

**Risk Disclaimer: All investments in mutual funds are subject to market risks. The NAV of units may go up or down based on market conditions. Investors are advised in their own interest to carefully read the contents of the Offering Document, in particular the Risk Disclosure in clause 2.13, Disclaimer clause 2.14 and Warnings in clause 11 before making any Investment Decision.**

## OFFERING DOCUMENT

# ALFALAH GHP CASH FUND (Money Market Scheme)

Fund Category	Risk Profile as per Circular 2 of 2020	Risk of Principal Erosion
Money Market	Very Low	Principal at very low risk

**Management Company**  
**ALFALAH GHP INVESTMENT MANAGEMENT LIMITED**

**Trustee**  
**CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED**

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**Management Company**  
**ALFALAH GHP INVESTMENT MANAGEMENT LIMITED**

**Trustee**  
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**OFFERING DOCUMENT OF**  
**ALFALAH GHP CASH FUND (AGCF)**  
**(MONEY MARKET FUND)**

**Managed By**

**Alfalah GHP Investment Management Limited**

[An Asset Management Company Licensed under the Non-Banking Finance Companies  
(Establishment and Regulation) Rules, 2003]

**Date of Publication of Offering Document: March 3, 2010**

**Initial Public Offering: March 11, 2010 to March 12, 2010 (both days inclusive)**

## **INTRODUCTION**

The Alfalah GHP Cash Fund (the Fund/the Scheme/the Trust) has been established through a Trust Deed under the Trusts Act, 1882, entered into between Alfalah GHP Investment Management Limited, the Management Company and the Central Depository Company of Pakistan Limited, the Trustee and is registered under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations).

This Offering Document is governed by the provisions of the Trust Deed, NBFC Rules, NBFC Regulations, directives and circulars. It sets forth information about the Fund that a prospective investor should know before investing in the Fund.

**Prospective investors should consult one or more from amongst their legal adviser, stockbroker, bank manager or other financial adviser.**

**Investors must recognize that all investments involve varying levels of risk. The portfolio of the Fund consists of market-based investments, listed as well as unlisted, that are subject to market fluctuations and risks inherent in all such investments. Neither the value of the Units in the Fund, nor the dividends declared by the Fund is or can be assured. Investors are requested to read the Risk Disclosure, Disclaimer and Warnings Statement contained in Clause 2.13, Clause 2.14 and Clause 11 respectively in this Offering Document.**

## **REGULATORY APPROVAL AND CONSENT**

### **Approval of the Securities and Exchange Commission of Pakistan**

The Securities and Exchange Commission of Pakistan (SECP) has registered Alfalah GHP Cash Fund (AGCF/Fund) as a notified entity under Regulation 44 of the Regulations. The SECP has approved this Offering Document, under Regulation 54 of the Regulations.

It must be clearly understood that in giving this approval, the SECP does not take any responsibility for the financial soundness of the Fund nor for the accuracy of any statement made or any opinion expressed in this Offering Document.

### **Filing of the Offering Document**

The Management Company has filed a copy of the Offering Document signed by the Chief Executive along with the Trust Deed with the SECP. Certified copies of these documents along with documents (ii) to (vii) below can be inspected at the registered office of the Management Company or the place of business of the Trustee:

- (i) The SECP's letter No. NBFC-II/11/AGIML/AMS/08 dated April 23rd, 2009 confirming renewal of license to AGIM to carry out Asset Management Services together with the copy of the license;

- (ii) Trust Deed (Deed) of Alfalah GHP Cash Fund dated 23rd October, 2009 between Alfalah GHP Investment Management Limited (AGIM) as the establisher and the Management Company and Central Depository Company of Pakistan Limited (CDC), as the Trustee;
- (iii) SECP letter No. SC/NBFC-II/AGCF/997/2009 dated November 06, 2009, granting registration of Alfalah GHP Cash Fund;
- (iv) SECP letter No. NBFC-II/ZRK/AGCF/922/2009 dated October 7, 2009 approving the appointment of CDC as the Trustee of Alfalah GHP Cash Fund;
- (v) Letter from KPMG Taseer Hadi & Co., Chartered Accountants, Auditors of Alfalah GHP Cash Fund, consenting to the issue of statements and reports;
- (vi) Letter of Consent by the legal advisor, Bawaney & Partners, to act as the legal advisor of the Alfalah GHP Cash Fund;
- (vii) The SECP's letter No. NBFC/MF/DD-ZRK/AGCF/170/2010 dated February 23, 2010 approving this Offering Document.

## **1 CONSTITUTION OF THE SCHEME**

### **1.1. Constitution**

The Alfalah GHP Cash Fund is an open end Fund and has been constituted by a Trust Deed entered into at Karachi on 23rd October, 2009, between:

**Alfalagh GHP Investment Management Limited (AGIM)**, an unlisted public limited company incorporated under the Companies Ordinance 1984, and licensed by SECP to undertake asset management and investment advisory services under the Non Banking Finance Companies (Establishment & Regulation) Rules, 2003 (the Rules), with its registered office at 12th Floor, Tower A, Saima Trade Towers, I. I. Chundrigar Road, Karachi, as the establisher of the Fund and the Management Company; and

**Central Depository Company of Pakistan Limited (CDC)**, an unlisted public limited company incorporated under the Companies Ordinance 1984, with its registered office at CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi, Pakistan as the Trustee.

### **1.2. Registered Address, Place and Date of Creation**

The registered address of Alfalah GHP Investment Management Limited is 12th Floor, Tower A, Saima Trade Towers, I.I. Chundrigar Road, Karachi. The Trust was created on October 23rd, 2009. The official website address of Alfalah GHP Investment Management Limited is [www.alfalahgdp.com](http://www.alfalahgdp.com).

### **1.3. Governing Law**

- 1.3.1. The Trust Deed is subject to and governed by the Rules, Regulations, Companies Ordinance 1984, Securities and Exchange Ordinance 1969 and all other applicable laws and Regulations. The Fund shall also be subject to the rules and the regulations framed by the State Bank of Pakistan with regard to the foreign investments made by the Fund and in the event of any conflict between the Deed and the provisions required to be contained in a trust deed by the Rules and the Regulations, the latter shall supersede and prevail over the provisions contained in the Deed. In the event of any conflict between the Offering Document and the Trust Deed the latter shall supersede and prevail over the provisions contained in this Offering Document.
- 1.3.2. The Trust Deed or any supplementary Trust Deed shall be governed by NBFC Rules, NBFC Regulations, circulars, directives or guidelines issued and amended by the SECP from time to time. In case of any revision of said Rules, Regulation, directives, circulars or guidelines since the approval of these Documents, these will deemed to have been included in the Trust Deed and no amendment or modification is required unless specifically required by the SECP.

1.3.3. The investments made in offshore countries and bank accounts and custodial services account that may be opened by the Trustee for the scheme in offshore countries on the instructions of the Management Company may become subject to the laws of such countries.

1.3.4. The terms and conditions in the Trust Deed and any supplemental deed(s) shall be binding on each Unit Holder as if he has been a party to it.

#### **1.4. Modification of Trust Deed**

1.4.1. 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.

1.4.2. 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 further the Trustee shall also give in writing that the said amendments will not prejudice to the interest of the unit holders.

1.4.3. Where this Deed has been altered or supplemented, the Management Company shall notify the Unit Holders immediately and also publish in a widely circulated newspaper in Pakistan.

1.4.4. 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 Rules & the Regulations, the Offering Document or the Supplemental Offering Document(s).

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

1.4.6. The cost of carrying out amendment to the Deed shall be charged to the Fund Property.

1.4.7. If at any time, any Clause of the Deed is and/or becomes in whole or in part, illegal, invalid or unenforceable 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.

#### **1.5. Offering Document**

1.5.1. The provisions of the Trust Deed and the Regulations govern this Offering Document. It sets forth information about the Fund that a prospective investor should know before investing in any Unit. Prospective investors in their own interest are advised to carefully read this Offering Document to understand the Investment Policy and Risk Factors and should also consult their legal, financial and tax adviser before investing.

1.5.2. The Offering Document or any supplementary Offering Document shall be governed by NBFC Rules, NBFC Regulations, circulars, directives or guidelines issued and amended by the SECP from time to time. In case of any revision of said Rules, Regulation, directives, circulars or guidelines since the approval of these Documents, these will deemed to have been included in the Offering Document and no amendment or modification is required unless specifically required by the SECP.



## 1.6. Modification of Offering Document

The Management Company with the approval of the Trustee and the Commission shall be entitled by supplemental Offering Document(s) to modify, alter or add to the provisions of the Offering Document for introducing additional or supplemental plans or altering the clauses of this Offering Document.

Provided that such alterations or additions 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 and Trustee shall give its consent that such amendment does not prejudice to the interest of unit holders.

