

## SUPPLEMENTARY TRUST DEED

**THIS DEED** made and entered into between **CAPITAL ALLIANCE INVESTMENTS LIMITED**, a Company duly incorporated in the Democratic Socialist Republic of Sri Lanka (hereinafter the “said Republic”) under the Companies Act No. 07 of 2007 bearing company number PV 4663 and having its registered office at Level 05, “Millennium House”, 46/58, Nawam Mawatha, Colombo 02, in the said Republic (hereinafter referred to as the “Managers”) of the One Part and **HATTON NATIONAL BANK PLC**, a licensed commercial bank duly incorporated in the said Republic under the Companies Act No. 7 of 2007 bearing company number PQ 82 and having its registered office at “HNB Towers”, No. 479, T B Jayah Mawatha, Colombo 10, also in the said Republic (hereinafter referred to as the “Trustee”) of the Other Part.

**IS SUPPLEMENTAL** to the Trust Deed executed by the Managers and Deutsche Bank AG, Colombo Branch on 14<sup>th</sup> and 15<sup>th</sup> August 2013 amended by supplementary Trust Deed executed by the Managers and Deutsche Bank AG, Colombo Branch on 20<sup>th</sup> January 2015 (hereinafter referred to as the “Trust Deed”),

### WHEREAS

- (a) In terms of the Trust Deed, a unit trust by the name of CAPITAL ALLIANCE INVESTMENT GRADE FUND (the “Unit Trust”) was created and Deutsche Bank AG, Colombo Branch agreed to act as the trustee of the Unit Trust and to hold and stand possessed of the assets for the time being of the Unit Trust upon trust for the holders of the units of the Unit Trust, subject to the provisions contained in the Trust Deed and any deed supplemental thereto;
- (b) Deutsche Bank AG, Colombo Branch being desirous of retiring from office as trustee of the Unit Trust, has issued a notice in writing to the Managers in terms of Clause 25.3 of the Trust Deed notifying the Managers of its desire to so retire;
- (c) The Managers are desirous of appointing the Trustee as the trustee of the Unit Trust in place of Deutsche Bank AG, Colombo Branch;
- (d) The Trustee has agreed to act as trustee of the Unit Trust and the custodian of all of the assets of the Unit Trust, vested with the powers and subject to the terms and conditions contained in the Trust Deed as amended from time to time;
- (e) The Managers and the Trustees are also desirous of amending the Trust Deed to comply with and conform to the Collective Investment Scheme Code, gazetted in Gazette No. 2278/27 dated 7<sup>th</sup> May 2022 promulgated under the Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021;
- (f) The Managers and the Trustees do hereby execute these presents to give effect to the appointment of the Trustee as the trustee of the Unit Trust and also to record the aforesaid amendments to the Trust Deed to comply with and conform to the Collective Investment Scheme Code.



**NOW THIS DEED WITNESSETH AND IT IS HEREBY AGREED AND DECLARED BY THE PARTIES HERETO** as follows: -

1. The second recital of the Trust Deed is hereby deleted in its entirety and the following recital is hereby inserted in substitution thereof:-

**"WHEREAS** the Trustee has agreed to act as the trustee of the said Unit Trust and the custodian of all of the assets of the said Unit Trust, vested with the powers and subject to the terms and conditions contained in this Trust Deed."

2. Clause 1.1 of the Trust Deed is hereby amended by the deletion of the defined term "Trust" from the list of defined terms and by the insertion of the defined term "Scheme" in substitution thereof, which shall be defined as follows:

**"Scheme"** means the said Unit Trust 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 "CAPITAL ALLIANCE INVESTMENT GRADE FUND" or such other name as the Trustee and the Managers may mutually agree upon from time to time.

Wherever the term "Trust" appears in the Trust Deed, such term is hereby replaced by the term "Scheme".

3. Clause 1.1 of the Trust Deed is hereby amended by deletion of the defined term "Unit Trust Code" from the list of definition and by the insertion of the defined term "CIS Code" in substitution thereof, which shall be defined as follows:

**"CIS Code"** means the Collective Investment Scheme Code framed and gazetted in Gazette No. 2278/27 dated 7<sup>th</sup> May 2022 by the Commission under the Act and any modifications made thereto.

Wherever the term "Unit Trust Code" appear in the Trust Deed, such term is hereby replaced by the term "CIS Code".

4. Clause 1.1 of the Trust Deed is hereby amended by deletion of the defined term "Explanatory Memorandum" from the list of definition and by the insertion of the defined term "Key Investor Information Document" in substitution thereof, which shall be defined as follows:

**"Key Investor Information Document"** means the key investor information document issued by the Managers from time to time, containing information with regard to the Scheme, to invite offers from prospective investors to subscribe for or purchase Units in the Scheme.

Wherever the term "Explanatory Memorandum" appears in the Trust Deed, such term is hereby replaced by the term "Key Investor Information Document".



5. Clause 1.1 of the Trust Deed is hereby amended by the deletion of the defined term “Investment Advisory Committee” from the list of defined terms and by the insertion of the defined term “Investment Committee” in substitution thereof, which shall be defined as follows:

**“Investment Committee” or “Committee”** means the committee referred to in Clause 15.”

Wherever the term “Investment Advisory Committee” appears in the Trust Deed, such term is hereby replaced by the term “Investment Committee”.

