

# IGI Money Market Fund

## Trust Deed

### Benchmark

[Average of 3-Month deposit rate of AA and above rated scheduled banks]

Managed By

**IGI Funds Limited**

Rated AM3 by PACRA

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This Trust Deed is made and entered into at Karachi on this **04<sup>th</sup>** day of **March 2010**:

**1. NAME AND CATEGORY OF THE SCHEME**

**1.1 *Name of the Scheme***

**IGI MONEY MARKET FUND (IGIMMF)**

**1.2 *Category of the Scheme***

**Money Market Fund**

**2. PARTICIPATING PARTIES AND CONSTITUTION OF THE TRUST**

- I. **IGI Funds Limited (IGIFL)**, an unlisted public limited company incorporated under the Companies Ordinance 1984, having its registered office at 5 F.C.C, Syed Maratib Ali Road, Gulberg, Lahore (hereinafter called the "**Management Company**", which expression, where the context so permits, shall include its successors in interest and assigns) of the one part;

**AND**

- II. **Central Depository Company of Pakistan Limited ("CDC")**, an unlisted public limited company incorporated under the Companies Ordinance, 1984, having its registered office at CDC House, 99-B, Block B, SMCHS, Main Shahrah-e-Faisal, Karachi (hereinafter called the "Trustee" which expression where the context so permits shall include its successors in interest and assigns) of the other part;

**WHEREAS:**

- A. The Management Company has been registered as an asset management company pursuant to the Non- Banking Finance Companies (Establishment and Regulation) Rules 2003, ("NBFC Rules") for the purpose of undertaking asset management services (certificate attached hereto as **Annexure "A"**).
- B. The Management Company has been allowed by the Securities and Exchange Commission of Pakistan ("SECP") vides its letter No. NBFC- II/AD/IGI/MMF/169 dated 23 February 2010 appended hereto as **Annexure "B"** to constitute a trust under the name and title of "**IGI Money Market Fund**", as an open-end unit trust scheme (hereinafter referred to as the "Unit Trust" "Trust", "IGIMMF" or "Scheme" or "Fund") and to register this Trust Deed, pending registration for the establishment and operation of the Scheme in accordance with the provisions of the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 ("NBFC Regulations"), the Offering Document and this Trust Deed;

- C. The Management Company has nominated and appointed the Trustee as trustee of the Scheme and the Trustee has accepted such appointment upon the terms and conditions contained in this Trust Deed and the tariff structure for trusteeship as per **Annexure "C"**;
- D. The Securities and Exchange Commission of Pakistan has approved the appointment of Trustee, vide letter no. NBFC-II/AD/IGI/MMF/171/2010 dated 24 February 2010 appended hereto as **Annexure "D"**.

2.1 ***NOW THIS TRUST DEED WITNESSETH:***

2.1.1 **DECLARATION OF TRUST**

It is hereby declared, that an Open-end Scheme in the form of a trust in the name and title of **"IGI Money Market Fund"** is hereby created and the Management Company is hereby appointed to establish, manage, operate and administer the Trust in accordance with the NBFC Rules, the NBFC Regulations and the Constitutive Documents and the Trustee is hereby nominated, constituted and appointed as the trustee of the Trust.

- 2.1.2 The Management Company and the Trustee hereby agree to such appointment and subject always to the provisions of this Trust Deed (Deed), the Offering Document the NBFC Rules and the NBFC Regulations and further declare that:

a )This Deed and any supplemental hereto is binding on each Unit Holder as if he had been a party to it and so to be bound by its provisions and authorizes and requires the Trustee and the Management Company to do as required of them by the terms of this Deed, the Rules and the Regulations;

b)The Trustee shall hold and stand possessed of the Trust Property that may from time to time hereafter be vested in the Trustee upon Trust as a single common fund for the benefit of the Unit Holders ranking pari passu inter se, according to the number of Units held by each Unit Holder,

c)The Management Company shall establish, manage, operate and administer the Scheme in terms of the provisions contained and conditions stipulated in this Deed, the NBFC Regulations, the Offering Document and any conditions which may be imposed by the SECP from time to time ; and

d)The Trust Property shall be invested from time to time by the Trustee at the direction of the Management Company in terms of the provisions contained and the conditions stipulated in this Deed, the NBFC Regulations, the Offering Document and any conditions which may be imposed by the SECP from time to time.

### 3. **GOVERNING LAW**

- 3.1 This Deed shall be subject to and be governed by the laws of Pakistan, including the Ordinance, the NBFC Rules, the NBFC Regulations, and all other applicable laws and regulations as amended or replaced from time to time, and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed by the NBFC Regulations, are incorporated in this Trust Deed as part and parcel thereof and in the event of any conflict between this Deed and the provisions required by the NBFC Regulations, the latter shall supersede and prevail over the provisions contained in this Trust Deed, unless a waiver has been obtained from the SECP. The Fund shall also be subject to the rules and regulations framed by the State Bank of Pakistan with regard to the foreign investments made by the Fund and investments made in the Fund from outside Pakistan.
- 3.2 The Investments in offshore Countries and Bank Accounts and custodial services accounts that may be opened by the Trustee for the Scheme in offshore countries on the instructions of the Management Company may become subject to the laws of such Countries and shall always be subject to State Bank of Pakistan and SECP prior written approval.
- 3.3 Subject to the Arbitration clause 32 hereafter, applicable between the Management Company and the Trustee *inter se*, each party, including the Unit Holder(s) irrevocably submit to the exclusive jurisdiction of the Courts at Karachi.

### 4. **FOR THE UNIT TRUST (effect of this Deed, status of Unit Holder(s) and Retirement/Change of Trustee, etc.)**

#### 4.1 ***Deed binding on each Unit Holder***

The terms and conditions of this Trust Deed (as may be modified from time to time by any supplemental deeds) shall be binding on each Unit Holder as if he had been a party to this Trust Deed and shall further be deemed to have authorized and required the Trustee and the Management Company to do so as required by them by the terms of this Trust Deed, the Offering Document the NBFC Rules and the NBFC Regulations.

#### 4.2 ***Unit Holders not liable to make further payments***

No Unit Holder shall be liable to make any further payments to the Trustee or the Management Company after he has paid the purchase (offer) price of the Units in accordance with clause 11.3 hereafter and no further liability shall be imposed on any Unit Holder in respect of the Units held by him.

#### 4.3 ***Units to rank pari passu***

- 4.3.1 The Trustee shall hold and stand possessed of the Trust Property that may from time to time hereafter be vested in the Trustee upon trust as a single common fund. All Units and fractions thereof represent an undivided share in the Scheme and shall rank *pari passu* according to the

number of Units held by each Unit Holder, including as to the rights of the Unit Holder(s) in the Net Assets, earnings and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in the Scheme proportionate to the Units held by such Unit Holder and shall have such rights as are set out in the Trust Deed or the Offering Document, and the NBFC Regulations. However, in addition to the classes and types of Units mentioned in clause 25 of this Deed, the Management Company while issuing other classes and types of Units in consultation with the Trustee and after obtaining approval of the SECP shall ensure the integrity of each Unit Holder's *pari passu* rights.

- 4.3.2 Core Units subscribed by the Core Investors shall however be offered and issued at par. The Core Units may be of more than one type, including a restricted class which shall not be redeemable (but shall be transferable) for a period of two years from the close of Initial Offer. A mention of such restriction and its termination date shall be entered into the Register and shall be noted on any Certificate issued in respect of such Units. Any transfer of these Core Units, during the first two (2) years of the close of the Initial Offer shall be affected only on the receipt by the Registrar of a written acceptance of this condition by the transferee. The Scheme shall have minimum investment in compliance with the requirement of Regulation 44(3)(e)(ii) of the NBFC Regulations which shall be rupees one hundred million (Rs. 100,000,000/-), out of which at least rupees fifty million (Rs. 50,000,000/-) shall be invested by the Management Company or by Core Investors for a minimum period of two (2) years or the life of the Scheme, whichever is lesser.

#### 4.4 ***Trustee to report to the Unit Holders***

- 4.4.1 The Trustee shall report to the Unit Holders in accordance with the NBFC Regulations and this Trust Deed, including a report to be included in the annual and second quarter report to be sent to the Unit Holders as to whether in its opinion, the Management Company has in all material respects, managed the Scheme in accordance with the provisions of the Constitutive Documents, the NBFC Rules and the NBFC Regulations, and if the Management Company has not done so, the respect in which it has not done so and the steps, which the Trustee has taken in respect thereof.

- 4.4.2 The Trustee shall be entitled to require the Auditors to provide such reports as may be agreed between the Trustee and the Management Company that may be considered necessary to facilitate the Trustee in issuing the report required under the NBFC Regulations. The Trustee shall endeavor to provide the report at the earliest date reasonably possible.

#### 4.5 ***Investment Objective***

As an open-ended money market Fund, the Scheme shall seek to generate Benchmark returns consistent with low risk from a portfolio constituted of short term instruments including cash deposits and government securities. The Fund will maintain a high degree of liquidity, with a maximum time to maturity of any asset of not more than six months and with weighted average time to maturity of Net Assets not exceeding 90 days.

#### 4.6 **Investment Policy**

The Scheme has been categorized as Money Market Scheme. The investment policy of the Scheme is constructed to ensure overall compliance with investment objective mentioned in clause 4.5 above. IGI Money Market Fund will strive to earn Benchmark returns, by investing in short term instruments consistent with low risk and high liquidity. The Fund seeks to maintain a high degree of liquidity by investing in short-term instruments, whereby the time to maturity of any asset shall not exceed six months and weighted average time to maturity of net assets shall not exceed 90 days. The Fund will invest primarily in the money market specifically in cash and near cash instruments such as cash in bank accounts (excluding TDRs), treasury bills, money market placements, and deposits, certificate of deposits, certificate of musharika (COM), TDRs, commercial papers and reverse repos. The Fund will not take any direct or indirect exposure to equities. Moreover, the Fund will maintain a minimum 20% in cash in order to maintain liquidity and meet redemption requests. The Fund aims to mitigate risk by following prudent investment criteria and investing solely in high quality instruments and entities. With respect to entity ratings, rating of any NBFC or Modaraba shall not be lower than AAA (Triple A) and rating of any bank or DFI shall not be lower than AA (Double A Category). Furthermore, rating of any security in the portfolio shall not be lower than AA (Double A Category). The Fund's portfolio will therefore be firmly committed to high quality assets associated with low levels of risk.

Allocation among various instruments will be based on analysis of macro and micro economic variables such as interest rates, economic growth rates, political climate and analysis of the sector and entity in which the Fund intends to take exposure.

All investments made will be within the limits prescribed in the NBFC Regulations, as amended from time to time, or as otherwise specified by the SECP.

#### 4.7 **Classification of Investments**

The Fund shall invest in various classes of assets covered under the definition of "Authorized Investments" under Clause 35.6, provided these are permissible under the Regulations or by notifications, circulars and directions issued by the SECP from time to time.

#### 4.8 **Benchmark**

Average of 3-Month deposit rate of AA and above rated scheduled banks.

### 5. **ROLE OF THE MANAGEMENT COMPANY**

#### 5.1 **Management of the Scheme**

The Management Company shall manage, operate and administer the Scheme in accordance with the NBFC Regulations, this Trust Deed and the Offering Document (including supplementary offering documents that may be issued by the Management Company with the approval of the SECP) and shall *inter alia* perform the following primary functions:



### 5.1.1 **Fund Manager and Investment Committee**

The Management Company shall appoint a qualified individual as fund manager who shall be responsible for the management of not more than three Collective Investment Schemes at a time and constitute an investment committee in accordance with the provisions of the NBFC Regulations to assist in investing and managing the assets of the Fund or to invest and manage part or whole of the assets of the Fund. The investment committee shall function in accordance with the provisions of the Regulations.

### 5.1.2 **Fund Management**

The Management Company has the responsibility to make all investment decisions through an investment committee constituted within the framework of the NBFC Regulations and any amendment thereto and the Constitutive Documents.

### 5.1.3 **Investors Services**

The Management Company has the responsibility to facilitate investments and disinvestments by investors in the Scheme and to make adequate arrangements for receiving and processing applications in this regard.

### 5.1.4 **Investor Records**

5.1.4.1 The Management Company has the responsibility to maintain investors' records and for this purpose it may appoint a Registrar, who is responsible for performing Registrar Functions.

5.1.4.2 The Management Company shall maintain books of accounts and other records pertaining to the Scheme for a period of ten years or otherwise as may be specified under the NBFC Regulations or by SECP's circulars or directives. The Management Company shall not remove the records or documents pertaining to the Scheme from Pakistan to a place outside Pakistan without the prior written permission of the SECP and the Trustee.

### 5.1.5 **Distribution**

The Management Company, shall at its own expense from time to time under intimation to the Trustee appoint, remove or replace one or more suitable persons, entities or parties as Distributor(s) for carrying on Distribution Functions at one or more location(s) on terms and condition to be incorporated in the distribution agreement(s) to be entered into between the Distributor(s) and the Management Company. Provided that the Management Company may also itself act as Distributor for carrying on Distribution Functions. Provided further, in delegating the function of distribution, the Management Company shall ensure that:

- (i) the Distributors have acquired and are maintaining associate membership of association(s) constituted by the SECP and are abiding by the code of conduct prescribed by such association(s); and
- (ii) the written contracts with Distributors clearly state the terms and conditions for avoidance of frauds and sales based upon misleading information.
- (iii) the Distributor shall be remunerated by the Management Company out of the Front-end load or out of its own resources.

#### 5.1.6 **Record Keeping**

The Management Company has the primary responsibility for all record keeping, regular determination and of announcement of prices and for producing financial reports from time to time to SECP and Unit Holders as provided in the Regulations and Constitutive Documents. The Management Company shall provide the Trustee unhindered access to all records relating to the Scheme.

#### 5.2 ***Other Functions, Obligations and Responsibilities of the Management Company***

- 5.2.1 The Management Company shall operate and administer the Scheme and manage the Trust Property in the best interest of the Unit Holders, in good faith and to the best of its ability, without gaining any undue advantage for itself or any of its related parties, including its Connected Persons and group companies or its officers, subject to the restrictions and limitations as provided in this Deed, the NBFC Regulations and subject to any special exemptions or relaxations that may be granted by the SECP. Any transaction between the Trust and the Management Company or any of the Connected Persons as principal shall only be made with the written approval of its Board of Directors of the Management Company and consent of Trustee and shall be disclosed in the annual report of the Scheme. The Management Company shall not be liable for any loss caused to the Scheme or to the value of the Trust Property due to any elements or circumstances of Force Majeure.
- 5.2.2 The Management Company shall comply with the provisions of the NBFC Rules, the NBFC Regulations, this Deed and the Offering Document (as may be amended from time to time with the approval of the SECP) for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Management Company by any officer(s) or responsible official(s) of the Management Company or by any nominee(s) or agent(s) appointed by the Management Company and any act or matter so performed shall be deemed for all the purposes of this Deed to be the act of the Management Company. The Management Company shall be responsible for the acts and omissions of all persons to whom it may delegate any of its functions as managers, as if these were its own acts and omissions and shall account to the Trustee for any loss in value of the Trust Property where such loss has been caused by its negligence or reckless or willful act and / or omission or of its officers, officials or agents.

