

# ASTRUE MONEY MARKET FUND

KEY INVESTOR INFORMATION DOCUMENT (KIID)

04<sup>th</sup> March 2024

Trustee and Custodian of the Fund

**Hatton National Bank PLC**

Managers to the Fund



**Asset Trust Management (Pvt) Ltd**

32, Dudley Senanayake Mawatha (Castle Street), Colombo 08, Sri Lanka  
Licensed by the Securities & Exchange Commission of Sri Lanka

Tel: 0112689822, 0112680536 | Fax: 0112682015

Email: [info@atml.lk](mailto:info@atml.lk)



Fund Highlights	
<b>Fund Type</b>	
Name of the Fund	ASTRUE Money Market Fund
Nature of the Fund	Open Ended - Money Market Scheme
Investment Objective	Maintain the net asset value (NAV) of the Scheme either constant at par (net of earnings) or at the value of the Unit Holder's initial capital plus earnings, and providing higher liquidity to unit holders by investing in investment grade (issuer or instrument rated not less than BBB-) money market securities.
<b>Asset Classes</b>	
<ul style="list-style-type: none"> <li>Treasury bills and repurchase agreements on government securities with a maturity of less than 397 days.</li> <li>Treasury bonds with a remaining term to maturity of less than 397 days.</li> <li>Deposits with banks and finance companies licensed by the Central Bank of Sri Lanka which has a rating of not less than BBB-, with a maturity of less than 397 days.</li> <li>Commercial papers issued by listed or rated corporate entities which have either an issuer rating or instrument rating of not less than BBB-, with a maturity of less than 397 days.</li> </ul>	<ul style="list-style-type: none"> <li>Listed corporate debentures which have either an issuer rating or instrument rating of not less than BBB-, with a remaining term to maturity of less than 397 days.</li> <li>Asset-backed securities issued by a listed or rated corporate entity which have either an issuer rating or instrument rating of not less than BBB-, with a remaining maturity of less than 397 days.</li> <li>Repurchase agreements on listed corporate debt securities and unlisted short term corporate debt securities, such as commercial papers and asset back securities which have either an issuer rating or instrument rating of not less than BBB-, where such agreements can have a maximum tenure of 91 days. No rollovers are permitted beyond 91 days.</li> </ul>
<b>Dealing Information</b>	
Launch date	03 <sup>rd</sup> April 2024
Initial Offer Price	Rs.10/- per unit
Initial Issue Period	11 <sup>th</sup> March 2024 – 02 <sup>nd</sup> April 2024
Minimum Investment	Rs.10,000/- and in multiples of Rs.1,000/- thereafter
Valuation	Daily
Currency denomination	Sri Lanka Rupees
Income Distribution	Annually at the discretion of the Manager
<b>Fees Payable by the Unit holder</b>	
Front – End Fee	Nil
Exit Fee	Nil
<b>Fees Payable by the Fund</b>	
Management Fees	0.65% p.a. on the Net Asset Value of the fund
Trustee Fees	0.15% p.a. on the Net Asset Value of the fund
Custodian Fees	Rs.20,000/- per month
<b>Tax</b>	
Tax Payable by the Fund	A Collective Investment Scheme (“Scheme”) that conducts eligible investment business is treated as a ‘pass through vehicle’ and tax will be payable by the unit holders on the income distributed to the unit holders rather than by the Scheme. Tax on unit trust investments will be in accordance to the prevailing tax laws in the country and may change from time to time.
Tax Payable by Unit Holder	Unit holders are advised to seek independent tax advice based on their personal tax position, on the implications arising from the acquisition, holding, transfer and redemption of Units and the receipt of income.
<b>The Managers, Trustee &amp; Custodian</b>	
Managers	Asset Trust Management (Pvt.) Ltd
Trustee	Hatton National Bank PLC
Custodian	Hatton National Bank PLC
<b>Report &amp; Accounts</b>	
Unit holders are entitled to the annual report of the Fund together with periodic statements of accounts as and when published.	

**IMPORTANT INFORMATION**

**Asset Trust Management (Pvt.) Ltd** is licensed by the Securities and Exchange Commission of Sri Lanka, to manage “**ASTRUE Money Market Fund**”, which is an open-ended Scheme as defined in the Collective Investment Scheme Code published in Gazette Notification No 2278/27 dated 7th May 2022 (the “Code”) or any other statutory regulations related thereto.

Units of **ASTRUE Money Market Fund** are offered solely on the basis of information contained in this KIID and the documents referred to herein. Any information or representation (not contained herein) given or made by a dealer, salesman or other person should be regarded as unauthorized and accordingly must not be relied upon. This KIID should be read in conjunction with the Trust Deed of the Fund which shall be binding on the Managers, Trustees, Custodian and each of the Holders.

READ AND RETAIN THIS KIID FOR FUTURE REFERENCE. THIS KIID IS BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN SRI LANKA AND IS SUBJECT TO CHANGES THEREIN. INVESTORS WHO HAVE ANY DOUBT AS TO THE CONTENTS OF THIS DOCUMENT SHOULD SEEK INDEPENDENT PROFESSIONAL FINANCIAL AND/OR LEGAL ADVICE.

THE PRICES OF UNITS COULD FALL OR RISE FROM TIME TO TIME DUE TO MARKET FLUCTUATIONS.

The Trustees hereby declare and certify that they have read and agreed with the representations contained in this KIID.

All enquiries about the **ASTRUE Money Market Fund** should be directed to the Managers,

**ASSET TRUST MANAGEMENT (PVT) LTD**

No 32, Dudley Senanayake Mawatha (Castle Street),

Colombo 8, Sri Lanka.

Tel: 0112689822, 0112680536,

Fax: 011- 0112682015

Email: [info@atml.lk](mailto:info@atml.lk)



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**DIRECTORY****MANAGERS AND REGISTRAR**

Asset Trust Management (Pvt.) Ltd  
No 32, Dudley Senanayake Mawatha,  
Colombo 8, Sri Lanka.

**TRUSTEE & CUSTODIAN**

Hatton National Bank PLC  
No. 479 T B Jayah Mawatha,  
Colombo 10, Sri Lanka.

**THE SHAREHOLDERS OF THE MANAGERS**

SAFE Holdings (Pvt) Ltd  
Ceylinco General Insurance Ltd  
Lalan Rubber Holdings (Pvt) Ltd  
Richard Pieris & Company PLC  
Wealth Lanka Management (Pvt.) Ltd

**BOARD OF DIRECTORS OF THE MANAGERS**

Ahamed Sabry Ibrahim- Chairman  
Ekanayake Mudiyansele Mangala Boyagoda  
Namasivayam Vasantha Kumar  
Denagama Witharana Patabendige Upali  
Dilshan Hettiaratchi

**INVESTMENT ADVISORY PANEL TO THE FUND**

A. Sabry Ibrahim  
Mangala Boyagoda  
Vasantha Wickramarachchie

**AUDITORS OF THE MANAGERS**

B.R. De Silva & Company  
No 22/4 Wijaya Kumaranatunga Mawatha,  
Colombo 05, Sri Lanka.

