



TRUST DEED

SENFIN FINANCIAL SERVICES FUND

Between

SENFIN ASSET MANAGEMENT (PRIVATE) LIMITED  
FUND MANAGER

AND

HATTON NATIONAL BANK PLC  
TRUSTEE

9

## INDEX

	PAGE
1. Definitions	1
2. Declaration of Trust	6
3. Constitution of the Trust	6
4. Transaction Receipts	7
5. Holders Bound by Deed	8
6. Trusts and Equities	8
7. Manager as Holder	8
8. Registration of Holders	8
9. Transfer and Transmission	10
10. Issue of Units	11
11. Cancellation of Units	13
12. Realisation and Redemption of Units	14
13. Investment of Deposited Property	15
14. Limitation on Investment	16
15. Investment Committee	17
16. Distributions	17
17. Payments	19
18. Accounts	20
19. Audit of Accounts	20
20. Covenants by the Manager and Trustee	21
21. Remuneration of the Manager and Trustee	22
22. Concerning the Administration of the Trust	23
23. Concerning the Trustee	26
24. Concerning the Manager	27
25. Advertisements	28
26. Appointment, Retirement and Removal of Trustee	28
27. Retirement and Removal of Manager	29
28. Borrowing Powers	30
29. Termination of Trust	30
30. Holders' Meetings	31
31. Notices	32
32. Modification of Trust Deed	32
33. Governing Law	32
34. Secrecy	33
35. Indemnity	33
36. Nature of Trust	33
37. Effect of Statutory Provisions and Regulations	33
Schedule	34

9/20

## TRUST DEED

THIS TRUST DEED (hereinafter referred to as the "Trust Deed") is made between SENFIN ASSET MANAGEMENT (PRIVATE) LIMITED a company incorporated in the Democratic Socialist Republic of Sri Lanka under the Companies Act, No. 07 of 2007 (as amended) bearing Registration No. PV75997 and having its registered office at No. 267, Galle Road, Colombo 3, in the said Republic of Sri Lanka (hereinafter referred to as the "MANAGER") of the ONE PART

AND

HATTON NATIONAL BANK PLC a public limited company incorporated in the Democratic Socialist Republic of Sri Lanka under the Companies Act, No. 07 of 2007 (as amended) bearing Registration No. PQ 82 having its registered office at HNB Towers, No. 479, T. B. Jayah Mawatha, Colombo 10, in the said Republic of Sri Lanka (hereinafter referred to as the "TRUSTEE") of the OTHER PART.

WHEREAS

- A. The Manager wishes to establish an Open-Ended Unit Trust (hereinafter referred to as the "Unit Trust") to be known as the SENFIN FINANCIAL SERVICES FUND, to appoint the Trustee as the Trustee thereof and to constitute the same by this Trust Deed.
- B. The Trustee has agreed to act as Trustee of the Unit Trust on the terms and conditions hereinafter contained.

NOW THIS TRUST DEED WITNESSETH AND IT IS HEREBY AGREED AND DECLARED as follows:

### 1 DEFINITIONS

1.1 In this Trust Deed and the Schedule hereto unless the context otherwise requires:

"Act" means the Securities and Exchange Commission of Sri Lanka Act, No. 19 of 2021 or such other Act that may prevail in substitution thereof;

"Accounting Date" means, in the case of the final Accounting Period, the date on which the moneys required for the final distribution are transferred to the Distribution Account, and in any other case, the thirty-first (31<sup>st</sup>) day of December in each year, commencing from the first (01<sup>st</sup>) day of January, provided that the Manager may, with the prior written consent of the Trustee, change the Accounting Date to any other date approved by the Trustee upon giving not less than twenty-one (21) days' notice to the Trustee and the Holders;

"Accounting Period" means a period ending on and including an Accounting Date and commencing, in the case of the first such period, on the date on which the Deposited Property is first paid or transferred to the Trustee and, in any other case, from the end of the preceding Accounting Period;

"Accounting Standards" means the accounting and auditing standards prescribed by the Sri Lankan Accounting and Auditing Standards Act No. 15 of 1995 or such other Act that may prevail in substitution thereof;

"Approved Broker" means a member of a Recognized Stock Exchange and licensed by the Commission or a member of a Recognized Stock Exchange outside Sri Lanka licensed by the relevant regulatory body and the Commission and specifically recognized for this purpose by the Commission;

"Associate" means an enterprise in which the managing company has significant influence and which is neither a subsidiary or a joint venture of the managing company and 'significant influence' for this purpose shall have the same meaning as assigned to it in the Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka from time to time.

"Auditors" mean the auditors of the Unit Trust.

"Authorised Investment" means any investment generally or specifically permitted by the Trust Deed and any amendments thereto, the Collective Investment Scheme Code and any directives

9/2019

given by the Commission from time to time, subject to the limitation on investment specified in Clause 14 hereof.

**"Business Day" or "Market Day"** means a day on which Licensed Commercial Banks are generally open for business in Sri Lanka;

**"Buying Price" or "Redemption Price"** means the sum the Manager will pay to the Holder on a Redemption of a Unit which price shall be published daily in at least one leading Sri Lankan daily newspaper or on the website of the Manager and which shall be determined by:

- (a) Ascertaining the Net Asset Value of the Fund as at 16:00 (4pm) Sri Lankan time on that day;
- (b) Deducting such sum that the Fund Manager considers as representing the appropriate provision for Duties and Charges which would have been incurred if all the securities and other assets of the Fund had been realized on that date at prices equal to their respective values as at 16:00 (4pm) on that day, and Exit Fee (if any);
- (c) Dividing the resulting sum by the number of Units in issue and deemed to be in issue;

**"Cancellation Price"** means the sum the Trustee will pay out of the Deposited Property on the cancellation of a Unit;

**"Colombo Stock Exchange"** means the mutual exchange licensed by the Commission;

**"Collection Account"** means a special account established under the Fund to collect monies prior to creation of Units to the Holders;

**"Collective Investment Scheme Code"** means Collective Investment Scheme 2022, made by the Commission and amendments thereto and such other code that may prevail in substitution thereof;

**"Commission"** means the Securities and Exchange Commission of Sri Lanka established under the Securities and Exchange Commission of Sri Lanka Act, No. 19 of 2021 or such other Act which may prevail in substitution thereof;

**"Companies Act"** means the Companies Act No. 7 of 2007 (as amended) or such other Act which may prevail in substitution thereof;

**"Banking & Financial Services Sector"** means the CSE sectors covering Banking and Diversified Financials and excluding the Insurance Sector. In the event of there being any change in the GICS classifications of sectors published by the Colombo Stock Exchange, the sectors as revised which most closely reflects the sectors mentioned above would constitute the Financial Services Sector.

**"Connected Person"** of the Manager or Trustee means:

- (a) Any person or company owning, directly or indirectly, twenty Percentage (20%) or more, of the ordinary share capital of the Manager or Trustee, or who is able to exercise, directly or indirectly, twenty Percentage (20%) or more, of the total votes in the Manager or Trustee;
- (b) Any person or company controlled by a person who meets a description given in (a);
- (c) Any company, twenty Percentage (20%) or more, of whose ordinary share capital is owned, directly or indirectly, by the Manager and/or the Trustee and any company wherein twenty Percentage (20%) or more of the total votes of the company can be exercised, directly or indirectly by the Manager and/or the Trustee;
- (d) Any Director or officer of the Manager, Trustee or a company referred to in paragraph (c) or any Connected Person as defined in paragraphs (a), (b) or (c);

Provided that if a prescribed percentum shall be declared by the Commission in relation to the operation of a Collective Investment Scheme such percentum shall apply instead of that stated above.

T 20

**"Custodian Fee"** means the fee to be received by the Trustee out of the Deposited Property as remuneration for the services rendered as the custodian of the Fund;

**"Dealing Day"** means a day on which subscription for Units and the redemption of Units can be effected at newly calculated prices published from Market Day to Market Day;

**"Deposited Property"** means all the assets (including cash and earnings on cash deposits) for the time being held or being deemed to be held by the Trustee on behalf of the Unit Trust and subject to the provisions hereof, excluding any amount for the time being standing to the credit of the Distribution Account or the Collection Account;

**"Directors"** shall have the same meaning as defined in the Companies Act;

**"Distribution Account"** means an account established pursuant to Clause 16.4 to hold income for distribution to Holders;

**"Dividend Reinvestment Date"** means a date on which the dividends have been reinvested in accordance with the instructions of a Holder or six (06) months after the date of distribution in respect of a distribution which has remained unclaimed in accordance with the provisions of Clause 16.10;

**"Dividend Reinvestment Price"** means the Selling Price prevailing on the Dividend Reinvestment Date less any Duties and Charges in processing the relevant transaction;

**"Duties and Charges"** means in relation to any particular transaction or dealing, all stamp and other duties, taxes, Government charges, brokerage, bank charges, transfer fees, registration fees and other duties or charges whether in connection with the constitution of the Deposited Property or the increase or decrease of the Deposited Property or the creation, issue, sale, exchange or purchase of Units or the sale or purchase of Investments or in respect of Transaction Receipts or otherwise, which may have become or may be payable in respect of or prior to, or upon the occasion of the transaction or dealing in respect of which such Duties and Charges are payable, but does not include commission (if any) payable to agents on sales and repurchases of Units or any commission, charges or costs which may have been taken into account in ascertaining Value;

**"Electronic Message"** and **"Electronic Record"** shall have the same meaning as that attributed to them in the Electronic Transactions Act, No. 19 of 2006 (as amended) or such other Act which may prevail in substitution thereof;

**"Extraordinary Resolution"** means a resolution passed by seventy-five per centum (75%) or more of those present and voting (in person or by proxy) at a meeting of Holders held in accordance with the provisions contained in the Schedule hereto;

**"Exit Fee"** means the difference between the Redemption Price / Buying Price and the amount received from the Trustee on a redemption of Units;

**"Front End Fee"** means the difference between the Offer Price / Selling Price and the amount payable to the Trustee for the creation of Units;

**"Fund"** / **"Scheme"** means the fund which is established by this open ended Unit Trust and is licensed by the Commission and managed by the Manager;

**"Holder"** means the person for the time being entered in the Register as the Holder of a Unit and includes persons entered as joint Holders;

**"Income Account"** means the account referred to in Clause 16.2;

**"Initial Public Offering"** or **"Initial Offering"** means the initial offer to the public to subscribe for Units in the Unit Trust as specified in the Key Investor Information Document;

**"Investment"** means all forms of equity securities that have an exposure to the broader Banking & Financial Services Sector of Sri Lanka, and listed on the Colombo Stock Exchange, any treasury bonds, treasury bills, Central Bank securities, savings and term deposits, corporate bonds, debentures, commercial paper, asset backed securities, any repurchase agreements relating to any of the above securities, Money Market Unit Trust Funds, Income Unit Trust Funds licensed by the Commission, excluding bills of exchange, promissory notes or certificate of deposits and shall include any investments or securities permitted by the Commission;

9 2013

**"Investment Committee"** means the committee referred to in Clause 15;

**"Key Investor Information Document"** means the document issued by the Manager and approved by the Commission containing the information on the Fund established by the Trust Deed inviting members of the public to subscribe for or purchase Units in the Unit Trust and amendments thereto;

**"Licensed Commercial Banks"** means licensed commercial banks licensed in terms of the Banking Act, No. 30 of 1988 (as amended) or such other Act which may prevail in substitution thereof;

**"Licensed Specialized Banks"** means the banks licensed as such under Part IX(A) of the Banking Act No. 30 of 1988 (as amended) or such other Act which may prevail in substitution thereof;

**"Management Fee" or "Administrative Fee"** means any sum to which the Manager may become entitled pursuant to the provisions of Clause 21;

**"Manager" or "Fund Manager"** means Senfin Asset Management (Private) Limited or its successor;

**"Minimum Holding"** means One Hundred (100) Units in the Trust or such number as the Manager, with the approval of the Trustee, may from time to time determine;

**"Month"** means calendar month;

**"Near Cash"** means investments such as bank/call deposits, repurchase agreements with maturities of less than three (03) months, commercial paper endorsed or guaranteed by a Licensed Commercial Bank or Licensed Specialized Bank with maturities of less than three (03) months and government securities including government bonds with maturities of less than one (01) year which can be readily convertible into cash;

**"Net Asset Value"** means the Value of the Deposited Property of the Fund determined by the Manager in accordance with the Trust Deed, Collective Investment Scheme Code, Directives issued by the Commission and the Valuation Guidelines issued by the Unit Trust Association of Sri Lanka LESS the total liabilities of the Fund as at close of business on the Valuation Day;

**"Prescribed Percentage"** means the percentage specified by the Commission;

**"Recognized Stock Exchange"** means the Colombo Stock Exchange or any other stock exchange licensed by the Commission or any other stock exchange of repute in any other part of the world agreed to in writing between the Manager and the Trustee and recognised by the Commission for this purpose;

**"Redemption"** means the purchase of Units from the Holder by the Manager or the Trust;

**"Register"** means the register of Holders maintained under Clause 8.1;

**"Registrar"** means the person appointed by the Manager to maintain the Register under Clause 8.1;

**"Rupees" or "Rs."** mean rupees and **"cents" or "cts"** mean cents in Sri Lankan currency, unless otherwise stated;

**"Selling Price" or "Offer Price"** is the price which may be charged by the Manager from the Holders for the issue of a Unit and which shall be published in at least one (1) leading Sri Lankan daily newspaper or on the website of the Manager and which shall be determined by:

- (a) Ascertaining the Net Asset Value of the Fund as at 16:00 (4pm) Sri Lankan time on the Valuation Day;
- (b) Adding such sum that the Fund Manager considers as representing the appropriate provision for Duties and Charges which would have been incurred if all the securities and other assets of the Fund had been purchased on that date at prices equal to their respective values as at 16:00 (4pm) on that day and the Front End Fee (if any);
- (c) Dividing the resulting sum by the number of Units in issue and deemed to be in issue;

920

**"Subscription Day"** means every Business Day, provided that the Manager may with the prior written consent of the Trustee decide as it deems appropriate, any particular Business Day not to be a Subscription Day, upon giving not less than seven (07) days' notice to the Trustee;

**"Transaction Receipt"** means a transaction receipt issued pursuant to Clause 4;

**"Trust" or "Unit Trust"** means the Unit Trust constituted by this Trust Deed as amended from time to time with the approval of the Commission;

