Assetline Gilt Edged Fund

Trust Deed

Between

Assetline Capital (Private) Limited

and

Deutsche Bank AG

TRUST DEED

THIS TRUST DEED is made between **ASSETLINE CAPITAL (PRIVATE) LIMITED** a Company duly incorporated in the Democratic Socialist Republic of Sri Lanka and having its registered office at No. 75, Hyde Park Corner, Colombo 02 and its principal place of business at No. 120, 120A, Pannipitiya Road, Battaramulla in the said Republic (hereinafter referred to as "the Managers") of the one part and **DEUTSCHE BANK AG** a banking company incorporated under the laws of the Federal Republic of Germany and having a place of business in Sri Lanka at No. 86, Galle Road, Colombo 03 (hereinafter referred to as "the Trustees") of the other part.

WHEREAS the Managers are desirous of establishing a Unit Trust named "**Assetline Gilt Edged 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.36 of 1987 and any amendments made thereto.

"**Accounting Date**" means in the case of any 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 March in each year, provided that the Managers 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 Unit Trust Code.

"**Authorized Investment**" means any Investments generally or specifically permitted by this Deed, the Unit Trust 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.

"**Cancellation Price**" is the sum the Trustees will pay out the Deposited Property on the cancellation of a unit.

"**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.36 of 1987 as amended.

"**Connected Person**" in relation to the Manager or Trustee means-

(a) any person, owning directly or indirectly, twenty per centum or more of the ordinary share capital of the trust company or the licensed managing company, or is able to exercise directly or indirectly a twenty per centum or more of the total votes in the trust company or the licensed managing company.

(b) a company, twenty per centum or more of whose ordinary capital is owned directly or indirectly, together by the trust company and the licensed managing company or twenty per centum or more of the total votes are exercised directly or indirectly by the trust company and the licensed managing company.

(c) a director or officer of trustee, or the licensed managing company of a unit trust or a company referred to in paragraph (b).

"**Dealing Day**" means a day on which subscription for Units and redemption of Units can be effected.

"**Deposited Property**" means all the assets (including cash and earnings on cash deposits) for the time being held or deemed to be held by the Trustee on behalf of the Unit Trust and subject to the provisions 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 Unit 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 Manager 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.

"**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.

"**Equalization Payment**" means (in relation to a Unit issued by the Managers), the amount deemed to have been paid by the Unit Holder for the capital sum deemed by the Manager to represent the amount included in an offer price of a Unit for the portion of net income accrued and capital gains realized up to the date upon which such Unit is deemed to have been issued and (in relation to a Unit redeemed by the Managers) the amount deemed to have been paid to the Unit holder for the capital sum deemed by the Manager to represent the amount included in a bid price of a Unit for the portion of net income accrued and capital gains realized upto the date upon which such Unit is deemed to have been redeemed.

"**Exit Fee**" means the portion of the proceeds from the redemption of an Unit which could be retained by the Managers equivalent to the difference between the Cancellation Price and the amount payable by the Managers to the Holder as the Redemption Price.

"**Explanatory Memorandum**" means the document issued by the Manager from time to time containing information with regard to a unit trust to invite offers from members of

the public to subscribe for or purchase units in the unit trust.

"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.

"Front End Fee" means the difference between the Issue Price of an Unit and the Offer Price which may be charged by the Managers in connection with an offer of an Unit for subscription which may be retained by the Managers.

"Fund" means the Unit Trust 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 Offer Period" means the initial period in which units are offered to the public and indicated in the Explanatory Memorandum of the Fund

"Investment Advisory Committee" or **"Panel"** means the committee/panel referred to in Clause 15.

"Investment" includes cash and Near Cash, treasury bills, bonds and any other Government of Sri Lanka ("Government") or Central Bank securities or securities guaranteed by the Government and Repurchase Agreements in relation to such bills, bonds and securities.

"Issue Price" is the sum the Trustees would require to be paid over to it, for inclusion in the Deposited property, in return for issuing a Unit.

"Licensed Specialized Banks" shall mean licensed specialized banks, licensed in terms of the Banking Act No 30 of 1988

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

"Managers" shall mean a managing company licensed by the Commission to operate a unit trust and for the purpose of this Deed shall be Assetline Capital (Private) Limited or any other person for the time being duly appointed as managers of the Trust in succession to Assetline Capital (Private) Limited under the provisions of Clause 26.

"Minimum Holding" means One Hundred (100) Units or such number as the Manager, 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 less the amounts deductible in terms of Clauses 21.1, 21.2, 21.4 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 or investments in or repurchase agreements for maturities less than 3 months of treasury bills, bonds and any other Government of Sri Lanka ("Government") or Central Bank securities or securities guaranteed by the Government which can be readily convertible into cash.