**AUDITORS OF THE FUND**

Kreston MNS & Co.  
Advantage Building, 1st Floor,  
74A Srimath Anagarika Dharmapala Mawatha,  
Colombo 7, Sri Lanka.

**TAX ADVISORS FOR THE FUND**

Ernst & Young  
Chartered Accountants  
No 201 De Saram Place,  
Colombo 10, Sri Lanka.

**LAWYERS TO THE MANAGERS**

Nithya Partners  
Attorneys-at-Law  
No 97A Galle Road, Colombo 3, Sri Lanka.

**BANKERS**

Hatton National Bank PLC



## 1. The Fund - ASTRUE Money Market Fund

### 1.1 Fund Characteristics

ASTRUE Money Market Fund (hereinafter referred to as “the Fund”) is an open ended Money Market scheme and shall invest in investment grade money market instruments or in money market instruments issued by a corporate entity having an investment grade rating, with a maturity or residual maturity of no more than 397 days, or regular yield adjustments consistent with such a maturity, and with a weighted average maturity of no more than 210 days; it may also invest with the same view on an ancillary basis in deposits with credit institutions.

The primary investment objective of the Fund is to maintain the net asset value (NAV) of the Scheme either constant at par (net of earnings) or at the value of the Unit Holder’s initial capital plus earnings; and the Scheme provides same day or next day settlement.

The Financial Year of the Fund shall end on 31st March of each year and shall include the date on which the Fund is dissolved.

The Investment Objective and Strategy of the Fund are set out in Section 1.3. Investment in the Fund involves risks which are set out in Section 1.4. The Fund is subject to the Investments as set out in Section 1.5, Limitations on Investments of a Scheme set out in Section 1.6 and liquidity requirements set out in Section 1.7 of this KIID.

ASTRUE Money Market Fund has been approved by the Securities and Exchange Commission of Sri Lanka to operate as a Scheme.

### 1.2 Offering

The ASTRUE Money Market Fund would be open for subscription for the first time at the Initial Offer Price of Rs.10/- each per unit during the Initial Offer Period, which would be from 11<sup>th</sup> March 2024 to 02<sup>nd</sup> April 2024. Thereafter the Managers would accept applications for the issue of Units only at the prevailing Offer Price per unit.

The minimum subscription for units of the Fund would be Rupees Ten Thousand (Rs.10,000/-) and multiples of Rupees One Thousand (Rs.1,000/-) thereon.

All cheques or bank drafts received in respect of applications during the Initial Issue Period will not be banked until the Business Day immediately after the close of the Initial Issue Period.



## 1.3 Investment Objective and Strategy

The primary investment objective of the Fund is to maintain the net asset value (NAV) of the Scheme either constant at par (net of earnings) or at the value of the Unit Holder's initial capital plus earnings; and the Scheme provides same day or next day settlement.

The ASTRUE Money Market Fund will be investing exclusively in investment grade money market instruments or in money market instruments issued by a corporate entity having an investment grade rating, with a maturity or residual maturity of no more than 397 days, or regular yield adjustments consistent with such a maturity, and with a weighted average maturity of no more than 210 days; it may also invest with the same view on an ancillary basis in deposits with credit institutions

The Fund will seek to provide a regular stream of dividend income annually to the Unit Holders.

The Managers will seek investment returns and minimize risks by constructing the portfolio with diverse maturity tenures, which would facilitate the Managers to minimize the risk in a volatile interest rate environment. The maturity profile would be determined by the Managers based on prevalent market conditions. The Managers will further strive to boost the overall returns of the Fund by realizing capital gains.

## 1.4 Risk Considerations

Investing in the Fund bears certain risks that are normally associated with making investments in securities. **The value of the Units of this Fund and the income accruing to the Fund can rise or fall** based on the various degrees of regulatory, fiscal, liquidity, inflation, interest rate and re-investment risks that the Fund is subject to. No representation is made that the fund's investment objective will be achieved.

- **Interest Rate Risk:** The Fund's investment can be affected by changes in the general level of interest rates. Prices of fixed income securities tend to decline as interest rates rise and conversely, increase, as interest rates decline. Thus, the market value of securities moves inversely to the interest rate movement. The performance of this Fund is correlated to the rise or fall of the prices of fixed income securities. The change in market values of certain fixed income securities such as bonds could have a direct bearing on the unit prices.
- **Re-investment Risk:** The coupon income and maturity proceeds from securities will be subject to re-investment at the rates of interest prevailing at the time. The interim cash flows generated by the Fund would hence be subject to the volatility of interest rates.
- **Inflation Risk:** Inflation risk is the uncertainty that returns from this Fund may not cover the loss of purchasing power caused by inflation or the uncertainty of having negative real returns from this Fund.
- **Default Risk:** Default risk or credit risk could arise when the Fund's investment in securities or deposits has a possibility that an issuer of a security will fail to pay interest and principal in a timely manner or default on interest and/or principal. Mitigating factors to this risk are that all investments will be in institutions or instruments which are rated investment grade and the portfolio will be diversified across different credit ratings with a maximum exposure to any one investment. Should an issuer's or an



instrument's credit quality deteriorate the Fund will not reinvest in that instrument on its maturity or will rebalance the portfolio relatively quickly in response to changes in credit events.

### Downgrade in rating or in the event of default

Where:

- (a) a non-deposit investment ceases to be of high quality;
- (b) there is a default with respect to a permissible investment in the portfolio of the Scheme; or
- (c) an event of insolvency occurs with respect to the issuer of a non-deposit investment in the portfolio of the Scheme.

\* The Fund will within one (1) month from the date of the specified event dispose of such non-deposit investment or withdraw such deposit unless the Trustee is satisfied that it is not in the best interest of the participants to do so, in which case, such disposal or withdrawal shall be carried out as soon as the circumstances permit or as soon as it is not commercially punitive.

- **Liquidity Risk:** Liquidity risk is the possibility that a Scheme will not be able to convert its investments to cash when required or will not be able to do so at a reasonable price. Some securities may be illiquid due to restrictions such as the nature of the investment, settlement terms, shortage of buyers, remaining longer tenure to maturity or other reasons.

Open Ended nature of the Fund creates benefits as well as risks to the investors.

The liquidity for unit holders is generally high in open ended funds such as this fund where investors have an ability to buy and sell units on a daily basis. This is a benefit that the unit holders can enjoy.

- **Open Ended Fund Risk**

The Fund will receive cash and also require cash on an ongoing basis for creations and redemptions respectively due to this nature.