**"Trustee"** means Hatton National Bank PLC or its successor under the provisions of Clause 26;

**"Trustee's Fee"** means any sum to which the Trustee may become entitled pursuant to the provisions of Clause 21;

**"Unit"** means one undivided share in the Trust;

**"Unit Trust Association"** means the apex body of licensed unit trust management companies in Sri Lanka;

**"Value"** means the value of the Investment of the Fund using the valuation methodology specified in the Collective Investment Scheme Code and by the Commission from time to time;

- (a) In Calculating the Net Asset Value of the Deposited Property or any portion thereof, and in dividing such Value by the number of Units in issue and deemed to be in issue:
- (i) Every Unit agreed to be issued by the Manager shall, subject to the provisions of Clause 10, be deemed to be issued;
  - (ii) The Deposited Property shall be deemed to include not only cash and other property in the hands of the Trustee but also the amount of any cash or other property to be received in respect of Units issued and (subject as aforesaid), agreed to be issued after deducting therefrom (in the case of Units agreed to be issued for cash) the adjustment (if any) referred to in Clause 16.6;
  - (iii) Where Investments have been agreed to be purchased or sold but such purchase or sale has not been completed, such Investments shall be included or excluded and the total cost of acquisition or net sale proceeds included or excluded, as the case may require, as if such purchase or sale had been duly completed;
  - (iv) Where the current price of an Investment is quoted ex-interest or ex-dividend but such interest or dividend has not been received, the amount of such interest or dividend shall be deemed to have been received;
  - (v) There shall be deducted any amount of Management Fee or Trustee Fee accrued but remaining unpaid;
  - (vi) Where notice of a reduction of the Trust by the cancellation of Units has been given by the Manager to the Trustee but such cancellation has not been completed, the Units to be cancelled shall not be deemed to be in issue and the Value of the Deposited Property shall be reduced by the amount payable to the Manager upon such cancellation;
  - (vii) There shall be taken into account such sums as in the estimate of the Manager shall be payable or recoverable in respect of taxation to the relevant date;
  - (viii) There shall be deducted the principal amount of any borrowings (together with any interest, expenses and other charges accrued thereon but remaining unpaid) effected by the Trust and for the time being outstanding;
  - (ix) Any Value (whether an Investment or cash) otherwise than in the currency of Sri Lanka and any foreign currency borrowing effected for account of the Trust shall be converted into the currency of Sri Lanka at the official exchange rate current at the time of valuation, having regard, *inter alia*, to any premium or discount which may be relevant and the costs of exchange;

"Valuation Day" means any day upon which the Colombo Stock Exchange is open for normal dealings;

"Year" means calendar year.

- 1.2 References to the Schedule and to clauses, sub-clauses and sub-paragraphs shall be construed as references to the Schedule to the Trust Deed and to clauses, sub-clauses and sub-paragraphs of the Trust Deed and Schedule.
- 1.3 Words importing the singular number shall include the plural number and vice versa; words importing the masculine gender shall include the other genders; words importing persons shall include corporations, firms and other entities; the words "written" or "in writing" shall include printing, engraving, lithograph or other means of visible reproduction or partly one and partly another; references to any statute, rule or regulation shall be deemed to be references to that statute, rule or regulation as from time to time amended or substituted.
- 1.4 The headings inserted herein are for convenience only and shall not affect the construction of the Trust Deed.
- 1.5 References to the Trust Deed shall include any deeds supplemental thereto.
- 1.6 Save as aforesaid any words or expressions defined in the Act or in any Regulations made thereunder shall, if not inconsistent with the subject or context, bear the same meaning in the Trust Deed.

## 2 DECLARATION OF TRUST

- 2.1 The Trustee is appointed the Trustee of the trust and shall hold and stand possessed of the Deposited Property as a single common open ended Unit Trust Fund upon trust for the Holders, *pari passu*, subject to the provisions of the Trust Deed as amended from time to time by any deed supplemental hereto.
- 2.2 The Trustee hereby agrees to act as Trustee of the Unit Trust and to accept and be bound by the trusts hereby created, on the terms and conditions of the Trust Deed. Any moneys forming part of the Deposited Property shall, from time to time, be invested at the discretion of the Manager in accordance with the provisions of the Act, Trust Deed, Collective Investment Scheme Code, the last published Key Investor Information Document and any directives by the Commission, from time to time. No Unit shall confer on a Holder any interest or share in any particular part of the Deposited Property.
- 2.3 The Manager is appointed the Manager of the Trust and agrees to act as Manager on the terms and conditions contained in the Trust Deed.

## 3 CONSTITUTION OF THE TRUST

- 3.1 The Deposited Property shall initially comprise the proceeds of an offer of Units at a price per Unit of an amount determined by the Manager with the approval of the Trustee.
- 3.2 The Initial offer of Units shall be conducted by the Manager in accordance with the Key Investor Information Document. The proceeds of the offer shall be transferred to the Fund from the Collection Account within three (03) Business Days after creation of the Units and shall thereupon constitute the Deposited Property.
- 3.3 In respect of issues of further Units the Manager shall pay to the Trustee to be held as part of the Deposited Property, such proceeds after deducting therefrom any adjustments authorised by this Trust Deed (if any).
- 3.4 The consideration paid in respect of duly created Units (less any charges (less any charges that may be retained by the Manager) shall become the property of the Scheme immediately on receipt of such consideration by the Trustee.

9/20



4 TRANSACTION RECEIPTS

- 4.1 A Transaction Receipt shall be in such prescribed form as may from time to time be agreed upon between the Manager and the Trustee. A Transaction Receipt (i) shall be dated and (ii) bear the names and addresses of the Manager and the Trustee (iii) shall note the amount paid by the Holder and specify the number of Units represented thereby and (iv) the name and address of the Holder as appearing in the Register.
- 4.2 Transaction Receipts may be issued in such denominations of Units and such fractions of a Unit as may for the time being generally or otherwise be prescribed in writing by the Manager with the approval of the Trustee.
- 4.3 Every fraction of a Unit shall rank *pari passu* proportionately with a Unit, save that the provisions relating to transfer of Units contained in the proviso to Clause 9.1 shall not apply to fractions of a Unit, but the Holder thereof may at any time sell the same to the Manager pursuant to Clause 12.
- 4.4 Transaction Receipts shall be in the form of an Electronic Record or a computer-generated document as the Manager may from time to time with the approval of the Trustee determine and shall bear no signature and shall be deemed to be official and final.
- 4.5 A Transaction Receipt to be issued as herein provided to purchasers of or subscribers for Units purchased or subscribed for shall be issued not later than fourteen (14) Business Days after the allotment of such Units and may be delivered to the Holder either by way of an Electronic Message or at his own risk by ordinary post.
- 4.6 In the case of Units held jointly by several persons, the Manager shall not issue more than one (01) Transaction Receipt therefor and delivery of such Transaction Receipt to the person named first therein shall constitute sufficient delivery to all joint Holders.
- 4.7 A Transaction Receipt in respect of Units shall be delivered to the Holder only on the Trustee being satisfied that the consideration paid for such Units (less any charges that may be retained by the Manager) has been or will be, vested in the Trustee.
- 4.8 Subject to the provisions of this Trust Deed and in particular to the limitations imposed pursuant to Clause 4.2, and subject to any regulations from time to time made by the Manager, every Holder shall be entitled to exchange any or all of his Transaction Receipts for one or more Transaction Receipts of such denominations as he may require representing the same aggregate number of Units. Before any such exchange as aforesaid is carried out, the Holder shall request the same from the Manager in writing, produce a valid form of identification and pay to the Manager all moneys (if any) payable hereunder.
- 4.9 In case any Transaction Receipt to the satisfaction of the Manager has become mutilated or defaced, the Manager may issue to the person entitled, subject to the payment of such fees as the Manager may require, upon notice in writing to the Manager of such fact, a new Transaction Receipt representing the same aggregate number of Units. If any Transaction Receipt is lost, stolen or destroyed, the Manager may issue to the person entitled, a new Transaction Receipt in lieu thereof, upon a written request to the Manager. No such new Transaction Receipt shall be issued unless the applicant shall previously have (i) furnished to the Manager evidence satisfactory to it of the identity of the Unit Holder (ii) paid all expenses incurred in connection with the investigation of the facts, as determined by the Manager, and (iii) (if so required by the Manager and/or the Trustee so to do) furnished to the Manager and/or the Trustee such indemnity as the Manager nor the Trustee shall incur any liability for any action which they may take in good faith under the provisions of this paragraph.
- 4.10 In the event of the Manager or the Trustee, after the issue of any Transaction Receipt (whether original or balance or duplicate) being required to pay any stamp duty or any additional stamp duty thereon (if any), the Manager shall be entitled to deduct the amount of such stamp duty or additional stamp duty from any subsequent distribution to the Holder of such Transaction Receipt or from any other moneys whatsoever, which may subsequently become payable to such Holder.
- 4.11 Every Transaction Receipt issued hereunder shall be in the name of the Holder of the Units represented by the Transaction Receipt surrendered or lost, stolen or destroyed.

9/20

**5 HOLDERS BOUND BY DEED**

- 5.1 The terms and conditions of the Trust Deed and of any deed supplemental hereto entered into pursuant to the provisions hereof, shall be binding on each Holder and all persons claiming through or under him, as if he had been a party to and had executed the Trust Deed and had thereby covenanted himself, and for all such other persons, to observe and be bound by all the provisions hereof, and had thereby authorised the Trustee and the Manager respectively to do all such acts and things as the Trust Deed may require the Trustee or the Manager (as the case may be) to do.
- 5.2 The Manager shall make available a copy of the Trust Deed, and any supplemental deed, for inspection free of charge to any member of the public at all times during normal office hours at its place of business and make available copies of such documents upon the payment of Rupees Five Hundred (Rs. 500/-) or such other amount as shall be determined by the Manager from time to time.

**6 TRUSTS AND EQUITIES**

The Holder shall be the only person recognized by the Trustee, or the Manager, as having any right, title or interest in or to the Units registered in his name and in or to a Transaction Receipt and the Units represented thereby, and the Trustee and Manager shall recognize such Holder as absolute owner of such Units and shall not be bound by any notice of, or see to the execution of any trust, save as herein expressly provided or as may be ordered by some court of competent jurisdiction. No person other than the Manager shall have any rights against the Trustee except during the period in which Units are registered in his name.

**7 MANAGER AS HOLDER**

- 7.1 Nothing herein shall prevent the Manager from becoming a Holder in its own right, provided such holding is not contrary to any other provisions of the Trust Deed and is subject to the limitations on voting provided in Clause 2 of the Schedule.
- 7.2 The Manager shall be deemed to hold and, (except as otherwise provided herein), be treated for all the purposes of the Trust Deed and of any deed supplemental hereto as the Holder of each Unit during such times as neither the Manager nor any other person shall be entered in the Register as the Holder thereof and, except as otherwise provided herein, any such Unit shall be deemed to be in issue.

**8 REGISTRATION OF HOLDERS**

- 8.1 The following provisions shall have effect with regard to the registration of Holders:
- (a) The Manager shall maintain or cause to be maintained an updated Register of its Holders and shall appoint a Registrar for that purpose;
  - (b) The Register may be kept either as an Electronic Record or in written form or as the Trustee may from time to time approve;
  - (c) The Register shall be maintained in a form capable of being produced in a legible form.
- 8.2 A certificate shall be issued or an entry shall be entered in the Register in respect of Units only upon the Trustee being satisfied that the consideration paid for such units (less any charges that may be retained by the Managers) has been or will be, vested in the Trustees.

There shall be entered in the Register:

- (a) The name and address of each Holder, provided that the Manager shall not be obliged to register more than two (02) persons as joint Holders except in any case or cases otherwise decided upon by the Manager and the Trustee for good reason;
- (b) The number of Units (including fractions of a unit) held by each Holder;

- (c) The date at which the name of every such Holder was entered in the Register in respect of the Units standing in the Holder's name;
  - (d) The full name and address of any person who has obtained any right over the Units as a result of hypothecation of Units;
  - (e) The date on which any transfer by or from such Holder is registered; and
  - (f) The number of Units (including fractions of a Unit) for the time being in issue.
- 8.3 A duplicate of the Register, or in the case of Electronic Recording, a backup copy updated from time to time and duly authenticated as agreed with the Trustee, shall be kept at a location separate to the location where the Register is maintained. The Manager shall inform the Trustee in writing the address at which the duplicate register, or the backup copy, is located.
- 8.4 Any change of name or address of any Holder shall forthwith be notified in writing to the Manager who, on being satisfied therewith, and on compliance with such formalities including (in the case of a change of name) the surrender of any Transaction Receipt previously issued to such Holder and the payment of a fee as the Manager may require, shall alter the Register or cause it to be altered accordingly and in the case of a change of name, may issue a new Transaction Receipt to such Holder.
- 8.5 The following persons are eligible to apply for the units:
- (a) Citizens of Sri Lanka who are resident within Sri Lanka and are above Eighteen (18) years of age (severally or jointly).
  - (b) Minors as the first holder when applied jointly with parent, legally appointed guardian or curator; in the case of investments in the name of minors, dividends if any, as and when distributed by the Fund will be cumulatively re-invested in Units until the minor attains majority.
  - (c) Companies, corporations or institutions incorporated or established within Sri Lanka.
  - (d) Provident funds, contributory pension schemes and other legally constituted bodies registered/ incorporated/ established in Sri Lanka.
  - (e) Citizens of foreign states whether resident in or outside Sri Lanka, Sri Lankans resident outside Sri Lanka, foreign institutional investors, and companies with limited liability or other bodies corporate established or incorporated outside Sri Lanka wherein payment for such units should be in accordance with the prevailing foreign exchange laws and regulations.
  - (f) Global, regional and country funds.
- 8.6 The Manager shall at all reasonable times during business hours, give the Trustee and its representatives access to the Register and to all associated documents and records to inspect the same with or without notice and without charge, but neither the Trustee nor any associated company of the Trustee shall be entitled to remove the same or to make any entries therein or alterations thereto, except when the Register is closed in accordance with the provisions hereof, the Register shall, during business hours (subject to such reasonable restrictions as to the provision of prior notice or otherwise as the Manager may impose, but so that not less than two (02) hours in each Business Day shall be allowed for inspection), be open in legible form for the inspection of any Holder without charge. The Trustee shall be entitled to obtain free of charge certified copies of statements from the said Register, documents and records and such copies shall be supplied by the Manager within a reasonable time.
- 8.7 The Register may be closed at such times and for such periods as the Manager may from time to time determine in consultation with the Trustee provided that the Register shall not be closed for more than thirty (30) Business Days in any one (01) year and the Manager shall give notice of every such closure by advertisement in the local newspapers in the Sinhala, Tamil and English languages.
- 8.8 The Register shall be conclusive evidence of the persons entitled to the Units entered therein and no notice of any trust express, implied or constructive shall be entered in the Register in respect of any Unit except any right obtained under Clause 6. The Manager shall be deemed to hold all Units which are in issue, if no person is entered into the register as the holder thereof.

