

JB Vantage Credit Opportunity Fund

(Open-End Fund)

Trust Deed

Between

JB Financial (Pvt) Ltd

and

Hatton National Bank PLC

TRUST DEED

THIS TRUST DEED is made between **JB FINANCIAL (PVT) LTD** a Company duly incorporated in the Democratic Socialist Republic of Sri Lanka and having its registered office at 150, St. Joseph's Street, Colombo 14 in the said Republic (hereinafter referred to as "the Managing Company") of the one part and **HATTON NATIONAL BANK PLC** a public limited company incorporated under the laws of the Democratic Socialist Republic of Sri Lanka and having a place of business at No. 479, T.B. Jayah Mawatha, Colombo 10 (hereinafter referred to as "the Trustees") of the other part.

WHEREAS the Managing Company are desirous of establishing an Open-Ended Unit Trust named "**JB Vantage Credit Opportunity Fund**" and to appoint the Trustees as the Trustees thereof and

WHEREAS the Trustees have agreed to act as Trustees of the said Fund vested with the powers and subject to the terms and conditions contained in this Trust Deed.

NOW THIS TRUST DEED WITNESSETH and it is hereby agreed and declared that:

1 DEFINITIONS

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

"Act" means the Securities and Exchange Commission of Sri Lanka Act No.19 of 2021 and any amendments made thereto.

"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, 31st day of December in each year, provided that the Managing Company may, with the prior written consent of the Trustees, change the Accounting Date to any other date approved by the Trustees upon giving not less than twenty one (21) days' notice to the Trustees 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 Trustees or (in any other case) from the date immediately after the end of the preceding Accounting Period.

"Approved Broker" means a person licensed by the relevant regulatory body to be a debt or government securities broker/primary dealer

"Auditors" means auditors of the Trust appointed by the Trustee with the approval of the Commission in terms of the CIS Code.

"Authorized Investment" means any Investments generally or specifically permitted by this Deed, the CIS Code and any directions given by the Commission from time to time.

"Business Day" means a day on which Commercial Banks are generally open for business in Sri Lanka.

"Buying Price" is the sum the Managing Company 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 Managing Company.

"Commercial Banks" shall mean commercial banks licensed in terms of the Banking Act No.30 of 1988 and any amendments thereto.

"Commission" means the Securities and Exchange Commission of Sri Lanka established by the Securities and Exchange Commission of Sri Lanka Act No.19 of 2021 as amended.

"CIS Code" means the Collective Investment Scheme Code of 2022 framed by the Commission under the Act and any other amendments or modifications or substitutions

Clause 15.

"Investment" means the investments referred to in **Clause 14.8.**

"Key Investor Information Document / KIID" means the document issued by the Managing Company's from time to time containing information with regard to a Scheme to invite offers from members of the public to subscribe for or purchase units in the Scheme.

"Key Management Person" means directors (executive or otherwise) and shall include alternate directors, a chief executive officer, a compliance officer and persons having authority and responsibility for planning, directing and controlling the activities of a company/entity either directly or indirectly;

"Licensed Specialized Banks" shall mean licensed specialized banks, licensed in terms of the Banking Act No. 30 of 1988 and any amendments thereto.

"Management Fee" means any sum to which the Managing Company may become entitled pursuant to the provisions of **Clause 21.**

"Managing Company" or **"Fund Managing Company"** shall mean a company licensed by the Commission to operate a Scheme and for the purpose of this Deed shall be JB Financial (Private) Limited or any other person for the time being duly appointed as Managing Company of the Trust in succession to JB Financial (Private) Limited under the provisions of Clause 26.

"Minimum Holding" means Ten Thousand (10,000) Units or such number as the Managing Company, with the approval of the Trustees, may from time to time determine either generally or in any particular case or cases.

"Minimum Investment" means Rupees One Hundred Thousand (Rs. 100,000/-) or such number as the Managing Company, with the approval of the Trustees, may from time to time determine either generally or in any particular case or cases.

"Net Asset Value (NAV)" means the Value of the Deposited Property determined by the Managing Company in accordance with the Trust Deed, and the CIS Code less the amounts deductible in terms of **Clauses 21.1, 21.6, 21.8** of this Trust Deed and any principal amount of borrowings (together with any interest and other charges thereon accrued but remaining unpaid) effected by the Trust for the time being outstanding;

"Near Cash" means investments such as bank/call deposits, repurchase agreements with maturities less than three (3) months, commercial paper endorsed or guaranteed by a licensed commercial bank or licensed specialized bank with maturities of less than three (3) months and government securities including government bonds with maturities of less than 3 months which can be readily convertible into cash.

"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 as from time to time agreed to in writing between the Managing Company and the Trustees and specially recognised for this purpose by the Commission.

"Redemption" means the purchase of Units from the Holders by the Managing Company or the Trust.

"Redemption Date" means the day on which a Redemption takes place.

"Register" means the register of the Holders kept pursuant to **Clause 7.**

"Registered Finance Companies" shall mean finance companies licensed in terms of the Finance Business Act No. 42 of 2011.

made thereto.

"Custodian Fee" means the payment to be received by the Custodian out of the Deposited Property as remuneration for the services rendered of Rupees Twenty Thousand (Rs.20,000/-) per month or such other amount as may be agreed between the Managing Company and the Custodian from time to time.

"Dealing Day" means a day on which subscription for Units and redemption of Units can be effected as specified in relevant schemes, introduced under this Trust Deed.

"Deposited Property" means all the assets (including cash and earnings on cash deposits) for the time being held or deemed to be held upon the trusts of this Deed, excluding any amount for the time being standing to the credit of the Distribution Account.

"Directors" shall have the same meaning as in the Companies Act No.7 of 2007 as amended.

"Distribution Account" means an account which has been set up by the Trustees to hold income for distribution to Holders.

"Dividend Reinvestment Price" means the Net Asset Value as at the close of business on the dividend reinvestment date after adding thereto such sum as the Managing Company may consider represents the appropriate allowance for Duties and Charges divided by the number of Units then in issue or deemed to be in issue and computing the price per Unit to Four (04) decimal points.

"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 and 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 Certificates 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 mean 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.

"Exit Fee" means the difference between the Buying Price and the amount received from the Trustee on a redemption of Units.

"Extraordinary Resolution" means a resolution passed at a meeting of Holders duly convened by giving not less than twenty one (21) days' notice and held in accordance with the provisions contained in the Schedule and carried by a majority consisting of not less than three-fourths of the person present and voting thereat upon a show of hands, or if a poll is duly demanded and taken, by a majority consisting of not less than three-fourths in number of the votes given on such poll.

"Financial Year" means period from 1st April of a given year to 31st March of the succeeding year except in the year of commencement and termination, where such periods shall be referenced to the definition of Accounting Period and Accounting Date.

"Fund / Scheme" means the Unit Trust / Scheme formed pursuant to this Deed.

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

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

"Initial Issue Period" means the initial period in which units are offered to the public as indicated in Section 3.2 of the KIID of the Fund.

"Investment Advisory Committee" or **"Panel"** means the committee/panel referred to in

"Related Person" in relation to the Managing Company or Trustees means-

- (a) a person owning twenty per centum (20%) or more of the ordinary share capital of the Trustee or the Managing Company directly or indirectly;
- (b) a person exercising twenty per centum (20%) or more of the total votes of the Trustee or the Managing Company voting rights directly or indirectly;
- (c) a corporate entity where twenty per centum (20%) or more of the ordinary share capital of the corporate entity is held by the Trustee or the Managing Company directly or indirectly;
- (d) a corporate entity where twenty per centum (20%) or more of voting rights of the total votes is exercised by the Trustee or the Managing Company directly or indirectly;
- (e) a corporate entity where twenty per centum (20%) or more of the ordinary share capital of the corporate entity is held together by the Trustee and the Managing Company directly or indirectly;
- (f) a corporate entity where twenty per centum (20%) or more of voting rights of the total votes are exercised together by the Trustee and the Managing Company directly or indirectly;
- (g) a Key Management Person of the Trustee or the Managing Company.

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

"Selling Price" is the price which may be charged by the Managing Company 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 Managing Company.

"Transaction Receipt" means any notification or confirmation or acknowledgement receipt issued by the Managing Company which may be computer generated and/or which may be transmitted or delivered by email, wire, telephone, satellite, cable or any other such electronic, magnetic or optical media.

"Trust" means the said Scheme constituted by this Trust Deed as modified or added to from time to time with the approval of the Commission and called by the name "JB Vantage Credit Opportunity Fund" or such other name as the Trustees and the Managing Company may mutually agree upon from time to time.

"Trustees" means the Hatton National Bank PLC or such other person or persons for the time being duly appointed trustee or trustees hereof under the provisions of **Clause 25**.

"Trustee Fee" means any sum to which the Trustees may become entitled pursuant to the provisions of **Clause 21**.

"Unit" means one undivided share in the Trust.

"Value of Authorized Investments" means the valuation of Authorized Investments as follows in deriving the value of Deposited Property pursuant to **Clause 10**:

- (i) **Government Securities** shall be valued on a Marked to Market basis using the daily yield curve released by the Central Bank of Sri Lanka (CBSL) until maturity.
- (ii) **All unquoted fixed income securities** shall be valued as follows:
 - Maturities less than 397 days shall be valued on a cost plus accrued basis.
 - Maturities more than 397 days shall be valued on a Mark to Market basis using the daily yield curve released by the CBSL until maturity plus any risk premium attached to the instrument.
- (iii) **All quoted debt securities** shall be valued at the last traded price. Where there is no trade for 30 calendar days it shall be valued on a Mark to Market basis using the daily yield curve released by the CBSL until maturity plus any risk premium

attached to the instrument.

- (iv) **The risk premium** for valuation of unquoted and quoted debt securities shall continue to be calculated as the difference between the yield on the Corporate Debt and the yield on the Government Security of a similar maturity at the time of investing.
- (v) **Repo Investments and Bank Deposits** shall be valued at cost plus accrued interest basis.

"**Year**" means calendar year and "**Month**" means calendar month.

- 1.2 (i) References to the Schedule and to Clauses, sub-clauses and sub-paragraphs shall be construed as references to the Schedule to this Trust Deed and to Clauses, sub-clauses and sub-paragraphs of this Deed.
 - (ii) Words importing the singular number only shall include the plural and vice versa; words importing the masculine gender only shall include the feminine gender; words importing persons shall include corporations and firms; the words "written" or "in writing" shall include printing engraving lithography or other means of visible reproduction or partly one and partly another; and references to any statute shall be deemed to be references to that statute as from time to time amended or substituted.
 - (iii) The headings inserted herein are for convenience only and shall not affect the construction of this Trust Deed.
- 1.3 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 this trust deed.
 - 1.4 This Trust Deed shall be effective until terminated in accordance with this Deed.