Where the Offering Document has been altered or supplemented, the Management Company shall notify the Unit Holder(s) immediately either through mail, advertising in the paper or by posting on its website regarding such alteration/amendments.

## 1.7. Duration

The duration of the Fund is perpetual. However, the SECP or the Management Company may, on the occurrence of certain events, wind it up as stated in Clause 13 of this Offering Document under the heading "Termination of the Fund".

## 1.8. Units

1.8.1. The Fund shall offer and redeem Units on a continuing basis subject to terms contained in this Offering Document, the Trust Deed and the Rules & the Regulations. Each Unit Holder has a beneficial interest in the Fund proportionate to the Units held by such Unit Holder. There is no upper limit set on the Units to be issued to a single Unit Holder or on the total number of Units to be issued to the public. However, the Management Company may impose, from time to time, certain amounts of minimum monetary investment limits (please refer Clause 4.3) to facilitate economical and efficient management of investors' accounts. Fractional Units may be issued to enhance economical and efficient handling. Units are also transferable. Depending upon Investor's option Units can be issued either in certificate form or in un-certificated form through Account Statement issued by Registrar or can be issued electronically through Central Depository System (CDS) of CDC upon fulfilling the necessary requirements of the Depository Company. Certificates representing the Units will be issued only if so requested by the Unit Holder at the time of application or at any later stage and upon payment of a fee not exceeding Rupees Fifty (Rs. 50/-) per Certificate, subject to revision of this fee from time to time by the Management Company.

1.8.2. The Management Company is initially issuing the following Classes of Units:

### Classes of Units

- a. **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 (50 M) shall remain invested and cannot be redeemed for a period of two (2) years from the date of closure of Initial Public Offering. However such Units are transferable.
- b. **Class "A"** Units being offered and issued during the Private Placement and Initial Public Offering (IPO) with no Front-end Load. However such units shall have Back-end Load. The current level of Back-end Load is 0% (zero percent) as defined in Annexure "B".
- c. **Class "B"** Units, which shall be offered and issued after the Initial Public Offering (IPO) shall be charged a Front-end Load and Back-end Load as defined in Annexure "B". The current level of Front-end and Back-end Load is 0% (zero percent) as defined in Annexure "B".

### 1.8.3. Types of Units

- a. The Management Company (while maintaining the integrity of each Unit's *pari passu* rights) within each class of units mentioned in clause 1.8.2 above may at its discretion in this Offering Document or at a later stage through supplementary Offering Document with prior approval of SECP and with prior intimation to the Trustee offer different types of 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 Unit Holder(s).

- b. The Units shall be fully paid-up before they are issued. Notwithstanding that various types of Units will be issued, it is clarified that AGCF is one scheme.
- c. For details about types of unit please refer to clause 4.2.

#### 1.8.4. Administrative Arrangements

- a. For the convenience of investors, the Management Company may introduce different administrative plans under different administrative arrangements with the approval of SECP and consent of the Trustee. Units issued under the different administrative arrangements shall be governed by the Rules, Regulations, Deed and this Offering Document or any supplemental Deed or supplemental Offering Document as and when made available by the Management Company.
- b. For details of Administrative Plans mentioned in this Offering Document please refer to clause 4.4.

#### 1.9. Open-End Fund

Alfalah GHP Cash Fund is an open-end fund. It is divided into Units having Par Value of Five Hundred Rupees (Rs. 500/-) each. All Units and fractions thereof represent an undivided share in Alfalah GHP Cash Fund and rank pari-passu as to their rights in the net assets, earning and receipt of dividend and distributions.

#### 1.10. Initial Public Offering (IPO)

The Initial Public Offering is for Class "A" Units, with no Sales Load, which shall be issued at Par Value of Rupees Five Hundred (Rs.500/-) per Unit. The Offer and Issue of Units at Initial Public Offering shall commence from the start of the banking hours on March 11, 2010 and shall end at the close of the banking hours on March 12, 2010. This price is applicable to such Units that are issued before the close of the Initial Public Offering (IPO). During this period Units will not be redeemed.

#### 1.11. Transaction in Units after Initial Public Offering (IPO)

Subsequent to the Initial Public Offering, Units shall be purchased at the applicable Purchase (Offer) Price and redeemed at the applicable Redemption (Repurchase) Price. The Management Company shall announce and make available the Offer Price to the public at the office and branches of the Distribution Company(ies) and on the website of the company as of the close of each Business day. The Management Company shall also announce the Redemption Price on a daily basis on all Business Days at the office and branches of the Distribution Company(ies) and on the website of the company. The Offer and Redemption Prices shall be determined by the Management Company under the provisions of this Offering Document, NBFC Rules, NBFC Regulations, any circular or guidelines issued by SECP from time to time. The Offer and Redemption Price so calculated shall be applicable for the Business Day. In the event there are closed days, for any reason, following that Business Day, the NAV so determined shall be adjusted for the accrual of income or losses, if any, for such closed days. The NAV based price per Unit shall be fixed after adjusting for the Sales Load as the case may be and any Transaction Costs that may be applicable save under circumstances elaborated in Clause 4.11 mentioned herein. Such prices shall be applicable to purchase and redemption request, complete in all respects, received during the business hours on or before Cut-off time as define in Clause 4.4.9 on any Business Day as announced by the Management Company from time to time.

## 2 INVESTMENT OBJECTIVES, INVESTMENT POLICY, RESTRICTIONS, RISK DISCLOSURE AND DISCLAIMER

### 2.1. Investment Objectives

Alfalah GHP Cash Fund (AGCF) is an open end Money Market Fund. The primary investment objective of the fund is to provide a regular stream of income at competitive rate of return while preserving capital to the extent possible by investing in assets with low risk and a high degree of liquidity from a portfolio constituted of mostly money market securities and placements.

## 2.2. Investment Policy

The Fund shall invest in high quality and liquid money market securities and placements with a weighted average time to maturity of the net assets not exceeding 90 days. The Fund will principally invest in cash and cash instruments which includes cash in bank accounts (excluding TDRs), government securities, treasury bills, money market placements, deposits, certificate of deposits (COD), certificate of musharaka (COM), TDRs, commercial papers and reverse repo.

The Fund is a Money Market Fund in terms of requirement of SECP Circular No. 7 of 2009. Within these requirements unless otherwise amended or revised by SECP, the Fund will be managed in the following manner:

- a. The Fund shall not assume direct or indirect exposure to equities i.e. no exposure to equities, CFS, spread transaction etc.;
- b. Rating of any NBFC and Modaraba with which funds are placed shall not be lower than AAA (Triple A);
- c. Rating of any bank and DFI with which funds are placed shall not be lower than AA (Double A);
- d. Rating of any security in the portfolio shall not be lower than AA (Double A);
- e. Time to maturity of any asset shall not exceed six months;
- f. Weighted average time to maturity of the net assets shall not exceed 90 days; and
- g. All Investments shall be made within the limits prescribed in the Regulations or otherwise as may be specified by the Commission.

## 2.3. Authorized Investments

All investment made by Fund shall be in compliance with SECP Rules, Regulations, circulars and directive of minimum investment grade rating issued from time to time. The fund shall invest in following asset classes:

Asset Class	Min Entity Rating	Min Instrument Rating	Max Exposure Limit
<b>a. Financing &amp; Other Transactions</b>			
i. Reverse Repo against Government Securities.	N/A	N/A	70%
<b>b. Placement with Bank &amp; Other Financial Institutions</b>			
i. Deposit with Commercial Banks (excluding TDR).	AA	N/A	100%
ii. Term Deposit Receipt (TDR)/Placement with any Bank and DFI.	AA	N/A	70%
iii. Certificate of Investment/Deposits/Placements/Musharaka other than Banks & DFIs.	AAA	N/A	70%
<b>c. Income &amp; Money Market Instrument/Securities/Placements :</b>			
i. Government Securities (including T- Bills).	N/A	N/A	70%
ii. All debt securities, listed or privately placed, secured or unsecured issued by government owned/controlled managed entities.	AA	AA	25%
iii. Commercial papers, listed or privately placed, secured or unsecured issued by a private corporate entity	AA	AA	10%
<b>d. Others</b>			
i. Any other securities or instrument that may be permitted or approved by SECP from time to time.	AA	AA	25%

- ▶ Max or Min exposure means maximum and minimum exposure in relation to Net Assets of the Fund.
- ▶ In case of investments are made on behalf of the Fund in any offshore countries, the same shall be with prior approval of SECP and SBP and subject to the limits as may be prescribed by the SBP and/or Commission.

The above asset classes, restriction and limitations are as per guidelines issued by SECP through Regulations, circulars, directives or any clarification issued by SECP from time to time. In case of any revision or change in above limitations or restriction including revision of asset classes, rating or exposure limits issued by SECP the later will take precedent.

