million +0.10% of amount exceeding Rs.1,000 million p.a.

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51. Substituted, vide 1st Supplemental Trust Deed dated 11th June, 2005, for "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 including any remuneration and expenses of the Custodian. The Trustee shall not make any charge against the Holders or against the Deposited Property or against the Distribution Account for its service or for its expenses, except such expenses as are expressly authorized to be payable out of the Deposited Property under the provisions of the Rules and Constitutive Documents."

administrative services provided in accordance with the provisions of this Deed.

## **9. DUTIES AND POWERS OF MANAGEMENT COMPANY**

- 9.1 The Management Company shall comply with the provisions of the Rules and the Constitutive 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 purposes of this Deed to be the act of the Management Company. The Management Company shall be responsible for the acts and omissions of all persons to whom it may delegate any of its functions as manager as if these were its own acts and omissions and shall account to the Trustee for any loss in value of the Deposited Property, where such loss has been caused by its negligence, reckless or willful act and/ or omission or by its officers, officials or agents.
- 9.2 The Management Company shall manage the Deposited Property in the interest of the Holders in good faith and to the best of its ability and without gaining any undue advantage for itself or any of its Connected Persons, and subject to the restrictions and limitations as provided in the Constitutive Documents and the Rules. Any purchase or sale of investment made under any of the provisions of this Deed shall be made by the Trustee according to the instructions of the Management Company in this respect, if such instructions are not in conflict with the provisions of the Constitutive Documents or the Rules. The Management Company shall not be liable for any loss caused to the Trust or to the value of the Deposited Property due to any elements or circumstances beyond its reasonable control.
- 9.3 The Management Company may from time to time appoint, remove or replace the Transfer Agent.
- 9.4 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.
- 9.5 The Management Company shall not be under any liability except such liability as may be expressly assumed by it under the Rules and the Constitutive Documents nor shall the Management Company (save as herein otherwise provided) be liable for any act or omission of the Trustee nor for anything except its own negligence or willful breach of duty hereunder. If for any reason it becomes impossible or impracticable to carry out the provisions of the Constitutive Documents the Management Company 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 in good faith hereunder.
- 9.6 The Management Company shall if it considers necessary request the Trustee, for the protection of Deposited Property or safeguarding the interest of the Unit Holders, to 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.

- 9.7 The Management Company has the primary responsibility for all record keeping, regular determination and announcement of Unit prices and for producing financial reports from time to time as provided in the Rules and this Deed.
- <sup>52</sup>[9.8 The Management Company/Authorized Branch(es) of the Distributors shall formally forward all the requests for dealing in Units, duly time and date stamped, to the Trustee within 24 hours of the receipt of such requests.
- 9.9 The Management Company shall ensure that no entry and exit to the scheme (including redemption and reissuance of units to the same unit holders on different NAVs) shall be allowed other than cash settled transactions based on the formal issuance and redemption request, unless permitted otherwise by the Commission under the Regulations.
- 9.10 The Management Company on behalf of the Fund shall not at any time net off any investment of the Fund against the investment of the Unit Holder(s) in the Fund.
- 9.11 The Management Company shall ensure all valid redemption request are paid based on ranking of the request in a queue.]

## **10. REMUNERATION OF MANAGEMENT COMPANY AND ITS AGENTS**

- 10.1 The Management Company shall be entitled to receive :
- (a) <sup>53</sup>[An annual remuneration of an amount not exceeding three percent (3%) of the annual average Net Assets during the first five years of the Scheme and two percent (2%) of such assets thereafter:]
- (b) An additional performance bonus as provided in the Rules.
- 10.2 The remuneration shall begin to accrue from the day of payment in full of all the Units subscribed by the Core Investors. In respect of any period other than a full calendar year such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued for the total number of days accrued in the calendar year concerned.
- 10.3 The remuneration due to the Management Company shall be paid on or before the date that is thirty days after the Accounting Date, provided that the Management Company may from time to time draw in advance out of the accrued remuneration a sum that the Trustee shall consider reasonable.

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52. Inserted vide 3rd Supplemental Trust Deed dated June 23, 2010.

53. Substituted, vide 3rd Supplemental Trust Deed dated 23rd June, 2010, for "An annual remuneration of an amount not exceeding three percent (3%) of the average daily (or weekly) Net Assets during the first five years of the Scheme and two percent (2%) of such assets thereafter; and".

- 10.4 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 their responsibilities as Asset Management Company to the Trust, including the remuneration and expenses of the Transfer Agent, the Distribution Company and any selling and promotional expenses incurred in respect of the sale of Units. The Management Company shall not make any charge against the Holders or against the Deposited Property or against the Distribution Account for its services or for its expenses, except as are expressly authorized under the provisions of the Rules and this Deed to be payable out of the Deposited Property.
- 10.5 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 Deed.

## **11. CHANGE OF TRUSTEE**

- 11.1 The Trustee shall not be entitled to retire voluntarily or otherwise except upon the appointment of a new trustee. In the event of the Trustee desiring to retire the Management Company within a period of six months (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 or the Trustee (as the case may be) appoint a new Trustee under the provisions of the Rules in place of the retiring Trustee and also provide in such deed for the automatic vesting of all the assets of the Trust in the name of the new Trustee.
- 11.2 If the Trustee goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction on terms previously agreed with the Management Company for purpose of reconstruction and amalgamation) 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 Rules, the Management Company shall forthwith by instrument in writing remove the Trustee from its appointment under this Deed and shall by the same or some other instrument in writing simultaneously appoint as trustee some other company or corporation according to the provisions of the Rules and the Constitutive Documents as the new trustee.
- 11.3 The Management Company may remove the Trustee, with the prior approval of the Commission, after giving twenty-one days notice in writing to the Trustee on grounds of any material default or non-compliance with the provisions of the Constitutive Documents or the Rules, and appoint another trustee provided such removal does not itself constitute admission of such default or non-compliance on part of the Trustee.
- 11.4 Upon the appointment of a new trustee, the Trustee shall immediately deliver and hand over 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.



- 11.5 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.

## **12. CHANGE OF MANAGEMENT COMPANY**

- 12.1 The Trustee may with the prior approval of the Commission, remove the Management Company by giving at least twenty-one days notice in writing to the Management Company if any of the following have occurred:
- (a) The Management Company has 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 goes into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for purpose of reconstruction and amalgamation);
  - (c) A receiver is appointed over any of the assets of the Management Company.
- 12.2 The Management Company may voluntarily retire at any time with the prior written consent of the Commission and the Trustee.
- 12.3 The removal of the Management Company and appointment of a new management company shall always require the prior approval of the Commission and the Trustee.
- 12.4 If the Commission has cancelled the registration of the Management Company under the provisions of the Rules, the Trustee shall appoint another asset management company as the management company for the Scheme according to the provisions of the Constitutive Documents and the Rules.
- 12.5 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.
- 12.6 Upon its appointment the new management company shall exercise all the powers and enjoy all the 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.

## **13. UNITS**

- 13.1 All Units or fractions thereof represent an undivided share in the Deposited Property and rank *pari passu* as to their rights in the Net Assets, earnings,

and the receipt of the dividends and distributions. Each Holder has a beneficial interest in the Atlas Income Fund proportionable to the Units held by such Holder.

13.2 Irrespective of the different classes of Units as set out in this Clause, all Units issued from time to time 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.

<sup>54</sup>[13.2A The Management Company may issue any of the following classes of units:

(1) Class "A" Units that shall be charged with No Sales Load and shall include any Units issued as a result of re-investment of distributable income or any units issued as Bonus Units pursuant to this Deed and the Offering Document and shall also include the units that have been subscribed by the Core Investors, subject to the condition that these cannot be redeemed before the lapse of two years from the date of issue.

(2) Class "B" Units that shall be charged with Front-end Load as mentioned in the Offering Document but not exceeding the maximum amount mentioned in the Rules and can be redeemed any time as provided in the Trust Deed and Offering Document. No Back-end Load is applicable on these Units.

(3) Class "C" Units that shall be issued for specific allocation schemes/investment plans which have a defined time frame/period and these Units shall have a Front-end Load and a Back-end Load if redeemed before the period of maturity, as mentioned in the Offering Document but not exceeding the maximum amount mentioned in the Rules. No Back-end Load will be applicable after maturity.

(4) Class "D" Units that shall be issued to such investors as mentioned in the Offering Document wherein the investors shall have the option to receive distribution income in the structure as Class "B" Units.]

13.3 The Units issued with different administrative arrangements may have differing quantum of the Front-end Load added to the NAV for determining the Offering Price thereof and differing levels of Back-end Load deductible from the NAV for determining the Repurchase Price.

13.4 Core Units subscribed by the Core Investors shall be offered and issued at Par Value and 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 Account Statement, Certificate or transfer instrument issued in respect of such Units.

13.5 Units offered and issued during the Initial Period shall be issued at the Initial Price. The offer and issue of Units during the Initial Period shall remain open during the period specified in the Offering Document.

13.6 After the Initial Period, the Offer Price shall be determined from time to time pursuant to clause 15 of this Deed.

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54. Inserted vide 2nd Supplemental Trust Deed dated 29th October, 2007.

13.7 By a deed supplemental to this deed the Management Company may at any time with the approval of the Trustee on giving not less than twenty-one days previous notice in writing to each Holder subdivide or consolidate the whole or any part of the Units and the Holder shall be bound accordingly. The Management Company shall require in such notice that each Holder to whom Certificates have been issued, (who shall be bound accordingly) deliver up his Certificates for endorsement or enfacement with the number of Units to be represented thereby as a result of such sub-division or consolidation; provided that any delay or failure to deliver up the Certificates shall not delay or otherwise affect any such division or consolidation. Such information shall be published in at least one English and one Urdu newspaper widely circulated in Pakistan.