6. Clause 1.1 of the Trust Deed is hereby amended by deletion of the definitions of the defined terms “Act”, “Deposited Property/Funds”, “Trustee”, “Unit” and “Value” and by the substitution thereof of the following definitions:

**“Act”** means the Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021, as amended from time to time, or any other subsisting statutory modification thereto and regulations, rules, directions and determinations made thereunder from time to time.

**“Deposited Property/Funds”** means all the assets (including cash and earnings on cash deposits) for the time being held or deemed to be held by the Trustee, in his capacity as custodian of the Scheme, on behalf of the Scheme and subject to the provisions of this Trust Deed, excluding any amount for the time being standing to the credit of the Distribution Account.

**“Trustee”** means Hatton National Bank PLC or such other person or persons for the time being duly appointed as trustee of the Trust hereof in succession to Hatton National Bank PLC under the provisions of Clause 25.

**“Unit”** means one undivided unit in the Scheme, constituting one of the equal proportionate participations into which the beneficial interests in the assets of the Scheme are divided.

**“Value”** means:

- (i) With reference to an investment in treasury bills/bonds and other securities issued by the Government, the value calculated on a marked to market basis using the daily yield curve published by the Central Bank of Sri Lanka until maturity;
- (ii) with reference to investment in any quoted debt instruments, the last traded price and where there has not been any trade for ninety (90) days, the value thereof calculated by reference to the guidelines issued by the Unit Trust Association of Sri Lanka
- (iii) with reference to an investment in unquoted debt instruments and fixed income securities (a) which has a maturity period of less than three hundred and ninety seven (397) days, the principal sum invested plus all accrued interest arising thereon and (b) which has a maturity period of more than three hundred and

ninety seven (397) days, the value calculated on a marked to market basis using the daily yield curve released by the Central Bank of Sri Lanka until maturity plus any risk premium attached to the instrument (i.e. 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);

- (iv) with reference to an investment in repurchase agreements, the principal sum invested plus all accrued interest arising thereon; and
- (v) with reference to an investment in deposits in Commercial Banks and Licensed Specialized Banks, the principal sum invested plus all accrued interest arising thereon.

The net asset value of a Unit shall be calculated by dividing the Value of the Deposited Property by the by the number of Units in issue and deemed to be in issue. 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 agreed to be issued by the Managers shall, subject to the provisions of Clause 12, be deemed to be in issue. All instructions given to issue or cancel Units shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received and all consequential action required by the CIS Code or this Trust Deed shall be assumed (unless the contrary has been shown) to have been taken.
- (b) The Deposited Property shall be deemed to include not only cash and property in the hands of the Trustee but also the amount of any cash or other property to be received in respect of Units issued and (subject as aforesaid) agreed to be issued after deducting therefrom (in the case of Units agreed to be issued for cash) the adjustment (if any) referred to in Clause 11.2.
- (c) Where Investments have been agreed unconditionally to be purchased or sold but such purchase or sale has not been completed, such Investments shall be included or excluded and the total cost of acquisition or net sale proceeds shall be excluded or included, as the case may require, as if such purchase or sale had been duly completed, and where the current price of an Investment is quoted ex-interest but such interest has not been received the amount of such interest shall be deemed to have been received. However, such unconditional agreements shall not be taken into account, if made shortly before the valuation takes place and, in the opinion of the Managers, the omission thereof does not materially affect the final net asset amount.
- (d) There shall be deducted any amount of Management Fee accrued but remaining unpaid.



- (e) Where the current price of an Investment is listed ex-dividend or ex-interest but such dividend or interest has not been received, the amount of such interest shall be deemed to have been received.
- (f) Where notice of a reduction of Units of the Scheme by the cancellation of Units has been given by the Managers to the Trustee pursuant to Clause 14 but such cancellation has not been completed, the Units to be cancelled shall not be deemed to be in issue, and the Value of the Deposited Property shall be reduced by the amount payable to the Managers upon such cancellation.
- (g) There shall be deducted an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Scheme, on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation).
- (h) There shall be added an estimated amount for accrued claims for tax of whatever nature which may be recoverable. There shall also be added a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.
- (i) There shall be deducted the principal amount of any borrowings (together with any interest and other charges thereon accrued but remaining unpaid) effected by the Scheme for the time being outstanding. There shall also be deducted an estimated amount for any liabilities payable out of the property of the Scheme and any tax thereon treating periodic items as accruing from day-to-day.
- (j) There shall be added any other credits or amounts due to be paid into the Deposited Property.
- (k) Any Value (whether of an Investment or cash) otherwise than in the currency of Sri Lanka and any foreign currency borrowing effected for the account of the Scheme shall be converted into the currency of Sri Lanka at the exchange rate published by the Central Bank of Sri Lanka current at the time of valuation; having regard inter alia to any premium or discount which may be relevant and the costs of exchange."