#### 2.4. Benchmark of the Scheme

The benchmark of Alfalah GHP Cash Fund is 70% three (3) month PKRV + 30% AA Bank average deposit rate of three (3) months after deducting all the expenses which are charged to the Scheme as per the Regulations.

#### 2.5. Risk Control in the Investment Process

Investment process requires disciplined risk management. AGCF will incorporate adequate safeguards for controlling risks in the portfolio construction process. The risk control process involves reducing risks through optimal portfolio diversification. AGCF believes that this diversification would also help achieve the desired level of consistency in returns.

#### 2.6. Changes in Investment Policy

The investment policy will be governed by the Regulations (subject to any exemptions provided to the Fund specifically by SECP). Any change in the Investment Policy will be implemented only after obtaining prior approval from SECP and giving proper notice to the Unit Holders to the satisfaction of the Trustee.

#### 2.7. Provisioning Policy

##### 2.7.1. Eligibility Criteria For Making Provision

The advent of the following events makes the debt securities and other exposures eligible for provisioning:

- a. Default on the interest payment;
- b. Default on the principal payment;
- c. Rating of the debt security/borrower is down graded to "D" (Default);
- d. In the event of bankruptcy.

Following securities are eligible for the provision against the non performance:

- a. Debt Securities
  - i. Debt securities issued by Government owned/controlled managed entities.
- b. Other Exposures
  - i. Term Deposit Certificates (TDR);
  - ii. Certificate of Investments (COI);
  - iii. Certificate of Deposits (COD);
  - iv. Letter of Placements (LOP);
  - v. Certificate of Musharaka (COM);

##### 2.7.2. Criteria For Classification As Non Performing Exposure

###### a. Debt Securities

Debt security shall be classified as non-performing, if the interest and/or principal amount is past or overdue by 15 calendar days from the due date.

**b. Other exposures**

Exposures other than debt securities such as TDR, COI, COD, LOP, COM etc. shall be immediately classified as non-performing if the interest and/or principal amount past the due date.

However, full provisioning shall be made immediately if the applicable rating of the debt security is down graded to "D" (Default).

**2.7.3. Provisioning Requirements & Time Frame For Maintaining the Applied Provisions**
**a. Debt Securities**

All non-performing debt securities whether secured or unsecured shall be provided for in accordance with the following criteria:

With Semi-annual & Annual coupons

Effective day for Provisioning	Minimum Provision as % of book value	Cumulative Provision
Upto 180th days	50%	50%
Upto 365th days	50%	100%

With Quarterly & Monthly coupons

Effective day for Provisioning	Minimum Provision as % of book value	Cumulative Provision
Upto 90th days	50%	50%
Upto 180th days	50%	100%

**2.7.4. Criteria for Suspension of Mark Up**

- a. The accrual of interest/profit shall be suspended from the first day the interest/profit payment falls due and is not received.
- b. All interest/profit accrued and recognized in the books of Collective Investment Scheme shall be reversed immediately once a debt security and exposures other than debt securities is classified as non - performing.

**2.7.5. Criteria for Reversal of Provisioning**
**a. Debt Securities**

- i. In case a Collective Investment Scheme has received all the arrears of interest, the interest amount reversed shall be written back to the extent it is received.
- ii. In case a Collective Investment Scheme has received all arrears of interest and the debt security has not been reclassified as performing, the suspension of further accrual of interest shall continue.
- iii. The debt security shall only be reclassified as performing once all the arrears have been received in cash and debt security is regular on all payments (interest as well as principal as per applicable redemption schedule) for the next two (2) instalments. The provision made for the principal amount shall be written back in the following manner.
  - I. Where provision of principal was made due to the interest defaults only, 100% of the debt security provided for in the books shall be written back upon reclassification of the debt security as performing.
  - II. Where both instalments and interest were in defaults, 50% of the provision made in the books shall be written back at the receipt of the first payment (interest/principal) and 50% at the receipt of second payment and the asset shall be reclassified as performing.
- iv. The debt security shall also be classified as performing if the issuer re-schedules the terms and conditions of the debt security and majority of the debt security holders agree to it.

**b. Other exposures**

Other Exposures reversed previously shall only be written back to the extent the Collective Investment Scheme has received the arrears of interest along with the principal amount.

## 2.8. Investment Restrictions, Limitations and Prohibitions

2.8.1. The Fund Property shall be subject to such exposure limits as are provided in the Rules, Regulations, circulars, directives and Offering Document (subject to any written exemptions that may be specifically given to the Fund by the SECP). Further if and so long as the value of the holding in a particular company or sector exceeds the limit imposed by the Regulations, the Management Company shall not purchase any further Investments in such company or sector.

2.8.2. The exposure of a Fund to any single entity shall not, exceed an amount equal to ten percent (10%) of the total net asset value of the scheme subject to following condition:

- ▶ Exposure to any debt issue of a company shall not exceed ten percent of that issue.

2.8.3. The Fund shall not acquire twenty five percent 25% or more of the voting rights or control of a company.

2.8.4. 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).

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

Explanation: For the purpose of above clause as per Regulation 55(10)(a) "group" means persons having at least 30% common directors or 30% or more shareholding in any other company, as per publicly disclosed information.

2.8.6. 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.

2.8.7. 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 amount of the securities issued by that company or collectively the directors and officers of the Management Company own more than ten percent (10%) of those securities.

2.8.8. The Management Company shall not net off any investment of the Fund against the investment of the Unit Holder(s) in the Fund.

2.8.9. The Scheme will not at any time:

- a. purchase or sell Bearer securities or Securities which result in assumption of unlimited liability (actual or contingent);
- b. invest in any other investment except in Authorized Investments as defined herein;
- c. participate in a joint account with others in any transaction;
- d. make short sales of any security whether listed or unlisted;
- e. purchase any security in a forward contract;
- f. purchase any security on margin;
- g. apply any part of its assets to 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;
- h. apply any part of its assets in commodities or commodity contracts;
- i. invest in security of the asset management company;
- j. issue a senior security which is either stock or represents indebtedness without prior approval of the Commission;

- k. apply for de-listing from stock exchange, unless it has obtained prior approval of the Commission;
- l. 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, Reverse repo transactions involving Government Securities or other debt securities stated as authorized investments in the Offering Document under an agreement and spread transaction through ready buy and future sale or CFS or replacement thereof which are protected by the clearing company and stock exchanges shall not be attracted by clause (m) provided risk management parameters are disclosed in the offering document of the scheme.

- m. in any form borrow, except with the approval of trustee, for meeting redemption request and such borrowing shall not exceed fifteen percent or such other limit as specified by the Commission of the total net asset value of a Scheme at the time of borrowing and shall be repayable within a period of ninety days;
  - n. sell units or issue shares or certificates for consideration other than cash unless permitted by the Commission on the basis of structure and investment policy of the Collective Investment Scheme;
  - o. invest the subscription money until the closure of public offer of shares or certificates;
  - p. without obtaining prior approval of the Commission merge Schemes or acquire or take over any other Collective Investment Scheme;
  - q. invest the subscription money until the closure of public offer of shares or certificates; and
  - r. take Exposure in any other Collective Investment Scheme, except for fund of funds or overseas investment.
- 2.8.10. In case investments are made on behalf of the Fund in any offshore countries, the same shall be with prior approval of SECP and SBP and subject to the limits as may be prescribed by the SBP and/or the Commission.
- 2.8.11. The Management Company on behalf of the Fund shall not at any time rollover the investments, if in the opinion of trustee, the Fund would not be able to issue payment instrument for the redemption money to the unit holder within time period stipulated in the Regulations.
- 2.8.12. The investment restrictions, limitation and prohibition may change from time to time by SECP's directives or amendments to or substitution of the Rules & the 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.

## **2.9. Exception to Investment Restrictions**

It will not be necessary for the Management Company or Trustee to sell any Investment merely because where exposure of a Fund exceeds the limits so specified because of corporate actions or due to market price increase or decrease in net assets or due to redemptions resulting in decrease in net assets. 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 by the Commission on an application by the asset management company.

## **2.10. Borrowing and Borrowing Restrictions**

- 2.10.1. 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. The Trustee shall ensure that the borrowing limitations set out in the Regulations and constitutive documents and the conditions under which the Scheme has been authorized are complied with. The Management Company on account of the Scheme managed by it shall not borrow, except with the approval of Trustee.

- 2.10.2. The charges payable to any bank or financial institution against borrowings on account of the Trust, as permissible under Clause 2.10 above, shall not be higher than the normal prevailing bank charges or normal market rates.
- 2.10.3. 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 Regulation. 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.
- 2.10.4. The Management Company shall not make any investment or rollover of any investment of the Fund in case borrowing limits has already been exhausted or redemptions are pending for more than six days.
- 2.10.5. Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such 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.
- 2.10.6. 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.
- 2.10.7. 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.

