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**TRUST DEED****ALFALAH GHP ALPHA FUND**

THIS TRUST DEED is made and entered into at Karachi, on this 27th day of December, 2007:

**1. Name of the Scheme**

ALFALAH GHP ALPHA FUND (AGAF)

**2. Participating Parties and Constitution of the Trust****2.1. Participating Parties**

- I. Alfalah GHP Investment Management Limited (AGIML)**, an unlisted public limited company incorporated under the Companies Ordinance, 1984 with its registered office at 12th Floor, Tower A, Saima Trade Towers, I.I. Chundrigar Road, Karachi, through its Chief Executive and Director, Mr. Abdul Aziz Anis s/o. Mr. Muhammad Anis holding CNIC No. 42301-7958591-5 and Mr. Mohammad Yousuf s/o. Mr. Abdullah holding CNIC No. 42301-9762401-7 (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, and registered with the Securities & Exchange Commission of Pakistan (SECP) as a central depository company, with its Registered Office at CDC House, 99-B, Block "B", S.M.C.H.S, Main Shahra-e-Faisal, Karachi, through its Chief Financial Officer and Company Secretary, Mr. Kamran Ahmed Qazi s/o Qazi Haleem Ahmed holding CNIC No. 42201-0522034-5 and Head of Trustee & Custodial Operations Mr. Atiqur Rehman s/o Abul Kalam Azad holding CNIC No. 42501-9253203-1 (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 licensed as an Asset Management Company pursuant to the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (hereinafter referred to as the "Rules " for the purpose of undertaking asset management services (license attached hereto as Annexure "A").
- b. The Management Company has been authorized by the SECP vide its letter bearing reference No. NBFC-II/AD/AGIML/929/2007 dated 13 December 2007, attached herewith as Annexure "B" to constitute the Trust under the name and title of "**Alfalalah GHP Alpha Fund**" (hereinafter referred to as "the Scheme" or "the Trust" or "the Unit Trust" or "the Fund") and to register this Trust Deed, pending registration for the establishment and operation of the Scheme in accordance with the provisions of the Rules & Regulations 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 herein contained and the Tariff structure for Trusteeship as per Annexure "C" attached herewith;
- d. The SECP has also approved the appointment of the Trustee; vide its said letter bearing reference No. NBFC-II/AD/AGIML/930/2007 dated 13 December 2007, attached herewith as Annexure "D"; and
- e. Unless the context requires otherwise, the defined terms, words and expressions shall have the meanings respectively assigned to them in Clause 24 hereof.

## **2.2. Constitution and Declaration of the Trust**

2.2.1. "Alfalalah GHP Alpha Fund", an open-ended Scheme is hereby constituted as a trust under the Trusts Act, 1882. The Trustee is hereby nominated, constituted and appointed as the trustee of the Unit Trust herein created and the Trustee hereby accepts such appointment on the terms and conditions contained in this Deed. The Management Company and the Trustee declare that:

- a. The Trustee shall hold and stand possessed of the Fund 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;
- b. The Fund Property shall be invested or disinvested from time to time by the Trustee at the direction of the Management Company strictly in terms of the provisions contained and the conditions stipulated in this Deed, the Offering Documents, the Rules & Regulations and the conditions (if any) which may be imposed by the SECP from time to time;
- c. The Management Company shall establish, manage, operate and administer the Fund in accordance with the Rules & Regulations; Trust Deed and Offering Document; and any other condition which may be imposed by the SECP from time to time;
- d. After receiving authorization from the SECP, the Management Company, shall offer Units of the aggregate par value of Rs.50/- each to the general public, including banks and financial institutions through an Offering Document. The Offering Document shall be in the form and substance as prescribed under the Rules & Regulations, which shall be subject to the approval of the SECP and the Stock Exchanges;
- e. The Trust shall have minimum investment in compliance with the requirement of Regulation 61(2)(e)(ii) of the NBFC Regulations and the Management Company shall invest or arrange the investment of the required minimum amount by the Core Investors out of which at least fifty (50) million rupees shall remain invested for a minimum period of two years; and
- f. In case the Management Company intends to apply for relaxation to any Regulations then it must take specific written approval from SECP for such relaxation.

**3. Governing Law and Jurisdiction**

- 3.1. This Deed shall be subject to and be governed by the Laws of Pakistan, including the Ordinance, the Rules & Regulations and all other applicable laws and regulations and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed of a unit trust by the Regulations are incorporated in this Deed as part and parcel thereof and in the event of any conflict between this Deed and the provisions required to be contained in a trust deed of an open-ended scheme including and any deed supplemental thereto by the Regulations, the latter shall supersede and prevail over the provisions contained in this Deed.
- 3.2. Furthermore, the Fund shall also be subject to the Regulations framed by the State Bank of Pakistan and the SECP with regard to the foreign investments made by the Fund or in the Fund.
- 3.3. Subject to the Arbitration Clause 21 hereafter, applicable between the Management Company and the Trustee inter se, each party, including the Unit Holders irrevocably submit to the exclusive jurisdiction of the Courts at Karachi.

**4. Effect of this Deed, Status of Unit Holders and Retirement / Change of Trustee, etc.****4.1. Deed binding on each Unit Holders**

- 4.1.1. The terms and conditions of this Deed and any deed supplemental hereto shall be binding on each Unit Holders as if he had been a party to it and shall be bound by the provisions hereof 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 Deed and the Rules & Regulations.

**4.2. Unit Holders not liable to make further Payments**

- 4.2.1. 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 10.1 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. 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 Holders in the Net Assets, earnings and the receipt of the dividends and distributions. However, the Management Company may offer such types of units which may offer distribution of profits either by cash or additional Units at the option of the holder and the Management Company. Each Unit Holder has a beneficial interest in the Trust proportionate to the Units held by such Unit Holder and shall have such rights as are set out in this Deed and the Offering Document.

4.3.2. Core Units subscribed by the Core Investors shall however be offered and issued at par and out of total investment at least fifty million rupees shall remain invested and not be redeemable (but are transferable) for a period of two years from the close of Initial Period of 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.

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

4.4.1. The Trustee shall report to the Unit Holders in accordance with the Regulations. In particular, the Trustee shall issue a report to the Unit Holders to be included in the annual report to be sent to the Unit Holders whether in the Trustee's opinion, the Management Company has in all material respects managed the Scheme in accordance with the provisions of this Deed and the Rules & 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 as may be considered necessary to facilitate the Trustee in issuing the certification required under the Regulations. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible.

#### 4.5. **Manner in which the Trustee may retire**

4.5.1. A trustee may, subject to prior approval of the Commission, retire from his 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 Commission or from the date of assumption of assets of the fund by the newly appointed trustee, whichever is later. In the event of the Trustee desiring to retire, the Management Company, within a period of three months after receiving a notice to that effect from the Trustee and with the prior written approval of the SECP, may by a deed supplemental hereto under the seal of the Management Company appoint a new trustee under the provisions of the NBFC Regulations in place of the retiring Trustee and also provide in such deed for the automatic vesting of all the assets of the Scheme in the name of the new trustee. Provided that the obligations of the Trustee shall continue and the Trustee shall also receive its remuneration until the new trustee is appointed. In case the Trustee decides to retire voluntarily, as above, it shall endeavour its best to suggest the name(s) of alternate company(ies) or institution(s) qualified for being appointed as trustee to the management company and the SECP for appointment as the trustee, in the place of the Trustee.

### 5. **Management Company**

#### 5.1. **Role of the Management Company**

The Management Company shall manage, operate and administer the Fund in accordance with the provisions of this Deed, the Offering Document(s) and the Rules & Regulations.

#### 5.2. **Primary Functions of the Management Company:**

##### 5.2.1. ***Fund Management***

The Management Company has the responsibility to make all investment and disinvestment decisions within the framework of the Rules & Regulations, this Deed and the Offering Document(s).

**5.2.2. Investor 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.

**5.2.3. Investor Records**

a. The Management Company has the responsibility to maintain investor records and for this purpose it may appoint a Registrar, who is responsible for performing Registrar Functions, i.e. maintaining investors' (Unit Holders) records and providing related services. The Registrar shall carry out the responsibility of maintaining investors' records, issuing statements of accounts, issuing/cancelling Certificates representing Units, processing redemption requests, processing dividend payments and all other related and incidental activities.

b. 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.

**5.2.4. Distribution**

The Management Company, shall from time to time appoint, remove or replace one or more suitable persons, entities or parties as Distributor(s) for carrying on Distribution Function(s) at one or more location(s) on terms and conditions to be incorporated in the Distribution Agreement(s) to be entered into between the Distributor and the Management Company. Provided that the Management Company may also itself act as a Distributor for carrying on Distribution Functions. The Distributor(s) shall act as the interface between the investors, the Management Company, the Registrar and the Trustee and perform all other Distribution Function(s), as defined in Clause 24.26 hereafter.

**5.2.5. Investment Facilitators**

The Management Company may, at its own responsibility, from time to time appoint Investment Facilitators to assist it in promoting sales of Units.

**5.2.6. Record Keeping**

The Management Company has the primary responsibility for all record keeping, regular determination and announcements of prices of Units and for producing financial reports from time to time. However, the Trustee has the responsibility to ensure timely delivery to the Management Company of statements of accounts and transaction advices for banking and custodial accounts in the name and under the control of the Trustee. The Management Company shall provide the Trustee unhindered access to all records relating to the Scheme.

**5.3. Other Functions and Responsibilities of the Management Company**

5.3.1. The Management Company shall manage the Scheme in the best interest of the Unit Holders, in good faith and to the best of its ability and without gaining any undue advantage for itself or any of its related parties including connected persons and group of companies or its officers, and subject to the restrictions and limitations as provided in this Deed and the Rules & Regulations and subject to any special exemptions granted by SECP. Any purchase or sale of investments made under any of the provisions of this Deed shall be made by the Trustee according to the instructions of the Management Company in this respect, unless such instructions are in conflict with the provisions of this Deed or the Rules & Regulations. The Management Company shall not be liable for any loss caused to the Scheme or to the value of the Fund Property due to any elements or circumstances beyond its reasonable control.



- 5.3.2. The Management Company shall comply with the provisions of the Rules & Regulations and the Constitutive Documents 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 or agent 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 Fund Property where such loss has been caused by its gross negligence or reckless or willful act and / or omission or of its officers, officials or agents.
- 5.3.3. The Management Company may from time to time appoint, remove or replace the Registrar.
- 5.3.4. The Management Company shall make available or ensure that there is made available to the Trustee such information as the Trustee may reasonably require in respect of any matter relating to the Scheme.
- 5.3.5. The Management Company shall not be under any liability, except such liability as may be expressly assumed by it under the Rules & Regulations and Constitutive Documents, nor shall the Management Company (save as herein otherwise provided) be liable for any act or omission of the Trustee, or for anything except for its own gross 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 or any matter or thing done or suffered or omitted to be done in good faith hereunder.
- 5.3.6. The Management Company shall maintain at its principal office, proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Scheme, all transactions for the account of the Scheme and amounts received by the Scheme in respect of issuance of Units and paid out by the Scheme on redemption of Units and by way of distributions.
- 5.3.7. The Management Company shall prepare and circulate (physically or through electronic means or on the web subject to SECP's approval) an annual report, together with a copy of the balance sheet, income statement, cash flow statement, statement of movement in unitholder's fund or net assets or reserve, and the Auditor's report of the Scheme to the Trustee, Unit Holders, the SECP and the Stock Exchange on which the units of the fund are listed within three months of the closing of the accounting date and balance sheet and profit & loss accounts shall comply with the requirements set out in the Schedule IV of the Regulations together with a statement containing the following information, namely:
- a. Total number of Unit Holder(s); and
  - b. Particulars of the personnel (executive, research and others) of the Management Company.