7. Hatton National Bank PLC, being the Trustee as defined herein is hereby appointed as the trustee of CAPITAL ALLIANCE INVESTMENT GRADE FUND. Hatton National Bank PLC does hereby agree to act as Trustee of CAPITAL ALLIANCE INVESTMENT GRADE FUND, vested with and subject to the powers and provisions contained in the Trust Deed as amended by this supplementary Trust Deed.

The Trustee shall hold and stand possessed of (i) the Deposited Property as a single common fund and (ii) the amounts standing to the credit of the Distribution Account upon trust for the Holders *pari passu* vested with the powers conferred upon the Trustee by the Trust Deed as amended by

this supplementary Trust Deed, according and subject to the provisions of the Trust Deed and any deed supplemental thereto including this supplementary Trust Deed. For the avoidance of doubt, all instruments and securities held in the name of Deutsche Bank AG, Colombo Branch as the trustees of the Unit Trust shall hereby be vested in Hatton National Bank PLC.

The retirement of Deutsche Bank AG, Colombo Branch as trustees of CAPITAL ALLIANCE INVESTMENT GRADE FUND shall be effective, *ipso facto*, upon the execution of this supplementary Trust Deed.

8. Clause 4 of Trust Deed is hereby deleted in the entirety and the following new clause be inserted in substitution thereof:

**“4 UNITS OF THE SCHEME**

The Units in the Scheme shall only be issued in one class, with each Unit conferring on the holder thereof, (a) the right to one vote on a poll at a meeting of the Scheme on any resolution, (b) an equal share in distributions paid by the Scheme, and (c) an equal share in the distribution of the surplus assets of the Scheme on a winding up.

Nothing contained herein shall prevent the Trustees from issuing Scripless Units to the Holders provided however that prior to the issuance of Scripless Units the approval of the Commission shall be obtained therefor. The Trustee shall in such instances issue to such Holders unit confirmations in a form agreed to with the Managers.”

9. The words included within parenthesis of the first line of Clause 8.1 (ii) of the Trust Deed is hereby amended by the deletion of the words “or in case of a body corporate signed on behalf or sealed” and the substitution therefor of the words “or, in the case of a body corporate, under its seal or signed by one of its officers and authenticated by the placing of its seal” so that the modified Clause 8.1 (ii) shall accordingly be read as follows:

“(ii) Every instrument of transfer must be signed (or, in the case of a body corporate, under its seal or signed by one of its officers and authenticated by the placing of its seal) by the transferor, who shall, subject to the provisions of Clause 9.5, be deemed to remain the Holder of and to the Units transferred until such time as the name of the transferee has been entered in the Register in respect thereof. The instrument of transfer need not be a deed.”

10. The Trust Deed is hereby amended by insertion of the following new clause numbered as Clause 11.8 immediately after the existing Clause 11.7:

“11.8 There shall not be any initial charge levied on a Holder on the subscription to and purchase of Units.”

11. The Trust Deed is hereby amended by insertion of the following new clause numbered as Clause 11.9 immediately after the new Clause 11.8 inserted in terms of paragraph 10 above:



“11.9 The consideration paid in respect of any duly created and issued Units shall become the property of the Scheme and be part of the Deposited Property thereof immediately on receipt of such consideration by the Trustee.”

12. Clause 12.1 of Trust Deed is hereby deleted in the entirety and the following new clause be inserted in substitution thereof:

“12.1 Subject to the provisions of Clause 13.4 hereof, the Managers shall have the exclusive right at any at any time by notice in writing delivered to the Trustees to effect reductions of the Units of the Scheme by the surrender of Transaction Receipt (if any) to the Trustees for cancellation of some or all of the Units represented thereby or by requiring the Trustees to cancel Units in existence but in respect of which no person is entered in the Register as the Holder thereof. Such notice shall state the number of Units to be cancelled and the amount payable to the Managers in respect thereof. Before giving notice to exercise such right it shall be the duty of the Managers to ensure that the Deposited Property includes (or will upon the completion of the sale of Investments agreed to be sold include) cash sufficient to pay the amount payable to the Managers upon such reduction and the Managers shall if necessary realise any Investments forming part of the Deposited Property to raise sufficient cash to meet heavy demands for redemption.”

13. Clause 13.1(i) of Trust Deed is hereby deleted in the entirety and the following new clause be inserted in substitution thereof:

“(i) Subject to Clauses 13.3 and 13.4, the Managers shall on receipt by them or by their duly authorized agent of a request in writing by a Holder (other than the Managers) redeem Units from such Holder on a day as may be agreed between the Managers and the Trustees, all or any part of the Units (including any fraction of a Unit) comprised in his holding at a price per Unit (and proportionately in respect of any fraction of a Unit) ascertained by dividing the Value of the Deposited Property (i) as at 4.00 p.m. (Sri Lanka time) on the date of receipt of the request if the request was receipt before 4.00 p.m. or (ii) as at 4.00 p.m. (Sri Lanka time) on the date immediately succeeding the date of receipt of the request if the request was receipt after 4.00 p.m., by the number of Units then in issue and deemed to be in issue, after deducting therefrom the Exit Fee, if any, or such sum as the Managers may consider represents the appropriate allowance for Duties and Charges in relation to the realization of the Deposited Property and by adjusting the resulting quotient downwards to the nearest ten cents (Rs.0.10) which may be retained by the Managers with the approval of the Trustees. The Trustees shall be under no obligation to check the calculation of the amount payable in connection with any redemption of Units pursuant of this Clause, but shall be entitled at any time to require the Manager to justify the same.”