If an investor requests for a redemption of a significant portion of the Fund over and above the general liquidity levels of the fund, the Fund may have to sell some of its securities to fund the cash outflow. Investments with lower liquidity and longer tenures tend to have more drastic price changes and may subject the Fund to incur losses or additional costs to sell at short notice. In addition, some securities may have to be sold at unfavourable prices, thus reducing the fund's potential return.

Conversely, a significant cash inflow in relation to the fund size could also negatively impact the performance of the fund according to the prevalent interest rate environment.

Some mitigating factors for these risks are set out in Section 1.7 on Liquidity and Section 1.8 on Borrowing powers.



## 1.5 Investments

The ASTRUE Money Market Fund will invest in several different types of fixed income instruments as below;

- Treasury bills and repurchase agreements on government securities with a maturity of less than 397 days;
- Treasury bonds with a remaining term to maturity of less than 397 days;
- Deposits with banks and finance companies licensed by the Central Bank of Sri Lanka which has a rating of not less than BBB-, with a maturity of less than 397 days;
- Commercial papers issued by listed or rated corporate entities which have either an issuer rating or instrument rating of not less than BBB-, with a maturity of less than 397 days;
- Listed corporate debentures which have either an issuer rating or instrument rating of not less than BBB, with a remaining term to maturity of less than 397 days;
- Asset-backed securities issued by a listed or rated corporate entity which have either an issuer rating or instrument rating of not less than BBB-, with a remaining maturity of less than 397 days; or
- Repurchase agreements on listed corporate debt securities and unlisted short term corporate debt securities, such as commercial papers and asset back securities which have either an issuer rating or instrument rating of not less than BBB-, where such agreements can have a maximum tenure of 91 days. No rollovers are permitted beyond 91 days.

Investments of the Fund are simultaneously bound by the Limitations on Investments of a Scheme set out in Section 1.6 and Liquidity requirements set out in Section 1.7.

The Managers are responsible for the implementation of the investment policy and making any modifications thereto which does not substantially change the nature of the Fund.

## 1.6 Limitations on Investments of a Scheme

Astrue Money Market Fund shall ensure that in making investments in the securities of any one (1) Issuer, it does not at any given time exceed the percentage of the NAV of the Scheme that may have been specified from time to time by the Commission.

The Managers are prohibited from entering into any underwriting or sub underwriting arrangement on behalf of the Fund except with the prior written consent of the Trustee and the Commission. The Managers shall not act as guarantor or indemnitor for any party.

A violation of any limit on investment through the appreciation in value of the investments of the Fund due to market movements however would not amount to a breach of the Manager's obligations and such violation could be corrected within such time as maybe permitted by the Commission.

## 1.7 Liquidity

Unless otherwise permitted by the Commission, the Fund shall maintain the following liquidity levels:

- (a) 5% of its NAV maturing on an overnight basis;
- (b) 10% of its NAV maturing on a weekly basis;
- (c) 20% of its NAV maturing on a monthly basis.

The Fund, shall not hold more than 30% of its net assets in investments that cannot be sold or disposed of in the ordinary course of business within seven (7) calendar days at approximately the value placed on it by the Scheme.

The Fund, shall maintain a dollar-weighted average portfolio maturity that does not exceed 210 calendar days. The dollar-weighted average portfolio maturity shall be calculated based on each investment's remaining term to maturity and weighted based on the total NAV of the Scheme.

The Scheme intends to maintain the liquidity limits prescribed by the Commission by investing in treasury bills, repurchase agreements on government securities, commercial papers issued by listed or rated corporate entities which have either an issuer rating or instrument rating of not less than BBB-, Asset-backed securities issued by a listed or rated corporate entity which have either an issuer rating or instrument rating of not less than BBB-, Repurchase agreements on listed corporate debt securities and unlisted short term corporate debt securities, such as commercial papers and asset back securities which have either an issuer rating or instrument rating of not less than BBB-.

## 1.8 Limitations on Borrowing and Lending and Related Activities Offered to The Public

- 1) The Fund shall not borrow by any method whatsoever except where:
  - (a) The Borrowing is temporary and is for a period not exceeding three (3) calendar months;
  - (b) The Borrowing does not exceed the percentage of the NAV of the Scheme as may have been determined by the Commission by way of its directives; and
  - (c) The Borrowing is not used to leverage investment returns.
- 2) A Scheme shall not engage in any form of direct lending of any part of its assets.
- 3) A Scheme shall not assume, guarantee, endorse or otherwise become directly or indirectly liable for or in connection with any obligation or indebtedness of any third party.

## 1.9 Fee Structure

The fee structure applicable for the ASTRUE Money Market Fund is as follows:

Type of Fees	Fee
Management fee	0.65% per annum of the Net Asset Value of the Deposited Property calculated daily and payable monthly.
Trustee fee	0.15% per annum of the Net Asset Value of the Deposited Property calculated daily and payable monthly.
Custodian fees	Rs.20,000/- per month.
Front End and Exit fees	Not applicable to this Fund.

**Expenses Chargeable to the Fund:** Full details of administrative and professional expenses payable by the Fund and which are a charge on the deposited property is set out below.

- Management fee, Trustee fee and Custodian fee.
- Auditor's fees and expenses.
- Cost incurred or to be incurred in the preparation and modification of the Trust Deed.
- All professional fees including legal expenses incurred in connection with matters pertaining to the affairs of the Trust.
- All taxes and other duties payable in the establishment, execution, management or termination of the Trust.
- Fees payable to the Commission in respect of obtaining approval for the Fund;
- 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.
- All costs incurred in respect of dividend distribution.
- Interest on borrowing permitted under the Scheme and charges incurred in effecting or varying the terms of such borrowings (if applicable).
- The costs and expenses incurred in obtaining a listing of the shares of the Scheme on any licensed securities exchange (if applicable).
- Any other costs, incidental to its operation that may be charged to the Scheme;
- Any change in annual charges of the Managers;
- Any expenses or disbursements of the Trustee, which are authorized by the Trust Deed to be paid out of the assets of the Scheme.
- All other charges and fees approved by the Commission and specified in the Trust Deed.

The Managers are responsible for the charges and fees of any Advisors, Investment Consultants and Agents retained by them.

## 1.10 Distribution Policy

The Managers intend to distribute all or any part of the Fund's net income and realized capital gains to its Unit Holders on an annual basis. Distributions will generally be made in April each year.

However, the Managers have discretion over whether to or not to make any distribution of dividends, the timing of the dividend distributions, frequency of distribution and amount of dividends.

## 2. The Management of the Fund

### 2.1 The Managers and Registrar

Asset Trust Management (Pvt) Ltd (ATML) having its registered office at No 32, Dudley Senanayake Mawatha (Castle Street), Colombo 08 is the Managers and Registrar for 'ASTRUE' Scheme funds and consequently to this ASTRUE Money Market Fund.