## **2.11. Voting Rights on Fund Property**

- 2.11.1. 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.
- 2.11.2. 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.

- 2.11.3. Not later than two (2) Business Days after 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.

## **2.12. Transactions with Connected Persons**

- 2.12.1. 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 amount of the securities issued by that company or collectively the directors and officers of the Management Company own more than ten percent (10%) of those securities.



2.12.2. The Fund shall not without the prior approval of the Commission in writing, purchase from, or sell any securities to any connected person or employee of the asset management company.

Provided that the above shall not apply to the issue, sale or redemption of units or shares or certificates issued by the Collective Investment Scheme.

2.12.3. For the purpose of clause 2.12.1 and 2.12.2 above, the term Director, Officer and Employee shall include spouse, lineal ascendants and descendants, brothers and sisters.

2.12.4. Cash forming part of the property of the Fund may be placed as deposits with the Trustee or the custodian that is a banking company or an NBFC, a return on the deposit shall be paid by such trustee or custodian at a rate that is not lower than the rate offered by the said banking company or NBFC to its other depositors on deposits of similar amount and maturity.

2.12.5. 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 SECP and Trustee.

2.12.6. All transactions with connected persons carried out by the Management Company on behalf of the Scheme shall be in accordance with the provisions of the Regulations, Constitutive and Offering Documents of the Fund and shall be disclosed in the annual report of the Scheme.

### 2.13. Risk Disclosure

2.13.1. Investors into the Fund must realize that all investments in mutual funds and securities are subject to market risks. Any target return/dividend payout cannot be guaranteed and it should be clearly understood that the portfolio of the Fund is subject to interest/markup rates and equity market fluctuations and other risks inherent in all such investments. The risk emanates from various factors that include, but are not limited to:

2.13.2. **Credit Risk** - Credit risk is comprised of default risk, credit spread risk and downgrade risk. Each can have a negative impact on the value of an income security including money market instruments.

a. **Default risk** is the risk that the issuer will not be able to pay the interest/markup/principal obligation, either on time or at all.

b. **Credit spread risk** is the risk that there will be an increase in the difference between the return/interest/markup rate of an issuer's bond and the return/interest/markup rate of a bond that is considered to have little associated risk (such as a government guaranteed bond or treasury bill). The difference between this return/interest/markup rates is called a "credit spread". Credit spreads are based on macroeconomic events in the domestic or global financial markets. An increase in credit spread may decrease the value of income securities including money market instruments.

c. **Downgrade risk** is the risk that a SECP approved credit rating agency or any other reputed international credit rating agency will reduce the credit rating of an issuer's securities. Downgrades in credit rating will decrease the value of those securities.

2.13.3. **Currency Risk** - The Fund may be affected favorably or unfavorably by changes in currencies and exchange control Regulations.

2.13.4. **Inflation risk** - The investment into units of the fund is subject to inflation risk due to the possibility of such investment not growing proportionately to the inflation rate and thus decreasing the investor's purchasing power even though the investment in monetary terms has increased.

2.13.5. **Interest Rate Risk** - Some debt securities including money market instruments pay a fixed rate of coupon/mark-up. The value of the fund, due to its holdings in such debt securities including money market instruments, will rise and fall as market interest rates change. For example, when interest rates fall, the value of an existing bond will rise because the fixed coupon rate on that bond is greater than prevailing return/mark-up rates and vice versa.

- 2.13.6. **Liquidity Risk** - Some companies have limited market float of their issued securities and hence are not actively traded in the stock market/financial markets or they may generally have very few total securities issued and outstanding. Securities issued by such companies may be difficult to buy or sell, which may cause the value of the Funds that buy these securities to rise and fall substantially because any buying or selling of such company securities may have a great impact on that company's security price.
- 2.13.7. **Government Regulation Risk** - Government policies or regulations are more prevalent in some sectors than in others. Funds that invest in these sectors may be affected due to change in these regulations or policies, which directly or indirectly affect the earnings and/or the cash flows and/or any governmental or court orders restraining payment of capital, principal or income of Investee Companies to such companies.
- 2.13.8. **Voluminous Purchase/Redemption of Fund Units Risk** - Any significant transaction made by any investor could significantly impact the Fund's cash flow. If an investor buys large amounts of Units of the Fund, the Fund could temporarily have a high cash balance. Conversely, if a Unit Holder redeems large amounts of Units of Fund, the Fund may be required to meet the redemption by selling securities at an inopportune time. This unexpected sale may have a negative impact on the performance of the investment.
- 2.13.9. **Sovereign Risk** - Payment of bonds/notes may be effected by the economic and political events in the country of the relevant issuer. The occurrence of a sovereign risk event could result in the loss of all or a portion of the principal invested, as a result of any economic or political circumstance.
- 2.13.10. **Counter Party Risk** - The risk with repo/reverse repo/money market transactions are that the other party may default under the agreement or go bankrupt. In a reverse repurchase transaction, the fund may be left holding the security and may not be able to sell it at the same price it paid for it, plus return/markup, if the market value of the security has dropped. In the case if repurchase transaction; the fund could incur the loss if the value of the security sold has increased more than the value of the cash or collateral held.
- 2.13.11. **Other Risks Involved:**
- Mismanagement of the investee company, third party liability whether through class action or otherwise or occurrence of other events such as strikes, fraud etc., in the company in which the investment is made.
  - Break down of law and order, uncertain political & economical condition, war, terrorist activity, natural disasters etc.
  - Any government, regulatory authority or court orders restraining payment of principal or income or making any change in valuation technique etc.
  - Break down of communication systems of the issuers, stock exchanges, clearing house, depository company, etc., or general disruption of satellite system.
  - Senior rights of some creditors over other creditors in the event of winding up.

## 2.14. Disclaimer

- 2.14.1. Prices of Units of the Fund and income from them may go up or down.
- 2.14.2. Under exceptional (extraordinary) circumstances, the Management Company may declare suspension of redemptions, invoke a queue system or announce winding-up. In such events the investor will probably have to wait for payment beyond the normal period and the redemption amount so determined may be lower than the price at the time the redemption request is lodged. Investors are advised to read the clause 11 of the Fund's Trust Deed for more detailed information regarding this clause.
- 2.14.3. The Units of the Trust are not bank deposits and are neither issued by, insured by, obligations of, nor otherwise supported by the SECP, any Government agency, the Management Company, the Trustee (except to the extent specifically stated in this document and the Trust Deed) or any of the shareholders of the Management Company or any of the Core Investors or any of Pre-IPO investor of AGCF or any other bank or financial institution.

### 3 ORGANIZATION, MANAGEMENT & OPERATORS

#### 3.1. Management Company

##### 3.1.1. Organization

Alfalaha GHP Investment Management Limited (AGIM) is as an Asset Management and Investment Advisory Company, licensed by SECP under the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The company was incorporated on October 18, 2004 as a public limited company under the Companies Ordinance, 1984. The certificate of commencement of business was obtained on March 10, 2005.

Alfalaha GHP Investment Management Ltd. is a part of Abu Dhabi Group led by His Highness Sheikh Nahayan Mabarak Al Nahayan, the current Federal Education Minister in the UAE Government. The group is the single largest foreign investor group in Pakistan. The group is one of the largest in the Middle East and has diversified business interests across the Middle East, Africa and Asia comprising oil and gas exploration, hospitality services, communications, banking, financial services, automobile industry and property development.

Currently AGIM has been rated as 'AM3' by Pakistan Credit Rating Agency (PACRA). The rating reflects the company's strong capacity to manage the risks inherent in asset management and the asset manager meets high investment management industry standards and benchmarks.

##### 3.1.2. Capital Structure

<b>Authorized Capital</b>	Rupees 400,000,000
<b>Issued, Subscribed and Paid-up Capital</b> (32,445,970 shares of Rs. 10/- each)	<b>324,459,700</b>
Sponsor's Equity:	
Bank Alfalah Limited	130,490,700
MAB Investments Inc.	128,162,500
GHP Arbitrium Holding Ltd. (Formerly GHP Financial Services AG)	46,604,500
Muhammad Shoib	12,000,000
Abdul Aziz Anis	7,200,000
Mr. Aqueel Hassan	1,000
Mr. Manocher Ahmed Jamal	1,000
<b>Total</b>	<b>324,459,700</b>

##### 3.1.3. Main Sponsors

The sponsor of Alfalah GHP Investment Management Ltd. is Bank Alfalah Limited which has nominated two Directors on the Board. Other institutional investors include GHP Arbitrium Holding Ltd. and MAB Investments Inc.

