

**First Supplemental Trust Deed of  
Atlas Money Market Fund (AMF)**

**Dated: May 23, 2017**

## **First Supplemental Trust Deed of Atlas Money Market Fund (AMF)**

This First 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 (the "Ordinance"), having its registered office at *Ground Floor, Federation House, Shahrae 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**

*Central Depository Company Pakistan of Limited*, a company incorporated under the Companies Ordinance, 1984 and registered with the Securities and Exchange Commission of Pakistan (SECP) as a central depository company, having its registered office at CDC House 99-B, Block B, S.M.C.H.S, Main Shakra-e-Faisal, Karachi (hereinafter called the "**Trustee**") which expression where the context so permits shall include its successors- in-interest and assigns) of the other part.

### **WHEREAS:**

1. Atlas Asset Management Limited, as the Management Company and the Trustee as the trustee, executed a Deed dated December 04, 2009, to constitute "Atlas Money Market Fund", which Trust Deed was registered with the Sub-Registrar-I, Jamshed Town, Karachi, under Registered No. 405 of Book No. IV dated December 04, 2009 and M. F. Roll No. U 75886/6175 dated 09/12/2009 of the Photo Registrar, Karachi
2. The Management Company and the Trustee have mutually agreed to amend certain clauses of the Trust Deed as authorized under Clause 30 of the Trust Deed dated December 4, 2009.
3. The Securities & Exchange Commission of Pakistan ("SECP") vide its letter No. SCD/AMCW/AAML/518/2017 dated April 10, 2017, appended hereto as Annexure "A", has approved the amendments to the Deed.

Now this First Supplemental Trust Deed witnesseth as under:

#### **1. Amendment in Definition 5.8 "Authorized Investment"**

In definition 5.8 "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 5.8 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 Definition 5.28 "Distributor/ Distribution Company"**

The second part of heading "/Distribution Company" of definition 5.28 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." Further, the text "itself," shall also be added after the words "Management Company".

**For the sake of clarity the revised definition 5.28 shall be read as under:**

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

**3. Addition of Definition 5.43A “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 5.43A 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 clause 6.2 (iii) of “Investment Policy”**

In sub-clause 6.2 (iii) the text “CFS” shall be deleted and replaced with the text “Margin Trading system (MTS),”.

**For the sake of clarity, the revised sub-clause 6.2 (iii) shall be read as under:**

6.2 (iii) The Fund shall take no direct/indirect exposure to equities i.e., no exposure in equities, Margin Trading System (MTS), spread transactions etc.

**5. Amendment in Sub-Clause 8.11 of “ROLE & OBLIGATIONS OF MANAGEMENT COMPANY”**

In Sub-Clause 8.11 after clause (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 8.11 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 to the unit holders (physically and/or electronically and make them available on its website i.e., www.atlasfunds.com.pk), the trustee, the Commission and the stock exchanges, on which the units of the scheme are listed:

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

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.

**6. Amendment in Sub-Clause 13.1 of “Deposited Property”**

The entire text of sub-clause 13.1 shall be deleted and replaced with 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 revised sub-clause 13.1 shall be read as under:**

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 14.2 of “Investment Restrictions”**

In sub-clause 14.2 the text “three” wherever appearing shall be deleted and replaced with the text “four”.

**For the sake of clarity the amended Sub-Clause 14.2 shall be read as under:**

14.2 In the event the exposure of the Scheme exceeds the limits specified in the Offering Document and the Rules and Regulations, because of corporate actions including taking up rights or bonus issue or due to market price increase or decrease in net assets, the excess exposure shall be regularized within 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.

**8. Amendment in Sub-Clause 15.2 of “Borrowing Restrictions”**

In sub-clause 15.2 of “Borrowing Restrictions” following para shall be added:

“, however; any net cash flows during interim period shall be utilized for repaying of borrowing.”

**For the sake of clarity the amended Sub-Clause 15.2 shall be read as under:**

15.2 Such borrowing shall not exceed fifteen per cent or such other limit as specified by the Commission of the total net asset value of an Open End Scheme at the time of borrowing and shall be repayable within a period of ninety days , however; any net cash flows during interim period shall be utilized for repaying of borrowing;

**9. Addition of Sub-Clause 19.1.7 in Clause 19.1 “Issue of Units and Limitation of Liability”**

In clause 19.1 a new sub-clause 19.1.7 shall be added.

**For the sake of clarity the new sub-clause 19.1.7 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.

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

#### **10. Addition of Sub-Clause 19.2.8 in Clause 19.2 "Redemption of Units"**

In clause 19.2 a new sub-clause 19.2.8 shall be added.

