

**Fifth Supplemental Trust Deed of
Atlas Income Fund (AIF)**

Dated: May 23, 2017

FIFTH SUPPLEMENTAL TRUST DEED OF ATLAS INCOME FUND

This Fifth Supplemental Trust Deed is made and entered into at Karachi, on this 23rd day of May, 2017 by and between:

Atlas Asset Management Limited, a company incorporated under the Companies Ordinance, 1984, with its registered office at Ground Floor, Federation House, Shabrae Firdousi, Clifton, Karachi 75600, (hereinafter called the “*Management Company*”, which expression, where the context so permit shall include its successor-in-interest and assigns) of the one part;

And

Central Depository Company of Pakistan Limited (CDC), a company incorporated under the Companies Ordinance, 1984, having its registered office at CDC House, 99-B, Block B, S.M.C.H.S, Main Shahrah-e- Faisal, Karachi, and registered to act as central depository company under Rule 4(3) of the Central Depository Companies (Establishment & Regulation) Rules, 1996, (hereinafter called “*Trustee*”, which expression where the context so permits, shall include its successors-in-interest and assigns) of the other part.

WHEREAS:

1. The Management Company and the Trustee executed a Trust Deed dated February 20, 2003 to constitute Atlas Income Fund, 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 and was amended by supplemental trust deeds dated June 11, 2005, October 29, 2007, June 23, 2010 and November 12, 2010.
2. The Management Company and the Trustee have mutually agreed to amend certain clauses of the Trust Deed as authorized under Clause 33.3 of the Trust Deed dated February 20, 2003; and
3. The Securities and Exchange Commission of Pakistan (hereinafter called the “SECP”) has approved the amendments to the Trust Deed vide its letter No. SCD/AMCW/AAML/AIF/306/2016 dated November 10, 2016 appended hereto as Annexure “A”.

Now this Fifth Supplemental Trust Deed for Amendment of Trust Deed of Atlas Income Fund witnesseth as under:

1. Amendment in Definition 1.9 “Authorised Investment”

In definition 1.9 “Authorised Investment” the entire text shall be deleted and replaced with the text “means any investment which may be authorized by the Commission but does not include restricted investments as specified in the Offering Documents from time to time.”

For the sake of clarity the revised definition 1.9 shall be read as under:

“**Authorized Investment**” means any investment which may be authorized by the Commission but does not include restricted investments as specified in the Offering Documents from time to time.

2. Amendment in sub-clause 1.28 of Definition “Distributor/Distribution Company”

The second part of heading “/Distribution Company” of sub-clause 1.28 shall be deleted and the text “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” shall be

deleted and replaced with the text “person who performs distribution function for Collective Investment Scheme”

For the sake of clarity the revised definition 1.28 shall be read as under:

“**Distributor**” means a person who performs distribution function for Collective Investment Scheme and shall include the Management Company itself, if it performs the Distribution Function.

3. Addition of Definition 1.43A “Open End Scheme”

A new definition of “Open End Scheme” is included after the definition of “Offering Document”.

For the sake of clarity the new definition 1.43A shall be read as under:

“**Open End Scheme**” means a collective Investment Scheme which offers units for sale based on net asset value on continuous basis without specifying any duration for redemption and which entitles the holder of such units on demand to receive his proportionate share of the net assets of the scheme less any applicable charges on redemption or revocation.

4. Amendment in Sub-Clause 3.1 of “Deposited Property

In sub-clause 3.1 the text “It includes the Investment and all income, profit and other benefits arising therefrom and all cash, bank balances and other assets and property of every description for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holder(s) pursuant to this Deed but does not include any amount payable to the Unit Holders as distribution. However any profit earned on the amount payable to the Unit Holders as distribution shall become part of the Trust Property.” shall be added after the words “time to time.”

For the sake of clarity the revised sub-clause 3.1 shall be read as under:

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. It includes the Investment and all income, profit and other benefits arising therefrom and all cash, bank balances and other assets and property of every description for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holder(s) pursuant to this Deed but does not include any amount payable to the Unit Holders as distribution. However any profit earned on the amount payable to the Unit Holders as distribution shall become part of the Trust Property.

5. Amendment in Sub-Clause 3.7 of “Deposited Property”

In sub-clause 3.7 the text “; Fees and expenses related to registrar services, accounting, operation and valuation services related to the scheme or as allowed by the Commission from time to time” Shall be added after the words “applicable to the Trust”.