The following is the current shareholding structure of the company:

<b>Sponsors</b>	<b>Shareholding Percentage</b>
Bank Alfalah Limited	40%
MAB Investments Inc	40%
GHP Arbitrium Holding Ltd.	14%
Individuals	6%

a. **Bank Alfalah Limited**

Bank Alfalah Limited (BAL) was incorporated on June 21, 1992 as a public limited company under the Companies Ordinance, 1984. The bank is engaged in banking services and is operating through more than 282 branches that include 48 Islamic Banking branches and seven overseas branches as at December 31, 2008. Bank Alfalah is the fifth largest bank in the country in terms of total assets and has shown aggressive expansion in recent years in all areas of business. The financial health of BAL is evident by long term credit rating of "AA" assigned by PACRA. As at December 31, 2008 the Bank had total deposits of approximately Rs. 301 billion and total shareholders equity of approximately Rs. 14.61 billion.

The key financials of Bank Alfalah for the last five year are as under:

<b>Year End 31st December</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Pak Rupees (In Million)					
Shareholder's Equity	4,369	6,738	10,573	13,767	14,609
Total Assets	154,835	248,314	275,686	328,895	348,991
Advances	88,931	118,864	149,999	171,199	192,671
Deposits	129,715	222,345	239,509	273,174	300,733
Total Income	7,140	14,515	24,416	31,822	36,292
Profit After Taxation	1,092	1,702	1,763	3,130	1,301

b. **GHP Arbitrium Holding Ltd. (formerly GHP Financial Services AG)**

GHP Arbitrium Holdings is a premier portfolio management and investment counselling company with its head office in Switzerland. The company is a member of the Swiss Association of Asset Managers (SAAM). GHP prides itself on providing its investors with a long term view on investments and aims to achieve sustainable returns for investors with active risk management. Besides portfolio management and investment counselling the company is also engaged in private equity funding and investments, direct project investments, formation and administration of companies and trusts, mergers and acquisitions advisory and real estate investments and counselling. In addition to being a securities trader, GHP Arbitrium Holding Ltd. is an associated member of the Swiss Exchange and a member of the Swiss Bankers Association.

c. **MAB Investments Inc.**

MAB represents the private investment holding company of H.H. Sheikh Nahayan Mabarak Al Nahayan, the current Federal Education Minister in the UAE Government. MAB has a very distinguished board which is led by H.H. Sheikh Nahayan himself and also includes Mr. Bashir A. Tahir, who is the CEO of Dhabi Group of UAE and is also the recipient of the prestigious Sitara-e-Imtiaz from the Pakistani Government in the year 2005.

MAB is one of the investment vehicles through which the global investments of H.H. Sheikh Nahayan are managed.

### 3.2. Board of Directors and the Management

#### 3.2.1. Board of Directors

Name	Position	Other Directorships	Current Occupation	Address
Aqueel Hassan	Chairman/ Director	MCR (Pvt.) Limited Habib Oil Mills (Pvt.) Limited Millennium Software (Pvt.) Limited Satcom (Pvt.) Limited HOM Energy (Pvt.) Ltd.	CEO - MCR (Pvt.) Ltd.	2 B, Link Avenue, Phase II, DHA, Karachi
Abdul Aziz Anis, CFA	Chief Executive/ Director	NIL	CEO - Alfalah GHP Investment Management Limited	63, P Street, Phase 7, DHA, Karachi
Hani Theodor Karl	Director (Nominee - GHP Arbitrium Holding Ltd.)	GHP Arbitrium Holding Ltd. MAB Investment Inc.	Vice-President of the Supervisory Board of Arbitrium Holding Ltd. (formerly GHP Financial Services Ltd)	Im Zoepfli 3, CH-6000, Lucerne 5 Switzerland
Mr. Shahid Hosain Kazi	Director (Nominee - Bank Alfalah Limited)	NIL	General Manager, Strategic Planning & Global Marketing Bank Alfalah Ltd.	91-A, PCSIR EC Housing Society, Phase I, Canal Road, Lahore
Shakeel Sadiq	Director (Nominee - Bank Alfalah Limited)	Al-Hamra Avenue (Pvt.) Limited Wincom (Pvt.) Limited	Chief Operating Officer of Bank Alfalah Limited	9, Askari Villas, Shami Road, Lahore, Cantt.
Manocheer Ahmed Jamal	Director (Non executive)	NIL	Finance Manager - Dhabi Group	Suite # 304, Dhabi Tower, Hamdan Street, Abu Dhabi, U.A.E

#### 3.2.2. Profile of Directors

##### Mr. Aqueel Hassan

Mr. Aqueel Hassan is the Chief Executive Officer of MCR (Pvt.) Limited. He brings with him vast experience of both business and professional expertise spread over a period of 31 years. He is also serving on the Board of Habib Oil Mills (Pvt.) Limited and Millennium Software (Pvt.) Limited. He has studied Economics from Trinity College Cambridge.

**Mr. Abdul Aziz Anis, CFA**

Mr. Abdul Aziz Anis brings with him over 15 years of experience in the financial sector of Pakistan. He has vast experience of the capital markets of the country ranging from research to sales to investment advisory & corporate finance. His past assignment was as Chief Executive of the Pakistan Office of Indosuez W.I. Carr Securities (IWICS) which was one of the leading emerging market stock brokers and part of the Credit Agricole Group of France. He has also spent a brief period abroad in Hong Kong in IWICS where he was part of the Indian Subcontinent Sales team responsible for marketing equity investment opportunities in India, Pakistan, Sri Lanka and Bangladesh to Far Eastern institutional clients such as mutual funds etc. Mr. Abdul Aziz is by qualification a Chartered Financial Analyst (CFA) from the CFA Institute of USA and an MBA with a major in Finance from Institute of Business Administration (IBA) Karachi, Pakistan.

**Mr. Hani Theodor Karl**

Mr. Theodor Karl is currently serving as Vice-President of the Supervisory Board of GHP Arbitrium Holding Ltd. (formerly GHP Financial Services Ltd) of Switzerland. He has more than 41 years of investment banking experience. Presently he is responsible for strategic growth and development of the company, human resources management, investment policy formulation and managing key client relationships. Mr. Karl brings with him global investment expertise and experience not only related to international investments but also investment advisory, private equity project funding and risk management.

**Mr. Shakeel Sadiq**

Mr. Shakeel Sadiq is presently working as Chief Operating Officer of Bank Alfalah Limited. He brings with him over 24 years of banking experience. He has extensive international banking experience, especially so in the Middle East where he spent the better part of his banking career. His previous assignments were with BCC Emirates and Union National Bank of Abu Dhabi. Mr. Sadiq is a Bachelor of Economics by qualification.

**Mr. Shahid Hosain Kazi**

Mr. Shahid Hosain Kazi is presently working as General Manager Strategic Planning and Global Marketing at Bank Alfalah Limited. He brings with him more than 15 years of experience in banking sector. Mr. Kazi is an MBA with a major in Banking & Finance from Institute of Business Administration Karachi.

**Mr. Manocher Ahmed Jamal**

Mr. Manocher Ahmed Jamal is an MBA with a major in Finance from Institute of Business Administration Karachi. He has over 17 years of experience in the field of industrial and financial markets both nationally and internationally. He is presently working as Finance Manager in Dhahi Group, which oversees the management of investments, both domestic and international, of H.H. Sheikh Nahayan Mubarak Al Nahayan, the current Federal Minister for Education in UAE.

**3.3. Profile of the Management****Mr. Abdul Aziz Anis, CFA**

*Chief Executive*

Please see background as explained above in particulars of Directors.

**Mr. Omer Bashir Mirza**

*Chief Financial Officer and Company Secretary*

Mr. Mirza is serving as Chief Financial Officer and Company Secretary of Alfalah GHP Investment Management Company Limited. He is responsible for supervising and monitoring finance and operation functions and related reporting requirements, liaising with the regulatory authorities, trustee, internal & external auditors and tax consultants and ensuring compliance with relevant laws and regulations. He is also secretary of Audit Committee.

Mr. Mirza is an associate member of the Institute of Chartered Accountants of Pakistan and brings with him over 8 years of working experience. Before joining Alfalah GHP Investment Management Limited he has worked with different organizations and has been involved in various audit, consultancy and tax advisory services during his Chartered Accountancy training.

**Mr. Ather H. Medina**

*Chief Investment Officer*

*-Fund Manager Alfalah GHP Value Fund, Alfalah GHP Islamic Fund & Alfalah GHP Alpha Fund*

Mr. Ather H. Medina, the Chief Investment Officer, is an MBA with a Major in Banking and Finance from the Institute of Business Administration, Karachi and a graduate in Computer Science from the National University of Computer and Emerging Sciences (FAST-NU), Karachi. He has extensive experience of the financial markets in general, and asset management and equity research in particular, having worked as the Chief Investment Officer at Atlas Asset Management Ltd., as Head of Research at the National Investment (Unit) Trust, and as an Investment Analyst at two leading foreign brokerage houses, Indosuez W. I. Carr Securities, and SocGen Crosby. He has also worked at two of the largest commercial banks in Pakistan, Habib Bank Limited in the Treasury department, and MCB Bank in corporate banking, and branch operations.