##### **For the sake of clarity the new sub-clause 19.2.8 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.

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

#### **11. Addition of new Clause 17.4 "Conversion of Units"**

After clause 17.3.8 a new clause 17.4 "Conversion of Units" shall be inserted.

##### **For the sake of clarity the new Clause 17.4 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.

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

#### **12. Amendment in Sub-Clause 18.2.4 of "Legal Status of Units"**

In sub-clause 18.2.4 the text "at least once in a year" shall be added after the words "designated address" and the word "every" shall be deleted after the text "the close of". Further, the following para shall be added at the end of sub-clause:

"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 18.2.4 shall be read as under:**

18.2.4 Statements shall be sent to the Unit Holders at their designated addresses at least once in a year after the close of year. The Unit Holders shall also be sent a statement in electronic form every time there is any activity in the account subject to the availability of the email address of the Unit Holder. Management Company shall provide the account statement to the investors within 7 working days from the receipt of such request.

#### **13. Amendment in Sub-Clause 20.1 of "Issuance of Unit Certificates"**

In Clause 20.1 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 Clause 20.1 shall be read as under:**

Upon being satisfied that the amount 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. Units may be issued up to four decimal places.

#### **14. Amendment in Sub-Clause 20.3 of “Issuance of Unit Certificates”**

In Clause 20.3 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 Clause 20.3 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.

#### **15. Amendment in Sub-Clause 24.2.1 of – Management Company Remuneration**

In sub-clause 24.2.1 the text “is allowed to charge a remuneration of an amount not exceeding three percent per annum of the average annual Net Assets during the first five years of the Scheme and two percent per annum of the average annual Net Assets thereafter.” Shall be deleted and replaced with the text “shall be entitled to an accrued remuneration equal to an amount not exceeding 1% of average annual net assets that has been verified by the trustee and is paid in arrears on monthly basis.”

Further, a paragraph shall be added at the end as under:

“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 this regulation and such fee structure shall be disclosed in the offering document.”

##### **For the sake of clarity the amended Clause 24.2.1 shall be read as under:**

24.2.1 The Management Company shall be entitled to an accrued remuneration equal to an amount not exceeding 1% of average annual net assets that has been verified by the trustee and is paid in arrears on monthly basis. Current level of management fee shall be disclosed in the Offering Document.

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.

#### **16. Amendment in Sub-Clause 24.5.1(g) of Clause 24.5 – “Fee and Charges of The Fund”**

In Clause 24.5.1 (g) the text “non-refundable annual” shall be added before the text “fee payable”.

##### **For the sake of clarity the revised Sub-Clause 24.5.1 (g) shall be read as under:**

24.5.1 (g) non-refundable annual fees payable to the Commission;

#### **17. Addition of Sub-Clause 24.5.1 (q) in Clause 24.5 – “Fee and Charges of The Fund”**

In Clause 24.5.1 a new sub-clause (q) shall be added at the end as under:

“(q) fees and expenses related to registrar services, accounting, operation and valuation services related to the scheme maximum up to 0.1% of average annual net assets of the scheme or actual whichever is less.”

##### **For the sake of clarity the revised Sub-Clause 24.5.1 (q) shall be read as under:**

(q) fees and expenses related to registrar services, accounting, operation and valuation services related to the scheme maximum up to 0.1% of average annual net assets of the scheme or actual whichever is less.

## **18. Amendment in Clause 25 - Transactions With Connected Person**

Entire text of Clause 25 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 Clause 25 shall be read as under:**

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.

## **19. Amendment in Sub-Clause 26.1.1 of “Distribution Policy”**

In Clause 26.1.1, the text “unrealized” after the words “other than” shall be deleted and following paragraph shall be added:

“Explanation.- For the purpose of this Clause 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 Clause 26.1.1 shall be read as under:**

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

Explanation.- For the purpose of this Clause 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.

## **20. Amendment in Sub-Clause 26.3.3 of “Distribution of Income”**

In sub-clause 26.3.3 the text “cash distribution payments may be made by transfer to the Unit Holders’ designated bank accounts, or in the case of joint Unit Holders, to designated bank account of the joint Unit Holder first named on the Register/record. The receipt of funds by such designated bankers shall be a good discharge thereof.” Shall be deleted and replaced with text “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.”

**For the sake of clarity the revised Clause 26.3.3 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 Management Company in the bank account of the unit holder provided by him/her on the application for investment or otherwise.

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 Participants or any of them or operate to release the Trustee or the Management Company from any responsibility to the Participants.

IN WITNESS WHEREOF, this First 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: \_\_\_\_\_