14. Clause 13.2(ii) of Trust Deed is hereby deleted in the entirety and the following new clause be inserted in substitution thereof:





“(ii) The price shall be payable to the Holder within ten (10) Business Days from the date of receipt of the request for the redemption of the Units, or within such other longer period as may be approved by the Commission.”

15. Clause 13.4 of the Trust Deed is hereby deleted in the entirety and the following new clause be inserted in substitution thereof:

“13.4 Where applicable redemption requests of Holders on any dealing day exceed ten per centum (10%) of the total number of units in issue, such redemption requests in excess of the ten per centum (10%) shall be deferred to the next dealing day provided the Commission is notified in writing of such deferral. If redemption requests are carried forward as aforesaid, the Managers will give notice to the Holders of Units affected thereby within seven (7) days that such Units have not been redeemed or cancelled and that they shall be redeemed or cancelled on the next dealing day.”

16. The Trust Deed is hereby modified by the insertion of “in its capacity as the custodian of the Scheme;” in line 4 of Clause 14.4 immediately following the words “All assets must be held by and under the control of the Trustee” so that the modified Clause 14.4 will read as follows:

“14.4 Subject to Clauses to 14.13, all cash and other property which, in accordance with the provisions of this Trust Deed, ought to form part of the Deposited Property shall be paid or transferred by the Managers to the Trustee forthwith on receipt by the Managers. All assets must be held by and under the control of the Trustee in its capacity as the custodian of the Scheme. Any investment in registered form shall, as soon as reasonably practicable after receipt of the necessary documents by the Trustee, be registered in the name of the Trustee. All cash shall, at the discretion of the Managers but subject always to the provisions of this Trust Deed and any limitations placed by the Commission or any other authority, be applied in the acquisition of Investments. PROVIDED THAT all or any amount of cash in any currency may, during such time or times as the Managers may think fit, be retained in cash or in short-term deposits with any commercial bank or financial institution approved by the Trustee (and in the case of financial institutions, approved by the Commission as well) and on such terms as the Managers may think fit. Further, in the case of any cash forming part of the Deposited Property being deposited with the Managers or with any Connected Person of the Managers for a period exceeding seventy two (72) hours, interest must be received on the deposit at a rate not below the prevailing rate for a deposit of that term.”

17. The Trust Deed is hereby modified by the insertion of “in its capacity as the custodian of the Scheme” in the first line of Clause 14.7 immediately following “The Trustee shall” so that the modified Clause 14.7 will read as follows:

“14.7 The Trustee shall, in its capacity as the custodian of the Scheme, have the sole responsibility for the safekeeping of all Investments comprised in the Deposited Property, whether in bearer or registered form and whether wholly or partly represented by paper or represented in any other article or form.”



18. Clause 14.13 of the Trust Deed is hereby modified by the deletion of the words "or act as guarantor or indemnitor for any party" in the first two lines of Clause 14.13 and substitute therefor "except with the consent in writing of the Trustee. The Scheme shall not assume, guarantee, endorse or otherwise become directly or indirectly liable for or in connection with any obligation or indebtedness of any third party" such that Clause 14.13 will read as follows:

"14.13 The Manager shall not make or grant loans out of the Deposited Property, except with the consent in writing of the Trustee. The Scheme shall not assume, guarantee, endorse or otherwise become directly or indirectly liable for or in connection with any obligation or indebtedness of any third party."

19. Clause 15.1 of the Trust Deed is hereby modified by the deletion of the word "may" in the 1<sup>st</sup> line thereof and the substitution therefor of the word "shall" so that the modified Clause 15.1 shall accordingly be read as follows:

"15.1 The Managers shall establish an Investment Committee to advise the Managers with regard to the investing of the Deposited Property. The members of the Committee shall be appointed and removed by the Managers with the concurrence of the Trustee. The Committee shall make its recommendations to the Managers."

20. Item (ii) of the permitted adjustments in Clause 16.5 of the Trust Deed is hereby modified by the deletion of the word "Trust" in the 4<sup>th</sup> line thereof and the substitution therefor of the word "Units of the Scheme" so that the modified item (ii) shall accordingly be read as follows:

"(ii) 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 or upon a reduction of the Units of the Scheme during the relevant period;"

21. Clause 18.1, 18.2, 18.3, 18.4, 18.5 and 18.6 of the Trust Deed is hereby modified by the deletion of the said clauses in its entirety and new clause be inserted in substitution thereof:

"18.1 The accounts of the Scheme shall be (i) audited by the Auditors and (ii) accompanied by a Certificate of the Auditors in accordance with the Companies Act No. 7 of 2007 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 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 Trustee in accordance with the requirements of the Commission have been made.

18.2 The Auditors shall, in accordance with the provisions of the CIS Code, be appointed by the Manager with the approval of the Trustee. Subject to the provisions of this Trust





Deed, the Auditors shall hold office until such time as they may voluntarily retire by notice in writing to the Trustee.