9/20

- 8.9 The Manager shall take all reasonable steps and exercise due diligence to ensure that the information contained in the Register is at all times complete and up to date.
- 8.10 The Manager shall notify the Commission in writing of the address where the Register is kept.

**9 TRANSFER AND TRANSMISSION**

- 9.1 Every Holder shall be entitled to transfer Units (but not fractions of a Unit) held by him by an instrument in writing in any usual or common form, or in such other form as the Manager and the Trustee may from time to time approve;

Provided that:

- (a) unless the transfer comprises the whole of the holding of Units of a Holder, Units shall only be transferable in blocks of such number of Units as the Manager may from time to time prescribe;
- (b) no transfer shall be registered if the registration thereof would result in the transferor or transferee being a Holder of less than the Minimum Holding as may for the time being have been prescribed; and
- (c) in the event of such sub-division or consolidation as referred to in Clause 10.7 occurring, any number prescribed shall be proportionately increased or diminished (as the case may be).
- 9.2 Every instrument of transfer must be signed by the transferor (or in the case of a body corporate, signed on behalf of or sealed) who shall, subject to provisions of Clause 6, be deemed to remain the Holder of, and to be entitled to the Units transferred, until such time as the name of the transferee is entered in the Register. The instrument of transfer need not be in the form of a deed.
- 9.3 Every instrument of transfer must be properly stamped and deposited with the Manager for registration together with any necessary declarations or other documents that may be required in consequence of any legislation for the time being in force, and the Transaction Receipt or Transaction Receipts (if any) relating to the Units to be transferred and such other evidence as the Manager or Trustee may require to prove the title of the transferor or his right to transfer the Units.
- 9.4 A fee of Rupees Two Hundred and Fifty (Rs. 250/-) (or such other amount as the Trustee and the Manager may from time to time agree on) may be charged by the Manager for the registration of each transfer and the issue of a new Transaction Receipt in the name of the transferee, to be retained by the Manager. Such fee must, if required by the Manager, be paid before registration of the transfer.
- 9.5 In case only some of the Units represented by any Transaction Receipts are transferred, the transferor shall be entitled free of charge to a new Transaction Receipt for the balance of his Units.
- 9.6 A receipt signed, or purporting to be signed by the Holder for any moneys payable in respect of the Units held by him shall (without prejudice to the application of Clause 17) be a good discharge to the Manager and the Trustee and if several persons are registered as joint Holders or in consequence of the death or bankruptcy of a Holder are entitled to be registered, any one of them may give effectual receipt for any such moneys.
- 9.7 In case of the death of a joint Holder, the remaining Holder/s shall be the only persons recognized by the Manager and the Trustee as having any title to or interest in the Units held by such joint Holders and upon production of such evidence of the death, as the Manager may require, the remaining Holders shall be entered in the Register as the Holder/s.
- 9.8 The executors or administrators or persons holding a certificate of heirship of a deceased Holder (not being one of two or more joint Holders) shall be the only person(s) recognized by the Manager and the Trustee as having any title to the Units or any interests in Units by such deceased Unit Holder.

9 20

- 9.9 Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Holder, or as the survivor of joint Holders may, subject as hereinafter provided, upon producing such evidence as to his title as the Manager and the Trustee shall think sufficient, either be registered himself as Holder of such Unit upon giving to the Manager notice in writing of such desire, or transfer such Unit to some other person. All the provisions of the Trust Deed relating to transfer of Units shall be applicable to any such notice or transfer as if the death or bankruptcy of the Holder had not occurred and such notice or transfer were a transfer signed by such Holder.
- 9.10 Subject to the provisions of Clause 9.11 a person becoming entitled to a Unit in consequence of death or bankruptcy as aforesaid shall be entitled to receive and may give a discharge for all moneys payable in respect of the Unit, but he shall not be entitled to receive notices of or to attend or vote at any meeting of Holders until he shall have been registered as a Holder in respect of such Unit.
- 9.11 The Manager may in its discretion retain any moneys payable in respect of any Unit of which any person is entitled to be registered as the Holder or which any person is entitled to transfer, until such person shall be registered as the Holder of such Unit, or shall duly transfer the same.
- 9.12 In the case of the death of a Holder, where the value of the Unit holding is below administrable value and there are several heirs, the Manager and Trustee will comply with the judgements of a court of law made in relation to the estate of the deceased.
- 9.13 In respect of the registration of any Probate, Letters of Administration, Power of Attorney, Marriage or Death Certificate, Judgment or Order of Court, Deed Poll or other document relating to or affecting the title to any Unit, there shall be paid to the Manager a fee of Rupees One Hundred and Fifty (Rs. 150/-) (or such other amount as the Trustee and the Manager may from time to time agree and Duties and Charges, if any).
- 9.14 No transfer or purported transfer of a Unit other than a transfer made in accordance with this Clause 9 shall entitle the transferee to be registered in respect thereof. Neither shall any notice of such transfer or purported transfer (other than as aforesaid) be entered upon the Register.
- 9.15 A body corporate may be registered as a Holder or as one of joint Holders.

#### 10 ISSUE OF UNITS

- 10.1 The Manager shall have the exclusive right to effect for account of the Trust, the creation and issue of Units PROVIDED THAT the Manager shall not be bound to accept any initial application for Units having a value of less than Rupees One Thousand (Rs. 1,000/-) and multiples of less than Rupees One Thousand (Rs. 1,000/-) in the Initial Offering and PROVIDED THAT the Manager shall not be bound to accept any application for Units having a value of less than Rupees One Thousand (Rs. 1,000/-) for subsequent applications after the closure of the Initial Offering. The Manager shall have an absolute discretion to accept or not to accept in whole or in part any application for Units. Units shall be issued and created only on a Subscription Day.
- 10.2 (a) The price at which any subsequent issue of Units for cash shall be effected at the Selling Price which shall be calculated and adjusted upwards to the nearest two decimal places (Rs. 0.01).
- (b) In the event that the Trustee determines at any time (after consultation with the Manager) that it would be detrimental to existing Holders to issue or continue to issue Units at a price based on the Net Asset Value of the Deposited Property as described in the preceding paragraph, then the Trustee shall instruct the Manager either to substitute such Value with the latest available Value or to adjust the issue price within the limits permitted by this Trust Deed. The Trustee may instruct the Manager temporarily to suspend the issue of Units during any period of consultation or adjustment arising from the provisions of this sub-clause if this is in the best interest of existing Holders.
- (c) In the event of arrangements being made by the Manager for the issue of Units for delivery in any country outside Sri Lanka the price at which such Units may be issued may, at the discretion of the Manager, include as an addition to the price of issue as hereinbefore provided a further amount sufficient to cover any currency exchange fluctuation, any additional stamp duty or taxation, whether national, municipal or otherwise payable in that country in respect of such issue or of the delivery or issue of Transaction Receipts in connection therewith, or the remittance of money to Sri Lanka.

(d) The Fund will be open for new subscriptions for the issue of Units (subsequent to the initial issue period) on any Business Day, provided that, for valid applications and realized funds received after 16:00 (4pm) on a Business Day, the applicable Selling Price shall be that which is applicable on the next Business Day. The Manger may impose an earlier cut-off.

10.3 Notwithstanding the preceding provisions of this clause the Manager shall with the approval of the Commission and Trustee be entitled from time to time to make an invitation to the public to apply for Units at a fixed price (in this clause referred to as "the fixed price") (being the price per Unit calculated in accordance with Clause 10.2 as at the third (3<sup>rd</sup>) Business Day immediately preceding the date of publication of such offer) and for a period not exceeding seven (07) Business Days from the date of such publication. Any invitation to subscribe at the fixed price must name at least one (01) newspaper in which the current offer price, calculated as above has been published during the period of offer. Units may be issued or sold at the fixed price whether pursuant to the public offer or not PROVIDED THAT except in the case of the Initial Offer of Units:

(a) The Manager shall forthwith close or procure to be closed such offer if by reason of fluctuations in Net Asset Value of the Deposited Property, the fixed price would exceed by more than five per cent (5%), the current price per Unit calculated as aforesaid PROVIDED THAT if the fixed price shall exceed by not more than five percent (5%), the current price per Unit calculated as aforesaid, the Manager shall pay to the Trustee as an addition to the Deposited Property in respect of each Unit sold by the Manager at the fixed price, the excess of the price over the current price calculated as aforesaid; and

(b) The Manager may, at its option, close or suspend or procure to be closed or suspended, such offer if and whenever by reason of fluctuations in Net Asset Value of the Deposited Property such fixed price would be lower by more than five (5%) percent, than the current price per Unit calculated as aforesaid PROVIDED THAT if, and so long as the said option shall be exercisable but shall not have been exercised, the Manager shall pay to the Trustee as an addition to the Deposited Property in respect of each Unit issued or sold at such fixed price, a sum calculated in accordance with the following formula:-

$$\frac{(\text{Current price thereof calculated as aforesaid} \text{ minus fixed price})}{95} \times 100$$

10.4 The Manager shall furnish to the Trustee from time to time on demand a statement of all issues of Units and of the terms on which the same have been issued and of any Investments which they determine to be purchased for account of the Trust, a statement of any Investments which, in accordance with the powers herein contained, it determines to be sold for account of the Trust and any other information which may be necessary so that the Trustee may be in a position to ascertain at the date of such statement, the Value of the Deposited Property.

10.5 The Manager may, with the approval of the Commission and Trustee, suspend the calculation of the Net Asset Value and the issue and redemption of Units during:

(a) any period when the stock exchange on which any Investments forming part of the Deposited Property for the time being are listed or dealt in is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended;

(b) the existence of any state of affairs which, in the opinion of the Manager, constitutes an emergency as a result of which disposal of such Investments would not be reasonably practicable or might seriously prejudice the interest of the Holders as a whole and the Deposited Property;

(c) any breakdown in the means of communication normally employed in determining the price of any of such Investments, or the current price on any stock exchange or when, for any reason, the prices of any of such Investments cannot be promptly and accurately ascertained;

(d) if, because of restrictions affecting the transfer of funds, transactions on behalf of the Fund are rendered impracticable or if purchase, sale, deposits and withdrawals of assets of the Fund cannot be affected in the normal course of business;

(e) if an order by a Sri Lankan court or Sri Lankan regulatory body, including the Commission, is issued requiring such suspension;

(f) when the market in which a substantial portion of the Fund Assets are invested or traded is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended in a way that affects the valuation of the Fund Assets;

(g) any period when remittances of money which will or may be involved in the realisation of such Investments or in the payment for such Investments cannot, in the opinion of the Manager, be carried out in reasonable time.

Such suspension shall take effect forthwith upon the declaration thereof by the Manager having obtained the written consent of the Commission and the Trustee and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist, and no other condition under which suspension is authorised under this sub-clause shall exist.

- 10.6 The Manager may, on the application of a Holder, effect the exchange of units of this Trust for units of any other Trust managed by the Manager; the Manager may on the application of the holder of units of any other Trust managed by the Manager exchange such units for Units of this Trust; any such exchange shall be effected on such terms as the Manager may determine provided that the Trustee is satisfied that the terms are such as not to prejudice the interests of the holders of this Trust. For the purpose of any such exchange, the unit or units (as the case may be) of any other Trust to be surrendered shall be valued at not less than their realisable value as calculated in accordance with Clause 12, or with the appropriate provisions of the relative Trust Deed, and the Unit or Units (as the case may be) of this Trust, issued in exchange therefor, shall be valued at not more than the price at which they would have been issued for cash, save that no account shall be taken of any charges or any rounding up adjustment. An exchange of Units of this Trust for units as described above shall be effected by the Holder surrendering his Units in this Trust to the Manager who shall thereupon pay to the Trustee of the other Trust concerned the sum representing the value of the surrendered units of the Trust calculated as aforesaid, in consideration of the issue to that Holder of units of the other Trust to the same value as the surrendered Units of this Trust. An exchange of units of another Trust for Units of this Trust shall be effected by the Manager of that Trust paying on the surrender to it of units of that Trust by the Holder thereof, a sum representing the value of the surrendered units calculated as aforesaid to the Manager who shall thereupon pay over such sum to the Trustee as accretion to the Deposited Property and shall issue to the previous Holder of the surrendered units of the other Trust, Units of this Trust to the same value as the surrendered units.
- 10.7 The Manager may at any time with the approval of the Commission and Trustee on giving not less than twenty-one (21) days' previous notice in writing to each Holder determine that Units shall be subdivided or consolidated and the Holders shall be bound accordingly. The Manager may send or cause to be sent to each Holder at his risk a notice indicating the new number of Units to which he has become entitled by reason of such sub-division, or consolidation.
- 10.8 Notwithstanding any other provisions herein contained, Holders shall not be required to make further payments or assume any liability, except as is expressly mentioned in this Trust Deed.
- 10.9 The maximum Front End Fee that can be levied on the Issue of Units shall be one percent (1 %) of the Net Asset Value of the Deposited Property. The Front End Fee which shall be levied from time to time shall be specified in the KID.

## 11 CANCELLATION OF UNIT

- 11.1 Subject to the provisions of Clause 12 hereof, the Manager shall have the exclusive right at any time by notice in writing delivered to the Trustee to effect reductions of the Trust by requiring the Trustee to cancel Units in existence but in respect of which no person is entered in the Register as the Holder thereof. Such notice shall state the number of Units to be cancelled and the amount payable to the Manager in respect thereof. Before giving notice to exercise such right it shall be the duty of the Manager to ensure that the Deposited Property includes, (or will upon the completion of the sale of Investments agreed to be sold include), cash sufficient to pay the amount payable to the Manager upon such reduction and the Manager shall, if necessary, realise any Investments forming part of the Deposited Property to raise sufficient cash to meet heavy demands for redemption.
- 11.2 In respect of any such cancellation of Units the Manager shall be entitled to receive out of the Deposited Property an amount equal to the Buying Price.