"Offer Price" is the Issue Price of an Unit plus any Front End Fee (if applicable) which may be charged by the Managers for the issue of an Unit.

"Redemption" means the purchase of Units from the Holders by the Manager as principal and 'redeem' shall be construed accordingly.

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

"Redemption Price" is the Cancellation Price of an Unit minus any Exit Fee (if applicable) which may be charged by the Managers for the redemption of an Unit.

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

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

"Scripless Unit" means a unit issued in the form of entries in the records of the Managers and not embodied in or represented by a certificate.

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

Trust" 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 " Assetline Gilt Edged Fund" or such other name as the Trustees and the Managers may mutually agree upon from time to time.

"Trustees" means the Deutsche Bank AG or such other person or persons for the time being duly appointed trustee or trustees hereof in succession to the Deutsche Bank A.G 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.

"Unit Trust Code" means the Unit Trust Code of 2011 framed by the Commission under the Act and any other amendments or modifications or substitutions made thereto.

"Value" means with reference to:

(i) an Investment in treasury bonds, treasury bills, Central Bank securities and other Government guaranteed securities means the mark to market value in accordance with any directives issued by the Commission. .

(ii) an Investment in Repurchase agreements based on Government securities or Central Bank securities shall be valued at the principal sum invested plus all accrued interest arising thereon in accordance with any directives issued by the Commission.

Provided however that the 'Value' shall at all times be computed in accordance with any directions given by the Commission and the guidelines issued by the Unit Trust Association of Sri Lanka

"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 there under shall if not inconsistent with the subject or context bear the same meaning in this Trust Deed.

2 DECLARATION OF TRUST

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 on the directions of the Managers 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 Managers and the Trustees. A Transaction Receipt (i) shall be dated and (ii) bear the names and addresses of the Managers 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 Managers with the approval of the Trustees.

3.3 Every fraction of a Unit shall rank pari passu proportionately with a Unit, save that the provisions relating to transfer of Units contained in the proviso to 8.1 (i) shall not apply to fractions of a Unit, but the Holder thereof may at any time sell the same to the Managers pursuant to Clause 13.

3.4 Transaction Receipts shall be computer generated in such form as the Managers 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 ordinary post or in electronic form.

3.6 In the case of Units held jointly by several persons, the Manager 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 Managers) 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 Managers, every Holder shall be entitled to exchange any or all of his Transaction Receipts for one or more Transaction Receipts of such denominations as he may require representing the same aggregate number of Units. Before any such exchange as aforesaid is carried out, the Holder shall request the same from the Managers in writing, produce a valid form of identification and pay to the Managers all moneys (if any) payable hereunder.

3.9 In case any Transaction Receipt to the satisfaction of the Manager has become mutilated or defaced, the Managers may issue to the person entitled upon notice in writing to the Managers 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 Managers may issue to the person entitled, a new Transaction Receipt in lieu thereof, upon a written request to the Managers. No such new Transaction Receipt shall be issued unless the applicant shall previously have (i) furnished to the Managers evidence satisfactory to them of the identity of the Unit Holder (ii) paid all expenses incurred in connection with the investigation of the facts, (iii) (if so required by the Managers and/or the Trustees so to do) furnished to the Managers and/or the Trustees such indemnity as may have been requested by them and neither the Managers 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 Managers 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 Managers 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 Managers respectively to do all such acts and things as this Trust Deed or any such supplemental deed may require the Trustees or the Managers (as the case may be) to do.

4.2. The Manager shall make available a copy of this Trust Deed and of any supplemental deed for inspection free of charge at the offices of the Managers 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 Managers may from time to time agree) to be retained by the Managers.

5 TRUSTS AND EQUITIES

The Holder shall be the only person to be recognized by the Trustees or by the Managers 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 Managers 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 Managers shall have any rights against the Trustees except during the period in which Units are registered in his name.

6 MANAGER AS HOLDER

6.1 Nothing herein contained shall prevent the Managers 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 Managers 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 Managers 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 Managers at its principal place of business in the Republic of Sri Lanka and the Managers shall take all reasonable steps and exercise due diligence to ensure that the information contained in the register is at all times complete and up to date.. 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 Manager is housed. The Manager shall inform the Trustee and the Commission in writing the address at which the Register, duplicate register or the backup copy is kept.
There shall be entered in the Register:-

(i) the full name and address of each Holder, provided that the Managers shall not be obliged to register more than two persons as joint Holders except in any case or cases otherwise decided upon by the Managers 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 this 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 Managers, who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name written instructions to the Managers requesting the change of name and the payment of the fee and sum

provided by Clause 3.10) as the Managers 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 Managers 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 Managers 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 Managers within a reasonable time.