- 18.3 The Trustee may with the consent of the Managers from time to time remove the Auditors and, with the approval also of the Commission, appoint other Auditors in their place.
- 18.4 The fees and expenses of the Auditors in connection with the auditing of the accounts of the Scheme shall be paid by the Trustee out of the Deposited Property. The quantum of such fees shall be determined by the Managers with the approval of the Trustee. Save as aforesaid and except as provided by Clause 20.4, the other fees and expenses of the Auditors shall be paid by the Managers.
- 18.5 The auditors appointed as Auditors of the Scheme shall have the qualifications specified by the rules of the Commission including the CIS Code, and if (i) they cease to possess such qualifications and/or (ii) the Commission withdraws its approval regarding such Auditors, they shall retire from the office of Auditors when the Commission requires them so to do."
- 18.6 The Managers shall file with the Commission and the Trustee a copy of the Trust's annual report and audited financial statements within four (4) months of the end of the Accounting Period for each year."
22. Clause 20.5 of the Trust Deed is hereby deleted in the entirety and the following new clause be inserted in substitution thereof:
- "20.5 The Trustee, the Managers and their Connected Persons shall disclose their interest, when making investment decisions in securities of companies or other asset classes in which they have a material interest and whenever any business in which they have a material interest is being discussed at any meeting of the Scheme. Such interest shall be disclosed in the annual report of the Scheme."
23. Clause 21.1(i) of the Trust Deed is hereby deleted in the entirety and the following new clause be inserted in substitution thereof:
- "(i) The Trustee shall be entitled to a remuneration not exceeding Zero Decimal One Three Percent (0.13%) per annum of the value of the Deposited Property payable quarterly in arrears or such other higher percentage as may be fixed by agreement with the Managers supplemental hereto with the prior approval of the Commission and sanctioned by an Extraordinary Resolution of the Unit Holders."
24. Clause 21.1(ii) of the Trust Deed is hereby deleted in the entirety and the following new clause be inserted in substitution thereof:



- “(ii) The Trustee shall be entitled to an additional fee of Sri Lanka Rupees Twenty Thousand (LKR 20,000/-) per month as a custodian fee for custodial activities in connection with the Trust.”

25. Clause 21.3 of the Trust Deed is hereby modified by the deletion of the words “management or trusteeship of the Trust” in the 2<sup>nd</sup> line immediately after the words “in connection with the” and the insertion of the words “management, trusteeship or custodianship of the Scheme” in lieu thereof so that the modified Clause 21.3 shall accordingly be read as follows:

“21.3 The Managers shall be responsible for the payment of all expenses incurred from time to time in connection with the management, trusteeship or custodianship of the Scheme, except such expenses as are expressly authorised hereunder to be payable out of the Deposited Property.”

26. Clause 21.4 of the Trust Deed is hereby deleted in the entirety and the following new clause be inserted in substitution thereof:

“21.4 In consideration of the foregoing and save as aforesaid, neither the Trustee nor the Managers shall make any charge against the Holders or against the Deposited Property or against any distribution for their services or for their normal expenses hereunder with the exception of:

- (i) costs of dealing in the Deposited Property, all professional fees (including disbursements) in connection with matters pertaining to the affairs of the Scheme, including but not limited to the costs of printing and distributing dividend warrants, Certificates and accounts and reports of the Scheme;
- (ii) taxes and duties payable in respect of the Deposited Property and/or the issue of Units and/or transaction receipts (if any) as well as any taxes and/or other duties payable on this Trust Deed or in connection with or arising from the establishment, execution, management or termination of the Scheme;
- (iii) any costs, including legal costs, incurred or to be incurred (a) in the preparation or modification of the Trust Deed and any documents related thereto, (b) in the preparation and bringing into effect any amendments and/or supplements to the Trust Deed and any documents related thereto, (c) on the behalf of the Holders of a Unit/s of the Scheme and/or (d) in safeguarding the Deposited Property, including all expenses incurred by the Trustee in effecting registration or safe custody of the documents of title to all investments held upon the trusts of the Scheme;
- (iv) any costs incurred in respect of (a) a meeting/s of Unit Holders, in preparing, publishing and/or sending communications to the Holders of Units of the Scheme and/or (b) the publication of prices of Units and in respect of the



publication and distribution of the Scheme, this Key Investor Information Document or the Trust Deed, annual and interim reports and accounts;

- (v) the audit fees and any expenses of the auditor, tax consultancy fees and any expenses of the tax consultant and expenses incurred in preparing any special reports required by the Commission and/or any other regulatory authority;
- (vi) licensing fees imposed by the Commission and all costs incurred to enable the Trust Scheme to comply with all legislation and/or other official requirements;
- (vii) all direct and indirect taxes that are required to be charged to the Deposited Property as imposed by the Government from time to time;
- (viii) interest on borrowing permitted under the Scheme and charges incurred in effecting or varying the terms of such borrowings;
- (ix) the costs incurred in respect of the distribution of income to Holders; and
- (x) any and all other charges or fees expressly authorised by this Trust Deed or by law;

any and all of which may be discharged out of the Deposited Property, provided that adequate disclosure of such expenses is provided to the Holders.”