- 11.3 The said amount determined pursuant to Clause 11.2 shall be payable to the Manager on or as soon as practicable. Upon such payment and surrender the Units in question shall be deemed to have been cancelled and withdrawn from issue.
- 11.4 The right of the Manager to require cancellation of Units shall be suspended during any period when the right of Holders to require realisation of Units is suspended pursuant to Clause 12.3.

## 12 REALISATION/ REDEMPTION OF UNITS

- 12.1 (a) Subject to Clauses 12.3 and 12.4, the Manager shall on receipt by it or by its duly authorised agent of a request in writing by a Holder (other than the Manager) to redeem from such Holder before such time as may be agreed between the Manager and the Trustee on a Subscription Day, all or any part of the Units (including any fraction of a Unit) comprised in his holding, at a price per Unit (and proportionately in respect of any fraction of a Unit) at the Buying Price at the close of business on the date of receipt which shall be calculated and adjusted downwards to the nearest two decimal points (Rs. 0.01). Where the duly authorized redemption request is received after 15:00 (3pm) on a Business Day, the applicable Buying Price shall be that which is applicable on the next Business Day. The Manger may impose an earlier cut-off.
- (b) Payment of redemption proceeds will be made in Rupees to the first Holder and will be dispatched by crossed 'Account Payee Only' cheque by ordinary post within fourteen (14) Business Days after the date of receipt of a request for redemption. Unit Holders have the option for requesting redemption proceeds by way of a direct transfer into a bank account bearing the name of the redeeming Unit Holder. This service will, however, attract a charge for the specific banking service, which could change from time to time depending on the bank tariff. The Manager does not assume liability for any delays in the Investor receiving value for the above payments.
- (c) In the event that the Trustee shall at any time determine (after consultation with the Manager) that it would be detrimental to remaining Holders to realise or continue to realise Units at a price ascertained on the basis of the Net Asset Value of the Deposited Property as described in this clause then the Trustee shall instruct the Manager either to substitute such Value with the latest available Value or to adjust the realisation price within the limits permitted by this Trust Deed. The Trustee may instruct the Manager to temporarily suspend the realisation of Units during any period of consultation or adjustment arising from the provisions of this sub-clause and Clause 10.5.
- (d) The Trustee and/or the Manager shall immediately inform the Commission if either of them believes that redemption of Units is about to cease or be suspended.
- (e) If the redemption of Units is suspended in accordance with the provisions of Clause 10.5, the fact of suspension must be published at least once a month during the period of suspension in at least one (01) leading newspaper in all three (03) languages Sinhala, Tamil and English.
- 12.2 In relation to the provisions of Clause 12.1 the following provisions shall apply:
- (a) No such request to purchase shall be valid unless the Holder has made a formal request to that effect to the Manager or its authorized agent;
- (b) A Holder shall not be entitled to require the Manager to purchase his Units otherwise than in multiples of ten (10) Units or to purchase part only of his Units if as a result of such purchase he would remain a Holder of less than the Minimum Holding but so that in the event of such subdivision or consolidation as is mentioned in Clause 10.7 having taken place, any such prescribed number shall be proportionately increased or diminished (as the case may be);
- (c) The price shall be payable in Rupees to the Holder within fourteen (14) Business Days after the Subscription Day on which the relevant Units are realised;
- (d) Where a Holder wishes to redeem Units which amount to three percent (3%) or more of the Value of the Trust Fund he shall give at least fourteen (14) days' notice in writing of such intention to the Manager who shall forthwith notify such fact to the Trustee. The price applicable for the redemption of Units shall be the Fund Buying Price prevailing on the Subscription Day following the completion of the period of such notice.



- 12.3 The Manager may at any time with the approval of the Trustee suspend the right of all Holders to require realisation of any Units and/or may delay the payment of moneys in respect of such realisation during any period when the issue of Units is suspended pursuant to Clause 10.5.
- 12.4 Where redemption requests on any dealing day exceeds ten per centum (10%) of the total number of Units in issue, redemption requests in excess of the ten per centum (10%) may be deferred to the next dealing day, provided the Commission is notified in writing of such deferral.
- 12.5 Any moratorium which may at any time be applied to payments from any payment settlement system shall apply equally to payments due from the Manager pursuant to this Clause or due to the Manager pursuant to Clause 11.

### 13 INVESTMENT OF DEPOSITED PROPERTY

- 13.1 All cash and other property which ought, in accordance with the provisions of this Trust Deed, to form part of the Deposited Property shall be paid or transferred to the Trustee forthwith subject to provisions in Clause 20.1(c) after creation of Units by the Manager and immediately on creation of Units by the Manager the consideration paid for new Units shall be subject to the provisions of this Trust Deed. All assets must be held by, and be under the control of the Trustee, and all assets that can be registered must be registered in the name of or to the order of the Trustee. All cash shall be applied at the discretion of the Manager, (but subject always to the provisions of this Trust Deed), in the acquisition of Authorized Investments. All or any amounts of cash in any currency may, during such time or times as the Manager thinks fit, be retained in a current account or on deposit with any commercial bank or financial institution approved by the Trustee, and in the case of financial institutions, approved also by the Commission.
- 13.2 Investments comprised in the Deposited Property on ceasing to be Authorized Investments as hereinafter provided, shall be realized by the Manager and the net proceeds of realization shall be applied in accordance with the provisions of this Trust Deed but the Manager may, with the approval of the Trustee, postpone the realization of any such investments for such period as it may determine to be in the interest of the Holders.
- 13.3 Without prejudice to the foregoing or any other provisions of this Trust Deed, any Investments comprised in the Deposited Property may at any time be realized at the discretion of the Manager either in order to invest the proceeds of sale in other Authorized Investments or to provide cash required for the purpose of any provisions of this Trust Deed or in order to retain the proceeds of sale in cash or on deposit as aforesaid or partly for one of such purposes and partly for another.
- 13.4 The Trustee shall, at the request of the Manager, but subject to any existing law, have the power to deal for the purpose of investment, re-investment or realization of the Deposited Property in currencies other than the currency of Sri Lanka, at the official rate of exchange for present or forward settlement and may pay any costs and commissions on such transactions out of the Deposited Property.
- 13.5 The Trustee shall have sole responsibility for the safe-keeping of all investments comprised in the Deposited Property, and wholly or partly represented by paper whether in bearer or registered form, or represented in any other article.
- 13.6 Any acquisition of an Investment for account of the Trust may be made by subscription or by application or under the provisions of an underwriting agreement or by way of purchase and subject thereto any purchase or sale of a listed security shall be made on a recognized stock exchange or under the provisions of Clause 13.1 unless the Manager and the Trustee are satisfied that it is feasible to make such purchase or sale more advantageously in some other manner.
- 13.7 The Manager may, from time to time, for the account of the Trust and subject to the prior written approval of the Trustee and the Commission in each case, enter into underwriting or sub-underwriting contracts in relation to the subscription or purchase of Authorized Investments upon such terms in all respects as they shall think fit (but subject always to the provisions of this Trust Deed and so that no such contract shall relate to an Authorized Investment which if acquired, would constitute a holding in excess of the limits specified in Clause 14). All Authorized Investments acquired pursuant to any such contract shall form part of the Deposited Property and any subscription or purchase monies payable thereunder shall be paid out of the Deposited Property.

- 13.8 Subject to the prior approval of the Trustee, the Manager may apply any part of the Deposited Property in the acquisition of any Investment which is, for the time being, partly paid only, or otherwise in the opinion of the Trustee, likely to involve the Trustee in any liability (contingent or otherwise) or, with the approval of the Commission, enter into underwriting or sub-underwriting contracts in relation to the subscription or purchase of such investment. In any such case, the Trustee shall be entitled, but not bound, to appropriate and set aside cash or other property approved by the Manager and acceptable to the Trustee, sufficient to provide for paying up such investment in full or, (as the case may be), for meeting such underwriting or sub-underwriting or other liability. The cash or other property so appropriated shall form part of the Deposited Property, but shall not be available for application without the consent of the Trustee in any way, otherwise than as may be required for paying the investment or meeting the liability in respect of which the appropriation was made, so long as and to the extent that such investment remains partly paid and part of the Deposited Property or (as the case may be) such liability continues in relation to the Deposited Property.
- 13.9 Subject to the provisions in this Clause 13, the selection of all Investments (whether partly paid or not) shall in all respects be the sole responsibility of the Manager and not of the Trustee.

#### 14 LIMITATION ON INVESTMENT

- 14.1 The Fund will only make investments:
- (a) in accordance with the provisions of the Trust Deed and Key Investor Information Document of the Fund; and
  - (b) within the investment parameters set out by the Commission and directives issued by the Commission from time to time subject to the Collective Investment Scheme Code and amendments thereto and such other code that may prevail in substitution thereof.
- 14.2 Unless permitted by the Commission the Manager shall not make any investment:
- (a) which is in breach of the restrictions or limitations imposed by the Commission on investments, or by law;
  - (b) for the purpose of gaining management control of a company;
  - (c) which would involve the Fund in situations of unlimited liability.
- 14.3 Unless permitted by the Commission, the Manager shall not make loans to any persons, without the consent of the Trustee PROVIDED THAT for the purpose of this restriction the entering into of a repurchase agreement shall not be deemed to be making a loan.
- 14.4 The Manager shall not underwrite securities except with the approval of the Trustee and the Commission.
- 14.5 It shall not be necessary for the Manager to effect changes of Investments merely because, owing to appreciation or depreciation in the Value of the Investments, the limits prescribed by this clause shall be exceeded, or as a result of:
- (a) The receipt by the Trustee or its nominee of any rights, bonuses or benefits in the nature of capital;
  - (b) Any scheme of arrangement for amalgamation, reconstruction, conversion or exchange; or
  - (c) Any redemption.
- 14.6 The Manager shall at all times ensure a level of liquidity of three per cent (3%) or more of the Net Asset Value of the Fund in cash or Near Cash or as otherwise directed by the Commission.
- 14.7 Subject to the provisions of this clause, the selection of all Investments (whether partly paid or not) shall in all respects be the responsibility of the Manager solely and not of the Trustee.
- 14.8 Subject to the prior approval of the Trustee, the Manager may apply any part of the Deposited Property in the acquisition of an Investment which is for the time being, partly paid only or

otherwise in the opinion of the Trustee likely to involve the Trustee in any liability (contingent or otherwise) or, with the approval of the Commission enter into underwriting or sub underwriting contracts in relation to the subscription or purchase of such investment. In any such case, the Trustee shall be entitled but not bound, to appropriate and set aside cash or other property approved by the Manager and acceptable to the Trustee to provide for paying for such investment in full (or as the case may be), for meeting such underwriting or sub underwriting or other liability. The cash or other property so appropriated shall form part of the Deposited Property but shall not be available for application without the consent of the Trustee in any way than for the payment of the investment, or for meeting the liability in respect of which the appropriation was made so long as and to the extent that such investment remains partly paid and part of the Deposited Property, or (as the case may be) such liability will continue in relation to the Deposited Property.

- 14.9 The Manager shall not make or grant loans out of the Deposited Property or act as guarantor or indemnitor for any party.
- 14.10 The Trustee shall be entitled at any time, at its entire discretion and without assigning any reason to give notice to the Manager that it is not prepared to accept the transfer of any property which, in the opinion of the Trustee, infringes the terms of this Trust Deed and the Trustee shall be entitled to require the Manager to deposit in place of any such property, other property acceptable to the Trustee.

#### 15 INVESTMENT COMMITTEE

- 15.1 The Manager may establish an Investment Committee (the "Committee"). The members of the Committee shall be appointed and removed by the Manager. The Committee duties will be to advise the Manager on the macro-economic conditions, market conditions and overall investment environment prevailing in Sri Lanka including sector, stock and instrument/ entity recommendations.
- 15.2 The Manager may make such regulations for the conduct of meetings of the Committee, for constituting a quorum and for the appointment of alternate members of the Committee, as the Manager thinks fit and, except as provided in such regulations, the members of the Committee may conduct their business in such manner as they may from time to time determine.
- 15.3 The Manager shall be responsible for paying the remuneration of the members of the Committee and all reasonable expenses incurred by the Committee in the course of its duties. The Trustee shall not be liable to the members of the Committee for any remuneration or otherwise.
- 15.4 The Manager may, in the management of the Fund, take into consideration any advice provided by the Committee under Clause 15.1 provided always that the Manager or the members of the Committee shall not incur any liability to the Holders by reason of the Manager having acted, or having not acted, on the advice of the Committee.

#### 16 DISTRIBUTIONS

- 16.1 The Manager may, at its sole discretion, decide the time of distribution and by notice in writing recommend to the Trustee to distribute part or whole of the net income of the Trust to Holders in accordance with such method of calculation as the Trustee and the Manager may agree having regard to the provisions of this Trust Deed.
- 16.2 All income shall, as and when received by the Trustee, be paid into a special account (the "Income Account") and shall remain in the Income Account until capitalized or distributed in accordance with the provisions of the Trust Deed.
- 16.3 The proceeds of sales of rights and all other receipts deemed by the Manager, after consulting the Trustee, to be in the nature of capital accruing from Investments shall not be regarded as income and shall be retained as part of the Deposited Property.
- 16.4 In the event of a distribution being made, an appropriate amount shall be transferred out of the Income Account and paid into a special account (the "Distribution Account"), and the amount standing to the credit of the Distribution Account shall not, for any of the purposes of the Trust Deed, be treated as part of the Deposited Property but shall be held by the Trustee upon trust for distribution as herein provided.