2 DECLARATION OF TRUST

The Fund shall be open-ended and the Trustees shall hold and stand possessed of the Deposited Property a single common fund upon trust for the Holders *pari passu* vested with the powers conferred upon the Trustees by this Trust Deed, according and subject to the provisions of this Trust Deed and any deed supplemental hereto. The Trustees do hereby agree to act as Trustees of the Unit Trust hereby created vested with and subject to the powers and provisions hereinafter contained. Any moneys forming part of the Deposited Property shall from time to time be invested at the direction of the Managing Company in accordance with the provisions herein contained provided that no Unit shall confer any interest or share in any particular part of the Deposited Property.

3 TRANSACTION RECEIPTS

- 3.1 A Transaction Receipt shall be in such prescribed form as may from time to time be agreed upon between the Managing Company and the Trustees. A Transaction Receipt (i) shall be dated and (ii) bear the names and addresses of the Managing Company and the Trustees (iii) shall specify the number of Units represented thereby and the name and address of the Holder as appearing in the Register (iv) every Transaction Receipt may bear a distinctive serial number.
- 3.2 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 Managing Company with the approval of the Trustees.
- 3.3 Every fraction of a Unit shall rank *pari passu* proportionately with a Unit, save that the proviso relating to transfer of Units contained in the provision to **Clause 8.1 (i)** shall not apply to fractions of a Unit, but the Holder thereof may at any time sell

the same to the Managing Company pursuant to **Clause 13.**

- 3.4 Transaction Receipts shall be in the form of computer generated documents as the Managing Company may from time to time with the approval of the Trustees determine and shall bear no signature and shall be deemed to be official and final.
- 3.5 A Transaction Receipt to be issued as herein provided to purchasers of or subscribers for Units purchased or subscribed for shall be issued not more than fourteen (14) Business Days after the allotment of such Units and may be sent to the Holder at his own risk by registered post.
- 3.6 In the case of Units held jointly by several persons, the Managing Company shall not issue more than one Transaction Receipt thereof and delivery of such Transaction Receipt to the person named first therein shall constitute sufficient delivery to all joint Holders.
- 3.7 A Transaction Receipt in respect of Units shall be delivered to a third party only on the Trustees being satisfied that the consideration paid for such units (less any charges that may be retained by the Managing Company) has been or will be, vested in the Trustees.
- 3.8 Subject to the provisions of this Trust Deed and in particular to limitations imposed pursuant to Clause 3.3 and subject to any regulations from time to time made by the Managing Company, every Holder shall be entitled to exchange any or all of his Transaction Receipt 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 Managing Company in writing, produce a valid form of identification and pay to the Managing Company all moneys (if any) payable hereunder.
- 3.9 In case any Transaction Receipt to the satisfaction of the Managing Company has become mutilated or defaced, the Managing Company may issue to the person entitled upon notice in writing to the Managing Company of such fact, a new Transaction Receipt representing the same aggregate number of Units. In case any Transaction Receipt shall be lost, stolen or destroyed, the Managing Company may issue to the person entitled, a new Transaction Receipt in lieu thereof, upon a written request to the Managing Company. No such new Transaction Receipt shall be issued unless the applicant shall previously have (i) furnished to the Managing Company evidence satisfactory to them of the identity of the Holder (ii) paid all expenses incurred in connection with the investigation of the facts, (iii) (if so required by the Managing Company and/or the Trustees so to do) furnished to the Managing Company and/or the Trustees such indemnity as may have been requested by them and neither the Managing Company nor the Trustees shall incur any liability for any action which they may take in good faith under the provisions of this paragraph.
- 3.10 In the event of the Managing Company or the Trustees, 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 Managing Company 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 HOLDERS BOUND BY DEED

- 4.1 The terms and conditions of this 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 this Trust Deed and any such supplemental deed and had thereby

covenanted himself and for all such persons, to observe and be bound by all provisions thereof, and had thereby authorized the Trustees and the Managing Company respectively to do all such acts and things as this Trust Deed or any such supplemental deed may require the Trustees or the Managing Company (as the case may be) to do.

- 4.2. The Managing Company shall make available a copy of this Trust Deed and of any supplemental deed for inspection free of charge at the offices of the Managing Company to any member of the public at all times during usual business hours and shall make available copies of such documents to any person on application at a charge of Rupees One Thousand (Rs.1,000/=) per copy document (or such other amount as the Trustees and the Managing Company may from time to time agree) to be retained by the Managing Company.

5 TRUSTS AND EQUITIES

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

6 MANAGING COMPANY AS HOLDER

- 6.1 Nothing herein contained shall prevent the Managing Company from becoming a Holder provided such holding is not contrary to any other provisions of this Deed and is subject to the limitations on voting provided in Clause 2 of the Schedule.
- 6.2 The Managing Company shall be deemed to hold and (except as otherwise provided herein) be treated for all the purposes of this Trust Deed and of any Deed supplemental hereto as the Holder of each Unit during such times as neither the Managing Company 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.

7 REGISTRATION OF HOLDERS

The following provisions shall have effect with regard to the registration of Holders:-

- 7.1 A Register of the Holders shall be kept by the Managing Company at its Registered Office in the Republic of Sri Lanka. The Register may be kept either in written form or (without prejudice to the provisions of sub-clause 7.3 of this Clause) by such other means (including electronic recording to the extent that it is admissible as evidence in a court of law), as the Trustees shall from time to time approve. 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 different to the location where the Managing Company is housed. The Managing Company shall inform the Trustee and the Commission in writing the address at which the Register, duplicate register or the backup copy is kept.

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 Managing Company) has been or will be, vested in the Trustees.

There shall be entered in the Register:

- (i) the full name and address of each Holder, provided that the Managing Company shall not be obliged to register more than two persons as joint Holders except in any case or cases otherwise decided upon by the Managing Company and the Trustees for good reason;
 - (ii) the number of Units (including fractions of a unit) held by every such Holder issued in respect thereof;
 - (iii) the date on which the name of every such Holder was entered in the Register in respect of the Units standing in his name;
 - (iv) the date on which any transfer by or from such Holder is registered.
 - (v) the number of units (including fractions of a unit) for the time being in issue.
- 7.2 Any change of name or address of any Holder shall forthwith be notified in writing to the Managing Company, who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name written instructions to the Managing Company requesting the change of name and the payment of the fee and sum provided by Clause 3.10) as the Managing Company 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.
- 7.3 The Managing Company shall at all reasonable times during business hours give the Trustees and its representatives access to the Register and to all subsidiary documents and records and to inspect the same with or without notice and without charge, but neither the Trustees nor any subsidiary or associate company of the Trustees shall be entitled to remove same or to make any entries therein or alterations thereto, and except when the Register is closed in accordance with the provisions in that behalf hereinafter contained, the Register shall during business hours (subject to such reasonable restrictions as to the provision of prior notice or otherwise as the Managing Company may impose but so that not less than two hours in each Business Day shall be allowed for inspection) be open in legible form to the inspection of any Holder without charge. The Trustee shall be entitled to obtain upon payment which can be reimbursed from the deposited property, certified copies of statements from the said Register, documents and records and such copies shall be supplied by the Managing Company within a reasonable time.
- 7.4 The Register may be closed at such times and for such periods as the Managing Company may from time to time determine in consultation with the Trustee PROVIDED THAT it shall not be closed for more than thirty (30) business days in any one year.
- 7.5 The Register shall be conclusive evidence as to the persons respectively entitled to the Units entered therein and no notice of any trust express implied or constructive shall be entered on the Register in respect of any Unit except any right obtained as per Clause 5 hereof.
- 7.6 The consideration paid in respect of any duly created Units (less any charges that the Managing Company shall be entitled to retain) shall become the property of the Scheme immediately on receipt of such consideration by the Trustee.

8 TRANSFER

- 8.1 Every Holder shall be entitled to transfer some or all of his Units, (but not fraction of a Unit unless such fraction arises from a transfer of all his units) held by him by completing a Transfer Form or in such other form as the Managing Company and the Trustees may from time to time approve;

Provided that :-

- (i) 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.
 - (ii) Each transfer request shall for at least one thousand (1000) Units.
 - (iii) Every instrument of transfer must be signed (or in the case of a body corporate signed on behalf of or sealed) by both the transferor and the transferee, and the transferor shall subject to provisions of **Clause 7** be deemed to remain the Holders of and to be entitled to the Units transferred until such time as the name of the transferee is entered in the Register in respect thereof. The instrument of transfer need not be a Deed.
 - (iv) Every instrument of transfer must be duly stamped (if so required) and left with the Managing Company for registration accompanied by any necessary declarations or other documents that may be required in consequence of any legislation for the time being in force, and by the Transaction Receipt relating to the Units to be transferred and such other evidence as the Managing Company or Trustees may require to prove the title of the transferor or his right to transfer the Units or in the case of a body corporate the authority of the signatory on its behalf.
 - (v) A fee of Rupees Five Hundred (Rs.500/-) (or such other amount as the Trustees and the Managing Company may from time to time agree) may be charged by the Managing Company 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 Managing Company. Such fee must if required by the Managing Company, be paid before the registration of the transfer.
 - (vi) In case only some of the Units represented by a transaction receipt are transferred, the transferors shall be entitled free of charge to a new Transaction Receipt in respect of the balance.
- 8.2 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 Managing Company and the Trustees 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 receipts for any such moneys.
- 8.3 A body corporate may be registered as a Holder or as one of joint Holders.

9 TRANSMISSION

- 9.1 A Holder may nominate a person to whom title to or interest in the Units held by such Holder shall pass upon the death of the Holder.
- 9.2 Subject to **Clause 9.1** above, in case of the death of any one of joint Holders, the survivor or survivors shall be the only persons recognized by the Managing Company and the Trustees as having any title to or interest in the Units held by such joint Holders upon production of such evidence of such death as the Managing Company may require.
- 9.3 Subject to **Clause 9.1** above, 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 persons recognized by the Managing Company and the Trustees as having any title or any interest in Units held by such deceased Holder.
- 9.4 (i) Any person becoming entitled to a Unit in consequence of the death or

bankruptcy of any sole Holder or the survivor of joint Holders may, subject as hereinafter provided, upon producing such evidence as to his title as the Managing Company and the Trustees shall think sufficient, either be registered himself as Holder of such Unit upon giving to the Managing Company notice in writing of such desire, or transfer such Unit to some other person. All the provisions of this 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.