- 5.3.8. The Management Company shall within one month of the closing of the first and third quarter and within two months of the closing of the second quarter of each Accounting Date, prepare and circulate (physically or through electronic means or on the web subject to SECP's approval) to the Trustee, Unit Holders, the SECP and the Stock Exchange on which the units of the fund are listed, balance sheet as at the end of that quarter, an income statement, a cash flow statement and a statement of changes in equity for that quarter, whether audited or otherwise:
- 5.3.9. The Management Company shall maintain a Register 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.
- 5.3.10. The Management Company shall 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.
- 5.3.11. The Management Company shall with the consent of the Trustee, appoint at the establishment of the Scheme and upon any vacancy, an Auditor from the approved list of auditors circulated by the Commission from time to time, who shall be a chartered accountant and independent of the auditor of the asset management company, as the case may be, and the trustee and such auditor shall not be appointed for more than five (5) consecutive years and the contents of the Auditor's report shall be in accordance with schedule IV of the Regulations.
- 5.3.12. 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 Trust. The Trustee shall carry out the settlements in accordance with the dictates of the specific transactions. The Management Company shall ensure that 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.
- 5.3.13. 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 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.
- 5.3.14. As per the Regulation 45 of the NBFC & Notified Entities Regulations 2007 the Management Company shall not:
- a. acquire the management of a collective investment scheme, unless it has obtained the prior approval of the Commission in writing to do so;
  - b. pledge any of the securities held or beneficially owned by the Fund except as allowed under the Regulations;
  - c. accept deposits from a collective investment scheme;
  - d. make a loan or advance money to any person from the assets of the Fund;

- e. participate in a joint account with others in any transaction on behalf of the Fund;
- f. apply any part of asset of collective investment scheme to real estate;
- g. make any investment of the Fund with the purpose of having the effect of vesting the management, or control over the affairs, of investee company by the NBFC or its group;
- h. enter into transactions with any broker, which exceed ten per cent of the commission paid by the Fund in any one accounting year; subject, however, that such broker shall not have a common director, officer or employee with the investment adviser or asset management company;
- i. undertake brokerage services on stock exchanges or in the money market;
- j. enter into underwriting or sub-underwriting contracts, except as specified in clause (b) of sub-regulation (1) of Regulation 65, on behalf of the collective investment schemes being managed by it; and
- k. maintain its own equity portfolio except for the investments made by such NBFC into the collective investment schemes or pension funds being managed by it or its subsidiaries licensed as NBFC under the Rules or as allowed in clause (h) of sub-rule (2) of the Rule 7 or as allowed by the Commission from time to time.

The above limitation and conditions may change from time to time by SECP's directives or amendments to or substitution of the Rules & Regulations, in which event such amended or modified conditions will be deemed to be incorporated in this Deed without the need to enter into any supplemental trust deed subject to SECP requirement in this regard.

#### **5.4. Change of Management Company**

5.4.1. The Trustee may with the prior written approval of the SECP, remove the Management Company by giving at least ninety days notice in writing to the Management Company if any of the following have occurred:

- a. The Management Company has willfully contravened the provisions of this Deed 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.

5.4.2. The Management Company may voluntarily retire at any time with the prior written consent of the SECP.

- 5.4.3. The removal of Management Company and appointment of a new Management Company shall always require the prior written approval of the SECP and the intimation of the same to the Trustee.
- 5.4.4. If the SECP has cancelled the license of the Management Company under the provisions of the Rules, the SECP or the Trustee if authorized by SECP shall appoint another asset management company as the Management Company for the Scheme according to the provisions of this Deed and the Rules & Regulations.
- 5.4.5. Upon a new management company being appointed the Management Company will take immediate steps to deliver all the documents and records pertaining to the Trust to the new management company and shall pay all sums due to the Trustee and shall also be entitled to its remuneration, accrued upto the effective date of its retirement or removal.
- 5.4.6. 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.
- 5.4.7. Furthermore the Trustee may immediately upon the issuance of notice of removal of Management Company 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.
- 5.4.8. The auditors so appointed shall be other than the existing auditors of the Fund, the Management Company and the Trustee.
- 5.4.9. 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 SECP.
- 5.4.10. The report for the audit shall be submitted by the auditors to the Trustee not later than 30 Business Days from their appointment. A copy of the report shall also be provided to SECP, to the outgoing Management Company and the new Management Company.
- 5.4.11. The costs of audit shall be shared equally by the outgoing Management Company, the new Management Company and the Fund.

## **6. Trustee**

### **6.1. Role of Trustee**

- 6.1.1. The Trustee shall invest the Fund 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(s), the Regulations and the conditions (if any) which may be imposed by the SECP from time to time;
- 6.1.2. The Trustee has the responsibility for being the nominal owner and for the safe custody of the assets of the Unit Trust on behalf of the beneficial owners (the Unit Holders), within the framework of the Regulations, the Trust Deed establishing the Unit Trust and Offering Document(s) issued for the Unit Trust.

- 6.1.3. The Trustee shall have all the obligations entrusted to it under the Regulations, the Trusts Act 1882, this Trust Deed and the Offering Document(s).
- 6.1.4. 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.
- 6.1.5. 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, to act as the Custodian(s) for holding and protecting the Fund 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 Trust with the approval of the Management Company at competitive terms as part of its normal line of business.
- 6.1.6. 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(s) or responsible official(s) of the Trustee or by any nominee(s) or agent(s) appointed by the Trustee with the written approval of 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 Trust for any loss in value of the Fund Property where such loss has been caused by gross negligence or any reckless act and/or omission of the Trustee or any of its directors, officers, nominees or agents.
- 6.1.7. 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 Trust, if the Trustee had acted in good faith in accordance with or in pursuance of any request of the Management Company provided they are not in conflict with the provisions of this Deed or the Rules & Regulations. Whenever pursuant to any provision 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:
- a. A document signed or purporting to be signed on behalf of the Management Company by any person(s) whose signature(s) the Trustee is for the time being authorized in writing by the Management Company to accept.
  - b. Any instruction received online through the software solution adopted by the Management Company for managing and keeping records of the funds managed by the Management Company and to the satisfaction of the Trustee.
  - c. Third party evidence if so required (such as broker contracts and note) in relation to (a) and (b) above.

- 6.1.8. The Trustee shall not be liable for any loss caused to the Fund or to the value of the Fund Property due to any elements or circumstances beyond its reasonable control.
- 6.1.9. The Trustee shall carry out the instructions of the Management Company in all matters including investment and disposition of the Fund Property unless such instructions are in conflict with the provisions of this Deed and / or the Offering Document(s) and the Rules & Regulations and / or any other applicable law.
- 6.1.10. 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 Fund Property and all other matters relating to the Trust.
- 6.1.11. The Trustee shall issue a report to the Unit Holders included in the annual report whether in its opinion, the Management Company has in all material respects managed the Fund Property in accordance with the provisions of the Rules & Regulations, the Offering Document(s) 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.
- 6.1.12. The Trustee shall be entitled to require the Auditors to provide such reports or confirmation, as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Regulations. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible.
- 6.1.13. The Trustee shall, if requested by Management Company or if it considers necessary for the protection of Fund property or safeguarding the interest of Unit Holders, institute or defend any suits, proceedings, arbitrations or inquiries or any corporate or shareholders' actions in respect of the Fund 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 directors and officers. All reasonable costs, charges and expenses (including reasonable legal fees) incurred in instituting or defending any such actions shall be borne by the Trust and the Trustee shall be indemnified against all such costs, charges and expenses, provided that no such indemnity shall be available in respect of any action taken against the Trustee for gross negligence or breach of its duties in connection with the Trust under this Deed or the Regulations. For the avoidance of doubt it is clarified that notwithstanding anything contained in this Deed, 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 Trust 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 and other liabilities shall be borne by the Trust Fund.
- 6.1.14. Neither the Trustee or the Custodian (if Trustee has appointed another person as Custodian) nor the Management Company or any of their Connected Persons shall sell or purchase or deal in the sale of any Investment or enter into any other transaction with the Fund (save in the capacity of an intermediary).

6.1.15. Subject to the Regulations, any transaction between the Trust and the Management Company or any of their respective Connected Persons as principal shall only be made with the prior written consent of the Trustee.

6.1.16. The Trustee shall not be under any liability, except such liability as may be expressly assumed by it under the 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. If for any reason it becomes impossible or impracticable to carry out the provisions of this Deed the Trustee shall not be 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.

## **6.2. Change of Trustee**

6.2.1. The Trustee may retire voluntarily in accordance with and subject to the conditions of Clause 4.5 hereinabove.

6.2.2. 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 of trusteeship or a receiver of its undertaking is appointed or it becomes ineligible to act as the trustee of the Unit Trust under the provisions of the Regulations, the Management Company shall with the approval of the SECP, by an instrument in writing, remove the Trustee from its appointment under this Deed and shall by the same or some other instrument in writing simultaneously appoint as trustee some other company or corporation according to the provisions of the Rules & Regulations and this Deed as the new trustee.

6.2.3. The Management Company may, after giving cogent reasons, apply to the Commission for change of the trustee by simultaneously proposing appointment of a new trustee. The Commission if satisfied with the circumstances and reasons for the change applied for may accord approval for appointment of a new trustee.

6.2.4. In circumstances where the Commission is of the opinion that the trustee has been in violation of rules & regulations or the trust deed or found guilty of misconduct or failed to discharge its obligations under these regulations, it may remove the trustee after giving an opportunity of being heard.

6.2.5. 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 Fund Property and any amount deposited in any Distribution Account to the new trustee and make payments to the new trustee of all sums due from the Trustee. The Trustee shall be entitled to its remuneration accrued upto the date of its retirement or removal.

6.2.6. 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.

- 6.2.7. Notwithstanding removal / resignation of the Trustee and its subsequent discharge from its duties under this Deed and the Regulations, the Trustee shall remain entitled to the benefit of Clauses 4.5, 6.1.7, 6.1.8, 6.1.9 and 6.1.16 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 Regulations.
- 6.2.8. Furthermore the Management Company may immediately upon the issuance of notice of removal of Trustee appoint auditors with the consent of SECP from the approved list of auditors circulated by the Commission from time to time, who shall be a chartered accountant.
- 6.2.9. The auditors so appointed shall be other than the existing auditors of the Fund, the Management Company and the Trustee.
- 6.2.10. 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 SECP.
- 6.2.11. 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 SECP, outgoing Trustee and the new Trustee.
- 6.2.12. The costs of audit shall be shared equally by the outgoing Trustee, the new Trustee and the Fund.

## **7. Bank Accounts**

- 7.1. The Management Company would perform all banking activities through Trustee of the Fund.
- 7.2. The Trustee, at the request of the Management Company, shall open Bank Accounts titled "**CDC - Trustee Alfalah GHP Alpha Fund**" for the Unit Trust at designated Bank(s) at Karachi (or any other city as per the instruction of the Management Company from time to time) for collection, investment, redemption or any other use of the Trust's funds.
- 7.3. The Trustee shall also open additional Bank Account(s) titled "**CDC - Trustee Alfalah GHP Alpha Fund**" at various branches of such other Bank(s) as requested by the Management Company. These accounts shall be temporary collection accounts where collections shall be held prior to their being transferred to the main Bank Account of the Trust on a daily basis.
- 7.4. The Trustee shall open additional Bank Accounts titled "**CDC - Trustee Alfalah GHP Alpha Fund**" at such branches of Banks and at such locations (including outside Pakistan, subject to applicable regulations and after obtaining all necessary approvals from the relevant regulatory authority in Pakistan) as may be reasonably required by the Management Company from time to time. Such accounts shall be used as collection and redemption accounts. There shall be instructions for all such collection and redemption accounts to promptly transfer the funds collected therein to the main Bank Account and/or transfer the funds to the relevant bank accounts of the Unit Holders for redemption purposes.



- 7.5. The Management Company may require the Trustee to open separate Bank Accounts for the Unit Trust to facilitate investments on account of the Trust and the receipt, tracking and reconciliation of income or other receipts relating to the investments. These accounts may also be used to facilitate redemptions and other Trust related (ancillary) transactions.
- 7.6. The Management Company may also require the Trustee to open a separate Bank Account for each dividend distribution out of the Unit Trust. Notwithstanding anything in this Deed, the beneficial ownership of the balances in the Accounts shall vest in the Unit Holders.
- 7.7. All bank charges for opening and maintaining Bank Accounts for the Trust shall be charged to the Fund.
- 7.8. All income, interest / markup, profit etc. earned in the Distribution Account(s), including those accruing on unclaimed dividends, shall form part of the Fund 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.
- 7.9. The amounts received from the Core Investors (seed capital) and Private Placement Investors (as per Clause 9.1 below) shall be deposited in separate Bank Accounts having title **CDC - Trustee Alfalah GHP Alpha Fund - Pre-IPO**. Separate bank accounts for Local & Offshore Pre-IPO investors will be opened with a scheduled bank. The Management Company may from time to time deposit such Pre-IPO amounts with scheduled commercial banks having a minimum investment grade rating of 'A-' (A-minus) by a SECP approved credit rating agency and subsequently transfer such amounts to the main Bank Account of the Fund upon the close of the Initial Period of Offer. Any Interest/markup, profit etc. earned on such Pre-IPO bank deposits upto the close of the Initial Period of Offer, after deducting all expenses in this regard, shall be paid to the Core Investors and Private Placement Investors on proportionate basis of their Pre-IPO subscription amounts and shall not form part of the Fund Property. Such payments shall be made either in the form of cash or additional units as the management company may decide.
- 7.10. All bank accounts shall be operated by the Trustee of the Fund and in case of any unauthorized activity in such accounts, the Trustee may report to SECP and / or State Bank of Pakistan and may also consider removing such banker from funds' bank accounts panel.
8. **Fund Property, Investment of Fund Property, Investment Objective & Policy, Investment & Borrowing Restriction and Other matters relating to the Investment of the Fund Property**
- 8.1. **Fund Property**
- 8.1.1. The aggregate proceeds of all Units issued from time to time after deducting Duties and Charges and after deducting there from or providing there against any applicable Front-end Load and adding thereto any early redemption charges in the form of Back-end load, shall constitute part of the Fund Property and the Distributors shall remit such proceeds to the Trustee in accordance with the instructions given by the Management Company from time to time.