27. The Trust Deed is hereby amended by insertion of the following new clause numbered as Clause 25.5 with the existing Clauses 25.5, 25.6 and 25.7 being renumbered as Clauses 25.6, 25.7 and 25.8:

“25.5 The Commission may, where it is satisfied that the Trustee has acted in contravention of this Trust Deed, the Key Investor Information Document, any provision of the Act, provisions contained in the CIS Code (including the provisions applicable to custodians and custodial services) and any rules and directive issued by the Commission or is guilty of malpractice or irregularity in the management of the affairs of the Scheme, remove the Trustee provided a new Trustee who has been approved by the Commission is appointed simultaneously.”

28. The Trust Deed is hereby amended by the insertion of the following new clauses numbered as Clauses 25.9 and 25.10 after the Clause 25.8 renumbered as above:

“25.9 The Trustee shall also act as the custodian of the Scheme. The functions of the Trustee, as the custodian of the Scheme, shall be as set forth in Rule 24 of the CIS Code, which functions shall include, without limitation, hold and deal with the assets of the Scheme in accordance with the Key Investor Information Document, provisions contained in this Trust Deed, the provisions contained in CIS Code, the provisions contained in the Act, rules and directives issued by the Commission from time to time and in a manner



that promotes the best interests of the Holders. The provisions of this Trust Deed that specifically relate to the functions that set forth in the said Rule 24 of the CIS Code, shall constitute the written agreement between the Managers and the custodian of the Scheme for the purpose of Rule 25(1) of the CIS Code.

- 25.10 The Trustee shall, so long as it remains as the trustee of the Scheme, continue as the custodian of the Scheme and the Trustee's custodianship in the Scheme shall automatically cease when it ceases to be the trustee of the Scheme. The new Trustee appointed as the trustee of the Scheme to replace the Trustee shall also be appointed as the custodian of the Scheme, simultaneously with its appointment as the trustee of the Scheme."
29. The Trust Deed is hereby amended by the insertion of the following new clause numbered as Clause 26.1 with the existing Clauses 26.1, 26.2 and 26.3 being renumbered as Clauses 26.2, 26.3 and 26.4:

"26.1 The services of the Managers shall not be terminated until a new Manager which has been licensed by the Commission, has been appointed by the Trustee with the approval of the Commission and written notice of the termination and appointment of the new Manager has been sent to the Holders. The termination shall take effect at the same time as the new Manager takes office."

30. Clause 26.2 of the Trust Deed renumbered as above is hereby deleted in the entirety and the following new clause be inserted in substitution thereof:

"26.2 Notwithstanding the provisions of Clause 26.1 above, the services of the Managers for the time being may be terminated by the Trustee by notice in writing given by the Trustee, with the approval of the Commission, to the Managers in any of the following events:

- (i) If winding up proceedings of the Manager have commenced.
- (ii) If the Trustee is, for good and sufficient reason, of the opinion that a change of Managers is desirable in the interests of the Holders and states so in writing to the Managers.
- (iii) If the Holders representing at least seventy-five per centum (75%) of the total Units in issue (excluding those held by the Manager) deliver to the Trustee or the Commission, as the case may be, a written request that the Manager be removed.
- (iv) If the licence issued to the Manager by the Commission has been suspended or cancelled.
- (v) If the Manager has failed to renew its licence granted by the Commission.

- (vi) If the Manager has violated any provision of the Act, the provisions of the CIS Code and rules and directives issued by the Commission.

In any of the cases aforesaid, the Managers for the time being shall, upon receipt of such notice by the Trustee as aforesaid and subject as in paragraph (ii) above provided, *ipso facto* cease to be the Managers, and the Trustee shall by writing under its seal immediately appoint another company incorporated in Sri Lanka and approved by the Commission to be the Managers of the Scheme upon and subject to such company entering into such deed or deeds as the Trustee 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 Managers during the remainder of the period of the Scheme. This provision shall not prejudice the right of the Trustee herein contained to terminate the Scheme in any of the events, in which in accordance with the provisions herein contained the right of terminating the Scheme is vested in the Trustee.”

31. The Trust Deed is hereby amended by the insertion of the words “Subject to Clause 26.1 above” to Clause 26.3 as renumbered above to read as follows:

“26.3 Subject to Clause 26.1 above, the Managers shall have the power to retire in favour of another company incorporated in Sri Lanka approved in writing by the Trustee and any relevant statutory authority, upon and subject to the fulfilment of the following conditions:-

- (i) The retiring Managers shall, under the seal of the retiring Managers, appoint such company by writing as Managers of the Trust on their behalf and assign to such appointees all their rights and duties as such Managers.
- (ii) Such company shall enter into such deed or deeds as are mentioned in Clause 27.1 below.
- (iii) Upon payment to the Trustee of all sums due by the retiring Managers to the Trustee hereunder at the date of such retirement, the retiring Managers shall be absolved and released from all further obligations hereunder but without prejudice to the rights of the Trustee or of any Holder or other person in respect of any act or omission on the part of the retiring Managers prior to such retirement, and the new Managers 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 Managers hereunder as fully as though such new Managers had been originally a party hereto.”

