

**Fifth Supplemental Trust Deed of
Atlas Islamic Stock Fund (AISF)**

Dated: May 23, 2017

**FIFTH SUPPLEMENTAL TRUST DEED OF
ATLAS ISLAMIC STOCK FUND (AISF)**

The 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 September 12, 2006 to constitute Atlas Islamic Stock Fund, which Trust Deed was registered with the Sub-Registrar – I, Jamshed Town, Karachi, under Registered No. 1131 of Book No. IV, M.F. Roll No. U 78004/3742 dated 28/09/2006 of Photo Registrar, Karachi and was amended by supplemental trust deeds dated October 29, 2007, March 06, 2008, December 04, 2009 and June 23, 2010.
2. The Management Company and the Trustee have mutually agreed to amend certain clauses of the Trust Deed as authorized under sub-clause 15.1.1 of the Trust Deed dated September 12, 2006; 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/516/2017 dated April 10, 2017 appended hereto as Annexure “A”.

Now this Fifth Supplemental Trust Deed witnesseth as under:

1. Amendment in Definition 5.1.6 “Authorized Investment”

The text of definition 5.1.6 shall be deleted and replaced with the following text:

“means any Shariah Complaint 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 5.1.6 shall be read as under:

“**Authorized Investment**” means any Shariah Complaint 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 Definition 5.1.24 “Distributor and Distribution Company or Distribution Companies”

The second part of heading “and Distribution Company or Distribution Companies” of definition 5.1.24 shall be deleted. Further, 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 5.1.24 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 5.1.43 A “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 5.1.43 A 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 6.1.8 of “Duties and Powers of the Management Company”

The text of sub-clause 6.1.8 shall be deleted and replaced with the following text:

“Within three months of closing of the accounting period of the Open End Scheme transmit or make available on its website to the unit or certificate 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 including,

- (i) copy of the balance sheet and income statement;
- (ii) cash flow statement;
- (iii) statement of movement in unit holders' or certificate holders' fund or net assets or reserves; and
- (iv) the auditor's report of the Open End Scheme or Closed End Scheme;

The 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.”

For the sake of clarity, the revised sub-clause 6.1.8 shall be read as under:

Within three months of closing of the accounting period of the Open End Scheme transmit or make available on its website to the unit or certificate 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 including,

- (i) copy of the balance sheet and income statement;
- (ii) cash flow statement;
- (iii) statement of movement in unit holders' or certificate holders' fund or net assets or reserves; and
- (iv) the auditor's report of the Open End Scheme or Closed End Scheme;

The 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.

5. Amendment in Sub-Clause 6.1.9 of “Duties and Powers of the Management Company”

In first paragraph of sub-clause 6.1.9 the text “or make available on its website,” shall be added after the text “and transmit”. Further, at the end following paragraph shall be added:

“Provided that the Management Company 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.”

For the sake of clarity, the revised sub-clause 6.1.9 shall be read as under:

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, the trustee, the Commission and the stock exchanges, on which the units of the scheme are listed:

- (i) balance sheet as at the end of that quarter;
- (ii) income statement;
- (iii) cash flow statement;
- (iv) statement of movement in unit holders' or certificate holders' fund or net assets or reserves; and
- (v) statement showing the securities owned at the beginning of the relevant period, securities purchased or sold during such period, and the securities held at the end of such period together with the value (at carrying and at market) and the percentage in relation to its own net assets and the issued capital of person whose securities are owned for that quarter, whether audited or otherwise:

Provided that the Management Company 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.

6. Amendment in Sub-Clause 7.1.2 of "Deposited Property"

The entire text of sub-clause 7.1.2 shall be deleted and replaced with the following text:

"The aggregate proceeds of all Units issued from time to time after deducting Duties and Charges, Transactions Costs and any applicable Sales Load , shall constitute part of the Trust Property and 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."

For the sake of clarity, the amended sub-clause 7.1.2 shall be read as under:

7.1.2 The aggregate proceeds of all Units issued from time to time after deducting Duties and Charges, Transactions Costs and any applicable Sales Load , shall constitute part of the Trust Property and 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.

7. Amendment in Sub-Clause 7.3.2 (f) of "Investment Policies"

In last paragraph of sub-clause 7.3.2 (f) the text "Continuous Funding System (CFS)" shall be deleted and replaced with the text "Margin Trading System (MTS)."

For the sake of clarity, the amended sub-clause 7.3.2 (f) shall be read as under:

- (f) Any other securities or instruments that may be permitted by the Commission and the Shariah Board;

The rating of any Bank or DFI with which Funds are placed should not be lower than A- (A minus). Further, the Fund shall not take exposure to Margin Trading System (MTS).