For the sake of clarity the revised sub-clause 3.7 shall be read as under:

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;

Fees and expenses related to registrar services, accounting, operation and valuation services related to the scheme or as allowed by the Commission from time to time and any other charges as may be allowed by the Commission, shall be payable out of the Deposited Property.

6. Amendment in Sub-Clause 4.5. of “Investment of the Deposited Property”

In sub-clause 4.5 the text “three” wherever appearing shall be deleted and replaced with the text “four”.

For the sake of clarity the revised sub-clause 4.5 shall be read as under:

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 four months of the breach of limits. Unless the said period of four months is extended by the Commission on an application by the Management Company.

7. Amendment in Sub-Clause 4B “Transaction With Connected Persons” of “Investment of the Deposited Property”

Entire text of Sub-Clause 4B shall be deleted and replaced with the text “Transaction with connected persons shall be in accordance with the Rules, Regulations and directives issued by SECP and shall be specified in the Offering Document.”

For the sake of clarity the revised Sub-Clause 4B shall be read as under:

4B. TRANSACTIONS WITH CONNECTED PERSONS

Transaction with connected persons shall be in accordance with the Rules, Regulations and directives issued by SECP and shall be specified in the Offering Document.

8. Addition of a sub-clause in Clause 6 “Borrowing”

In Clause 6 “Borrowing” a new sub-clause 6.5 shall be added.

For the sake of clarity the new sub-clause 6.5 shall be read as under:

6.5 The Management Company may in any form borrow, with the approval of trustee, for meeting redemption request and such borrowing shall not exceed fifteen per cent or such other limit as specified by the Commission of the total net asset value of an Open End Scheme at the time of borrowing. The maximum period of borrowing shall be 90 days however; any net cash flows during interim period shall be utilized for repaying of borrowing.

9. Amendment in Sub-Clause 10.1 of “Remuneration of Management Company and its Agents”

Clause (a) & (b) of Sub-Clause 10.1 shall be deleted and replaced with the following text:

“An accrued remuneration equal to an amount not exceeding 1.5% of average annual net assets, that has been verified by the trustee and is payable in arrears on monthly basis:

Provided that an Asset Management Company may charge performance based or fixed fee or the combination of both which shall not exceed the limit prescribed in the regulation and such fee structure shall be disclosed in the offering document.”

For the sake of clarity the revised sub-clause 10.1 shall be read as under:

10.1 The Management Company shall be entitled to receive:

An accrued remuneration equal to an amount not exceeding 1.5% of average annual net assets, that has been verified by the trustee and is payable in arrears on monthly basis;

Provided that an Asset Management Company may charge performance based or fixed fee or the combination of both which shall not exceed the limit prescribed in the regulation and such fee structure shall be disclosed in the offering document.

10. Amendment in Sub-Clause 14.6 of “Issue of Units”

The entire text of sub-clause 14.6 shall be deleted and replaced with the following text:

“The Management Company may request the Trustee to make arrangements to accept issuance of units requests electronically (that is, web based), IVR (Interactive Voice Response) or by any other means. The Management Company may also request the Trustee to open bank accounts at banks to facilitate the investment through the ATM facility. Any such arrangements shall be notified to the Unit Holders as and when introduced by the Management Company. Any surcharge/additional costs incurred during such transactions will be borne by the Investor or the Management Company as may be agreed upon but shall not be charged to the Fund. Such charges/ additional costs, if payable by the Investors, shall be properly disclosed to the Investors.

In case of submission of electronic online investment requests the Investor’s user ID and password will authenticate his/her identity.”

For the sake of clarity the revised sub-clause 14.6 shall be read as under:

The Management Company may request the Trustee to make arrangements to accept issuance of units requests electronically (that is, web based), IVR (Interactive Voice Response) or by any other means such as bank auto debit instructions, credit cards and debit cards. The Management Company may also request the Trustee to open bank accounts at banks to facilitate the investment through the ATM facility. Any such arrangements shall be notified to the Unit Holders as and when introduced by the Management Company. Any surcharge/additional costs incurred during such transactions will be borne by the Investor or the Management Company as may be agreed upon but shall not be charged to the Fund. Such charges/ additional costs, if payable by the Investors, shall be properly disclosed to them.

In case of submission of electronic online investment requests the Investor’s user ID and password will authenticate his/her identity.

11. Amendment in Sub-Clause 17.2 of “Redemption of Units”

In sub-clause 17.2 the text “The Management Company may make arrangements to accept redemption requests through electronic, IVR (Interactive Voice Response) or other means which shall be notified to the Unit Holders as and when introduced by the Management Company” shall be deleted.