- 8.1.2. The Fund Property shall initially be constituted out of the proceeds of the Units issued to the Core Investors & Pre-IPO investors and other Units issued during the Initial Period of Offer after deducting any applicable Duties and Charges and Front-end Load there from.
- 8.1.3. The Trustee shall take the Fund 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 Holder and in accordance with the provisions of the Regulations and this Deed; provided that the Government Securities and other physically held securities forming part of the Fund Property may be held by the Sub-Custodian but matters relating thereto shall be under the direct control of the Trustee. Any agreement between the Trustee and the Sub-Custodian shall be subject to mutual understanding with the Management Company and such agreement with the Sub-Custodian shall be amended or varied in the same manner, except where the Trustee itself is providing custodial and / or Sub-Custodial services to the Fund.
- 8.1.4. The Fund Property shall always be kept as separate property and shall not be applied to any purpose unconnected with the Scheme. All registerable Investment shall be registered in the name of the Trustee and shall remain so registered until disposed of pursuant to the provisions of this Deed. All expenses incurred by the Trustee in effecting such registration shall be payable out of the Fund Property.
- 8.1.5. Save, as herein expressly provided, the Fund Property shall always be kept as separate property free from any mortgages, charges, liens or any other encumbrances whatsoever and the Trustee, the Custodian or the Sub-Custodian shall not, except for the purpose of the Fund 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, the Sub-Custodian or any other party.
- 8.1.6. The Trustee shall have the sole responsibility for the safekeeping and maintaining of the Fund Property. Subject to Clause 6.1.7 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.
- 8.1.7. All cash forming part of the Fund Property shall be deposited by the Trustee in a separate bank account as directed by the Management Company to be opened in the name of the Trustee, as a nominee of the Unit Trust, with a Bank having minimum investment grade rating by SECP approved credit rating agency.
- 8.1.8. Remuneration of the Management Company, remuneration of the Trustee, brokerage and transaction costs related to investing and disinvesting of the Fund Property, legal and related costs incurred in protecting or enhancing the interests of the Fund or the collective interest of the Unit Holders, Bank charges and borrowing, Transactions cost on financing, Audit fees and charges, specifically related to the Fund, Formation costs, Fee / Charges payable to the SECP or any other regulatory bodies or Stock Exchanges, or Custodian / Sub-Custodian, and any taxes or any costs / charges directly related to the Trust shall be payable out of the Fund Property.

**8.2. Investment of the Fund Property**

- 8.2.1. Prior to and during the Initial Period of Offer, the Trustee on the advice of the Management Company shall deposit the Fund Property in a separate account with a scheduled bank and from time to time the Trustee may also on the advice of the Management Company invest such Pre-IPO amounts in scheduled commercial bank having a minimum investment grade rating of 'A-' (A minus) by a SECP approved credit rating agency.
- 8.2.2. After the Initial Period of Offer, all Fund 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 such Authorized Investments as may (subject always to the provisions of this Deed and the Rules & Regulations) be directed by the Management Company.
- 8.2.3. It is declared that the Scheme shall offer investment opportunities to the Unit in accordance with the investment option announced in the Offering Document.
- 8.2.4. Any Investment may at any time be realized at the discretion of the Management Company either in order to invest the proceeds of sale in other Authorized Investments or to provide cash required for the purpose of any provision of this Deed or in order to retain the proceeds of sale in cash or on deposit as aforesaid or partly one and partly another. Any Investment which ceases to be an Authorized Investment [(subject to SECP's directive(s))] shall be realized within three (03) months and the net proceeds of realization shall be applied in accordance with this clause; provided that the Trust may postpone the realization of such Investments for such period as the Management Company may determine to be in the interest of the Unit Holders.
- 8.2.5. The purchase or sale of any Investment in listed securities for the account of the Trust shall be made on the Stock Exchange 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 & Regulations 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 Rules & Regulations, directly or indirectly, as a broker any of its directors, officers or employees or their family members.
- (For the purposes of this Clause the term "family" shall include their spouse, parents, children, brothers and sisters).
- 8.2.6. The sale, redemption and transfer of Units and any other dealing in the Units may be carried out on-line to the extent permitted by the SECP and the State Bank of Pakistan and in accordance with the applicable law and the Rules & Regulations and after intimation to the Trustee.

**8.3. Investment Objective**

Alfalah GHP Alpha Fund (AGAF) is an open-end Equity Fund. The primary investment objective of the fund is long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities.

**8.4. Investment Policy**

Alfalah GHP Alpha Fund (AGAF) will primarily invest in equity and equity related securities. If the Management Company expect the stock market to perform adversely during any period of time, based on its analysis of macro economic factors such as interest rates, economic growth rates, corporate earnings, stock market valuations, or based on political or any other factor(s), the management company may then temporarily allocate assets to other asset classes, subject to the prescribed limits, such as money markets, continuous funding system, ready future spread transactions, etc. To make stock selection decisions, fundamental and technical models will be employed and qualitative and quantitative analysis will be conducted to identify undervalued stocks.

**8.5. Authorized Investments**

- 8.5.1. Listed Equity Securities or unlisted equity securities for which an application for listing has been accepted by the stock exchange. Provided that the fund may make total investments in a pre-initial public offering (Pre-IPO) up to fifteen percent of its net asset value, subject to the investment limits prescribed under the Regulations.
- 8.5.2. Depository receipts such as Global Depository Receipts (GDR) and / or American Depository Receipts (ADR);
- 8.5.3. Long, medium and short term deposits with Commercial banks including deposits in currencies other than the Pakistani Rupee as permitted by the State Bank of Pakistan;
- 8.5.4. Spread Transaction in local listed securities and also between Global Depository Receipts (GDR) and / or American Depository Receipts (ADR). The Fund will buy in the ready settlement market and sell in future settlement market and vice versa (includes unwinding of transactions);
- 8.5.5. Preference shares;
- 8.5.6. Continuous Funding System (CFS) or any of its replacement as announced by SECP;
- 8.5.7. Fixed Income /Debt /Money market instruments including:
  - a. Certificate of deposit,
  - b. Certificate of investment,
  - c. Term deposit receipts,
  - d. Bankers' acceptances and inter bank transactions,
  - e. Reverse Repo Transaction against Government Securities.
- 8.5.8. Warrants, Options, Swaps and Other Derivatives subject to obtaining separate prior approval of the SECP. Investment in this asset class would be for hedging purposes only and subject to such terms and conditions as approved by the SECP from time to time;

8.5.9. Subject to obtaining separate prior approval of SECP or other regulatory approvals, the Scheme may seek to invest in foreign equity or money market securities issued, listed or otherwise and traded outside Pakistan including GDR's and ADR's bought on such terms, guidelines and direction as may be issued by the SECP and the State Bank of Pakistan from time to time; and

8.5.10. Any other security and / or instruments and / or transactions that may be allowed by SECP, the NBFC Rules & Regulations or any other regulatory authority from time to time.

#### **8.6. Investments Restrictions**

8.6.1. The Fund Property shall be subject to such exposure limits as are provided in the Regulations and Offering Document (subject to any written exemptions that may be specifically given to the Fund by the SECP): Provided that it will not be necessary for the Trustee to sell any Investment merely because owing to appreciation or depreciation of any Investment or disposal of any Investments such limit shall be exceeded. The Management Company will have three (03) months to comply with the exposure limits in case such limits are exceeded.

8.6.2. The Fund shall not invest more than twenty five percent (25%) of its Net Asset Value in securities of any one sector as per classification of the pertinent stock exchange(s).

8.6.3. The Investment of a Fund in any company or security shall not, at any time, exceed an amount equal to ten percent (10%) of the total net asset value of the scheme at the time of investment or ten percent (10%) of the issued capital of the investee company, which ever is lower.

8.6.4. The Fund shall not take exposure of more than thirty five percent (35%) of net assets of the scheme in any single group.

8.6.5. The Fund shall not take exposure of more than ten percent (10%) of net assets of schemes at the time of taking exposure in listed group companies of the NBFC holding license of asset management services and such exposure shall only be made through the secondary market.

8.6.6. If and so long as the value of the holding in a particular company or sector shall exceed the limit imposed by the Regulations, the Management Company shall not purchase any further Investments in such company or sector. However this restriction on purchase shall not apply to any offer of right shares or any other offering if the Management Company is satisfied that accepting such offer is in the interest of the Trust. The Management Company will have three (3) months to comply with the exposure limits in case such limits are exceeded.

8.6.7. Where the Fund is set up with the objective of investing in equity securities, not less than 50% of such investments shall be invested in the listed securities or in securities for the listing of which an application has been approved by a Stock Exchange, except where relaxation is granted by the SECP.

8.6.8. The Fund Property shall not be invested in any security of a company if any director or officer of the Management Company owns more than five percent (5%) of the total nominal amount of the securities issued or collectively the directors and officers of the Management Company own more than ten percent (10%) of those securities.

8.6.9. The Scheme will not at any time:

a. Purchase or sell:

- i. Bearer securities;
- ii. Securities on margin;
- iii. Securities which result in assumption of unlimited liability (actual or contingent);
- iv. Anything other than Authorized Investments as defined herein;
- v. Commodities or commodity contracts; and
- vi. Real estate or interest in real estate, save and except that the Management Company may invest in securities secured by real estate or interest therein issued by companies that invest in real estate or interest therein.

b. Participate in a joint account with others in any transaction;

c. Make short sales of any security or maintain a short position in securities whether listed or unlisted;

d. Purchase any security in a forward contract;

e. Acquire any security of which another asset management company managing a collective investment scheme is the issuer;

f. Issue at any time, without the prior approval of the Commission in writing, a senior security which is either stock or represents indebtedness;

g. Apply for de-listing from stock exchange, unless it has obtained prior approval of the Commission in writing to the scheme of de-listing;

h. Lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.

Provided that, the Investment in sale and repurchase transactions involving government securities or such listed securities which are regulated by the stock exchanges shall not be attracted by the sub clause 'h' above.

i. Borrow, except with the approval of trustee, for meeting redemption request and such borrowing shall not exceed fifteen per cent of the total net asset value of an open-end scheme at the time of borrowing and shall be repayable within a period of ninety days.

**8.7. Exception to Investment Restrictions**

8.7.1. The exposure of the Fund to any person shall not, at any time, exceed an amount equal to ten percent (10%) of total net assets of the Fund or ten percent (10%) of issued capital of that person, whichever is lower. Provided that where exposure of a Fund exceeds the limits so specified because of corporate actions including taking up rights or bonus issue, and due to market price increase or decrease in net assets due to redemptions the excess exposure shall be regularized within three (3) months of the breach of limits unless the said period of three (3) months is extended up to another three months by the Commission on an application by the asset management company.

**8.8. Borrowing and Borrowing Restriction**

8.8.1. Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Trustee may at any time at the request of the Management Company concur with the Management Company in making and varying arrangements with banks or financial institutions for borrowing by the Trustee for the account of the Scheme; provided that the borrowing shall not be resorted to, except for meeting the redemption requests and shall be repayable within a period of ninety (90) days.

8.8.2. The charges payable to any bank or financial institution against borrowings on account of the Trust, as permissible under Clause 8.8.1 above, shall not be higher than the normal prevailing bank charges or normal market rates.

8.8.3. The maximum borrowing for the account of the Trust shall not exceed fifteen percent (15%) of the total Net Asset Value of the Scheme or such other limit as may be provided in the Regulations. If subsequent to such borrowing, the Net Assets are reduced as a result of depreciation in the market value of the Fund Property or redemption of Units, the Management Company shall not be under any obligation to reduce such borrowing.

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

8.8.5. For the purposes of securing any such borrowing, the Trustee may with the approval of the Management Company mortgage, charge or pledge in any manner all or any part of the Fund Property provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limits provided under the Regulations and/or any law for the time being in force.

Neither the Trustee nor the Management Company shall incur any liability by reason of any loss to the Trust or any loss that Unit Holders may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangement made in good faith.

**8.9. Voting Rights on Fund Property**

8.9.1. All rights of voting attached to any Fund 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.

8.9.2. The Trustee shall upon written request by the Management Company, from time to time at the expense of the Fund 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.

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.

8.9.3. Not later than two (2) Business Days of receipt, the Trustee shall forward to the Management Company all notice of meetings and all reports and circulars received by the Trustee as the holder of any investment.

**8.10. Transactions relating to Investors (Unit Holders)**

8.10.1. The Trustee shall provide the Management Company daily statements of all the Bank Accounts being operated by the Trustee for the Unit Trust.

8.10.2. 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 accounts of the Unit Trust by way of transfer of the appropriate amounts to the designated bank accounts of the Unit Holders or through any other mode(s) of payment and such payment shall be subject to the Rules & Regulations or by dispatch of dividend cheque / warrants / advice 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.

8.10.3. The Management Company may make arrangements through branches of Banks to facilitate issuance and redemption of Units of the Unit Trust or may appoint Investment Facilitators / Distributors for this purpose. A request for purchase of Units may also be made through the use of electronic means such as Internet or ATM facilities or Credit Card facilities.