- 16.5 In the event of a distribution being made, the amount of the income qualifying for distribution in respect of the relevant period shall be ascertained by deducting:
- (a) The Management Fee and the Trustee Fee for the relevant period (if the Manager decides to deduct the Management Fee and Trustee Fee out of income); and
  - (b) All expenses paid during the relevant period (together with any amount of expenses accrued but remaining unpaid at the end of the relevant period) on any borrowings effected by the Trust for the time being outstanding from the total net amount receivable by the Trustee, in respect of such period, of all interest, dividends and all other receipts deemed by the Manager, after consulting the Trustee, to be in the nature of income and by making such permitted adjustments hereinafter mentioned as the Manager, after consulting the Trustee, may consider appropriate to the circumstances.
- 16.6 Permitted adjustments are:
- (a) Addition or deduction of a sum by way of adjustments to allow for the effect of sales or purchases ex-interest;
  - (b) Addition of a sum representing any interest or dividends accrued, but not received by the Trustee at the end of the relevant period, and deduction of a sum representing (to the extent that an adjustment by way of addition has been made in respect of any previous such period) any interest or dividend accrued at the end of the previous such period. Income from an Investment listed on a Recognized Stock Exchange shall be deemed to have accrued on the first date on which that income is declared payable. Income from any other Investment shall be deemed to have accrued on the date which, in accordance with the normal practice of the Manager, is treated as being the first date on which the value of such Investment would, for the purpose of the Trust Deed, be calculated excluding such income;
  - (c) Addition of a sum representing amounts included in the price of Units for income accrued prior to the date of issue, and deduction of a sum representing all participations in income distributed upon the cancellation of Units upon a reduction of the Trust, during the relevant period;
  - (d) Deduction of all professional fees (including disbursements) in connection with matters pertaining to the affairs of the Trust, and of any expenses incurred by the Trustee in effecting registration or safe custody of the documents of title to all Investments held upon the trusts of the Trust Deed;
  - (e) Addition or deduction of such sums as the Trustee shall agree to be appropriate to take account of liability to tax and of repayments receivable, or received, on account of double or other tax relief;
  - (f) Deduction of a sum representing expenses directly incurred in the effecting, maintaining and terminating of borrowings and which, in the opinion of the Manager and the Trustee, are properly payable out of income.
- 16.7 Forthwith after the amount of income qualifying for distribution in respect of the relevant period has been computed, the Manager shall determine the amount to be distributed which shall be such amount (if any) not exceeding the amount qualifying for distribution, as the Manager shall in its absolute discretion decide.
- 16.8 In the event that a distribution is made the Manager shall cause to be prepared a statement showing the amount qualifying for distribution in respect of the relevant period. The statement shall be filed with the Trustee and shall be conclusive and binding and copies thereof shall be open for inspection during usual business hours by any Holders at the offices of the Manager. The Trustee shall not incur any liability in relying upon, and acting upon, such a statement provided that it has acted in good faith and with due care and diligence.
- 16.9 Neither the Trustee nor the Manager shall be responsible for any error in any estimates of tax repayments expected to be obtained, or of any sums payable by way of taxation, provided that they have acted in good faith and with due care and diligence. If the same shall not prove in all respects correct, any deficiency or surplus shall be adjusted on the next subsequent distribution and the amount already distributed or added to capital (as the case may be) shall not be required to be adjusted.

- 16.10 In the event that any of the income distributed remains unclaimed by a Unit Holder for a period of six (06) months after the date of distribution, the Fund Manager shall re-invest such funds (less any charges in processing the relevant transaction) in to Units at the Selling Price prevailing on the date and the number of Units standing to the credit of the Unit Holder will be increased.
- 16.11 Every Holder may elect by notice in writing, to receive in lieu of his entitlement to a distribution the equivalent in Value of further Units. Subject to the provision of this Trust Deed, the Manager shall in such event issue such equivalent number in Value of Units and apply the Holder's entitlement to a distribution in full payment thereof.
- 16.12 The Manager may from time to time, after consulting the Auditors and with the approval of the Trustee, distribute among the Holders in accordance with Clause 16.1 an amount which represents part of the capital of the Deposited Property, provided that the Trustee is satisfied that any such distribution will not result in any disadvantage to the Holders.

## 17 PAYMENTS

- 17.1 Any money payable by the Manager or the Trustee to a Holder, in respect of any Unit under the provisions of the Trust Deed, may be paid by a crossed cheque or bank transfer made payable to the order of the Holder sent through the post to the address of such Holder in the Register, or in the case of joint Holders, made payable to the order of the Holders sent to the address of the first named joint Holder in the Register. Any such payment to the first named joint Holder shall be an effective discharge to the Manager and Trustee. Every such cheque shall be sent at the risk of the person to whom it is sent and payment of every such cheque shall be satisfaction of the moneys payable and shall be a good discharge to the Manager and Trustee. Where an authority in writing in that behalf shall have been received by the Manager or the Trustee from the Holder, or in the case of joint Holders, from all of them in such form as the Manager or the Trustee shall consider sufficient, the Manager or the Trustee (as the case may be) shall pay at the cost and expense of the Holder the amount distributable to the Holder or joint Holders, as the case may be, to his or their banker or other agent in the same manner and with the same effect as hereinbefore provided as though such banker or other agent were the sole Holder. No amount payable to any Holder shall bear interest.
- 17.2 Before making any payment whether inside or outside Sri Lanka in respect of any Unit, the Trustee or Manager may make such deductions as by the law of any country in which such payment is made, it is or they are required or entitled to make, in respect of any income or other taxes, charges or assessments whatsoever.
- 17.3 The Manager shall, at the request of the Trustee or shall otherwise be at liberty, to deposit with a bank in the name of or pay to the Trustee any monies due to a Holder and not claimed within six (06) months after payment as provided in this clause. Upon such deposit or payment being made, such monies shall be deemed to have been paid or satisfied in accordance with the provisions hereof. The Trustee shall not be responsible for the safe custody of such monies or for interest thereon, except such interest (if any) as the said monies may earn whilst on deposit less any costs, charges or expenses incurred or levied by the Trustee in relation thereto.
- 17.4 For each Accounting Period, the Manager shall issue to the Holder concerned such tax certificates as may from time to time be required, such certificates to be prepared by the Auditors, or by the Manager, in a form to be approved by the Trustee, and by or on behalf of the taxation authorities.
- 17.5 The Manager shall prepare and pay for all cheques, warrants, statements, accounts, certificates and notices which the Trustee has to issue, send or serve as required in the Trust Deed, and shall stamp and (where authorised by the Trustee) sign the same on behalf of the Trustee and dispatch the same on the proper day or deposit the same (together with the necessary stamped addressed envelopes) with the Trustee, so as to afford the Trustee reasonable time to examine and check the same and to sign such cheques, warrants, statements, accounts, certificates and notices and dispatch them on the day on which they ought to be dispatched.

18 ACCOUNTS

- 18.1 The accounts of the Trust shall be prepared in accordance with the provisions of the Companies Act and the Accounting Standards for each financial year. The Manager must maintain proper Accounts of the Trust and the Trustee must ensure that the Manager maintains proper Accounts of the Trust to ensure that the Trust is managed and administered in compliance with this Trust Deed and applicable laws.
- 18.2 The responsibility for the keeping and maintaining of the accounts of the Fund and the preparation, publication and distribution of any reports and the frequency thereof, shall be in accordance with the Collective Investment Scheme Code. The Holders will be sent the Fund's Annual Report and the audited financial statements within three (03) months of the end of the financial year and an interim report will be sent within three (03) months of the end of the semi annual period for that financial year.
- 18.3 The Accounting Period of the Manager and the Trust shall, wherever possible, be the same.
- 18.4 Any transaction between the Trust and the Manager or between the Trust and any Connected Person of the Manager as principal may only be made with the written consent of the Trustee. All such transactions shall be disclosed in the Trust's Annual Report.
- 18.5 Any transaction between the Trust and an Associate, joint venture, subsidiary or holding company of the Manager may only be made with the consent of the Trustee. All such transactions shall be disclosed in the Trust's Annual Report.
- 18.6 If the Manager, or any other person acting on its behalf or with its permission, has:
- (a) Disposed of Units at a price lower than the issue price then current; or
  - (b) Acquired Units at a price higher than the cancellation price then current;

the nature and extent thereof must be fully disclosed and the Manager is at liberty to also provide an explanation of such acquisition or disposal. The Manager and any Connected Person disclosed in the above transactions must have acted in the best interest of the Holders in every instance listed above.

19 AUDIT OF ACCOUNTS

- 19.1 The accounts of the Trust shall be audited by the Auditors and shall be accompanied by a Certificate of the Auditors in accordance with the Companies Act to the effect that the accounts and statements attached thereto have been examined in accordance with the Accounting Standards and that the Auditors have obtained all the explanations and information they have required. The Auditors shall also report whether the accounts are, in their opinion, properly drawn up in accordance with such books and records and all disclosures required to be made by the Trustee in accordance with the requirements of the Commission.
- 19.2 The Auditors shall be appointed by the Trustee in accordance with the provisions of the Collective Investment Scheme Code with the approval of the Commission. The Auditors shall hold office until such time as they may voluntarily retire by notice in writing of the Trustee.
- 19.3 The Trustee with the consent of the Manager may, from time to time, remove the Auditors and appoint other Auditors in their place, subject to the approval of the Commission.
- 19.4 The fees and expenses of the Auditors in connection with the audit of the accounts shall be paid by the Trustee out of the Deposited Property. The other fees and expenses of the Auditors shall be paid by the Manager under Clause 21.3(c).
- 19.5 The Auditors shall have the qualifications specified by the Commission and if they cease to possess such qualifications, they must retire as Auditors as soon as the Commission directs.

† 20

20 COVENANTS BY THE MANAGER AND TRUSTEE:

20.1 The Manager hereby covenants with the Trustee as follows:

- (a) That it will manage the Unit Trust in a proper and efficient manner and in accordance with the Act, Trust Deed, Collective Investment Scheme Code, Key Investor Information Document and the directives issued by the Commission from time to time;
- (b) That, during the term hereof, it will maintain the minimum net capital specified by the Commission, from time to time;
- (c) That it will instruct the Trustee (or as it may direct) to transfer to the Fund within three (03) Business Days subsequent to the closure of the Initial Offer under normal circumstances after the issue of Units, any moneys which are lying in the Collection Account of the Fund. This period may be extended by the Manager in exceptional circumstances with the approval of the Trustee;
- (d) That it will not sell any Units otherwise than on the terms and at a price calculated in accordance with the provisions hereof;
- (e) That it will, at the request of a Holder, redeem any Units held by him on the terms and at a price calculated in accordance with the provisions hereof;
- (f) That it will, to the same extent as if the Trustee were a Director of the Manager:
  - (i) Make available to the Trustee, or any approved company auditor appointed by it, for inspection the whole of the books of the Manager whether kept at the registered office of the Manager or elsewhere; and
  - (ii) Give to the Trustee, or any such auditor, such oral or written information as they may require with respect to all matters relating to the Manager;
- (g) That it will make available or ensure that there is made available to the Trustee such details as the Trustee may require with respect to all matters relating to the Trust;
- (h) The Manager must have a Compliance Officer in place prior to the commencement of operations of the Fund who will be responsible for:
  - (i) Ensuring that the Manager complies with applicable law and the directives of the Commission;
  - (ii) Implementation of effective regulatory risk controls and compliance policies;
  - (iii) Advice on transactions including transactions which require pre-approval;
  - (iv) Transaction and compliance risk reviews;
- (i) The Manager must appoint a Registrar prior to commencing operations of the Trust;
- (j) It will issue to the Holders a half yearly statement containing a confirmation of the Unit Holding.

20.2 The Trustee hereby covenants with the Manager that it will: -

- (a) Exercise all due diligence and vigilance in carrying out its functions and duties in protecting the rights and interests of Holders;
- (b) Create a custodian account to hold the Deposited Property;
- (c) Keep, or cause to be kept, proper books of account in relation to those rights and interests;
- (d) Cause those accounts to be audited at the end of each Accounting Period by the Auditors;
- (e) Send or cause to be sent in electronic form or by post a statement of the accounts with the report of the Auditors thereon to each Holder, in accordance with Clause 18;

9/20

- (f) Formulate with the approval of the Commission and implement a Code of Conduct for the Directors, officers and employees of the Manager.
- 20.3 The Trustee, the Manager and any Connected Person shall disclose their interest, whenever any business in which they have a material interest is being discussed at any meeting of the Trust.
- 20.4 The Trustee shall promptly forward to the Manager all notices of meetings, reports and circulars received by it or its nominee as holder of any Investment and shall (so far as it is permitted by law or by the rules and regulations of the relevant corporation whose shares constitute Investments) upon the written request of and at the expense of the Manager, from time to time execute and deliver, or cause to be executed or delivered, to the Manager or its nominees, such powers of attorney or proxies as may reasonably be required in such name or names as the Manager may reasonably request, authorizing such attorneys and proxies to vote consent or otherwise act in respect of all or any part of the Deposited Property. The Manager shall be entitled to exercise the said rights in what it may consider to be in the best interests of the Holders but neither the Trustee nor the Manager, nor any such representative nor the holder of any such proxy or power of attorney, shall incur any liability or responsibility by reason of any error of law or mistake of fact or any matter or thing done or omitted to be done by the Trustee or Manager or by any such representative or by the holder of such proxy or power of attorney. The Trustee shall be under no obligation to anyone with respect to any action taken or caused to be taken or omitted by the Manager or by such representative proxy or attorney.
- 20.5 The expression "rights of voting" and the term "vote" used in this clause shall be deemed to include not only a vote at a meeting but any consent to or approval of any arrangement scheme or resolution, or any alteration in or abandonment of any rights attaching to any part of the Deposited Property and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

## 21 REMUNERATION OF MANAGER AND TRUSTEE

- 21.1 (a) There would be no initial charge levied on the purchase of units.
- (b) The Management Fee and Trustee Fee shall be a sum not exceeding such percentage as is hereinafter mentioned of the Net Asset Value of the Deposited Property. The Management Fee and Trustee Fee shall accrue from day to day from the closing date of the Initial Offering on the Net Asset Value of the Deposited Property. Any changes to the fees included in the Management Fee and Trustee Fee shall require an amendment to the Trust Deed and the prior approval of the Commission.
- (c) The amount of the Management Fee and Trustee Fee shall be calculated and accrued as at each Valuation Day and shall be payable to the Manager in arrears at the end of each calendar month. The amount payable in respect of any period other than a full calendar month shall be calculated based on the number of days for which it has accrued as a proportion of the total number of days in the calendar month concerned.
- (d) The percentage of the Management Fee and Administrative Fee referred to shall not exceed one per centum (1.00%) per annum of the Net Asset Value of the Deposited Property and the Trustee Fee referred to shall not exceed point two zero per centum (0.20%) per annum of the Net Asset Value of the Deposited Property, or such higher percentage as may be agreed to by the Trustee and approved by the Holders by Extraordinary Resolution, at a meeting of the Holders duly convened and held in accordance with the Schedule hereto. The Manager may from time to time, by giving at least three (03) months' notice in writing to the Trustee, fix a lesser percentage and in that event and for such period as may be specified in such notice (or if no period is so specified, then until further notice in writing is given to the Trustee) but such lesser percentage will not apply to a new Manager.
- (e) The Management Fee and Trustee Fee shall be payable out of the capital or income of the Deposited Property as the Manager in its discretion decides.
- (f) The remuneration of the Manager which will be the fee payable to the Manager and the fees payable to the Registrar shall be paid from the Management Fee to the Manager for its own account, as soon as possible after the respective dates by reference to which it is calculated under this Clause 21.1, provided that unless and until the Trustee is



satisfied that adequate provision has been, or will be made, for the future management expenses of the Trust including the remuneration of the Trustee, the Trustee shall have a lien on and shall be entitled to retain the Management Fee and Trustee Fee for the purpose of paying, discharging or providing for such expenses including its remuneration and shall pay to the Manager the balance (if any).