<sup>55</sup>[13.8 The Management Company shall announce the NAV of the Fund on all business days on its website i.e. www.atlasfunds.com.pk and also send such information to Mutual Funds Association of Pakistan (MUFAP) for hosting on MUFAP web-site. The timing of such announcement shall be mentioned in the Offering Document.]

#### **14. ISSUE OF UNITS**

14.1 The Management Company shall be responsible for obtaining all requisite consents and approval for the offer and issue of Units and for the issue, publication or circulation of the Offering Documents.

14.2 Except as provided herein, the Units shall be offered through the authorized offices or branches of the Distribution Companies on all Subscription Days.

14.3 Application for issuance of Units shall be made by completing the prescribed application form and submitting it with the payment by cheque or pay order or bank draft, crossed "A/C payee only" <sup>56</sup>[or through payments via credit cards, debit cards, auto debit instructions (as and when introduced by the Management Company, with proper notification to the Unit Holders)], or in such form (other than through cash or any bearer instruments) as is prescribed by the Management Company, in favour of the Trustee at the Authorized Branch or office of any Distribution Company on any Subscription Day. Payment in cash will not be accepted. <sup>57</sup>[No person other than the Authorized Branches of the Management Company or Offices of any Distribution Company is authorized to accept the application for issuance of Units.] The <sup>58</sup>[Authorized Branches of the Management Company or the] Distribution Company <sup>59</sup>[as the case may be] shall verify the particulars given in the application for issue of Units and the documents submitted therewith and ensure that signature of any Holder or joint Holder to any document required to be signed by him under or in connection with the application for issue of Units is <sup>60</sup>[ ] authenticated to its or their reasonable satisfaction.

55. Inserted vide 3rd Supplemental Trust Deed dated 23rd June, 2010.

56. Inserted vide 2nd Supplemental Trust Deed dated 29th October, 2007.

57. Inserted vide 2nd Supplemental Trust Deed dated 29th October, 2007.

58. Inserted vide 2nd Supplemental Trust Deed dated 29th October, 2007.

59. Inserted vide 2nd Supplemental Trust Deed dated 29th October, 2007.

60. Deleted vide 2nd Supplemental Trust Deed dated 29th October, 2007. Before deletion read as "verified by a banker or Broker or other responsible person or otherwise."

- 14.4 Each Holder shall only be liable to pay the Offer Price of the Units subscribed by him in the manner provided in clause 14.3 and no further liability shall be imposed on him in respect of any Units held by him. The Units shall be issued only against the receipt of full payment.
- <sup>61</sup>[14.4 (a)The Management Company may market the Fund/any Administrative Plan in conjunction with group life or other insurance schemes or any other scheme subject to approval of the Commission. These supplementary schemes would not be compulsory for all the Unit Holders to join and the Trustee would be authorized to deduct the premiums only from the payment amounts of those Unit Holders who have opted to join such schemes. The details of such arrangements shall be provided through a Supplementary Offering Document. The Front-end load shall be deducted from the amount received after the deduction of the premium amount and only then the Units shall be issued. The Trustee would, on the instructions of the Management Company, directly deposit the deducted premium with the relevant company. Only the net amount received for issuance of Units after deduction of the premium and Sales Load would form part of the Deposited Property. The Holder may also provide the premium amount in addition to the payment trough a separate cheque in favour of the life insurance or other insurance company.]
- 14.5 An application for issuance of Units shall be deemed to have been made in accordance with the provisions of the Offering Document or a Supplementary Offering Document, if such documents prescribe automatic issuance of Units under certain circumstances.
- 14.6 The Management Company may make arrangements to accept issue requests through electronic, <sup>62</sup>[IVR (Interactive Voice Response)] or other means <sup>63</sup>[which shall be notified to the Unit Holders as and when introduced by the Management Company.]
- <sup>64</sup>[14.7 The Transfer Agent shall process sale and redemption applications as well as conversion/switching and transfer applications in accordance with the relevant Offering Documents or Supplementary Offering Documents. In addition, the Transfer Agent shall also process the automated conversion/switching between Funds as per the terms of the relevant Supplementary Documents. Based on the prices applicable to the relevant sale or redemption, the Transfer Agent shall determine the number of Units to be issued. The payments for such conversion/switching issuance requests shall be directly receivable by the Trustee of the Fund from the trustee of another fund being managed by the Management Company against redemption of that fund's units.)]

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61. Inserted vide 2nd Supplemental Trust Deed dated 29th October, 2007.

62. Inserted vide 2nd Supplemental Trust Deed dated 29th October, 2007.

63. Inserted vide 2nd Supplemental Trust Deed dated 29th October, 2007.

64. Inserted vide 2nd Supplemental Trust Deed dated 29th October, 2007.

- 14.8 The Management Company may also request the Trustee to open bank accounts at different branches of banks to facilitate the issue of Units. A request for issue of Units may be accepted through the ATM facility only when the relevant bank branches have been authorized to accept Unit Holders' request to purchase the Units of the Trust.]

## 15. DETERMINATION OF OFFER PRICE

- 15.1 After the Initial Period the Offer Price shall be calculated and announced by the Management Company on a daily or weekly basis, as may be determined by the Management Company from time to time.

- 15.2 The Offer Price shall be equal to the sum of:

- (a) The Net Asset Value as of the close of the <sup>65</sup>[ ] Business Day;
- (b) Any Front-end Load; and
- (c) Such amount as the Management Company may consider an appropriate provision for Duties and Charges;

The Offer Price so determined shall apply to purchase requests, complete in all respects, received by the Distributor during the business hours on <sup>66</sup>[that date].

The Management Company may announce different plans under different administrative arrangements with differing levels of Front-end Load, which may also vary according to other criteria in the Management Company's sole discretion and as provided in the Offering Document or the Supplementary Offering Document. Consequently, the Offer Price may differ for Units issued under differing administrative arrangements and for different investors.

Such sum shall be adjusted upwards to the nearest two decimal places.

- 15.3 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 15.2(c) 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 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).

- 15.4 <sup>67</sup>[In the event the amount recovered as provision for payment of Duties and Charges pursuant to sub-clause 15.2(c) exceeds the relevant amount of such Duties and Charges, the Transfer Agent shall issue additional Units or

65. Deleted vide 2nd Supplemental Trust Deed dated 29th October, 2007. Before deletion read as "immediate preceding".

66. Substituted, vide 2nd Supplemental Trust Deed dated 29th October, 2007, for "the following day / week".

67. Substituted, vide 3rd Supplemental Trust Deed dated 23rd June, 2010, for "In the event the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 15.2(c) exceeds the relevant amounts of Duties and Charges, the Trustee shall refund such excess amount to the relevant Holders along with the next income distribution or if instructed by the Management Company, at any time earlier."

fractions thereof to the Holder based on the price applicable to the Units issued against the relevant application.]

15.5 The Offer Price determined by the Management Company shall be made available to the public at the office and branches of the Distribution Company(s) and shall also be published in at least one English <sup>68</sup>[ ] newspaper, on daily basis with circulation in all major cities of Pakistan.

15.6 <sup>69</sup>[ ]

## 16. ALLOCATION OF SALES LOAD

16.1 The remuneration of Distribution Companies and Investment Facilitators / Sales Agents <sup>70</sup>[or any payment authorized by the Management Company] shall be paid exclusively from any Sales 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 Sales Load, after such disbursement, shall be paid by the Trustee to the Management Company as additional remuneration for their management services for the Trust. If the Sales Load received by the Trustee is insufficient to pay the remuneration of the Distribution Company(s) and Investment Facilitators / Sales Agents, the Management Company shall pay to the Trustee the amount necessary to pay in full such remuneration.

16.2 Such payments shall be made to the Distribution Company(s)<sup>71</sup>[, any authorized person(s)] and Investment Facilitators / Sale Agents and the Management Company by the Trustee or the Management Company to the Trustee on a monthly basis in arrears within thirty days of the end of the calendar month.

16.3 A Distributor located outside Pakistan may if so authorized by the Trustee and the Management Company retain such portion of the Front-end Load as is authorized by the Management Company and transfer the net amount to the Trustee, subject to the law for the time being in force.

## 17. REDEMPTION OF UNITS

17.1 <sup>72</sup>[The Trustee shall at any time during the life of the Trust authorize redemption of Units out of the Deposited Property, except under the circumstances mentioned in Clause 19 and 20 below.]

68. Deleted vide 1st Supplemental Trust Deed dated 11th June, 2005. Before deletion read as "and one Urdu."

69. Deleted vide 2nd Supplemental Trust Deed dated 29th October, 2007. Before deletion read as "If the variation of the Net Asset Value at any time exceeds two percent (2%) of the Net Asset Value included in the Offer Price calculated under sub clause 15.2(a), the Management Company shall suspend issue of the Units and shall calculate forthwith a new Offer Price. The Management Company shall also inform the Commission of the suspension of issuance of Units along with the new Offer Price, and publish the same in two widely circulated daily newspapers in Pakistan one in English and the other in Urdu."

70. Inserted vide 1st Supplemental Trust Deed dated 11th June, 2005.

71. Inserted vide 1st Supplemental Trust Deed dated 11th June, 2005.

72. Substituted, vide 3rd Supplemental Trust Deed dated 23rd June, 2010, for "The Trustee shall at any time during the life of the Trust authorize redemption of Units out of the Deposited Property to the Holder or through its duly authorized Distribution Company."