ATML is an investment management & Scheme management company incorporated in Sri Lanka in February 2008. The primary objective of the company is providing portfolio management services, managing schemes and other related services to clients under license from Securities and Exchange Commission of Sri Lanka. ATML has built up a significant fund base and has managed portfolios in excess of Rs.6.0 billion, consisting of both government securities as well as corporate debt. ATML currently manages the ASTRUE Alpha Fund and the Astrue Active Income Fund.

The core values of the company are centered on integrity and relationships. ATML offers investors a relationship that couples personal insight with professional expertise, backed by access to some of the industry's most respected talent in wealth structuring, investment management, taxation, private business finance and the strategic use of credit.

The Managers role is to manage the Fund in accordance with the provisions of the Securities and Exchange Commission Act No. 19 of 2021, Trust Deed, KIID, the Code and any directives issued by the Commission from time to time. Its functions include the issue and redemption of Units on behalf of the Fund, and making investments and divestments on behalf of the Fund in order to secure the objectives of the Fund.

ATML will be the Registrar to the Fund. The Registrar's role is to maintain the Register of Unit Holders and communicate with the Unit Holders, at the last known address held in the records of the Registrar, with regard to all matters pertaining to the sale of units, redemption of units and dispatch of dividends and periodic reports.

The Unitholder is hereby made aware that the Manager's holding company is SAFE Holdings (Pvt) Ltd. SAFE Holdings (Pvt) Ltd has an equity stake in WealthTrust Securities Ltd, a Central Bank appointed Primary Dealer company which deals in Government Securities. **The Fund may enter into transactions with any of those companies.**

ATML has not delegated any services to any third party other than the staff payroll function, which is outsourced to S S P Corporate Services (Private) Limited, 546/7, Galle Road, Colombo 03



## 2.2 The Major Shareholders and Percentage Holding

The following shareholders own 10% or more of the ordinary shares of ATML

### 2.2.1 SAFE Holdings (Pvt) Ltd (51%)

SAFE Holdings (Pvt) Ltd, is a company incorporated in June 2005. The Company is engaged in strategic investments that includes WealthTrust Securities Ltd (a primary dealer under license from Central Bank of Sri Lanka)

### 2.2.2 Wealth Lanka Management (Pvt) Ltd (20%)

Incorporated in 2005, Wealth Lanka Management (Pvt) Ltd is primarily an investment holding company.

### 2.2.3 Ceylinco General Insurance Ltd. (10%)

Ceylinco General Insurance Ltd is a wholly owned subsidiary of Ceylinco Insurance PLC. Ceylinco Insurance PLC was incorporated in 1939 and has been the market leader in the insurance arena for several years. It has the accreditation of being judged the “Most Innovative Insurance Company in Asia” at the Asia Insurance Industry awards. As per the Regulation of Insurance Industry (Amendment) Act No. 3 of 2011, composite insurance companies were required to segregate the business into General and Life Insurance by February 2015. Accordingly, the company was split into two entities, namely Ceylinco Life Insurance Ltd and Ceylinco General Insurance Ltd in 2014. Ceylinco General Insurance Ltd has a total asset base of approximately LKR 42.7 billion with 550 branches spread across the island.

### 2.2.4 Richard Pieris & Company PLC (10%)

Richard Pieris & Company PLC is one of the largest and most successful diversified business conglomerates based in Sri Lanka. Being one of the oldest companies with an 80-year-old history, it is also one of the largest employment providers in the private sector in the country. The group has its local market leadership in its traditional sectors of Rubber, Tyres, Plastics, Retail and Distribution. In addition, the Group has ventured into Plantations, Financial Services & Construction Logistics.



## 2.3 Board of Directors

### **A. Sabry Ibrahim**

No 5, Park Avenue, Borella

Fellow Member of the Chartered Institute of Bankers - UK(FCIB),

B.Sc. (Hons) - Physics (Second Class Div. Upper), University of Colombo

**Chairman - Independent**

*Rating Committee Member*, Lanka Rating Agency

*Non-Executive Director*, Union Bank of Colombo PLC

*Non-Executive Director*, Fintrex Finance Limited

*Non-Executive Director*, Regal Images International (Pvt) Ltd

*Former* CEO / General Manager of Peoples Leasing and Finance PLC, Senior Deputy General Manager of Peoples Bank, Deputy General Manager of Hatton National Bank Ltd, Head of Credit and GSAM of Standard Chartered Bank, Head of Corporate Training of Saudi British Bank - Riyadh, Director/Country Credit Officer of American Express Bank, Director of People's Merchant Finance PLC, Director of People's Insurance PLC, Director of Lankan Alliance Finance Ltd (Bangladesh), Director of People's Leasing Property Development Ltd, Director of People's Micro Commerce Ltd, Director of People's Leasing Fleet Management Ltd, Director of People's Leasing Havelock Properties Ltd

### **N. Vasantha Kumar**

227/6A, Nirmana Mawatha, Nawala, Nugegoda

MBA, Dip in Professional Treasury Management

**Executive Director**

*Director*, Ceylinco Insurance PLC, DFCC Bank PLC, Senkadagala Finance PLC and Wealth Lanka Management (Pvt) Ltd

*Former*, Chief Executive Officer/General Manager of People's Bank, Director of People's Merchant Finance PLC, People's Insurance Ltd and other Associate and Subsidiary companies of People's Bank, Director, Credit Information Bureau, National Payment Council, Lanka Financial Services Bureau Ltd. and Lanka Alliance Finance Ltd. – Bangladesh. He was a member of the Governing Board of the Institute of Bankers of Sri Lanka. He is the past president of the Association of Primary Dealers and Sri Lanka Forex Association. He was also Treasurer at ANZ Grindlays Bank, Colombo



## Mangala Boyagoda

31, Frances Road, Wellawatte

MBA (Irish International University, European Union)

### Executive Director

*Director*, Wealth Lanka Management (Pvt) Ltd, Ceylon Hotels Corporation PLC, United Hotels (Pvt) Ltd, Sierra Construction Ltd, Sri Lanka Gateway Industries (Pvt) Ltd, Faber Capital Lanka (Pvt) Ltd, Chemanex PLC, Asset Holding (Pvt) Ltd, Taprobane Capital Plus (Pvt.) Ltd, Ambeon Holding PLC, Royal Fernwood Ltd.

*Former* Chief Executive Officer of Standard Chartered Bank, Managing Director/Chief Executive Officer of National Wealth Corporation Ltd, Senior Vice President of DFCC Bank, Head of Treasury of Union Bank of Colombo Ltd, General Manager Fixed Income Securities of Waddock Mackenzie Ltd, Head of Treasury of Bank of Ceylon, Local Consultant to the World Bank, USAID & ADB, Consultant to the Securities & Exchange Commission of Sri Lanka & Bangladesh, Senior Consultant to the Central Bank of Sri Lanka and a Member of the Financial Reform Committee.