**Mr. Zeeshan Khalil**

*-Fund Manager Alfalah GHP Income Multiplier Fund & Alfalah GHP Cash Fund*

Mr. Zeeshan Khalil brings with him 6 years of experience in the financial sector, mostly in the mutual fund industry. Prior to joining the company he was working with UBL Fund Managers and was responsible for the overall Treasury Operations and Liquidity Management plus working in close interaction with the Fund Manager for placements of funds and investments in fixed income securities. He is an ICMA qualified and has also previously worked with Central Depository Company (CDC) of Pakistan in the Trustee Division.

**Mr. Afnan Khan**

*-Fund Manager Alfalah GHP Principal Protected Fund & Alfalah GHP Principal Protected Fund-II*

Having passed CFA Level 2, Mr. Khan is currently enrolled for Level 3. He did his Bachelors in Civil Engineering and went on to Canada for MSc. in Environmental Engineering. Working as a research analyst for two years in Canada, he attained extensive knowledge of data analysis and statistical procedures. Moreover, he briefly worked in an Engineering consulting firm, an International NGO and taught various subjects at an Engineering university. While pursuing his engineering career, he developed immense passion for finance and ventured on his own into investing and stock market analysis. He brings a unique perspective to the investment analysis and decision making process at the company.

**Mr. Muhammad Atir Khan**

*Vice President - Finance*

Mr. Atir brings with him over 8 years of experience in the Asset Management Industry. Mr. Atir is responsible for fund accounting, financial reporting and also acting as Compliance Officer of the company. Prior to joining Alfalah GHP he has served in Arif Habib Investment Management Limited in the finance department where he was responsible for the financial and operational management of open end Funds. He is by qualification ACCA Finalist and an MBA with a major in Finance from Hamdard University, Karachi.

**Mr. Faysal Khan**

*Vice President - Operations*

Mr. Khan brings with him over 7 years of experience in the financial sector, especially in the mutual fund industry. He is in-charge of all the functions of the Operations Department and responsible for timely and efficient settlement of all stock market, money market, fixed income, arbitrage, CFS etc. transactions of all the funds under management by the company. Prior to joining Alfalah GHP he was working with Arif Habib Investment Management Limited in the operations department and was responsible for NAV calculations and daily settlements of both open and close end funds. He is an ACCA finalist and Master of Economics from Karachi University.

**Mr. Imad Siddiqui**

*Head of Information Technology*

Mr. Siddiqui has over 9 years of IT experience in the financial markets of the country. Prior to joining the company he was working in Pak Libya group as Head of Information Technology. He has vast experience in project management and has actively worked on systems security, analysis, design and implementation. Mr. Siddiqui holds a Bachelor of Computer Science degree from the Sir Syed University of Engineering and Technology. Besides this basic qualification, he holds various certifications in both software and networking solutions.

**Mr. Samiuddin Ahmed**

*Assistant Vice President - Marketing & Sales*

Mr. Ahmed brings with him over 7 years of experience in the financial sector especially in equities. He holds a Bachelors degree in computer science and is currently enrolled in Masters Program in Business Administration (MBA) with PAF-KIET. He started his career from one of the leading brokerage houses as an analyst with expertise in quantitative analysis and then moved to equity sales for managing/advising various high net worth as well as institutional investors in the local capital market. Prior to joining Alfalah GHP he was associated with Faysal Asset Management Limited and his prime responsibilities were generating sales and managing corporate sales team.

**3.4. Funds under Management of Alfalah GHP Investment Management Ltd.**

3.4.1. Alfalah GHP Investment Management Ltd. is currently managing six open end mutual funds namely:

- a. Alfalah GHP Value Fund (AGV)
- b. Alfalah GHP Income Multiplier Fund (AGIMF)
- c. Alfalah GHP Islamic Fund (AGIF)
- d. Alfalah GHP Principal Protected Fund (AGPPF)
- e. Alfalah GHP Alpha Fund (AGAF)
- f. Alfalah GHP Principal Protected Fund - II (AGPPF - II)

Description of the Funds is summarized below:

**Alfalalah GHP Value Fund (AGV)**

Alfalalah GHP Value Fund (AGV) is an Open End Asset Allocation Fund which was launched on October 28, 2005. The objective of the fund is to invest in a broad range of asset classes so as to diversify Fund risk and to optimize potential returns. The Fund can invest up to a maximum limit of 80% of its NAV in equity securities or debt/money market securities with per company and per sector limitations as prescribed in the NBFC Regulations. Out of the total investment minimum 50% of assets shall remain invested in listed securities. These asset allocations are changed from time to time in order to maximize investor returns and manage risk. PACRA has assigned a 5 - Star rating to the AGV, which reflects superior performance to its peers.

Fund Name	Alfalalah GHP Value Fund (AGV)
Fund Type	Open End
Nature of Fund	Asset Allocation Fund
Date of Launching	October 28, 2005
Fund Size as at 31st December , 2009	Rs. 526.12 million
Par Value	Rs. 50/-
NAV per unit on 31st December, 2009	Rs. 61.15/- (Sixty one rupees and fifteen paisa)
Credit Rating	5 - Star by PACRA (updated June 2009)
Trustee	Central Depository Company of Pakistan Ltd.
Auditor	KPMG Taseer Hadi and Co
Risk Profile	Moderate
Listing	Karachi Stock Exchange
Benchmark	50% of KSE 100 Index + 50% of 6 months KIBOR

*\* Performance information since inception till September 2009*



**Fund Performance & Distribution Details are as under:**

Performance (Period)	Annualized Return (p.a.)	Payout	
		Cash	Stock
2005	14.5%*	-	1.00%
2006	12.71%	-	10.00%
2007	21.25%	Rs. 5/-	10.00%
2008	(21.90%)	-	-
2009	53.54%	Rs. 2.07	-
Since Inception	67.90%	-	-

\* Fund launch on 28-10-2005

**Alfalah GHP Income Multiplier Fund (AGIMF)**

Alfalah GHP Income Multiplier Fund (AGIMF) is an Open End Income Fund which was launched on June 15, 2007. The objective of the Fund is to generate stable and consistent returns while seeking capital preservation through a diversified portfolio of high quality debt securities and liquid money market instruments and placements. The Investment Portfolio of the Fund comprises of fixed, floating and hybrid rate instruments. The allocation between various investment classes depends on prevailing market conditions and opportunities. The Fund allows the investors to participate in the overall performance of fixed income/money market and to take advantage of a diversified and actively managed portfolio.

Fund Name	Alfalah GHP Income Multiplier Fund (AGIMF)
Fund Type	Open End
Nature of Fund	Income Fund
Date of Launching	June 15, 2007
Fund Size as at 31st December, 2009	Rs. 634.36 million
Par Value	Rs. 50/-
NAV per unit on 31st December, 2009	Rs. 52.0637/- (Fifty two rupees and zero six three seven paise)
Credit Rating (Stability Rating)	Under process
Trustee	Central Depository Company of Pakistan Ltd.
Auditor	KPMG Taseer Hadi and Co
Risk Profile	Low
Listing	Karachi Stock Exchange
Benchmark	3 month KIBOR

**Fund Performance & Distribution Details are as under:**

Performance (Period)	Annualized Return (p.a.)	Payout	
		Cash	Stock
2007	9.71%*	-	4.75%
2008	(1.06%)	Rs. 1.1602	-
2009	11.13%	Rs. 1.8721	-
Since Inception	5.87%	-	-

\* Fund launch on 15-06-2007

**Alfalaha GHP Islamic Fund (AGIF)**

Alfalaha GHP Islamic Fund (AGIF) is an open end asset allocation scheme and was launched on September 3, 2007. The primary objective of the fund is to seek long term capital appreciation and income from a diversified portfolio developed in consistence with the principles of Shariah. The investments in the Fund will be diversified both in terms of securities within an asset class as well as across asset classes. The Fund can invest upto a maximum of 80% in either Shariah compliant equity securities or alternatively the Fund can invest upto a maximum of 80% in Shariah compliant Income/money market instruments. The Fund actively switches between these asset classes so as to optimize investor returns over a period of time. All activities of the Fund are undertaken in accordance with the Islamic Shariah as per the guidelines given by Shariah Advisory Board of the Fund.