- 17.2 Application for redemption of Units shall be made by completing the prescribed redemption form and submitting it at the Authorized Branch or office of the Distribution Company or Transfer Agent together with the Unit Certificate, if issued, during any Subscription Day. The Management Company may make arrangements to accept redemption requests through electronic, <sup>73</sup>[IVR (Interactive Voice Response)] or other means <sup>74</sup>[which shall be notified to the Unit Holders as and when introduced by the Management Company.] No person shall be entitled to redeem only part of the Units comprised in a Certificate, however a certificate may be <sup>75</sup>[surrendered and a new certificate will be issued with revised number of Units] for this purpose and in the case where Certificate is not issued any number of Units may be redeemed by the Holder thereof. <sup>76</sup>[In case of Joint Applicants, any Holder may sign the redemption form if so authorized by all Joint Holders.]
- 17.3 The Trustee may with the approval of the Management Company dispense with the production of any Certificate that shall have become lost, stolen or destroyed upon compliance by the Holder with like requirements to those arising in the case of an application by him for the replacement thereof.
- 17.4 The Management Company shall announce the Redemption Price on a daily or weekly basis. The Redemption Price at which Units shall be redeemed shall be fixed by the Management Company under the terms of this Deed and as specified by the Rules. However, in the event in clause 18.6 or clause 20.1 or clause 20.2 hereunder comes into application, the redemption value shall be determined in accordance with the procedure laid out in these clauses.
- 17.5 The amount payable on redemption shall be paid to the Holder or first named joint Holder, by transfer to the Holder's designated bankers or a crossed cheque for the amount will be dispatched to the registered address of the Holder, within six Business Days from the date of presentation of the duly completed application for redemption form, <sup>77</sup>[in electronic or otherwise means as may be acceptable to the Management Company,] at the Authorized Branch or office of the Distribution Company or Transfer Agent. <sup>78</sup>[The Management Company may make arrangements for making redemption payments by transferring the redemption proceeds to the Holder's designated bankers or as otherwise requested by the Holder for other mode of payments. The details of such arrangements shall be notified to the Unit Holders by the Management Company from time to time on its website.]
- 17.6 The receipt of the Holder for any moneys payable in respect of the Units shall be a good discharge to the Trustee and if several persons are registered as joint Holders any one of them may give effectual receipt for any such moneys.

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73. Inserted vide 2nd Supplemental Trust Deed dated 29th October, 2007.

74. Inserted vide 2nd Supplemental Trust Deed dated 29th October, 2007.

75. Substituted, vide 2nd Supplemental Trust Deed dated 29th October, 2007, for "split".

76. Inserted vide 1st Supplemental Trust Deed dated 11th June, 2005.

77. Inserted vide 2nd Supplemental Trust Deed dated 29th October, 2007.

78. Inserted vide 2nd Supplemental Trust Deed dated 29th October, 2007.

- 17.7 Application for redemption of Units will be received at the authorized offices or branches of the Distribution Company or Transfer Agent on all Subscription Days. Where redemption requests on any one Subscription Day exceed ten percent (10%) of the total number of Units in issue, redemption requests in excess of ten percent may be deferred in accordance with the procedure elaborated in clause 20.1 thereof.
- 17.8 The Distribution Company or Transfer Agent shall verify the particulars given in the application for redemption of Units and documents submitted therewith. The signature of any Holder or joint Holder to any document required to be signed by him under or in connection with the application for redemption of Units may be <sup>79</sup>[if required] <sup>80</sup>[ ] otherwise authenticated to their reasonable satisfaction. <sup>81</sup>[In case of submission of electronic online redemptions or redemptions through ATMs or debit cards, the Holder's user ID and password will authenticate the Holder's identity.]
- 17.9 A redemption request shall be deemed to have been made in accordance with the provisions of the Offering Document or a Supplementary Offering Document, if such documents prescribe automatic redemption under certain circumstances.
- 17.10 Where lien/ pledge/ charge is recorded in the Register, the Management Company and the Trustee may concur to make payment to the pledgee, if joint request is received from the Holder and the pledgee and on receipt of such indemnification as Management Company or Trustee may require.
- <sup>82</sup>[17.11 The Management Company may also request the Trustee to open bank accounts at different branches of banks to facilitate the redemption of Units. A request for redemption of Units may be accepted through the ATM facility only when the relevant bank branches have been authorized to accept Unit Holder's request to redeem the Units of the Trust.
- 17.12 The Transfer Agent shall process sale and redemption applications as well as conversion/switching and transfer applications in accordance with the relevant Offering Documents. In addition, the Transfer Agent shall also process the automated conversion/switching between Funds as per the terms of the relevant Supplementary Documents. Based on the prices applicable to the relevant sale or redemption, the Transfer Agent shall determine the number of Units to be redeemed. The payments for such conversion/switching redemption requests shall be directly payable by the Trustee of the Fund to the trustee of another fund being managed by the Management Company.]

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79. Inserted vide 2nd Supplemental Trust Deed dated 29th October, 2007.

80. Deleted vide 2nd Supplemental Trust Deed dated 29th October, 2007. Before deletion read as "verified by a banker or broker or other responsible person or".

81. Inserted vide 2nd Supplemental Trust Deed dated 29th October, 2007.

82. Inserted vide 2nd Supplemental Trust Deed dated 29th October, 2007.



## 18. DETERMINATION OF REDEMPTION PRICE

- 18.1 During the initial Period the Units shall not be redeemed.
- 18.2 After the Initial Period the Redemption Price shall be equal to the Net Asset Value as of the close of the Business Day, less:
- (a) Any Back-end Load;
  - (b) Any Zakat/ taxes imposed by the Government; and
  - (c) Such amount as the Management Company may consider an appropriate provision for Duties and Charges;

Such sum shall be adjusted downwards to the nearest two decimal places.

The Redemption Price so determined shall apply to redemption requests, complete in all respects, received by the Distributor during the business hours on <sup>83</sup>[that date.]

The Management Company may announce different plans under different administrative arrangements with differing levels of Back-end Load. Consequently, the redemption Price may differ for Units issued under differing administrative arrangements and to different investors.

- 18.3 In the event that the amount deducted as provision for payment of Duties and Charges pursuant to sub-clause 18.2(c) 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.
- 18.4 <sup>84</sup>[In the event the amount recovered as provision for payment of Duties and Charges pursuant to sub-clause 18.2(c) exceeds the relevant amount of such Duties and Charges, the excess amount shall form part of the Deposited Property.]<sup>83</sup>
- 18.5 The Redemption Price determined by the Management Company shall be made available to the public at the office and branches of the Distribution Company(s) and shall also be published in at least one English <sup>85</sup>[ ] newspaper, <sup>86</sup>[on daily basis] with circulation in all major cities of Pakistan.

- 18.6 <sup>87</sup>[ ]

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83. Substituted, vide 2nd Supplemental Trust Deed dated 29th October, 2007, for "the following day/week".

84. Substituted, vide 3rd Supplemental Trust Deed dated 23rd June, 2010, for "In the event that amount paid as provision for payment Duties and Charges pursuant to sub-clause 18.2(c) exceeds the relevant amount of Duties and Charges, the Trustee shall refund such excess amount to the relevant Holders along with the next income distribution or if instructed by Management Company at any time earlier."

85. Deleted vide 1st Supplemental Trust Deed dated 11th June, 2005. Before deletion read as "and one Urdu daily."

86. Inserted vide 1st Supplemental Trust Deed dated 11th June, 2005.

87. Deleted vide 2nd Supplemental Trust Deed dated 29th October, 2007. Before deletion read as "If the variation of the Net Asset Value at any time exceeds two percent (2%) of the Net Asset Value calculated pursuant to sub clause 18.2 above for the current Redemption Price, The Management Company shall suspend any redemption of Units and shall calculate forthwith a new

**<sup>88</sup>[18 A. OFFICIAL POINTS FOR ACCEPTANCE OF APPLICATIONS**

The Management Company shall designate and disclose the location of its official points for acceptance of application for issuance, redemption, conversion and transfer of Units and Administration Plans, in the Offering Document of the Fund, as well as on its web-site as updated from time to time. All applications shall be acknowledged noting the date and time of such application. The Management Company shall specify cut-off timings for acceptance of applications at the designated points for issuance, redemption, conversion and transfer of Units, including Administration Plans.]

**19. SUSPENSION OF ISSUE OR REDEMPTION OF UNITS**

19.1 The Management Company upon information to the Trustee may suspend the issue or redemption of Units subject to the Rules at any time, during:

- (a) any period when the Stock Exchange on which any of the Investment for the time being is listed or dealt in is closed or when dealings in such Investment are restricted or suspended;
- (b) the existence of any state of affairs which in the opinion of the Management Company constitute an emergency as a result of which disposal of any of the Investment would not be reasonably practicable or might seriously prejudice the interest of the Trust or the Holders;
- (c) any breakdown in the means of communication normally employed in determining the price of any Investment or the current price thereof on any Stock Exchange or when for any reason the price of any such Investment cannot be promptly and accurately ascertained;
- (d) any period when remittance of money which will or may be involved in the realization of such Investment or in the payment for such Investment cannot in the opinion of the Management Company be carried out in reasonable time;
- (e) if the Management Company is of the view that it would be detrimental to the remaining Holders to redeem or continue to redeem Units at a price ascertained on the basis of the Net Asset Value;
- (f) If the Management Company is of the view that investment of inflow of substantial fund will be difficult, it may decline the application in full or in part for issue of Units at its discretion from investors.

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Redemption Price. The Management Company shall inform the Commission of the suspension of redemption of Units along with the announcement of new Redemption Price and publish the same in two widely circulated daily newspapers in Pakistan on in English and the other in Urdu."