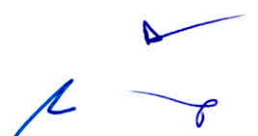
32. Clause 27.9 of the Trust Deed is hereby deleted in the entirety and the following new clause be inserted in substitution thereof:



- “27.9 Borrowings cannot be used to leverage investment returns. Further, leveraging by borrowing against investments or buying on margin by the Trustee and/or the Managers are prohibited, except in case of investments with determinable future maturity dates, with the approval of the Commission.”
33. Clause 28.1 of the Trust Deed is hereby deleted in the entirety and the following new clause be inserted in substitution thereof:
- “28.1 The Managers covenant and undertake that they shall and will not, issue or publish or cause to be issued or published any edition of the Key Investor Information Document or advertisement inviting the public to invest in the Units of the Scheme unless such documents accord with the requirements of the CIS Code and the prior written approval of the Commission has been obtained for the contents of such Key Investor Information Document or advertisement and for its issue or publication.”
34. The Trust Deed is hereby amended by the insertion of the following new clause numbered as Clause 29.1(i) with the existing Clauses 29.1(i), 29.1 (ii), 29.1(iii) and 29.4(iv) being renumbered as Clauses 29.1(ii), 29.1 (iii), 29.1(iv) and 29.1(v):
- “(i) If the licence granted by the Commission to operate the Scheme is cancelled.”
35. The Trust Deed is hereby amended by the insertion of the following new clauses numbered as Clauses 29.1(vi), 29.1(vii), 29.1(ix), 29.1(viii) and 29.1 (ix):
- “(vi) If the Holders representing at least seventy-five per centum (75%) of the total Units in issue (excluding those held by the Managers) pass an Extraordinary Resolution to terminate or wind up the Scheme.
- (vii) If the Managers and the Trustee are of the view that the value of the Deposited Property has fallen below an operationally viable level.
- (viii) If the Commission in consultation with the Trustee and the Managers has directed the Trustee to wind up the Scheme since the value of the Deposited Property has fallen below an operationally viable level; and
- (ix) If an order is made by a competent court for the termination or winding up of the Scheme.”
36. The provisions of the Schedule to the Trust Deed relating to the meetings of the Holders is hereby deleted in its entirety and replaced with the provisions set forth below:

**“SCHEDULE**  
**MEETINGS OF HOLDERS**

1. (a) *The Trustee and/or the Managers, respectively, may and the Managers at the*



*request in writing of the Holders of not less than Fifty Per centum (50%) of the Units at any time shall 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 Managers or the Trustee may, with concurrence of the respective other, at their discretion convene a meeting of Holders to transact any business.*
- 2. *The Trustee, the Managers and the Connected Persons shall disclose their interest whenever any business in which they have a material interest is being discussed at any meeting of the Holders. If at such a meeting any resolution is being passed by voting by proxy or otherwise and more than Fifty per centum (50%) of those present at such meeting object to the resolution so passed, such objection may be submitted in appeal to the Commission whose decision shall be final.*
- 3. *A meeting of the Holders may, at the discretion of the Managers, be held either—*
  - (a) *by a number of Holders who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or*
  - (b) *by means of audio, or audio and visual communication through an electronic platform and/or application specified by the Managers by which all Holders participating and constituting a quorum, can simultaneously hear each other throughout the meeting.*
- 4. *A meeting of the Holders shall be convened:*
  - (a) *by giving at least Seven (07) 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; or*
  - (b) *by publishing at least Fourteen (14) 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 date of the proposed meeting, a notice of the meeting in all three languages (Sinhala, Tamil and English) in a daily newspaper circulating generally in Sri Lanka.*

*Such notice shall specify the place, day and hour of the meeting and the terms of any resolution to be proposed thereat.*

- 5. *Such a meeting shall be held at the time specified in the notice, being not later than Two (02) months after the giving of notice and in accordance with the provisions of any applicable statute.*



6. *At any meeting not less than twenty-five (25) Holders 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.*
- (i) *The chairman of the board of directors of the Trustee shall preside as chairman at every meeting or adjourned meeting of the Holders. If there be no such Chairman of the board of directors of the Trustee or if at any meeting he be not present within Five (05) minutes after the time appointed for the holding of the meeting or be unwilling to act, then the chairman of the board of directors of the Managers shall preside as chairman of the meeting. If there should also be no such Chairman of the board of directors of the Managers at any meeting and he also is not present within a further Five (05) minutes after the first period of Five (05) minutes referred to above or is unwilling to act, then the Holders present shall choose one of their number to be the chairman of the meeting; provided further that at meetings where the Managers or the Trustee are 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" shall, in this Schedule hereafter, mean the chairman of the meeting, where the context so requires or admits.*
7. *If within an hour from the time appointed for a meeting a quorum is not present, the meeting shall (i) if convened upon the requisition of the Holders, be dissolved, and (ii) in any other case, stand adjourned to such day and time not being less than Fifteen (15) days thereafter and to such place in Colombo as may be appointed by the Chairman; and at such adjourned meeting the Holders present in person or by proxy shall be a quorum for the transaction of business including the passing of Extraordinary Resolutions. At least Five (05) 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. *The Chairman (i) may with the consent of any meeting at which a quorum is present and (ii) 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.*
9. *At any meeting, a 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 (i) the Chairman or (ii) not less than two (2) Holders present in person or by proxy or (iii) the Trustee. A demand by a proxy is deemed to be a demand by the Holder appointing the proxy. The Chairman shall exercise his power*

