

**Sixth Supplemental Trust Deed of
Atlas Stock Market Fund (ASMF)**

Dated: May 23, 2017

SIXTH SUPPLEMENTAL TRUST DEED OF ATLAS STOCK MARKET FUND

This Sixth 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), an unlisted public 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 May 29, 2004 to constitute Atlas Stock Market Fund, which Trust Deed was registered with the Sub Registrar “T” Division I-B Karachi, under Registered No. 354 of Book No. XV, M.F Roll No. U 39150/1880 dated 21/06/2004 of Photo Registrar Karachi and was amended by supplemental trust deeds dated June 21, 2005, July 24, 2006, October 29, 2007, March 06, 2008 and December 04, 2009.
2. The Management Company and the Trustee have mutually agreed to amend certain clauses of the Trust Deed as authorized under Clause 32(i) of the Trust Deed dated May 29, 2004; and
3. The Securities and Exchange Commission of Pakistan (hereinafter called the “SECP”) has approved the amendments to the Trust Deed effectuated between the Management Company and the Trustee vide its letter No. SCD/AMCW/AAML/517/2017 dated April 07, 2017 appended hereto as Annexure “A”.

Now this Sixth Supplemental Trust Deed for Amendment of Trust Deed of Atlas Stock Market Fund witnesseth as under:

1. Amendment in Definition 3(vii) “Authorized Investment”

In definition 3(vii) “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 vii 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 3(xv) “Connected Person”

The entire text of Definition 3(xv) shall be deleted except the text “shall have the same meaning as in the Rules.

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

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

3. **Amendment in Definition 3(xxiv) “Distributor and Distribution Company or Distribution Companies”**

The second part of heading “and Distribution Company or Distribution Companies” of definition 3(xxiv) shall be deleted. Further, the text “Company or Companies, Firm or a Bank appointed by the Trustee with the approval of the Management Company 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 3(xxiv) 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;

4. **Addition of Definition 3(xxxviii)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 3(xxxviii)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.

5. **Amendment in Sub-Clause 4 (i) of “Deposited Property”**

The entire text of sub-clause 4 (i) 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 4 (i) 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.

6. **Amendment in Sub-Clause 8 (i) of “Remuneration of Management Company and its Agents”**

In sub-clause 8(i) the text “three percent per annum of the average daily Net Assets during the first five years of the Scheme and two percent per annum of the average daily Net Assets thereafter; and” shall be deleted and replaced with the text “2% of average annual net assets that has been verified by the trustee and is paid in arrears on monthly basis.”, and following paragraph shall be added:

“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 8 (i) shall be read as under:

Management Company shall be entitled to receive:

- i. A remuneration of an amount not exceeding 2% of average annual net assets 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.

7. Amendment in Sub-Clause 9 (ix) (e) of “Investment of the Deposited Property”

In sub-clause 9 (ix) (e) 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 9 (ix) (e) shall be read as under:

- ix. The Trust will not at any time:
 - a) Purchase or sell:
 - Bearer securities;
 - Securities on margin;
 - Securities which result in assumption of unlimited liability (actual or contingent);
 - Commodities or commodity contracts;
 - Real estate or interest in real estate save and except that the Management Company may invest in securities secured by real estate or interest therein or equity securities issued by companies that invest in real estate or interest therein;
 - b) Invest in anything other than Authorized Investments as defined herein;
 - c) Participate in a joint account with others in any transaction;
 - d) Make short sales of any security or maintain a short position;
 - e) Participate in Margin Trading System (MTS).

8. Amendment in Sub-Clause 9 (xi) of “Investment of the Deposited Property”

In sub-clause 9 (xi) the text “three” wherever appearing shall be deleted and replaced with the text “four”.

For the sake of clarity the amended Sub Clause 9 (xi) 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. However, this restriction on purchase shall not apply to any offer of right shares or any other offering, if the Management Company is satisfied that accepting such offer is in the interest of the Trust

9. Addition in Sub-Clause 11 (v) of “Borrowing”

In sub-clause 11 (v) the text “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 revised Sub Clause 11 (v) shall be read as under:

- 11 (v) Subject to the provision in the Rules, the borrowing shall not exceed fifteen percent of the total Net Assets of the Scheme and shall be utilized only to meet the redemption requests. The

maximum period of borrowing shall be 90 days however; any net cash flows during interim period shall be utilized for repaying of borrowing.

10. Amendment in Sub-Clause 15(vii) of “Issue of Units”

The entire text of sub-clause 15(vii) 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 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.”

For the sake of clarity the revised Sub Clause 15(vii) 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.

11. Deletion of Sub-Clause 15(viii) of “Issue of Units”

The sub-clause 15(viii) shall be deleted.

12. Amendment in Sub-Clause 18 (xi) of “Redemption of Units”

In sub-clause 18(xi) the text “at different branches of” appearing after the words “bank account” shall be deleted and shall be replaced with the text “in different”.

For the sake of clarity the revised Sub Clause 18(xi) shall be read as under:

The Management Company may also request the Trustee to open bank accounts in different 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 Holders request to redeem the Units of the Trust.

