

## **Schedule D**

### **DEED OF A UNIT TRUST FUND**

In addition to the requirements under these Guidelines and the securities laws, the constitution of a deed for a fund must include provisions in relation to the creation of the fund or declaration of trust and contain at least the following:

- (1) Name of the fund;
- (2) Investment objective of the fund;
- (3) If the fund is a bond or fixed income fund referred to in Part 2, Schedule B – Appendix II of these Guidelines, the name of the foreign country, foreign government, government agency or supranational issuing or guaranteeing the debt securities or money market instruments;
- (4) If the fund has a limited duration, a statement to that effect;
- (5) Distribution policy, including the basis for the distribution or reinvestment of income;
- (6) Financial period of the fund;
- (7) Base currency of a fund (if classes of units are denominated in different currencies);
- (8) Unit holders' rights and extent of their liability, including their ability to take any action against the management company and trustee for any breach of their duties as set out in the CMSA and these Guidelines;
- (9) The appointment of a trustee and the management company of the fund;

- (10) If classes of units are issued, a provision specifying the classes, differences between the classes and rights attached to each class;
- (11) A statement that the deed–
  - (a) is binding on each unit holder as if it had been a party to it and that it is bound by its provisions;
  - (b) authorises and requires the management company and the trustee to do things required or permitted of them by terms of the deed; and
  - (c) is made and governed under the laws of Malaysia.
- (12) Management company
  - (a) Duties of the management company which are prescribed under the CMSA and these Guidelines;
  - (b) Circumstances, procedures and processes for retirement, removal and replacement of management company;
  - (c) The extent of the indemnity provided by the management company;
- (13) Trustee
  - (a) Duties of the trustee which are prescribed under the CMSA and the *Guidelines on the Registration and Conduct of Capital Market Services Providers*;
  - (b) Circumstances, procedures and processes for retirement, removal and replacement of trustee;

- (14) Auditor

Circumstances, procedures and processes for the appointment, retirement, removal and replacement of the auditor of the fund;
- (15) Investments of the fund
  - (a) Permitted investments;
  - (b) Limits and restrictions, including limits on borrowings or financing facilities of the fund;
  - (c) Full particulars on circumstances in which, and methods by which, all or any of the investments may be varied;
- (16) Valuation and pricing
  - (a) Basis for the valuation and the pricing policy for the fund; and
  - (b) the method of pricing and the circumstances under which it can change.
- (17) Fees and expenses
  - (a) Particulars of the remuneration of the management company and trustee, respectively;
  - (b) Other expenses payable out of the fund; and
  - (c) Any increase in the maximum rates in the deed may only be made by way of a supplementary deed and in accordance with the requirements of the CMSA:
- (18) Meeting of unit holders
  - (a) Circumstances under which the meetings are to be held;

- (b) Provisions on the manner in which meetings are conducted, including the manner in which votes may be given at a meeting of unit holders;
- (19) Termination of a fund
- (a) Circumstances under which the fund can be terminated;
  - (b) Procedures and processes for termination of the fund;
- (20) Other provisions
- (a) Provisions in relation to the creation of the fund or declaration of trust, which also sets out full particulars of the trust, including precise information as to the circumstances in which the money, securities, investments and properties subject to the fund are or will be vested in that trustee, and the duties and obligations of the trustee;
  - (b) Provisions in relation to the creation and cancellation of units of the fund;
  - (c) Full particulars on the provision to be made for investments in assets which depreciates in value, including the source from which the replacement is to be made or from which the cost of replacement is to be met. If no provision is made, a statement to that fact must be clearly stated;
  - (d) Where the deed requires, or confers a right on, unit holders to enter into an agreement in connection with the unit trust fund, a provision incorporating, the terms and conditions of that agreement;
  - (e) A declaration that unless the conditions of issue of any unit expressly provide that a certificate not be issued, a certificate must be issued by the trustee to a purchaser of

any unit purchased or subscribed for, not more than two months after the issue of the unit;

- (f) Specific provisions whereby the management company undertakes to keep and maintain an up-to-date register of unit holders and to make that register available for inspection, free of charge, to any unit holder at any time during ordinary business hours of the management company;
- (g) Provisions in relation to circumstances under which the dealing in units can be deferred or suspended;
- (h) Provisions for the full particulars on the conditions governing the transfer of any unit to which the deed relates;
- (i) Provisions governing the modification of the deed;
- (j) A statement to the effect that the provisions in the deed shall in no way be construed as derogating from or limiting any of the requirements of the CMSA, these Guidelines and relevant laws; and
- (k) A statement to the effect that the requirements of the CMSA, these Guidelines and relevant laws shall prevail in the event any conflict or inconsistencies between provisions in the deed and the requirements of the CMSA, these Guidelines and relevant laws.