- (g) The remuneration of the Trustee shall be payable by the Manager to the Trustee from the Deposited Property, on terms to be agreed upon between them. The Trustee will also be reimbursed out of the Deposited Property all proper expenses incurred by it in the performance of its duties hereunder.
- (h) The Trustee shall be paid a Custodian Fee of Rupees Twenty Thousand (Rs.20,000/-) per Month.

21.2 The Manager shall be responsible for the payment of all expenses incurred from time to time in connection with the management of the Trust, except such expenses as are expressly authorized hereunder to be payable out of the Deposited Property.

21.3 In consideration of the foregoing and save as aforesaid, the Trustee and the Manager shall charge against the Holders or against any distribution for their services and for their normal expenses hereunder including but not limited to:

- (a) Trustee fees and Custodial fees;
  - (b) All expenses necessarily incurred or to be incurred in the preparation of supplemental trust deeds subject to the Collective Investment Scheme Code and documents related to the same;
  - (c) All professional fees (including disbursements) in connection with matters pertaining to the affairs of the Trust and all expenses incurred by the Trustee in effecting registration or safe custody of the documents of title to all investments held upon the trusts of the Trust Deed;
  - (d) Any taxes, stamp duties, brokerage, commissions (not including commissions to agents), bank charges and other duties payable on the Trust Deed or in connection with or arising from the establishment, execution, management or termination of the Trust or in acquiring or disposing of the deposited property;
  - (e) Costs incurred in preparing, and publishing communications to Holders;
  - (f) Stamp duty payable on the issue of Transaction Receipts (if any);
  - (g) The cost of printing and distributing dividend warrants, Transaction Receipts and accounts and reports of the Trust;
  - (h) Any costs incurred in respect of meetings of Holders;
  - (i) Licensing fees imposed by the Commission;
  - (j) All other charges or fees expressly authorized by the Trust Deed or by law,
- which shall be payable out of the Deposited Property.

## 22 CONCERNING THE ADMINISTRATION OF TRUST

22.1 Neither;

- (a) The Trustee nor,
- (b) The Manager, (or its Directors, officers and employees) nor,
- (c) Any company controlled by any of them nor,
- (d) Any person firm or body corporate entitled to exercise any powers or discretions pursuant to a delegation by the Trustee or Manager made under Clause 23 and 24 hereof,

shall as principal sell, or deal in the sale of Investments, to the Trustee for account of the Trust, or vest Investments in the Trustee against the issue of Units, or purchase Investments from the Trustee and each shall (without incurring any liability for failure so to do) use its best endeavours to procure that no such sale or dealing or vesting shall be made by a Connected Person of the Trustee or the Manager.

Provided that nothing shall prevent any sale to, or any purchase for account of the Trust of any Investment from the Trustee, a custodian or manager of any other unit trust scheme, or mutual fund company or investment company, on account of such scheme or company, notwithstanding that the Trustee and/or the Manager and/or any Connected Person may be, or be interested in the Trustee or the custodian or the Manager of any person, firm or body corporate to whom any investment powers or discretions may have been delegated under or by such scheme or company.

Provided further that:

- (i) The value of the Investment in question is based on the value determined in accordance with the valuation criteria for Investments under this Trust Deed; and
- (ii) The Trustee is of the opinion that the terms of such transaction will not be likely to result in any prejudice to the Holders.

For the purposes of this sub-clause the expressions "mutual fund company" and "investment company" shall mean and include any company carrying on the business of holding and managing Investments.

- 22.2 Subject to the succeeding clause, nothing contained herein shall prevent the Trustee, or the Manager or any Connected Person, from becoming the owner of Units and holding, disposing or otherwise dealing with the same rights which they would have had if neither the Trustee nor the Manager nor any Connected Person was a party to or a Connected Person for the purposes of the Trust Deed, and the Trustee and the Manager and any such Connected Person may buy, hold and deal in any Investments upon their respective individual accounts notwithstanding that similar Investments may be held under the Trust Deed as part of the Deposited Property.
- 22.3 Every transaction between The Manager or any Connected Person and the Trust shall be approved in writing by the Trustee.
- 22.4 No Units shall at any time be quoted or sold by or for account of the Manager at a price higher than the Selling Price for the time being applicable to Units issued for cash pursuant hereto. No Units shall at any time be quoted or purchased by or for account of the Manager at a price lower than the Buying Price for the time being applicable to Units. The Trustee shall be responsible to verify the price of any such quotation or dealing on any occasion specifically requested by the Holder or former Holder of the Units and will do so no later than one (01) month after the date of such quotation or dealing. The Manager shall justify such quotation or dealing if so requested by the Trustee at any time.
- 22.5 Neither the Trustee, nor the Manager nor any Connected Person, shall be liable to account either to any other or others of them or to the Holders or any of them, for any profits or benefits made or derived provided such profit or benefits are obtained in connection with any such transaction permitted as aforesaid.
- 22.6 Nothing herein contained shall prevent the Manager or the Trustee from acting as Manager or Trustee for trusts separate and distinct from the Trust.
- 22.7 Neither the Manager nor the Trustee shall be liable to account to any Holder, or otherwise, for any payment made in good faith, and that provided that due skill and care was exercised in determining the need to make such payment, to any duly empowered fiscal authority of Sri Lanka, for taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under the Trust Deed, notwithstanding that any such payments ought not to, or need not have been made or suffered.
- 22.8 In no event shall a Holder have or acquire any rights against the Trustee and the Manager or either of them, save such as are expressly conferred upon such Holder by the Trust Deed or by law, nor shall the Trustee be bound to make any payment to any Holder except out of funds held by, or paid to it, for that purpose under the provisions of the Trust Deed. Nothing herein shall

26

exempt the Trustee from, or indemnify it, against any breach of trust occasioned by the Trustee's fraud or gross negligence.

- 22.9 Neither the Trustee nor the Manager shall incur liability in respect of any action taken, or thing suffered, by either of them in good faith in reliance upon any notice, resolution, direction, instruction, consent, certificate, affidavit, statement and, without prejudice to the generality of the foregoing, other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.
- 22.10 Neither the Trustee nor the Manager shall incur liability for doing or (as the case may be) failing to do, any act or thing which, by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court of competent jurisdiction, or by reason of any direction, request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with, or purporting to exercise, the authority of any Government (whether legally or otherwise) by which either the Trustee or the Manager shall be directed or requested to do or perform or to forbear from doing or performing, or if for any reason it becomes impossible to perform any of either obligations hereunder.
- 22.11 Neither the Trustee nor the Manager shall be responsible for the authenticity of any signature on, or any seal affixed to any endorsement or any Transaction Receipt, or to any transfer or form of application, endorsement or other document affecting the title to or transmission of Units, or be in any way liable for any forged or unauthorized signature on, or a seal affixed to such endorsement, transfer or other document, or for acting on or giving effect to any such forged or unauthorized signature or seal. The Trustee and the Manager respectively, shall nevertheless be entitled, but not bound, to require that the signature of any Holder or joint Holder to any document required to be signed by him be verified by a banker or broker or other person specified by the Manager or Trustee or otherwise authenticated to its or their reasonable satisfaction.
- 22.12 Any indemnity expressly given to the Trustee and/or the Manager in the Trust Deed is in addition to and without prejudice to any indemnity provided by law, but nothing in the Trust Deed shall, in any case in which the Trustee and/or the Manager, as the case may be, have failed to show the degree of diligence and care required by them by the provisions of the Trust Deed exempt them from, or indemnify them, against any liability for breach of trust or any liability which, by virtue of any rule of law, would otherwise attach to them in respect of any negligence, default, breach of duty or trust of which they may be guilty in relation to their duties.
- 22.13 Any Investment in registered form shall, unless otherwise instructed by the Trustee, be registered in the name of the Trust, as soon as reasonably practicable after receipt of the necessary documents by the Trustee and shall remain so registered until disposed of pursuant to the provisions of the Trust Deed. The Trustee shall be entitled, if it considers that it is expedient to do so, cause to be deposited in safe custody with any banker or other agent of the Trustee the documents of title to any investments. Subject as aforesaid the Trustee shall retain the documents of title to all Investments in its possession in safe custody. The Trustee shall at all times be responsible for the Deposited Property irrespective of the transfer of documents of title to any other bank or agent. Any expense of whatever nature incurred by the Trustee in effecting such registration or providing such safe custody, shall not be payable out of the Deposited Property. Notwithstanding the provisions of this clause the Trustee shall be entitled, if it considers that it is expedient to do so, to deposit with any banker the documents of title of any Investments for the purpose of securing any borrowings effected by the Trust.
- 22.14 The Trustee (or the Manager on its behalf) shall, subject as hereinafter provided, be entitled to destroy:
- (a) All instruments of transfer which have been registered at any time after the expiration of six (06) years from the date of registration thereof;
  - (b) All Transaction Receipts and distribution mandates which have been cancelled at any time after the expiration of one (01) year from the date of cancellation thereof;
  - (c) All notifications of change of address after the expiration of one (01) year from the date of the recording thereof;
  - (d) All forms of proxy in respect of any meeting of Holders one (01) year from the date of the meeting at which the same are used, and

- (e) All registers (excluding the register of Unit Holders), statements and other records and documents relating to the Trust at any time after the expiration of six (06) years from date of origin.

Neither the Trustee nor the Manager shall be under any liability whatsoever in consequence thereof and unless the contrary be proved, every instrument of transfer so destroyed shall be deemed to have been a valid and effective instrument duly and properly registered and every other document hereinbefore mentioned so destroyed, shall be deemed to have been a valid and effective document in accordance with the recorded particulars thereof.

Provided that:

- (i) The provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereof) to which the document might be relevant;
  - (ii) Nothing in this sub-clause shall be construed as imposing upon the Trustee or the Manager, any liability in respect of the destruction of any document earlier than as aforesaid, or in any case where the conditions of proviso (i) above are not fulfilled;
  - (iii) References herein to the destruction of any document include references to the disposal thereof in any manner.
- 22.15 The Trustee and the Manager shall be entitled to rely absolutely on any declaration of residence which may be received from a Holder, or a prospective Holder or applicant for Units.
- 22.16 The Trustee and the Manager shall maintain, or cause to be maintained, a Register setting out all particulars of the documents and all other materials destroyed under Clause 22.14 hereof and the date of such destruction, together with the authority for such destruction and such Register shall not be destroyed for a period of twenty (20) years from the date of the last entry thereof.

## 23 CONCERNING THE TRUSTEE

- 23.1 With regard to any provision in the Trust Deed:
- (a) Providing for any act or matter to be done by the Trustee, such act or matter may be performed on behalf of the Trustee by any officer or responsible official of the Trustee, or by any nominee appointed by the Trustee with the approval of the Manager and any act or matter so performed shall be deemed, for all the purposes of the Trust Deed, to be the act of the Trustee; and
  - (b) As to the vesting of Investments such provision shall be deemed also to relate to any nominee of the Trustee. The Trustee shall be entitled to procure:
    - (i) Any officer or responsible official of the Trustee jointly with the Trustee; or
    - (ii) Any such nominee and the Trustee;to be registered as proprietor of any Investment held upon the trusts of the Trust Deed provided that the Trustee shall remain liable for any act or omission of any such person or nominee in relation to any Investment of which such person or nominee is registered as proprietor.
- 23.2 The Trustee shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or in pursuance of any request of the Manager. Whenever pursuant to any provision of the Trust Deed, any certificate, notice, direction, instruction or other communication is to be given by the Manager to the Trustee, the Trustee may accept as sufficient evidence thereof, a document signed or purporting to be signed on behalf of the Manager by any person whose signature the Trustee is for the time being authorized in writing by the Manager to accept.
- 23.3 The Trustee may accept a certificate by an approved valuer as sufficient evidence of the Value of any Investment or foreign currency, or the cost or sale price of any Investment or of any other matter within his competence.