- 5.2.3 The Management Company shall develop criteria for appointing a diverse panel of Brokers and monitoring compliance thereof to avoid undue concentration of business with any single Broker.
- 5.2.4 The Management Company may, under intimation to the Trustee from time to time appoint, remove or replace the Registrar and bear its remuneration.
- 5.2.5 The Management Company shall make available or ensure that there is made available to the Trustee such information as the Trustee may require in respect of any matter relating to the Scheme and as may be necessary to the Trustee to discharge its obligations under the NBFC Rules and the NBFC Regulations.
- 5.2.6 The Management Company shall not be under any liability, except as provided under the NBFC Rules, the NBFC Regulations and expressly assumed under the Constitutive Documents, nor shall the Management Company (save as herein otherwise provided) be liable for any act or omission of the Trustee, nor for anything except for its own negligence or willful breach of duty. If for any reason it becomes impossible or impracticable to carry out the provisions of Constitutive Documents, the Management Company shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law.
- 5.2.7 The Management Company shall maintain at its principal office, proper accounts and records to enable a complete and accurate view to be formed of (i) all assets and liabilities of the Scheme, (ii) the income and expenditure of the Scheme, (iii) all transactions for the account of the Scheme, (iv) amounts received by the Scheme in respect of the issuance of Units, (v) pay out by the Scheme on redemption of Units and by way of distributions and (vi) pay out at the termination of the Scheme. The books of accounts and other records of the Scheme shall be maintained for a period not less than ten years or otherwise as may be provided under the NBFC Regulations or the SECP's circulars or directives issued from time to time.
- 5.2.8 The Management Company shall prepare and transmit physically, through e-mail and placing on the web an annual report as per the requirements set out in the NBFC Regulations to the Trustee, the SECP, the Stock Exchanges on which Units are listed and to the Unit Holders within four months of the closing of the Accounting Period, including:
- (i) copy of the balance sheet and income statement;
  - (ii) cash flow statement;
  - (iii) statement of movement in Unit Holders fund or Net Assets or reserves; and
  - (iv) the auditors' report and the Trustee's report of the Scheme
- 5.2.9 The Management Company shall within one month of the closing of first and third quarters and within two months of the closing of second quarter of each Accounting Period, prepare and transmit to the Unit Holder(s), the Trustee, the SECP and the Stock Exchanges on which the Units of the Scheme may be listed, where audited or otherwise:
- (i) balance sheet as at the end of that quarter,
  - (ii) income statement,

- (iii) cash flow statement,
- (iv) statement of movement in Unit Holders' fund or Net Assets or reserves; and
- (v) statement showing the securities owned at the beginning of the relevant period, securities purchased or sold during such period, and the securities held at the end of such period together with the value (at carrying and at market) and the percentage in relation to its own Net Assets and the issued capital of person whose securities are owned for that quarter, whether audited or otherwise. Provided that the Commission, subject to any conditions, may allow the Management Company to transmit the said quarterly accounts to the Unit Holders by placing them on the Management Company's website and the Management Company shall make the printed copy of the said accounts available to any Unit Holder, free of cost, as and when requested

- 5.2.10 The Management Company shall maintain a Record of Unit Holders of the Trust (either in physical or electronic form) and inform the Trustee and the SECP of the address where the Register is kept.
- 5.2.11 The Management Company shall with the consent of the Trustee, appoint at the establishment of the Scheme and upon any vacancy, the Auditor from the approved list of auditors circulated by SECP from time to time, who shall be a chartered accountant or a firm of chartered accountants and independent of the Auditor of the Management Company and the Trustee and such Auditor shall not be appointed for more than five consecutive years as specified under the NBFC Regulations and the contents of the Auditor's report shall be in accordance with the provisions of the NBFC Regulations.
- 5.2.12 The Management Company shall, from time to time, advise the Trustee of the settlement instructions relating to any investment / disinvestment transactions entered into by it on behalf of the Scheme. The Management Company shall ensure that the settlement instructions are given promptly after entering into the transactions so as to facilitate the timely settlement and the Trustee, on its side, shall ensure that the settlement is handled in a timely manner in accordance with the dictates of the transaction subject to the NBFC Regulations, the Offering Document and terms of this Deed.
- 5.2.13 The Management Company shall provide the Trustee with regular reports indicating dividends, other forms of income or inflows, and any rights or warrants relating to Investments that are due to be received. The Trustee shall report back to the Management Company any such amounts or warrants that are received on such accounts from time to time.
- 5.2.14 The Management Company is obliged to obtain a rating of the Scheme, once the Scheme becomes eligible for rating as per the rating criteria of the rating agency, and such rating shall be updated at least once every financial year and also published in the annual and quarterly reports of the Scheme.
- 5.2.15 The Management Company shall nominate one or more of its officers to act as attorney(s) for interacting with the Trustee.

- 5.2.16 Subject to the prior approvals of the SECP and the SBP, the Management Company may in consultation with the Trustee appoint advisors and professionals in offshore countries for making investments in such countries and/or for issuing Units to the investors in the offshore countries and in particular, shall determine the legal and regulatory requirements to be fulfilled by the Fund, the Management Company and the Trustee in their respective capacities, in relation thereto. The fees of such advisors and professionals shall not be charged to the Scheme.
- 5.2.17 The Management Company shall not apply for de-listing from Stock Exchange (if any), unless it has obtained prior approval of the SECP in writing to the scheme of de-listing.
- 5.2.18 The Management Company shall formally forward all the requests for dealing in Units, duly time and date stamped, to the Trustee within 24 hours of the receipt of such requests.
- 5.2.19 The Management Company shall oblige to process payment instrument immediately on receipt of application

## **6 CHANGE OF MANAGEMENT COMPANY**

- 6.1 The SECP may either on its own or on the recommendation of the Trustee remove the Management Company by giving at least ninety (90) days notice in writing to the Management Company and cause the Trustee to appoint a new management company with the approval of the SECP on the happening of any of the following events:
- (a) the Management Company has contravened the provisions of this Trust Deed and/or the NBFC Regulations in any material respect and has failed to rectify the contravention within a reasonable period after the contravention has come to its notice;
  - (b) the Management Company goes into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for purpose of reconstruction and amalgamation);
  - (c) a receiver is appointed over any of the assets of the Management Company.
  - (d) the Management Company has become ineligible to act as Management Company under the NBFC Rules and/or the NBFC Regulations.
- 6.2 The Management Company may voluntarily retire at any time with the prior written consent of the SECP and the Trustee after giving at least three months notice as per the NBFC Regulations. Provided that until the new management company is appointed, the Management Company shall continue to perform its function as the management company
- 6.3 If the SECP has cancelled the registration of the Management Company under the provisions of the NBFC Regulations, the SECP or the Trustee, (if authorized by the SECP) shall appoint another asset management company as the management company for the Scheme according to the provisions of this Deed and the NBFC Regulations.

- 6.4 Upon a new management company being appointed, the Management Company will take immediate steps to deliver all the documents and records pertaining to the Scheme to the new management company and shall pay all sums due to the Trustee.
- 6.5 Upon its appointment, the new management company shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Management Company hereunder as fully as though such new management company had originally been a party hereto.
- 6.6 Furthermore, the Trustee may immediately in case of removal of Management Company appoint auditors with the consent of the SECP from amongst the panel of auditors designated as "A" category by State Bank of Pakistan for the audit of Financial Institutions.
- 6.7 The auditors so appointed shall be other than the existing auditors of the Scheme, the Management Company and the Trustee.
- 6.8 The auditors shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Trustee or the SECP.
- 6.9 The report for the audit shall be submitted by the auditors to the Trustee not later than thirty Business Days from their appointment. A copy of the report shall also be provided to the SECP, outgoing Management Company and the new management company.
- 6.10 The costs of audit shall be shared equally by the outgoing Management Company, the new management company and the Scheme.

## **7. ROLE OF THE TRUSTEE**

- 7.1 The Trustee shall take into its custody or control all the Trust Property and hold the same in trust for the Unit Holders accordance with the law and the provisions of the NBFC Rules, the NBFC Regulations and Constitutive Documents. The cash and the registerable assets shall be registered in the name of, or to the order of, the Trustee.
- 7.2 The Trustee has the responsibility, for being the nominal owner, for the safe custody of the assets of the Scheme for the benefit of the beneficial owners (the Unit Holders), within the framework of the NBFC Rules, the NBFC Regulations, this Deed and the Offering Document.
- 7.3 The Trustee shall invest the Trust Property from time to time at the direction of the Management Company strictly in terms of the provisions contained and the conditions stipulated in this Deed, the Offering Document, the NBFC Rules, the NBFC Regulations and the conditions (if any) which may be imposed by the SECP from time to time. The Trustee shall have all the obligations entrusted to it under the NBFC Regulations, this Deed and the Offering Document (as may be amended from time to time with the approval of the SECP).

- 7.4 The Trustee shall nominate one or more of its officers to act as attorney(s) for performing the Trustee's functions and for interacting with the Management Company.
- 7.5 The Trustee shall in consultation with the Management Company appoint and may also remove and replace from time to time one or more Bank(s) and /or other depository company(ies), to act as the Custodian(s) for holding and protecting the Trust Property and every part thereof and for generally performing the custodial services at one or more locations and on such terms, as the Trustee and the Management Company may mutually agree and to be incorporated in custodial services agreement(s) to be executed between the Trustee and the Custodian(s). Provided however, the Trustee may also itself provide custodial services for the Scheme at competitive terms as part of its normal line of business.
- 7.6 The Trustee shall comply with the provisions of this Deed for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee in consultation with the Management Company. Provided that the Trustee shall be responsible for the acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Scheme for any loss in value of the Trust Property, where such loss has been caused by negligence or reckless act and/or omission of the Trustee or any of its directors, officers, nominees or agents.
- 7.7 The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holders. The Trustee shall not be under any liability on account of anything done or suffered by the Scheme, if the Trustee had acted in good faith in accordance with or in pursuance of any request of the Management Company, provided these were not in conflict with the provisions of this Deed or the NBFC Rules or the NBFC Regulations. Whenever pursuant to any provisions of this Deed, any certificate, notice, direction, instruction or other communication is to be given by the Management Company to the Trustee, the Trustee may accept as sufficient evidence thereof:
- i ) A document signed or purporting to be signed on behalf of the Management Company by any person(s), whose signature the Trustee is for the time being authorized in writing by the Management Company to accept.
  - ii) Any instructions received Online through the software solution adopted by the Management Company in consultation with the Trustee for managing and keeping records of the Scheme to the satisfaction of the Trustee and the Management Company.
  - iii) Instructions given electronically to the Trustee based on distinctive users IDs and passwords allocated to authorized person(s) of the Management Company through a computerized system for which both the parties i.e. the Management Company and the Trustee have agreed in writing. In case of any error or omission occurring in electronic system due to system malfunction or any instruction(s) based on such system contain any error or omission due to the above malfunction, the Trustee and the Management

Company not knowing the fact will not be liable there for and shall act in the best interests of the Fund and the Unit Holders.

- iv) Third party evidence where required such as broker contract, bills, etc., in relation to (i) and (ii) the above.
- 7.8 The Trustee shall not be liable to any loss caused to the Scheme or the value of the Trust Property due to any elements or circumstances of Force Majeure.
- 7.9 The Trustee shall carry out the instructions of the Management Company in all matters including the investments and the disposition of the Trust Property unless such instructions are in conflict with the provisions of this Deed and /or the Offering Document(s) or the NBFC Regulations and/or any other applicable law.
- 7.10 The Trustee shall make available or ensure that there is made available to the Management Company such information as the Management Company may reasonably require from time to time in respect of the Trust Property and all other matters relating to the Trust.
- 7.11 The Trustee shall, if requested by the Management Company or if it considers necessary for the protection of the Trust Property or safeguarding the interest of Unit Holders institute or defend any suit, proceedings, arbitration or enquiry or any corporate or shareholders' action in respect of the Trust Property or any part thereof, with full powers to sign, swear, verify and submit pleadings and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized person. All costs, charges and expenses (including legal fees) incurred in instituting or defending any such action shall be borne by the Scheme. The Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities whatsoever suffered or incurred by the Scheme arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or shareholders' action or otherwise howsoever and (save as herein otherwise provided), all such losses, claims, damages or other liabilities shall be borne by the Scheme.
- 7.12 Neither the Trustee, nor the Custodian or the Management Company shall sell or purchase any Investment (save in the capacity of an intermediary) to / from the Scheme.
- 7.13 The Trustee shall not be under any liability, except such liability as may be expressly assumed by it under the NBFC Regulations and this Deed nor shall the Trustee be liable for any act or omission of the Management Company or for anything except its own negligence or willful breach of duty hereunder. The Trustee shall not be under any liability by reason of any error of law. Notwithstanding removal / resignation of Trustee shall remain entitled to the benefit of this clause.
- 7.14 The Trustee shall ensure that (a) the sale, issue, purchase, repurchase, redemption, transfer and cancellation of Units are carried out in accordance with the provisions of this Deed, the Offering Document and the NBFC Regulations; (b) the methodology and procedures adopted by the Management Company in calculating the value of Units are adequate and (c) the pricing and



valuation for sale, issue, repurchase, redemption and cancellation of Units are in accordance with the provisions of the Deed, the Offering Document and the NBFC Regulations. In order to get these comforts, the Trustee shall have unhindered access to records and information maintained with the Management Company or its agents.

- 7.15 The Trustee shall ensure that the investment and borrowing limitations set out in the Constitutive Documents and the NBFC Regulations and the conditions under which the Scheme was authorized are complied with.
- 7.16 The Trustee shall promptly forward to the Management Company any notices, reports or other documents issued by, the issuers of securities, recipients of any of the Trust funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government, regulator, stock or other exchange or any instruction of the Management Company in all such matters relating to recovery of the Trust Property.
- 7.17 The Trustee shall ensure the Units of the Scheme have been issued after realization of subscription money.
- 7.18 The Trustee shall issue a report to the Unit Holder(s) included in the annual and second quarter report of the Trust whether in its opinion, the Management Company has in all material respects managed the Trust Property in accordance with the provisions of the NBFC Regulations, the Offering Document and this Deed and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof.
- 7.19 The Trustee shall be entitled to require the Auditors to provide such reports as maybe agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the NBFC Regulations. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible.
- 7.20 The Trustee shall carry out the settlements in accordance with the dictates of the specific transactions to Offering Documents and Terms of this Deed.
- 7.21 The Trustee shall arrange for an annual system audit by its auditors and provide the report to this effect to the SECP and the Management Company, within four months of the close of the financial year.
- 7.22 The Trustee shall ensure that the Management Company has specified criteria in writing to provide for a diverse panel of Brokers at the time of offering of the Scheme and shall also ensure that the Management Company has been diligent in appointing Brokers to avoid undue concentration with any Broker.
- 7.23 The Trustee shall immediately inform the SECP if any action of the Management Company contravenes the Ordinance, the NBFC Rules, and the NBFC Regulations, the Constitutive Documents, guidelines, codes, circulars, directives or any other applicable laws.

- 7.24 The Trustee shall ensure that the conditions under which the Scheme has been registered are complied with.
- 7.25 The Trustee shall comply with the directions of the SECP given in the interest of the Unit Holders.
- 7.26 The Trustee shall not invest in the Units of the Fund.
- 7.27 In case of any modification or alteration in the Trust Deed or the Offering Document of the Fund, the Trustee shall ensure and verify that such amendments shall not prejudice the interest of the unit holders.

## 8. **CHANGE OF TRUSTEE**

### 8.1 ***Manner in which Trustee may retire***

The Trustee may, subject to prior approval of the SECP, retire from its office on appointment of a new trustee and the retirement shall take effect at the same time as the new trustee is appointed with the approval of the SECP or from the date of assumption of assets of the Scheme by the newly appointed trustee, whichever is later.

- 8.2 If the Trustee goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction on terms previously agreed to with the Management Company for purpose of reconstruction and amalgamation) or ceases to carry on business or a receiver of its undertaking is appointed or it becomes ineligible to act as a trustee of the Scheme under the provisions of the NBFC Regulations, the Management Company shall, with the prior approval of the SECP, appoint another entity as trustee of the Scheme.
- 8.3 In circumstances where the SECP is of the opinion that the Trustee has been in violation of the NBFC Regulations or the provisions of this Trust Deed or is found guilty of misconduct or has failed to discharge its obligation under the NBFC Regulations, the SECP may remove the Trustee after giving opportunity being heard.
- 8.4 The Management Company may apply to the SECP, giving cogent reasons for change of Trustee by simultaneously proposing the appointment of a new trustee. The SECP, if satisfied with the circumstances and reasons for the change applied for may accord approval for appointment of a new trustee after providing an opportunity of hearing to the Trustee.
- 8.5 Upon the appointment of a new trustee, the Trustee shall immediately deliver all the documents and records to the new trustee and shall transfer all the Trust Property and any amount held in any Distribution Account to the new trustee and make payments to the new trustee of all sum due from the Trustee.

8.6 The new trustee shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Trustee hereunder as fully as though such new trustee had originally been a party hereto.

8.7 Notwithstanding the removal/resignation of the Trustee and its subsequent discharge from its duties under this Deed and the NBFC Regulations, the Trustee shall remain entitled to the benefit of clauses 7.7, 7.9, 7.13 and 13.2.1, without prejudice to the Trustee's responsibility or obligation to liquidate any liability for which the Trustee may have become liable under this Deed and/or the NBFC Regulations.