88. Inserted vide 3rd Supplemental Trust Deed dated 23rd June, 2010.

19.2 Such suspension shall take effect forthwith upon the declaration thereof by the Management Company and shall terminate on the day following the first Business Day on which conditions giving rise to the suspension shall in the opinion of the Management Company have ceased to exist and no other conditions under which suspension is authorized under this Deed exists. In case of suspension and termination of suspension the Management Company shall immediately notify the Commission and publish the same in at least two widely circulated daily newspapers in Pakistan, one in English and one in Urdu.

<sup>89</sup>[19.3 The Management Company 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 the redemption of units is resumed.]

## 20. QUEUE SYSTEM AND WINDING UP

20.1 **Queue System** - In the event redemption requests on any day exceed ten percent (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 upto ten percent of the Units in issue. The Management Company shall proceed to sell adequate assets of the Fund and/or arrange borrowing as it deems fit in the best interest of the 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 redemption requests in excess of ten percent (10%) of the Units in issue will be carried over to the next Business Day. However, if the carried over requests and the fresh requests received on the next Subscription Day still exceeds ten percent (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 of the Units then in issue.

20.2 **Winding up in view of major redemption** - In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Deposited Property being run down to an unmanageable level or is of the view that's the sell-off of assets is likely to result in a significant loss in the value for the Holders who are not redeeming, it may announce winding up of the Fund. In such an event, the queue system, if already invoked, shall cease to apply and all Holders shall be paid after selling the assets and determining the final Redemption Price. The interim distributions of the proceeds may be made if the Management Company finds it feasible.

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89. Inserted vide 3rd Supplemental Trust Deed dated 23rd June, 2010.

## **21. ISSUE OF UNITS OUTSIDE PAKISTAN**

- 21.1 Subject to foreign exchange control and other applicable laws, rules and regulations, in the event of arrangements being made by the Management Company for the issuance of Units for delivery in any country outside Pakistan the price at which such Units may be issued at the discretion of the Management Company include in addition to the Offer Price as herein before provided a further amount sufficient to cover all additional cost relating to issue of Units outside Pakistan including but not limited to any currency exchange fluctuation or any risk cover, any additional stamp duty or taxation whether national, municipal or otherwise leviable in that country in respect of such issue or of the delivery or issue of Certificates in connection therewith or the remittance of money to Pakistan.
- 21.2 In the event that the Redemption Price for Units shall be paid in any country outside Pakistan, the price at which such Units may be redeemed may, at the discretion of the Management Company include as a deduction to the Redemption Price as herein before provided all additional costs for redeeming Units outside Pakistan, including but not limited to a further amount sufficient to cover any currency exchange fluctuation and any additional stamp duty or taxation whether national, municipal or otherwise leviable in that country in respect of such payment or redemption.
- 21.3 The currency transaction of the Atlas Income 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, for receipt or payment in any other currency or for any obligation arising therefrom.

## **22. TRANSFER OF UNITS**

- 22.1 Every 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 <sup>90</sup>[under intimation to] the Trustee.
- 22.2 Every instrument of transfer must be signed by both the transferor and the transferee 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.
- 22.3 A Certificate must be transferable only in its entirety.
- 22.4 Every instrument of transfer must be duly completed in all respects including affixation of transfer stamps of the requisite value and send to the Transfer Agent or to the Distribution Company for forwarding to the Transfer Agent.
- 22.5 Where Certificates have been issued the Trustee may dispense with the production of any Certificate where the Certificate shall have become lost,

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90. Substituted, vide 3rd Supplemental Trust Deed dated 23rd June, 2010, for "with the approval of."

stolen or destroyed subject to compliance by the transferor with the like requirements to those arising in the case of an application by him for the replacement thereof as provided in clause 27 of this Deed.

22.6 The Distribution Company / Transfer Agent with the prior approval of the Management Company 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 Distribution Company / Transfer Agent shall be under no liability whatsoever in consequence thereof and it shall conclusively be presumed in favour of the Trustee or the Management Company or the Distribution Company / 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 Distribution Company / Transfer Agent and that every Certificate so destroyed was 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 Distribution Company / Transfer Agent any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of provision (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 may pledge / lien all or any of his Units as security for any debt to any third party. The Transfer Agent shall take a note of the pledge / lien charge in his record, whether the Certificate has been issued or not, provided sufficient evidence of pledge to the satisfaction of the Management Company, Trustee and the Transfer Agent along with a joint request from the Unit Holder and the pledgee is submitted on the standard application form, as given in the Offering Document. None of these parties, the Trustee, the Management Company, or the Transfer Agent, shall be liable for ensuring the validity of any such pledge / charge / lien. The disbursement of any loan against the constitution of such pledge/lien/charge shall be at the entire discretion of the lender and neither the Trustee nor the Management Company and the Transfer Agent take any responsibility in this matter.

- 23.2 Save any legal bar or court order requiring otherwise, any dividends that are declared on the pledged Units shall be made to the order of the Unit Holder. However, any <sup>91</sup>[Units issued on reinvestment or,] bonus Units that the pledged Units are entitled to automatically be marked under the lien of the lien holder and in the event the pledged Units are redeemed for any reason whatsoever, the proceeds shall be paid to the order of the lien holder.
- 23.3 The lien on the pledged Units shall continue till such time it is released by the lien holder in writing.

**23. A. <sup>92</sup>[CONVERSION OF UNITS**

- i) A Unit Holder may convert the Units held by him in the Fund into the Units of any other schemes being offered by the Management Company and vice versa, subject to such terms and conditions as set forth by the Management Company.
- ii) In such an event, the Unit Holder shall submit the relevant conversion of units form for the redemption of the Units from the Fund and purchasing of units in another fund or vice versa. Such conversions shall be at the NAV of the respective Fund(s)/ Unit Trust Scheme(s) plus a processing charge not exceeding one half of one percent. The Management Company at its discretion charge reduced or no processing charge for such conversions.
- iii) On receiving such form, the Management Company shall advise the Trustee of the conversion of Units between respective unit trusts. On receiving such instructions from the Management Company, the Trustee shall transfer the appropriate amounts from one Unit Trust to other Unit Trust under the same Trustee or the trustee of the other unit trust as the case may be. Such transfers may be in the form of exchange of the payment cheques, or such amounts would be directly debited from the bank account of the Fund and credited to the bank account of the other fund or vice versa.]

**24. REGISTRATION OF HOLDERS**

- 24.1 The Register shall be maintained by the Management Company or if appointed, by the Transfer Agent at such a place as is agreed by the Management Company. The Management Company shall ensure that the Transfer Agent shall comply with all relevant provisions of the Constitutive Documents and the Rules.
- 24.2 The Management Company shall ensure that the Transfer Agent shall at all reasonable times during business hours give the Trustee and its representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without charge but neither the Trustee nor its representatives shall be entitled to remove the Register or to make any entries therein or

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91. Inserted vide 1st Supplemental Trust Deed dated 11th June, 2005.

92. Inserted vide 2nd Supplemental Trust Deed dated 29th October, 2007.

alterations thereto and except when the Register is closed in accordance with the provisions of this Deed, the Register shall during business hours (subject to such restrictions as may be mentioned in the Offering Document and for a period of at least two hours in each Business Day) be open in legible form to the inspection of any Holder of his record without charge.

- 24.3 The Register shall contain the following information in respect of Units:
- (a) Full names, father's/ husband's names and addresses of each Holder and joint Holders;
  - (b) <sup>93</sup>[ ] The Certificate number, if any;
  - (c) The date on which the name of every Holder was entered in respect of the Units standing in his name;
  - (d) The date on which any transfer or redemption is registered;
  - (e) Information about lien / pledge / charge on Units;
  - (f) Tax / Zakat status of the Holder;
  - (g) Record of signature of Holder;
  - (h) Nominee; and
  - (i) Such other information as the Management Company may require.
- 24.4. The Register shall be conclusive evidence as to the Units held by each Holder.
- 24.5. Any change of name or address of any Holder shall forthwith be notified in writing to the Distribution Company or Transfer Agent. The Distribution Company will forward such application to Transfer Agent, who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name the surrender of any Certificate previously issued to such Holder and the payment of the fee) shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall issue a new Certificate if required to such Holder.
- 24.6. The Transfer Agent shall not register more than four joint Holders for a Unit. In case of the death of any one of the joint Holders the survivor or survivors shall be the only persons recognized by the Trustee as having any title to or interest in the Units held by the joint Holder.
- 24.7. A body Corporate may be registered a Holder or as one of joint Holders.

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93. Deleted vide 1st Supplemental Trust Deed dated 11th June, 2005. Before deletion read as "the distinctive number of the Units held and."

- 24.8<sup>94</sup>[The Register may be closed under intimation to the Trustee for such period as the Management Company may, from time to time, determine and after giving at least seven days notice to Unit Holders, provided that it is not closed for more than forty-five days in any calendar year. However, in no case the time period for closure of register shall exceed six (6) working days at a time.]
- 24.9. The Holder shall be the only person to be recognized by the Trustee and the Management Company as having any right, title or interest in or to such Units and the Trustee and the Management Company may recognize the Holder as the absolute owner thereof and shall not be bound by any notice to the contrary and shall not be bound to take notice of or to see to the execution of any trust except where required by any court of competent jurisdiction. However, the Management Company may authorize the Transfer Agent to record a pledge on any or all Units held by a Holder in favor of a third party at the request of such Holder or joint Holders as the case may be in accordance with clause 23 of this Deed.
- 24.10. The executors or administrators or succession certificate holder or deceased Holder (not being one of several joint Holders) shall be the only persons recognized by the Trustee and the Management Company as having title to the Units represented thereby.
- 24.11. Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Holder or of the survivor of joint Holders may subject to as hereinafter provided upon producing such evidence as to his title as the Trustee shall think sufficient either be registered himself as Holder of such Unit upon giving the Management Company / Trustee / Distribution Company such notice in writing of his desire or transfer such Unit to some other person. All the limitations, restrictions and provisions of this Deed relating to transfer shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer was a transfer executed by the Holder.
- 24.12. The Trustee shall retain any moneys payable in respect of any Unit of which any person is under the provisions as to the transmission of Units herein before contained entitled to be registered as the Holder or which any person under those provisions is entitled to transfer, until such person shall be registered as the Holder of such Unit or shall duly transfer the same.