- 8.10.4. The Management Company shall, from time to time, advise the Trustee of the dividend distribution for the Unit Trust. The Trustee shall establish a separate Bank Account for dividend distribution and transfer the amount payable as cash dividend to such Account after deducting such taxes and Zakat as may be required under the law. The Transfer Agent shall dispatch dividend cheques / warrants / advice to the Unit Holder(s) by registered post at their respective addresses or the trustee on the instruction of the management company transfers such amount to the Unit Holder(s) respective bank accounts. Such dispatch shall constitute discharge of the Management Company and the Trustee in respect of such payment. The Trustee may rely on the amount certified by the Auditors as the dividend payable in cash after adjusting for dividend being distributed in the form of Units of the Unit Trust.
- 8.10.5. The Trustee shall pay to the Management Company's order such sums out of the sale proceeds of Units as are representative of Front-end or charges or other recoveries that are specified in the Trust Deed or Offering Document, as being payable out of the Issue Prices.
- 8.10.6. Without prejudice to the foregoing, and subject to any law for the time being in force, the Trustee shall endeavor to ensure and employ prudent practices to ensure that information pertaining to Fund Property, such as, but not restricted to, investments made, list of Unit Holders etc. is not compromised, dispersed or provided to any third party without express written consent of the Management Company. This limitation shall not apply to disclosures required in fulfillment of the Regulations or any other applicable law or if directed by the SECP, or the State Bank of Pakistan or any other lawful authority or a court of law.
- 8.11. Transactions relating to Investment Activity / Portfolio Management**
- 8.11.1. The Management Company shall, from time to time, instruct the Trustee of the settlement instructions relating to any investment / dis-investment transactions entered into by it on behalf of the Unit Trust. The Trustee shall carry out the settlements in accordance with the dictates of the specific transactions. 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 Regulations, the Offering Document and this Trust Deed.
- 8.11.2. The Trustee shall ensure that where applicable, payments against investments are made against delivery and vice versa, unless specified otherwise.
- 8.11.3. 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, interest/markup, 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.

- 8.11.4. The Trustee shall also, if so required by the nature of such notices or documents mentioned in the foregoing clause, act with the consent of the Management Company in a manner that is in the best interest of the Unit Trust. Such action shall include legal action if called for and the Trustee shall be entitled to recover any legal costs reasonably incurred from the Unit Trust.
- 8.11.5. 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. Further, the Trustee shall also report back to the Management Company any such amounts or warrants that are received on such accounts from time to time.
- 8.11.6. 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.

**8.12. Valuation of Assets / Liabilities and Net Asset Value of the Fund**

- 8.12.1. 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;
- 8.12.2. A debt security listed but not traded regularly on a stock exchange shall be valued at the average rate, notified by the Mutual Funds Association of Pakistan based on the average rates quoted by top three brokers, in terms of volume traded during last three months in that debt security, and record of such rates shall be maintained by the respective investment adviser or asset management company and Mutual Funds Association of Pakistan for a period of at least [3] three years and shall be posted on website of the Association;
- 8.12.3. An investment purchased and awaiting payment against delivery shall be included for valuation purposes;
- 8.12.4. An investment sold but not delivered pending receipt of proceeds shall be valued at the net sale price;
- 8.12.5. The value of any dividends, bonus shares or rights which may have been declared on securities in the portfolio but not received by the collective investment scheme as of the close of business on the valuation date shall be included as assets of the collective investment 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;
- 8.12.6. Mark-up accrued on any mark-up-bearing security in the portfolio shall be included as an asset of the collective investment scheme if such accrued mark-up is not otherwise included in the valuation of the security;

- 8.12.7. Any other income accrued upto the date on which computation was made shall also be included in the assets;
- 8.12.8. All liabilities, expenses and other charges due or accrued up to the date of computation which are chargeable under these regulations and taxes shall be deducted from the value of the assets;
- 8.12.9. The remuneration accrued up to the date of computation payable to the investment adviser or asset management company, as the case may be, for providing management and other services shall be included as an expense;
- 8.12.10. 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 break up value as per last audited accounts, whichever is lower;
- 8.12.11. 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
- 8.12.12. Any such method of valuation of assets and liabilities as may be specified or modified by the Commission from time to time.

The valuation methods prescribed in the Rules & Regulations will be used unless the Rules & Regulations are amended or a different valuation method is prescribed by the Commission. For any asset class, where no specific methods or valuation is prescribed in the Rules & Regulations, specific approval from the Commission shall be obtained and valuation shall be done accordingly.

## 9. Units

The Management Company may initially issue the following classes and types of Units:

### 9.1. **Classes of Units:**

- 9.1.1. **Class "A"** (Restricted / Core Units) Units issued to the Core Investors with no Front-end Load. Out of total investment at least fifty million rupees shall remain invested and cannot be redeemed for a period of two (2) years from the date of closure of Initial Period of Offer. However such Units are transferable.
- 9.1.2. **Class "A"** Units being offered and issued during the Private Placement and Initial Period of Offer (IPO) with no Front-end Load.
- 9.1.3. **Class "B"** Units, which shall be offered and issued after the Initial Period of Offer (IPO) with or without Sales Load, Front-end Load, Back- end Load or any combination of foregoing from time to time.

### 9.2. **Types of Units**

- 9.2.1. The Management Company with prior written approval of the SECP and under intimation to the trustee may also offer at its discretion at on a subsequent stage such Units which specify or offer such conditions or privileges with respect to purchase of Units, redemption of Units, distribution of profits (whether by cash or additional Units), fixed or flexible timing of such redemption or distribution at the option of the holder and / or the Management Company.

- 9.2.2. Subject to the terms of this Deed, all Units and fractions thereof represent an undivided share in the Fund and rank pari passu as to their rights in the Net Assets, earnings, and the receipt of the dividends and distributions. However, the Management Company may offer such types of units which may offer distribution of profits either by cash or additional Units at the option of the holder and the Management Company. Each Unit Holder has a beneficial interest in Scheme, proportionate to the Units held by such Unit Holder.
- 9.2.3. 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 Deed and the Offering Documents. The liability of the Holders shall be limited to the unpaid amount (if any) on the Units.
- 9.2.4. Core Units to be subscribed by the Core Investors shall be class "A" (Restricted) Units, which shall be offered and issued at the price of Rs. 50/- per Unit. Out of total investment at least fifty million rupees shall remain invested and such units shall not be redeemable for a period of two years from the date of closure of Initial Period of Offer. A mention of this restriction and its termination date shall be entered into the Register and shall be noted on any Certificate issued in respect of such Units. These Units shall, however, be transferable and shall be affected only on the receipt by the Registrar / Transfer Agent of a written acceptance of this condition by the Transferee.
- 9.2.5. After the Initial Period of Offer, the Offer Price shall be determined from time to time pursuant to sub-clause 10.1.3 of this Deed and Regulation 66 of the NBFC Regulations.
- 9.2.6. By a deed supplemental to this Deed the Management Company may at any time with the approval of the Trustee and the SECP on giving not less than twenty-one days notice in writing to each Unit Holder subdivide or consolidate the whole or any part of the Units and the Unit Holders shall be bound accordingly. The Management Company shall require in such notice that each Unit 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 subdivision 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.
- 9.2.7. The Units issued with differing classes may have differing quantum of the Front-end Load added to the Net Asset Value to determine the Offer Price and differing level of Back-end Load deducted for determining the Redemption Price.

### **9.3. Purchase (Offer) of Units**

- 9.3.1. The Management Company shall be responsible for obtaining all requisite consents and approval(s) for the Purchase (Offer) and issue of Units and for the issue, publication or circulation of the Offering Document.
- 9.3.2. Except as provided herein the Units shall be offered through the authorized offices or branches of the Distributors on all Business Days during business hours.

- 9.3.3. Application for purchase of Units shall be made by completing the prescribed purchase of Units application form and submitting it to the Authorized Branches of the Distributor or to the Management Company together with the payment by cheque, bank draft, pay order, credit card etc as the case may be in favour of the Fund and crossed "Account Payee Only" or in cash upto the approved limit. The authorized personnel of the Authorized Transaction Locations (ATL), if any, shall verify the particulars given in the application for issuance of Units and the documents submitted therewith and ensure that the signature of any investor or joint investor to any document required to be signed by him under or in connection with the application for issue of Units is verified by any responsible person or otherwise authenticated to its or their reasonable satisfaction. Such forms have to be submitted within the announced business hours on the Business Days and in line with the Offering Document.
- 9.3.4. Each Unit Holder(s) shall be liable to pay the Purchase (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. The Units shall be issued in fractions upto two decimal points, only against receipt of full payment.
- 9.3.5. In the event payment by an investor is by cheque(s) and the cheque(s) is returned unpaid, the application for subscription by the investor shall be treated as void and the Units issued shall be cancelled and the investor shall be informed accordingly. The investor may submit a fresh application in accordance with the terms hereof.
- 9.3.6. An application for purchase of Units shall be deemed to have been made in accordance with the provisions of the Offering Document, if such document prescribes automatic issuance of Units under certain circumstances.
- 9.3.7. The Management Company may impose processing charges or any such related charges for issuance of Units in such manner as it shall think fit.
- 9.3.8. The Management Company may make arrangement to accept purchase of Unit requests through electronic means such as online, ATM's or other means of electronic use, to the extent permitted by the SECP and the State Bank of Pakistan and in accordance with this Deed, the Offering Document and the Rules & Regulations and after making the required arrangements with the Trustee.
- 9.4. Redemption (Repurchase) of Units**
- 9.4.1. The Trustee shall at any time during the life of the Trust on the instructions of the Management Company authorize redemption of Units out of the Trust funds through duly authorized Distributors and / or Investment Facilitators.

- 9.4.2. Application for redemption of Units shall be made by completing the prescribed application form for redemption and submitting it at the authorized branch or office of the Distribution Company. Application for redemption may be retained by the Distribution Company and a copy may be supplied to the Transfer Agent, 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 use, to the extent permitted by and in accordance with applicable law and the Rules & Regulation and after intimation to the Trustee. No person shall be entitled to redeem only part of the Unit comprised in a Certificate, however in case where a Certificate is not issued any number of Units may be redeemed by the Holder thereof. The application for redemption of Units shall be accompanied by the relevant Certificate, duly endorsed (canceled) by Registrar / Transfer Agent if issued. In case of application for redemption by joint Unit Holders such application should be signed by signatories as mentioned and authorized at the time of opening of the account by the investor. Details shall be given in the Offering Document(s).
- 9.4.3. 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 Holders with the like requirements to those arising in the case of an application by him for the replacement thereof.
- 9.4.4. The Management Company shall announce the Redemption Price on a daily basis. The Redemption Price at which Units shall be redeemed shall be the price fixed by the Management Company under the terms of this Deed, the Offering Document and the Rules & Regulations. However, in the event Clause 11 hereunder comes into application, the redemption value shall be determined in accordance with the procedure laid out in Clause 11.
- 9.4.5. 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 or any other mode, after receipt of a properly documented request for redemption of the Units in terms of this Deed, provided that redemption is not suspended in terms of this Trust Deed.
- 9.4.6. The receipt of the Unit Holders of any moneys payable in respect of the Units shall be a good discharge to the Trustee and the Management Company.
- 9.4.7. Application for redemption of Units will be received at the authorized offices or branches of the Distributors and / or the Management Company on all Business Days during business hours as announced by the Management Company from time to time. Where redemption requests on any one Business Day exceed 10% of the total number of Units in issue, such redemption requests in excess of 10% may be deferred in accordance with the procedure elaborated in Clause 11 hereof.
- 9.4.8. The Registrar shall verify the particulars given in the application for redemption of Units.
- 9.4.9. A redemption request shall be deemed to have been made in accordance with the provisions of the Offering Document, if such document prescribes automatic redemption under certain circumstances.

The maximum interval between the receipt of a properly documented request of redemption of Units and payment of Redemption (Repurchase) Price to such Unit Holder(s) shall be as per the Rules & Regulations.

#### **9.5. Purchase (Offer) and Redemption (Repurchase) of Units Outside Pakistan**

9.5.1. Subject to exchange control and other applicable laws, Rules & Regulations and regulations, in the event of arrangements being made by the Management Company for the Purchase (Offer) of Units to persons not resident in Pakistan or for delivery in any country outside Pakistan, the price at which such Units may be issued may, at the discretion of the Management Company, include in addition to the Purchase (Offer) Price as hereinbefore provided a further amount sufficient to cover any currency exchange risk insurance, currency exchange fluctuations, bank charges, any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such issue or of the delivery or issue of Certificates, or any additional costs relating to the delivery of certificates or the remittance of money to Pakistan or any other cost in general incurred in providing this facility.