In case of change in trustee, the old Trustee shall continue to be liable for any default in or non-performance of its duties as trustee or for any negligence on its part or on part of its officers or officials, nominees or agents and for any acts or omissions effectuated prior to and upto the Effective Time in accordance with the provisions of the Trust Deed, the Offering Document, the Rules and the Regulations, where after the new Trustee shall be responsible for the same. Further the old trustee shall indemnify the Management Company and new trustee in respect of any default, non performance or violations of the terms and conditions of the Trust Deed, the Offering Document, the Rules and/or the Regulations that may have taken place, advertently or inadvertently prior to and upto Effective Time and which may come to the notice of the Management Company or the new trustee or the SECP at any time after the Effective Time.

8.8 Furthermore the Management Company may immediately upon the issuance of notice of removal of Trustee appoint Auditors with the consent of SECP from amongst the panel of auditors designated as "A" category by State Bank of Pakistan for the audit of Financial Institutions.

8.9 The Auditors so appointed shall be other than the existing auditors of the Scheme, the Management Company and the Trustee.

8.10 The Auditors shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Management Company or the SECP.

8.11 The report for the audit shall be submitted by the Auditors to the Management Company not later than 30 Business Days from their appointment. A copy of the report shall also be provided to the SECP, outgoing Trustee and the new trustee.

8.12 The costs of audit shall be shared equally by the outgoing Trustee, the new trustee and the Scheme.

## 9. **BANK ACCOUNTS**

9.1 The Trustee shall open Bank Accounts titled "CDC Trustee - IGI Money Market Fund" for Scheme at such branches of Banks with rating as per rules, regulations and directives issued by the SECP and at such locations (including outside Pakistan, subject to applicable regulations and after

obtaining all necessary approvals from the relevant regulatory authority in Pakistan and abroad) as may be requested by the Management Company from time to time.

- 9.2 The Management Company may also require the Trustee to open separate Bank Account as Distribution Account(s) for each dividend distribution of the Scheme. Notwithstanding anything in this Deed, the beneficial ownership of the balances in the accounts shall vest in the Unit Holder(s).
- 9.3 All income or profit, etc. earned in the Distribution Account(s), if any, including those accruing on unclaimed dividends, shall form part of the Trust Property for the benefit of the Unit Holders and shall be transferred periodically from the Distribution Account(s) to the main Bank Account of the Trust.
- 9.4 All bank charges for opening and maintaining Bank Account for the Trust shall be charged to the Scheme.
- 9.5 The amount received from the Core Investors and Pre IPO Investors during Pre IPO, which will be a part of Trust Property, shall be deposited in a separate Bank Account titled "CDC Trustee - IGI Money Market Fund - Pre IPO". Income, profit, interest, etc. earned and received on such amount after reducing any expenses incurred immediately before the start of the Initial Offer shall be paid upon receipt of such income, profit etc. to such investors on proportionate basis of their core investments and Pre IPO subscription amounts and shall not form part of the Trust Property.
- 9.6 Notwithstanding anything in this Trust Deed, the beneficial ownership of the balances in the Bank Accounts shall vest with the Unit Holder(s), except for the Bank Accounts mentioned in clauses 9.2 and 9.5 above.
- 9.7 The Trustee shall, if requested by the Management Company, subject to relevant regulatory approvals open Bank Accounts titled "CDC Trustee - IGI Money Market Fund" in offshore countries where the Investments are made on account of the Fund, such Investments necessitate opening and operation of Bank Accounts by the Trustee. For this purpose, the Trustee shall be deemed to be authorized to sign and submit the prescribed account opening forms of such Banks, including custodial/sub-custodial services accounts and brokerage accounts with such Banks, custodians, sub-custodians, and brokers, as may be required to be appointed for offshore Investments of the Fund. The opening, operation and maintenance of such Bank Accounts, custodial/sub-custodial and brokerage services accounts in offshore countries shall always be subject to the approval of the SBP and the exchange control regulations as well as any directives of the SBP and/or the SECP.

10. **INVESTMENT OF TRUST PROPERTY, INVESTMENT RESTRICTIONS AND BORROWING ARRANGEMENTS**

10.1 ***Investment of Trust Property***

10.1.1 During and prior to the close of the Initial Offer the Trustee shall hold funds received from Core Investors and Pre IPO Investors during Pre IPO in a separate account titled "CDC Trustee - IGI Money Market Fund - Pre IPO" with a scheduled bank having minimum rating of AA as approved by the Management Company. After the Initial Offer, all Trust Property, except in so far as such cash may in the opinion of the Management Company be required for transfer to the Distribution Account, shall be invested by the Trustee from time to time in line with the objective of the Scheme, in such Authorized Investment as may (subject always to the provisions of this Deed, the Offering Document and the NBFC Regulations) be directed by the Management Company.

10.1.2 Any Investment may at any time be realized at the discretion of the Management Company either in order to invest the proceeds in other Authorized Investment(s) or to provide cash required for the purpose of any provision of this Deed or in order to retain the proceeds in cash or on deposit as aforesaid or partly one and partly another. Any Investment which ceases to be an Authorized Investment shall be realized in a period which shall not exceed three months and the net proceeds of realization shall be applied in accordance with this clause;

10.1.3 The purchase or sale of any Investment in listed securities for the account of the Trust shall be made through a Broker who must be a member of the Stock Exchange, unless the Management Company is satisfied that it is possible and permissible under the rules and regulations to make such purchase or sale more advantageously in some other manner. The Management Company will appoint the Broker(s) from time to time having good standing in the market under intimation to the Trustee. The Management Company shall not nominate except as may be permissible under the NBFC Regulations, directly or indirectly, as a Broker any of its directors, officers or employees or their family members (which term shall include their spouse, parents, children, brothers and sisters).

10.1.4 The Management Company in making investments on account of the Fund shall ensure that the rating criteria applicable to issuers of securities, as provided under the NBFC Regulations or as may be specified by the SECP from time to time are adhered to.

10.1.5 The Management Company in managing the Fund shall abide by all the provisions of this Deed, the Offering Document, the NBFC Regulations and any other applicable law(s).

10.2 ***Investment and Exposure Restrictions***

10.2.1 The Scheme shall not invest more than twenty five percent (25%) of its Net Assets in securities of any one sector as per classification of the pertinent Stock Exchange(s).

- 10.2.2 No direct/indirect exposure to equities, i.e no exposure in equities, CFS, spread transactions, etc.;
- 10.2.3 Rating of any NBFC and Modaraba with which funds are placed shall not be lower than AAA (Triple A);
- 10.2.4 Rating of any bank and DFI with which funds are placed shall not be lower than AA(Double A)  
Rating of any security in the portfolio shall not be lower than AA (Double A);
- 10.2.5 Time to maturity of any asset shall not exceed six months
- 10.2.6 The Scheme will not at any time, except as otherwise allowed under the NBFC Regulations, Circulars, Notifications etc from time to time (subject to any exemptions that may be specially given to the Fund by the SECP:

Purchase or sell;

- bearer securities;
- securities which result in assumption of unlimited liability (actual or contingent);
- securities on margin;
- any security in a forward contract.
- real estate (other than the securities issued by real estate companies), commodities or commodity contracts (other than the securities issued by commodity companies);
- any Investment other than Authorized Investments as defined herein.
- any security of a company if:-
  - (i) any director or officer of the Asset Management Company owns more than five percent of the total amount of securities issued by that company; or
  - (ii) the director and officer of the Asset Management Company collectively own more than ten percent of those securities:
- lend, assume, guarantee, endorse or otherwise become directly or Contingently Liable for or in connection with any obligation or indebtedness of any person;

10.2.7 Risk management parameters shall be disclosed in the Offering Document of the Scheme.

10.2.8 The Management Company shall not;

- borrow in any form, except with approval of Trustee, for meeting redemption request and such borrowing shall not exceed fifteen percent or such other limit as specified by the SECP of the total Net Assets of the Scheme at the time of borrowing and shall be repayable with in a period of ninety days;

- without obtaining prior approval of the SECP merge the Scheme or acquire or take over any other collective investment scheme;
- invest the subscription money until the closure of Initial Offering Period except as provided in Clause 10.1.1;
- take Exposure in any other collective investment scheme.
- participate in a joint account with others in any transaction;
- make short sales of any security or maintain a short position in securities whether listed or unlisted;
- enter into transaction with any Broker, which exceed thirty five per cent of the commission paid by Scheme in any one accounting year;
- shall not take exposure of more than;
  - a) thirty five per cent of Net Assets of Scheme in any single group ( the term "group" shall have the same meaning as prescribed in NBFC Regulations);
  - b) ten per cent of Net Assets of the Scheme in listed group companies of the Management Company and such exposure shall only be made through the secondary market;
- issue a senior security which is either stock or represents indebtedness, without the prior written approval of the SECP;
- invest in securities of the Management Company; or
- apply for de-listing from Stock Exchange unless it has obtained prior written approval of the SECP.

10.2.9 Exposure of the Scheme to any debt issue of a company shall not exceed ten percent of that issue.

10.2.10 The Management Company on behalf of the Fund shall not at any time roll over the investments, if in the opinion of the Trustee, the Fund would not be able to issue payment instrument(s) for redemption money to the Unit Holder(s) within time period stipulated in the Regulations.

10.2.11 The Management Company on behalf of the Fund shall not at any time net off any investment of the Fund against the investment(s) of the Unit Holder(s) in the Fund.

10.2.12 Time to maturity of any asset shall not exceed six months.

10.2.13 Weighted average time to maturity of net assets shall not exceed 90 days.

10.2.14 No netting off transaction (adjustment of assets of the Scheme against the investment of Unit Holders) shall be allowed within the same Scheme.

### 10.3 ***Exception to Investment Restrictions***

In the event, the weightages of prescribed limits exceed the limits laid down in the Offering Document and the NBFC Regulations, as a result of the relative movement in the market prices of the investments or through any disinvestments or through subscription to other offerings or decrease in Net Assets of the Scheme due to redemptions, the Management Company shall bring the exposure within the prescribed limits within three months of the event. But, in any case, the Management Company shall not invest further in such securities or sectors while the deviation exists.

### 10.4 ***Borrowing Arrangements***

10.4.1 Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Management Company may arrange borrowing for account of the Scheme, with the approval of the Trustee, from Banks or financial institutions. The borrowing, however, shall not be resorted to, except for meeting the redemption requests and shall be repayable within a period of ninety days or such time as may be prescribed under the NBFC Regulations from time to time.

10.4.2 The charges payable against borrowing on account of the Trust as permissible under clause 10.4.1 above shall not be higher than the normal prevailing market rates.

10.4.3 The borrowing shall not exceed 15% percent of the total Net Asset Value of the Scheme at the time of borrowing for a period of ninety days or such other limit as may be specified in the NBFC Regulations. If, however, subsequent to such borrowing, the Net Assets are reduced as a result of depreciation in the market value of the Trust Property or redemption of Units, the Management Company shall not be under any obligation to reduce such borrowing.

10.4.4 For the purpose of securing any such borrowing, the Trustee may on the instructions of the Management Company mortgage, charge or pledge in any manner all or any part of the Trust Property. Provided that the aggregate amount of borrowing availed by such mortgage, charge or pledge shall not exceed the limits provided under the NBFC Regulations and / or any law for the time being in force.

10.4.5 Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such borrowing. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such loans or advances.



10.4.6 The Management Company and the Trustee shall ensure that no investments are rolled over in case the borrowing limits have already been exhausted and redemptions are pending for more than six Business Days.

## 11. VALUATION OF THE TRUST PROPERTY AND PRICING

### 11.1 *Valuation of the Trust Property*

The method of determining the value of the assets and liabilities of the Trust Property and the Net Assets shall be in compliance with the NBFC Regulations and is stated herein below:

- (a) a security listed on a Stock Exchange, local or foreign as the case may be, shall be valued at its last sale price on such exchange on the date on which it is valued or if such exchange is not open on such date, then at its last sale price on the next preceding date on which such exchange was open and if no sale is reported for such date the security shall be valued at an amount neither higher than the closing asked price nor lower than the closing bid price;
- (b) a debt security, including traded, thinly traded and non-traded securities shall be valued as per the 'Methodology or Valuation of Debt Securities' contained in Annexure-1 of the SECP's Circular No.01 of 2009 and shall be provisioned in accordance with the criteria specified in Annexure II of the said Circular and any other circular or directive issued by the SECP from time to time, in substitution or amendment thereof and otherwise as per the Regulations. The trade related information on debt securities shall be reported to Mutual Funds Association of Pakistan (MUFAP) and the SECP in accordance with the SECP's Circular No.02 of 2009 or any substitutions or amendments thereof from time to time;
- (c) an Investment purchased and awaiting payment against delivery shall be included for valuation purposes;
- (d) an Investment sold but not delivered pending receipt of proceeds shall be valued at the net sale price;
- (e) profit, interest, income, mark-up, etc. accrued on any profit, interest, income, mark-up, etc. bearing security in the Trust Property shall be included as an asset of the Scheme;
- (f) the value of any dividends, bonus shares or rights which may have been declared on securities in the portfolio but not received by the Scheme as of the close of business on the valuation date shall be included as assets of the Scheme if the security upon which such dividends, bonuses or rights were declared is included in the assets and is valued ex-dividend, ex-bonus or ex-rights as the case may be;

- (g) mark-up accrued on any mark-up-bearing security in the portfolio shall be included as an asset of the Scheme if such accrued mark-up is not otherwise included in the valuation of the security;
- (h) any other income accrued upto the date on which computation was made shall also be included in the assets;
- (i) the remuneration accrued up to the date of computation payable to the Management Company for providing management and other services shall be included as an expense;
- (j) a security not listed or quoted on a Stock Exchange, other than a government or debt security, shall be valued at investment price or its breakup value as per last audited accounts, whichever is lower;
- (k) a government security not listed on a Stock Exchange and traded in the interbank market shall be valued at the average rate quoted on a widely used electronic quotation system and such average rate shall be based on the remaining tenor of the security and;
- (l) any such method of valuation of assets and liabilities as may be specified or modified by the SECP from time to time shall be applied;
- (m) in respect of investments held in foreign currencies, the same shall be translated in Pakistan Rupees using the closing buying spot rates declared by the State Bank of Pakistan at each balance sheet date;
- (n) the Scheme shall adhere to the provisioning criteria for various non-performing categories of securities as per the circulars, directives and guidelines issued by the SECP from time to time. The provisioning policy of the Management Company duly approved by its Board shall be disclosed in the Offering document of the Fund and shall also be placed on the website of the Management Company.

## 11.2 ***Allocation of Front-end Load***

- 11.2.1 The remuneration of Distributors for the sale of Units with Front-end Load shall be paid exclusively from any Front-end Load received by the Trustee and paid to the Management Company after the Trustee pays the Front-end Load to the Management Company for onward distribution to the Distributors and no charge shall be made against the Trust Property or the Distribution Account in this respect. The Trustee shall pay the remainder of any Front-end Load after such disbursement to the Management Company as additional remuneration for their management services for the Scheme. If the Front-end Load received by the Trustee is insufficient to pay the remuneration of the Distributors, the Management Company shall pay the amount necessary to pay in full such remuneration.

11.2.2 Such payments may be made to the Management Company by the Trustee on the instruction of the Management Company on any frequency as mutually agreed.

11.2.3 A Distributor located outside Pakistan may if so authorized by the Management Company and the Trustee retain such portion of the Front-end Load as is authorized by the Management Company and transfer the net amount to the Trustee, subject to the Law for the time being in force.

11.3 ***Determination of Offer Price***

11.3.1 During the period of Initial Offer, the Units shall be offered at the Initial Price. The offer and issuance of Units during the Initial Offer shall be conducted during the period specified in the Offering Document. After the expiry of the Initial Offer, the Offer Price shall be calculated and announced by the Management Company on Subscription Days only and in accordance with the NBFC Regulations.

11.3.2 The Offer Price shall be equal to the sum of:

- (a) the Net Asset Value as of the close of Business Day to be announced by the Management Company latest by 18.30 hours on that Business Day;
- (b) any Front-end Load, as announced in the Offering Document, but not exceeding five per cent (5%) of the Net Asset Value;
- (c) such amount as the Management Company may consider being an appropriate provision for Duties and Charges;
- (d) such amount as the Management Company may consider an appropriate provision for Transaction Costs.

Such sum shall be adjusted upto four decimal places.

11.3.3 The Offer Price shall be calculated on each Subscription Day.

11.3.4 The Offer Price so determined shall subject to realization of the Funds in the Bank Account from the investor, apply to purchase requests complete in all respects made and received by the authorized personnel of the Authorized Transaction Location (ATL) or Management Company within the following cut off timings:—

Days	Time
Monday to Friday	09:00 a.m. to 03.00 p.m.