## Denagama Witharana Patabendige Upali

108/03, Gothami Road, Colombo 08

Fellow Member of the Institute of Chartered Accountants of Sri Lanka

Fellow Member of the Institute of Certified Management Accountants of Sri Lanka

### Non-Executive Director

*Director/CFO*, Ceylinco Insurance PLC.

*Former* Deputy Managing Director of Ceylinco General Insurance Limited.

He carries over 30 years of experience in the field of Accountancy and in the Insurance industry both in Sri Lanka and overseas.

*Former* Chairman, Finance Technical Sub-Committee of the Insurance Association of Sri Lanka.



**Dilshan Hettiaratchi**

175/34B, Senanayake Mawatha, Nawala  
CFA  
ACMA (UK)  
MBA from University of Colombo

**Non-Executive Director**

*Managing Director*, Faber Capital Ltd, Dubai, UAE and Faber Capital Lanka (Pvt) Ltd., Non-Executive Director, Amana Bank PLC

*Former* Managing Director and the Head of Debt Capital Markets – MENA and Pakistan for Standard Chartered Bank, based in Dubai.

He has over 25 years of Banking experience.

## 2.4 Investment Advisory Panel

**A. Sabry Ibrahim**

**Investment Advisory Panel Member**

Mr. Sabry currently serves as the chairman of Asset Trust Management (Pvt) Ltd. He has over 30 years of Banking industry experience.

**Mangala Boyagoda**

**Investment Advisory Panel Member**

Mr. Boyagoda counts more than 40 years of experience in Banking. He is an executive director of Asset Trust Management (Pvt) Ltd.

**Vasanth Wickramachchie**

**Investment Advisory Panel Member**

Mr. Wickramarachchie serves as an independent member to the investment advisory panel of Asset Trust Management (Pvt) Ltd. He has over 40 years of Banking industry experience.



## 2.5 Key Personnel

**Romello De Soyza**

**Portfolio Manager**

Over 34 years of experience in financial markets, including interbank money markets and trading on forex.

Certificate Course in Money Broking, Institute of Bankers of Sri Lanka  
Certificate Course in Professional Money Brokering, Sri Lanka Money Brokers Association

**Anthony (Tony) Candappa**

**Compliance Officer.**

Mr. Candappa is a banker, counting over 35 years in the Banking Industry, commencing his career with American Express Bank (Colombo Branch), where he worked for a period of 15 years, and thereafter joining Union Bank of Colombo PLC, as Manager Treasury and eventually ending his banking career as Assistant Vice President – Treasury after a career of 20 years with the Bank.

He holds a Diploma in Financial Management from Aquinas University College Colombo and a Diploma in Credit Management from the Institute of Credit Management (SL).



## 2.6 The Trustee and the Custodian

### 2.6.1 Trustee

The Trustee of the ASTRUE Money Market Fund is Hatton National Bank PLC, one of the leading commercial banks in Sri Lanka.

The Trustee's role is mainly to ensure that assets of the Scheme are held and dealt with by it in a manner that promotes the best interests of the Holders and in accordance with the Trust Deed, the KIID, the Code, the SEC Act, any rules and directives issued by the Commission from time to time.

Hatton National Bank PLC, as the Trustee to the Fund will exercise due diligence and vigilance over the Fund with the objective of safeguarding the interest of the Unit Holders. The Trustee, as the legal owner of the Fund's assets will be responsible to ensure the Fund is managed by the managing company in accordance with the provisions of the Act, the Trust Deed, the Managing Company's last published KIID, the Code and the directives issued by the Commission from time to time.

The Trustee shall carry out the instructions given from time to time by the Managing Company as to the investments of the Deposited Property in accordance with the provisions of the Trust Deed and the directives issued by the Commission from time to time.

The Trustee may withdraw its appointment from the Scheme provided that such withdrawal complies with the Trust Deed and a new Trustee approved by the Commission is appointed simultaneously upon such withdrawal.

The Managers shall, subject to the approval of the Commission, replace the Trustee in accordance with the provisions of the Trust Deed and such replacement shall take effect upon a new Trustee approved by the Commission being appointed simultaneously.

The Commission may where it is satisfied that the Trustee has acted in contravention of the trust deed, the KIID, any provision of the SEC Act, provisions contained in this Code, any rules and directive issued by the Commission or is guilty of malpractice or irregularity in the management of the affairs of the Scheme, remove the Trustee provided a new Trustee who has been approved by the Commission is appointed simultaneously.

### 2.6.2 Custodian

The Custodian of the ASTRUE Money Market Fund is Hatton National Bank PLC, one of the leading commercial banks in Sri Lanka.

The Custodian's role is mainly to:

- a) hold and deal with the assets of the Scheme in accordance with the KIID, provisions contained in the Trust Deed of the Scheme, the provisions contained in the Code, the provisions contained in the SEC Act, rules and directives issued by the Commission from time to time and in a manner that promotes the best interests of the Holders of the Scheme;
- b) segregate the property of the Scheme from its own property, the property of other Schemes



- and the property of the Managers of the Scheme; and
- c) be responsible for the collection of income due to the Scheme

Hatton National Bank PLC, as the Custodian to the Scheme will exercise due diligence and vigilance over the Fund with the objective of safeguarding the interest of the Holders.

The Custodian shall carry out the instructions given from time to time by the Managing Company as to the investments of the Deposited Property in accordance with the provisions of the Trust Deed and the directives issued by the Commission from time to time.

The Custodian may withdraw its appointment from the Scheme provided that such withdrawal complies with the trust deed and a new Custodian approved by the Commission is appointed simultaneously upon such withdrawal.

The Managers shall, subject to the approval of the Commission, replace the Custodian in accordance with the provisions of the trust deed and such replacement shall take effect upon a new Custodian approved by the Commission being appointed simultaneously.

The Commission may where it is satisfied that the Custodian has acted in contravention of the trust deed, the KIID, any provision of the SEC Act, provisions contained in Code, any rules and directive issued by the Commission or is guilty of malpractice or irregularity in the management of the affairs of the Scheme, remove the Custodian provided a new Custodian who has been approved by the Commission is appointed simultaneously.

## 2.7 The Authorized Agent/ Distributor

The Managers may appoint one or more Authorized Agent(s)/Distributor(s) to distribute Units of this Fund and to receive applications for subscription, redemption and/or switching of Units on the Manager's behalf. The Authorized Agent(s)/Distributor(s) will not have any other role in the management of the Fund. Any commissions or fees payable to them will be paid out of the Managers' income.