- (ii) Subject to the provisions of sub-paragraph (iii) of this paragraph 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.
 - (iii) The Managing Company may at their 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.
 - (iv) In the case of a death of a Holder, where the value of the unit holding is below administrable value and there are several heirs, the Managing Company and Trustee will follow any judgements of a court of law, made on the Estate of the deceased.
- 9.5 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 Managing Company a fee of Rupees One Hundred (Rs.100/=) (or such other amount as the Trustees and the Managing Company may from time to time agree and any other duties and charges if any).
- 9.6 No transfer or purported transfer of a Unit other than a transfer made in accordance with this Clause 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.

10 VALUE OF DEPOSITED PROPERTY

In calculating the 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:

- (a) every Unit shall be deemed to be in issue for which a Transaction Receipt may be delivered in terms of **Clause 3** or for which the Managing Company confirms consideration has been realized.
- (b) the Deposited Property shall be deemed to include not only cash and property in the hands of the Trustees 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 there from (in the case of Units agreed to be issued for cash) the adjustment (if any) referred to in **Clause 12.2**.
- (c) Value of Authorized Investments
 - i) where Investments have been agreed to be purchased but such purchase has not been completed such purchased Investments shall be included and the total cost of acquisition excluded as the case may require as if such purchase had been duly completed.

- ii) where Investments have been agreed to be sold but such sale has not been completed such sold Investments shall be excluded and the net sale proceeds included as the case may require as if such sale had been duly completed.
- (d) Where the current price of an Investment is listed ex-interest but such interest has not been received, the amount of such interest shall be deemed to have been received.
- (e) Where notice of a cancellation of the number of Units through a Redemption has been given by the Managing Company to the Trustees but such cancellation has not been completed the Units to be redeemed shall not be deemed to be in issue and the Value of the Deposited Property shall be reduced by the amount payable to the Holders upon such redemption.
- (f) Any Value (whether of 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.

11 CONSTITUTION OF THE TRUST

The Deposited Property shall initially be constituted out of the proceeds of an offer of Units at the Selling Price (a price per Unit of an amount to be determined by the Managing Company and Trustees) and on such terms and conditions as the Managing Company and Trustees may determine. Such offer shall remain open for not more than thirty (30) Business Days or any other period as may be decided by the Managing Company in consultation with the Trustees. The proceeds of the offer shall be paid to the Trustees and shall thereupon constitute the Deposited Property.

The Trust shall be constituted of a single class of Units which shall rank equal and *pari passu*.

12 ISSUE OF UNITS

- 12.1 The Managing Company shall have the exclusive right to effect for account of the Trust, the creation and issue of Units. Provided that the Managing Company shall not be bound to accept any initial application for Units having a value of less than Rupees Ten Thousand (Rs.10,000/-) or such other sum as may be determined by the Managing Company and any subsequent application for Units having a value less than Rupees One Thousand (Rs.1,000/-) or such other sum as may be determined by the Managing Company. The Managing Company 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 Dealing Day.
- 12.2 (i) The price at which any subsequent issue of Units for cash, for valid orders received before 1.00pm on a Dealing Day shall be effected based on the Selling Price prevailing at the time of receipt of the valid order and payment.

Provided however, that in the event of there having been any non-Dealing Days between, the receipt of such application and payment, and the date on which the prevailing Selling Price was computed, the price at which the Units shall be offered shall be derived by adjusting the closing NAV of the previous Dealing Day and adding thereto any accrued income and deducting any expenses accrued for the number of non-Dealing Day/s from the previous Dealing Day to current Dealing Day, and dividing by the Units in issue as at the previous Dealing Day in order to safeguard the interests of the existing Holders.

(ii) In the event the order and the funds are received on or after 1.00pm on a Dealing Day, the price at which the Units would be issued would be the Selling Price based

on the NAV as at 4.00pm on such Dealing Day.

(iii) The Selling Price for subscriptions on an ongoing basis (subsequent to the Initial Issue Period) as at any Dealing Day shall be determined by,

(a) Ascertaining the value of the net assets of the Fund as at 4.00 p.m. (Sri Lanka time) on the Dealing Day.

(b) Adding such sum that the Managing Company may consider as representing the appropriate provision for duties and charges; and

(c) Dividing the resulting sum by the number of units in issue and deemed to be in issue on that day.

(iv) In the event that the Trustees determine at any time (after consultation with the Managing Company and having obtained such advice as they may deem necessary) that it would be detrimental to existing Holders to issue or continue to issue Units at a price based on the Net Asset Value as described in the preceding paragraph, then the Trustees shall instruct the Managing Company either to substitute such value with the latest available value or to adjust the Selling Price within the limits permitted by this Trust Deed. In the event of such change in the determination of the Selling Price, the Trustee's written approval shall be obtained after giving one (01) months' notice to the Holders and the Commission. The Trustees may instruct the Managing Company temporarily to suspend the issue of Units during any period of consultation or adjustment arising from the provisions of this sub-clause.

(v) In the event of arrangements being made by the Managing Company 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 Managing Company, 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 leviable in that country in respect of such issue or of the delivery or issue of Transaction Receipt in connection therewith or the remittance of money to Sri Lanka.

(vi) The Managing Company with the approval of the Trustee may impose an earlier cut-off time as specified in Clause 12.2(iii) above.

(vii) The units allotted may include fraction of a unit rounded to the nearest tenth (1/10) of a unit equivalent in value to the amount invested.

12.3 Citizens of foreign states whether resident in or outside Sri Lanka, companies with limited liability or bodies corporate established or incorporated outside Sri Lanka may apply for the purchase of Units, subject to the prevailing exchange control laws.

Minors may apply as the first holder when applied jointly with parent, legally appointed guardian or curator.

12.4 The Managing Company shall furnish to the Trustees 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 direct to be purchased for account of the Trust, a statement of any Investments which in accordance with the powers herein contained they determine to direct to be sold for account of the Trust and any other information which may be necessary so that the Trustees may be in a position to ascertain at the date of such statement, the Value of the Deposited Property.

12.5 The Managing Company may, with the written consent of the Trustees and the Commission suspend the issue of Units during

- a) the existence of any state of affairs which, in the opinion of the Managing Company, constitute 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 of the Deposited Property;
- b) any breakdown in the means of communication normally employed in determining the price of any of such Investments or the current price/value of any of such Investments or the current price on any Exchange or market on which the investments are traded or when for any reason the prices/values of any of such Investments cannot be promptly and accurately ascertained;
- c) any period when remittance of money which will or may be involved in the realization of such Investments or in the payment for such Investments cannot, in the opinion of the Managing Company, be carried out in reasonable time.

In the event of such imminent suspension, the Managing Company shall notify the Commission with the reasons therefore and having obtained the consent of the Trustee and the Commission, such suspension shall take effect forthwith upon the declaration thereof by the Managing Company 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 authorized under this sub-clause shall exist. Notice of the suspension should be published once a month in a leading daily newspaper during the period of suspension.

12.6 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.

13 REDEMPTION / REALISATION OF UNITS

13.1

- (a) Subject to **Clause 13.3 and 13.4**, the Managing Company shall on the Redemption Date redeem from such Holder the Units (including any fraction of a Unit) comprised in his holding at the Buying Price prevalent on any Dealing Day provided, in respect of valid Redemption requests received on a Dealing Day, the Buying Price shall be the next Buying Price calculated after the receipt of a valid redemption request.

Provided that any Units so redeemed shall be cancelled by the Managing Company and the notice of such cancellation stating the number of units to be cancelled and the amount payable to the Managing Company, shall be deemed to have been issued on the day on which such redemption took place.

- (b) The Buying Price for redemptions as at any dealing day shall be determined by,

(i) Ascertaining the value of the net assets of the Fund as at 4.00 p.m. (Sri Lanka time) on that day.

(ii) Deducting there from such sum that the Managing Company may consider as representing the appropriate duties and charges and deducting further the Exit Fee (if any); and

(iii) Dividing the resulting sum by the number of units in issue and deemed to be in issue on that day.

- 13.2 Payment of redemption proceeds will be made in Sri Lanka Rupees to the first holder and will be dispatched by crossed 'Account Payee Only' cheque by ordinary

post within three (03) Business Days after the date of receipt of a request for redemption. Holders have the option of requesting redemption proceeds by way of a direct transfer into a bank account bearing the name of the redeeming 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 Managing Company do not assume liability, for any delays in the investor receiving value for the above payments.

- 13.3 Any moratorium which may at any time be applied to payments in respect of stock exchange transactions or banking transactions shall apply equally to payments due from the Managing Company pursuant to this Clause.
- 13.4 Holders can redeem their units in whole or in part provided the minimum holding is not less than 1000 units after such redemption is made. If the number of remaining units is less than 1000 units, the Managing Company's reserve the right to redeem the remaining units and pay the proceeds to the investor.
- 13.5 If the total amount to be redeemed is greater than or equal to five per centum (5%) of the Net Asset Value based on the market value of the Fund, the Holder will be required to give the Managing Company written instructions of seven (7) market days prior to the date of redemption. The redemption will be carried out at the Buying Price on the redemption date.
- 13.6 Holders have the option to switch all or part of their Units into any other Open Ended Unit Trust that is launched and managed by the Managing Company, by giving notice in writing. Switching between funds will not be effected, if as a result the relevant holder would hold less than the minimum holding amount of Units of the relevant class prescribed by the relevant fund.
- 13.7 The Managing Company may in consultation with the Trustee and subject to the approval of the Commission suspend redemption of Units where to do so is in the interests of the Holders, provided the sale of Units in the Unit Trust are also suspended. The circumstances in which such suspension may be effected include *inter alia*:
 - (i) Payment settlement failures and exchange closures;
 - (ii) Unexpected operational difficulties in effecting a Redemption;
 - (iii)The Commission requiring the Managing Company to temporarily suspend the sale and redemption of Units in order to protect the interests of Holders.
- 13.8 If the redemption of Units is suspended the Managing Company shall inform all Holders with reasons therefor and the fact of suspension must be published at least once a month during the period of suspension by advertisement in the local newspapers in Sinhala, Tamil and English languages.

14 INVESTMENT OF DEPOSITED PROPERTY / LIMITATION OF INVESTMENT

- 14.1 The Managing Company shall be entitled subject to the sub clauses set out hereinafter, to make Investments as it thinks fit from and out of the Deposited Property for and on behalf of the Trust. For the avoidance of doubt, it is specifically agreed it is the sole responsibility of the Managing Company and not the Trustees to determine the selection of the Investments.
- 14.2 The Fund will also make the Investments within the investment parameters set out by the Commission in accordance with the CIS Code and the Deed.
- 14.3 The Managing Company shall not be entitled, without the prior consent of the Trustees, to apply any part of the Deposited Property in the acquisition of any Investments, which are in the opinion of the Trustees likely to involve the Trustees in any liability (contingent or otherwise). In any such case the Trustees shall be entitled but not bound to appropriate and set aside cash or other property approved

by the Managing Company and acceptable to the Trustees sufficient to provide for paying up such Investment in full or (as the case may be) for meeting such 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 Trustees in anyway otherwise than as may be required for paying up the Investment or meeting the liability in respect of which the appropriation was made so long 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.