13. Amendment in Sub-Clause 23 (i) of “Issuance of Certificates”

In Clause 23 (i) 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 23 (i) shall be read as under:

Upon being satisfied that the Offer Price for each Unit or fraction thereof has been received in full from the applicant and on receiving confirmation from Trustee, 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.

14. Amendment in Sub-Clause 23 (ii) of “Issuance of Certificates”

In Clause 23 (ii) the text “/Management Company” after the words “Transfer Agent” and “electronic” after the words “non-transferable” shall be added. The text “within forty five days of the end of the Accounting Date and” after the words “account Statement” shall be deleted.

Further, in the last para the text “If requested by Unit Holder, a physical” shall be added before the words “Account Statement” and the text “fifteen Business Days after each relevant transaction.” Shall be deleted and replaced with the text “seven working days from the receipt of such request.”

For the sake of clarity the amended Sub-Clause 23 (ii) shall be read as under:

The Transfer Agent/Management Company shall send directly to each 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 from/ to third person
- d) Consolidated/ split
- e) Additional issue of bonus Units or Re-investment of Dividend

If requested by Unit Holder, a physical Accounts Statement will be dispatched within seven working days from the receipt of such request.

15. Addition of Sub-Clause 26.A(iv) in “Conversion of Units”

In clause 26.A a new sub-clause (iv) shall be added.

For the sake of clarity the new Sub-Clause 26.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 in 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.

16. Amendment in sub-clause 27 (i) (i) and Addition of Sub-Clause 27 (iv) in Clause 27 “Fee and Charges”

In Clause 27 (i) (i) the text “non-refundable” shall be added before the text “SECP” and a new sub-clause (iv) shall be added at the end as under:

“(iv) 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 Clause 27 shall be read as under:

- i. The following shall be payable out of the Deposited Property.
 - a) Remuneration of the Management Company, as stated in the clause 8 and in accordance with the Rules;
 - b) Remuneration of the Trustee, as stated in the clause 6;
 - c) The Formation Cost not exceeding 1% of the amount of the value of Core Units and

- amortized over a period not exceeding five years;
 - d) Brokerage and Transaction Cost relating to investing and disinvesting of the Deposited Property;
 - e) All expenses incurred by the Trustee effecting registration of all register able property in the name of the Trustee;
 - f) Legal and related costs, as may be incurred in protecting or enhancing the interests of Trust or the collective interests of the Holders;
 - g) Bank charges or financial cost;
 - h) Audit Fees;
 - i) SECP non-refundable Annual Fee;
 - j) Listing and annual fees payable to Stock Exchanges;
 - k) Rating Fee, payable to approved rating agency;
 - l) Taxes, if any;
 - m) Charges and levies of Stock Exchange, National Clearing and Settlement Company and Central Depository Company;
 - n) Printing Cost; and
 - o) Any other expense or charge as may be allowed by the Commission.
- ii. Sales Load and Transaction cost will be charged on issue and redemption of Units, not exceeding 5% of the Net Asset Value of Units.
 - iii. Any cost associated with sales, marketing and advertisement of the schemes shall not be charged to the Fund.
 - iv. 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.

17. Amendment in Clause 28 of “Transactions With Connected Person”

Entire text of clause 28 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 28 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.

18. Amendment in Sub-Clause 29 (viii) of “Audit”

The sub-clauses 29 (viii) a), b) and c) shall be deleted and replaced with the two new sub-clauses a) and b):

For the sake of clarity the amended Sub-Clause 29 (viii) shall be read as under:

viii. The Management Company shall:

- 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 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.

- b) 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 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.

19. Amendment in Sub-Clause 30 (iv) of “Determination of Distributable Income”

The entire text of sub-clause 30 (iv) 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 unrealized capital gains, as reduced by such expenses as are chargeable to the Scheme under these Regulations.

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, 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 30 (iv) shall be read as under:

- 30(iv) 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 unrealized capital gains, as reduced by such expenses as are chargeable to the Scheme under these Regulations.

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, 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 31 (ii) of “Distribution of Income”

In 31 (ii) the 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. In case of instructions of unit holder for payment of dividend through cheque, the” shall be inserted after the text “distribution per unit” the word “payment” after the text “distribution” shall be deleted.

Further, the text “When an authority in that behalf shall have been received in such form as Management Company shall consider sufficient, it shall transfer to the Holders’ designated bank accounts or in the case of joint Holders to designated bank account of the joint Holder, first named on the Register. The receipt of funds by such designated bankers shall be a good discharge therefore.” Shall also be deleted.

For the sake of clarity the amended Sub-Clause 31 (ii) shall be read as under:

- ii. After 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 such arrangements as Management Company may consider appropriate to the registered address of the Holder or joint Holder, first named in 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 money payable.

IN WITNESS WHEREOF, this Sixth 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

Name: _____

Occupation: _____

Address: _____

Witnesses

(1)

(2)

Name: _____

Occupation: _____

Address: _____

Name: _____

Occupation: _____

Address: _____