11.3.5 All forms received at the Authorized Transactions Locations (ALTs) within the cut off time mentioned in sub-clause 11.3.4 above, shall be acknowledged by appropriate date and time

stamping mechanism. The Management Company shall forward all the purchase requests to the Trustee within twenty four hours of the receipt thereof.

- 11.3.6 In case after receiving the application, funds are not realized against cheque, bank draft, or other payment instrument delivered by the applicant, no Units shall be credited or issued to him and the applicant shall be liable to reimburse the Management Company the bank charges and other costs, applicable on return or dishonor of the cheque, bank draft or other payment instrument.
- 11.3.7 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 11.3.2(c) above is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retroactive effect after the date of payment in which case, the excess shall be recovered from the Trust Property).
- 11.3.8 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 11.3.2(c) exceeds the relevant amount of Duties and Charges, the Registrar shall issue additional Units or fractions thereof to the Unit Holder(s) based on the price applicable to the Units issued against the relevant application
- 11.3.9 The Offer Price determined by the Management Company shall be made available to the public at the official website and branches of the Management Company and ATLS and at the discretion of the Management Company may also be published in any number of daily newspapers, one in English and one in Urdu, widely circulated in Pakistan and may be available at its website.
- 11.3.10 If the variation of the Net Asset Value at any time exceeds or fall short by five (5) percent of the Net Asset Value included in the current offer price, the management company may suspend any issuance of units and shall calculate for with a new offer price. The Management Company shall also inform the SECP and the Trustee of the suspension of issuance of Units along with announcement of the new Offer Price, and publish the same in newspaper in which the Unit's prices are normally published.
- 11.3.11 NAV of the Scheme will be announced on its subscription day at Company's as well as on MUFAP's website latest by 6.30 pm or any other time announced by SECP.

#### 11.4 ***Determination of Redemption Price***

- 11.4.1 During the period of Initial Offer, the Units shall not be redeemed.
- 11.4.2 After the expiry of the period of Initial Offer, the Redemption Price shall be equal to the Net Asset Value as of the close of the Business Day, less:
- (a) any Back-end Load, as announced in the Offering Document; and

- (b) such amount as the Management Company may consider an appropriate provision for Duties and Charges; and
- (c) such amount as the Management Company may consider an appropriate provision for Transaction Costs;

such amount shall be adjusted upto four decimal places.

11.4.3 The Redemption Price shall be calculated on each Subscription Day.

11.4.4 The Redemption Price so determined shall apply to redemption requests complete in all respects made and received by the authorized personnel of the Authorized Transaction Location (ATL) or Management Company within the following cut off timings:—

Days	Time
Monday to Friday	09:00 a.m. to 03.00 p.m.

11.4.5 All forms received at the Authorized Transactions Locations (ALTs) within the cut off time mentioned in sub-clause 11.4.4 above, shall be acknowledged by appropriate date and time stamping mechanism. The Management Company shall forward all the redemption requests to the Trustee within twenty four hours of the receipt thereof.

11.4.6 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 11.4.2(b) above is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retroactive effect in which case the excess will be recovered from the Trust Property after the payment has been made).

11.4.7 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 11.4.2(b) above exceeds the relevant amount of Duties and Charges, the Trustee shall refund such excess amount to the relevant Holders with the next income distribution or if instructed by the Management Company, at any time earlier.

11.4.8 The Redemption Price determined by the Management Company shall be made available to the public at the official website and branches of the Management Company and ATLs and at the discretion of the Management Company may also be published in any number of daily newspapers widely circulated in Pakistan and make available at its website.

11.4.9 The Management Company shall not flip any redemption requests which will be met in turns in accordance with the dated and timed acknowledgements.

11.4.10 The Management Company shall ensure that all redemption requests are paid based on their ranking in a queue.

11.4.11 The Management Company shall not net off or permit adjustment of any asset against investments of Unit Holder(s) in the Fund, without the prior written approval of the SECP and the Trustee.

11.4.12 The Management Company shall ensure that no entry and exit to the Scheme (including redemption and re-issuance of units to the same Unit Holders on different NAVs) shall be allowed other than cash settled transactions based on the formal issuance and redemption request, unless permitted otherwise by the SECP under the NBFC Regulations

#### 11.5 ***Allocation of Back End Load***

Any Back-end Load received by the Management Company on redemption of Units shall accrue to the Fund as income.

### 12. **DEALING, SUSPENSION AND DEFERRAL OF DEALING (OF UNITS)**

#### 12.1 ***Issuance of Units***

12.1.1 The Management Company shall be responsible for obtaining all requisite consents and approvals for the offer and issue of Units and for the issue, compilation and publication or circulation of the Offering Document.

12.1.2 Application for issuance of Units shall be made by an investor by completing the prescribed application form and submitting it with the payment by cheque, bank draft, pay order, or credit card etc. in favor of the Trustee and crossed "Account Payee Only" at an ATL. The application for issuance of the Units and the specimen signature of each investor shall be submitted to the Registrar and a copy may be retained by the relevant ATL, if so required by the Management Company. The authorized personnel of the ATL shall verify the particulars given in the application for issuance of Units and the documents submitted therewith.

12.1.3 Units shall be issued on the Offer Price announced by the Management Company for the applications for which funds have been realized along with the completed application form(s) received at the ATL within the subscription hours (as announced by the Management Company via the company website from time to time) on a Subscription Day. If the application submitted by the investor is incomplete in any aspect, the investor shall have a maximum of fifteen (15) calendar days to ensure submission of all required documents and overall completion of the application. An investor shall be provided a confirmation statement within seven (7) Business Days after the issuance of Units subject to the completion of application in all respects.

12.1.4 Each investor shall be liable to pay the Offer Price of the Units subscribed by him together with a sum sufficient in the opinion of the Management Company to cover any Duties and Charges, levies etc payable in connection with the purchase of such Units and no further liability shall be imposed on him in respect of any Units held by him.

- 12.1.5 The Units shall be issued in fractions upto four decimal points, only against receipt of full payment.
- 12.1.6 The issuance of fresh Units shall remain suspended during the period when the redemption of Units is suspended.
- 12.2 **Redemption of Units**
- 12.2.1 The Trustee shall at any time during the life of the Scheme on the instruction of the Management Company authorize redemption of Units out of the Trust Property.
- 12.2.2 Application for redemption of Units shall be made by completing the prescribed application form for redemption and submitting it at an ATL. Application for redemption shall be retained by authorized personnel of the ATL and a copy may be supplied to the Registrar, if so required by the Management Company. The Management Company may make arrangements to accept redemption requests through electronic means such as online, ATMs or other means of electronic, telephonic or mobile communications. The Unit Holders shall be entitled to redeem part of their Units, however in case where a Certificate is issued the Holder is required to comply with the provisions contained in Clause 27. The application for redemption of Units shall be accompanied by the relevant Certificate, if issued, duly endorsed on the reverse. In case of applications for redemption by joint Holders, any Holder may sign the redemption form if he is so authorized in writing by all joint Holders.
- 12.2.3 The Trustee may at its option dispense with the production of any Certificate that shall have become lost, stolen or destroyed upon compliance by the Unit Holder(s) with the like requirements to those arising in the case of any application by him for the replacement thereof, as per clause 28.
- 12.2.4 The price at which Units shall be redeemed shall be the Redemption Price announced by the Management Company. The Redemption Price shall be announced by the Management Company on each Subscription Day. Unit(s) shall be redeemed based on the Redemption Price announced by the Management Company of the day on which the Unit Holder submits a complete and correctly filled redemption form to the ATL within the subscription hours (as announced by the Management Company via the company website from time to time) on a Subscription Day. If the application submitted by the Unit Holder is incomplete in any aspect, or if the Rupee amount / number of Unit(s) stated in the redemption request is in excess of the Unit Holder's account value then the redemption request shall be rejected and the Unit Holder(s) shall be notified of the same.
- 12.2.5 The amount payable on redemption shall be paid to the Holder or in the case of joint Holders, the first named joint Holder by crossed cheque or direct transfer to his designated Bank account after receipt of a properly documented request for redemption of the Units in terms of this Trust Deed and the Offering Document, or via ATM / electronic means (subject to terms and conditions as announced by the Management Company) in consultation with the Trustee provided that redemption is not suspended in terms of this Trust Deed.

- 12.2.6 Authorized personnel of the ATL shall verify the particulars given in the application for redemption of Units and documents submitted therewith. The signature of any Holder or joint Holder to any document required to be signed by him under or in connection with the application for redemption of Units may be verified by authorized personnel and authenticated to their reasonable satisfaction.
- 12.2.7 Redemption applications shall be received at ATLs on Business Days only. Payments for Units so redeemed shall be made within six (6) Business Days of the date of receipt of such application; provided that in the event redemption requests on any day exceed ten per cent (10%) of the Units in issue, the Management Company may invoke a queue system as stated in sub-clause 12.7.
- 12.2.8 The sale, redemption and transfer of Units and any other dealings in the Units may be carried out On-line and via other means as may be approved by the SECP with the consent of the Trustee (which consent shall not be unreasonably withheld or delayed), to the extent permitted by and in accordance with applicable law.
- 12.2.9 In all cases the amount payable on Redemption shall be considered paid by the Trustee if either:
- (a) The amount of Redemption has been transferred to the designated Bank account provided by the Unit Holder at the time of submission of account opening form / change request form provided that the Scheme has a business relationship with that Bank; or
  - (b) The payment instrument has been delivered and duly acknowledged by the Unit Holder or his representative (as per Unit Holder authorization in the redemption form). If several persons are registered as joint Holders any one of them may give effectual receipt for such payment; or
  - (c) For payments received via any other mode of redemption, as maybe introduced by the Management Company in consultation with the Trustee, shall be deemed discharged.
- 12.2.1 The Asset Management Company shall ensure that no entry and exist to the scheme (including redemption and re-issuance of units to the same unit holders on different NAVs) shall be allowed other than cash settled transaction based on the formal issuance and redemption request.
- 12.3 ***Issue and Redemption of Units outside Pakistan***
- 12.3.1 Subject to exchange control, regulatory approvals and other applicable laws and regulations, the Management Company shall make arrangements, from time to time, for receiving purchase and redemption requests from outside Pakistan and shall disclose these arrangements through its website and its Distributors and agents outside Pakistan after obtaining prior approval of the SECP.



- 12.3.2 The Offer Price applicable to purchase requests received from outside Pakistan shall be the Offer Price applicable on the date the Trustee receives the payments, along with the completed application forms, from international investors provided it is within cutoff timing of a Subscription Day otherwise the Offer Price of the next Subscription Day shall apply.
- 12.3.3 The Redemption Price applicable to redemption requests received from outside Pakistan shall be the Redemption Price applicable on the date the Trustee receives the payments, along with the completed application forms, from international investors provided it is within cutoff timing of a Subscription Day otherwise the Redemption Price of the next Subscription Day shall apply.
- 12.3.4 The Offer and Redemption Price shall be in Pak rupee terms and the Scheme shall not carry any exchange risk. The investor shall invest at the exchange rate (closing spot rates declared by SBP) prevailing at the time of receipt of the applications for issue or redemption of Units, as the case may be. For investment in Units, the investor shall remit the proceeds in foreign exchange through normal banking channels. For redemption of Units of offshore investors, payments shall be made in Pakistani rupees and investor shall be responsible for converting it into dollars or any other foreign currency and for arranging remittance of the redemption proceeds.

#### 12.4 ***Temporary Change in the Method of Dealing***

Under the extraordinary circumstances mentioned in the sub-clause 12.5, the Management Company may request the Trustee to approve a temporary change in the method of dealing in Units. Such approval shall not be unreasonably withheld. The Management Company may, at any stage, suspend the dealing of Units and for such periods it may so decide.

#### 12.5 ***Suspension of Redemption of Units***

- 12.5.1 The redemption of Units may be suspended with the approval of the board of directors of the Management Company during extra-ordinary circumstances, including:
- (a) closure of one or more Stock Exchanges on which any of the securities invested in by the Scheme are listed; or
  - (b) the existence of a state of affairs like the event of war (declared or otherwise), natural disasters, and a major break down in law and order which in the opinion of the Management Company constitutes an emergency as a result of which disposal of any Investment would not be reasonably practicable or might seriously prejudice the interest of the Scheme or of the Unit Holder(s); or
  - (c) a break down in the means of communication normally employed in determining the price of any Investment; or
  - (d) when remittance of money cannot be carried out in reasonable time and if the Management Company is of the view that it would be detrimental to the remaining Unit

Holder(s) to redeem Units at a price so determined in accordance with the Net Asset Value (NAV).

- 12.5.2 The Management Company may announce a suspension or deferral of redemption and such a measure shall be taken to protect the interest of the Unit Holder(s) in the event of extraordinary circumstances or in the event redemption requests accumulate in excess of ten per cent (10%) of Net Assets.
- 12.5.3 The Management Company shall immediately notify the SECP if redemption in Units ceases or is suspended and the fact that redemption is suspended shall also be published immediately following such decision in the two newspapers, one in Urdu and One in English widely circulated in Pakistan
- 12.5.4 The SECP may also direct suspension of redemption of Units if it is of the opinion that it is in the interest of the Unit Holders to suspend the redemption of Units and issues a general or specific directive to that effect.
- 12.5.5 Such suspension or queue system shall end on the day following the first Business Day on which the conditions giving rise to the suspension or queue system shall in the opinion of the Management Company have ceased to exist and no other condition under which suspension or queue system is authorized under the Trust Deed exists.
- 12.5.6 In case of suspension of redemption of Units, the Management Company shall also suspend issuance of fresh Units of the Scheme until the redemption of Units is resumed.

#### 12.6 ***Suspension of Fresh Issue of Units***

- 12.6.1 The Management Company may at any time, subject to the Regulations, as may be modified from time to time and during extraordinary circumstances mentioned in clause 12.5 suspend issuance of fresh Units.
- 12.6.2 Such suspension may however not affect existing Unit Holders for the issue of bonus Units as a result of profit distribution or the option to receive dividends in the form of additional Units. The Management Company shall announce the details of exemptions at the time a suspension of fresh issue is announced.
- 12.6.3 The Management Company shall immediately notify the SECP if fresh issuance of Units is suspended and shall also have the same published, immediately following such decision, in the two news papers, one in Urdu and One in English widely circulated in Pakistan

#### 12.7 ***Queue System***

- 12.7.1 In the event redemption requests on any day exceed ten per cent (10%) of the number of Units outstanding, the Management Company may invoke a queue system whereby requests for

redemption shall be processed on a *first come first served* basis for upto ten per cent (10%) of the Units in issue.

- 12.7.2 The Management Company shall proceed to sell adequate assets of the Scheme and / or arrange financing as it deems fit in the best interest of the Unit Holder(s) and shall determine the Redemption Price to be applied to the redemption requests based on such action.
- 12.7.3 Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same Business Day, such requests shall be processed on a proportional basis proportionate to the size of the requests.
- 12.7.4 The requests in excess of the ten per cent (10%) shall be treated as redemption requests qualifying for being processed on the next Business Day at the price to be determined for such redemption requests.
- 12.7.5 If the carried over requests and the fresh requests received on the next Business Day still exceed ten per cent (10%) of the Units in issue or ten per cent (10%) of the Net Assets of the Scheme, these shall once again be treated on *first-come-first served* basis and the process for generating liquidity and determining the Redemption Price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten per cent (10%) of the Units then in issue.

## 12.8 ***Winding up in View of Major Redemptions***

- 12.8.1 In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Scheme being run down to an unmanageable level or is of the view that the sell-off of assets is likely to result in a significant loss in the value for the Holders who are not redeeming, it may announce winding up of the Scheme. In such an event, the queue system, if already invoked, shall cease to apply and all Holders shall be paid after selling the assets and determining the final Redemption Price. The interim distributions of the proceeds may be made if the Management Company finds it feasible.
- 12.8.2 The Management Company shall formally forward details of all requests for dealing in Units, including the information of stamped time and date, to the Trustee within 24 hours of the receipt of such requests.
- 12.8.3 All the application received on the designated points for issuance, redemption, conversion etc of units of scheme will be date and time stamped to ensure timely acknowledgement of the said application.

## 12.9 ***Permanent Change in the Method of Dealing***

A permanent change in the method of dealing shall be made after expiry of one (1) month's notice to Unit Holders and with the approval of Trustee.