9.5.2. In the event that the Redemption Price for Units shall be paid in any country outside Pakistan, the price at which such Units may be redeemed may at the discretion of the Management Company include as a deduction to the Redemption Price as hereinbefore provided a further amount sufficient to cover any currency exchange risk insurance, currency exchange fluctuations, bank charges and any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such payment or redemption or any bank or other charges incurred in arranging the payment or any other cost in general incurred in providing this facility.

9.5.3. The currency of transaction of the Trust is the Pakistan Rupee and the Management Company, Trustee or any Distributor is not obliged to transact the purchase or redemption of the Units in any other currency and shall not be held liable, for receipt or payment in any other currency or for any obligations arising therefrom.

#### **9.6. Other Matters Relating to the Unit Trust**

9.6.1. The Management Company shall, at such frequencies as are prescribed in the relevant Offering Document(s), 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.

9.6.2. The Registrar shall process purchase, redemption and transfer applications in accordance with the relevant Offering Document(s). Based on the prices applicable to the relevant purchase or redemption, the Registrar shall determine the number of Units to be issued or redeemed. Under certain circumstances as provided in this Deed, the Management Company may suspend the issue and / or redemption of Units.

#### **9.7. Register of Unit Holders**

9.7.1. A Register shall be maintained by the Registrar at such a 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, the Offering Document and the Rules & Regulations.

- 9.7.2. 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 reasonable notice and without charge but neither the Trustee nor its representatives shall be entitled to remove the Register or to make any entries therein or alterations thereto, except when the Register is closed in accordance with the provisions of this Trust Deed. The Register shall during business hours (subject to such restrictions as may be mentioned in the Offering Document and for a period of at least two hours in each Business Day) be open in legible form to the inspection of any Unit Holder without charge with regard to Holder's own information / data.
- 9.7.3. The Registrar shall, within seven (07) Business Days of receiving a written request from any Unit Holder(s), post (or send by courier or through electronic means) to such Unit Holders details of such Unit Holder's account in the Register. The Management Company may prescribe reasonable charges for servicing of any additional requests.
- 9.7.4. The Register shall contain the following information:
- a. Full names, father's / husband's name and addresses of Unit Holder(s) together with a copy of the Computerized National Identity Card Number and / or copy of passport, registration number or any other identification number / document in case of foreign Unit Holders;
  - b. The number, class and type 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 / her name;
  - d. The date on which any transfer or redemption is registered;
  - e. Information about lien, pledge or charge on Units;
  - f. Tax and Zakat status of the Unit Holders;
  - g. Record of the signature of the Unit Holders;
  - h. Nominees of the Unit Holders; and
  - i. Such other information as Management Company may require.
- 9.7.5. The Register shall be conclusive evidence as to the Units held by each Unit Holder.
- 9.7.6. Any change of name or address of any Unit Holders 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 Holders, evidence of publication in newspapers, compliance with applicable legal formalities 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 Holders subject to payment of applicable fee for such issue.



- 9.7.7. 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. However, in case of any disputes or doubts, the Trustee and / or the Management Company shall have the discretion to request for production of succession certificate or other such mandate from a competent court or a lawful authority.
- 9.7.8. A body corporate may be registered as a Unit Holder or as one of joint Unit Holders.
- 9.7.9. The Register may be closed with intimation to the Trustee for such period as the Management Company may from time to time determine and after giving at least seven days notice to Unit Holders, provided that it is not closed for more than forty-five days in any calendar year.
- 9.7.10. The Unit Holders 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 Holders 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 Holders or joint Unit Holders as the case may be.
- 9.7.11. The executors or administrators or succession Certificate Holder of deceased Unit Holders (not being one of several joint Unit Holders) shall be the only person recognized by the Trustee and the Management Company as having title to the Units represented thereby.
- 9.7.12. Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Unit Holder 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 upon giving the Registrar, the Management Company and the Trustee such notice in writing of his desire or transfer such Unit to some other person. All the limitations, restrictions and provisions of this Deed relating to transfer shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer was a transfer executed by the Unit Holder. Provided however, the Registrar, the Management Company or the Trustee may at their discretion request the survivor(s) to provide succession certificates or other such mandate from a court or lawful authority, if they consider necessary.
- 9.7.13. The Trustee shall retain any monies payable in respect of any Units of which any person is, under the provisions as to the transmission of Units hereinbefore contained, entitled to be registered as the Unit Holders or which any person under those provisions is entitled to transfer, until such person shall be registered as the Holder of such Units or shall duly transfer the same.

9.7.14. The Management Company will ensure that 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 Holders is not provided to any third party without express permission from the Management Company or the Unit Holders himself, unless any disclosure is required in compliance with any applicable laws, Rules & Regulations and regulations or where such disclosure is required by an appropriate court or competent authority.

**9.8. Issuance of Certificates**

9.8.1. 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 Holders.

9.8.2. Certificates shall be issued only if so requested by the Unit Holders at the time of application or at any later stage (save in the case of Units issued under certain administrative arrangements that exclude issuance of Certificates) and upon payment of a fee of Rupees Fifty (Rs. 50/-) per Certificate of any denomination, 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. The proceeds of such fee will accrue to the Management Company.

9.8.3. Certificates shall only be issued for Units that have been fully paid for.

9.8.4. 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 (Principal Unit Holder named first in case of Joint Holders) or his duly authorized nominee at his own risk by registered post or by courier service or may be collected by the Unit Holders from the Distributor or the Management Company.

9.8.5. 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 principal Unit Holder named first therein shall constitute sufficient delivery to all joint Unit Holders.

9.8.6. 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 Trust and or Scheme, name and address of the Management Company and the name of the Trustee, shall bear a distinctive serial number (if any) and shall specify the number of Units represented thereby and the name and address of the Unit Holders as appearing in the Register.

9.8.7. 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 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 in which event all or any of such signatures may be effected by the method so adopted. The Certificates shall also bear the signature(s) of the authorized representative(s) of the Registrar, 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.

#### **9.9. Replacement and / or issuance of Duplicate Certificates**

9.9.1. 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 from time to time and subject to any regulations from time to time made by the Trustee with the approval of the Management Company every Unit Holders 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.

9.9.2. 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 new 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 of the loss, theft or destruction of the original Certificate;
- b. Paid all expenses incurred in connection with the investigation of the facts and for publication of a notice in one or more newspapers at the discretion of the Management Company or the Trustee;
- c. Furnished such indemnity as the Management Company and the Trustee may require; and
- d. In the case of Joint Unit Holder obtains the written consent of all joint Holders for issuance of such new Certificates.

Neither the Management Company nor the Trustee or the Distributor / Registrar 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 Holder before issuing any new Certificates.

9.9.3. Before the issuing of any Certificate under the provisions of this sub-clause the Management Company / Registrar may require from the applicant for the Certificate the payment to it of a fee of Rupees fifty (Rs. 50/-) 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.

9.9.4. Excluding conditions mentioned in sub clause 9.8.4 and this clause, where any Certificate / warrant is lost, misplaced, mutilated, or destroyed, before reaching to the Unit Holder the Registrar upon receiving application from the Unit Holder or Joint Unit Holder(s) of the same and with the approval of the Management Company and after making necessary investigation and after receiving indemnity from the party responsible, issue Duplicate Certificate / warrant in lieu thereof to the Unit Holder entitled without payment of any fee, duties and charges mentioned above.

#### **9.10. Transfer of Units**

9.10.1. 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.

9.10.2. A Certificate shall be transferable only in its entirety.

9.10.3. 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.

9.10.4. Every instrument of Transfer must be duly completed in all respects including affixation of transfer stamps of the requisite value, if applicable. Where Certificates have been issued the Trustee may dispense with the production of any Certificate where the Certificate shall have become 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 or as required by the Registrar.

9.10.5. All instruments of transfer shall be retained by the Registrar.

9.10.6. 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 Distribution Company or 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 Distribution Company or 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 Distribution Company or 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 Distributor 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 provisions mentioned above are not fulfilled; and
- c. Reference herein to the destruction of any document includes reference to the disposal thereof in any manner.

9.10.7. Transfer of Units may be carried out online, through ATM's or any other means of electronic use to the extent permitted by the SECP and the State Bank of Pakistan in accordance with this Deed, the Offering Document and the Rules & Regulations and after making the required arrangements with the Trustee.

#### **9.11. Pledge / Lien of Units**

9.11.1. Any Unit Holder or authorized joint holders as per the Pledge instrument may request the Registrar to record a Pledge / Lien of all or any of his/their Units in favor of any third party legally entitled to invest in such Units in its own right. The Registrar shall take a note of the Pledge / Lien charge in his record, whether the Certificate has been issued or not, provided sufficient evidence of pledge to the satisfaction of the Management Company, Trustee and the Registrar along with a joint request from the Unit Holder and the pledgee is submitted. Any charges, duties, levies etc. applicable on such Pledge / Lien will be borne by the pledgor. It is the responsibility of the pledgor and the pledgee to ensure that the Pledge / Lien meets their respective legal compliance.

9.11.2. The Pledge / Lien once registered shall be removed by the authority of the party in whose favor 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/Lien. The disbursement of any loan or undertaking of any obligation against the constitution of such Pledge/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.

9.11.3. Payments of dividends or the issue of bonus Units and redemption proceeds or any other benefits of the Units under Pledge / Lien shall be made to the Pledge / Lien holder for the account of the Unit Holder.

9.11.4. The lien on the Pledge Units shall continue till such time it is released by the Pledge / Lien holder in writing under his signatures.

#### **9.12. Electronic Dealing of Units**

9.12.1. Any dealing in Units may be carried out online, through ATM's or any other means of electronic use to the extent permitted by the SECP and the State Bank of Pakistan in accordance with this Deed, the Offering Document and the Rules & Regulations and after making the required arrangement with the Trustee.

**10. Pricing of Units****10.1. Determination of Purchase (Offer) Price**

*10.1.1.* Units offered and issued during the Initial Period of Offer shall be issued at par. The offer and issuance of Units during the Initial Period of Offer shall remain open during the period specified in the Offering Document.

*10.1.2.* After the Initial Period of Offer, the Purchase (Offer) Price for the Unit Holder shall be calculated and announced by the Management Company on each Business Day.

*10.1.3.* The Purchase (Offer) Price shall be equal to the sum of:

- a. The Net Asset Value as of the close of the Business Day on which the completely and correctly filled purchase of units form is received within business hours as announced by the Management Company from time to time;
- b. Any Front-end Load;
- c. Such amount as the Management Company may consider an appropriate provision for Duties and Charges, levies, etc.; and
- d. Such amount as the Management Company may consider an appropriate provision for Transaction Costs;

The resulting sum will be divided by the number of Units outstanding in the Fund and the resulting value shall be adjusted upwards to the nearest four decimal places.

*10.1.4.* The Purchase (Offer) Price so determined shall apply to purchase requests, complete in all respects, received by the Distributor or the Management Company during the business hours on the Business Day on which the completely and correctly filled purchase of Units application form is received.

*10.1.5.* The Management Company may announce different types of Units with differing levels of Front-end Load and Back-end Load which may also vary according to other criteria as specified by the Management Company in the Offering Document(s). Consequently, the Purchase (Offer) Price may differ for different types of Units issued and for different investors which will be specifically disclosed in the Offering Document.

*10.1.6.* In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 10.1.3(c) 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 retrospective effect after the date of payment in which case such excess shall be recovered from the Fund Property).

10.1.7. In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 10.1.3(c) exceeds the relevant amount of Duties and Charges, the Registrar shall issue additional Units or fractions thereof to the Unit Holders based on the price applicable to the Units issued against the relevant application.

10.1.8. The Purchase (Offer) Price determined by the Management Company shall be made available to the public at the office and Branches of the Distributors and at the discretion of the Management Company may also be published in at least one daily newspaper widely circulated in Pakistan.

10.1.9. The Management Company may set a lower minimum investment size for investment in the Scheme. The Management Company shall have the discretion to amend the minimum investment size.

## **10.2. Allocation of Front - End Load**

10.2.1. The remuneration of Distributors and Investment Facilitators for the sale of units with front end load shall be paid exclusively from any Front-end Load received by the Trustee and any remaining balance of the Front-end load will then be disbursed to the management company to meet distribution and processing charges. Alternatively, in the case when the Trustee pays the entire Front end load to the Management Company, the management company will then be responsible for payment of the remuneration of the Distributors and investment Facilitators out of the Sales Load thus received and no charges shall be made against the Fund Property or the Distribution Account in this respect. If the Front-end Load received by the Trustee is insufficient to pay the remuneration of the Distributors and Investment Facilitators, the Management Company shall pay the amount necessary to pay in full such remuneration.

10.2.2. Such payments may be made to the Distributors and Investment Facilitators and the Management Company by the Trustee or may be made by the Trustee on the instructions of the Management Company on monthly basis in arrears within thirty days of the end of the calendar month.

10.2.3. 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.

10.2.4. In the event no Sales Load is charged on the Purchase (Offer) of the Fund Units then the Distribution Company or any Investment Facilitator, as the case may be employed by the Management Company will be entitled to a remuneration payable by the Management Company (out of its own resources) in terms to be agreed between the Management Company and the Distribution Company / Facilitator.