### 3. Issue and Redemption of Units

#### 3.1 Who can Invest

Applications for investment in ASTRUE Money Market Fund could be made by:

- a) Citizens of Sri Lanka, individually or jointly, companies and institutions incorporated in Sri Lanka.
- b) Approved provident funds, pension funds and other legally constituted bodies incorporated in Sri Lanka.
- c) Non-Resident Sri Lankans, under schemes approved by the relevant authority.
- d) Citizens of foreign states, whether resident in or outside Sri Lanka, companies with limited liability or corporate bodies established or incorporated outside Sri Lanka may apply for the purchase of units, subject to approval of the Department of Foreign Exchange, Central Bank and the Commission.
- e) Minors as the first holder when applied jointly with parent, legally appointed guardian or curator. In such case, dividends if any, as and when distributed by the Fund will be cumulatively re-invested in Units until the minor attains majority.

#### 3.2 Initial Issue Period

Managers would accept applications for the issue of Units at the Initial Offer Price of Rs.10/- per unit during the Initial Issue Period which would be from 11<sup>th</sup> March 2024 to 02<sup>nd</sup> April 2024.

All cheques or bank drafts received in respect of applications during the Initial Issue Period will not be banked until the Business Day immediately after the close of the Initial Issue Period.

#### 3.3 Subsequent Issue of Units

The Fund will be open for new subscriptions for the issue of units (subsequent to the initial issue period) on any Dealing Day, provided,

- i. The price at which any subsequent issue of Units for cash, for valid orders received before 1pm on a Dealing Day shall be effected based on the Offer Price prevailing at the time of receipt of the valid order and payment provided that the funds can be invested on such Dealing Day.

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



- ii. In the event the order and the funds are received on or after 1pm on a Dealing Day, the price at which the Units would be issued would be the Offer Price based on the NAV as at 4.00pm on such Dealing Day.

The Authorized Agent/Distributor(s) may impose an earlier cut-off time.

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

The latest available Selling Price and Buying Price of the Fund will be published in a leading daily Sri Lankan newspaper or in the Manager’s website.

**3.4 Application Procedure**

To purchase Units, an investor should initially complete the Application Form and KYC (Know Your Customer) Form. The Application Form and KYC Form can be obtained from the office of the Managers or the Authorized Agent/Distributor(s) appointed by the Managers from time to time or downloaded from the website [www.atml.lk](http://www.atml.lk). Application Forms should be duly signed and together with identification documents be sent to the mailing address provided herein, or scanned copies of the duly filled Application Form, KYC Form together with identification documents should be sent via email to the email address given below. Subsequent purchase of units could alternatively be made through an indemnified email specifying the name of the Fund and the amount being transferred along with fund transfer receipt(s) attached as proof of payment. Copies of this KIID and Application Forms can be obtained from the office of the Managers or the Authorized Agent/Distributor(s) appointed by the Managers from time to time.

The duly completed Application Form, KYC Form with a copy of an identification document together with the full amount payable on application, could be sent to the Managers directly or through an Authorized Agent/Distributors (**No cash is accepted**).

- Funds can be deposited directly or transferred electronically into the **ASTRUE Money Market Fund Bank Account Number: 003 010 553 324** at Hatton National Bank PLC. The original Customer's Copy of the Bank Deposit Slip or electronic fund transfer document (proof of payment) must be sent to the Managers together with the application for units.
- Alternatively, a person may attach his cheque to the application form and send it to the Managers. Cheques and bank drafts must be made payable to “**ASTRUE MONEY MARKET FUND**” and crossed “**ACCOUNT PAYEE ONLY**”.

<b><u>The mailing address is:</u></b> Asset Trust Management (Pvt) Ltd No 32, Dudley Senanayake Mawatha (Castle Street), Colombo 08, Sri Lanka.	<b><u>Email:</u></b>  invest@atml.lk
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- **Payments should NOT be made in cash.**

The allotment of units is upon receipt of duly perfected application form, completion of customer due diligence procedure and upon realization of funds to the account.

Clients transacting through agents are advised to contact the ATML office and speak to an officer with regard to the risks in investing in the ASTRUE Money Market Fund (if so required)

The Managers reserve the right to reject any application in whole or in part. In the event that an application is rejected, application moneys will be returned without interest by crossed cheque through ordinary post.

- **Digital On Boarding**

The Managers shall be permitted to on board investors digitally in compliance with the guidelines for Non Face-to-Face Customer Identification and Verification Using Electronic Interface provided by the Department of Registration of Persons No.3 of 2020 and any subsequent amendments thereto.

### 3.5 Minimum Subscription

The minimum initial subscription for units of the Fund would be Rupees Ten Thousand (Rs.10,000/-) and multiples of Rupees One Thousand (Rs 1,000/-) thereon.

### 3.6 Evidence of Title

Evidence of ownership of Units will be in the form of **Transaction Receipts** and no printed certificate will be issued. The Units are held electronically in the computer system of the Managers. The Unit Holder will be issued with a computer generated "Transaction Receipt" when Units are purchased by the Unit Holder from the Managers, indicating the

- (i) Name and address of the Managers and the Trustee.
- (ii) Name and address of the Unit Holder as appearing in the Unit Holder register.
- (iii) Number of Units purchased by the Unit Holder and
- (iv) Date of the transaction.

The Unit Holder will also be issued with a half yearly statement (as at 30th September & 31st March) containing a confirmation of the Unit holding.

The register of Unit Holders maintained by the Managers shall be the conclusive evidence of the person entitled to the Units entered therein. **Unit holders should therefore be aware of the importance of ensuring that the Managers are informed, as soon as possible, of any change to the registered details, such as forwarding address, bank account numbers, contact details, or other information provided by the Unit Holder.**

### 3.7 Redemption of Units

Unit Holders may redeem their Units on any dealing day at the Buying price prevalent on any Dealing Day, provided, in respect of valid Redemption requests received on a Dealing Day, the Redemption Price shall be the next Redemption Price calculated after the receipt of a valid redemption request.

The Authorized Agent/Distributor(s) may impose an earlier cut-off time.

The Redemption Request Forms can be obtained from the office of the Managers or the Authorized Agent/Distributor(s) appointed by the Managers from time to time or downloaded from the website [www.atml.lk](http://www.atml.lk). To redeem Units, an investor should complete the Redemption Request Form and send it duly signed to the mailing address of the Managers provided herein or send scanned copies of the duly filled Redemption Request Form via email. Alternatively, the investor could request redemption through an indemnified email sent to the mailing address given herein.

Unit holders could redeem their units in whole or in part provided the minimum holding is not less than 1,000 units after such redemption is made. If the number of remaining units is less than 1,000 units, the Managers' reserve the right to redeem the remaining units and pay the proceeds to the investor.

Payment of redemption proceeds will be made in Sri Lanka Rupees to the first holder and will be dispatched by crossed 'Account Payee Only' cheque by ordinary post not later than the next Business Day after the date of receipt of a request for redemption. Unit Holders have the option of requesting redemption proceeds by way of a direct transfer into a bank account bearing the name of the redeeming Unit Holder. This service will however attract a charge for the specific banking service, which could change from time to time depending on the bank tariff. The Managers do not assume liability, for any delays in the investor receiving value for the above payments.