### 13. FEES AND CHARGES

#### 13.1 *Remuneration of the Management Company*

- 13.1.1 The Management Company shall be entitled to a remuneration of an amount as permissible under the NBFC Regulations.
- 13.1.2 The remuneration shall begin to accrue on the date of close of Initial Offer period. In respect of any period other than an Accounting Period such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued in proportion to the total number of days accrued in the Accounting Period concerned.
- 13.1.3 The remuneration due to the Management Company shall be paid within seven days after the close of each month in arrears.
- 13.1.4 In consideration of the foregoing and save as aforesaid the Management Company shall be responsible for the payment of all expenses incurred by the Management Company from time to time in connection with its responsibilities as Management Company of the Scheme. The Management Company shall not make any charge against the Unit Holders or against the Trust Property or against the Distribution Account for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the NBFC Regulations to be payable out of Trust Property.
- 13.1.5 The Management Company shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of this Deed.
- 13.1.6 The Management Company shall however not make any further material charge against the Unit Holder(s) nor against the Trust Property nor against the Distribution Account for its services nor for expenses, except such expenses of fees as are expressly authorized under the provisions of the Rules, the Regulations and this Trust Deed.

#### 13.2 *Remuneration of the Trustee and its Agents*

- 13.2.1 The Trustee shall be entitled to a monthly remuneration out of the Trust Property based on an annual tariff of charges annexed hereto (Annexure 'C'), which shall be applied to the average daily Net Assets during such calendar month. The remuneration shall begin to accrue on the date of close of Initial Offer period. For any period other than a full calendar month such remuneration will be prorated on the basis of the actual number of days for which such remuneration has accrued in proportion to the total number of days in the calendar month concerned.
- 13.2.2 Such remuneration shall be paid to the Trustee in arrears within seven days after the end of each calendar month.

13.2.3 In consideration of the foregoing and save as aforesaid and as provide in Annexure 'C', the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with its duties as Trustee of the Scheme. The Trustee shall not make any charge against the Unit Holders or against the Trust Property or against the Distribution Account for its services or for its expenses, except such expenses as are expressly authorized to be paid out of the Trust Property under the provisions of the NBFC Regulations and this Deed.

13.2.4 The Trustee shall bear all expenditures in respect of its secretarial and office space and professional management services provided in accordance with the provisions of this Deed and the Regulations.

13.2.5 Any increase in the remuneration of the Trustee agreed to by the Management Company shall require the approval of the SECP and would be mentioned in the Offering Document. However, any decrease in remuneration of the Trustee shall not require such approval or amendment of the Offering Document.

13.3 ***Expenses Chargeable to Scheme***

- (a) execution and registration of the Constitutive Documents;
- (b) issue, legal costs, printing, circulation and publication of the Offering Document;
- (c) announcements describing the Scheme; and
- (d) expenses incurred during the Initial Offering Period

shall be borne by the Management Company and reimbursable, subject to the audit of expenses, by the Fund over a period of not less than five years or within the maturity date of the fund or any other time period as may be specified by the SECP.

13.3.1 Notwithstanding the generality of Clause 13.3.1, the following fees and charges shall be payable from the Scheme:-

- (a) remuneration of the Management Company;
- (b) remuneration of Trustee or Custodian;
- (c) listing fee payable to the Stock Exchange, including renewals;
- (d) charges and levies of Stock Exchange, National Clearing and Settlement Company and Central Depository Company;

- (e) rating fee of the Scheme payable to approved rating agency;
- (f) auditors' fees and out of pocket expenses as billed by them;
- (g) fees payable to the SECP;
- (h) Formation Cost of the Scheme not exceeding one per cent of the pre-initial public offering capital in case of the Scheme or five million rupees whichever is lower;
- (i) brokerage and Transaction Costs related to investing and disinvesting of the assets of the Scheme;
- (j) expenses incurred by trustee in affecting registration of all registerable assets in the name of the Trustee;
- (k) legal and related costs incurred in protecting the interests of the Unit Holders of the Scheme;
- (l) bank charges, borrowing and financial costs;
- (m) hedging costs including forward cover, forward purchase or option purchase costs;
- (n) printing costs and related expenses for issuing the quarterly, half-yearly and annual reports, etcetera of the Scheme; and
- (o) taxes, fees, duties and other charges applicable to the Scheme on its income or its properties, including taxes, fees, duties and other charges levied by a foreign jurisdiction on investments made overseas.

13.3.2 The expenses referred to in Clauses 13.1 and 13.2 shall be reported with their break-up under separate heads by the Management Company to the SECP and the Trustee, as soon as the distribution of the securities is completed.

Provided however, any costs associated with sales marketing and advertisement of the Scheme shall not be charged to the Scheme.

#### 14. **TRANSACTIONS WITH CONNECTED PERSONS**

14.1 The Trust Property shall not be invested in any security of a company if any director or officer of the Management Company individually owns more than five percent of the total nominal

amount of the securities issued or collectively own more than ten percent of those securities, except as may otherwise be permissible under the NBFC Regulations.

- 14.2 For the purposes of sub-clause 14.1 of this Trust Deed above, the term director, officer or employee shall include spouse, lineal ascendants and descendants, brothers and sisters.
- 14.3 The Management Company on behalf of the Scheme shall not without the approval of its Board of Directors in writing and with the consent of trustee purchase from or sell any securities to any Connected Person or employee of the Management Company. Provided that, the above shall not apply to the issue sale or redemption of units or shares or certificates issued by the scheme
- 14.4 Cash forming part of the Trust Property of the Scheme may be placed as deposits by the Trustee with an institution licensed to accept deposits. In case cash forming part of the Scheme's assets is deposited with an institution, which is a banking company or an NBFC, return shall be paid on the deposit at a rate that is not lower than the rate offered by the said banking company or NBFC to its other depositors on deposits of similar amount and maturity.
- 14.5 All transaction carried out by or on behalf of the Scheme with Connected Person(s) shall be made as provided in the Constitutive Documents, and shall be disclosed in the Scheme's annual reports.
15. **DISTRIBUTION POLICY, DETERMINATION OF DISTRIBUTABLE INCOME AND DATE OF DISTRIBUTION**
- 15.1 The Management Company shall distribute by way of dividend to the Unit Holders of the Scheme not less than ninety percent (90%) of its income received or derived from sources other than unrealized capital gains, as reduced by such expenses as are chargeable to the Scheme under the NBFC Regulations.
- 15.2 The Management Company shall decide as soon as possible but not later than forty-five days after the Accounting Date whether to distribute among Unit Holders, profits, either in form of bonus Units or cash dividend, if any, available for the distribution at the end of the Accounting Period or such other interim period as decided by the Management Company, and shall advise the Trustee of the amount of such distribution per Unit.
- 15.3 The amount available for distribution in respect of any Accounting Period shall be determined by the Management Company and shall be the sum total of;
- a) The total income earned on the Trust Property during such Accounting Period including all amounts in respect of dividend, mark-up, profit, interest and fee, etc.;
  - b) Net realized appreciation as set out in this sub-clause 15.3 a) of this Trust Deed, from which shall be deducted expenses as set out in sub-clause 15.4 of this Trust Deed, adjustment as set out in sub-clause 15.5 of this Trust Deed and such other adjustment as the Management

Company may determine in consultation with the Auditors, subject to the NBFC Regulations, the provisions of the Income Tax Income Ordinance and the rules there under.

- 15.4 The proceeds of all receipts deemed by the Management Company to be in the nature of capital accruing from Investments shall not be regarded as available for distribution but shall be retained as part of the Trust Property, provided that such amounts out of the sale proceeds of the Investments and out of the sale proceeds of the bonus shares and all other receipts as deemed by the Management Company to be in the nature of the net realized appreciation may be distributable to the Unit Holders and shall thereafter cease to form part of the Trust Property once transferred to the Distribution Account.
- 15.5 The income qualifying for distribution in respect of the relevant period shall be ascertained by deducting all such expenses and costs as mentioned in clause 13 above.
- 15.6 The income qualifying for distribution in respect of the relevant period shall be adjusted as under;
  - a) addition of a sum representing amounts included in the price of Units for income accrued up to the date of issue and deduction of a sum representing all participation in income distributed upon redemption of Units during the relevant period;
  - b) adjustment if considered necessary by the Management Company to reflect the diminution in value of Trust Property in consultation with the Trustee.
  - c) deduction of a sum by way of adjustment to allow for effect of purchase of shares or any of the investment /dividend, interest, profit or mark-up;
- 15.7 In case of cash distribution, the Management Company shall instruct the Trustee to transfer such amount of cash as required to effect such distribution to the Distribution Account. The amount standing to the credit of the Distribution Account shall not for any purposes of this Deed be treated as part of the Trust Property but shall be held by the Trustee upon trust to distribute the same as herein provided.
- 15.8 After the fixation of the amount of cash distribution per Unit, distribution payments shall be made within a period of 45 Days by transfer to the Unit Holders' designated bank accounts or in the case of joint Unit Holders to designated bank account of the joint Unit Holder, first named on the Register or by dispatch of any banking instrument in the name of Unit Holder at his / her address as provided. The receipt of funds by such designated bankers or dispatch of instrument shall be a good discharge thereof.
- 15.9 Before making any distribution payment (such as bonus Units, cash dividend, etc.) in respect of a Unit the Trustee or the Management Company may make such deductions as may be required by law in respect of any Zakat, income or other taxes, charges or assessments whatsoever and issue to the Unit Holders the Certificate in respect of such deduction in the prescribed form or in a form approved by the concerned authorities.



- 15.10 The Management Company may offer the Unit Holder the option to receive new Units under re-investment option instead of cash dividend. The Unit Holders shall be entitled to change such option.
- 15.11 New Units under re-investment option shall be issued at the Net Assets Value of the effective date of distribution after appropriation of the distribution but without any charge of the Front-end Load.
- 15.12 In case of distribution in the form of bonus Units, the Management Company shall determine the amount available for distribution as bonus Units and inform the Trustee of the same.
- 15.13 After the fixation of the rate of bonus entitlement per Unit, the Management Company shall instruct the Registrar to credit the respective Unit Holders' accounts with the designated number of Units calculated on the basis of rate of distribution determined above against the number of Units held by them on the date of the closure of the Register.
- 15.14 The Management Company may offer the Unit Holder the option to encash such Units as may be entitled against distribution in form of bonus Units. The Unit Holders shall be entitled to change such option.
- 15.15 In case of encashment, the bonus Units will be redeemed on the first subscription day after distribution at the Net Assets Value of the effective date of distribution after appropriation of the distribution but without any charge of any Back-end Load.
- 15.16 Details of change of options will be given in the Offering Document.

16. **ANNUAL ACCOUNTING PERIOD**

- 16.1 The annual Accounting Period shall commence on first day of July of a calendar year and shall end on thirtieth day of June of the succeeding calendar year.
- 16.2 Accounting Date shall be the thirtieth day of June in each year and any interim dates at which the financial statements of the Scheme are drawn up. Provided, however, the Management Company may, with the consent of the Trustee and after obtaining approval of the SECP and complying with other applicable laws, change such date to any other date.
- 16.3 Accounting Period means a period ending on and including an Accounting Date and commencing in case of the first such period, on the date on which the Trust Property is first paid or transferred to the Trustee and in any other case, from the first day subsequent to the end of the preceding Accounting Period .

17. **BASE CURRENCY**

The base currency of the Scheme shall be Pakistani Rupee; it being clarified, however, that the Authorized Investments may be denominated in Pakistani Rupee.

**18. MODIFICATION OF THE CONSTITUTIVE DOCUMENTS**

18.1 The Trustee and the Management Company acting together and with the approval of SECP, shall be entitled by supplemental deed to modify, alter or add to the provisions of this Deed on any of the following grounds;

- a) To such extent as may be required to ensure compliance with any applicable laws and regulations or any amendment to such laws and regulations;
- b) To enable the provisions of the Deed to be more conveniently and efficiently implemented;
- c) To enable the Units to be listed on a stock exchange or any other exchange; or
- d) Otherwise the benefit of the Unit Holders;

Provided that in case of b, c or d above, such alteration or addition shall not prejudice the interest of the Unit Holders and that in any event release Trustee or the Management Company of their responsibilities.

18.2 Where this Deed has been altered or supplemented the Management Company shall notify the Unit Holders regarding such alteration immediately.

18.3 If the SECP modifies or substitutes the NBFC Regulations, or through any other circular or notification, allow any relaxations or exemptions, these will deemed to have been included in this Trust Deed without requiring any modification as such.

**19. REVOCATION OF SCHEME AND DISTRIBUTION ON REVOCATION**

19.1 The Management Company may terminate the Scheme after prior written approval of the SECP if the Net Assets at any time fall below unmanageable level. The Management Company shall give at least three months notice to Unit Holder(s), the Trustee and the SECP and shall disclose the grounds of its decision. The Management Company may announce winding up of the Scheme as per NBFC Rules and NBFC Regulations in the event redemption requests build up to a level where the Management Company is of the view that the disposal of the Trust property to meet such redemptions would jeopardize the interests of the remaining Unit Holders and that it would be in the best interest of all the Unit Holders that the Trust be wound up.

19.2 The Trust may also be terminated by the SECP on the grounds given in the NBFC Regulations, after giving an opportunity of being heard to the Management Company.

19.3 This Deed may be terminated in accordance with the conditions specified in the NBFC Regulations, if there is any material breach of the provisions of this Deed or any other agreement or arrangement entered into between the Trustee and Management Company regarding the Scheme.

- 19.4 Upon representation to the Commission, by three fourth in value of the total Unit Holders of the Scheme, or if in the opinion of the Commission further continuation of the registration of the Scheme will be detrimental to the interest of the Unit Holders or the market generally, the SECP may cancel the registration of such Scheme: Provided that the registration of the Scheme shall not be cancelled without providing an opportunity of being heard to the Management Company and the Trustee.
- 19.5 In case of cancellation of registration, the Management Company shall revoke the Scheme and refund the proceeds to the Unit Holders in such manner and within such time as may be specified by the SECP.
- 19.6 Notwithstanding anything contained in any other provision, where in the opinion of the SECP or the Management Company any delay in the revocation of the Scheme is detrimental to the interest of the Unit Holders, or the market generally, the SECP may direct the immediate revocation of the Scheme without first canceling the registration or providing an opportunity of being heard to the Management Company in such manner and within such time as may be specified by the SECP.
- 19.7 Upon the Scheme being terminated the Management Company shall suspend the sale and redemption of Units forthwith and proceed to sell all Investments then remaining in the hands of the Trustee as part of the Trust Property and shall repay any financing affected by the Trust together with any mark-up, charges, etc. remaining unpaid to the extent possible out of the sale proceeds of the investments. The Trustee shall not be liable for shortfall, if any.
- 19.8 The Trustee on the recommendation of the Management Company shall from time to time distribute to the Unit Holders pro rata to the numbers of Units held by them respectively all net cash proceeds derived from the realization of the Trust Property after making payment as mentioned in clause 19.4 above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands. In case the sum so retained is not sufficient for meeting all costs, charges, expenses, claims and demands, the Trustee will not be liable for the shortfall. However, in case there is any surplus left in the hands of the Trustee after meeting all costs, charges, expenses, claims and demands the Trustee shall distribute the surplus to the Unit Holder(s) pro rata to the number of Units held by them.

## 20. **TRUST PROPERTY**

- 20.1 The aggregate proceeds of all Units issued from time to time after deducting there from or providing there against any applicable Front-end Load as charged by the Management Company and adding thereto Transactions Costs and charges for the redemption of Units in the form of Back-end Load, shall constitute part of the Trust Property and the Distribution Company shall remit such proceeds to the Trustee in accordance with the instructions given by the Management Company from time to time.

