

**First Supplemental Trust Deed of
Atlas Sovereign Liquid Fund (ASLF)**

Dated: May 23, 2017

First Supplemental Trust Deed of Atlas Sovereign Liquid Fund (ASLF)

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 Shahra-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 August 19, 2014, to constitute "Atlas Sovereign Liquid Fund", which Trust Deed was registered with the Sub-Registrar-II, Clifton Town, Karachi, under Registered No. 312 of Book No. IV dated August 19, 2014 and M. F. Roll No. U 63724/9578 dated 29/08/2014 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 20 of the Trust Deed dated August 19, 2014.
3. The Securities & Exchange Commission of Pakistan ("SECP") vide its letter No. SCD/AMCW/AAML/512/2017 dated April 07, 2017, appended hereto as Annexure "A", has approved the amendments to the Deed.

Now this First Supplemental Trust Deed witnesseth as under:

1. Addition of Sub-Clauses 7.14, 7.15 & 7.16 in Clause 7- Role of the Management Company

In Clause 7 three new sub-clauses 7.14, 7.15, & 7.16 are included:

For the sake of clarity the new sub-clause 7.14, 7.15, & 7.16 shall be read as under:

- 7.14 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.

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

7.15 Within one month of the close of first and third quarters and within two months of the close of second quarter of the year of account of the Open End Scheme, prepare and 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:

- (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 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.

7.16 The Management Company/ Transfer Agent 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.

2. **Amendment in Sub-Clause 11.4.1 of “Financing Arrangements / Borrowing Restrictions”**

In sub-clause 11.4.1 the text “and shall be repayable within a period of ninety days and such borrowing shall not exceed fifteen per cent of the Net Asset of the Scheme at the time of borrowing or such other limit as specified by the Commission” shall be deleted and replaced with the text “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.”

For the sake of clarity the revised sub-clause 11.4.1 shall be read as under:

Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Management Company may arrange borrowing for account of the Scheme, with the approval of the Trustee, from Banks, financial institutions, non-banking finance companies or such other companies as specified by the Commission from time to time. The borrowing, however, shall not be resorted to, except for meeting the redemption requests 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.

3. **Amendment in Sub-Clause 15.1 of “Determination of Distributable Profits”**

In Sub-Clause 15.1, the word “unrealized” after the text “other than” shall be deleted.

For the sake of clarity the amended Sub-Clause 15.1 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”.

4. Amendment in Definition 25.19 “Distributor / Distribution Company”

The second part of heading “/ Distribution Company” of definition 25.20 shall be deleted. Further, the text “company /firm 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 25.20 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.

5. Addition of Definition 25.34 A “Open End Scheme”

A new definition of “Open End Scheme” is included after the definition of “On-line”.

For the sake of clarity the new definition 25.34 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.

6. Amendment in Annexure ‘C’ - Current Remuneration of Management Company

In annexure ‘C’ the text “3% per annum during the first five years of existence and 2% thereafter. Current level of management fee shall be disclosed in the Offering Document.” Shall be deleted and replaced with the text “1% 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.”

For the sake of clarity, the revised portion of Annexure ‘C’ shall be read as under:

CURRENT REMUNERATION OF MANAGEMENT COMPANY

As per Non-Banking Finance Companies & Notified Entities Regulations, 2008, the Management Company is entitled to charge a management fee not exceeding 1% 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.

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: _____