7.4 The Register may be closed at such times and for such periods as the Managers 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.

8 TRANSFER

8.1 Every Holder shall be entitled to transfer Units, (but not fraction of a Unit) held by him by an instrument in writing in any usual or common form or in such other form as the Managers 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) 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 who 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.

(iii) Every instrument of transfer must be duly stamped (if so required) and left with the Managers 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 Managers 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.

(iv) No fee will be levied (which the Trustees and the Managers may from time to time revise) / charged by the Managers 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 Managers. Such fee if charged by the Managers, shall be paid before the registration of the transfer

(v) 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 Managers 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 In case of the death of any one of joint Holders, the survivor or survivors shall be the only persons recognized by the Managers 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 Manager may require.

9.2 The executors or administrators or person 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 Managers and the Trustees as having any title or any interest in Units held by such deceased Holder.

9.3 (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 Managers and the Trustees shall think sufficient, either be registered himself as Holder of such Unit upon giving to the Managers 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 Managers 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 unit Holder, where the value of the unit holding is below the administrable value and there are several heirs, the Manager and Trustee will follow the rulings of a court of law, made on the estate of the deceased.

9.4 In respect of the registration of any Probate, Letters of Administration, Power of Attorney, Marriage or Death Certificate, Judgement or Order of Court, Deed Poll or other document relating to or affecting the title to any Unit, there shall be paid to the Managers a fee of Rupees One Hundred (Rs.100/=) (or such other amount as the Trustees and the Managers may from time to time agree and any other duties and charges if any).

9.5 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 VALUING 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 Manager 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) i) where Investments have been agreed to be purchased but such purchase has not been completed such purchase 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 sale 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 quoted 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 reduction of the Trust by the cancellation of Units has been given by the Managers to the Trustees 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;

(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 Issue Price (a price per Unit of an amount to be determined by the Managers and Trustees) and on such terms and conditions as the Managers 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 Managers in consultation with the Trustees. The proceeds of the offer shall be paid to the Trustees and shall thereupon constitute the Deposited Property.

12 ISSUE OF UNITS

12.1 The Managers shall have the exclusive right to effect for account of the Trust, the creation and issue of Units. PROVIDED THAT the Managers shall not be bound to accept any initial application for Units having a value of less than

Rupees One Thousand (Rs. 1,000/-) or such other sum as may be determined by the Managers 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 Managers. The Managers 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 Offer Price at which any subsequent issue of Units for cash shall be effected shall be the Net Asset Value as at the close of business on the date of issue thereof and adding thereto, such sum as the Managers may consider represent the appropriate provision for Duties and Charges and dividing the same by the number of Units in issue and deemed to be in issue on that date and adding thereto any Front End Fee (if applicable), and adjusting the resulting quotient upward to the nearest one cent (Rs. 0.01) per Unit, which may be retained by the Managers with the approval of the Trustees.

(ii) In the event that the Trustees determine at any time (after consultation with the Managers 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 the Offer Price based on the Net Asset Value as described in the preceding paragraph, then the Trustees shall instruct the Managers either to substitute such Value with the latest available Value or to adjust the issue price within the limits permitted by this Trust Deed, the Trustees may instruct the Managers temporarily to suspend the issue of Units during any period of consultation or adjustment arising from the provisions of this sub-clause.

(iii) In the event of arrangements being made by the Managers for the issue of Units for delivery in any country outside Sri Lanka the price at which such Units may be issued, may, at the discretion of the Manager, include as an addition to the Offer Price 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.

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 approval (if any) of the Controller of Exchange of the Central Bank or any other regulatory authority from whom any approval may be required.

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

12.4 Notwithstanding the preceding provisions of this Clause the Managers with the approval of the Trustees shall be entitled from time to time to make an invitation to the public to apply for Units at a fixed price (in this Clause referred to as "the fixed price") (being the price per Unit calculated in accordance with paragraph 12.2 of this Clause as at the third Business Day immediately preceding the date of publication of such offer) and for a period not exceeding seven (07) Business Days from the date of such publication. Any invitation to subscribe at the fixed price must name at least one newspaper in which the current Offer Price, calculated as above, has been published during the period of the offer. Units may be issued or sold at the fixed price whether pursuant to the public offer or not.

12.5 The Managers 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.

12.6 The Managers may, with the written consent of the Trustees suspend the issue of Units during

(a) the existence of any state of affairs which, in the opinion of the Managers, 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 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 Managers, be carried out in reasonable time. Such suspension shall take effect forthwith upon the declaration thereof by the Managers 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.