- 14.4 The Trustees shall be entitled at any time at its entire discretion and without assigning any reason to give notice to the Managing Company that it is not prepared to accept the transfer of any property which in the opinion of the Trustees infringes the terms of this Trust Deed and the Trustees shall be entitled to require the Managing Company to deposit in place of any such property other property acceptable to the Trustees.
- 14.5 The Managing Company shall not make or grant loans out of the Deposited Property or act as guarantor or indemnitor for any party.
- 14.6 The Managing Company shall ensure a level of liquidity amounting to at least three per centum (3%) of the Deposited Property in cash or Near Cash to assure ease of redemption required to meet the scheduled redemptions and dividends as specified in the CIS Code and changed from time to time.
- 14.7 It shall not be necessary for the Managing Company to effect changes of Investment merely because owing to appreciation or depreciation of the Investments of the Trust the limits prescribed by this Clause shall be exceeded nor by reason of the said limits being exceeded as result of:-
 - (i) the receipt by the Trustees or its nominee of any benefits in the nature of capital
 - (ii) any Redemption
- 14.8 The Fund will only invest in a portfolio comprising of
 - (a) cash and Near Cash;
 - (b) treasury bills, treasury bonds and any other Government or Central Bank securities or securities guaranteed by the Government of Sri Lanka and repurchase agreements in relation to such bills, bonds and securities;
 - (c) deposits with any Commercial Banks or any Licensed Specialised Banks or in any deposit with any Registered Finance Company, subject to the minimum credit rating requirement approved by the Securities and Exchange Commission of Sri Lanka from time to time;
 - (d) commercial paper, promissory notes, asset backed paper, debentures or any other debt securities which have either an issuer rating or instrument rating complying with the minimum credit rating threshold approved by the Securities and Exchange Commission of Sri Lanka, and any repurchase agreements relating to such paper, notes, debentures and securities; and
 - (e) any other security authorised by the Securities and Exchange Commission of Sri Lanka from time to time

Provided further that the Managing Company are precluded from making any investments in the following in terms of the CIS Code and directions given by the Commission from time to time without the permission of the Commission and the current preclusions are:

- (a) investment in foreign securities other than with the permission of the

Department of Foreign Exchange;

- (b) investments in commodities, futures and options;
- (c) investment in real estate, other than investment in real estate investment companies or companies that have real estate investment activities;
- (d) investment in any asset which involves the assumption of unlimited liability;
- (e) leverage by borrowing against securities or buying on margin except in relation to securities with fixed and determinable future maturity date and the percentage of such leverage will be determined with the approval of the Commission and stated in the Trust Deed provided that the maximum gearing a Fund may have outstanding, does not exceed fifteen per centum (15%) of the Deposited Property or such other percentage as the Commission may from time to time determine;
- (f) such other investments as may be designated from time to time by the Commission as being investments that are not to be undertaken by a managing company.

The implementation of the investment policy and making any modifications thereto which does not substantially change the nature of the Fund is the responsibility of the Managing Company and not of the Trustees.

- 14.9 (a) Subject to **Clause 14.4**, 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 Trustees forthwith on receipt by the Managing Company. All assets must be held by and under the control of the Trustee. Any investment in registered form shall as soon as reasonably practicable after receipt of the necessary documents by the Trustees be registered in the name of the Fund and all cash shall be applied at the discretion of the Managing Company (but subject always to the provisions of this Deed and any limitations placed by the Commission or any other authority) in the acquisition of Authorized Investments. PROVIDED THAT all or any amount of cash in any currency may during such time or times as the Managing Company may think fit be retained in cash or Near Cash with any commercial bank and on such terms as the Managing Company may think fit.
- (b) Investments comprised in the Deposited Property on ceasing to be Authorised Investments as hereinafter provided shall be realised by the Managing Company and the net proceeds of realisation shall be applied in accordance with the provisions of this Trust Deed but the Managing Company may with the approval of the Trustees postpone the realisation of any such Investments for such period as they may determine to be in the interest of the Holders unless the Trustees shall require the same to be realised.
- (c) Without prejudice to the foregoing or any other provision of this Trust Deed any Investment comprised in the Deposited Property may at any time be realised at the discretion of the Managing Company either in order to invest the proceeds of sale in other Authorised Investments or to provide cash required for the purpose of any provision 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 purpose and partly for another.
- (d) The Trustee shall have sole responsibility for the safekeeping 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.

- 14.10 (a) The Managing Company are also prohibited from entering into any underwriting or sub underwriting arrangement on behalf of the Fund except with the prior

written consent of the Trustee and the Commission. The Managing Company shall not act as guarantor or indemnitor for any party.

- (b) The Managing Company shall also abide by the following investment restrictions to be within the investments parameters set out in the first proviso to Section 14.8;
- (i) purchase any securities on margin other than for the purpose of clearance of purchases and sales of permitted investments or make any short sales or maintain a short position in securities;
 - (ii) make loans to any person without the consent of the Trustee provided however that entering into a reverse repurchase agreement shall not be considered to be the making of a loan.

15 INVESTMENT ADVISORY COMMITTEE / PANEL

- 15.1 The Managing Company may establish an Investment Advisory Panel ("Panel") to advise the Managing Company as to the investment of the Deposited Property. The members of the Panel shall be appointed and removed by the Managing Company with the concurrence of the Trustees. The Panel shall meet periodically and give its advice to the Managing Company on planning and formulating investment strategies.
- 15.2 The Managing Company may make such regulations for the conduct of the meetings of the Panel for fixing a quorum and for the appointment by the Managing Company of alternate Members of the Panel as the Managing Company think fit and except as provided in such regulations the Members of the Panel may conduct their business in such manner as they may from time to time determine.
- 15.3 The Managing Company shall be responsible for paying the remuneration of the Members of the Panel and all reasonable charges incurred by the Panel in the course of its duties. The Trustees shall not be liable to the Members of the Panel for any remuneration or otherwise.
- 15.4 The Trustees, the Managing Company and the Members of the Panel shall not incur any liability to the Holder merely by reason of the Trustees or the Managing Company having acted or having not acted upon the advice of the Panel.

16 DISTRIBUTIONS

- 16.1 The Managing Company may, at their sole discretion, decide the time and quantum of distribution and by notice in writing recommend to the Trustees to distribute part or whole of the net income of the Trust to Holders in accordance with such method of calculation as the Trustees and the Managing Company may agree, having regard to the provisions of this Deed.
- 16.2 All income shall as and when received by the Trustees be paid into a special account (the "Income Account") and shall be held therein pending disbursement of expenses, capitalization or distribution in accordance with the provisions of this Deed. The Trustee shall maintain such account for a period of five (05) years.
- 16.3 The proceeds of receipts deemed by the Managing Company, after consulting the Auditors, to be in the nature of capital accruing from Investments shall not be regarded as Income but 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 this Trust Deed be treated as part of the Deposited Property but shall be held by the Trustees upon trust to distribute the same as herein

provided. Such account shall be maintained by the Trustee for a period of five (05) years.

16.5 In the event of a distribution being made the amount of income qualifying for distribution in respect of the relevant period shall be ascertained by deducting,

- i) the Management Fee for the relevant period (if the Managing Company decide to deduct the Management Fee out of income) and
- ii) all interest paid or accrued (but remaining unpaid) during the relevant period on any borrowings effected by the Trust for the time being outstanding

from the total net amount receivable by the Trustees in respect of such period of all interest, dividends and all such other receipts deemed by the Managing Company after consulting the Auditors to be in the nature of income and by making such permitted adjustments hereinafter mentioned as the Managing Company after consulting the Auditors may think fit and appropriate to the circumstances.

Permitted adjustments shall be : -

- (i) addition or deduction of a sum by way of adjustments to allow for the effect of sales or purchases;
- (ii) addition of a sum representing any interest accrued but not received by the Trustees at the end of a 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 accrued at the end of the previous such period. Income from any Investment shall be deemed to have accrued on the date which in accordance with the normal practice of the Managing Company is treated as being the first date on which the value of such Investment would for the purpose of this Trust Deed be calculated excluding such income;
- (iii) 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;
- (iv) 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 Trustees in effecting registration or safe custody of the documents of title to all Investments held upon the trusts of this Deed;
- (v) addition or deduction of such sums as the Auditors shall certify to be appropriate to take account of liability to tax and of repayments receivable or received on account of other tax relief.
- (vi) deduction of a sum representing expenses directly incurred in the effecting maintaining and terminating of borrowings and which in the opinion of the Managing Company and the Auditors are properly payable out of income.

16.6 Forthwith after the amount of income qualifying for distribution in respect of the relevant period has been computed the Managing Company shall determine the amount to be distributed which shall be such amount (if any) not exceeding the amount qualifying for distribution as the Managing Company shall in their absolute discretion decide.

16.7 In the event that a distribution is made the Managing Company shall cause to be made up a statement showing the amount qualifying for distribution in respect of the relevant period. The statement with the latest annual Auditors' Report annexed shall be filed with the Trustees and shall be conclusive and binding and copies thereof shall be open for inspection during usual business hours by any Holder at the offices of the Managing Company. The Trustees and the Managing Company

shall not incur any liability in relying on and acting upon such an audited statement provided that they have acted in good faith and exercised reasonable care and diligence in so doing.

- 16.8 Neither the Trustees nor the Managing Company 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 exercised reasonable care and diligence in so doing. 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 require to be adjusted.
- 16.9 In the event that any of the income to be distributed is unclaimed by the Holder for six (6) months after the date of distribution or any of the holder is a minor, the Managing Company shall reinvest such funds on behalf of that particular Holder, less any charges if any in processing the transaction, in further Units at the Dividend Reinvestment Price prevalent on that date.
- 16.10 Every Holder will receive full payment of their entitled dividend. A Holder can reinvest the dividends in new Units in lieu of his entitlement to a distribution at the then prevailing Dividend Reinvestment Price. However, the Managing Company reserve the right to compulsory reinvest the dividend in the same Fund namely "JB Vantage Credit Opportunity Fund" if the dividend amount is less than Rupees One Thousand (Rs.1,000/-).