Fund Name	Alfalaha GHP Islamic Fund (AGIF)
Fund Type	Open End
Nature of Fund	Islamic Asset Allocation Fund
Date of Launching	September 3, 2007
Fund Size as at 31st December, 2009	Rs. 327.32 million
Par Value	Rs. 50/-
NAV per unit on 31st December, 2009	Rs. 62.60/- (Sixty two rupees and sixty paisa)
Credit Rating	4 - Star by PACRA (updated June 2009)
Trustee	Central Depository Company of Pakistan Ltd.
Auditor	KPMG Taseer Hadi and Co
Risk Profile	Moderate
Listing	Karachi Stock Exchange
Benchmark	50% KMI 30 Index + 50% average 6 months deposit profit/return rate of Islamic Banks

**Fund Performance & Distribution Details are as under:**

Performance (Period)	Annualized Return (p.a.)	Payout	
		Cash	Stock
2007	4.66%	-	1.00%
2008	(18.48%)	-	-
2009	56.34%	Rs. 2.96	-
Since Inception	33.36%	-	-

\* Fund launch on 03-09-2007

**Alfalaha GHP Principal Protected Fund (AGPPF)**

Alfalaha GHP Principal Protected Fund (AGPPF) is an open end Capital Protection scheme and was launched on July 21, 2008. Alfalaha GHP Principal Protected Fund aims at protecting investor capital through an investment structure by placing significant percentage of the Initial Funds Size as bank deposit(s) with scheduled commercial bank(s) having minimum long term investment grade rating of AA to ensure the principal protection of the Initial Invested Value till the end of the Minimum Period and uses the remaining funds to gain exposure into equity, money market or fixed income securities or any other SECP permissible instrument(s) that the management feels would be appropriate to optimize return. The duration of AGPPF is thirty (30) Months from the last date of IPO. The Principal Protection Placement Agreement of AGPPF was signed with Bank Alfalaha Limited having long term credit rating of AA.

Fund Name	Alfalalah GHP Principal Protected Fund (AGPPF)
Fund Type	Open End
Nature of Fund	Capital/Principal Protection
Date of Launching	July 21, 2008
Fund Size as at 31st December, 2009	Rs. 1,008 million
Par Value	Rs. 50/-
NAV per unit on 31st December, 2009	Rs. 56.09/- (Fifty six rupees and nine paise)
Credit Rating	N/A
Trustee	Muslim Commercial Financial Services (Pvt.) Ltd.
Auditor	KPMG Taseer Hadi and Co
Risk Profile	Low
Listing	Karachi Stock Exchange
Benchmark	125 basis points over 2.5 years AA rated bank deposit at the time of fund launch

**Fund Performance & Distribution Details are as under:**

Performance (Period)	Annualized Return (p.a.)	Payout	
		Cash	Stock
2008	0.06%	-	0.06%
2009	20.78%	-	5.00%
Since Inception	20.86%	-	-

\* Fund launch on 21-07-2008

**Alfalalah GHP Alpha Fund (AGAF)**

Alfalalah GHP Alpha Fund (AGAF) is an open end Equity Fund which was launched on September 05, 2008. 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. AGAF will primarily invest in equity and equity related securities. If the Management Company expects the stock market to perform adversely during any period of time, based on its analysis of macroeconomic 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.

Fund Name	Alfalalah GHP Alpha Fund (AGAF)
Fund Type	Open End
Nature of Fund	Equity Fund
Date of Launching	September 05, 2008
Fund Size as at 31st December, 2009	Rs. 166. 343 million
Par Value	Rs. 50/-
NAV per unit on 31st December, 2009	Rs. 54.16/- (Fifty four rupees and sixteen paise)
Credit Rating	N/A
Trustee	Central Depository Company of Pakistan Ltd.
Auditor	KPMG Taseer Hadi and Co
Risk Profile	High
Listing	Karachi Stock Exchange
Benchmark	KSE-100 Index

**Fund Performance & Distribution Details are as under:**

Performance (Period)	Annualized Return (p.a.)	Payout	
		Cash	Stock
2008	(3.24%)	-	
2009	77.28%	Rs. 27.58	57%
Since Inception	71.50%	-	-

\* Fund launch on 05-09-2008

**Alfalaha GHP Principal Protected Fund - II (AGPPF - II)**

Alfalaha GHP Principal Protected Fund II (AGPPF - II) is an open end Capital Protection scheme and was launched on September 01, 2009. Alfalaha GHP Principal Protected Fund - II aims at protecting investor capital through an investment structure by placing significant percentage of the Initial Funds Size as bank deposit(s) with scheduled commercial bank(s) having minimum long term investment grade rating of AA to ensure the principal protection of the Initial Invested Value till the end of the Minimum Period and uses the remaining funds to gain exposure into equity, money market or fixed income securities or any other SECP permissible instrument(s) that the management feels would be appropriate to optimize return. The duration of AGPPF - II is twenty four (24) Months and twenty one (21) days from the last date of IPO. The Principal Protection Placement Agreement of AGPPF - II was signed with Bank Alfalaha Limited having long term credit rating of AA.

Fund Name	Alfalaha GHP Principal Protected Fund - II (AGPPF - II)
Fund Type	Open End
Nature of Fund	Capital/Principal Protection
Date of Launching	September 01, 2009
Fund Size as at 31st December, 2009	Rs.745.359 million
Par Value	Rs. 50/-
NAV per unit on 31st December, 2009	Rs. 51.47/- (fifty one rupees and forty seven paisa)
Credit Rating	N/A
Trustee	Muslim Commercial Financial Services (Pvt.) Ltd.
Auditor	KPMG Taseer Hadi and Co
Risk Profile	Low
Listing	Karachi Stock Exchange
Benchmark	125 basis points over two (2) year deposit rate as given by AA rated Bank at the time of launch of Fund

**Fund Performance & Distribution Details are as under:**

Performance (Period)	Annualized Return (p.a.)	Payout	
		Cash	Stock
2009	2.94%	-	2.50%

\* Fund launch on 01-09-2009

### 3.5. Role of the Management Company

The Management Company shall manage, operate and administer the Fund in accordance with the provisions of the Trust Deed, this Offering Document and/or any supplementary Offering Document, the Rules & the Regulations.

#### 3.5.1. Responsibilities of the Management Company

- a. 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 person, and group companies or its officers, and subject to the restrictions and limitations as provided in the Trust Deed, Rules & Regulations and subject to any special exemptions granted by SECP. 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.
- b. The Management Company shall comply with the provisions of the Rules & the Regulations and the Constitutive Documents for any act or matter to be done by it.
- c. The Management Company shall be responsible for the acts and omissions of all persons to whom it may delegate any of its functions, 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 of its officers, officials or agents.
- d. The Management Company may from time to time appoint, remove or replace the Registrar.
- e. 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.
- f. The Management Company shall not be under any liability, except such liability as may be expressly assumed by it under the Rules & the 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.
- g. 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 and payout at termination of the scheme. The management company shall maintain the books of accounts and other records of the Scheme for a period of not less than ten years.
- h. 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 unit holder'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 four (4) months of the closing of the accounting date in compliance with the requirements set out in the Schedule V of the Regulations.
- i. The Management Company shall within one (1) month of the closing of the first and third quarter and within two (2) 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 movement in unit holder's fund or net assets or reserve, statement showing the securities owned at the beginning of the relevant period, securities purchased or sold during such period, and the securities held at the end of such period together with the value (at carrying and at market) and the percentage in relation to its own net assets and the issued capital of person whose securities are owned for that quarter, whether audited or otherwise in accordance with the Rules & Regulations. The content of the financial reports shall be as specified in the Rules & the Regulations.

- j. 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.
- k. 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 V of the Regulation.
- l. 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 and also published in the annual and quarterly reports of the scheme.
- m. The Management Company may in consultation with the Trustee further appoint advisers and professionals in offshore countries for making investments in offshore countries and/or for issuing units to the investors in the offshore countries to determine the legal and regulatory requirements to be fulfilled by the Fund, the Management Company and the Trustee and their respective obligations in relation thereto. The Fees of such advisers and professionals shall not be charged to the Fund.
- n. The Management Company may appoint investment advisers to assist in investing and managing the assets of the Fund or to invest and manage part or whole of the assets of the Fund abroad at its own cost and discretion provided that the Management Company will be responsible for acts of such investment advisers.
- o. The Management Company shall with prior approval of its board open or close any account with a bank, broker or depository for the Fund.
- p. The Management Company shall process payment instruments immediately on receipt of application.
- q. As per the Regulation 37 of the NBFC & Notified Entities Regulations 2008 the Management Company shall not:
- i. acquire the management of a Collective Investment Scheme, unless it has obtained the prior written approval of the Commission;
  - ii. pledge any of the securities held or beneficially owned by a Collective Investment Scheme except as allowed under these Regulations;
  - iii. accept deposits from a Collective Investment Scheme;
  - iv. make a loan or advance money to any person from the assets of the Collective Investment Scheme;
  - v. participate in a joint account with others in any transaction on behalf of the Collective Investment Scheme, except for collection account of the Collective Investment Schemes managed by it;
  - vi. apply any part of the assets of Collective Investment Scheme to real estate;
  - vii. make any investment from the Collective Investment Scheme which will vest with the Asset Management Company or its group the management or control of the affairs of the investee company;
  - viii. enter, on behalf of a Collective Investment Scheme, into transactions with any broker that exceed thirty percent of the commission paid by a Collective Investment Scheme in any one accounting year;
  - ix. undertake brokerage services on stock exchanges or in the money market;
  - x. enter, on behalf of the Collective Investment Schemes, into underwriting or sub-underwriting contracts;

- xi. maintain its own equity portfolio except for investments made by the Asset Management Company into the Collective Investment Schemes or pension funds managed by it or its subsidiary NBFCs as allowed under Rule 7(2)(h);

Provided that the existing Asset Management Companies shall comply with this requirement by 30th June 2011; and

- xii. buy more than twenty five percent of the outstanding shares or certificates of the Closed End Fund managed by it.