## **10.3. Determination of Redemption (Repurchase) Price**

10.3.1. During the Initial Period of Offer the Units shall not be redeemed.

10.3.2. After the Initial Period of Offer the Redemption (Repurchase) Price shall be equal to the Net Asset Value as of the close of the Business Day on which a correctly and properly filled redemption of Units form is received within business hours as may be announced by the Management Company from time to time, less:

- a. Any Back-end Load;
- b. Any taxes imposed by the Government;
- c. Such amount as the Management Company may consider an appropriate provision for Duties and Charges, levies, etc.; and
- d. Such amount as the Management Company may consider an appropriate provision for Transaction Costs.

The resulting sum to be divided by the number of Units outstanding in the Fund and the resulting value to be adjusted downwards to the nearest four decimal places.

10.3.3. The Redemption (Repurchase) Price so determined shall apply to redemption requests, complete in all respects, received by the Distributor or the Management Company during the business hours (as announced by the Management Company from time to time) on the same Business Day on which a correctly and properly filled redemption application is received.

10.3.4. In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 10.3.2(c) 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 retrospective effect after the date of payment in which case such excess shall be recovered from the Fund Property).

10.3.5. In the event that the provision for payment of Duties and Charges pursuant to sub-clause 10.3.2(c) exceeds the relevant amount of Duties and Charges, the Trustee shall refund such excess amount to the relevant Unit Holders.

10.3.6. The Redemption Price determined by the Management Company shall be made available to the public at the office and Branches of the Distributors and at the discretion of the Management Company may also be published in at least one daily newspaper circulating in Pakistan.

#### **10.4. Back-End Load**

10.4.1. Back-end Load is a processing charge, a specific percentage of the Redemption (Repurchase) Price, deducted by the Management Company from the Net Asset Value in determining the Redemption (Repurchase) Price.



**11. Dealing, Suspension and Deferral of Dealing****11.1. Temporary change in the method of dealing**

*11.1.1.* Subject to compliance with the Regulations and under the circumstances mentioned in the Offering Document, 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.

**11.2. Suspension of Redemption of Units**

*11.2.1.* The redemption of Units may be suspended during extraordinary circumstances including closure of one or more Stock Exchanges on which any of the securities invested in by the Scheme are listed, the existence of a state of affairs, 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 Holders, or a break down in the means of communication normally employed in determining the price of any investment, or when remittance of money can not be carried out in reasonable time and if the Management Company is of the view that it would be detrimental to the remaining Unit Holders to redeem Units at a price so determined in accordance with the Net Asset Value. 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 Holders in the event of extraordinary circumstances or in the event redemption requests accumulate in excess of 10% of the Units in issue or 10% of Fund's NAV. In the event of a large number of redemption requests accumulating, the requests may be processed in a Queue System and under extreme circumstances the Management Company may decide to wind up the Fund. 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 Deed exists. In case of suspension and invoking of a queue system and end of suspension and queue system the Management Company shall immediately notify the SECP and Trustee and publish the same in newspapers in which the Fund's prices are normally published.

**11.3. Suspension of Fresh Issue of Units**

*11.3.1.* The Management Company may at any time, subject to the Rules & Regulations, as may be modified from time to time, suspend issue of fresh Units. Such suspension may however not affect existing subscribers 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. The Management Company shall immediately notify the SECP if fresh issue of Units is suspended and shall also have the fact published, immediately following such decision, in the newspapers in which the Fund's prices are normally published.

**11.4. Queue System**

*11.4.1.* In the event redemption requests on any day exceed ten percent (10%) of either the number of Units outstanding or the rupee redemption value of the Units in issue, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for upto 10% of the Units in issue. The Management Company shall proceed to sell adequate assets of the Fund and / or arrange borrowing as it deems fit in the best interest of the Unit Holders and shall determine the redemption price to be applied to the redemption requests based on such action. 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. The requests in excess of the ten percent (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. However, if the carried over requests and the fresh requests received on the next Business Day still exceed 10% of the Units in issue, 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 10% of the Units then in issue.

**11.5. Winding up in view of Major Redemptions**

*11.5.1.* In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Fund being run down to an unmanageable level or it is of the view that the sell-off of assets is likely to result in a significant loss in value for the Unit Holders who are not redeeming, it may announce winding up of the Fund. In such an event, the queue system, if already invoked, shall cease to apply and all Unit Holders shall be paid after selling the assets and determining the final Redemption (Repurchase) Price. However, interim distributions of the proceeds may be made if the Management Company finds it feasible.

**12. Details of Distribution****12.1. Determination of Distributable Profit and Date**

*12.1.1.* The Management Company shall decide from time to time the Relevant Period but not later than Three (3) months after the Accounting Date whether to distribute among Unit Holders, profits (if any) and shall advise the Trustee accordingly. Such profits may be distributed in cash, additional Units, or a combination of both as the Management Company may determine.

*12.1.2.* The profit (if any) available for distribution in respect of any Relevant Period shall be determined by the Management Company but shall not exceed the portion of Net Assets on the Relevant Date that is attributable to the sum total of:

- a. the total income earned on the Fund Property during such Relevant Period including all amounts received in respect of dividend, profit, interest / markup, fee and any other income;

- b. net realized appreciation as set out in sub-clause 12.1.3 below;
- From which shall be deducted expenses as set out in Clause 12.1.4 below, adjustment as set out in sub-clause 12.1.5 below and such other deductions and adjustments as the Management Company.
- 12.1.3.* The proceeds of sale of rights and all other receipts deemed by the Management Company to be in the nature of capital accruing from Investments shall not be regarded as available for determining distributable income in terms of this Clause but shall be retained as part of the Trust Property, provided that such amounts out of the sale proceeds of the Investments and all other receipts as deemed by the Management Company after consulting the Auditor to be in the nature of the net realized appreciation may be included in determining distributable income to the Holders by the Trustee and shall not form part of the Trust Property.
- 12.1.4.* The income qualifying for distribution in respect of the Relevant Period shall be ascertained by deducting expenses as are admissible under the Rules & Regulations, circulars, notifications, handouts, guidelines, etc. of the SECP, the Offering Document and this Trust Deed including:
- a. Remuneration of the Management Company for the Relevant Period;
  - b. Remuneration of the Trustee for the Relevant Period;
  - c. Other cost and expense as mentioned in clause 13.5 of this Deed;
  - d. Formation Cost not exceeding 1% of the pre initial public offering (Pre IPO) capital or five million rupees whichever is lower; and
  - e. Remuneration and expenses of the custodian and sub-custodian for the Relevant Period.
- 12.1.5.* The amount qualifying for purposes of determining distributable income in respect of the Relevant Period shall be adjusted as under:
- a. Deduction of a sum by way of adjustment to allow for effect of purchase of shares or any of the Investment / dividend and profits;
  - b. Addition of a sum representing amounts included in the price of Units for income accrued prior to the date of issue and deduction of a sum representing all participation in income distributed upon Redemption of Units upon a reduction of the Trust during the Relevant Period; and
  - c. Adjustment considered necessary by the Management Company to reflect the diminution in value of Trust Property.
- 12.1.6.* Out of the amount determined for the purpose of distributable income in respect of each Unit Holder withholding tax, zakat or other statutory levies, as may be applicable to the relevant Unit Holder shall be deducted before computing the distributable income for the relevant Unit Holder.

12.1.7. The Management Company may decide to distribute in the interest of the Unit Holders, wholly or in part the distributable profits in the form of a stock dividend, which would comprise bonus Units of the Scheme. The bonus Units would rank pari passu as to their rights in the Net Assets, earnings, and receipt of dividend and distribution with the existing Units after the date of issue of these bonus Units.

## **12.2. Distribution of Profit**

12.2.1. On each Relevant Date, the Management Company shall instruct the Trustee to transfer such amount of cash as required to reflect 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 Fund Property but shall be held by the Trustee upon trust to distribute the same as herein provided.

12.2.2. After the fixation of the amount of cash distribution per Unit, distribution payments shall be made 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 therefore.

12.2.3. The Management Company may offer the Unit Holder the option to receive new Units or fractions thereof instead of dividend payment, as per the terms and condition and the procedure laid down in the Offering Document(s).

12.2.4. Before making any payment in respect of a Unit, the Trustee or the Management Company may make such adjustments as may be required by law in respect of any Zakat, income or other taxes, Duties and Charges or assessments whatsoever and may on the request of the Unit Holder issue to the Unit Holder a certificate or statement in respect of such deductions.

12.2.5. Where Units are placed under Pledge / Lien the payment of dividend and bonus Units will be made in accordance with Clause 9.11.3 of this Deed.

12.2.6. After the fixation of 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 the rate of distribution determined above against the number of Units held by them on the date of register closure.

12.2.7. In case of encashment of the bonus Units on each Relevant Period, the bonus Units will be redeemed on the basis of ex-NAV per Unit at relevant distribution date, after appropriation of the distribution of each Relevant Period but without any charge of any Back-end Load (if any).

**13. Fees and Charges****13.1. Remuneration of the Management Company****13.1.1. Management Fee**

- a. The Management Company shall be entitled to receive:
- b. The Management Company shall be entitled to prescribe and receive maximum remuneration upto the maximum rate of remuneration permitted under the Rules & Regulations; it being further understood and agreed that the Management Company shall fix the rate of remuneration subject to the Rules & Regulations and shall intimate any change in the rate to the Trustee from time to time.
- c. The remuneration shall begin to accrue from the close of the Initial Period of Offer. 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.
- d. The Management Company shall be entitled to be paid monthly in arrears, accrued remuneration duly verified by the trustee on a monthly basis from the Fund Property.
- e. 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 Trust. The Management Company shall not make any charge against the Unit Holders or against the Fund 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 Rules & Regulations and this Deed and the Offering Document(s) to be payable out of Fund Property.
- f. 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.

**13.2 Remuneration of the Trustee**

**13.2.1.** The Trustee shall be entitled to a monthly remuneration out of the Fund 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 from the close of the Initial Period of Offer. 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 thirty days after the end of each calendar month.

- 13.2.3. In consideration of the foregoing and save as aforesaid and as provided in Annexure "G", the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with their duties as Trustee of the Fund. The Trustee shall not make any charge against the Unit Holders or against the Fund 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 Fund Property under the provisions of the Rules & Regulations and this Deed.
- 13.2.4. The Trustee 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.
- 13.2.5. Any increase in the remuneration of the Trustee agreed to by the Management Company shall require the approval of the SECP.
- 13.2.6. The Trustee shall however not make any further material charge against the Unit Holders nor against the Fund Property nor against the Distribution Account for its services nor for expenses, except such expenses or fees as are expressly authorized under the provisions of the Rules & Regulations and the Deed to be payable out of Fund Property.
- 13.2.7. The remuneration and expenses of the custodian and sub-custodian shall be charged from the Fund Property.

### **13.3. Performance Return Sharing**

- 13.3.1. The management company will charge performance fee on out - performance of the fund over the hurdle rate as defined by the management company from time to time. The management company will announce hurdle rate periodically in advance. The management company will measure daily NAV performance of the fund on each trading day in relation to preceding trading day's NAV. If the performance of the Fund exceeds the daily hurdle rate the performance fee will be charged on the excess return earned over the daily hurdle rate. The management company will charge performance fee on each trading day only in which the stock exchanges of the country where the fund is listed are open for business. (For details please refer to Offering Document.)

The remuneration of the management company including performance return sharing to be charged by Management Company shall not exceed three percent (3%) of the average annual net assets of the scheme during the financial year as allowed under the Regulations subject to any revision or relaxation thereof.

### **13.4. Formation Cost to be amortized against Property of the Scheme**

- 13.4.1. Formation Cost not exceeding one percent (1%) of the pre initial public offering (Pre IPO) capital or five million rupees whichever is lower, shall be borne by the Fund.
- 13.4.2. Formation Cost will be amortized over a period not less than five years.

**13.5. Other Costs and Expenses to be charged to and borne by the Scheme**

- 13.5.1.* Custodial and Sub Custodial charges, both local and international;
- 13.5.2.* Listing fee payable to the Stock Exchange(s) including renewals;
- 13.5.3.* Charges and levies of Stock Exchange(s), National Clearing and Settlement Company and Central Depository Company;
- 13.5.4.* Rating fee of the fund payable to approved rating agency;
- 13.5.5.* Auditors' fees and related expenses;
- 13.5.6.* Any fees payable to the SECP;
- 13.5.7.* Brokerage and transaction costs related to investing and disinvesting of the assets of the Scheme;
- 13.5.8.* Expenses incurred by Trustee in effecting registration of all registerable assets in the name of the Trustee;
- 13.5.9.* Legal and related costs incurred in protecting or enhancing the interests of the unit or Certificate Holders of the Scheme;
- 13.5.10.* Bank charges and borrowing / financial costs;
- 13.5.11.* Hedging costs including forward cover, forward purchase or option purchase costs subject to limits to be specified in the Offering Document;
- 13.5.12.* Any printing costs and related expenses for issuing the scheme's quarterly, half yearly and annual reports etc.;
- 13.5.13.* Taxes, fees, cess, duties and other charges applicable to the scheme on its income or its properties, including taxes, fees, cess, duties and other charges levied by foreign jurisdiction on investments outside Pakistan;
- 13.5.14.* Fund dividend/redemption of Units transfer charges as payable to bank at time of transfer of funds to Unit Holder and such other levies and charges;
- 13.5.15.* Any Other expenses directly related to or arising out of the activities of the Fund; subject to the approval from the SECP and intimation to the Trustee.