13 REDEMPTION / REALISATION OF UNITS

13.1 Subject to Clause 13.3, the Managers shall on a Redemption Date redeem from such Holder the Units (including any fraction of a Unit) comprised in his holding at a Redemption Price per Unit (and proportionately in respect of any fraction of a Unit) ascertained by determining the Net Asset Value as at the close of business on such a Redemption Date and deducting there from 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 dividing the same by the number of Units then in issue and deemed to be in issue and deducting there from any Exit Fee (if applicable), and by adjusting the resulting quotient downwards to the nearest cent (Rs 0.01). Provided that any Units so redeemed shall be cancelled by the Managers and the notice of such cancellation shall be deemed to have been issued on the day on which such redemption took place.

13.2 In relation to the provisions of Clause 13.1 the Redemption Price shall be payable to the Holder within Fourteen (14) Business Days after the Redemption Date on which the relevant Units are realized provided that where a Unit Holder wishes to redeem units which amount to three per centum (3%) or more of the Net Asset Value of the Fund, such Holder shall give the Manager at least fourteen (14) days written notice in advance of the intention to redeem.

13.3 Any moratorium which may at any time be applied to payments in respect of banking transactions shall apply equally to payments due from the Managers pursuant to this Clause.

13.4 Payment of Redemption proceeds will be made only to the Holder of the Units or in the case of a joint holding, the first named Holder, by bank cheque crossed in favour of the Unit Holder and dispatched by ordinary post within Seven (07) Business Days after the day on which the relevant units are redeemed.

14 INVESTMENT OF DEPOSITED PROPERTY / LIMITATION OF INVESTMENT

14.1 The Managers 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 Managers 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 Unit Trust Code and the Deed.

14.3 The Managers 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 Managers 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 Managers 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 Managers to deposit in place of any such property other property acceptable to the Trustees.

14.5 The Managers shall not make or grant loans out of the Deposited Property.

14.6 The Managers 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 Code as amended from time to time.

14.7 It shall not be necessary for the Managers 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 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 Near Cash.

Managers are precluded from making any investments in the following in terms of the Unit Trust 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;

(b) investment in any asset which involves the assumption of unlimited liability;

(c) 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; and

(d) 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 Manager.

14.9 (a) Subject to Sections 14.1, 14.2, 14.3, 14.4 & 14.5 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 Managers. 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 Managers (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 Managers may think fit be retained in cash or Near Cash with any commercial bank or financial institution and on such terms as the Managers may think fit.

(b) Investments comprised in the Deposited Property on ceasing to be Authorised Investments as hereinafter provided shall be realised by the Managers and the net proceeds of realisation shall be applied in accordance with the provisions of this Trust Deed but the Managers 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 Managers 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 form of asset.

15 INVESTMENT ADVISORY COMMITTEE / PANEL

15.1 The Managers may establish an Investment Advisory Panel ("Panel") to advise the Managers as to the investment of the Deposited Property. The members of the Panel shall be appointed and removed by the Managers. The Panel shall meet periodically and give its advice to the Managers on planning and formulating investment strategies.

15.2 The Managers may make such regulations for the conduct of the meetings of the Panel for fixing a quorum and for the appointment by the Managers of alternate Members of the Panel as the Managers 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 Managers 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 Managers and the Members of the Panel shall not incur any liability to the Holder merely by reason of the Trustees or the Managers having acted or having not acted upon the advice of the Panel.

16 DISTRIBUTIONS

16.1 The Managers 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 Managers 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.

16.3 All receipts deemed by the Managers, 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.

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 Managers 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 and all such other receipts deemed by the Managers after consulting the Auditors to be in the nature of income and by making such permitted adjustments hereinafter mentioned as the Managers after consulting the Auditors may think fit and appropriate to the circumstances.

16.6 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 Managers 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 Managers and the Auditors are properly payable out of income.

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

16.8 In the event that a distribution is made the Managers 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 Managers. The Trustees and the Managers 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.

16.9 Neither the Trustees nor the Managers 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.

16.10 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 Holders is a minor, the Managers shall reinvest such funds, less any charges if any in processing the transaction, in further Units at the Dividend Reinvestment Price prevalent on that date.

16.11 Every Holder will receive full payment of their dividend entitlement. 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 Managers reserve the right to reinvest the dividend in the same Fund namely " Assetline Gilt

Edged Fund" if the dividend amount is less than Rupees One Thousand (Rs. 1,000/-).