17 PAYMENTS

- 17.1 Any money payable by the Managing Company or Trustees to a Holder in respect of any Unit under the provisions of this Trust Deed may be paid by an electronic fund transfer system recognized by the banking industry (at the cost and expense of the Holder) or by crossed cheque made payable to the order of such Holder and sent by ordinary post to his address or in the case of joint Holders made payable to the order of the first named of such joint Holders and sent by ordinary post to the address of that joint Holder who is first named on the Register. Every such posting shall be sent at the risk of the person to whom it is sent and payment of every such cheque shall constitute a satisfaction of the monies payable and shall be a good discharge to the Managing Company and the Trustees. Where an authority in writing in that behalf shall have been received by the Managing Company from the Holder or in the case of joint Holders from all of them in such form as the Managing Company shall consider sufficient the Managing Company shall pay the amount distributable to the Holder or joint Holders as the case may be to his or their banker or other agent as specified in the said authority 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 in or outside Sri Lanka in respect of any Unit, the Trustees or the Managing Company may make such deductions as the Trustees or the Managing Company are required or entitled by the relevant law for the time being in force in or outside Sri Lanka, in respect of any income or other taxes, charges, duties or assessments whatsoever.
- 17.3 The Managing Company shall at the request of the Trustees or shall otherwise be at liberty to deposit with a bank in the name of or pay to the Trustees any proceeds on redemption and not claimed within six (6) months after payment as provided in this Clause. Upon such deposit or payment being made such monies shall be deemed to have been paid off or satisfied in accordance with the provisions hereof. The Trustees shall not be responsible for the safe custody of such monies or for returns thereon which have been deposited with a bank as aforesaid.
- 17.4 In respect of each Accounting Period when a distribution is made the Managing Company shall issue to the Holder concerned such tax certificates as may from time

to time be required, and prepared by the Auditors or by the Managing Company in a form to be approved by the Trustees and by or on behalf of the taxation authorities. On liquidation of the Trust, each tax certificate shall show what proportion of the distribution represents capital and what proportion represents income.

- 17.5 The Managing Company shall prepare all cheques, warrants, statements, accounts, certificates and notices which the Trustees has to issue, send or serve as is required in this Deed provided, and shall stamp and sign (where authorized by the Trustees) the same on behalf of the Trustees and to 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 Trustees 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 No.7 of 2007 and the Sri Lanka Accounting Standards applicable in Sri Lanka in respect of each Accounting Period.
- 18.2 The responsibility for the keeping and maintaining of the accounts pertaining to the Fund and the preparation, publication and distribution of any reports and the frequency of the preparation, publication and distribution of the same shall be in accordance with the provisions of the CIS Code.
- 18.3 Any transaction between the Scheme and Managing Company or any Related Person as principal may only be made with the prior written consent of the Trustees. All such transactions shall be disclosed in the Scheme's Annual Report.
- 18.4 If the Managing Company, or any other person acting on its behalf or with its permission has:
- (i) disposed of Units at a price lower than the applicable Selling Price, or;
 - (ii) acquired units at a price higher than the applicable Buying Price ;
- it must be disclosed that this has been done and to what extent in any report circulated to the Holders which accompanies the audited accounts.
- 18.5 The Managing Company must maintain proper Accounts of the Trust and the Trustee must ensure that the Managing Company maintain proper Accounts of the Trust to ensure that the Trust is managed and administered in compliance with this Trust Deed and applicable laws.

19 AUDIT OF ACCOUNTS

- 19.1 The accounts shall be audited by the Auditors and shall be accompanied by a Report of the Auditors in accordance with the Companies Act No. 7 of 2007 and the requirements of the Commission to the effect that the accounts and statements attached thereto have been examined in accordance with the relevant Auditing Standards applicable in Sri Lanka and that the Auditors have obtained all the explanations and information they have required. The Auditors shall further 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 Trustees in accordance with the requirements of the Commission have been made.
- 19.2 The appointment of Auditors shall be in accordance with the provisions of the CIS Code. The Auditors shall hold office until such time as they may voluntarily retire by notice in writing to the Trustees subject to Clause 19.3.
- 19.3 The Trustees with the consent of the Managing Company 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 Trustees out of the Deposited Property. Save as aforesaid and except as provided by **Clause 21.6**, the other fees and expenses of the Auditors shall be paid by the Managing Company.
- 19.5 The appointment as Auditors of the Fund shall be of persons having the qualifications specified by the rules of the Commission and if they cease to possess such qualifications they shall retire from the office of Auditors when the Commission requires them to do so.

20 COVENANTS BY THE MANAGING COMPANY AND TRUSTEES

- 20.1 The Managing Company hereby covenant as follows:
 - (i) that they will use their best endeavours to carry on and conduct their business in a proper and efficient manner and will ensure that the Fund is carried on and conducted in a proper and efficient manner;
 - (ii) that they will pay to the Trustees (or as it may direct) within three (03) working days under normal circumstances after creation of Units any moneys which are payable hereunder by the Managing Company to the Trustees, provided however this time period could be varied in exceptional circumstances with the approval of the Trustees. The Managing Company shall be responsible for any money which are payable to the Trustees till such time that it is transferred to the Trust Fund Account. Further if any money which are payable hereunder by the Managing Company to the Trustees are not transferred as per this Clause other than due to exceptional circumstances as determined by Trustees, interest must be paid by the Managing Company at a rate not below the weighted average fixed deposit rate prevailing at the time of transfer or any other rate with the consultation of the Trustees;
 - (iii) that they will not sell any Units otherwise than on the terms and at a price calculated in accordance with the provisions hereof;
 - (iv) that they 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;
 - (v) that they will to the same extent as if the Trustees were a Director of the Managing Company;
 - a) make available to the Trustees, or any approved company auditor appointed by it, for inspection the whole of the books of the Managing Company whether kept at the registered office of the Managing Company or elsewhere; and
 - b) give to the Trustees or any such auditor such oral or written information as it or he requires with respect to all matters relating to the Trust;
 - (vi) that they will make available or ensure that there is made available to the Trustees such details as the Trustees require with respect to all matters relating to the Trust;
 - a) appoint a designated Compliance Officer who will be responsible for ensuring that the Managing Company and its directors, officers and employees comply with the laws, rules, directives and Codes pertaining to the operation of the Trust, within three (3) months of the signing of this Trust Deed;

- b) issue to the Holders a half yearly statement (as at 30th June and 31st December) containing a confirmation of the Unit holding.
- 20.2 The Trustees hereby covenant that it will:-
- (i) exercise all due diligence and vigilance in carrying out its functions and duties and in watching the rights and interests of Holders;
 - (ii) keep or cause to be kept proper books of account in relation to those interests;
 - (iii) cause those accounts to be audited at the end of each Accounting Period by the Auditors; and
 - (iv) send or cause to be sent by post a statement of the accounts with the Report of the Auditors thereon to each Holder.
 - (v) formulate with the approval of the Commission and implement a Code of Conduct for the Directors, officers and employees of the Managing Company within six (6) months of the signing of this Trust Deed.
- 20.3 The Managing Company and the Trustees hereby covenant that no monies available for investment hereunder will be invested in or lent to the Managing Company or the Trustees or any Related Person.
- 20.4 If an approved Broker is under common control with the Managing Company or the Trustees, this fact shall be disclosed in the KIID and to the Commission, on any special commission negotiated with such Broker shall also be disclosed to and approved by the Commission.
- 20.5 The Trustees, the Managing Company and their Related Persons shall disclose their interest, whenever any business in which they have a material interest is being discussed at any meeting of the Trust.

21 REMUNERATION OF MANAGING COMPANY AND TRUSTEES

- 21.1 (i) The Management Fee shall be a sum not exceeding such percentage as is hereinafter mentioned in **Clauses 21.1 (iii)**. The Management Fees shall begin to accrue from the closing date of the first offer of Units, from day to day on the Net Asset Value as estimated each day.
- (ii) The amount of Management Fee shall be calculated daily and shall be payable to the Managing Company in arrears at the end of each calendar month. In respect of any period other than a full calendar month, the amount payable shall be computed 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.
- (iii) The percentage hereinbefore referred to shall not be more than zero decimal six zero percent (0.60% p.a.) per annum of the Net Asset Value or such other or higher percentage as may be fixed by agreement supplemental hereto and approved by the Trustees and Commission and sanctioned by Holders by an Extraordinary Resolution at a meeting of the Holders duly convened and held pursuant to the provisions of the Schedule hereto. The Managing Company may from time to time by at least one (01) month notice in writing to the Trustees and all Holders fix as the appropriate percentage some smaller percentage than that hereinbefore provided 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 shall be given to the Trustees cancelling the previous notice) such smaller percentage shall be the appropriate percentage but any such notice shall be ipso facto cancelled upon the Managing Company who gave such notice in writing as aforesaid ceasing to be Managing Company of the Trust.

- 21.2 The Management Fee shall be payable out of the capital or income of the Deposited Property as the Managing Company in their discretion shall decide.
- 21.3 The Management Fee shall be paid to the Managing Company for their own account as soon as possible after the respective dates by reference to which it is calculated pursuant to paragraph (ii) of this sub-clause PROVIDED THAT unless and until the Trustees shall be satisfied that adequate provision has been or will be made for the future management expenses of the trust including the remuneration of the Trustees the Trustees shall have a lien on and shall be entitled to retain the Management Fee for the purpose of paying discharging or providing for such expenses including its remuneration and shall pay to the Managing Company only the balance (if any) after all such payments discharges or provisions have been made.
- 21.4 The Trustees and custodians shall in addition to their remuneration be entitled to be paid on demand out of the Deposited Property the amount of all its disbursements wholly and exclusively incurred in the performance of their respective duties hereunder.
- 21.5 The Managing Company shall be responsible for the payment of all expenses incurred from time to time in connection with management or trusteeship of the Trust, except such expenses as are expressly authorized hereunder to be payable out of the Deposited Property.
- 21.6 The Trustee Fee shall be specified in the KIID and be a sum not exceeding zero decimal one five percent (0.15% p.a.) per annum of the Net Asset Value. The Trustee Fees shall begin to accrue from the closing date of the first offer of Units, from day to day on the Net Asset Value as estimated each day.
- 21.7 In consideration of the foregoing and save as aforesaid, neither the Trustees nor the Managing Company shall make any charge against the Holders or against the Deposited Property or against any distribution for their services or for their normal expenses. The following other expenses may be paid by the Trustee out of the Deposited Property, provided that adequate disclosure of such expenses is provided to the Holders.
- a) Any expenses or disbursements of the Custodian, which are authorized by the Trust Deed of the Scheme to be paid out of the assets of the Scheme;
 - b) The cost of dealing in the assets of the Scheme;
 - c) Interest on borrowing permitted under the Scheme and charges incurred in effecting or varying the terms of such borrowings;
 - d) The costs and expenses incurred in obtaining a listing of the shares of the Scheme on any licensed securities exchange;
 - e) The fees and expenses of the Auditor of the Scheme;
 - f) The costs incurred in respect of the distribution of income to investors;
 - g) The costs reasonably incurred in respect of the publication of prices of Units and in respect of the publication and distribution of the Scheme KIID or Trust Deed, annual and interim reports and accounts;
 - h) Any costs incurred in preparation or the modification of the Trust Deed of the Scheme;
 - i) Any other costs, incidental to its operation that may be charged to the Scheme;
 - j) Any change in annual charges of the Managing Company;

- k) Any expenses or disbursements of the Trustee, which are authorized by the Trust Deed to be paid out of the assets of the Scheme;
- l) fees payable to the Commission in respect of obtaining approval for a Scheme;
- m) legal expenses incurred in safeguarding the assets of the Scheme;
- n) any other fee approved by the Commission and specified in the Trust Deed.