- 20.2 The Trust Property shall initially be constituted out of the proceeds from the Core Investors and investors during Pre IPO, after deducting any applicable Duties and Charges and Loads there from.
- 20.3 The Trustee shall take the Trust Property into its custody or under its control either directly or through the Custodian and hold it in trust for the benefit of the Unit Holders' ranking *pari passu* inter se, according to the number of Units held by each Unit Holders and in accordance with the provisions of the NBFC Regulations and this Deed. The Trust Property shall always be kept as separate property and shall not be applied to any purpose unconnected with the Scheme. All registerable Investments shall be registered in the name of the Trustee and shall remain so registered until disposed off or transferred to new trustee pursuant to the provisions of this Deed. All expenses incurred by the Trustee in effecting such registration shall be payable out of the Trust Property.
- 20.4 Save, as herein expressly provided, the Trust Property shall always be kept as separate property free from any mortgages, charges, liens or any other encumbrances whatsoever and the Trustee or the Custodian shall not, except for the purpose of the Scheme and as directed by the Management Company, create or purport to create any mortgages, charges, liens or any other encumbrances whatsoever to secure any loan, guarantee, or any other obligation actual or contingent incurred, assumed or undertaken by the Trustee, the Custodian or any other person.
- 20.5 The Trustee shall have the sole responsibility for the safekeeping of the Trust Property. Subject to clause 7.6 above, in the event of any loss, caused through negligence/deliberate act/omission on the part of the Trustee, or violation of the terms of this Deed, the Trustee shall have an obligation to replace the lost Investment forthwith with similar investment of the same class and issue together with all rights and privileges pertaining thereto or compensate the Trust to the extent of such loss. However the Trustee shall not be the under any liability therefore or thereby and it 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 in good faith hereunder.
- 20.6 All cash forming part of the Trust Property shall be deposited by the Trustee in Bank Account(s) having AA rating as directed by the Management Company to be opened in the name of the Trustee, as a nominee of the Scheme, with a bank with rating as specified in the NBFC Rules, NBFC Regulations and circulars. Such Bank shall be required to allow profit thereon, in accordance with the rules prescribed by such Bank for sharing of profits or mark-up on deposits maintained in such account or under any other arrangement approved by the Management Company.
- 20.7 Remuneration of the Management Company; Remuneration of the Trustee; and all other costs and expenses as mentioned in clauses 13.1 and 13.2 shall be payable out of the Trust Property.

21. **TRANSACTIONS RELATING TO INVESTORS (UNIT HOLDER(S))**

- 21.1 The Management Company shall advise the Trustee of the allocation of the funds (received in the main collection account) between the respective Schemes on a regular basis. Based on such

advice, the Trustee shall transfer the funds to the accounts of the respective schemes managed by the Management Company.

- 21.2 The Management Company shall also advise the Trustee on a daily basis of the details of amounts to be paid to respective Unit Holders against redemption requests, if any. Such payments shall be effected by the Trustee out of the respective accounts of the Schemes by way of transfer of the required amounts to the designated bank accounts of the Unit Holder(s) or as authorized by the Unit Holder(s) or by transfer to the temporary parking account or by dispatch of payment instrument to the Unit Holders by registered post at their respective addresses. Such dispatch shall constitute discharge of the Management Company and the Trustee in respect of such payment.
- 21.3 The Management Company shall advise the Trustee on regular basis of the conversion of Units between the schemes under the management of the Management Company. The Trustee shall transfer the funds so required from the account of the Scheme to the other. In case the conversion of Units is from the Scheme to the scheme under the trust of other trustee, the Management Company shall advise the Trustee of such transfer against the conversion to the trustee of other scheme.
- 21.4 The Management Company may with the prior approval of the SECP, make arrangements through branches of Banks to facilitate issuance and redemption of Units of the Scheme or may appoint Investment Facilitators for this purpose. A request for issuance of Units may also be made through the use of electronic means such as internet or ATM facilities or Debit / Credit Card facilities or direct bank debit / credit system. A request for redemption of Units may also be made through the ATM facility only when the relevant Bank /branches have been instructed by the Management Company to accept Unit Holders' request to redeem the Units of the concerned Scheme. The Trustee shall agree to such arrangements after satisfying itself in respect of all appropriate safeguards having been taken, without incurring any liability for additional risks involved.
- 21.5 The Management Company shall, from time to time, advise the Trustee of the dividend distribution for the Scheme. The Trustee shall establish separate Bank Accounts for each dividend distribution and transfer the amount payable as cash dividend to such accounts after deducting taxes and Zakat as may be required under the law and after adjustment of such amount being re-invested in the Units of the Scheme. Payments to the Unit Holders shall be effected by the Trustee out of such accounts of the Schemes by way of transfer of the appropriate amounts to the designated bank accounts of the Unit Holders or as authorized by the Unit Holders or by dispatch of dividend cheques / warrants / advice to the Unit Holder(s) by registered post at their respective addresses. Such dispatch shall constitute discharge of the Management Company and the Trustee in respect of such payment.
- 21.6 The Trustee shall pay to the Management Company's order such sums out of the sale proceeds of Units of the Scheme as are representative of Front-end or other recoveries in accordance with this Deed and the NBFC Regulations as being payable out of the Issue Prices.

- 21.7 Without prejudice to the foregoing, and subject to any law for time being in force, the Trustee shall endeavor to ensure and employ prudent practices to ensure that information pertaining to the Trust Property, such as, but not restricted to, investments made, list of Unit Holder(s) etc., is not intentionally compromised, dispersed or provided to any third party without expressed consent of the Management Company. The Trustee shall however not be under any liability to the Management Company in case any such information is requested by the SECP or SBP.
- 21.8 Where any loss is caused to the Trust Property or to the Management Company due to Trustee's failure to comply with clause 21.7, the Trustee shall make good that loss by depositing a sum equivalent to the loss in the Trust Property or making payment to the Management Company, as the case may be.
- 21.9 Without prejudice to the foregoing, and subject to any law for time being in force, the Management Company shall endeavor to ensure and employ prudent practices to allow Trustee to fulfill its responsibilities in an effective and efficient manner.
- 21.10 Where any loss is caused to the Trust Property or to the Trustee due to Management Company's failure to comply with clause 21.9, the Management Company shall make good that loss by depositing a sum equivalent to the loss in the Trust Property or making payment to the Trustee, as the case may be.

## **22. TRANSACTION RELATING TO INVESTMENT ACTIVITY/PORTFOLIO MANAGEMENT**

- 22.1 The Management Company shall, from time to time, advise the Trustee of the settlement instructions relating to any investment/ disinvestment transactions entered into by it on behalf of the Scheme. The Trustee shall carry out the settlements in accordance with the dictates of the specific transactions subject to the Regulations, the offering document and the terms of this Deed. The Management Company shall ensure the settlement instructions are given promptly after entering into the transaction so as to facilitate timely settlement and the Trustee, on its side, shall ensure that the settlement is handled in a timely manner in accordance with dictates of the transaction subject to the NBFC Regulations the Offering Document and the terms of this Deed.
- 22.2 The Trustee shall ensure that, where applicable, payments against Investments are made against delivery and vice versa.
- 22.3 The Trustee shall promptly forward to the Management Company any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust Funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government, regulator, stock or other exchange or any other party having any connection with the transaction.
- 22.4 The Trustee shall also, if so required by the nature of such notices or documents mentioned in the clause 22.3 above act on the instruction of the Management Company in a manner that is in

the best interest of the Scheme. Such action shall include legal action if called for and the Trustee shall be entitled to recover any legal costs reasonably incurred from the Scheme.

22.5 The Management Company shall intimate the Trustee with regard to dividends, other forms of income or inflows, and any rights or warrants relating to the Investments that are due to be received. The Trustee shall report back to the Management Company any such amounts or warrants that are received on such accounts from time to time.

22.6 The Trustee shall provide proxies or other forms of powers of attorney to the order of the Management Company with regard to any voting rights attaching to any investment.

## 23. **OTHER MATTERS RELATING TO THE SCHEME**

### 23.1 ***Declaration of Net Asset Value based prices***

The Management Company shall, at such frequencies as are prescribed in, the NBFC Rules, the NBFC Regulations, the Offering Document, determine and announce the Net Asset Value based prices. Under certain circumstances as provided in the Trust Deed, the Management Company may suspend the announcement of the prices. The Management Company will announce the applicable prices of the Fund on its website as well as on MUFAP's website by 6:30 pm on all Business Days, or any other time as may be specified by the SECP for announcement of prices from time to time.

### 23.2 ***Issuance (Offer) and Redemption (Repurchase) of Units***

The Registrar shall process Issuance and Redemption applications as well as conversion / switching, pledge and transfer application in accordance with the Offering Document. Based on the prices applicable to the relevant issuance or redemption, the Registrar shall determine the number of Units to be issued or redeemed. Under certain circumstances as provided in the Trust Deed, the Management Company may suspend the issuance and / or redemption of Units.

## 24. **VOTING RIGHTS ON TRUST PROPERTY**

24.1 All rights of voting attached to any Trust Property shall be exercisable by the Management Company on behalf of the Scheme and it shall be entitled to exercise the said rights in what it may consider to be the best interests of the Unit Holders and may refrain at its own discretion from the exercise of any voting rights and the Trustee or the Unit Holders shall not have any right to interfere or complain.

24.2 The Trustee shall upon written request by the Management Company, at the expense of the Scheme, from time to time execute and deliver or cause to be executed or delivered to the Management Company or their nominees powers of attorneys or proxies authorizing such attorneys and proxies to vote, consent or otherwise act in respect of any Investment in such form and in favour of such persons as the Management Company may require in writing.

- 24.3 The phrase "rights of voting" or the word "vote" used in this sub-clause shall be deemed to include not only a vote at a meeting but the right to elect or appoint directors, any consent to or approval of any arrangement scheme or resolution or any alteration in or abandonment of any rights attaching to any Investment and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement or any other right as provided under the Ordinance.
- 24.4 Not later than two (2) Business Days of receipt, the Trustee shall forward to the Management Company all notices of meetings and all reports and circulars received by the Trustee as the Holder of any Investment.
- 24.5 The Management Company shall keep records stating reasons for casting vote in favor or against any resolution for a period of 10 years

## 25. UNITS

- 25.1 The Management Company may initially issue following classes and types of Units to Holders:

**Classes of Units:** Units may be charged with Front-end Load, or Back-end Load, or any combination of the foregoing, or they may be offered without any Front-end Load from time to time. The Management Company shall identify each such class of Units in such manner as class 'A', class 'B', class 'C' and so on and so forth in the Offering Document.

**Types of Units:** The Management Company may issue different types of Units from time to time as set out in the Offering Document, and in this regard, the Management Company may specify or offer such conditions with respect to redemption of Units, distribution of profits (whether by cash or bonus Units),

- 25.2 Units shall be issued in the Initial Offer period for the Initial Price to the initial subscribers of such Units and to the extent of an amount determined by the Management Company and intimated to the Trustee, subject to the provisions of Regulations.
- 25.3 The part of Core Units worth at least rupees fifty million (Rs. 50,000,000/-) issued at Par Value to Core Investors shall not be redeemable for a period of two (2) years from the date of close of Initial Offer. Such Units are transferable with this condition and shall rank pari passu with all other Units save for this restriction. Any transfer of these Core Units, during the first two (2) years of close of Initial Offer Period, shall be affected only on the receipt by the Registrar of a written acceptance of this condition by the transferee. Such restriction and its termination date shall be entered into the Register and shall be noted on any Certificate issued in respect of such Units. Details of the Core Investors shall be included in the Offering Document to be issued for this Scheme. Further the Management Company will notify to the Trustee on each transfer of Core Units.



- 25.4 Subject to the terms of this Trust Deed, all Units and fractions thereof represent an undivided share in the Trust Property and rank *pari passu* as to their rights in the Net Assets, earnings, and the receipt of the dividends and distributions.
- 25.5 Irrespective of the different classes of Units issued, all Units issued from time to time shall rank *pari passu* inter se and shall have such rights as are set out in this Trust Deed and the Offering Document. The liability of the Holders shall be limited to the unpaid amount (if any) on the Units.
- 25.6 After the Initial Offer, the Offer Price shall be determined from time to time pursuant to sub-clause 11.3.2 of this Trust Deed and the NBFC Regulations.
- 25.7 By a deed supplemental to this Trust Deed, the Management Company may at any time with the approval of the Trustee and SECP on giving not less than twenty one (21) days previous notice in writing to each Holder subdivide or consolidate the whole or any part of the Units of the same class and the Holder(s) shall be bound accordingly. The Management Company shall require in such notice that each Holder to whom Certificates have been issued (who shall be bound accordingly) deliver up his Certificates for endorsement or enfacement with the number of Units to be represented thereby as a result of such sub-division or consolidation; provided that any delay or failure to deliver up the Certificates shall not delay or otherwise affect any such sub-division or consolidation.
- 25.8 The Management Company may list the Units of the Scheme on Stock Exchanges in Pakistan and subject to compliance with legal requirements, in any foreign jurisdiction. The cost of achieving and maintaining such a listing shall be borne by the Scheme. For this purpose the Management Company, with the approval of the SECP and Trustee, may amend the Trust Deed or issue supplemental Trust Deeds if required and the Offering Documents and the Unit Holders shall be bound accordingly.

## 26. **REGISTRATION OF UNIT HOLDERS**

- 26.1 A Register shall be maintained by the Registrar at such place as is agreed by the Management Company. The Management Company shall ensure that the Registrar shall comply with all relevant provisions of this Deed and the NBFC Regulations.
- 26.2 The Management Company shall ensure that the Registrar shall at all reasonable times during business hours give the Trustee and its representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without charge but neither the Trustee, nor its representatives shall be entitled to remove the Register or to make any entries there in or alterations thereto.
- 26.3 The Registrar shall issue an account statement physically to those who do not have an e-mail address or access to the internet and electronically to those who have an e-mail and access to internet that will constitute evidence of the number of Units registered in the name of the Unit Holder, upon the execution of every transaction in the Unit Holders account. Further the

Registrar shall, within seven Business Days of receiving a written request from any Unit Holder, post to such Unit Holder details of such Unit Holder's account in the Register. Such service shall be provided free of charge to any Unit Holder requesting so twice in any financial year. The Management Company may prescribe reasonable charges for servicing of any additional requests.

26.4 The Register shall contain the following information:

- a) Full names, father's/husband's name and addresses of each Unit Holder and joint Unit Holders together with the copy of the CNIC number and / or copy of passport (if applicable);
- b) The number of the Units held and the distinctive numbers of Certificate(s), if any
- c) The date on which the name of every Unit Holder was entered in respect of the Units standing in his name;
- d) The date on which any transfer or redemption is registered;
- e) Information about lien, pledge or charge of Units;
- f) Tax and Zakat status of the Unit Holder(s);
- g) Record of the signature(s) of the Unit Holder(s);
- h) Nominee(s) of the Unit Holder(s); and
- i) Such other information as Management Company may require.

26.5 The Register shall be conclusive evidence as to the Units held by each Unit Holder.

26.6 Any change of name or address of any Unit Holder shall forthwith be notified in writing to the Registrar, who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name the surrender of any Certificate(s) previously issued to such Unit Holder and the payment of the fee) shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall, if requested, issue new Certificate(s) to such Unit Holder(s).

26.7 The Registrar shall not register more than four joint holders for a Unit. In case of the death of any one of the joint holders the survivor or survivors shall be the only persons recognized by the Trustee as having any title to or interest in the Units held by the joint Holders. Provided however, the Registrar or the Trustee or the Management Company may at their discretion request the survivors to provide succession certificate(s) or other such mandate(s) from court(s) or lawful authority (ies), if they consider necessary.

26.8 A body corporate may be registered as a Unit Holder or as one of joint Unit Holders.

- 26.9 The Register of unit holders shall be closed for the purpose of declaration of dividend. In no case, the time period for closure of Register for dividend declaration shall exceed six (6) working days at a time and whole forty five days in a year.
- 26.10 The Unit Holder shall be the only person to be recognized by the Trustee, the Management Company and the Registrar as having any right; title or interest in or to such Units and the Trustee, the Management Company and the Registrar may recognize the Unit Holder as the absolute owner thereof 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 except where required by any court of competent jurisdiction. However, the Management Company may authorize the Registrar to record a lien on any or all Units held by a Unit Holder in favour of a third party at the request of such Unit Holder or joint Unit Holders as the case may be.
- 26.11 The executor(s) or administrator(s) or succession certificate holder(s) of a deceased Unit Holder (not being one of several joint Unit Holders) shall be the only persons recognized by the Trustee and the Management Company as having title to the Units represented thereby. However, in case of joint Unit Holder, the operation of the account of the joint Unit Holders within the Register will continue as per the mandate and authority given at the time of the opening of account through the investor account opening form or through any subsequent change therein.
- 26.12 Any person becoming entitled to a Unit in consequence of death or bankruptcy of any sole Unit Holder or of the survivor of joint Unit Holders may subject as hereinafter provided upon producing such evidence as to his title as the Trustee shall think sufficient either be registered himself as Unit Holder of such Unit(s) upon giving the Trustee/ the Management Company such notice in writing of his desire or transfer such Unit(s) to some other person upon compliance with all applicable formalities. All the limitations, restrictions and provisions of this Deed relating to transfer shall be applicable to any such notice or transfer as if death or bankruptcy had not occurred and such notice or transfer was a transfer executed by the Unit Holder. Provided however, the Management Company / Registrar or the Trustee may at their discretion request the survivors to provide succession certificates or other such mandate from a court or lawful authority, if they consider necessary.
- 26.13 The Trustee shall retain any moneys payable in respect of any Unit of which any person is, under the provisions as to the transmission of Units hereinbefore contained, entitled to be registered as the Unit Holder or which any person under those provisions is entitled to transfer, until such person shall be registered as the Holder of such Unit or shall duly transfer the same.
- 26.14 The Registrar shall, subject to any law in force, ensure at all times and shall endeavor to implement prudent practices to ensure that the Register or the information contained therein of all or any particular Unit Holder(s) is not provided to any third party without expressed permission from the Management Company or the Trustee or the Unit Holder(s) himself, unless any disclosure is required in compliance with any applicable laws, rules and regulations or where such disclosure is required by an appropriate court or competent authority.