In the event redemption requests received exceeds the liquidity limits maintained by the Fund, the Fund may adopt any or both of the following strategies.

- a) Where applicable redemption requests on any dealing day exceed ten per centum (10%) of the total number of units in issue redemption requests in excess of the ten per centum (10%) may be deferred to the next dealing day provided the Commission is notified in writing of such deferral.
- b) The Fund may at any time borrow for the purpose of redemption of units or funding of any distribution of income in accordance with the provisions the Trust Deed, the CIS Code and any direction which may be given by the Commission. Any such borrowing may be effected from any Commercial Bank or other financial institution, including the Trustees, provided that the Trustees shall exercise due care and diligence in effecting such borrowings at the best interest rates with comparable terms and conditions.

The Trustee may with the consent of the Managers, mortgage, charge or pledge in any manner the Deposited Property not exceeding a percentage of the NAV as may have been determined by the Commission by way of its directives, for the purposes of securing any such borrowing of the Trust.



### 3.8 Switching Between Funds

Unit holders have the option to switch all or part of their Units into any other Open Ended Scheme that is launched and managed by the Managers, by giving notice in writing. A request for switching is subject to requirements specified under redemption of units set out in Section 3.7 of this KIID and requirements specified in purchase of units prescribed in the KIID of the said relevant Scheme. Switching between funds will not be effected, if as a result the relevant holder would hold less than the minimum holding amount of Units of the relevant class prescribed by the relevant fund.

### 3.9 Transfer of Units

Unit Holders may transfer some or all of their units in the Fund to another party by completing a Transfer Form. Each transfer request must be for at least one thousand (1,000) units. Each transfer would cost the Unit Holder a fee of Rupees Five Hundred (Rs.500/-).

The transferor will be deemed to remain the holder of the Units transferred until the name of the transferee is entered in the register of Unit holders in respect of such units.

### 3.10 Valuation of the Investments and Pricing of Units

The valuation of investments shall be on a cost plus accrued basis in deriving the Net Asset Value provided however that such value shall at all times be computed in accordance with the CIS Code, any directions given by the Commission and any guidelines issued thereunder.

The prices at which investors may subscribe for or redeem units, are calculated on each Dealing Day by reference to the Net Asset Value of the fund as at the close of business on the valuation date as defined in the ASTRUE Money Market Fund Trust Deed.

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

- (a) Ascertaining the value of the net assets of the Fund as at 4.00 p.m. (Sri Lanka time) on the Dealing Day.
- (b) Adding such sum that the Managers may consider as representing the appropriate provision for duties and charges and adding thereto the Front End Fee (if any).
- (c) Dividing the resulting sum by the number of units in issue and deemed to be in issue on that day.

The **Redemption Price** for redemptions as at any dealing day shall be determined by,

- (a) Ascertaining the value of the net assets of the Fund as at 4.00 p.m. (Sri Lanka time) on the Dealing Day.
- (b) Deducting there from such sum that the Managers may consider as representing the appropriate duties and charges and the Exit Fee (if any).
- (c) Dividing the resulting sum by the number of units in issue and deemed to be in issue on that day.

Authorized Investments will be valued in terms of valuation norms stated in the Trust Deed, Directives issued by the Securities & Exchange Commission of Sri Lanka and industry norms applied by the Unit Trust Association of Sri Lanka from time to time.

ASTRUE Money Market Fund will be valuing their investments on a cost plus accrued basis (amortised cost method).

### 3.11 Dividend Distributions

If any dividend distributions are made by the Fund, Unit Holders have the option of receiving dividends in the form of cash or in units by re-investing the dividends in ASTRUE Money Market Fund.

Dividend payments will be made in Sri Lanka Rupees to the first holder only and dispatched by ordinary post, after the declaration of the dividend. Unit Holders have the option of requesting dividend payments by way of a direct transfer into the relevant bank account. This service will however attract a charge for the specific banking service, which could change from time to time depending on the bank tariff. The Managers do not assume liability, for any delays in the investor receiving value for the above payments.

Unit Holders may choose to reinvest the dividend declared back in ASTRUE Money Market Fund. The dividends of Unit Holders who request for automatic re-investment will be allotted units at the Selling Price. The Unit Holder will be issued with a computer generated “Transaction Receipt” indicating the units thus allotted, in addition to the dividend notice.

**Dividends belonging to minors will be automatically reinvested in units.**

The Managers reserve the right to reinvest any dividend, in the same Fund namely ‘ASTRUE Money Market Fund’ if the dividend amount is less than Rs.1,000/- (Rupees one Thousand).

Any distribution which is not claimed by the Unit Holder for a period of six (6) months after the date of distribution, shall be re-invested by the Managers (less any charges in processing the relevant transaction) into units at the Selling Price prevailing on the date, and the amount of Units lying to the credit of the Unit Holder will be increased.

### 3.12 Publication of Prices

The **Offer Price** and **Redemption Price** of the Fund will be published daily in at least one leading Sri Lankan daily newspaper or on the website of the Manager [www.atml.lk](http://www.atml.lk).

### 3.13 Currency Denomination

The issue and redemption of units and payments of dividend distributions of ASTRUE Money Market Fund will be made only in Sri Lanka Rupees.



## 4. General Information

### 4.1 Rights of Unit Holders

The Unit Holder shall have the right to

- i. Inspect the Trust Deed at the office of the Managers during office hours free of charge. Copies of the Trust Deed priced at Rs.1,000/- can be purchased from the Managers, at their office on any working day, at No 32, Dudley Senanayake Mawatha (Castle Street), Colombo 08, from 9.00 a.m. to 3.00 p.m.
- ii. Redeem subject to the conditions of the Trust Deed all or some units registered in his/her name.
- iii. Receive periodical statements, annual accounts, semi annual accounts and reports of the Auditors.
- iv. Transfer the units registered in the name of a Unit Holder on the payment of the fee of Rupees Five Hundred (Rs.500/-).
- v. Participate in meetings of the Unit Holders subject to the provision of the Trust Deed.

The liability of a Unit Holder is limited to the price at which the Units were issued to him and in the event of the price having been fully paid, the Unit Holder shall have no further liability.

### 4.2 Taxation

The following tax considerations are considered to be a correct interpretation of existing laws and regulations **in force on the date** of this KIID. No assurance can be given that changes in existing laws or regulations or their interpretation will not occur after the date of this KIID.

#### A. Tax Liability of the Scheme

A Scheme that conducts eligible investment business is treated as a 'pass through vehicle' and tax will be payable by the unit holders on the income distributed to the unit holders rather than by the Scheme.

Tax on unit trust investments will be in accordance to the prevailing tax laws in the country and may change from time to time.