## **25. ACCOUNT STATEMENT**

- 25.1 Units will be issued in registered, uncertificated form and will be confirmed to investors by means of an Account Statement issued by the Transfer Agent.

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94. Substituted, vide 3rd Supplemental Trust Deed dated 23rd June, 2010, for "The Register may be closed in consultation with the Trustee for such period as the Management Company may from time to time determine and after giving at least fourteen days notice to Holders, provided that it is not closed for more than forty-five days in any calendar year."



- 25.2 Upon <sup>95</sup>[ ] confirmation <sup>96</sup>[ ] that the Offer Price for each Unit has been received in full from the applicant, the Transfer Agent shall issue an Account Statement that will constitute evidence of the number of Units registered in the name of the Holder.
- 25.3 The Transfer Agent will send directly to each Unit Holder a non transferable Account Statement each time there is a transaction in the folio, i.e., Units are:
- (a) issued / subscribed;
  - (b) redeemed;
  - (c) transferred in favor of third person;
  - (d) transferred from third person;
  - (e) consolidated / split; and
  - (f) additional Units are issued against <sup>97</sup>[bonus or] re-investment of dividend.

Any Account Statement will be posted within fifteen Business Days after each relevant transaction.

## 26. UNIT CERTIFICATES

- 26.1 Certificates shall be issued only if so requested by the Holder at the time of application or at any later stage and upon payment of a fee not exceeding Rs. 25/- (Rupees Twenty-Five) per Certificate of any denomination, subject to revision of fee from time to time by the Management Company. The proceeds of such fee will accrue to the Management Company.
- 26.2 Certificates shall only be issued for Units that have been fully paid, in such denomination as may be required by the Holder.
- 26.3 Certificates where requested shall be issued as herein provided not later than fifteen Business Days after the date of such request. The Certificate may be sent to the Holder or his duly authorized nominee at his own risk by registered post, by courier service or may be collected by the Unit Holder from the Distribution Company.
- 26.4 In the case of Units held jointly, the Transfer Agent shall not issue more than one Certificate for the Units held by such joint Holders and delivery of such Certificate to the Holder named first therein shall constitute sufficient delivery to all joint Holders. All payments required under this Deed (i.e. redemption and dividend) will be made to first named joint Holder.
- 26.5 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 <sup>98</sup>[ ] a serial number and shall specify the number of

95. Deleted vide 3rd Supplemental Trust Deed dated 23rd June, 2010. Before deletion read as "written".

96. Deleted vide 3rd Supplemental Trust Deed dated 23rd June, 2010. Before deletion read as "from the trustee".

97. Inserted vide 1st Supplemental Trust Deed dated 11th June, 2005.

98. Deleted vide 1st Supplemental Trust Deed dated 11th June, 2005. Before deletion read as "distinctive and".

Units represented thereby and the name and address of the Holder as appearing in the Register.

- 26.6 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 herein above-mentioned 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.

## **27. REPLACEMENT OF CERTIFICATES**

- 27.1 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.
- 27.2 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 the newspaper inviting any claim (if any) against the lost Certificate to be notified to the management Company, Trustee or Transfer Agent;
  - (III) in the case of joint Holders, obtained the written consent of the joint Holders for issuance of such new Certificates; and
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(IV) 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.

27.3 Before the issuing of any Certificate under the provisions of this sub-clause the Distribution Company/Transfer Agent may require from the applicant for the Certificate the payment to it, of a fee of Rs. 25/- (Rupees Twenty Five) for each Certificate, 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.

## **28. AUDIT**

28.1 The Management Company shall appoint an Auditor who shall be independent of 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.

28.2 The Auditor shall hold office until transmission of the annual report and accounts but may be re-appointed as per the Rules. The first Auditors shall be Hameed Chaudhri & Co., Chartered Accountants, Karachi Chambers, Hasrat Mohani Road, Karachi.

28.3 The persons not qualified to be the auditor of a public company under the Companies Ordinance will 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 Auditors 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, Distribution Company or elsewhere and shall be entitled to require from the Management Company, Trustee, Custodian, Transfer Agent, Distribution Company and their directors, 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 documents forming part of the balance sheet and income and expenditure account, including notes, statement or schedule appended hereto.

28.7 The contents of the Auditors report shall be as required in the Rules.

28.8 The Management Company shall:

- (a) <sup>99</sup>[Within four months of closing of the accounting period of the Open End Scheme, transmit to the unit holders, the trustee, the Commission and stock exchanges, on which the units or certificates of the scheme are listed, the annual report as per the requirements set out in Schedule V of the Regulations, including, -
- (i) copy of the balance sheet and income statement;
  - (ii) cash flow statement;
  - (iii) statement of movement in unit holders' fund or net assets or reserves; and
  - (iv) the auditor's report of the Open End Scheme
- (b) 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, 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' 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.]

## 29. DETERMINATION OF DISTRIBUTABLE INCOME

- 29.1 The Management Company shall decide as soon as possible but not later than forty-five days after the Accounting Date whether to distribute among Holders, profits, if any, available for the distribution at the end of the Accounting Period, and shall advise the Trustee of the rate of such distribution per Unit.
- 29.2 The amount available for distribution in respect of any Accounting Period shall be determined by the Management Company after consulting the Auditor and shall be the sum total of:
- (a) the total income received on the Deposited Property during such Accounting Period including all amounts received in respect of interest, mark-up, profit, and fee;

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99. Substituted, vide 3rd Supplemental Trust Deed dated 23rd June, 2010, for

" (a) Within four months of closing of the Accounting Period, prepare and transmit the annual report together with a copy of the balance sheet, income and expenditure account together with the Auditor's report for the Accounting Period to the Commission and the Holders in accordance with the Rules.

(b) Within one month of the close of the first, second and third quarter of its year of the accounts, prepare and transmit to the Holders and the Commission an income and expenditure account for and balance sheet as at the end of that quarter, whether audited or otherwise, in accordance with the Rules."

(b) net realized appreciation as set out in sub-clause 29.3;

from which shall be deducted expenses as set out in sub-clause 29.4, adjustment as set out in sub-clause 29.5 and such other adjustment as the Management Company may determine in consultation with the Auditor.

- 29.3 Receipts deemed by the Management Company to be in the nature of capital accruing from Investments shall not be regarded as available for determining distributable income in terms of this clause 29 but shall be retained as part of the Deposited Property, provided that such amounts out of the sale proceeds of the investments and all other receipts as deemed by the Management Company after consulting the Auditor to be in the nature of the net realized appreciation shall be included in determining distributable income to the Holders by the Trustee and shall not form part of the Deposited Property.
- 29.4 The income qualifying for distribution in respect of the relevant Accounting Period shall be ascertained by deducting;
- (a) admissible expenses of the Trust as stated in clause 3.7 of this Deed and Rules;
  - (b) amortization of Formation Cost in not more than five equal annual installments after the creation of the Trust;
  - (c) taxes on Trust income or turnover.
- 29.5 The income qualifying for distribution in respect of the relevant year or period shall be adjusted as under:
- (a) deduction of a sum by way of adjustment to allow for effect of purchase of Investments inclusive of interest, profit or mark-up;
  - (b) addition of a sum representing amounts included in the price of Units for income accrued prior to the date of issue and deduction of a sum representing all participation income distributed upon redemption of Units upon a reduction of the Trust during the relevant period;
  - (c) adjustment considered necessary by the Management Company to reflect the diminution in value of Deposited Property in consultation with the Trustee.
- 29.6 Out of the amount determined for the purpose of distributable income in respect of each Holder withholding tax, zakat or statutory levies as may be applicable to the relevant Holder shall be deducted before computing the distributable income for the relevant Holder.
- 29.7 The Management Company may, from time to time, pay to the Unit Holders such interim dividends as in their judgment the position of the Trust justifies.

### **30 DISTRIBUTION OF INCOME**

- 30.1 <sup>100</sup>[Within 45 days of the Accounting Date, the Management Company shall, in case of cash distribution, instruct the Trustee to issue payment instrument to the Unit Holders or transfer such amount of cash as required to effect such distribution to the Distribution Account. The amount standing to the credit of the Distribution Account shall not for any purposes of this Deed be treated as part of the Deposited Property but shall be held by the Trustee upon trust to distribute the same as herein provided. However, any amount standing to the credit of the Distribution Account being profit would be treated as Deposited Property and would be transferred to the Trust's Bank Account.]
- 30.2 After the fixation of the rate of distribution per Unit, distribution payment shall be made by cheque or warrant by the Trustee and sent through the registered post or through such arrangement as the Management Company may consider appropriate to the registered address of such Holder, or in the case of joint Holders to the Registered address of the joint Holder, first named on the Register. Every such cheque or warrant shall be made payable to the order of the person to whom it is delivered or sent and payment of the cheque or warrant (if purporting to be duly endorsed or subscribed) shall be in satisfaction of the moneys payable. When an authority in that behalf shall have been received in such form as the Management Company shall consider sufficient it shall arrange for payment of the amount distributable to the Holder to his bankers and the receipt of such bankers shall be a good discharge thereof.
- 30.3 Before making any payment in respect of a Unit, the Trustee or the Management Company may make such deductions as may be required by law in respect of any income or other taxes, charges or assessments whatsoever and issue to the Holder the certificate in respect of such deduction in the prescribed form or in a form approved or required by the concerned authorities.
- 30.4 The Management Company may offer the Holder the option to receive new Units or fractions thereof under cumulative investment instead of dividend payment, as per the terms and conditions and the procedure laid down in the Offering Document.
- 30.5 Where Units are placed under pledge/lien the payment of dividends will be made in accordance with clause 23.2 of his Deed.
- 30.6 <sup>101</sup>[The Management Company may decide to distribute in the interest of Holders, wholly or in part the distributable income in the form of a stock dividend which would comprise of the Bonus Units of the Trust. The Bonus Units would rank pari passu as to their rights in the Net Assets, earnings, and receipt of dividend and distribution with the existing Units from the date of issue of these Bonus Units.]