*to demand a poll if requested to do so by the Managers. A demand for a poll may be withdrawn at any time.*

*Notwithstanding any provision to the contrary contained herein, in the case of any meeting of the Holders held by means of audio, or audio and visual communication through an electronic platform and/or application specified by the Managers as referred to in Paragraph 3(i) above, voting shall, unless a poll is demanded as aforesaid be by Holders signifying individually their assent or dissent by voice or any other electronic platform and/or application available to express and record such assent or dissent.*

- 10. Unless a poll is so demanded and the demand be not withdrawn, a declaration by the Chairman that a resolution has been lost or carried unanimously or by a simple majority or by a particular majority of the Holders present and voting 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.*
- 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. 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 vote/s of the other joint Holder/s.*
- 16. 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 may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman 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. On a poll, every Holder who is present in person or by proxy or by attorney duly authorised by a*



*Power of Attorney deposited with the Trustee or the Managers, as may be directed, shall have one (1) vote for every Unit of which he or it is registered as the Holder.*

17. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing. A person appointed to act as proxy need not be a Holder. The instrument need not be witnessed.*
18. *Any corporation which is a Holder in the Scheme may by resolution of the directors or other governing body of such corporation and in respect of any Unit or Units in the Scheme 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. 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.*
19. *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 (i) the Trustee or (ii) the Managers with the approval of the Trustee may in the notice convening the meeting direct or, if no such place is appointed, then at the Registered Office of the Managers 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 case of a default the instrument of proxy shall not be treated as valid. The instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates. 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.*
20. *An instrument of proxy shall be in writing and may be in the following form or in any other form which the Manager shall approve:*
- "I.....of .....being a Holder of Units numbered ..... of and in the Unit Trust known as [ ] hereby appoint ..... of ..... as my proxy to vote for me and on my behalf at the meeting of the Holders of Units of and in the said Unit Trust to be held on the ..... day of ..... 20... .. and at any adjournment thereof. In witness whereof I have set my hand hereunder this ..... day of .....20...."*
21. *A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the (i) previous death, bankruptcy or insanity of the principal, (ii) other transmission by operation of law of the title to the Units concerned or (iii)*

*revocation of the proxy or of the power of attorney or other authority under which the proxy was assigned or (iv) the transfer of the Units in respect of which the proxy was given, provided that no intimation in writing of such death, insanity, revocation or transfershall have been received at the place appointed for the deposit of proxies or, if no such place was appointed, at the Registered Office of the Managers at least two (2) hours before the commencement of the meeting or adjourned meeting at which the proxy is used.*

22. *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 Managers may in its absolute discretion upon or subject to production of such evidence of the appointment as the Managers 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.*
23. *The Register shall be closed for not more than Three (03) consecutive days terminating on the day of the meeting, and notice thereof shall be given by public advertisement as in the case of notices of all meetings.*
24. *Minutes of all resolutions and proceedings at every meeting shall be made and duly entered into books from time to time to be provided for that purpose by the Managers at their expense, and any such minutes as aforesaid if purporting to be signed by the Chairman of the meeting shall be conclusive evidence of the matters therein stated until the contrary is proved, and 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.*
25. *Every resolution duly passed at a meeting shall be binding upon all Holders whether present or not present at the meeting, and each of the Holders and the Trustee and the Managers shall, subject to the provisions relating to indemnity in this Trust Deed contained, be bound to give effect thereto accordingly.*
26. *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 whose decision shall be final and conclusive.*
27. *The words and expressions appearing in this Schedule shall have the same meanings as are assigned to them in the Trust Deed constituting the Scheme of which this Schedule is a part.”*



IN WITNESS WHEREOF two Directors of Capital Alliance Investments Limited and two Directors of Hatton National Bank PLC have set their respective hands hereunto and to one other of the same tenor at Colombo on this 22<sup>nd</sup> day of May Two Thousand and Twenty-Three.

The signatures of H. M. S. Perera)  
and K. P. Mannakkera)  
two Directors of **CAPITAL ALLIANCE** )  
**INVESTMENTS LIMITED** )  
were placed hereunto on this 22<sup>nd</sup> )  
day of May 2023 at Colombo )

CAPITAL ALLIANCE INVESTMENTS LIMITED

[Signature]  
Director

[Signature]  
Director

**Witnesses:**

1. Shekina Peiris - [Signature]
2. Cheryl Pasker [Signature]

The signatures of Tyrone Hannan)  
and Niroshan Chandrapalan)  
two Directors of **HATTON NATIONAL** )  
**BANK PLC** )  
were placed hereunto on this 24<sup>th</sup> )  
day of May 2023 at Colombo )



**Witnesses:**

1. Keerthana Sivapragasam [Signature]
2. Isuru Abeysundara I. S. Abeysundara