For the sake of clarity the revised sub-clause 17.2 shall be read as under:

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. No person shall be entitled to redeem only part of the Units comprised in a Certificate, however a certificate may be 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. In case of Joint Applicants, any Holder may sign the redemption form if so authorized by all Joint Holders.

12. Amendment in Sub-Clause 17.11 of “Redemption of Units”

Entire text of sub-clause 17.11 shall be deleted and replaced with the following text:

“The Management Company may request the Trustee to accept Redemption requests electronically (that is, web based), IVR (Interactive Voice Response) or other means with the prior approval of the Commission. The Management Company may also request the Trustee to open bank accounts at different banks to facilitate the redemption of Units through the ATM facility. Any such arrangements shall be notified to the Investors as and when introduced by the Management Company. Any surcharge/additional costs incurred during such transactions will be borne by the Investor or the Management Company as may be agreed upon but shall not be charged to the Fund. Such charges/ additional costs, if payable by the Investors, shall be properly disclosed to them.

In case of submission of electronic online redemption requests the Investor’s user ID and password will authenticate his/her identity.”

For the sake of clarity the revised sub-clause 17.11 shall be read as under:

The Management Company may request the Trustee to accept Redemption requests electronically (that is, web based), IVR (Interactive Voice Response) or other means with the prior approval of the Commission. The Management Company may also request the Trustee to open bank accounts at different banks to facilitate the redemption of Units through the ATM facility. Any such arrangements shall be notified to the Investors as and when introduced by the Management Company. Any surcharge/additional costs incurred during such transactions will be borne by the Investor or the Management Company as may be agreed upon but shall not be charged to the Fund. Such charges/ additional costs, if payable by the Investors, shall be properly disclosed to them.

In case of submission of electronic online redemption requests the Investor’s user ID and password will authenticate his/her identity.

13. Addition of Sub-Clause(iv) in Clause 23.A “Conversion of Units”

In clause 23.A a new sub-clause (iv) shall be added.

For the sake of clarity the revised sub-clause 23.A (iv) shall be read as under:

The Management Company may request the Trustee to accept Conversion/Switching requests electronically (that is, web based), IVR (Interactive Voice Response) or other means with the prior approval of the Commission. The Management Company may also request the Trustee to open bank accounts at different banks to facilitate the Conversion/Switching of Units, from one fund to another fund managed by AAML, through the ATM facility. Any such arrangements shall be notified to the Investors as and when introduced by the Management Company. Any surcharge/additional costs incurred during such transactions will be borne by the Investor or the Management Company as may be agreed upon but shall not be charged to the Fund. Such charges/ additional costs, if payable by the Investors, shall be properly disclosed to them.

In case of submission of electronic online Conversion/Switching requests the Investor’s user ID and password will authenticate his/her identity.

14. Amendment in Sub-Clause 25.1 of “Account Statement”

In sub-clause 25.1 the text “electronic” after the words “by means of an” and “/Management Company” after the words “Transfer Agent” shall be added.

For the sake of clarity the revised sub-clause 25.1 shall be read as under:

Units will be issued in registered, uncertificated form and will be confirmed to investors by means of an electronic Account Statement issued by the Transfer Agent/Management Company.

15. Amendment in Sub-Clause 25.2 of “Account Statement”

In sub-clause 25.2 the text “/Management Company” after the words “Transfer Agent” and “electronic” after the words “issue an” shall be added.

For the sake of clarity the revised sub-clause 25.2 shall be read as under:

Upon confirmation that the Offer Price for each Unit has been received in full from the applicant, the Transfer Agent/Management Company shall issue an electronic Account Statement that will constitute evidence of the number of Units registered in the name of the Holder.

16. Amendment in Sub-Clause 25.3 of “Account Statement”

In sub-clause 25.3 the text “/Management Company” after the words “Transfer Agent”, and “electronic” after the words “non-transferable” shall be added. In sub-clause 25.3 (e) the text “and” shall be deleted and the text “; and” shall be inserted at the end of sub-clause 25.3 (f).