16.12 If any distribution is made in respect of an Accounting Period during which a Unit is issued and/or redeemed by the Managers (but not otherwise), then the first such distribution and (if appropriate) any subsequent distribution so made following the issue or redemption thereof shall be of the same net amount as the distribution to be made in respect of other Units but shall be or shall include a capital sum which (subject as hereinafter provided) shall be equal to the Equalization Payment in respect of such Units provided that such capital sum may if the Manager thinks fit and the Auditors so agree be a sum ascertained by dividing the aggregate of all such Equalization Payments relating to the relevant Accounting Period by the number of Units in respect of which such capital sums are payable.

17 PAYMENTS

17.1 Any money payable by the Managers 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 in Sri Lanka (at the cost and expense of the Holder) or by crossed cheque made payable to the order of such Holder and sent by registered 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 registered 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 Managers and the Trustees. Where an authority in writing in that behalf shall have been received by the Managers from the Holder or in the case of joint Holders from all of them in such form as the Managers shall consider sufficient the Managers 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 Managers may make such deductions as the Trustees or the Managers 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 Managers 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 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 Managers 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 Managers 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. The Managers shall prepare and pay for 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 financial year.

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 Unit Trust Code.

18.3 Any transaction between the unit trust and Managers or any connected person may only be made with the prior written consent of the Trustees. All such transactions shall be disclosed in the unit trust's annual report.

18.4 If the Managers, or any other person acting on its behalf or with its permission has :

(i) disposed of units at a price lower than the Issue Price then current, or;

(ii) acquired units at a price higher than the Cancellation Price then current;

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 Manager must maintain proper Accounts of the Trust and the Trustee must ensure that the Manager maintain proper Accounts of the Trust to ensure that the Trust is managed and administered in compliance with this 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 requirements of the Commission. 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 Unit Trust 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 Managers 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 21.4, the other fees and expenses of the Auditors shall be paid by the Managers.

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 Trustee or the Commission requires them to do so.

20 COVENANTS BY THE MANAGERS AND TRUSTEES

20.1 The Managers 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 (3) working days under normal circumstances after creation of Units any moneys which are payable hereunder by the Managers to the Trustees, provided however this time period could be varied in exceptional circumstances with the approval of the Trustees. The Managers 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 Managers 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 Managers 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 Managers ;

(a) make available to the Trustees, or any approved company auditor appointed by it, for inspection the whole of the books of the Managers whether kept at the registered office of the Managers 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;

(vii) appoint a designated Compliance Officer who will be responsible for ensuring that the Managers and its directors, officers and employees comply with the laws, rules, directives and Codes pertaining to the operation of the Trust, within 3 months of the signing of this Deed.

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 Managers within six (06) months of the signing of this Deed.

20.3 The Managers and the Trustees hereby covenant that no monies available for investment hereunder will be invested in or lent to the Managers or the Trustees or any connected person, except where the Trustee is also a Bank.

20.4 If an approved debt broker or dealer is under common control with the Managers or the Trustees, this fact shall be disclosed in the Explanatory Memorandum and to the Commission, any special commission or arrangement negotiated with such broker or dealer shall also be disclosed to and approved by the Commission.

20.5 The Trustees, the Managers and their connected parties 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 MANAGERS AND TRUSTEES

21.1 (i) The Management Fee shall be a sum not exceeding such percentage as is hereinafter mentioned of the Net Asset Value. The Management Fee 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 Managers 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 five percent (0.5% 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 sanctioned by Unit Holders by an Extraordinary Resolution at an extra ordinary meeting of the Holders duly convened and held pursuant to the provisions of the Schedule hereto. The Managers may from time to time by at least one (1) month notice in writing to the Trustees and all Unit 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 Managers who gave such notice in writing as aforesaid ceasing to be Managers of the Trust.

(iv) The Management Fee shall be payable out of the capital or income of the Deposited Property as the Managers in their discretion shall decide.

(v) The Management Fee shall be paid to the Managers 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 Managers

only the balance (if any) after all such payments discharges or provisions have been made.

21.2 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 legal expenses incurred in safeguarding the Deposited Property.

21.3 The Managers 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.

21.4 In consideration of the foregoing and save as aforesaid, neither the Trustees 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. 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 Unit Holders.