**27. ISSUANCE OF CERTIFICATES**

- 27.1 Upon being satisfied that the Offer Price for each Unit or fraction thereof has been received in full from the applicant, the Registrar shall issue an account statement that will constitute evidence of the number of Units registered in the name of the Unit Holder.
- 27.2 Certificates shall be issued on the specimen approved by Trustee only if so requested by the Unit Holder at the time of application or at any later stage and upon payment of a fee not exceeding hundred (100) Rupees per Certificate of any denomination, subject to revision of fee from time to time by the Management Company together with the sum sufficient in the opinion of the Management Company to cover any Duties and Charges payable in connection with the issue of such certificate. The proceeds of such fee will accrue to the Management Company.
- 27.3 Certificates shall only be issued for Units that have been fully paid.
- 27.4 Certificates where requested shall be issued as herein provided not later than twenty-one Business Days after the date of such request. The Certificate may be sent to the Unit Holder or his duly authorized nominee at his own risk by registered post or by courier service or may be collected from the Registrar.
- 27.5 In the case of Units held jointly the Registrar shall not issue more than one Certificate for the Units held by such joint Unit Holders and delivery of such Certificate to the Unit Holder named first therein shall constitute sufficient delivery to all joint Unit Holders.
- 27.6 Certificates shall be issued in such form as may from time to time be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the name of the Scheme, the name and address of the Management Company and the Trustee, distinctive serial number and shall specify the number of Units represented thereby and the name and address of the Unit Holder as appearing in the Register.
- 27.7 Certificates may be engraved or lithographed or printed as the Management Company may determine from time to time with the mutual agreement of the Trustee and shall be signed on behalf of the Trustee by duly authorized officer(s) of the Trustee and on behalf of the Management Company by duly authorized officer(s) of the Management Company. Every such signature(s) shall be autographic unless there shall be for the time being in force an arrangement authorized by the Trustee adopting some lithographic or other mechanical method of signature(s) in which event all or any of such signature(s) may be effected by the method so adopted. The Certificates shall also bear the signature of the authorized representative of the Registrar (or a Distributor if so specifically authorized by the Management Company), which shall always be autographic. No Certificate shall be of any force or effect until signed as herein above mentioned. Certificate so signed shall be valid and binding notwithstanding that before the date of delivery thereof the Trustee or the Management Company or the Registrar or any person whose signature appears thereon as a duly authorized signatory may have ceased to be the Trustee, Management Company, Registrar, Distributor or an authorized signatory.

## 28. **REPLACEMENT OF CERTIFICATES**

- 28.1 Subject to the provisions of this Deed and in particular to the limitations of the denominations of Certificates as may be fixed by the Management Company and subject to any procedures from time to time made by the Trustee with the approval of the Management Company, every Unit Holder shall be entitled to exchange upon surrender of the existing Certificate any or all of his Certificates for one or more Certificates of such denominations as he may require representing the same aggregate number of Units.
- 28.2 In case any Certificate is lost, stolen, mutilated, defaced or destroyed, the Registrar with the approval of the Management Company may issue to the person entitled duplicate Certificate in lieu thereof. No such new Certificate shall be issued unless the applicant shall previously have:
- a) returned the mutilated or defaced Certificate or furnished to the Distributor/Registrar evidence satisfactory to the Management Company and Trustee of the loss, theft or destruction of the original Certificate;
  - b) paid all reasonable expenses incurred in connection with the investigation of the facts; and
  - c) furnished such indemnity as the Management Company and the Trustee may require.

Neither the Management Company nor the Trustee nor the Registrar, nor the Distributor shall incur any liability for any action that they may take in good faith under the provisions of this sub-clause. Provided further that the Trustee and /or the Management Company may also require issuance of public notices in newspapers at the cost of the pertinent Unit Holders before issuing any duplicate certificates.

- 28.3 Before the issuing of any Certificate under the provisions of this sub-clause the Registrar may require from the applicant for the Certificate the payment to it of a fee not exceeding (Rs. 100/-) one hundred Rupees for each Certificate, subject to revision of fee from time to time by the Management Company together with a sum sufficient in the opinion of the Management Company to cover any Duties and Charges payable in connection with the issue of such Certificate.

## 29. **TRANSFER OF UNITS**

- 29.1 Every Unit Holder(s) shall be entitled to transfer the Units held by him by an instrument in such form as the Management Company may prescribe from time to time with the approval of the Trustee.
- 29.2 Every instrument of transfer must be signed by both the transferor and the transferee and the transferor shall be deemed to remain the holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof.

- 29.3 Every instrument of transfer must be duly completed in all respects, including affixation of transfer stamps of the requisite value. Where Certificates have been issued the Trustee may dispense with the production of any Certificate where the Certificate have been lost, stolen or destroyed subject to compliance by the transferor with the like requirements to those arising in the case of an application by him for the replacement thereof as provided in this Deed.
- 29.4 All instruments of transfer shall be retained by the Registrar.
- 29.5 The Registrar with the prior approval of the Management Company and the Trustee shall be entitled to destroy all instruments of transfer or the copies thereof as the case may be which have been registered at any time after the expiration of ten years from the date of registration thereof and all Certificates which have been cancelled at any time after the expiration of three years from the date of cancellation thereof and all registers, statements and other records and documents relating to the Trust at any time after the expiration of six years from termination of the Trust. The Trustee or the Management Company or the Registrar shall be under no liability whatsoever in consequence thereof and it shall conclusively be presumed in favour of the Trustee or the Management Company or the Registrar that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered by the Trustee or the Management Company or the Registrar and that every Certificate so destroyed was a valid Certificate duly and properly cancelled. Provided always that;
- a) 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 may be relevant;
  - b) nothing in this sub-clause shall be construed as imposing upon the Trustee or the Management Company or the Registrar any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of proviso (a) above are not fulfilled; and
  - c) reference herein to the destruction of any document includes reference to the disposal thereof in any manner.

30. **PLEDGE / LIEN OF UNITS**

- 30.1 Any Unit Holder / or all joint Unit Holders may request the Registrar to record a pledge / lien of all or any of his/their Units in favour of any third party legally entitled to invest in such Units in its own right. The Registrar shall register a lien on any Units in favour of any third party with the specific authority of the Management Company.
- 30.2 The pledge/lien once registered shall be removed by the authority of the party in whose favour the pledge/lien has been registered or through an order of a competent court. Neither the Trustee, nor the Management Company, nor the Registrar, shall be liable for ensuring the validity of any such pledge / charge / lien. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge / charge / lien by any party shall be at the

entire discretion of such party and neither the Trustee nor the Management Company nor the Registrar takes any responsibility in this matter.

30.3 Where lien/ pledge/ charge on any unit is recorded in the Register, the Management Company and the Trustee may concur to make payment to the pledgee, if a request is received from the pledgee or through an order of a competent court and on receipt of such indemnification as the Management Company or the Trustee may require.

### 31. **AUDIT**

31.1 The Management Company shall at the establishment of the Scheme with the consent of the Trustee, appoint as Auditor, from the approved list of auditors circulated by the SECP from time to time, a firm of chartered accountants who shall be independent of the auditor of the Management Company and the Trustee. The Auditors shall hold office until transmission of the annual report and accounts.

31.2 The Management Company may at any time, with the consent of the Trustee, remove the Auditors and appoint another Auditor in its place. First Auditors and subsequent Auditors shall not be appointed for more than five consecutive years as specified under the NBFC Regulations, thereafter those auditors shall only be eligible for appointment after the lapse of at least one year.

31.3 The following persons shall not qualify to be the Auditors of the Scheme:

- a) A person who is or at any time during the preceding three years was a director, officer or employee of the Management Company or the Trustee;
- b) A person who is a partner of, or in employment of, a director, officer, employee of the Management Company or Trustee;
- c) The spouse of a director of the Management Company or Trustee;
- d) A person who is indebted to the Management Company or Trustee, and
- e) A body corporate, and
- f) A person who is the auditor of the Management Company or the Trustee appointed by the Management Company.

31.4 Appointment of a partnership firm to be the Auditors shall be deemed to be the appointment of all persons who are partners in the firm for the time being.

31.5 The Auditors shall have access to the books, papers, accounts and vouchers of the Trust, whether kept at the office of the Management Company, Trustee, Custodian, Registrar, Distribution Company or elsewhere and shall be entitled to require from the Management

Company, Trustee and their directors, officers and agents such information and explanations as considered necessary for the performance of audit.

- 31.6 The Auditors shall prepare a written report to the Unit Holders on the account and books of accounts of the Trust and the balance sheet and income and expenditure account and on every other document forming part of the balance sheet and income and expenditure account, including notes, statement or schedule appended thereto.
- 31.7 The contents of the Auditors report shall be as required in the NBFC Regulations.

32. **ARBITRATION**

In the event of any disputes arising out of this Trust Deed or the Offering Document between the Management Company on the one part and the Trustee on the other part, including as to the respective rights and obligations of the parties hereto, as well as those relating to the interpretation of the terms and conditions of this Trust Deed and/or the Offering Document, relating to the Scheme, the same shall be referred to arbitration by two arbitrators, one to be appointed by the Management Company and the other to be appointed by the Trustee. In the event of lack of consensus between the two arbitrators, the matter shall be referred to an umpire, to be selected by the two arbitrators before commencement of the reference. The unanimous decision of both the arbitrators, or the decision of the umpire, as the case may be, shall be final and binding upon both the Parties. The arbitrators and the umpire shall be selected from amongst, senior partners of renowned firms of chartered accountants, or senior partners of renowned law firms, or senior bankers or senior members of the Karachi Stock Exchange (Guarantee) Limited, (who may even be the heads of corporate members). The venue of the arbitration shall be Karachi. The arbitration shall be conducted in accordance with the Arbitration Act, 1940.

33. **CONFIDENTIALITY**

The Trustee, the Management Company and every director or officer of the said parties who are in any way engaged in the business of the Scheme and all persons employed or engaged by the said parties in connection with the business of the Scheme shall observe strict confidentiality in respect of all transactions of the Scheme, and shall not disclose any information or document which may come to his its Unit Holders and all matters relating there to knowledge or possession in the discharge of his duties except when required to do so in the ordinary course of performance of his duties or by law or if compelled by any court of law or a competent authority.

34. **MISCELLANEOUS**

- 34.1 Any notice required to be served upon the Unit Holders shall be deemed to have been duly given if sent by post or courier service to or left at his address as appearing in the Register. and in proving such service it shall be sufficient to prove that such letter was properly addressed,



stamped and posted. Service of a notice or document on any one of several joint Unit Holders shall be deemed effective service on the other joint Unit Holders.

- 34.2 Any notice or document sent by post or courier service to or left at the registered address of a Unit Holder shall notwithstanding that such Unit Holder be then dead or bankrupt and whether or not the Trustee or the Management Company have notice of his death or bankruptcy be deemed to have been duly served and such service shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under him) in the Units concerned.
- 34.3 The Management Company may advertise any such notice in two leading daily newspapers in Pakistan having their wide circulation in the country and this will be a good discharge of requirements of service of notice provided hereinabove.
- 34.4 If at any time, any clause of this Trust Deed is or becomes in whole or in part illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, the legality, validity and enforceability of the remaining clauses of this Trust Deed hereof, shall not in any way be effected or impaired thereby.
- 34.5 A copy of this Deed and of any such supplemental deed shall be made available for inspection at the respective Head Offices of the Trustee and of the Management Company at all times during usual business hours and shall be supplied by the Management Company to any person on application at a charge not exceeding (Rs. 100/-) one hundred Rupees per copy or at such rate as determined from time to time by the Management Company. A copy of all such documents shall also be made available on the Company's website.

## 35. **DEFINITIONS**

Unless the context requires otherwise the following words or expressions used in this Trust Deed shall have the meanings respectively assigned to them;

- 35.1 "**Accounting Date**" means the thirtieth day of June in each year and any interim dates at which the financial statements of the Scheme are drawn up. Provided, however, that the Management Company may with the consent of the Trustee and after obtaining approval of the SECP and complying with other applicable laws, change such date to any other date.
- 35.2 "**Accounting Period**" means a period ending on and including an Accounting Date and commencing in case of the first such period, on the date on which the Trust Property is first paid or transferred to the Trustee and in any other case, from the first day subsequent to the end of the preceding Accounting Period.
- 35.3 "**Auditor**" means the auditor of the Scheme appointed by the Management Company with the consent of the Trustee in accordance with the provisions of this Deed and the NBFC Regulations.

- 35.4 **"Authorized Branch(es)"** means those branches of the Distributors which are authorized to perform the Distribution Functions by the Management Company.
- 35.5 **"Authorized Transaction Location or ATL"** means branch(es) of the Management Company and Distributor authorized to accept and process investment/ redemption / transfer/ conversion etc requests. A list of ATLs shall be maintained and updated by the Management Company on its website and in its Offering Document.
- 35.6 **"Authorized Investment"** means Investments transacted, issued, traded or listed inside or outside Pakistan and includes any of the following.
- 35.6.1 Cash and near cash instruments which include cash in bank accounts (excluding TDRs), money market placements, deposits, certificate of deposits (COD), certificate of musharika (COM ) , TDRs , commercial paper, reverse repo;
- 35.6.2 Treasury bills and other Government Securities;
- 35.6.3 Any other security and/ or instruments and/ or transactions that may be permissible by SECP, the NBFC Rules and NBFC Regulations from time to time;
- The investments in asset classes mentioned above shall be subject to such exposure and investment limits and minimum ratings as specified in the Regulations and the SECP's Circular No.07 of 2009 and such other notifications, circulars or directives issued by the SECP from time to time.
- 35.7 **"Back-end Load"** means charges, not exceeding five percent of the Net Assets Value, payable as specified under clause 11.2.1, deducted by the Management Company from the Net Asset Value in determining the Redemption Price. Back-end load shall form part of Trust Property.
- 35.8 **"Bank"** means a scheduled bank as defined under the State Bank of Pakistan Act, 1956 and licensed to carry on banking business and shall include a bank outside in Pakistan licensed to carry on business in Pakistan as a scheduled bank.
- 35.9 **"Bank Accounts"** means those accounts open and maintained for the Scheme by the Trustees at Banks, the beneficial ownership in which shall rest in the Unit Holder.
- 35.10 **"Bonus Units"** means the Units issued, on distribution of the distributable income, in the form of stock dividend.
- 35.11 **"Broker"** means any person licensed by the SECP as a broker for effecting transactions in securities for the account of others.
- 35.12 **"Certificate"** means the definitive certificate acknowledging the number of Units registered in the name of a Holder issued at the request of such Unit Holder pursuant to the provisions of this Deed.