- 23.4 The Trustee may act upon advice or information obtained from the Manager or bankers, accountants brokers, lawyers, agents or other persons acting as agents or advisers of the Trustee or the Manager, and the Trustee shall not be liable for anything done or omitted to be done in good faith in reliance upon such advice or information.
- 23.5 The Trustee shall not be responsible for any act, omission, misconduct, error of judgment, or want of prudence on the part of the Manager or any such persons acting as agents or advisors of the Manager.
- 23.6 Except as expressly provided herein, the Trustee shall, as regards all the trusts, powers, authorities and discretions vested in it, have absolute and uncontrolled discretion as to the exercise thereof, whether in relation to the manner of, or as to the time for the exercise thereof. Nothing in the Trust Deed shall exempt or indemnify the Trustee against any breach of Trust caused by the Trustee's fraud or gross negligence. In the absence of fraud or gross negligence by the Trustee, the Trustee shall not be liable for any loss or any costs or damages caused by such breach of trust.
- 23.7 Nothing herein contained shall prevent the Trustee from purchasing, holding, dealing in or disposing of Transaction Receipts, or Units, or from acting as bankers to the Trust, or from entering into any financial, banking, insurance or other transaction with the Manager or any Holder or any company or body, regarding any part of the securities which form part of the Deposited Property, or from being interested in any such contract or transaction, or from holding any shares or any investment in any such company or body and the Trustee shall not be, in any way liable, to account either to the Manager or the Holders, or any of them, for any profits or benefits made or derived by the Trustee thereby, or in connection therewith.
- 23.8 The Trustee shall not be under any obligation to appear in, prosecute or defend any action, suit, arbitration or inquiry in respect of the provisions hereof, or in respect of the Deposited Property or any part thereof, or any corporate or shareholder's action which, in its opinion, would, or might involve it, in expense or liability, unless the Manager shall so request in writing, in which case the Manager shall, so often as required by the Trustee, furnish it with an indemnity against any such expense or liability, provided that no such indemnity shall be given in respect of any actions taken against the Trustee for gross negligence or breach of fiduciary duty in connection with its duties as Trustee.
- 23.9 Before making any distribution or other payment in respect of any Unit or in respect of the Management Fee and Trustee Fee, the Trustee may make such deductions as, by the law of Sri Lanka, the Trustee is required or entitled to make in respect of any income or other taxes, charges or assessments whatsoever and the Trustee may also deduct the amount of any stamp duties or other Governmental taxes, Duties and Charges payable by it, Front End Fee (if any) or for which it might be made liable, in respect of such distribution, or any documents signed by it or by a Holder or his agent in connection therewith.
- 23.10 The Trustee shall not be responsible for verifying or checking any valuation of the Deposited Property or any calculation of the prices at which Units are to be issued or purchased by the Manager, except as herein expressly provided.
- 23.11 Where any trust property is registered in the name of a lender as security for a loan obtained by the Trust, the Trustee shall not be liable for any act or omission of the lender or his agent with respect to such property.
- 23.12 The Trustees shall, when required by the Commission deposit security guaranteeing against loss due to its misconduct or negligence.
- 23.13 The Trustees shall ensure compliance with the CIS Code and the directives that may be issued from time to time.

#### 24 CONCERNING THE MANAGER

- 24.1 The Manager shall keep, or cause to be kept at its own expense, proper books of account and records, subject to the Collective Investment Scheme Code, in which shall be entered all transactions effected by the Manager on account of the Trust and shall permit the Trustee from time to time on demand to examine and take copies of, or extracts from any such books of account or records.

- 24.2 In the absence of gross negligence or wilful default, the Manager shall not incur any liability by reason of any error of law or any matter or thing done, or suffered or omitted to be done, by it in good faith hereunder, and shall not (save as herein otherwise provided) be liable for any act or omission of the Trustee. Provided however that nothing in the Trust Deed shall exempt the Manager from any liability imposed on it by law, neither shall it be indemnified against such liability at the expense of the Holders.
- 24.3 Nothing herein shall prevent the Manager from contracting or entering into any financial banking or other similar transactions with the Trustee (when acting other than in its capacity as Trustee of the Trust) or any Holder, or any company or body any of whose shares or securities form part of the Deposited Property, or from being interested in any such contract or transaction and the Manager shall not be in any way liable to account, either to the Trust or the Trustee or to the Holders or any of them, for any profit or benefit made or derived by the Manager thereby or in connection therewith. Notwithstanding the above, the Manager must obtain the Trustee's prior written approval for any transaction other than transactions with the Trustee by the Manager as principal with such Holder, company or body.
- 24.4 The Manager shall be entitled to delegate its functions, powers, discretions, privileges and duties hereunder or any of them to any person, firm or body corporate approved in writing by the Trustee and any such delegation may be on such terms and conditions as the Manager thinks fit (including the power to sub-delegate) provided always that the Manager shall remain liable hereunder for any act or omission of any such person as if such act or omission was its own. The Manager shall bear any payment to the persons to whom the functions of the Manager is delegated to.
- 24.5 The Manager shall ensure compliance with the CIS Code and the directives that may be issued from time to time.

## 25 ADVERTISEMENTS

- 25.1 The Manager covenants with and undertakes to the Trustee that it will not, without the prior written approval of the Trustee and notice to the Commission, publish, issue, circulate, or cause to be published, issued or circulated, application forms, sales literature, advertisements, reports, announcements (other than announcement of prices or yields) or other printed matter to prospective buyers or to the general body of Holders or to the public or to the press or other communication media.
- 25.2 The Manager undertakes that it shall not publish, issue, circulate, or cause to be published, issued or circulated any edition of the Key Investor Information Document without the prior written approval of the Trustee and Commission.
- 25.3 The Manager undertakes that it shall not directly or indirectly offer or sell units in the Fund to the public, nor supply an application form to purchase such units to any person, unless a copy of the latest Key Investor Information Document, which has been approved by the Commission, has been made available to prospective investors.
- 25.4 In all letters, circulars, advertisements or other publications referring to the issue or sale of Units reference shall be made to the Trustee only in terms previously approved by the Trustee and in accordance with the Collective Investment Scheme Code.
- 25.5 The Manager shall be responsible for obtaining all requisite consents for the issue or publication of any such advertisement, circular, document or other publication, from the relevant authorities in any country or state in which issue or publication thereof is effected by the Manager or its agents.

## 26 APPOINTMENT, RETIREMENT AND REMOVAL OF TRUSTEE

- 26.1 The Trustee shall not be entitled to retire voluntarily except upon the appointment of a new Trustee. If the Trustee wishes to retire it shall give notice in writing to the Manager and the Manager (or in default, the Trustee) may by deed supplemental hereto, under the seal of the Manager or the Trustee (as the case may be) appoint any company incorporated in Sri Lanka, which is permitted by law to act as trustee of a Unit Trust scheme, to be the Trustee in the place of the retiring Trustee, and may also provide in such deed for the vesting in the new Trustee of the instruments and the securities standing in the name of the retiring Trustee.

- 26.2 If the Trustee goes into liquidation otherwise than for the purpose of amalgamation or reconstruction or ceases to carry on business or a receiver of its undertaking is appointed, the Manager shall forthwith, by instrument in writing, remove the Trustee and shall by the same or some other instrument appoint a new Trustee.
- 26.3 The Trustee may be removed and another Trustee (duly approved as may be required by the Commission) may be appointed by Extraordinary Resolution duly passed at a meeting of Holders held in accordance with the provisions contained in the Schedule and of which not less than twenty-one (21) days' notice has been given to the Trustee and the Manager.
- 26.4 A new Trustee may not be appointed without the approval of the Commission.

## 27 RETIREMENT AND REMOVAL OF MANAGER

- 27.1 The Manager may be removed by notice in writing given by the Trustee to the Manager with the approval of the Commission, in any of the following events:
- (a) If the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed of the undertaking of the Manager or any part thereof;
  - (b) If for good and sufficient reason the Trustee is of the opinion, after due inquiry by a person appointed by the Trustee and acceptable to the Commission, that a change of Manager is desirable in the interests of the Holders;
  - (c) If the Holders, representing at least seventy-five per centum (75%) of the total Units on issue (excluding those Units held by the Manager) deliver to the Trustee, or the Commission, a written request that the Manager be dismissed;
  - (d) If the Holders pass a resolution in terms of Clause 30.1(a).

The services of the Manager shall not be terminated until a new Manager, which has been licensed by the Commission to operate a Unit Trust, has been appointed by the Trustee and written notice of the termination and appointment of the new Manager has been sent to Holders. The termination shall take effect at the same time as the new Manager takes office, subject to such company entering into a deed to bind itself as Manager during the remainder of the term of the Trust. This provision shall not prejudice the right of the Trustee herein contained to terminate the Trust in any of the events in which, in accordance with the provisions herein contained, the right of terminating the trust is vested in the Trustee.

- 27.2 The Manager shall have the power to voluntarily retire in favour of another company incorporated in Sri Lanka and approved in writing by the Trustee and the Commission, upon and subject to fulfilment of the following conditions:
- (a) The retiring Manager appointing such company in writing as the new Manager of the Trust and assigning to such appointee all its rights and duties as such Manager;
  - (b) The new Manager entering into such deed or deeds as are referred to in Clause 27.1;
  - (c) Upon payment to the Trustee of all sums due by the Manager to the Trustee hereunder at the date of its retirement, the retiring Manager will be released from all further obligations hereunder, but without prejudice to the rights of the Trustee, or of any Holder or other person in respect of any act or omission on the part of the Manager prior to such retirement and the new Manager may, and shall thereafter exercise all the powers and enjoy all the rights and shall be subject to all of the duties and obligations of the Manager hereunder as though such new Manager had been originally a party hereto.
- 27.3 Upon any removal or retirement of the Manager, the removed or retiring Manager shall remain entitled to all Units which it holds or is deemed to hold in its own right and it shall be entitled to require the Trustee to issue to it a Transaction Receipt in respect thereof, and to be registered in the Register in respect thereof and thereafter to have and exercise all the rights of a Holder of such Units.

**28 BORROWING POWERS**

- 28.1 The Fund may at any time borrow for the purpose of acquiring Authorized Investments or for funding the working capital requirements of the Trust in accordance with the provisions set out hereinafter, the Collective Investment Scheme Code and any directives given by the Commission. Any such borrowing may be effected from any Licensed Commercial Bank or other financial institution provided that due care and diligence is exercised in effecting such borrowings at the best interest rates with comparable terms and conditions.
- 28.2 The Fund may mortgage, charge or pledge in any manner not exceeding fifteen per centum (15%) of the Net Asset Value of the Deposited Property for the purposes of securing any such borrowing. Where any part of the Deposited Property or any document of title thereto is under the custody or control of some person other than the Trustee in consequence of such mortgage, charge or pledge, the provisions of this Trust Deed as to the custody and control of the Deposited Property shall be deemed not to have been infringed thereby. Any such mortgage, charge or pledge shall be made upon the terms that the lender or its nominee shall not pledge or obligate any part thereof to any other person or use any part thereof to margin, guarantee, secure, discharge or settle any indebtedness, trade or contract, or dispose of any part thereof, or treat the same as if any other person other than the Trustee and the lender had any interest therein, and that no step shall be taken to enforce the security constituted by such mortgage, charge or pledge until thirty (30) days after notice in writing has been given to the Trustee demanding repayment of the moneys thereby secured. If such a notice is given, the Trustee shall promptly advise the Manager who shall promptly effect the repayment in due time.
- 28.3 Any interest on any such borrowing and any expenses incurred in negotiating, entering into, varying and carrying into effect, with or without variation, and terminating such borrowings shall be payable out of the Deposited Property.
- 28.4 The Trustee shall not incur any liability by reason of any loss which a Holder may suffer by reason of any depletion in the Value of the Deposited Property which may result from any borrowings made pursuant to this clause and save as otherwise expressly provided for herein, the Trustee shall be entitled to be indemnified out of and have recourse to the Deposited Property in respect of any liabilities, costs, claims or demands which it may suffer arising directly or indirectly from the operation of this clause.
- 28.5 If any arrangements for borrowing pursuant to this clause are made with the Trustee, the Trustee may retain any benefits arising therefrom.
- 28.6 Where the Deposited Property or any part thereof is registered in the name of the lender as security for a loan obtained, the Trustee shall be liable for any act or omission of the lender or his agent with respect to such property.
- 28.7 Where borrowing is undertaken for the account of the Trust, assets forming part of the Deposited Property may be registered in the lender's name or in that of a nominee appointed by the lender, provided that the lender or its nominee enters into a written commitment that under no circumstances will it pledge or obligate any part of such assets to any other person or use any part of them to guarantee, secure, discharge or settle any borrowing trades or contracts or dispose of any part of them, or treat them as if any person other than the Trustee and the lender had any interest in them, and provided also that the Trust Deed makes the Trustee liable for the acts and omission of the lender and its agents in relation to such assets.

**29 TERMINATION OF TRUST**

- 29.1 The Fund shall be dissolved pursuant to the terms of the Trust Deed and in accordance with the Collective Investment Scheme Code.
- 29.2 The Trustee may terminate the Trust upon the happening of any of the following events:
- (a) If the Manager goes into liquidation (other than voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed for the undertaking of the Manager or any part thereof and an alternate Manager cannot be found;
  - (b) If, on the expiration of three (03) months' after notifying the Manager that in the Trustee's

P 203



opinion a change of Manager is desirable, the Trustee has not identified another company to act as Manager or which the Commission has approved;

- (c) If it becomes illegal or if any law shall be passed which renders it illegal, or in the opinion of the Trustee impracticable, or inadvisable to continue the Trust;
- (d) If, in the opinion of the Trustee for good and sufficient reason, it is impracticable or inadvisable to continue the Trust and the Holders resolve that the Trust be terminated.

29.3 Either the Trustee or the Manager may, by not less than three (03) months' notice in writing to the other, with the approval of the Commission, elect to terminate the Trust. The party giving such notice shall (unless the matter shall have been referred to arbitration) give notice thereof to all Holders and by such notice shall fix the date at which such termination is to take effect, which date shall not be less than three (03) months after service of such notice.

29.4 Upon the Trust being terminated:-

- (a) The Trustee shall, subject to such orders, if any, as may be made by any court of competent jurisdiction, sell all Investments then remaining in its hands as part of the Deposited Property and shall repay any financing effected by the Trust (together with any expenses thereon accrued but remaining unpaid) for the time being outstanding. Such sale and repayment shall be carried out and completed in such manner and within such period after the termination of the Trust, as the Trustee in its absolute discretion thinks advisable.
- (b) The Trustee shall, at such time or times as it shall deem appropriate and in its absolute discretion, distribute to the Holders and the Manager, pro rata to the number of Units held or deemed to be held by them respectively, all net cash proceeds derived from the realisation of the Deposited Property and any other cash then forming part thereof and available for the purpose of such distribution and will also distribute in the manner provided in Clause 16 any moneys standing to the credit of the Distribution Account.

The Trustee shall be entitled to retain out of any moneys in its hands under the provisions of this clause full provision for all costs, charges, expenses, claims and demands incurred made or apprehended by the Trustee in connection with, or arising out of the liquidation of the Trust, and out of the moneys so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands. Every such distribution shall be made to a Holder upon the production of the Transaction Receipt related to the Units in respect of which the same is made and upon delivery to the Trustee of such form of request for payment and receipt (if any) as the Trustee shall in its absolute discretion require.

29.5 Any unclaimed proceeds or other moneys held by the Trustee under the provisions of this clause may, at the expiration of twelve (12) months after the date upon which the same were payable, be paid to the Public Trustee of Sri Lanka subject to the right of the Trustee to deduct there from any costs, charges and expenses it may incur in making such payment.