(a) Trustee and Custodian fees;

(b) Auditor's fees and expenses;

(c) Legal costs incurred on Unit Holder's behalf and costs incurred or to be incurred in the preparation and modification of the Trust Deed and all expenses necessarily incurred or to be incurred in the preparation of Supplemental Trust Deeds;

(d) Cost incurred to enable the Trust to comply with legislation or other official requirements;

(e) All professional fees incurred in connection with matters pertaining to the affairs of the Trust and all 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;

(f) All taxes and other duties payable or in connection with or arising from the establishment, execution, management or termination of the Trust;

(g) Any costs incurred in preparation and modifying the Trust Deed and the other documents in relation;

(h) All costs incurred by the Managers in communicating with the Unit Holders in general and include cost of producing and dispatching newsletters, periodicals, reports etc;

(i) The stamp duty payable on the issue of Transaction Receipts (if any);

(j) Cost of printing and distributing dividend warrants, Transaction Receipts and accounts and reports of the Trust;

(k) Costs incurred in respect of meeting of Unit holders subject to the Clause 30.2;

(l) Any licensing fees imposed by the Commission;

(m) Any other costs of dealing in the Deposited Property;

(n) All other charges or fees expressly authorized by this Trust Deed or by law;

Any or all of which may be discharged out of the Deposited Property.

Commissions paid to agents, shall not be paid out of the Deposited Property.

22 CONCERNING THE ADMINISTRATION OF THE TRUST

22.1 Neither,

(i) the Trustees nor

(ii) the Managers, (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 Managers 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 Connected Person of the Trustees and Managers 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 manager 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 Managers and/or any Connected Person may be or be interested in the Trustees or the Custodian or the Managers 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 Managers or any Connected Person from becoming the owner of Units and holding, disposing or otherwise dealing with the same rights which they would have had if neither the Trustees nor the Managers nor any connected person were a party to or a connected person for purposes of this Trust Deed and the Trustees and the Managers and any such connected 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 Manager or any Connected Person and the Trust shall be approved in writing by the Trustee.

22.3 No units shall at any time be quoted or sold by or for account of the Managers at a price higher than the Issue 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 Managers at a price lower than the Cancellation Price for the time being applicable to Units redeemed by the Managers pursuant to this Trust Deed. The Trustees shall not be responsible to verify the price of any such quotation or dealing, but the Managers shall justify such quotation or dealing if so requested by the Trustees at any time.

22.4 Neither the Trustees nor the Managers nor any connected person shall be liable to account either to any other or others of them or to the Holders or any of them for any profits or benefits made or derived by or in connection with any such transaction permitted as aforesaid.

22.5 Nothing herein contained shall be construed so as to prevent the Managers and the Trustees in conjunction or the Managers or the Trustees separately from acting as Managers or Trustees for trusts separate and distinct from the Trust. Provided, however, that the Managers shall not act as the Trustees of another trust and provided further that the Trustees shall not act as the Managers of another trust.

22.6 The Trustees and the Managers may accept as sufficient evidence of the value of any Investment, a certificate by a professionally recognized person.

22.7 Neither the Managers 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 Managers 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 Managers 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 Managers 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 Managers 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 Managers 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 Managers 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 Managers 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 Managers, 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 gross 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 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 Managers shall (subject as hereinafter provided) be entitled to destroy;

(i) all instruments of transfer which have been registered at any time after the expiration of six (6) years from the date of registration thereof,

(ii) all Transaction Receipts and distribution mandates which have been cancelled at any time after the expiration of three (3) years from the date of cancellation thereof,

(iii) all notifications of change of address after the expiration of three (3) years from the date of the recording thereof,

(iv) all forms of proxy in respect of any Meeting of Holders one (1) year from the date of the Meeting at which the same are used and,

(v) all registers and registered statements (excluding the register of Unit Holders) statements and other records and documents relating to the Trust at any time after the expiration of six (6) years after the end of a financial year.

Neither the Trustees nor the Managers 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 Managers 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 10 years from the date of the last entry thereon.

22.16 The Trustees and Managers 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.

23 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 Managers 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) All Investments under this trust shall be only registered under the name of the Trustees.

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 Managers. Whenever pursuant to any provision of this Trust Deed any certificate, notice direction, instruction or other communication is to be given by the Managers to the Trustees the Trustees may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Managers by any person whose signature the Trustees is for the time being authorized in writing by the Managers 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 market 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 Managers or any such persons acting as agents or advisor of the Managers.

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 gross neglect. In the absence of fraud or gross 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 of any power, authority or discretion vested in it.

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 Managers 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 Managers 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 which in its opinion would or might involve it in expense or liability unless the Managers 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 fraud or gross negligence in connection with its duties as Trustees under this Deed.

23.8 Subject as herein provided the Trustees shall be entitled for the purpose of indemnity against any action costs claims damages expenses or demands to which it may be put as Trustees to have recourse to the Deposited Property or any part thereof subject to the provisions of Rule 12 of the Unit Trust Code.