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100. Substituted, vide 3rd Supplemental Trust Deed dated 23rd June, 2010, for "On each Accounting Date the Management Company shall instruct the Trustee to transfer such amount of cash as required to effect such distribution to the Distribution Account. The amount standing to the credit of the Distribution Account shall not for any purpose of this Deed be treated as part of the Deposited Property but shall be held by the Trustee upon trust to distribute the same as herein provided."

101. Inserted vide 1st Supplemental Trust Deed dated 11th June, 2005.

Bonus Units are hereby defined as units issued on distribution of distributable income in the form of stock dividend.]

30.7 <sup>102</sup>[The Management Company may offer the holder(s) of Class D Units the option to receive distributable income in the form of cash or stock dividend.]

<sup>103</sup>[30 A **ADMINISTRATION PLANS**

- i. In addition to this Unit Trust, the Management Company has also established another unit Trust scheme and may in future establish other schemes with different investment objectives. These schemes shall have the same Trustee.
- ii. The Management Company may offer different Administration 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.
- iii. To facilitate investment in each of the Administration Plan, the Trustee shall open a Bank Account titled-“CDC-Trustee Atlas Funds” at its main bank and may open additional accounts at such branches of banks and at such locations (including outside Pakistan, subject to applicable regulations and after obtaining all necessary approvals from the relevant regulatory authority in Pakistan) as is required by the Management Company from time to time. The main account and the branch accounts, hereinafter referred to as Collection Accounts shall be used as temporary allocation accounts where collections (i.e. investments in the Administrative Plans) shall be held prior to their being allocated and being transferred in the respective units trusts and as temporary disbursement accounts for receiving the redemption proceeds from the respective unit trusts for onward payment to investors at redemptions.
- iv. The Management Company shall advise the Trustee of the allocation of the funds between the respective unit trusts on a daily basis. On its instruction, the Trustee shall transfer the amount to the respective bank accounts of the unit trust schemes on a daily basis.
- v. The Management Company may also require the Trustee to open separate accounts for temporary parking of redemption funds. On receiving the requests for redemption from investors of various Administration Plans or on maturity of these Plans, as the case may be, the Management Company will require each unit trust schemes to pay to these accounts, the amount representing their liability for redemption. The Trustee on the instructions of the Management Company will pay to the investors of the Administration Plan from these accounts.
- vi. Notwithstanding anything in this Deed the beneficial ownership of the balances in the accounts vests in respective unit trusts.

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102. Inserted vide 2<sup>nd</sup> Supplemental Trust Deed dated 29<sup>th</sup> October, 2007.

103. Inserted vide 2<sup>nd</sup> Supplemental Trust Deed dated 29<sup>th</sup> October, 2007.

- vii The Banking and other arrangement for each Administration Plan will be subject to an agreement among the Management Company and trustee of all unit trust schemes covered under the plan.]

### **31 TERMINATION AND LIQUIDATION OF TRUST**

- 31.1 The Management Company may terminate Atlas Income Fund by giving notice as required by the Rules in writing to the Holders on the grounds given in clause 20.2 of this Deed and the Rules and shall specifically disclose the grounds for its decision.
- 31.2 The Trust may also be terminated by the Commission on the grounds given in the Rules.
- 31.3 This Deed may be terminated in accordance with the conditions specified in the AMC Rules if there is any breach of the provisions of this Deed or any other agreement or arrangement entered into between the Trustee and the Management Company regarding the Unit Trust. It is recognized that the Trustee may be acting as a combined Trustee of two or more Unit Trusts and Administrative Plans. In the event of the termination of the Trustee of any one Unit Trust, it may require the termination of the Trustee for the other Unit Trusts, which forms an integral part of any administrative plan covering more than one Unit Trust, both parties shall act in a manner that causes the least degree of inconvenience to the investors and is the most cost efficient for the Unit Trusts and the Management Company.

### **32 DISTRIBUTION OF LIQUIDATION PROCEEDS**

- 32.1 Upon the Trust being terminated 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.
- 32.2 The Trustee on the recommendation of the Management Company shall from time to time distribute to the 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 sub-clause 32.1 above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands.

### **33 TRUST DEED**

- 33.1 This Deed shall be subject to and be governed by the Ordinance, the Rules and all applicable laws and regulations and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed by the Rules are incorporated in this Deed as a part and parcel thereof and in the event of any conflict between this Deed and the provisions required to be contained in a trust deed by the Rules, the latter shall supercede and prevail over the provisions contained in this Deed.



- 33.2 The terms and conditions of this Deed and any deed supplemental hereto shall be binding on each Holder as if he had been a party to this Deed and so to be bound by Deed's provisions and each Holder authorizes and requires the Trustee and the Management Company to do as required of them by the terms of this Deed.
- 33.3 The Trustee and the Management Company acting together shall be entitled by deed supplemental hereto to modify, amend, 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, if so required. 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 Ordinance or the Rules or to ensure compliance with any fiscal or statutory requirement or to enable the provisions of this Deed to be more conveniently or economically managed or to enable the Units to be dealt in or quoted on the Stock Exchange or other wise for the benefit of the Holders and that it does not prejudice the interest of the Holders, or any other matter that does not alter the fundamental objects of the Unit Trust or any of them or operate to release the Trustee or the Management Company from any responsibility to the Holders together the ("**Permitted Amendments**"). Any alteration, amendment or modification or additions to the provisions of this Deed other than those related to Permitted Amendments shall not be made without the approval of the Commission and sanction of resolution of the Holders at a duly convened meeting and held in accordance with the provisions set forth in Schedule (A) hereto.
- 33.4 Where this Deed has been altered or supplemented the Management Company shall notify the Holders immediately.
- 33.5 The Management Company may from time to time frame rules or regulations for conducting the business of the Trust or in respect of any other matter incidental thereto; provided such rules or regulations are not inconsistent with the provisions of the Constitutive Documents and the Rules.

#### **34 ARBITRATION**

- 34.1 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 the conditions of this Trust Deed, Offering Document and/ or the Supplementary Offering Documents, relating to the Unit Trust, 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 the commencement of the reference. The unanimous decision of both the arbitrators or the decision of the umpire, as the case maybe, shall be final and binding upon both the parties. The arbitrators and the umpires shall be selected from amongst, senior partners of renowned firms of chartered

accountants, of senior partners of renowned law firms, or senior bankers or senior businessmen or senior executives. The venue of the arbitration shall be Karachi. The arbitration shall be conducted in accordance with the Arbitration Act, 1940.

### **35 CONFIDENTIALITY**

35.1 The Trustee and the Management Company and every director or officer of the Trustee and the Management Company who are in any way engaged in the business of the Trust and all persons employed or engaged by the Trustee or the Management Company in connection with the business of the Trust shall observe strict confidentiality in respect of all transactions of the Trust, its Holders and all matters relating thereto and shall not disclose an 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.

### **36 MISCELLANEOUS**

- 36.1 (a) Any notice required to be served upon the Holder shall be deemed to have been duly given if sent by post to or left at his address as appearing in the Register. Any notice so served by post shall be deemed to have been served on the day following that on which the letter containing the same is posted, and in providing such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted.
- (b) The <sup>104</sup>[ ] Management Company shall advertise any such notice as provided in this Deed.
- (c) Service of a notice or document on any one of several joint Holders shall be deemed effective service on the other joint Holders.
- (d) Any notice or document sent by post to or left at the registered address of a Holder shall notwithstanding that such 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.
- 36.2 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 at a charge of fifty (50) Rupees per copy or at such rate as determined from time to time by the Management Company.

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104. Deleted vide 3rd Supplemental Trust Deed dated 23rd June, 2010. Before deletion read as "Trustee or the".