8. Amendment in Sub-Clause 7.5.14 of "Restrictions"

In sub-clause 7.5.14 the text "with the approval of trustee and" shall be added after the word "except" in the first sentence. Further, the text "The borrowing shall not exceed fifteen per cent

or such other limit as specified by the Commission of the total net asset value of Fund 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.” Shall be added at the end.

For the sake of clarity, the amended sub-clause 7.5.14 shall be read as under:

Engage in leveraged transactions or borrow, except with the approval of trustee and that the Fund may borrow as provided by the Rules to meet redemption requests, provided the borrowing complies with the Islamic Shariah as advised by the Shariah Council. The borrowing shall not exceed fifteen per cent or such other limit as specified by the Commission of the total net asset value of Fund 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 7.6.1 of “Exception to Investment Restrictions”

In sub-clause 7.6.1 the text “three” wherever appearing shall be deleted and replaced with the text “four”.

For the sake of clarity the amended Sub-Clause 7.6.1 shall be read as under:

In the event the exposure of the Scheme exceeds the limits specified in the Offering Document and the Rules and Regulations, because of corporate actions including taking up rights or bonus issue or due to market price increase or decrease in net assets, the excess exposure shall be regularized within 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. But in any case the Management Company shall not invest further in such shares or sectors while the deviation exists.

10. Amendment in Sub-Clause 10.1.1 of “Management Company Remuneration”

In sub-clause 10.1.1 the text “3% per annum of the average annual Net Assets of the Fund during the first five years of the Scheme and 2% per annum of the average annual Net Assets thereafter.” Shall be deleted and replaced with the text “2% of average annual net assets of the Fund that has been verified by the trustee and is paid in arrears on monthly basis.” Further, the following paragraph shall be inserted at the end of sub-clause 10.1.1:

“Provided that the 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 10.1.1 shall be read as under:

The Management Company shall be entitled to receive a remuneration of an amount not exceeding 2% of average annual net assets of the Fund that has been verified by the trustee and is paid in arrears on monthly basis.

Provided that the 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.

11. Amendment in Sub-Clause 10.6 – Other Fee and Charges

In sub-clause 10.6 (e) the text “non-refundable” shall be inserted after the word “Annual”. Further, the sub-clause 10.6 (k) shall be renumbered as 10.6 (m) and two new sub-clauses 10.6 (k) and (l) shall be added as under:

“(k) Fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum up to 0.1% of average annual net assets of the Scheme or actual whichever is less;

(l) Shariah advisory fee; and”

For the sake of clarity the revised Sub-Clause 10.6 shall be read as under:

Other fees and charges shall include:

- (a) Brokerage and transaction costs related to investing and dis-investing of the Deposited Property;
- (b) Legal and related costs with the consent of the Trustee incurred in protecting or enhancing the interests of the Fund or the collective interest of the Unit Holders;
- (c) Bank charges, foreign currency conversion commission & buy-sell spreads, fund transfer costs and borrowing/financial costs;
- (d) Audit Fees;
- (e) Annual non-refundable Fee payable to the Commission;
- (f) Custody charges including Central Depository Company of Pakistan charges and cost of custodial services for overseas investments;
- (g) Hedging costs including forward cover, forward purchase or option purchase costs;
- (h) Taxes, fees, cess, duties and other charges levied by foreign jurisdictions on investments outside Pakistan and any domestic taxes, fees, cess, duties and other charges;
- (i) Charges and levies of Stock Exchange and National Clearing and Settlement Company;
- (j) Printing Cost; and
- (k) Fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum up to 0.1% of average annual net assets of the Scheme or actual whichever is less;
- (l) Shariah advisory fee; and
- (m) Any other expense or charge as may be allowed by the Commission.

12. Amendment in Sub-Clause 11.1 – Transactions With Connected Persons

The entire text of sub-clause 11.1 shall be deleted and replaced with the following 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 amended Clause 11.1 shall be read as under:

11.1. 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.

13. Amendment in Sub-Clause 12.1.3 of “Distribution Policy and Date”

The entire text of sub-clauses 12.1.3 shall be deleted and replaced with the following text:

“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 received or derived from sources other than capital gains as reduced by such expenses as are chargeable to the Scheme under these Regulations and such other adjustment as the Management Company may determine in consultation with the Auditors.”

For the sake of clarity the amended Sub-Clause 12.1.3 shall be read as under:

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 received or derived from sources other than capital gains as reduced by such expenses as are chargeable to the Scheme under these Regulations and such other adjustment as the Management Company may determine in consultation with the Auditors.

14. Amendment in Sub-Clause 12.1.4 of “Distribution Policy and Date”

The entire text of sub-clause 12.1.4, shall be deleted and replaced with the following text;

“For the purpose of sub-clause 12.1.3 (b) the expression “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.”

For the sake of clarity the amended Sub-Clause 12.1.4 shall be read as under:

For the purpose of sub-clause 12.1.3 (b) the expression “accounting income” means income calculated in accordance with the requirements of International Accounting Standards (IAS) as are notified under the Companies Ordinance, 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.