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 The Trustees shall not be responsible for verifying or checking any valuation of the Deposited Property or any calculation of the prices at which Units are to be issued or purchased by the Managers except as herein expressly provided

23.12 Where any trust property is registered in the name of a lender as security for a loan obtained by the Fund the Trustees shall be liable for any act or omission of the lender or his agent with respect to such property.

23.13 The Trustees shall, when required by the Commission deposit security guaranteeing against loss due to its fraud or gross negligence.

24 CONCERNING THE MANAGERS

24.1 The Managers 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 Managers 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 fraud or gross negligence the Managers 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 Managers from any liability imposed on it by law nor shall indemnify it against such liability at the expense of the Unit Holders.

24.3 Nothing herein shall prevent the Managers 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 Holder or any company or body any of whose shares or securities form part of the Deposited Property or from being interested in any such contract or transaction and the Managers shall not be in anywise 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 Managers thereby or in connection therewith. Notwithstanding the foregoing provisions the Managers must secure the Trustee's prior written approval for any transaction other than transactions with the Trustees by the Managers as principal with such Holder, company or body.

24.4 The Managers 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 Managers think fit (including the power to sub-delegate). PROVIDED always that the Managers 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 and the Managers shall be liable for the remuneration or fees payable to such person, firm or body corporate.

25 APPOINTMENT, RETIREMENT AND REMOVAL OF TRUSTEES

25.1 Deutsche Bank AG, Colombo Branch, 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. In the event of the Trustees desiring to retire it shall give notice in writing to that effect to the Managers and the Managers (or in default the Trustees) may by deed supplemental hereto under the seal of the Managers 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 a receiver of its undertaking is appointed the Managers 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 Managers.

25.5 A new Trustee may not be appointed without the approval of the Commission.

26 RETIREMENT AND REMOVAL OF MANAGERS

26.1 The Managers for the time being shall be subject to removal by notice in writing

given by the Trustees to the Managers with the approval of the Commission in any of the following events:-

(i) if the Managers 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 Managers or any part thereof;

(ii) if for good and sufficient reason the Trustees are of the opinion and so state in writing to the Managers that a change of Managers is desirable in the interests of the Holders and the Commission approves the same after a due inquiry as per the Unit Trust Code;

(iii) if the Holders resolve pursuant to Clause 30 that the Managers be removed.

In any of the cases aforesaid the Managers 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 Managers, and the Trustees shall by writing under its Seal immediately appoint another company incorporated in Sri Lanka and approved by Commission to be the Managers 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 Managers 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 Managers 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 Managers shall appoint such company by writing under the Seal of the retiring Managers as Managers of the Trust 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 26.1.

(iii) Upon payment to the Trustees of all sums due by the retiring Managers to the Trustees 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 Trustees 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.

26.3 Upon any removal or retirement the removed or retiring Managers 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 Trustees may at any time at the request of the Managers borrow for the purpose of meeting any redemption request, in accordance with the provisions set out hereinafter, the Unit Trust 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 Managers 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.

27.2 The Trustee may with the consent of the Managers, mortgage, charge or pledge in any manner not exceeding fifteen percent (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 Managers who shall promptly effect such sales of Investments as may be necessary to enable such repayment to be effected in due time.

27.3 Any interest on any such borrowing and any expenses incurred in negotiating, entering into, varying and carrying into effect, with or without variation, and terminating such borrowings shall be payable out of the Deposited Property.

27.4 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.

27.5 If any arrangements for borrowing pursuant to this clause are made with the Managers or the Trustees, the Managers or the Trustees (as the case may be) may retain any benefits arising therefrom.

27.6 Where the Deposited Property or any part thereof is registered in the name of a lender as security for a loan obtained by the Managers, the Trustees shall be liable for any act or omission of the lender or his agent with respect to such property.

27.7 Where borrowing is undertaken for the account of the Trust, assets forming part of the Deposited Property may be registered in the lender's name or in that of a nominee appointed by the lender, provided that the lender or its nominee 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.

27.8 Leveraging by borrowing against investments or buying on margin by the Trustees or Managers are prohibited, except in case of investments with determinable future maturity dates, with the approval of the Commission.

28 ADVERTISEMENTS

28.1 The Managers covenant and undertake that it shall and will not without the prior written approval of the Trustees publish, issue, circulate, or cause to be published issued or circulated any edition of the Explanatory Memorandum, 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. Provided further that any such communication shall also be filed with the Commission at least five (5) days prior to such publication. Direct or indirect offer or sell any units in a unit trust to the public or supply an application form to purchase such units shall not be done unless a copy of the latest Explanatory Memorandum, which has been approved by the Commission, has been made available to prospective investors.

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 Managers 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 Managers 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 Managers 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 Managers or any part thereof and an alternate Manager cannot be found.