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

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

Seal	(1) _____	(2) _____
	<b>Frahim Ali Khan</b>	<b>M. Naeem Khan</b>
	Chief Executive Officer	Director
	NIC # 502-85-538977	NIC # 274-52-064685

**The Common Seal of Muslim Commercial Financial Services (Pvt.) Limited** was hereunto affixed in the presence of :-

Seal	(1) _____	(2) _____
	<b>A. Razzak H. Adam</b>	<b>Tameez-ul-Haque</b>
	Chief Executive Officer	Company Secretary
	NIC # 517-34-225287	NIC # 516-90-019559

WITNESSES:

\_\_\_\_\_  
**Abdul Wadood**  
 Senior Vice President  
 Atlas Investment Bank Ltd.  
 NIC # 271-86-192882

\_\_\_\_\_  
**Mirza M. Baig**  
 Asst. Vice President  
 Muslim Commercial Bank Ltd.  
 NIC # 42301-0742768-1

**SCHEDULE (A)****PROVISIONS AND PROCEDURE FOR HOLDING  
MEETINGS OF HOLDERS  
AS CONTEMPLATED IN CLAUSE 33.3 OF THE TRUST DEED**

1. In the event of an amendment, other than a Permitted Amendment, is required to be made to the Deed by the Trustee and the Management Company as contemplated by Clause 33.3 of the Deed and subject to approval of the Commission, for purposes of obtaining the approval of the Holders, the Trustee shall convene a meeting of the Holders. Such meeting shall be held at such place and at such time as the Trustee shall determine or approve.
2. A meeting of Holders duly convened and held in accordance with the provisions of this Schedule (A) shall be competent by Unit Holder Resolution to sanction any modification, alteration or addition to the provisions of this Deed.
3. At least 21 days' notice (exclusive in each case of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting shall be given to the Holders in the manner provided herein. The notice shall specify the place, day and hour of meeting and specify in the notice the terms of any resolution to be proposed for amending the Deed. The Trustee may cause the notice to be given to the Holders by publication thereof in one widely circulated national daily newspaper in the English Language and one widely circulated national daily newspaper in the Urdu Language. In case the notice published as aforesaid is not brought to the attention of any Holder, the same shall not invalidate the proceedings at any meeting.
4. The Trustee shall be indemnified and reimbursed by the Management Company with respect to the reasonable costs and expenses incurred in convening the meeting of the Holders.
5. At any meeting at which Holders holding or representing in the aggregate not less than one third of the total outstanding face value of the Units shall form a quorum for the transaction of any business. No business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.
6. If within 30 (thirty) minutes from the time appointed for the meeting, a quorum is not present, the meeting shall stand adjourned to such day and time and to such place as may be appointed by the chairman; and at such adjourned meeting the Holders present in person or by proxy shall be a quorum. Notice of any adjourned meeting of Holders shall be given in the same manner as for an original meeting and such notice shall state that the Holders present at the adjourned meeting whatever their number and the number of Units held by them will form a quorum.

7. A person nominated in writing by the Trustee shall preside as chairman at every meeting. If no such person is nominated or if at any meeting no person nominated shall be present within 15 (fifteen) minutes after the time appointed for holding the meeting, the Holders present shall choose one of their number to be chairman. The Trustee and the Trustee's legal advisors and any director or officer of the Trustee and any director and the secretary and legal advisors of the Management Company and any other person authorized in that behalf by the Trustee may attend and be heard at any meeting.
8. With the consent of any meeting at which a quorum is present, the chairman may and shall if so directed by the meeting adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting except business, which might lawfully have been transacted at the meeting from which the adjournment took place.
9. At any meeting a Unit Holder Resolution put to the vote of the meeting shall be decided on a show of hands, unless (before or on the declaration of the result of the show of hands) a poll is demanded by the chairman or by one or more Holders present in person or by proxy or representing at least one twentieth of the total outstanding face value of the Units. Unless a poll is so demanded, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favor of or against such resolution. Such declarations shall accompany a list of the Holders containing their names, signatures and the number of Units held by them in person or through proxy. The declarations alongwith the list shall be provided to the Management Company and the Commission within 15 days from the date of such meeting.
10. If a poll is duly demanded, it shall be taken in such manner as the chairman may direct and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
11. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to the vote or (if any) to which he may be entitled as a Holder.
12. A poll, if demanded in accordance with clause 10 above shall be taken forthwith. A demand for a poll may be withdrawn at any time before taking of the poll.
13. At any meeting (i) on a show of hands every Holder who (being an individual) is present in person or (being a body corporate) is present by one of its officers as its proxy shall have one vote and (ii) on a poll every Holder who is so present or is a proxy shall have one vote for each Unit of the face value of Rs. 500/- each held by such person or represented through proxy on the date of the meeting. Without prejudice to the obligations of proxies any person

entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

14. In the case of joint Holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Holders of the particular Unit. For this purpose, seniority shall be determined by the order in which the names stand in the Register of Holders in respect of the joint holding.
15. On a poll, vote may be given either personally or by proxy.
16. The instrument appointing a proxy shall be in the usual common form used for such purpose or such other form as the Trustee may approve and shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or, if the appointer is a corporation either under its common seal or under the hand of an officer or attorney duly authorized and that instrument shall be deemed to confer authority to demand or join in demanding a poll.
17. A person appointed to act as a proxy must be a Holder.
18. Each instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at the office of the Trustee or such other place as the Trustee shall approve not less than 48 hours before the time appointed for holding the meeting at which the person named in the instrument proposes to vote. In default, the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiry of 6 (six) months from the date of its execution.
19. A vote given in accordance with an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, so long as no intimation in writing of such death, insanity or revocation shall have been received by the Trustee before the commencement of the meeting or adjourned meeting or the taking of the poll at which the proxy is used.
20. Any such minutes as aforesaid if purporting to be signed by the chairman of the meeting shall be evidence of the facts therein stated and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat to have been duly passed.
21. A resolution in writing signed by or on behalf of the Holders representing not less than 51% of the aggregate outstanding face value of Units shall for all purposes of this Deed be as valid and effective as a resolution passed at a meeting of the Holders duly convened and held. The resolution in writing may be contained in one document or in several documents in or substantially in like form each signed by or on behalf of one or more of the relevant Holders.

## SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

**CERTIFICATE OF REGISTRATION**  
AS AN ASSET MANAGEMENT COMPANY

AMC REG. No.: AAMC-005

Islamabad, the 08<sup>th</sup> October 2002

C.R. No.: K-08954 of 2002-2003

The Securities and Exchange Commission of Pakistan, having considered the application for registration of the Atlas Asset Management Company Limited and being satisfied that the said Atlas Asset Management Company Limited is eligible for registration and that it would be in the interest of the capital market so to do, in exercise of the powers conferred by sub-rule (2) of Rule 5 of the Asset Management Companies Rules, 1995, hereby grants registration to the Atlas Asset Management Company Limited (the Company) subject to the conditions stated herein below:

- i. the Company shall offer and manage only a money market fund till such time that it arranges collaboration with a reputable international fund manager or is able to demonstrate to the Commission that it has acquired the necessary expertise to manage a balanced fund;
- ii. the Company shall submit proof for having raised paid up capital as prescribed in rule 4(b) of the AMC Rules, 1995 within one month of the issue of this certificate; and
- iii. the Company shall abide by all applicable laws and rules.

**(SADIA KHAN)**  
**Executive Director**

Tel: 92-051-9207091-4, 9206455, FAX: 92-051-9218590  
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

SPECIALISED COMPANIES DIVISION

No.SC/MF-DD(MS)/80/2003

February 4, 2003

Mr. Frahim Ali Khan  
Chief Executive  
Atlas Asset Management Company Limited  
Ground Floor, Federation House,  
Sharaf Firdousi, Clifton,  
Karachi.

Dear Mr. Khan,

APPROVAL OF TRUST DEED OF ATLAS INCOME FUND (THE "SCHEME") AND  
ITS AUTHORISATION UNDER THE ASSET MANAGEMENT COMPANIES RULES,  
1995

Please refer to your letters dated January 27, 2003 whereby you have submitted the amended copy of Trust Deed of Atlas Income Fund (the "Scheme") to be executed between Atlas Asset Management Company Limited (the "Company") and Muslim Commercial Financial Services (Private) Limited (the "Trustee") to the Commission for approval. In addition, you have also submitted an application for Authorisation of the Scheme under Rule 10 of the Asset Management Companies Rules, 1995.

The amendments to the Trust Deed made pursuant to the changes suggested vice our letter no. SC/MF/DD(MS)/15/2003 dated January 10, 2003 have been clearly reviewed and are found satisfactory except for further amendments that have been highlighted, for your perusal, in the enclosed copy. Please note that suggested additions are underlined and deletions stricken through. A soft copy of the said Trust Deed with changes highlighted is also being sent through e-mail.

In light of the above, the Commission has no objection to the Trust Deed, subject to the suggested amendments, of Atlas Income Fund and you may proceed with the registration of the Trust Deed of Atlas Income Fund with the Registrar under the Trust Act, 1882. Furthermore, the Commission may give Authorisation of the Scheme under the AMC Rules, 1995 subject to the submission of the Registered Trust Deed of the Scheme duly executed between the Company and the Trustee.

Yours truly,

(Assad Hameed Khan)  
Deputy Director



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
SPECIALISED COMPANIES DIVISION

No.SC/MF-DD(MS)/423/2002

November 20, 2002

Mr. Frahim Ali Khan  
Chief Executive  
Atlas Asset Management Company Limited  
Ground Floor, Federation House,  
Sharae Firdousi, Clifton,  
Karachi.

Dear Mr. Khan,

APPROVAL FOR APPOINTMENT OF TRUSTEE OF ATLAS ASSET  
MANAGEMENT COMPANY LIMITED UNDER THE ASSET MANAGEMENT  
COMPANIES RULES, 1995

Please refer to your letter dated November 15, 2002 whereby you have sought the approval of the Securities and Exchange Commission for appointment of Muslim Commercial Financial Services (Private) Limited as trustee to Atlas Income Fund, a scheme of Atlas Asset Management Company Limited.

The Commission has considered your request, which is in accordance with Rule 16 and 17 of the Asset Management Companies Rules, 1995 and has no objection to the appointment of Muslim Commercial Financial Services (Private) Limited as the trustee of Atlas Income Fund.