Further, the last para “Any Account Statement will be posted within fifteen Business Days after each relevant transaction”, will be deleted and new sub-clause (g) shall be added after sub-clause 25.3 (f) as under:

“send an investment account statement to each unit/certificate holder on the registered mailing address provided by the unit holder at least once in a year. An Asset Management Company shall provide the account statement to the investors within 7 working days from the receipt of such request”

For the sake of clarity the revised sub-clause 25.3 shall be read as under:

The Transfer Agent/Management Company will send directly to each Unit Holder a non-transferable electronic 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;
- (f) additional Units are issued against bonus or re-investment of dividend; and
- (g) send an investment account statement to each unit/certificate holder on the registered mailing address provided by the unit holder at least once in a year. An Asset Management Company shall provide the account statement to the investors within 7 working days from the receipt of such request.

17. Amendment in Sub-Clause 28.8 (a) of “Audit”

In sub-clause 28.8 (a) the word “four” shall be deleted and replaced with the word “three”, the text “or make available on its website” shall be added after the text “transmit”, the text “ and submit to” shall be added after the text “ unit holders,” after sub-clause 28.8 (a) (iv) following paragraph shall be added:

“The Asset Management Company shall make the printed copy of the said accounts available to any unit holder, free of cost, as and when requested.”

For the sake of clarity the revised sub-clause 28.8 (a) shall be read as under:

- (a) Within three months of closing of the accounting period of the Open End Scheme, transmit or make available on its website to the unit holders, and submit to 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

The Asset Management Company shall make the printed copy of the said accounts available to any unit holder, free of cost, as and when requested.

18. Amendment in Sub-Clause 28.8 (b) of “Audit”

In sub-clause 28.8 (b) the text “make available on its website” after the words “and transmit”, and the text “and submit to” before the text “the Trustee” shall be added. Further, after sub-clause 28.8 (b) (v) following paragraph shall be added:

“The Asset Management Company shall make the printed copy of the said accounts available to any unit holder, free of cost, as and when requested.”

For the sake of clarity the revised sub-clause 28.8 (a) shall be read as under:

- (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 or make available on its website to the unit holders, and submit to 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.

Provided that the AMCs may transmit or make available the said quarterly accounts to the unit or certificate holders by placing them on its website and the Asset Management Company shall make the printed copy of the said accounts available to any certificate or unit holder, free of cost, as and when requested.

19. Amendment in Sub-Clause 29.2(b) of “Determination of Distributable Income”

In sub-clause 29.2(b), the text shall be deleted and replaced by the following text:

For the sake of clarity the revised sub-clause 29.2 shall be read as under:

29.2 The Management Company on behalf of the Scheme shall, for every accounting year, distribute by way of dividend to the unit holders not less than ninety per cent of the accounting income of the Scheme, as set out in sub-clause 29.3, received or derived from sources other than capital gains, as reduced by 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.

20. Amendment in Sub-Clause 29.3 of “Determination of Distributable Income”

In sub-clause 29.3, the text shall be deleted and replaced by the following text:

For the sake of clarity the revised sub-clause 29.3 clause shall be read as under:

29.3 For the purpose of sub-clause 29.2 Accounting income means income calculated in accordance with the requirements of International Accounting Standards (IAS) as are notified under the Companies Ordinance, 1984, the Regulations and the directives issued by the SECP. Wherever the requirements of Regulations or the directives issued by SECP differs with the requirement of IAS, the Regulations and the said directives shall prevail.

21. Amendment in Sub-Clause 30.2 of “Distribution of Income”

In sub-clause 30.2 the text “unless otherwise advised by the unit/certificate holders, all dividends to which a unit holder is entitled, shall be credited by the Management Company in the bank account of the unit holder provided by him/her on the application for investment or otherwise. In case of instructions of unit holder for payment of dividend through cheque, the” shall be added after the words “distribution per Unit” in the first sentence.

Further, the word “payment” before the text “shall be made” shall be deleted and last para “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.”, shall also be deleted.

For the sake of clarity the revised sub-clause 30.2 clause shall be read as under:

After the fixation of the rate of distribution per Unit, unless otherwise advised by the unit/certificate holders, all dividends to which a unitholder is entitled, shall be credited by the Management Company in the bank account of the unit holder provided by him/her on the application for investment or otherwise. In case of instructions of unit holder for payment of dividend through cheque, the distribution 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.

IN WITNESS WHEREOF, this Fifth Supplemental Trust Deed has been executed on the day and year first written above.

The Common Seal of Atlas Asset Management Limited has hereunto been fixed in the presence of:

Seal
(1) _____

(2) _____

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

Seal
(1) _____

(2) _____

Witnesses

Name: _____

Name: _____

Occupation: _____

Occupation: _____

Address: _____

Address: _____