#### B. Taxation Liability of Unit Holders

Prospective investors are advised to seek independent tax advice based on their personal tax position, on the implications arising from the acquisition, holding, transfer and redemption of Units and the receipt of income.



## 4.3 Reports and Accounts

The Scheme's Financial Year ends on 31st March each year. A report on the annual accounts and the performance of the Fund will be sent to the Unit Holders and published on the website of the Managers annually, within (4) four calendar months after the end of the Financial Year. Holders will also be sent an interim report for the 6 months period April to September each year which shall also be published on the website of the Managers, within (3) three calendar months from the end of the interim accounting period.

## 4.4 Applicable Provisions

All the operations of ASTRUE Money Market Fund will be subject to the provisions of the Securities and Exchange Commission Act, CIS Code and the general directives issued by the Securities and Exchange Commission from time to time.

**The Trustee will ensure that all debits made to the account of the Fund by the Managers would be in compliance with the provisions of the Trust Deed.**

## 4.5 Constitution of the Trust Deed

ASTRUE Money Market Fund is constituted by a Trust Deed dated 01<sup>st</sup> March 2024 between Asset Trust Management (Pvt) Ltd, as the Managers and Hatton National Bank Plc, as the Trustee. The Trust Deed is constituted under the laws of the Democratic Socialist Republic of Sri Lanka. In the event of any inconsistency between this KIID and the Trust Deed, the provisions of the Trust Deed shall prevail.

## 4.6 Suspension of Dealing and Termination of the Scheme

(1) The Manager may suspend the operations of the Scheme in circumstances specified in Clause 13.7 of the Trust Deed where the suspension of Dealings has continued for a period of more than one (1) month.

The Managing Company shall:

- (a) Obtain the prior approval of the Trustee and the Commission;
- (b) Inform all Unit Holders once approval of the Trustee and the Commission have been obtained and explaining the reasons for such suspension.

(2) 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 of the Trust Deed that the Trust be terminated.
- v. If the Managers are reasonably of the view that it would be in the best interest of the Holders that the Trust be terminated.

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.

## 4.7 Approval of the Securities and Exchange Commission

The Securities and Exchange Commission has approved this KIID as suitable for distribution among prospective investors of the ASTRUE Money Market Fund.

## 4.8 Date of this KIID

This KIID is dated 04<sup>th</sup> March 2024.

**DECLARATION BY THE TRUSTEES AND THE MANAGEMENT COMPANY**

Declaration by the Trustees and Management Company as per SEC Circular 02/2009 on Guidelines for Trustees and Managing Companies of Scheme.

Hatton National Bank PLC the Trustee and ASSET TRUST MANAGEMENT (PVT) LTD the Managers of ASTRUE Money Market Fund hereby declare that,

- a) the transactions will be carried out at an arms-length basis and on terms which are best available for the fund, as well as act, at all times, in the best interests of the fund's unit holders;
- b) the requirements of the Guidelines for Trustees and Managing Companies of Schemes set out by the Securities & Exchange Commission of Sri Lanka, will be complied with.

Director  
Asset Trust Management (Pvt) Ltd

Trustees  
Hatton National Bank PLC

**DECLARATION BY THE MANAGEMENT COMPANY**

This KIID has been seen and approved by the board of directors of the Managing Company and we collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable inquiries and to the best of our knowledge and belief, there are no facts, the omission of which, would make any statement herein misleading.

Chairman  
Asset Trust Management (Pvt) Ltd

Director  
Asset Trust Management (Pvt) Ltd

## GLOSSARY OF TERMS

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

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

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

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

"**Custodian Fee**" means the only payment to be received by the Custodian out of the Deposited Property as remuneration for the services rendered.

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

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

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

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

"**Financial Year**" means period from 1st April to 31st March each year except the year of commencement and termination, referred in the Trust Deed under Accounting Period and Accounting Date. Commencement of the Financial Year in the case of the first such period will be the date on which the Deposited Property is first paid or transferred to the Trustees at the close of the Initial Issue Period.

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

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

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

"**Initial Offer Price**" means the offer price of Rs.10/- per unit.

"**KIID**" means the document issued by the Managers from time to time containing information with regard to a Scheme to invite offers from members of the public to subscribe for or purchase units in the Scheme.

**“Management Fee”** means the only payment to be made to the Managers by the Trustee out of the Deposited Property as remuneration for the services rendered.

**“Managers”** or **“Fund Manager”** shall mean a managing company licensed by the Commission to operate a Scheme and for the purpose of the Trust Deed shall be Asset Trust Management (Private) Limited or any other person for the time being duly appointed as managers of the Trust in succession to Asset Trust Management (Private) Limited subject to the provisions of the Trust Deed.

**“Money Market Scheme”** means an open-ended Scheme whose primary objective is to maintain the net asset value (NAV) of the Scheme either constant at par (net of earnings) or at the value of the Unit Holder’s initial capital plus earnings and which shall sell and redeem its Units every business day;

**“Near Cash”** means investments such as bank/call deposits, repurchase agreements with maturities of less than 3 months, commercial paper endorsed or guaranteed by a licensed commercial bank or licensed specialized bank with maturities of less than 3 months and government securities including government bonds with maturities of less than 1 year which can be readily convertible into cash.

**“Net Asset Value (NAV)”** means the Value of the Deposited Property less the amounts deductible subject to the provisions of the Trust Deed and any principal amount of borrowings effected by the Trust for the time being outstanding.

**“Net Asset Value per unit”** means the Net Asset Value divided by the number of units in issue.

**“Offer Price/ Selling Price”** is the price which may be charged by the Managers from the Holders for the issue of a Unit and which shall be published in at least one leading Sri Lankan daily newspaper or on the website of the Managers.

**“Open Ended Scheme”** means a Scheme, which after the initial issue period continues to issue new units and redeem units in issue, until the liquidation of the fund.

**“Redemption”** means the purchase of Units from the Holders by the Managers or the Trust.

**“Redemption Price/ Buying Price”** is the sum the Manager will pay to the Holder on a Redemption of a Unit which price shall be published in at least one leading Sri Lankan daily newspaper or on the website of the Managers.

**“Scheme / Fund”** means a Collective Investment Scheme as defined in the Securities and Exchange Commission Act No.19 of 2021.

**“Trust Deed”** the Legal document by which the Scheme is constituted.

**“Trustees”** means Hatton National Bank PLC or such other person or persons for the time being duly appointed trustee or trustees hereof in succession to Hatton National Bank PLC subject to the provisions of the Trust Deed.

**“Trustee Fee”** means the only payment to be received by the Trustee out of the deposited property as remuneration for the services rendered.

“Unit” means one undivided share in the Scheme.

“Unit Holder” / “Holder” means the person who is entered in the Register as the Holder of a Unit at a given point of time and includes persons so entered as Joint Holders.