Yours truly,

(Assad Hameed Khan)  
Deputy Director

**EXTRACT FROM THE “DEED OF CHANGE OF TRUSTEE AND FIRST SUPPLEMENTAL TRUST DEED”**

THIS Deed of Change of Trustee and First Supplemental Trust Deed is made at Karachi, this 11<sup>th</sup> day of June, 2005

**AMONG**

**ATLAS ASSET MANAGEMENT LIMITED (FORMERLY ATLAS ASSET MANAGEMENT COMPANY LIMITED)**, a company incorporated under the Companies Ordinance, 1984, with its Registered Office at Ground Floor, Federation House, Shabrae Firdousi, Clifton, Karachi 75600, (hereinafter called “the Management Company” , which expression, where the context so permits shall include its successors-in-interest and assigns) of the **First Part**

**AND**

**MUSLIM COMMERCIAL FINANCIAL SERVICES (PVT) LIMITED**, a company incorporated in Pakistan, wholly owned subsidiary of Muslim Commercial Bank Limited, having its registered office at 2<sup>nd</sup> Floor, Adamjee House, I. I. Chundrigar Road, Karachi (hereinafter called “MCFSL”, which expression where the context so permits, shall include its successors in interest and assigns) of the **Second Part**

**AND**

**Central Depository Company of Pakistan Limited**, an unlisted public company, incorporated under the Companies Ordinance, 1984, having its Registered Office at 8<sup>th</sup> Floor, Karachi Stock Exchange Building, Stock Exchange Road, Karachi and registered to act as central depository company under Rule 4(3) of the Central Depository Companies (Establishment & Regulation) Rules, 1996, (hereinafter called “CDC”, which expression where the context so permits, shall include its successors in interest and assigns) of the **Third Part**.

**WHEREAS**

1. The Management Company and MCFSL (in its capacity as the Trustee), executed a Trust Deed dated February 20, 2003 to constitute Atlas Income Fund, (referred to in the said Trust Deed as “Trust” or “Unit Trust” or “Scheme”), an open-ended Scheme under the Asset Management Companies Rules, 1995, which have since then been repealed and superceded by the Non-Banking Finance

Companies (Establishment & Regulations) Rules, 2003 (NBFC Rules), which Trust Deed was registered with the sub-registrar "T" Division' II-B Karachi, under Registered No.84 of Book No. IV, M.F. Roll No. U 10009/1101 dated 25.02.2003 of the Photo Registrar, Karachi, (hereinafter called the "Trust Deed")

2. MCFSL decided to retire voluntarily as trustee of the Unit Trust and has served a notice of retirement vide letter dated March 11, 2005 and letter from Muslim Commercial Bank Limited, Institutions and Internal Division, Custodian Banking Department dated February 11, 2005, to the Management Company under Clause 11.1 of the Trust Deed together with their Board Resolution dated March 26, 2005, a true photo copies of which are annexed hereto as Annexures "A/1, A2 and A3".
3. CDC has agreed to be appointed as trustee of the Unit Trust in place of MCFSL, vide its letter dated March 01, 2005, a true photo copy of which is annexed hereto as Annexure "B".
4. The Securities & Exchange Commission of Pakistan (the SECP) has approved the retirement of MCFSL and the appointment of CDC in its place as trustee of Unit Trust, vide its letter Nos. NBFC-II/JD-II/AIF/308 dated April 20, 2005 and No. NBFC-II/JD-II/MCFSL/348 dated May 5, 2005, true photocopies of which have been annexed to this Supplementary Deed as Annexure "C/1 and C2".
5. The Managemnt Company, MCFSL and CDC hereby agree upon the terms and conditions for the retirement of MCFSL and the contemporaneous appointment of CDC as the Trustee of Unit Trust.
6. The Management Company and CDC further hereby agree to amend the Trust Deed in certain respect so as to bring it in conformity with the provisions of the NBFC Rules and to enable the provisions of the Deed to be more conveniently and economically managed and which is ion the benefit of the Holders and release the Management Company and Trustee of any of their responsibilities and does not alter the fundamental object of the Unit Trust.
7. The SECP has approved the amendments to the Trust Deed vide letter Nos. NBFC-II/JD(R)/Atlas-AIF/697/2004 dated August 12, 2004, NBFC-II/JD(R)/Atlas-AIF/864/2004

dated October 15, 2004, NBFC-II/JD(R)/Atlas-AIF/233 dated March 22, 2005 and appended hereto as Annexures "D/1", "D/2", "D/3", and "D/4" and NBFC-II/JD-II/AIF/397 dated May 27, 2005 as indicated against each clauses of Supplementary Deed.

**NOW THEREFORE THIS DEED OF CHANGE OF TRUSTEE AND FIRST SUPPLEMENTAL TRUST DEED WITNESSETH AS FOLLOWS:**

1. **Effective Time:**

The retirement of MCFSL and the contemporaneous appointment of CDC as the Trustee of Unit Trust have taken place at a mutually agreed time and date (Effective Time) when this Deed of Change of Trustee and First Supplemental Trust Deed has been executed by the Management Company, MCFSL and CDC.

2. **Retirement of MCFSL  
And appointment of CDC:**

- 2.1 At the Effective Time mentioned in Clause 1 above, MCFSL has resigned as and ceased to be the trustee of the Unit Trust and CDC has been appointed as the trustee of the Unit Trust in place of MCFSL, CDC is deemed to have become a party to the Trust Deed as Trustee in place of MCFSL and all terms, conditions, responsibilities, obligations, rights and entitlements of the Trustee under the Trust Deed, have become applicable to CDC as the Trustee of the Fund.
- 2.2 From the Effective Time, all references to MCFSL under the Trust Deed and the Offering Document shall be deemed to be references to CDC as the Trustee.
- 2.3 At the Effective Time, MCFSL has handed over to CDC as the new Trustee, all the Deposited Property, including assets, securities, instruments and all other Properties of Unit Trust, which were in possession or power of MCFSL to CDC as the new Trustee along with all any amounts in the Bank Accounts of the Unit Trust and all sums that were due from MCFSL to the Unit Trust on any count whatsoever, CDC shall hold and stand possessed of the Deposited Property and perform all the functions and be subject to all obligations and liabilities of the Trustee of the Unit Trust and shall exercise all rights, privileges and powers of the Trustee, as contained in the Trust Deed, the Offering Document and the Non-Banking Finance Companies

(Establishment and Regulation) Rules, 2003 (the Rules), in place of MCFSL, with effect from the effective Time.

- 2.4 The retirement of MCFSL and appointment of CDC in its place as the trustee of the Unit Trust shall be deemed to be contemporaneous so that the continuity of the Trust and its business and operations are maintained without any disruption.

**3. Liabilities and Responsibilities  
Of MCFSL and CDC**

- 3.1 MCFSL shall continue to be liable for any default in or non-Performance of its duties as the Trustee or for any negligence on its part or on part of its officers or officials, nominees or agents and for any acts, omissions effectuated prior to and up to the Effective Time in accordance with the provisions of the Trust Deed, the Offering Document and the Rules, where after CDC shall be responsible for the same.
- 3.2 MCFSL shall indemnify the Management Company and CDC in respect of any default, non-performance or violations of the terms and conditions of the Trust Deed, the Offering Document and/or the Rules that may have taken place, advertently or inadvertently prior to and up to Effective Time and which may come to the notice of the Management Company or CDC or SECP at any time after the Effective Time.

**CLAUSE 4 OF THE DEED OF CHANGE OF TRUSTEE AND  
FIRST SUPPLEMENTAL TRUST DEED NOT REPRODUCED**

MCFSL as the retiring trustee, CDC as the new trustee and the Management Company hereby certify that in their opinion, the retirement of MCFSL as trustee and the appointment of CDC as trustee in place of MCFSL shall not prejudice the interests of the Unit Holders or any of them and shall not operate to release or exonerate MCFSL as the retiring trustee from any responsibility to the Unit Holders up to the Effective Time, or operate to relieve or exonerate CDC as the new trustee from any responsibility to the Unit Holders from the Effective Time or operate to relieve or exonerate the Management Company from any responsibility to Unit Holders.

The Management Company and CDC further hereby certify that the amendment of the Trust Deed hereto, is required because of the enforcement of the NBFC Rules and to enable the provisions of the Trust Deed to be more efficiently and conveniently managed and that the amendments shall not prejudice the interests of the Unit Holders or any of them and shall not operate to release or exonerate CDC as the new trustee or the Management Company from any responsibility to the Unit Holders.

IN WITNESS WHEREOF, THIS Deed of Change of Trustee and First Supplemental Trust Deed has been executed on the day and year first written above.

The Common Seal of ATLAS ASSET MANAGEMENT LIMITED (FORMERLY ATLAS ASSET MANAGEMENT COMPANY LIMITED) hereunto been fixed in the presence of:

Seal

(1) S/d  
(M. HABIB-UR-RAHMAN)  
CHIEF EXECUTIVE

(2) S/d  
(TARIQ AMIN)  
CHAIRMAN, RHODIA PAKISTAN

The Common Seal of Muslim Commercial Financial Services (Private) Limited has hereunto been fixed in the presence of:

Seal

(1) S/d  
(RIAZ HUSSAIN HAMADANI)  
SVP

(2) S/d  
(MIRZA MOHAMMAD BAIG)  
AVP

The Common Seal of Central Depository Company of Pakistan Limited has hereunto been fixed in the presence of:

Seal

S/d  
(MOHAMMAD HANIF JAKHURA)

WITNESSES:

s/d  
Name: S. LILLY ISHAQUE  
Address: CNIC 42301-0990986-4

s/d  
Name: FAISAL AMIN  
Address: CNIC 42101-1485447-3

s/d  
Name: KAMRAN A. QAZI  
Address: CNIC 42201-0522034-5