- 35.13 "**Connected Person**" shall have the same meaning as assigned to it in the NBFC Rules.
- 35.14 "**Constitutive Documents**" means this Trust Deed, Offering Document and other principal documents governing the formation of the Scheme, including all related material agreements.
- 35.15 "**Core Investors**" of the Scheme shall be such initial investors during Pre IPO whose subscription shall in aggregate be in compliance of the requirements of Regulation 44 (3) (e) of the NBFC Regulations. The Core Investors shall be issued with Core Units representing their subscriptions. Details of the Core Investors shall be included in the Offering Document that shall be issued for this Trust.
- 35.16 "**Core Units**" shall mean such Units of the Scheme that are issued to Core Investors with the condition that these are not redeemable for a period of two years from the date of close of Initial Offering Period. Such Units are transferable with this condition but otherwise shall rank pari passu with all other Units, save for this restriction. Any transfer of the Core Units, during the first two years of their issue, shall be affected only on the receipt by the Registrar of a written acceptance of this condition by the transferee.
- 35.17 "**Custodian**" includes a bank licensed under the Banking Companies Ordinance, 1962 (LVII of 1962) or a trust company which is a subsidiary of such a bank or a banking institution incorporated outside Pakistan or a central depository company approved by the SECP or a NBFC carrying out investment finance services provided it has been approved by the SECP to act as custodian or such other company as may be approved by the SECP to act as custodian.
- 35.18 "**Cut off Timings**" mean the commencement and closure of business hours of the Management Company for the purpose of acceptance of applications for purchase and redemption of Units of the Scheme as enunciated in clauses 11.3.4 and 11.4.4 respectively.
- 35.19 "**Distribution Account**" means the account (which may be a current, saving or deposit account) maintained by the Trustee with a Bank as directed by the Management Company in which the amount required for distribution of income to the Unit Holders shall be transferred. Mark-up, income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the main Bank Account of the Scheme from time to time as part of the Trust Property for the benefit of the Unit Holders.
- 35.20 "**Distributor(s) and Distribution Company**" means company (ies) or firm(s) or Bank(s) or any other financial institution(s) or central depository company, if appointed by the Management Company at its own expense for performing any or all of the Distribution Functions and shall also include the Management Company if it performs any or all of the Distribution Functions.
- 35.21 "**Distribution Functions**" means the functions with regard to;
- 35.21.1 Receiving applications for issue of Units together with the aggregate Offer Price for Units applied for by the applicants;

- 35.21.1 Interfacing with and providing services to the Holders including receiving redemption/transfer/pledge applications, conversion notices and applications for change of address or issue of duplicate Certificates for immediate transmission to the Management Company or the Registrar as appropriate; and
- 35.21.2 Acknowledging receipts in respect 38.20.1 and 38.20.2 above;
- 35.21.3 Accounting to the Management Company for (i) moneys received from the applicants for issuance of Units (ii) payments made to the Holders on redemption of Units; and (iii) expenses incurred in relation to the Distribution Functions.
- 35.22 "**Duties and Charges**" means in relation to any particular transaction or dealing, all stamp and other duties, taxes, Government charges, bank charges, transfer fees, registration fees and other Duties and Charges in connection with the issue, sale, transfer, redemption or purchase of Units or the sale or purchase of investments or in respect of the issue, transfer, cancellation or replacement of a Certificate 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 do not include any Front-end Load, the remuneration payable to the Distribution Company or any commission payable to agents on sales or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.
- 35.23 "**Initial Offer**" means the price of Rs.100 per Unit during the initial offering period determined by the Management Company, which shall not exceed a period of ten days (provided that this period may be extended with the prior approval of SECP).
- 35.24 "**Force Majeure**" means any occurrence or circumstance or element which delays or prevents performance of any of the terms and conditions of this Deed or any obligations of the Management Company or the Trustee and shall include but be no limited to any circumstance or element that cannot be reasonably controlled, predicted, avoided or overcome by any Party and which occurs after the execution of this Agreement and makes the performance of the Agreement in whole or in part impossible or impracticable or delays the performance, including but not limited to any situation where performance is impossible without unreasonable expenditure. Such circumstances include but are not limited to floods, fires, droughts, typhoons, earthquakes and other acts of God and other unavoidable or unpredictable elements beyond reasonable control, such as war (declared or undeclared), insurrection, civil war, acts of terrorism, accidents, strikes, riots, turmoil, civil commotion, any act or omission of a governmental authority, failure of communication system, hacking of computer system and transmissions by unscrupulous persons, closure of stock exchanges, banks or financial institutions, freezing of economic activities and other macro-economic factors, etc.
- 35.25 "**Formation Cost**" means all preliminary and floatation expenses of the scheme including expenses in connection with registration of the Scheme and its application fee payable to SECP, execution and registration of the Constitutive Document, issue, legal costs, printing, circulation and publication of the Offering Document, marketing and announcements describing the Scheme

inviting investment therein and all expenses incurred up to the close of Initial Offer, as allowed under the NBFC Rules and NBFC Regulations.

- 35.26 "**Front-end Load**" means the sales and processing charges, payable as specified under clause 11.3.2, which are included in the Offer Price of Units.
- 35.27 "**Fund**" or "**Scheme**" or "**Trust**" means IGI Money Market Fund constituted by this Deed.
- 35.28 "**Government Securities**" includes monetary obligations of the Federal Government or Provincial Government or of a Corporation wholly owned or controlled, directly or indirectly, by the Federal Government or a Provincial Government and guaranteed by the Federal Government and any other security as the Federal Government may, by notification in the Official Gazette, declare, to the extent determined from time to time to be Government Securities.
- 35.29 "**Holder**" or "**Unit Holder**" means the investor for the time being entered in the Register as owner of a Unit or a fraction thereof including investors jointly so registered pursuant to the provisions of this Deed.
- 35.30 "**Initial Price**" means the price at Par Value of Rs:100/- (Rupees One Hundred only) per Unit.
- 35.31 "**Investments**" means any Authorized Investment forming part of the Trust Property.
- 35.32 "**NBFC Regulations**" mean Non-Banking Finance Companies and Notified Entities Regulations, 2008, as amended or substituted from time to time and inclusive of any specific or general relaxations in respect of applicability of such regulations granted or to be granted by SECP.
- 35.33 "**NBFC Rules**" mean Non-Banking Finance Companies (Establishment and Regulation) Rules 2003, as amended or substituted from time to time and inclusive of any specific or general relaxations in respect of applicability of such Rules granted or to be granted by SECP and / or the Federal Government , as appropriate.
- 35.34 "**Net Assets**" shall have the same meaning as in the NBFC Rules and NBFC Regulations.
- 35.35 "**Net Assets Value**" or "**NAV**" means per Unit value of the Trust arrived at by dividing the Net Assets by the number of Units outstanding.
- 35.36 "**Offer Price**" means the sum to be paid to the Trustee for issuance of one Unit, such price to be determined pursuant to clause 11.1 of the Trust Deed.
- 35.37 "**Offering Document**" means published document containing information of a Scheme to invite the public for purchase of certificates or Units of the Scheme.
- 35.38 "**Online**" means transactions through electronic data-interchange whether real time transactions or otherwise, which may be through the internet, intranet networks and the like.

- 35.39 "**Ordinance**" means the Companies Ordinance, 1984, as amended from time to time.
- 35.40 "**Par Value**" means the Initial Offer price of Rs. 100/- per Unit to invite offers by the public to invest in Scheme.
- 35.41 "**Pre IPO**" means period during which the investors may subscribe to the Scheme before the Initial Offer.
- 35.42 "**Pre-IPO Investors**" mean those investors who make payment to the Management Company for purchase of Units prior to the Initial Offer under private arrangements.
- 35.43 "**Pre IPO Units**" means Units of the Trust, other than the Core Units issued at par. The Management Company may also at its discretion charge a Front-end Load during the Pre IPO and this arrangement shall be disclosed to Pre IPO investors.
- 35.44 "**Redemption Price**" means the amount to be paid to the relevant Holder of a Unit upon redemption of that Unit, such amount to be determined pursuant to clause 11.2 of this Deed.
- 35.45 "**Register**" means the Register of the Holders kept pursuant to the NBFC Regulations and this Trust Deed.
- 35.46 "**Registrar**" or "**Transfer Agent**" means an organization that the Management Company may appoint for performing the Registrar Function at its own expense and also includes the Management Company if it performs any or all of the Registrar Functions.
- 35.47 "**Registrar Functions**" means the functions with regard to;
- 35.47.1 Maintaining the Register;
- 35.47.2 Processing requests for issue, redemption, transfer and transmission of Units and requests for recording of pledges and lien or for recording of changes in data with regard to the Unit Holders;
- 35.47.3 Issuing account statement to the Holders;
- 35.47.4 Issuing and dispatching of Certificates;
- 35.47.5 Dispatching income distribution warrants and bank transfer intimations or any other Instrument; and
- 35.47.6 Cancelling old Certificates on redemption or replacement.
- 35.48 "**SBP**" means the State Bank of Pakistan established under the State Bank of Pakistan Act, 1956 (XXXIII of 1956) and shall include its legal successor.

- 35.49 "**SECP**" means the Securities and Exchange Commission of Pakistan.
- 35.50 "**Stock Exchange**" mean Stock Exchanges, registered under the Securities and Exchange Ordinance, 1969.
- 35.51 "**Subscription Day**" means any day from Monday to Friday but does not include any day which is a gazetted Government of Pakistan holiday or on which Banks are closed for business in Pakistan.
- 35.52 "**Supplementary Offering Document**" means a document issued by the Management Company, in consultation with the Trustee after seeking approval of the SECP, describing amendments in the Offering Document.
- 35.53 "**Supplemental Trust Deed**" means a document executed by the Management Company and the Trustee after seeking approval of the SECP, describing amendments in the Trust Deed.
- 35.54 "**Transaction Costs**" means the costs incurred or estimated by the Management Company to cover the costs (such as, but not restricted to, brokerage, Trustee charges, taxes or levies on transactions, etc.) related to the investing or disinvesting activity of the Scheme's portfolio, necessitated by creation or cancellation of Units. Such costs may be added to the NAV for determining the Offer Price of Units or be deducted from the NAV in determining the Redemption Price. The Transaction Costs may not normally be applied in determining these prices, however, if the Management Company is of the view that it is in the overall interest of the Unit Holders, it may, in consultation with the Trustee, apply such charges either to the Offer and / or the Redemption Price. The Management Company may, however, apply Transaction Costs while determining Offer or Redemption prices, without consulting the Trustee provided the difference between the Offer Price and the Redemption Price does not exceed five percent. The element of Transaction Costs taken into account in determining the prices and collected so, shall form a part of the Trust Property.
- 35.55 "**Trust Deed**" or "**Deed**" means this deed executed between the Management Company and the Trustee along with all exhibits appended hereto (if any).
- 35.56 "**Trust Property**" shall consist of;
- 35.56.1 The aggregate proceeds of all Units issued from time to time after deducting applicable Front-end Load as charged by the Management Company and after adding thereto transaction costs and charges for redemption of Units in the form of Back-end Load;
- 35.56.2 All Investments made by the Trustee in terms of this Deed and all income, profit (including accrued profits) and other benefits arising there from and all cash and other assets including moveable or immovable and property of every description(including present and future actionable claims) for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Holders pursuant to this Deed; and
- 35.56.3 Amounts standing to the credit of the accounts maintained by the Scheme, including profits

accruing therein, until, from time to time, such amounts (or part thereof) are actually paid to Holders upon receipt of a request by such Holders to redeem their Units in accordance with the provisions of this Deed.

35.57 "**Unit**" means one undivided share in the Trust.

35.58 "**ZAKAT**" has the same meaning as in Zakat and Ushr ordinance (XVIII of 1980).

Words and expressions used but not defined herein shall have the meanings assigned to them in the Ordinance and NBFC Rules and the NBFC Regulations, words importing persons include corporations, words importing the masculine gender include the feminine gender, words importing singular include plural and words "written" or "in writing" include printing, engraving lithography, or other means of visible reproduction. The headings and table of contents are for convenience only and shall not affect the construction of this Trust Deed.

**IN WITNESS WHERE OF THIS DEED** has been executed on the day and year first above written.

The Common Seal of IGI Funds Limited was hereunto affixed in the presence of;

1) \_\_\_\_\_  
Maheen Rahman  
CNIC No: 42301-3079259-8

The Common Seal of Central Depository Company of Pakistan Limited was hereunto affixed in the presence of;

1) \_\_\_\_\_  
Abdul Samad  
CNIC No. 42101-1818807-7

2) \_\_\_\_\_  
Ateeq-ur-Rehman  
CNIC No. 42501-9253203-1

**Witnesses:**

1) Signature: \_\_\_\_\_  
C/o IGI Funds Limited

2) Signature: \_\_\_\_\_  
C/o CDC Pakistan Limited





**Securities and Exchange Commission of Pakistan**  
**Specialized Companies Division**  
**NBFC Department**

License No. NBFC-II/28/IGIFL/AMS/16/2009

July 13, 2009

**LICENSE TO CARRY OUT**  
**ASSET MANAGEMENT SERVICES**  
**AS NON-BANKING FINANCE COMPANY**

The Securities and Exchange Commission of Pakistan, having considered the application for the renewal of license to carry out **Asset Management Services** submitted by **IGI Funds Limited** under rule 5 of the Non-Banking Finance Company (Establishment and Regulation) Rules, 2003 as amended through S.R.O.1131(1) 2007 (the "Rules"), and being satisfied that it would be in the public interest so to do, in exercise of powers conferred by sub-rule (9) of rule 5 of the Rules, hereby renews the license of **IGI Funds Limited** to carry out **Asset Management Services** subject to the conditions stated herein below or as may be prescribed or imposed hereafter:

- (i) **IGI Funds Limited** shall comply with the Companies Ordinance, 1984, the Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 and any directives, circulars, codes, notifications and guidelines issued by the Commission;
- (ii) **IGI Funds Limited** shall submit an annual, half yearly, quarterly or such other reports as specified in the applicable laws; and
- (iii) The license is valid for a period of one year **w.e.f May 19, 2009** and shall be renewable annually as specified in the Rules.

(Salman Ali Shaikh)  
Commissioner (SCD)



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
SPECIALIZED COMPANIES DIVISION  
NBFC DEPARTMENT

No. NBFC-II/AD/IGI/MME/169/

February 23, 2010

**Ms. Maheen Rehman,**  
Chief Executive Officer,  
IGI Funds Limited,  
7<sup>th</sup> Floor, the Forum,  
Suit No.701-713, G-20,  
Khayaban-E-Jami,  
Block 9, Clifton,  
**Karachi.**

Subject: **Approval of Trust Deed of Proposed IGI Money Market Fund**

Dear Ms:

I am directed to refer to your letter dated February 12, 2010 whereby you have submitted the Trust Deed of IGI Money Market Fund proposed to be executed between **IGI Funds Limited**(IGI Funds) (the "Management Company") and **Central depository Company of Pakistan** (CDC) (the "Trustee") for approval.

In this regard, the Securities and Exchange Commission of Pakistan has no objection to the registration of latest amended version of the Trust Deed of the proposed IGI Money Market Fund enclosed with your above referred letter under the Trusts Act, 1882. The clearance of the draft trust deed is without prejudice to the consequences of verifying compliance to the conditions stipulated in the license issued in favor of IGI Funds Limited and the requirements stipulated in the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations 2008. Further action will be taken on receipt of duly registered copy of the Trust Deed.

Yours truly,

  
Khawaja Ammad Masud  
(Assistant Director)

#### TARIFF STRUCTURE FOR OPEN-END MUTUAL FUNDS UNDER CDC'S TRUSTEESHIP

The Trustee remuneration shall consist of reimbursement of actual custodial expenses/ charges plus the following tariff:

Net Assets (Rupees in millions)		Tariff
From	To	
1	1,000	Rs. 0.7 million or 0.20% p.a. of NAV whichever is higher
1,000	& Above	Rs. 2.0 million plus 0.10% p.a. of NAV exceeding Rs. 1,000 million



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
SPECIALIZED COMPANIES DIVISION  
NBFC DEPARTMENT

No. NBFC-II/AD/IGI/MMF/ 17/2010

February 24, 2010

**Ms. Maheen Rehman,**  
Chief Executive Officer,  
IGI Funds Limited,  
7<sup>th</sup> Floor, the Forum,  
Suit No.701-713, G-20,  
Khayaban-E-Jami,  
Block 9, Clifton,  
**Karachi.**

Subject: **Appointment of Central Depository Company of Pakistan as Trustee to IGI Money Market Fund**

Dear Ms:

I am directed to refer to your letter dated November 25, 2009 on the captioned subject and convey the approval of Securities and Exchange Commission of Pakistan for appointment of Central Depository Company of Pakistan Limited as Trustee of the proposed IGI Money Market Fund in terms of Regulation 39 of the Non-Banking Finance Companies and Notified Entities Regulations 2008.

Yours truly,

  
Khawaja Ammad Masud  
(Assistant Director)