**13.6. Such expenses shall be paid to the Management Company at actual within thirty days of the incurring of such expense.****14. Transactions with Connected Persons**

- 14.1.** The Fund 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 (5%) of the total nominal amount of the securities issued or collectively the directors and officers of the Management Company in their individual capacities own more than ten percent (10%) of those securities.

- 14.2. The Fund shall not without the prior approval of the Commission in writing, purchase from, or sell to, any connected person or employee of the asset management company or a collective investment scheme managed by it or a person who beneficially owns ten per cent or more of the equity securities of the collective investment scheme or asset management company, as the case may be.
- 14.3. For the purpose of clause 14.1 and 14.2 above, the term Director, Officer and Employee shall include spouse, lineal ascendants and descendants, brothers and sisters.
- 14.4. Cash forming part of the property of the Fund may be placed as deposits with the Trustee or an institution licensed to accept deposits.
- 14.5. All transactions carried out by or on behalf of the Trust shall be made as provided in the Constitutive Documents and shall be disclosed in the Fund's annual accounts.

Subject to the Regulations, any transaction between the Fund and the Management Company or any of their respective Connected Persons as principal shall only be made with the prior written consent of the Trustee.

15. **Annual Accounting Period**

- 15.1. The Annual Accounting Period shall commence on January 1 of a calendar year and shall end on December 31 of the same calendar year.
- 15.2. Accounting Date shall be the 31st day of December in each year and any interim dates at which the financial statements of the Fund are drawn up. Provided, however, that the Management Company may, with the consent of the Trustee and after obtaining approval of the SECP and the Commissioner of Income Tax, change such date to any other date.
- 15.3. Accounting Period shall be the period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the Fund Property is first paid or transferred to the Trustee and in any other case from the end of the preceding Accounting Period.

16. **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 or (subject to applicable law) any other foreign currency. The Management Company, Trustee or any Distributor are not obliged to transact the issuance or redemption of the Units in any other currency and shall not be held liable, save as may be specifically undertaken by the Management Company in this Deed, for receipt or payment in any other currency or for any obligations arising there from.

17. **Modification of the Constitutive Documents**

- 17.1. The Trustee and the Management Company, acting together with the approval of the SECP, shall be entitled by the supplemental deed(s) to modify, alter, or add to the provisions of the 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 amendments of such laws and regulations;
- b. to enable the provisions of the Trust 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 to the benefit of the Unit Holders.

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

**17.3.** Where this Deed has been altered or supplemented, the Management Company shall notify the Unit Holders immediately and also publish in at least one daily newspaper widely circulated in Pakistan.

**17.4.** The Management Company may from time to time, with the consent of the Trustee frame rules or regulations for conducting the business of the Trust or in respect of any other matter incidental thereto, provided that, such rules or regulations are not inconsistent with the provisions of this Deed, the Offering Document or the Supplemental Offering Document(s).

**17.5.** If the SECP modifies the Rules & Regulations to allow any relaxations or exemptions, these will deemed to have been included in this Trust Deed and the Offering Document(s) without requiring any modification as such.

**17.6.** The cost of carrying out amendment to this Deed shall be charged to the Fund Property.

**17.7.** If at any time, any Clause of this Deed is and / or becomes in whole or in part, illegal, invalid or unenforceable in any respect under the laws of any applicable jurisdiction, neither the legality, validity and enforceability of the remaining Clauses of the Deed hereof, nor the legality, validity or enforceability of such Clause under the law of any other jurisdiction shall in any way be affected or impaired thereby.

**18. Termination and Liquidation of the Scheme**

**18.1.** The Management Company may terminate the Scheme, if the Net Assets at any time fall below Rupees Fifty million (Rs. 50,000,000/-). The Management Company shall give at least three months notice to Unit Holders and the SECP and shall disclose the grounds of its decision. The Management Company may announce winding up of the Trust without notice in the event redemption requests build up to a level where the Management Company is of the view that the disposal of the Fund 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.

- 18.2. The Trust may also be terminated by the SECP on the grounds given in the Rules & Regulations.
- 18.3. This Deed may be terminated in accordance with the conditions specified in the Rules & Regulations if there is a material breach of the provisions of this Deed or other agreement or arrangement entered into between the Trustee and Management Company regarding the Unit Trust.
19. **Distribution on Liquidation, Winding up or Termination**
- 19.1. Upon the Trust being liquidated, wound up or 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 Fund Property and shall repay any borrowing affected by the Trust together with any profits remaining unpaid.
- 19.2. The Trustee on the recommendation of the Management Company shall from time to time distribute to the Unit Holders pro rata to the number of Units held by them respectively all net cash proceeds derived from the realization of the Fund Property after making payment as mentioned in Clause 19.1 above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands.
20. **Audit**
- 20.1. The Management Company shall at the establishment of the Scheme and with the consent of the Trustee, appoint an auditor from the approved list of auditors circulated by the Commission from time to time, who shall be a chartered accountant and independent of the auditor of the asset management company, as the case may be, and the trustee and such auditor shall not be appointed for more than five (5) consecutive years. The Management Company may at any time, with the concurrence of the Trustee, remove the Auditors and appoint another Auditor in its place. On retirement of Auditor, the new Auditor shall be appointed with the consent of Trustee.
- 20.2. **The following persons shall not qualify to be the Auditors of the Trust:**
- 20.2.1. 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;
- 20.2.2. A person who is a partner of, or in employment of, a director, officer, employee, or Connected Person of the Management Company or Trustee;
- 20.2.3. The spouse of a director of the Management Company or Trustee;
- 20.2.4. A person who is indebted to the Management Company or Trustee; and
- 20.2.5. A body corporate.
- 20.3. 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.

- 20.4.** 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 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.
- 20.5.** The Trustee shall be entitled to require the Auditors to provide such further reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Rules & Regulations.
- 20.6.** The Auditors shall prepare a written report to the Unit Holders on the 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.
- 20.7.** The contents of the Auditors report shall be as required in the Rules & Regulations.
- 20.8.** The Management Company shall:
- 20.8.1.* Within one month of the closing of the first and third quarter and within two months of the closing of the second quarter of each Accounting Date, prepare and circulate (physically or through electronic means or on the web subject to SECP's approval) to the Trustee, Unit Holders, the SECP and the Stock Exchange on which the units of the fund are listed, balance sheet as at the end of that quarter, an income statement, a cash flow statement and a statement of changes in equity for that quarter, whether audited or otherwise, in accordance with the Rules & Regulations.
- 20.8.2.* Within three months of closing of the Accounting Period, prepare and circulate (physically or through electronic means or on the web subject to SECP's approval) an annual report, together with a copy of the balance sheet, income statement, cash flow statement, statement of movement in unitholders's fund or net assets or reserve, and the Auditor's report of the Scheme to the Trustee, Unit Holders, the SECP and the Stock Exchange in which the units of the fund are listed in accordance with the Schedule IV of the Regulations.
- 20.8.3.* The above time frame for preparation and transmission of Fund Accounts is subject to change in line with changes in the Rules & Regulations from time to time.

**21. Arbitration**

In the event of any disputes arising out of this Trust Deed or 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 Unit Trust, 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.

**22. Confidentiality**

The Trustee and the Management Company and every director or officer of the said parties who are in any way engaged in the business of the Trust and all persons employed or engaged by the said parties in connection with the business of the Trust shall observe strict confidentiality in respect of all transactions of the Trust, its Unit Holders and all matters relating thereto and shall not disclose any information or document which may come to his knowledge or possession in 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.

**23. Miscellaneous**

**23.1.** 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. Any notice so served by post shall be deemed to have been served on the day following that on which the letter containing the same is posted, and in proving such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted.

**23.1.1.** The Trustee or the Management Company at the cost of the Fund shall advertise any such notice in one newspaper in Pakistan, in which the prices of the Fund's Unit are normally published.

**23.1.2.** Service of a notice or document to principal account holder shall be deemed effective service on all the other joint Unit Holders.

- 23.1.3. Any notice or document sent by post or courier service to or left at the registered address of a Unit Holders shall notwithstanding that such Unit Holders 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.
- 23.2. If at any time, any Clause of this 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 Deed hereof, shall not in any way be effected or impaired thereby.
- 23.3. 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 of Rupees fifty (Rs.50/-) per copy or at such rate as determined from time to time by the Management Company.
24. **Definitions**
- Unless the context requires otherwise the following words or expressions used in this Deed above, shall have the following meanings respectively assigned to them viz.:
- 24.1. "Accounting Date" means the date 31st December in each calendar year and any interim dates at which the financial statements of the Fund are drawn up. Provided, however, that the Management Company may, with the consent of the Trustee and after obtaining approval of the SECP and the Commissioner of Income Tax, change such date to any other date.
- 24.2. "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 Fund Property is first paid or transferred to the Trustee and in any other case from the end of the preceding Accounting Period.
- 24.3. "Act" is defined in the preamble.
- 24.4. "Asset Management Company" means an asset management company as defined in the Regulations.
- 24.5. "Audit Date" means the date as of which the Auditor issues its report in respect of the Fund's balance sheet and income and expenditure account for the corresponding Accounting Period.
- 24.6. "Auditors" means a firm of chartered accountants that is appointed by the Management Company, with the consent of Trustee, as the auditor for the Fund, who shall be independent of the auditor of the Management Company and the auditor of the Trustee, as provided under the Regulations.

- 24.7. "Authorized Branch or Branches" means those branches of the Distributors whose addresses shall be given in the Offering Documents or as amended by the Management Company from time to time.
- 24.8. "Authorized Investment" means any investments transacted, issued, traded or listed in Pakistan and abroad and as defined in clause 8.5 of this deed.
- 24.9. "Authorized Dealer" means a Scheduled Bank appointed by the Management Company under the Foreign Exchange Manual of the State Bank of Pakistan to manage receipts and transfers of payments for subscription and redemption of Units and distributions to offshore investors.
- 24.10. "Back-end Load" means a Processing Charge, not exceeding five percent (5%) of the Net Asset Value, deducted by the Management Company from the Net Asset Value in determining the Redemption Price.
- 24.11. "Bank" means any Scheduled Bank, as defined under the State Bank of Pakistan Act, 1956 and licensed to carry on banking business and shall include a bank incorporated outside Pakistan and carrying on banking business in Pakistan as a Scheduled Bank.
- 24.12. "Bank Accounts" means those account(s) opened and maintained for the Fund by the Trustee at scheduled banks, the beneficial ownerships in which shall vest in the Unit Holders.
- 24.13. "Bench Mark" means the point of reference against which the performance of the Fund may be measured, unless otherwise stated.
- 24.14. "Broker" means any person licensed by the SECP as a broker for effecting transactions in securities for the account of others or a member of the Stock Exchange(s).
- 24.15. "Business Day" means a day (such business hours thereof) when Banks are open for business in Pakistan and / or such hours for which Management Company is open for business.
- 24.16. "Certificate" means the definitive certificate acknowledging the number of Units registered in the name of the Unit Holders issued at the request of the Unit Holders pursuant to the provisions of the Trust Deed.
- 24.17. "Connected Person" shall have the same meaning as assigned in the Rules & Regulations.
- 24.18. "Constitutive Document" means the principal documents governing the formation of an open-ended scheme and all related material agreements.
- 24.19. "Core Investors" of the Fund shall be such initial investors whose subscription shall in aggregate be in compliance of the requirements of Clause 61(2)(e)(ii) of the Regulations. The Core Investors shall be issued with Core Units representing their subscriptions. Particulars of the Core Investors shall be included in the Offering Document that shall be issued for this Fund.

- 24.20.** "Core Units" shall mean such Units of the Fund 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 Period of Offer. 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.
- 24.21.** "Custodian" means:
- 24.21.1.* Bank(s) which may be appointed by the Trustee with the approval of the Management Company to hold and protect the Fund Property or any part thereof as custodian on behalf of the Trustee; and / or
- 24.21.2.* The Trustee, with the approval of the Management Company, to hold and protect the Fund Property or any part thereof as custodian.
- 24.22.** "Daily Hurdle Rate" means Hurdle Rate for the period as defined by Management Company divided by total trading days for the period.
- 24.23.** "Deed" means this Trust Deed which is one of the principal document governing the formation, management and operation of the Fund.
- 24.24.** "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. Interest, income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the main account of the Fund from time to time, as part of the Fund Property for the benefit of the Unit Holders.
- 24.25.** "Distributor(s)" means Company(ies), Firm(s) or Bank(s) appointed by the Management Company for performing any or all of the Distribution Functions and shall include the Management Company itself, if it performs the Distribution Functions;
- 24.26.** "Distribution Functions" means the functions with regard to:
- 24.26.1.* Receiving applications for purchase of Units together with aggregate Purchase (Offer) Price for Units applied for by the applicants;
- 24.26.2.* Interfacing with and providing services to the Unit Holders including receiving purchase, redemption, transfer and 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
- 24.26.3.* Acknowledging receipt in respect of Clauses 24.26.1 and 24.26.2 above;
- 24.26.4.* Accounting to the Management Company for (i) monies received from the applicants when they purchase Fund Units; and (ii) payments made to the Unit Holders on redemption of Units.