*Commissions paid to agents shall not be paid out of the assets of the Scheme.

22 CONCERNING THE ADMINISTRATION OF THE TRUST

22.1 Neither,

- (i) the Trustees nor
- (ii) the Managing Company, (their Directors, Officers and employees) nor
- (iii) any company controlled by either of them nor
- (iv) any person firm or body corporate (hereinafter referred to as "a delegate") entitled to exercise any powers or discretions pursuant to a delegation by the Managing Company made under **Clause 24** hereof

shall as principal sell or deal in the sale of Investments to the Trustees for account of the Trust or vest Investments in the Trustees against the issue of the Units or purchase Investments from the Trustees 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 Related Person of the Trustees and Managing Company PROVIDED THAT nothing shall prevent any sale to or any purchase for account of the Trust of any Investment from the trustees, a custodian or Managing Company of any other unit trust scheme or mutual fund company or investment company of account of such scheme or company notwithstanding that the Trustees and/or the Managing Company and/or any Related Person may be or be interested in the Trustees or the custodian or the Managing Company of or 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 that:-

- (a) the value of the Investment in question is certified in writing for the purpose of the transaction by a professionally recognised person; and
- (b) the Trustees shall be of the opinion that the terms of such transaction shall not be such as are likely to result in any prejudice to 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 Nothing in this Trust Deed contained shall prevent the Trustees or the Managing Company or any Related 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 Trustees nor the Managing Company nor any Related Person were a party to or a Related Person for purposes of this Trust Deed and the Trustees and the Managing Company and any such Related person may buy, hold and deal in any Investments upon their respective individual accounts notwithstanding that similar investment may be held under this Trust Deed as part of the Deposited Property. Every transaction between the Managing Company or any Related Person as principal and the Trust shall be approved in writing by the Trustee and disclosed in the annual report of the Fund.

22.3 No Units shall at any time be quoted or sold by or for account of the Managing

Company at a price higher than the Selling Price for the time being applicable to Units issued for cash pursuant to this Trust Deed. No units shall at any time be quoted or purchased by or for account of the Managing Company at a price lower than the Buying Price for the time being applicable to Units. The Trustees shall not be responsible to verify the price of any such quotation or dealing, but the Managing Company shall justify such quotation or dealing if so requested by the Trustees at any time.

- 22.4 Neither the Trustees nor the Managing Company nor any Related 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 by or in connection with any such transaction permitted as aforesaid.
- 22.5 Nothing herein contained shall be construed so as to prevent the Managing Company and the Trustees in conjunction or the Managing Company or the Trustees separately from acting as Managing Company or Trustees for trusts separate and distinct from the Trust. Provided, however, that the Managing Company shall not act as the trustees of another trust and provided further that the Trustees shall not act as the Managing Company of another trust.
- 22.6 The Trustees and the Managing Company may accept as sufficient evidence of the value of any Investment, a certificate by a professionally recognized person.
- 22.7 Neither the Managing Company nor the Trustees shall be liable to account to any Holder or otherwise for any payment made or suffered in good faith to any duly empowered fiscal authority of Sri Lanka or elsewhere for taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under this 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 Trustees and the Managing Company or either of them save such as are expressly conferred upon such Holder by this Trust Deed nor shall the Trustees 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 this Deed provided however that nothing herein shall exempt the Trustees from or indemnify it against any breach of trust occasioned by fraud or negligence as set out in Clause 23.5.
- 22.9 Neither the Trustees nor the Managing Company 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 certificate (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 Trustees nor the Managing Company 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 judgement of any Court 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) either the Trustees or the Managing Company shall be directed or requested to do so or perform or to forbear from doing or performing, or if for any reason it becomes impossible to perform any of their obligations hereunder.
- 22.11 Neither the Trustees nor the Managing Company shall be responsible for the authenticity of any signature on or any seal affixed to any endorsement or any certificate 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 Trustees and the Managing Company 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 under or in connection with this Trust Deed shall be verified by a banker or broker or other responsible person or otherwise authenticated to its or their reasonable satisfaction.

- 22.12 Any indemnity expressly given to the Trustees and/or the Managing Company in this Trust Deed is in addition to and without prejudice to any indemnity allowed by law PROVIDED NEVERTHELESS THAT nothing in any of the provisions of this Trust Deed shall in any case in which the Trustees and/or the Managing Company, as the case may be, have failed to show the degree of diligence and care required by them by the provisions of this 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 Trustees, be registered in the name of the Trustees on behalf of the Fund as soon as reasonably practicable after receipt of the necessary documents by the Trustees and shall remain so registered until disposed of pursuant to the provisions of this Deed. The Trustees shall be entitled if it considers that it is expedient to do so to cause to be deposited in safe custody with any banker or other agent of the Trustees the documents of title to any Investments held upon the Trusts of this Deed. Subject as aforesaid the Trustees shall retain the documents of title to all Investments held upon the trusts of this Trust Deed in its possession in safe custody. Any expenses of whatever nature incurred by the Trustees in effecting such registration or providing such safe custody shall be payable out of the income or the Deposited Property. Notwithstanding the provisions of this sub-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 held upon the trusts of this Trust Deed for the purpose of securing any borrowings effected by the Trust.
- 22.14 The Trustees and/or the Managing Company shall (subject as hereinafter provided) be entitled to destroy;
 - (i) all instruments of transfer which have been registered,
 - (ii) all Transaction Receipts and distribution mandates which have been cancelled,
 - (iii) all notifications of change of address,
 - (iv) all forms of proxy in respect of any meeting of Holders,
after the expiration of six (06) years from the date thereof; and
 - (v) all registers and registered statements (excluding the register of Holders) statements and other records and documents relating to the Trust at any time after the expiration of six (06) years after the end of an accounting period.

Neither the Trustees nor the Managing Company 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 Certificate so destroyed shall be deemed to have been a valid Certificate duly and properly cancelled 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 ALWAYS 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 thereto) to which the document might be relevant;
- (ii) nothing in this sub-clause shall be construed as imposing upon the Trustees or the Managing Company 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) reference herein to the destruction of any document include references to the disposal thereof in any manner,
- 22.15 The Trustee 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** and the date of such destruction together with the authority for such destruction and such register shall not be destroyed for a period of ten (10) years from the date of the last entry thereon.
- 22.16 The Trustees and Managing Company 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.

- 22.17
- (i) The Managing Company shall acknowledge receipt of any complaint in writing within seven (07) days and complete the investigation without unnecessary delay and inform the complainant in writing of the outcome and its proposed course of action.
- (ii) If the investigation is not concluded within one (01) month, the Managing Company shall notify the complainant within seven (07) business days thereof and explain the reason for the delay and indicate when the investigation is likely to be completed.
- (iii) The Managing Company shall gather and investigate all relevant evidence and information in the course of an investigation.

22 CONCERNING THE TRUSTEES

- 23.1 With regard to any provision in this Trust Deed
- (i) providing for any act or matter to be done by the Trustees such act or matter may be performed on behalf of the Trustees by any officer or responsible official of the Trustees or by any nominee appointed by the Trustees with the approval of the Managing Company and any act or matter so performed shall be deemed for all the purposes of this Trust Deed to be the act of the Trustees, and
- (ii) as to the vesting of investment such provision shall be deemed also to relate to any nominee of the Trustees. The Trustees shall be entitled to procure:-
- (a) the Trustees; or
(b) any officer or responsible official of the Trustees jointly with the Trustees; or
(c) any such nominee and the Trustees;

to be registered as proprietor of any Investment held upon the trusts of this Trust Deed PROVIDED ALWAYS that the Trustees 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 Trustees shall not be under any liability on account of anything done or

suffered by the Trustees in good faith in accordance with or in pursuance of any request of the Managing Company provided the Trustee acts in the best interest of the Holders. Whenever pursuant to any provision of this Trust Deed any certificate, notice direction, instruction or other communication is to be given by the Managing Company to the Trustees the Trustees may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Managing Company by any person whose signature the Trustees is for the time being authorized in writing by the Managing Company to accept.

- 23.3 The Trustees may accept as sufficient evidence of the Value of any Investment or foreign currency or the cost or sale price of any Investment or of any stock exchange quotation or of any other matter within his competence a certificate by an Approved Broker.
- 23.4 The Trustees shall not be responsible for any act, omission misconduct, error of judgement, or want of prudence on the part of the Managing Company or any such persons acting as agents or advisor of the Managing Company.
- 23.5 Except in and so far as herein otherwise expressly provided the Trustees 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 this Deed shall exempt the Trustees from nor indemnify them against breaches of Trust through fraud or willful neglect. In the absence of fraud or negligence the Trustees shall not be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof.
- 23.6 Nothing herein contained shall prevent the Trustees from purchasing, holding, dealing in or disposing of Transaction Receipts or Units or from acting as bankers to the Trust or from any time contracting or entering into any financial banking insurance or other transaction with the Managing Company or any Holder or any company or body any part of the securities of 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 Trustees shall not be in anywise liable to account either to the Managing Company or to the Holders or any of them for any profits or benefits made or derived by the trustees thereby or in connection therewith.
- 23.7 The Trustees 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 in which in its opinion would or might involve it in expense or liability unless the Managing Company shall so request in writing in which case they shall so often as required by the Trustees furnish it with an indemnity satisfactory to or against any such expense or liability provided that no such indemnity shall be given in respect of any actions taken against the Trustees for negligence or breach of fiduciary duty in connection with its duties as trustees under this Trust Deed.
- 23.8 Subject as herein provided the Trustees shall be entitled to have recourse to the Deposited Property in connection with legal expenses incurred in safe guarding the Deposited Property or any part thereof.
- 23.9 Before making any distribution or other payment in respect of any Unit or in respect of the Management Fee the Trustees may make such deductions as by the law of Sri Lanka the Trustees are required or entitled to make in respect of any income or other taxes, charges or assessments whatsoever and the Trustees may also deduct the amount of any stamp duties or other Governmental taxes, duties or charges payable by it 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 Trustees shall not be responsible for acting upon any resolution purporting to

have been passed at any meeting of the Holders in respect whereof minutes shall have been made and signed even though it may be subsequently found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not binding upon all the Holders.