(ii) If, on the expiration of Three (03) months after notifying the Managers that in the Trustee's opinion a change of Managers is desirable, the Trustees have not found another company ready to accept the office of Managers 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.

29.2 Either the Trustees or the Managers may by not less than three (03) 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 (03) 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 the 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 Managers 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 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 therefrom 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 State or by this Trust Deed or otherwise have the following powers exercisable by Extraordinary Resolution only namely:-

(i) to remove the Managers 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 Managers 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 Managers.

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 Managers 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 Managers 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 the Trustees shall prior to such modification, alteration or addition 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 Managers from any responsibility to 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; 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 condition (a) or (b) and (c) is met, no modification, alteration or addition shall be made to the Trust Deed except by an Extraordinary Resolution of the Unit Holders. Where the Trust Deed has been altered or supplemented to comply with fiscal, statutory or other official requirements, Unit Holders must be notified immediately.

33 GOVERNING LAW

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

34 BASIS OF CALCULATION

Any calculations made under this Trust Deed should be calculated on the basis of actual number of days with an year being 365 days. (ie. actual/365 days)

35 SECRECY

The Trustees and the Managers and every director, officer or employee of the Trustees and Managers who are in any way engaged in the business of this Trust and all persons employed or engaged by the Trustees or Managers 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 Managers, or

(ii) by a competent 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 applicable law.

36 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 gross negligence on the part of the Trustees, its officers or agents.

37 INCORPORATION OF STATUTORY PROVISIONS AND REGULATIONS

All the provisions of the Act, the Unit Trust Code and regulations duly promulgated there under 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.

IN WITNESS WHEREOF the Directors of Assetline Capital (Private) Limited and the duly authorised representatives of Deutsche Bank AG have set their respective hands hereunto and to one other the same tenor at Colombo on this 11th day of June Two Thousand and Fourteen.

The Common Seal of Assetline Capital (Private) Limited was affixed hereto in the presence of Mr. D.M.R.K Dissanayake (Director) and Mr. S.D.R.B Ekanayake (Director) of the Company who do hereby attest the sealing thereof	ASSETLINE CAPITAL (PVT) LTD Director Director

Witnesses:

1. John Dimantha Kohombanwickramage
120, 120A, Pannipitiya Road,
Battaramulla
722940059V

2. Sajith Kanishka Kotandeniya
832990167V
120, 120A, Pannipitiya Road, Battaramulla

The duly appointed authorised signatories of)
Deutsche Bank AG, Colombo Branch)
Ruwanthi Fernando and Tyronne Hannan)
have set their respective hands hereto)

For and behalf of
DEUTSCHE BANK AG
COLOMBO BRANCH
Attorney Attorney

Witnesses:

1. Dilan Jesudasan
27/1, Cyana Road,
Narahenpita
841510337V

2. Mahendra Herath
44 School Lane
Nawala
756620813V

SCHEDULE

MEETINGS OF HOLDERS

1. (a) *The Trustees or the Managers shall at the request in writing of the Holders of not less than one-fifth 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 Manager or the Trustees with concurrence of the other may at its discretion convene a meeting of Holders to transact any business.*

2. *The Manager and the Trustees and their connected persons shall be entitled to receive notice to attend and vote in respect of their holding (if any) of Units at any such meeting provided that the Trustees and Managers and any connected person of either shall be prohibited from voting their own shares at, or forming a quorum for, a meeting at which the Trustees or Managers and their connected person have a material interest in the business to be transacted.*

3. *The Trustees, the Managers and the Connected Persons shall disclose their interest whenever in 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) *Any principal officer of the Trustee shall preside as chairman at every meeting or adjourned meeting of the Holders. If there be no such principal officer 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 Chief Executive Officer of the Managers shall preside as chairman of the meeting. If there also be no such Chief Executive Officer of the Managers 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 Managers 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 half 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 any resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or by one or more Holders present in person or by proxy registered as holding in the aggregate not less than one twentieth ($1/20^{th}$) of the number of units for the time being in issue. 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 chairmen 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. *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.

16. *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 Trustees or Managers as may be directed shall have one vote for every Unit of which he or it is 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 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.*

18. *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 Managers 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 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 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.*

19. *An instrument of proxy may be in the following form or in any other form which the Trustees shall approve:*

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

    As witness my hand this …… day of ……20….

20. *A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death 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 Managers before the commencement of the meeting or adjourned meeting at which the proxy is used.*

21. *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 notice of all meetings.*

22. *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 Managers 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.*

23. *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 Trustees and the*

Managers shall subject to the provisions relating to the indemnity in this Trust Deed contained be bound to give effect thereto accordingly.

24. *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.*