- 24.27.** "Duties and Charges" means in relation to any particular transaction or dealing all stamp and other duties, taxes, Government charges, transfer fees, registration fee and other duties and charges in connection with the issue, sale, transfer, redemption or purchase of Units or in respect of the issue, sale, 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 the remuneration payable to the Distributor or any Front-end or Back-end Load or commission payable to agents on sales and redemption of Units or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.
- 24.28.** "Federal Government" means the Federal Government of the Islamic Republic of Pakistan.
- 24.29.** "Financial Institution" means a scheduled bank or development finance institution, an investment bank, and/or other financial institutions as defined under the Companies Ordinance, 1984.
- 24.30.** "Formation Cost" means all preliminary and floatation expenses of the Fund including expenses in connection with authorization of the Scheme, execution and registration of the Constitutive Document's, issue, legal costs, printing, circulation and publication of the Trust Deed, the Offering Document, announcements describing the Fund, inviting investment therein and all expenses incurred during the period leading up to the initial issue of Units. This shall not exceed one percent (1%) of the pre-initial public offering investment or five million rupees whichever is lower.
- 24.31.** "Front-end Load" means the sales and processing charges, also described as Sales Load in Clause 24.59, payable to the Management Company, which are included in the Offer Price of Units.
- 24.32.** "Fund's Auditors" mean the Auditors.
- 24.33.** "Fund Property" or "Trust Property" means the aggregate proceeds of the sale of all Units as defined in Clause 8.1 of this deed.
- 24.34.** "Hurdle Rate" means a benchmark as defined by Management Company to measure the performance of the fund for calculating performance fee.
- 24.35.** "Holder" or "Unit Holders" means the investor for the time being entered in the Register as owner of a Unit or a fraction thereof including investor jointly so registered pursuant to the provisions of this Deed.
- 24.36.** "Initial Period of Offer/ Initial period" means the same as "Initial Offering Period" and "Initial Public Offer" which means the period during which First Offer of Units shall be made at the price of Rs. 50/- per Unit, which shall be indicated in the Offering Document and not exceeding seven (7) days.
- 24.37.** "Investment" means any Authorized Investment forming part of the Fund Property.



- 24.38. "Investment Facilitator / Facilitator" means an individual, firm, corporate or other entity appointed by the Management Company, at its sole responsibility, to identify, solicit and assist investors in investing in the Fund. The Management Company shall compensate the Investment Facilitators out of the Sales Load collected by it in the Offer Price.
- 24.39. "Management Company" is defined in the preamble hereto.
- 24.40. "Net Assets" means the excess of assets over liabilities of the Fund, such excess being computed in the manner as specified under the NBFC Rules & NBFC Regulations.
- 24.41. "Net Asset Value" means per Unit Value of the Fund arrived at by dividing the Net Assets by the number of Units outstanding.
- 24.42. "Offer Price (Purchase Price)" means the sum to be paid by the investor for the purchase of one Unit, such price to be determined pursuant to the Offering Document.
- 24.43. "Offering Document" means the prospectus, advertisements or other documents (approved by the SECP), which contain the investment and distribution policy and all other information in respect of the Fund, as required by the Rules & Regulations and is calculated to invite offers by the public to invest in the Fund.
- 24.44. "Online" means transactions through electronic data-interchange whether real time transactions or otherwise, which may be through the internet, intranet networks and the like.
- 24.45. "Ordinance" means Companies Ordinance 1984.
- 24.46. "Par Value" means the Initial Period of Offer Price of a Unit that shall be Rupees fifty (Rs. 50/-).
- 24.47. "Performance fee" means a fee paid to Management Company based on the performance of a fund, determined by a specified standard.
- 24.48. "Personal Law" means the law of inheritance and succession as applicable to the individual Unit Holders.
- 24.49. "Pre Initial Public Offering (Pre-IPO)" means period during which the investors have subscribed to the Units of the Scheme before the Initial Public Offer.
- 24.50. "Private Placement Investors" mean those investors who subscribe to Class 'A' Units prior to the Initial Period as mentioned in Clause 9.1.2 of this deed.
- 24.51. "Redemption of Units Form" means the prescribed form, which is to be stated in the Offering Document.
- 24.52. "Redemption Price (Repurchase 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 10.3 of the Trust Deed and to be stated in the Offering Document.

- 24.53.** "Register" means the Register of the Holders kept pursuant to the Rules & Regulations and the Trust Deed.
- 24.54.** "Registrar" means an organization that the Management Company may appoint for performing the Registrar Functions and may include a department of the Management Company. The term and definition of "Transfer Agent" is also covered within the definition of a Registrar.
- 24.55.** "Registrar Functions" means the functions with regard to:
- 24.55.1.** Maintaining the Register;
- 24.55.2.** Processing requests for Purchase (Offer), Redemption (Repurchase), Transfer and Transmission of Units and requests for recording of lien or for recording of changes in data with regard to the Unit Holders;
- 24.55.3.** Issuing account statement to the Unit Holders;
- 24.55.4.** Issuing Certificates to the Unit Holders if required;
- 24.55.5.** Dispatching income distribution advice and / or bank transfer intimations; and
- 24.55.6.** Canceling old Certificates on redemption or replacement.
- 24.56.** "Relevant Date" means the date on which the Management Company decides to distribute the profits (if any).
- 24.57.** "Relevant Period" means the period in respect of which distribution of profits, are proposed to be made by the Management Company.
- 24.58.** "Rules" mean the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (amended) (the "Rules"), as amended from time to time.
- 24.59.** "Regulations" mean the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (the "Regulations"), as amended from time to time.
- 24.60.** "Sales Load" means the sales and processing charges or commission (excluding Duties and Charges) not exceeding five percent (5%) of the Net Asset Value. The Management Company may, at its discretion, charge different levels of the load to different investors from time to time.
- 24.61.** "SECP" means the Securities and Exchange Commission of Pakistan.
- 24.62.** "Security" or "Securities" means any share, scrip, participation term certificate, term finance certificate bond, bonds, certificates, Depository Receipts (Global and American etc.), units of collective investment scheme, short term commercial papers or such other instruments and permitted by the SECP and any other appropriate regulatory body by notification, specify for the purpose.
- 24.63.** "Stock Exchange" means stock exchanges, registered under the Securities and Exchange Ordinance, 1969.

- 24.64. "Sub-Custodian" means a financial or any other institution for the time being appointed by the Trustee with the approval of the Management Company to hold and protect the part of the Trust Property.
- 24.65. "Subscription Day" means every Business Day provided that the Management Company may with the prior written consent of the Trustee and upon giving not less than seven days notice in at least one daily newspapers widely circulated in Pakistan, declares any particular Business Day or days not to be a Subscription Day.
- 24.66. "Supplementary Offering Document" means a document issued by the Management Company, in consultation with the Trustee after seeking approval of the Commission, describing the special features of new type of Units and offering investment in the Scheme.
- 24.67. "Trading Day" means a day when stock exchanges of the country where the fund is listed are open for business in Pakistan.
- 24.68. "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 Fund's portfolio, necessitated by creation or cancellation of Units. Such costs may be added to the NAV for determining the Purchase (Offer) Price of Units or be deducted from the NAV in determining the Redemption (Repurchase) 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 with intimation to the Trustee, apply such charge either to the Offer or the Redemption Price. The Management Company may, however, apply Transaction Costs while determining Purchase (Offer) or Redemption (Repurchase) prices, without intimating the Trustee provided the difference between the Purchase (Offer) Price and the Redemption (Repurchase) 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 Fund Property.
- 24.69. "Trust", "Alfalah GHP Alpha Fund", "AGAF", "The Scheme", "Unit Trust" or "Fund" means the Unit Trust constituted by this Trust Deed for continuous offers for sale of Units.
- 24.70. "Trust Deed" means this trust deed executed between the Management Company and the Trustee along with all the exhibits appended hereto.
- 24.71. "Trustee" is defined in the preamble hereto.
- 24.72. "Unit" means one undivided share in the Scheme and where the context so indicates a fraction thereof.
- 24.73. "Zakat" has the same meaning as in the Zakat and Ushr Ordinance, 1980.

Words and expressions used but not defined herein shall have the meanings assigned to them in the Rules & 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.

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

The Common Seal of **Alfalah GHP Investment Management Limited** was hereunto affixed in the presence of:

Seal (1) Sd/- Chief Executive Officer  
Mr. Abdul Aziz Anis

(2) Sd/- Director  
Mr. Mohammad Yousuf

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

Seal (1) Sd/- CFO & Company Secretary  
Mr. Kamran Qazi

(2) Sd/- Head of Trustee & Custodian  
Mr. Atiqur Rehman

Witnesses: (1) Name: Mr. Omer Bashir Mirza

NIC: 42201-0757530-1

Signature: Sd/-

(2) Name: Mr. Muhammad Khurram

NIC: 42301-0576375-3

Signature: Sd/-



Securities and Exchange Commission of Pakistan  
Specialized Companies Division  
NBFC Department


License No. NBFC-III/ 15 /AGIML/AMS/ 11

Islamabad, March 26, 2008

**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 **Alfaluh GHP Investment Management 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 **Alfaluh GHP Investment Management Limited** to carry out **Asset Management Services** subject to the conditions stated herein below or as may be prescribed or imposed hereafter:

- (i) **Alfaluh GHP Investment Management Limited** and the collective investment schemes under its management shall comply with the Companies Ordinance, 1984, the Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2007 and any directives, circulars, codes, notifications and guidelines issued by the Commission;
- (ii) **Alfaluh GHP Investment Management Limited** shall submit an annual report, together with a copy of the balance sheet and income and expenditure account and the auditors' report within three months of the close of its year of account and a half yearly report, together with a copy of the balance sheet and income and expenditure account with limited scope review by the statutory auditors within two months of the close of its half year; and
- (iii) The license is valid for a period of one year w.e.f March 09, 2008 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/AGIML/929

December 13, 2007

**Mr. Omer Bashir Mirza**  
Company Secretary  
Alfalalah GHP Investment Management Ltd  
12<sup>th</sup> Floor, Tower A,  
Saima Tower,  
I.I. Chundrigar Road  
**Karachi.**

Subject: **Approval of Trust Deed of Proposed Alfalah GHP Alpha Fund**

Dear Sir,

I am directed to refer to your letter dated December 06,2007, whereby you have submitted the revised/amended Trust Deed of Alfalah GHP Alpha Fund proposed to be executed between Alfalah GHP Investment Management Limited (the "Management Company") and Central Depository Company of Pakistan Limited(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 Alfalah GHP Alpha Fund 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 Alfalah GHP Investment Management Limited and the requirements stipulated in the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified entities Regulations 2007. Further action will be taken on receipt of duly registered copy of the Trust Deed.

Yours truly,

  
Omamiah Nazir  
(Assistant Director)

NIC Building, Jinnah Avenue, Blue Area, Islamabad.  
PABX: 9207091-4 , Fax. No. 9218590, E-mail: [secphq@isb.paknet.com.pk](mailto:secphq@isb.paknet.com.pk)

**TARIFF STRUCTURE FOR OPEN ENDED MUTUAL FUNDS**

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

NET ASSETS (Rupees in million)		TARIFF
From	To	
1	1,000	Rs. 0.7 million or 0.20% p.a. of NAV, which ever is higher.
>1,000	& Above	Rs. 2.0 million plus 0.10% p.a. of NAV, on amount exceeding Rs.1,000 million.



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
SPECIALIZED COMPANIES DIVISION  
NBFC DEPARTMENT

No. NBFC-II/AD/AGIML/930

December 13, 2007


**Mr. Omer Bashir Mirza**  
Company Secretary  
Alfalah GHP Investment Management Ltd  
12<sup>th</sup> Floor, Tower A,  
Saima Tower,  
I.I. Chundrigar Road  
**Karachi.**

Subject: Appointment of Central Depository Company of Pakistan Limited as Trustee of Alfalah GHP Alpha Fund

Dear Sir,

I am directed to refer to your letter dated October 04, 2007 on the captioned subject and convey the approval of Securities and Exchange Commission of Pakistan for the appointment of Central Depository Company of Pakistan Limited as Trustee of Alfalah GHP Alpha Fund under Regulation 56 of Non-Banking Finance Companies and Notified entities Regulations 2007.

Yours truly,

  
Omairah Nazir  
(Assistant Director)