- 23.11 Where any trust property is registered in the name of a lender as security for a loan obtained by the Trust the Trustees shall 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.

23 CONCERNING THE MANAGING COMPANY

- 24.1 The Managing Company shall keep or cause to be kept at their own expense proper books of account and records in which shall be entered all transactions effected by the Managing Company for account of the Trust and shall permit the Trustees 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 negligence or willful default the Managing Company 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 Trustees. Provided that nothing in these presents shall exempt the Managing Company from any liability imposed on it by law nor shall indemnify it against such liability at the expense of the Holders.
- 24.3 Nothing herein shall prevent the Managing Company from contracting or entering into any financial banking or other similar transactions with the Trustees (when acting other than in its capacity as Trustees of the Trust) 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 Managing Company shall not be in anyway liable to account either to the Trust or the Trustees or to the Holders or any of them for any profit or benefit made or derived by the Managing Company thereby or in connection therewith. Notwithstanding the foregoing provisions the Managing Company must secure the Trustee's prior written approval for any transaction other than transactions with the Trustees by the Managing Company as principal with such Holder, company or body.
- 24.4 The Managing Company shall be entitled to delegate their functions, powers, discretions, privileges and duties hereunder or any of them to any person, firm or body corporate approved in writing by the Trustees and any such delegation may be on such terms and conditions as the Managing Company think fit (including the power to sub-delegate) PROVIDED always that the Managing Company shall remain liable hereunder for any act or omission of any such person firm or body corporate as if such act or omission was their own.
- 24.5 The Managing Company shall ensure compliance with the CIS Code and the directives that may be issued from time to time.

24 APPOINTMENT, RETIREMENT AND REMOVAL OF TRUSTEES

- 25.1 Hatton National Bank PLC, is hereby expressly appointed as Trustees for the Holders and the Trustees do hereby accept such appointment.
- 25.2 The Trustees shall not be entitled to retire voluntarily except upon the appointment

of a new trustee. The retirement shall only take effect upon the appointment of the new trustee. In the event of the Trustees desiring to retire it shall give notice in writing to that effect to the Managing Company and the Managing Company (or in default the Trustees) may by deed supplemental hereto under the seal of the Managing Company or the Trustees (as the case may be) appoint any company incorporated in Sri Lanka which is permitted by Statute or the relevant statutory authority to act as Trustees of a Unit Trust scheme to be the Trustees in the place of the retiring Trustees and 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 Trustees.

- 25.3 If the Trustees go into liquidation otherwise than for the purpose of amalgamation or reconstruction or ceases to carry on business or receiver of its undertaking is appointed the Managing Company shall forthwith by instrument in writing remove the Trustees from its appointment under this Trust Deed and shall by the same or some other instrument in writing appoint as Trustees hereof some other trustees duly approved as may be required by the law for the time being applicable to this Deed.
- 25.4 The Trustees may be removed and another Trustee (duly approved as may be required by 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 Trustees and the Managing Company.
- 25.5 A new Trustee may not be appointed without the approval of the Commission.

26 RETIREMENT AND REMOVAL OF MANAGING COMPANY

- 26.1 The Managing Company for the time being shall be subject to removal by notice in writing given by the Trustees to the Managing Company with the approval of the Commission in any of the following events:-
 - (i) if the Managing Company go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustees) or if a receiver is appointed of the undertaking of the Managing Company or any part thereof;
 - (ii) if for good and sufficient reason the Trustees are of the opinion and so state in writing to the Managing Company that a change of Managing Company is desirable in the interests of the Holders and the Commission approves the same after a due inquiry as per the CIS Code;
 - (iii) if the Holders resolve pursuant to Clause 30 that the Managing Company be removed.

In any of the cases aforesaid the Managing Company for the time being shall upon receipt of such notice by the Trustees as aforesaid but subject as in paragraph (ii) above provided ipso facto cease to be the Managing Company, and the Trustees shall by writing under its Seal immediately appoint another company incorporated in Sri Lanka and approved by Commission to be the Managing Company of the Trust upon and subject to such company entering into such deed or deeds as the Trustees may be advised to be necessary or desirable to be entered into by such company in order to secure the due performance of their duties as Managing Company during the remainder of the period of the Trust. This provision shall not prejudice the right of the Trustees 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 Trustees.

- 26.2 The Managing Company shall have the power to retire in favour of another company incorporated in Sri Lanka approved in writing by the Trustees and any

relevant statutory authority, upon and subject to fulfillment of the following conditions;-

- (i) The retiring Managing Company shall appoint such company by writing under the Seal of the retiring Managing Company as Managing Company of the Trust and assign to such appointees all their rights and duties as such Managing Company.
 - (ii) Such company shall enter into such deed or deeds as are mentioned in **Clause 26.1.**
 - (iii) Upon payment to the Trustees of all sums due by the retiring Managing Company to the Trustees hereunder at the date of such retirement the retiring Managing Company shall be absolved and released from all further obligations hereunder but without prejudice to the rights of the Trustees or of any Holder or other person in respect of any act or omission on the part of the retiring Managing Company prior to such retirement and the new Managing Company may and shall thereafter exercise all the powers and enjoy all the rights and shall be subject to all the duties and obligations of the Managing Company hereunder as fully as though such new Managing Company had been originally a party hereto.
- 26.3 Upon any removal or retirement the removed or retiring Managing Company shall remain entitled to all Units which they hold or are deemed to hold and they shall be entitled to require the Trustees to issue to them a Transaction Receipt in respect thereof and to be registered in the Register in respect thereof and thereafter to have and exercise all rights of a Holder of such Units.

27 BORROWING POWERS

- 27.1 The Managers shall only borrow if:
 - The Borrowing is temporary and is for a period not exceeding three (3) calendar months;
 - The Borrowing does not exceed the percentage of the NAV of the Scheme as may have been determined by the Commission by way of its directives; and
 - The Borrowing is not used to leverage investment returns.
- 27.2 The Trustees may at any time at the request of the Managing Company borrow for the purpose of acquiring Investments, redemption of Units or funding of any distribution of income for the account of the Trust in accordance with the provisions set out hereinafter, the CIS Code and any direction which may be given by the Commission;

Any such borrowing may be effected from any Commercial Bank or other financial institution (including, the Managing Company or the Trustees, if they be a bank or a financial institution) provided that the Trustees shall exercise due care and diligence in effecting such borrowings at the best interest rates with comparable terms and conditions.

- 27.3 The Trustee may with the consent of the Managing Company, mortgage, charge or pledge in any manner not exceeding fifteen per centum (15%) of the total assets of the Deposited Property for the purposes of securing any such borrowing of the Trust; Where any part of the Deposited Property or any document of title thereto is for the time being under the custody or control of some person other than the Trustees in consequence of any such mortgage, charge or pledge the provisions of this Deed as to the custody and control of the Deposited Property or documents of title thereto (including registration of investments) 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 person other than the Trustees as trustees of the Trust 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 Trustees demanding repayment of the moneys thereby secured. If such a notice is given the Trustees shall promptly advise the Managing Company who shall promptly effect such sales of Investments as may be necessary to enable such repayment to be effected in due time.

- 27.4 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.
- 27.5 The Trustees 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 herein the Trustees 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 and the arrangement referred to therein.
- 27.6 If any arrangements for borrowing pursuant to this clause are made with the Managing Company or the Trustees, the Managing Company or the Trustees (as the case may be) may retain any benefits arising therefrom.
- 27.7 Where the Deposited Property or any part thereof is registered in the name of a lender as security for a loan obtained by the Managing Company, the Trustees shall be liable for any act or omission of the lender or his agent with respect to such property.
- 27.8 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 as the case may be 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 "margin" 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 Trustees and the lender had any interest in them; and provided also that the Trust Deed makes the Trustees liable for the acts and omissions of the lender and its agents in relation to such assets.
- 27.9 Leveraging by borrowing against investments (other than in respect of re-purchase agreements involving Investments) or buying on margin by the Trustees or Managing Company are prohibited, except in case of investments with determinable future maturity dates, with the approval of the Commission.

28 ADVERTISEMENTS

- 28.1 The Managing Company covenant and undertake that it shall and will not without the prior written approval of the Trustees and the Commission publish, issue, circulate, or cause to be published issued or circulated any edition of the KIID, application form, sales literature or other printed matter for issue to prospective buyers, advertisement, report, announcement (other than announcement of prices or yields) addressed to the general body of Holders or to the public or to the press or other communication media. The Trustee shall approve an advertisement only in the event that it conforms to the guidelines and directives issued by the Commission and will notify the Commission regarding such approval at the time the approval is granted. The Managing Company shall file with the commission a copy of such advertisement five market days prior to the advertisement being made available to the public. The Commission reserves the right to comment or stop any advertisement so filed from being published. No forecast of the Unit Trust's

performance may be held out to the public or to Holders and the publications of an achieved yield shall not be represented as a forecast of its future performance. For the purpose of these rules a KIID shall not be deemed to be an advertisement.

- 28.2 In all letters or circulars or advertisements or other publications referring to the issue or sale of Units reference shall be made to the Trustees only in terms previously approved by the Trustees.
- 28.3 The Managing Company 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 Managing Company or their agents.

29 TERMINATION OF TRUST

- 29.1 The Trustees may terminate the Trust upon the happening of any of the following events:-
 - (i) If the Managing Company go into liquidation (other than voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustees) or if a receiver is appointed for the undertaking of the Managing Company or any part thereof and an alternate Managing Company cannot be found.
 - (ii) If, on the expiration of Three (3) months after notifying the Managing Company that in the Trustee's opinion a change of Managing Company is desirable, the Trustees have not found another company ready to accept the office of Managing Company of the Trust and of which the Trustee and Commission shall approve.
 - (iii) If it becomes illegal or if any law shall be passed which renders it illegal or in the opinion of the Trustees impracticable or inadvisable to continue the Trust.
 - (iv) If in the opinion of the Trustees it is impracticable or inadvisable to continue the Trust and the Holders resolve pursuant to Clause 30 that the Trust be terminated.
 - (v) If the Managing Company are reasonably of the view that it would be in the best interest of the Holders that the Trust be terminated.
- 29.2 Either the Trustees or the Managing Company may by not less than three (3) months' notice given to other with the concurrence of the Commission, decide to terminate the Trust. The party hereto terminating the Trust shall (unless the matter shall have been referred to arbitration) give notice thereof to all Holders and by such notice fix the date at which such termination is to take effect which date shall not be less than three (3) months after service of such notice.
- 29.3 Upon the Trust being terminated:-
 - (i) the Trustees 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 borrowings effected by the Trust (together with any interest thereon accrued but remaining unpaid) for the time being outstanding and 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 Trustees in its absolute discretion think advisable.
 - (ii) The Trustees shall from time to time at such time or times as it shall deem convenient and in its absolute discretion distribute to the Holders and the Managing Company 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 also distribute in the manner provided in Clause 16 any moneys standing to the credit of the Distribution Account.