15. Amendment in Sub-Clause 12.2.4 of “Distribution of Income”

In sub-clause 12.2.4 the text “cash distribution payments shall be made by transfer to the Unit Holders’ designated bank accounts” after the words “distribution per Unit,” shall be deleted and replaced with the text as under:

“unless otherwise advised by the unit/certificate holders, all dividends to which a unitholder is entitled, shall be credited by the AMCs in the bank account of the unit holder provided by him/her on the application for investment or otherwise”

For the sake of clarity the amended Sub-Clause 12.2.4 shall be read as under:

After the fixing of the rate of cash distribution per Unit, unless otherwise advised by the unit/certificate holders, all dividends to which a unitholder is entitled, shall be credited by the AMCs in the bank account of the unit holder provided by him/her on the application for investment or otherwise, or in the case of joint Unit Holders, to designated bank account of the joint Unit Holder first named on the Register. The receipt of funds by such designated bankers shall be a good discharge therefore.

16. Amendment in Sub-Clause 17.7.5 of Transactions Relating to Investment Activity/ Portfolio Management

In sub-clause 17.7.5 the text “The Management Company may request the Trustee to make arrangements through branches of banks to facilitate issue and redemption of Units of the Scheme. A request for the issue of Units may also be made through the use of electronic means, i.e., the Internet and ATM facilities. A request for redemption of Units, may be made through the ATM facility only when the relevant bank /branches have been authorized to accept a Unit Holders’ request to redeem the Units of the Trust.” Shall be deleted and following text shall be inserted:

“The Management Company may request the Trustee to accept Investment/redemption/conversion requests electronically (that is, web based), IVR (Interactive Voice Response) or by other means with the prior approval of the Commission, such as bank auto debit instructions, credit cards and debit cards. The Management Company may also request the Trustee to open bank accounts in different banks to facilitate the investment/redemption/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 unit holders as and when introduced by the Management Company.

In case of submission of electronic online investment/redemption/conversion requests the Participant's user ID and password will authenticate his/her identity."

For the sake of clarity the amended Sub-Clause 17.7.5 shall be read as under:

The Management Company may request the Trustee to accept Investment/redemption/conversion requests electronically (that is, web based), IVR (Interactive Voice Response) or other means with the prior approval of Commission, such as bank auto debit instructions, credit cards and debit cards. The Management Company may also request the Trustee to open bank accounts in different banks to facilitate the investment/redemption/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 unit holders as and when introduced by the Management Company.

In case of submission of electronic online investment/redemption/conversion requests the Participant's user ID and password will authenticate his/her identity.

The Trustee shall agree to such arrangements after satisfying itself in respect of all appropriate safeguards having been taken, without incurring any liability for additional risks involved. The compensation for such services that are provided by the Trustee in this respect shall be mutually agreed between the Trustee and the Management Company.

17. Amendment in Sub-Clause 18.4.4 of "Register of Unit Holder"

In sub-clause 18.4.4 the text "shall, within two working days of receiving a written request from any Unit Holder, post (or send by courier or through electronic means) to such Unit Holder details of such Unit Holder's account in the Register." Shall be deleted and replaced with the following text after the words "The Transfer Agent":

"/Management Company shall 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 amended Sub-Clause 18.4.4 shall be read as under:

The Transfer Agent /Management Company shall 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. Such service shall be provided free of charge to any Unit Holder requesting so once in any financial year. The Management Company may prescribe reasonable charges for servicing of any additional requests.

18. Amendment in Sub-Clause 18.5.1 of "Issuance of Certificates"

In Sub-Clause 18.5.1 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 amended Sub-Clause 18.5.1 shall be read as under:

Upon being satisfied that the Initial Offer Price for each Unit has been received in full from the successful 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 Unit Holder.

19. Amendment in Sub-Clause 18.5.3 of “Issuance of Certificates”

In Sub-Clause 18.5.3 the text “in electronic form or if requested by the account holder, in physical form,” shall be added after the words “Account statement”.

For the sake of clarity the amended Sub-Clause 18.5.3 shall be read as under:

Account statements in electronic form or if requested by the account holder, in physical form, or Certificates, as the case may be, shall only be issued against full payment of the subscription money.

All other contents of the Trust Deed remain unchanged and the Trust Deed shall continue to remain in full force and effect, amended as above.

The Management Company and the Trustee hereby certify that in their opinion, the above modifications, alterations and additions to the Trust Deed is required to enable the provisions of the Trust Deed to be more conveniently and economically managed and that the same shall not prejudice the interests of the Unit Holders or any of them or operate to release the Trustee or the Management Company from any responsibility to the Unit Holders.

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: _____
Occupation: _____
Address: _____

Name: _____
Occupation: _____
Address: _____