### 30 HOLDERS' MEETINGS

30.1 Subject to Clause 27.1(c) a meeting of the Holders held in accordance with the provisions in the Schedule shall, in addition to all other powers conferred by the Trust Deed, or by law, have the following powers exercisable by Extraordinary Resolution only, namely:

- (a) To remove the Manager for default or non-compliance with the provisions of the Trust Deed;
- (b) To remove the Trustee;
- (c) To remove the Auditors;
- (d) To appoint a committee of Holders and define its constitution and powers (including enabling the committee to institute or defend legal proceedings on behalf of one (01) or more Holders), to remove and replace members of the committee and appoint others in their place, or to dissolve such committee and to provide for payment of its costs and expenses out of the Deposited Property;

† 20

- (e) To assent to any modification of the provisions contained in the Trust Deed which shall be proposed by the Manager and assented to by the Trustee;
- (f) To terminate the Trust.

30.2 The provisions contained in the Schedule shall have effect in the same manner as if such provisions were herein set forth. All expenses of and incidental to holding a meeting in accordance with the provisions of the Schedule shall be borne as follows:

- (a) If the meeting is held at the request of Holders or the Trustee certifies that, in its opinion, the meeting is held for the benefit of Holders, then expenses shall be borne by the Trust and paid by the Trustee out of the Deposited Property;
- (b) In any other event the expenses shall be borne by the Manager.

### 31 NOTICES

31.1 Any notice or other document required to be served upon, or sent to a Holder, shall be deemed to have been duly given or served if sent as an Electronic Message to the address contained in the Register or by registered post to, or left at his address on the Register and in the case of joint Holders, the address of the first named Holder on the Register. Any notice or document so served or sent as an Electronic Message or by post shall be deemed to have been served or received in the case of Electronic Message upon reasonable evidence of successful transmission and in the case of post, two (02) days after the date on which the same was posted and in proving such service or receipt it shall be sufficient to prove that the envelope or wrapper containing such notice or documents was properly addressed, stamped and posted.

31.2 Service of a notice or document on any one of several joint Holders shall be deemed effective service if served on that person and not the other joint Holders.

31.3 Any notice or document sent by post to, or left at the last known address of a Holder in pursuance of the Trust Deed shall, notwithstanding that such Holder is dead or bankrupt and whether or not the Trustee or the Manager has notice of his death or bankruptcy, be deemed to have been duly served or sent and such service shall be deemed a sufficient service on, or receipt by all persons interested (whether jointly with or as claiming through or under him) in the Units concerned.

### 32 MODIFICATION OF TRUST DEED

Subject to the provisions of any law and with the approval of the Commission, the Trustee and the Manager may by supplementary deed modify, alter or add to the provisions of the Trust Deed, in such manner and to such extent as they may consider expedient for any purpose provided that the Trustee shall certify in writing that, in its opinion, such modification, alteration or addition:

- (a) Does not prejudice the interests of the existing Holders and does not operate to release the Trustee or the Manager from any responsibility to the Holders. No such modification alteration or addition shall impose upon any Holder any obligation to make any further payment in respect of his Units or to accept any liability in respect thereof, or
- (b) Is necessary to comply with fiscal, statutory or other official requirements; and
- (c) Is not in conflict with the Collective Investment Scheme Code or any condition specified in the license granted to it.

Unless conditions (a) or (b) and (c) are met, no modification, alteration or addition shall be made to the Trust Deed except by an Extraordinary Resolution of the Holders. Where the Trust Deed has been altered, or supplemented to, to comply with fiscal, statutory or other official requirements, Holders must be notified immediately.

### 33 GOVERNING LAW

The Manager and the Trustee covenant with and undertake to the Holders to observe and otherwise comply with the provisions of the Act, the Collective Investment Scheme Code, directives issued by the Commission, the Trust Deed, the last published Key Investor Information Document and any other law

9 20

relating to trusts in Sri Lanka.

**34      **SECRECY****

The Trustee and the Manager and every Director, officer or employee of the Trustee and the Manager, who are in any way engaged in the business of the Trust shall, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all matters relating to or concerning the Trust and all transactions of the Trust, its investors and all matters relating thereto, and shall by such declaration pledge himself not to reveal any matter which may come to his knowledge in the discharge of his duties except when required to do so:

- (a) By the Board of the Trustee or Manager; or
- (b) By a court of law; or
- (c) By the person to whom such matters relate; or
- (d) In the performance of his duties; or
- (e) In order to comply with the provisions of any law.

**35      **INDEMNITY****

Without prejudice to the limitation of liability of the Trustee for breaches of trust as provided in the Act, Collective Investment Scheme Code and the Trust Deed the Trustee shall not be liable and shall stand fully indemnified in respect of any loss, damage, claims or suit arising from or in connection with any matter or thing done by the Trustee in the proper exercise by the Trustee of the powers and duties of the Trustee under the Trust Deed or any instrument in law, except for any loss, damage, claim or suit occasioned by fraud or gross negligence on the part of the Trustee, its officers or agents.

**36      **NATURE OF THE TRUST****

The **SENFIN FINANCIAL SERVICES FUND** hereby constituted by the Trust Deed is an open-ended unit trust fund.

**37      **EFFECT OF STATUTORY PROVISIONS AND REGULATIONS****

All the provisions of the Act, Collective Investment Scheme Code and Regulations duly promulgated thereunder shall be deemed for all purposes to be incorporated in this Trust Deed as part and parcel hereof and have effect accordingly and nothing specified in this Trust Deed shall be repugnant thereto.

9 2013

## SCHEDULE

### MEETINGS OF HOLDERS

1.
  - (a) The Trustee or the Manager may, and the Manager shall, at the request in writing of the Holders of not less than one-fifth (1/5th) of the Units, at any time convene a meeting of Holders at such time and place in Colombo (subject as hereinafter provided) as the party convening the meeting may think fit and the following provisions shall apply thereto.
  - (b) The Manager or the Trustee with approval of the other may in its discretion convene a meeting of Holders to transact any business.
  - (c) A meeting of Holders shall be held by a number of shareholders who constitute a quorum, (i) being assembled together at the place, date and time appointed for the meeting, or (ii) by means of audio or audio and visual communication, by which all the shareholders participating can simultaneously hear or hear and see each other throughout the meeting.
2. The Manager and the Trustee and their Connected Persons shall be entitled to receive notice to attend and vote in respect of their holding (if any) of Units at any such meeting provided that the Trustee and Manager and any Connected Person of either of them shall be prohibited from voting their own shares and of forming a quorum for a meeting at which the Trustee, Manager and their Connected Persons have a material interest in the business to be voted on.
3. The Trustee, the Manager and the Connected Persons shall disclose their interest whenever any business in which they have a material interest is being discussed at any meeting of the Holders. If at such a meeting any resolution be passed by voting by proxy, and more than fifty per centum (50%) of those present at such meeting object to such resolution so passed, such objection may be submitted in appeal to the Commission whose decision shall be final.
4. A meeting of the Holders shall be convened:
  - (a) by giving at least twenty-one (21) days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) to the Holders in the manner provided in this Trust Deed, and
  - (b) by publishing at least twenty-one (21) days (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) before the meeting, the notice of the meeting in a daily newspaper circulating generally in Sri Lanka in the Sinhala, Tamil and English languages.

The notice shall specify the place, day and hour of the meeting and the terms of any resolution to be proposed thereat.
5. At any meeting not less than fifteen (15) Holders present in person or by proxy or the Holders of not less than one fifth (1/5<sup>th</sup>) of the units shall form a quorum for the transaction of business. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.
6.
  - (a) The person appointed by the Trustee shall preside as chairman at every meeting or adjourned meeting of the Holders. If there is no Chairman of the Trustee or if at any meeting he is not present within five (05) minutes after the time appointed for the holding of the meeting, or is unwilling to act, then the person appointed by the Manager shall preside as Chairman of the meeting. If there is no such Chairman of the Manager present at the meeting within a further five (05) minutes after the first period of five (05) minutes referred to above or if he is unwilling to act then the Holders present shall choose one of their member to be Chairman of the meeting provided that, at the meeting where the Manager or Trustee is prohibited from voting in terms of Clause 2 of the Schedule above, the Holders entitled to vote shall choose one of their number to be Chairman of the meeting.
  - (b) The term "Chairman" in this Schedule shall mean the Chairman of the meeting, where the context so requires or admits.
7. If within an hour from the time appointed for the meeting a quorum is not present, the meeting if convened upon the requisition of Holders shall be dissolved and in any other case it shall stand adjourned to such

↑ 20

day and time not being less than fifteen (15) days thereafter and to such place in Colombo as may be appointed by the Chairman, and at such adjourned meeting the Holders present in person or by proxy shall be a quorum for the transaction of business including the passing of Extraordinary Resolutions. At least seven (07) days' notice of any adjourned meeting of Holders shall be given in the same manner as for an original meeting and such notice shall state that the Holders present at the adjourned meeting whatever their number and the number of units held by them will form a quorum.

8. Such a meeting shall be held at the time and place in Colombo specified in the notice, being not later than two (02) months after the giving of notice and in accordance with the provisions of any statute.
9. The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.
10. The entitlement to vote at any meeting of holders or class meeting attaching to each Unit shall be in accordance with the Collective Investment Scheme Code.
11. At any meeting any resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or by not less than two (02) Holders present in person or by proxy or by the Trustee. A demand for a poll may be withdrawn. Unless a poll is so demanded and the demand is not withdrawn, a declaration by the Chairman that a resolution has been carried unanimously or by a simple majority or by a particular majority of the Holders present and voting or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes in favour of or against such resolution.
12. A poll demanded by a proxy is deemed to be a demand by the member appointing the proxy. The Chairman shall exercise his power to demand a poll if requested to do so by the Manager.
13. A poll demanded on the election of a Chairman or, on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such time and place as the Chairman directs. No notice need be given of a poll not taken immediately.
14. Subject as aforesaid the demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
15. On a show of hands, every Holder who (being an individual) is present in person or (being a corporation) is present by one of its duly authorised officers as its proxy shall have one (01) vote.
16. In the case of joint Holders the vote of the first named of the joint Holders whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint Holders.
17. On a poll every Holder who is present in person or by proxy or by attorney duly authorised by a Power of Attorney deposited with the Trustee or Manager as may be directed shall have one (01) vote for every Unit of which he or it is the Holder.
18. On a poll, votes may be given either personally or by proxy or in any other manner (including the use of ballot papers or electronic or computer voting systems) as the Chairman of the meeting may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
19. The Chairman of the meeting may (and, if so directed by the meeting, shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
20. Where a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any Holder on the ground (however formulated) of mental disorder, the Manager may in its absolute discretion upon or subject to production of such evidence of the appointment as the Manager may require, permit such receiver or other person on behalf of such Holder to vote on a poll in person or by proxy at any meeting of Holders or class meeting or to exercise any right other than the right to vote on a show of hands conferred by ownership of Units in relation to such a meeting.
21. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to be or may be given or tendered and every vote not disallowed at such

9 20

meeting shall be valid for all purposes. Any such objection shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.

22. The instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Manager may approve or in its absolute discretion accept (including as to how it may be signed or sealed). The signature on such instrument need not be witnessed and shall be signed under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation either under the common seal or under the hand of an officer or attorney authorised in writing. A person appointed to act as proxy need not be a Holder.
23. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at such place or one of such places (if any) as may be specified for the purpose in or by way of note to or in any document accompanying the notice convening the meeting or, if no such place is appointed, then at the registered head office of the Manager not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used and, in default, may be treated as invalid. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution. The instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
24. An instrument of proxy may be in the following form or in any other form which the Trustee shall approve:  

"I..... of ..... being a Holder of ..... Units numbered ..... of and in the Unit Trust known as ..... hereby appoint ..... of ..... as my proxy to vote for me and on my behalf at the meeting of the Holders of Units of and in the said Trust to be held on the ..... day of ..... 20..... and at any adjournment thereof.

As witness my hand this ..... day of ..... 20....."
25. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or bankruptcy of the Holder or by other transmission by operation of law of the title to the Units concerned or by the revocation of the appointment of the proxy or of the authority under which the appointment of the proxy was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Manager at its head office by the time which is two (2) hours before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.
26. Any corporation which is a Holder may by resolution of the Directors or other governing body of such corporation and in respect of any Unit or Units of which it is the Holder authorise such individual as it thinks fit to act as its representative at any general meeting of the Holders or of any class of Holders. The individual so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise in respect of such Unit or Units if it were an individual Holder and such corporation shall for the purposes of this Trust Deed be deemed to be present in person at any such meeting if an individual so authorised is so present.
27. The Register may be closed for not more than three (03) consecutive days terminating on the day of the meeting and notice thereof shall be given by public advertisement as in the case of notice of all meetings.
28. Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Manager at its expense and any such minute as aforesaid if purporting to be signed by the Chairman of the meeting, shall be conclusive evidence of the matters therein stated and until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat to have been duly passed.
29. Every resolution duly passed at a meeting shall be binding upon all Holders whether present or not present at the meeting and each of the Holders and the Trustee and the Manager shall subject to the provisions relating to indemnity in the Trust Deed be bound to give effect thereto accordingly.
30. The words and expressions appearing in this Schedule shall have the same meanings as are assigned to them in the Trust Deed.

7 20



IN WITNESS WHEREOF the said SENFIN ASSET MANAGEMENT (PRIVATE) LIMITED has placed its Common Seal and the duly appointed Authorised Signatories of HATTON NATIONAL BANK PLC have set their respective hands hereunto and to three others of the same tenor at Colombo on this twentieth day of November 2023

The Common Seal of SENFIN ASSET MANAGEMENT (PRIVATE) LIMITED was affixed hereto in the presence of SANATHA DIVALE BANDARAYANAYAKE (Director) and SAHISHNU KESHAV BALASUBRAMANIAM Director/Company Secretary) who do hereby attest the sealing thereof



Witnesses:

1. M. Rajendran, HEAD OF COMPLIANCE  
NIC 198818101101, 186/24 CENTRE ROAD  
Colombo-15

2. K.J. Summaran, CEO  
860683229V 10A SS WISSELE  
M9 LAYNA

SENFIN ASSET MANAGEMENT (PVT) LTD.  
PV 75997

[Signature] Director  
[Signature] Director

Signed for and on behalf of HATTON NATIONAL BANK PLC by its duly authorized signatories Dyrene Hannan and Nirashan Chandrapalan



Witnesses:

1. Rashini Gunawardena [Signature]
2. Kishani Satharasinghe [Signature]