PROVIDED THAT the Trustees 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 Trustees in connection with or arising out of the liquidation of this 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 a request in writing by the Holder upon delivery to the Trustees of such form of request for payment and receipt if any as the Trustees shall in its absolute discretion require.

- 29.4 Any unclaimed proceeds or other moneys held by the Trustees 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 the Republic of Sri Lanka subject to the right of the Trustees to deduct there from any costs, charges and expenses it may incur in making such payment.

30 HOLDERS' MEETING

- 30.1 A meeting of the Holders held in accordance with the provisions contained in the Schedule shall in addition to all other powers conferred upon it by any Statute or by this Trust Deed or otherwise have the following powers exercisable by Extraordinary Resolution only namely:-

- (i) to remove the Managing Company for default or non-compliance with the provisions of the Trust in terms of this Trust Deed;
- (ii) to remove the Trustees;
- (iii) to remove the Auditors;
- (iv) to appoint a committee of Holders and define its constitution and powers (including power for the committee to institute or defend legal proceedings on behalf of one or more Holders), to remove all others of the members of such 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;
- (v) to assent to any modification of the provisions contained in this Trust Deed which shall be proposed by the Managing Company and assented to by the Trustees;
- (vi) to terminate the Trust.

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

- (i) If the meeting is held at the request of Holders or the Trustees certify that in its opinion the meeting is held for the benefit of Holders then the said expenses shall be borne by the Trust and paid by the Trustees out of the Deposited Property.
- (ii) In any other event the said expenses shall be borne by the Managing Company.

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 by registered post to or left at his address as appearing on the Register and in the case of joint Holders the address of whichever of such Holders is named first on the Register. Any notice or document so served or sent by post shall be deemed to have been served or received two days after that 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 or several joint Holders shall be deemed effective service on himself and 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 this Trust Deed shall notwithstanding that such Holder be then dead or bankrupt and whether or not the Trustees or the Managing Company have 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 statutory law and with the approval of the Commission, the Trustees and the Managing Company shall be entitled by Trust Deed supplemental hereto to modify alter or add to the provisions of this Trust Deed in such manner and to such extent as they may consider expedient for any purpose. PROVIDED THAT unless the Trustees shall certify in writing that in its opinion such modification alteration or addition

- (a) does not prejudice the interests of the then existing Holders and does not operate to release the Trustees or the Managing Company from any responsibility to Holders no such modification alteration or addition shall be made without the sanction of an Extraordinary Resolution of a meeting of Holders; PROVIDED ALSO that 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;
- (b) is necessary to comply with fiscal, statutory or other official requirements or to correct a manifest error; and
- (c) is not in conflict with the Code issued by the Commission or any condition laid down in the licence granted by 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 Holder. Where the Trust Deed has been altered or supplemented to comply with fiscal, statutory or other official requirements, Holders must be notified immediately.

33 GOVERNING LAW

This Trust Deed shall be governed by the Laws of Sri Lanka.

34 SECRECY

The Trustees and the Managing Company and every director, officer or employee of the Trustees and Managing Company who are in any way engaged in the business of this Trust and all persons employed or engaged by the Trustees or Managing Company in connection with 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 customers 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:

- (i) by the Board of the Trustees or Managing Company' or
- (ii) by a court of law, or
- (iii) by the person to whom such matters relate, or
- (iv) in the performance of his duties, or
- (v) in order to comply with the provisions of any law.

35 INDEMNITY

Without prejudice to the limitation of liability of Trustees for breaches of trust as provided in the Act or any subsisting amendment thereto, the Trustees 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 Trustees in the proper exercise by the Trustees of the powers and duties of the Trustees under the Trust Deed or any instrument in law, except for any loss damage, claim or suit occasioned by fraud or negligence on the part of the Trustees, its officers or agents.

36 INCORPORATION OF STATUTORY PROVISIONS AND REGULATIONS

All that provisions of the Act, the CIS Code, Directives and regulations duly promulgated thereunder shall be deemed for all purposes to be incorporated in this Trust Deed as a part and parcel hereof and have effect accordingly and nothing repugnant thereto in this Trust Deed.

[Schedule to follow]

SCHEDULE

MEETINGS OF HOLDERS

1. (a) *The Trustees or the Managing Company may respectively and the Managing Company 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 parties convening the meeting may think fit and the following provisions of this Schedule shall apply thereto.*
(b) *The Managing Company or the Trustees with concurrence of the other may at its discretion convene a meeting of Holders to transact any business.*
2. *The Managing Company and the Trustees and their Related 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 Trustees and Managing Company and any Related Person of either shall be prohibited from voting their own shares at, or forming a quorum for, a meeting at which the Trustees management company and their Related Person have a material interest in the business to be transacted.*
3. *The Trustees, the Managing Company and the Related 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 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 Holders representing not less than one tenth (1/10) of the number of Units for the time being in issue present in person or by proxy 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. (i) *The duly appointed principal officer of the Trustee shall preside as Chairman at every meeting or adjourned meeting of the Holders. If there be no such Chairman of the Trustees or if at any meeting he be not present within five minutes after the time appointed for the holding of the meeting or be unwilling to act, then the duly appointed principal officer of the Managing Company shall preside as Chairman of the meeting. If there also be no such principal officer of the Managing Company or if at any meeting he also be not present within a further five minutes after the first period of five minutes referred to above or be also unwilling to act then the Holders present shall choose one of their number to be Chairman of the meeting provided, that at meeting where the Managing Company or Trustees is prohibited from voting in terms of Clause 2 above the Holders entitled to vote shall choose one of their number to be the Chairman of the meeting.*

(ii) 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, in any other case it shall stand adjourned to such day and time not being less than 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 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. At any meeting an Extra Ordinary 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 two or more 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 be 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.
11. If a poll is duly demanded it shall be taken in such manner as the Chairman may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
12. 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. A demand for a poll may be withdrawn at any time.
13. 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.
14. 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 vote.
15. 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.
16. 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.

17. 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.
18. 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 Managing Company may in its absolute discretion upon or subject to production of such evidence of the appointment as the Managing Company 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.
19. 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 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.
20. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor 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. The signature on such instrument need not be witnessed. Where the instrument appointing a proxy is signed on behalf of the appointer by an attorney, the letter or power of attorney or a duly certified copy thereof shall (failing previous registration with the Managing Company) be lodged with the instrument appointing the proxy pursuant to the next following Clause, failing which the instrument may be treated as invalid.
21. 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 as the Trustees or the Managing Company with the approval of the Trustees may in the notice convening the meeting direct or if no such place is appointed then at the Registered Office of the Managing Company 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 before the time appointed for the taking of the poll) at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. 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.
22. An instrument of proxy may be in the following form or in any other form which the Trustees shall approve:

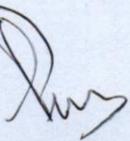
"I/We (name) of (address) being a Holder of Units numbered to of and in the Fund known as JB Vantage Credit Opportunity Fund hereby appoint (name) of (address) bearing NIC No./Passport No. as my/our proxy to attend and vote for me and on my behalf at the meeting of the Holders of Units of and in the said Trust to be held on the day of 20... and at any adjournment thereof
As witness my hand this day of 20...."
23. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or bankruptcy or insanity of the principal or revocation of the proxy or of the power of attorney or other authority under which the proxy was signed or the transfer of the Units in respect of which the proxy is given provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received at the place appointed for the deposit of proxies or if no such place is appointed at the Registered Office of the Managing Company 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.

24. 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.
25. The Register may be closed for not more than three (03) consecutive days terminating on the day of the meeting and any such closure notice thereof shall be given to Holders by way of Public Advertisement.
26. 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 Managing Company at their 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.
27. Every Extraordinary 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 Trustees and the Managing Company shall subject to the provisions relating to the indemnity in this Trust Deed contained be bound to give effect thereto accordingly.
28. The words and expressions appearing in this Schedule shall have the same meanings as are assigned to them in the Trust Deed constituting the Trust of which this Schedule is a part.

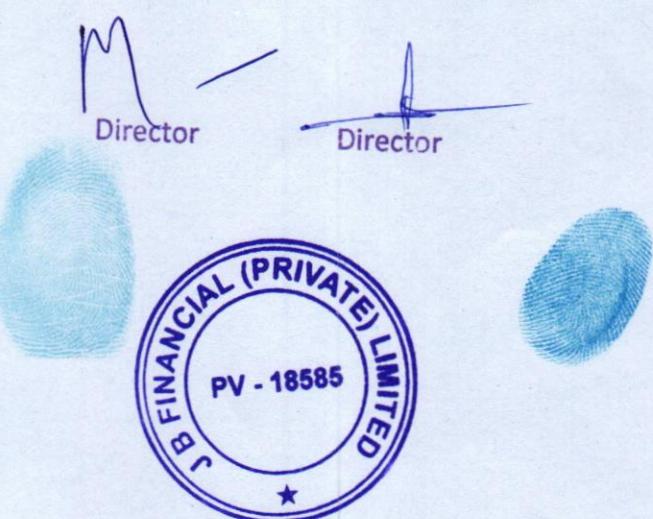
IN WITNESS WHEREOF JB Financial (Pvt) Ltd and Hatton National Bank PLC have caused this Deed and one other of the same tenor and date as these Presents be executed at Colombo on this (.....) day of Two Thousand and Twenty-Six (2026).

The Seal of **JB Financial (Pvt) Ltd**)
 was affixed hereto in the presence of ,)
 ..Murtaza Ali Jaffarjee..... Director and)
 Sudarshini Pradeep Singh Gaurav..... Director of the)
 Company)

Witnesses:

1.  N. S. Perera
6877710730V

2.  W. H. R. Bhagya
928542653V



The duly appointed authorized signatories
..... Tyrone Hannan and
..... Sanjetwani Fernando
for and on behalf of **Hatton National Bank PLC**
have set their respective hands



HATTON NATIONAL BANK PLC

Tyrone Hannan
Authorized Signatory

Sanjetwani Fernando
Authorized Signatory



Witnesses:

1. D H M Niroshini
955412125V

2. D M N N M Dasanayaka
200578104395