The above limitations and conditions may change from time to time by SECP's directives or amendments to or substitution of the Rules & the 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 requirements in this regard.

### 3.6. Trustee

#### 3.6.1. Trustee - Central Depository Company of Pakistan Limited

SECP has approved appointment of CDC as Trustee of Alfalah GHP Cash Fund (AGCF) vide its letter No. NBFC-II/ZRK/AGCF/922/2009 dated October 7, 2009.

##### a. Name and Registered Address:

The Trustee to the Alfalah GHP Cash Fund (AGCF) is:

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block 'B',  
S.M.C.H.S, Main Shahrah-e-Faisal,  
Karachi - 74400, Pakistan.

##### b. CDC's Vision Statement

To be a leading national institution providing quality services to capital and financial markets stimulating economic growth.

##### c. CDC's Mission Statement

CDC is committed to provide secured and dependable services to the capital and financial markets in an efficient and cost-effective manner comparable to best international practices. The Company's aim is to be the centre of excellence by continuously employing the state-of-the-art technology available and best talent in the country while maintaining good corporate governance in its working. It is committed to provide its employees an environment of professional and personal growth.

- d. **Brief Profile:** Central Depository Company of Pakistan Limited (CDC) was incorporated as a public limited company on January 21, 1993 in Pakistan and received certificate of commencement of business on August 10, 1994. The principal business activity of the company is to manage and operate the Central Depository System (CDS), which is an electronic book entry system to record and transfer securities. It was formed for facilitating efficient, risk free and cost effective settlement of securities in accordance with the international standards to cope up with the ever-rising volume of trading in securities at the Stock Exchanges in Pakistan.

From the year 2002, CDC expanded its business activity to provide trustee/custodial services to mutual funds industry. Currently, CDC is acting as the trustee for open-end, closed-end mutual funds and Voluntary Pension Funds under management of all the leading asset management companies, investment advisers and voluntary pension fund managers. All trustee related operations of CDC are completely automated and supported by strong and efficient computerized systems and dedicated staff. The Trustee Division has the benefit of CDC's existing structure, as well as that for handling the National Clearing and Settlements System.

In a short span of time after introducing its trusteeship business, CDC has emerged as the largest trustee/custodial service provider in Pakistan.

- e. **Shareholders:** Following are the sponsors and the shareholders of the CDC:

<b>Shareholders</b>
THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED
LAHORE STOCK EXCHANGE (GUARANTEE) LIMITED
CITIBANK OVERSEAS INVESTMENT CORPORATION
MCB BANK LIMITED
HABIB BANK LIMITED
NATIONAL INVESTMENT TRUST LIMITED
INVESTMENT CORPORATION OF PAKISTAN [NOW IDBP]
PAKISTAN INDUSTRIAL CREDIT & INVESTMENT CORPORATION LTD.
ISLAMABAD STOCK EXCHANGE (GUARANTEE) LIMITED
CRESCENT STEEL AND ALLIED PRODUCTS LIMITED
CRESCENT LEASING CORPORATION LIMITED
SHAKARGANJ MILLS LIMITED
INTERNATIONAL GENERAL INSURANCE COMPANY OF PAKISTAN LTD.
CRESCENT STANDARD INVESTMENT BANK LIMITED
CRESCENT STANDARD BUSINESS MANAGEMENT (PVT.) LIMITED

- f. **Management:** CDC is run purely on professional management basis and most of the Directors on the Board of CDC represent their respective investor institutions, without any personal stake in the company. The chief executive is a highly qualified professional, without any affiliation in any investor institution. Operations of the company are carried out by a team of high caliber professionals from a wide spectrum of relevant disciplines possessing graduate and postgraduate qualifications from distinguished local and international institutions.

### 3.6.2. Basic Role of the Trustee

Role of the trustee has been defined in detail in clause 6.1 of the Trust Deed. Basic role of trustee is:

- a. The Trustee will take into custody and/or hold under its control all the property of the Fund in trust for the Unit Holders. The cash and registrable assets shall be deposited or registered in the name of or to the order of the Trustee. The Trustee will carry out the instructions of the Management Company in all matters including investment and disposition of the Fund Property, unless they are in conflict with the Deed, the Regulations and the Offering Document or applicable laws. The Trustee shall issue a report to the Unit Holders to be included in the second quarterly and annual report, as to whether in its opinion, the Management Company has in all material respects managed the Fund Property in accordance with the provisions of the Regulations and the 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.
- b. The Trustee shall, if requested by the Management Company or if it considers necessary for the protection of the Fund Property or safeguarding the interest of the Unit Holders, institute or defend any suit, proceedings, arbitration or inquiry or any corporate or shareholders action in respect of the Fund Property or any part thereof. It is clarified that the Trustee shall be entitled to be reimbursed, out of the Fund Property, for all reasonable costs and expenses incurred in taking the aforesaid action(s). The Trustee shall be responsible for all acts and omissions of all persons or agents to whom it may delegate the performance of its duties, as if these were its own acts and omissions and shall account for any loss in value of the Fund Property where such loss has been caused by breach of its duties in connection with the Trust under the Trust Deed or the Regulations or any reckless or willful act and/or omission of the Trustee or any of its Directors, Officers, Nominees or Agents. The Trustee shall, however, not be under any liability on account of anything done 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 the Deed or the Regulations.



- c. The Trustee shall have all the obligations entrusted to it under the Regulations, the Deed and this Offering Document.
- d. The Trustee shall not invest in units of Funds.

### 3.7. Core Investors

3.7.1. The following are the Core Investors in Alfalah GHP Cash Fund and has subscribed the amount stated below:

Name	Number of Units	Rupees
Bank Alfalah Limited - Employee Gratuity Fund	100,000	50,000,000/-*
Alfalah GHP Investment Management Limited	100,000	50,000,000/-

\* Restricted as per regulation 44(3)(ii)(e)

The above core investors have subscribed an aggregate sum of Rs.100,000,000/= (Rupees One Hundred Million) towards the purchase of 200,000 Core Units of Rupees Five Hundred (Rs. 500/-) each. Out of total investment at least fifty million rupees (50 M) shall remain invested and these Units cannot be redeemed for a period of two (2) years from the date of closure of Initial Public Offering. 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.

3.7.2. Prior to and during the Initial Public Offering, the Trustee on the advice of the Management Company shall deposit the Fund Property in a separate account with a scheduled bank.

### 3.8. Registrar

The Management Company will perform duties as the Registrar of the Fund until any further notice and intimation to the Trustee. The Management Company will be responsible for maintaining the Unit Holder's Register, preparing and issuing account statements, Unit Certificates and dividend warrants/advice and providing related services to the Unit Holders. However, Management Company may appoint an independent Registrar in the future at its discretion and may subsequently inform the Trustee of the same. The cost of performing registrar services shall be borne by Management Company.

### 3.9. Custodian

3.9.1. Central Depository Company of Pakistan Limited (CDC), trustee to the fund with the approval of the management company may also provide custodial services at competitive terms and will be responsible for the safe custody of the securities of AGCF.

3.9.2. The salient features of the custodial function are:

- Segregating all property of the Fund from Custodian's own property and that of its other clients.
- Assuring the smooth inflow/outflow of dematerialized securities and such other instruments as required.
- Ensuring that the benefits due on investments are received and credited to the Fund's account.

### 3.10. Sub-Custodian

The Trustee may, if it considers necessary, may appoint sub-custodian with mutual understanding of the Management Company and at such terms and conditions as may be agreed by the Management Company, for the safekeeping of any portion of the Fund Property.

### 3.11. Distributors and Investment Facilitators

- 3.11.1. Parties detailed in Annexure C of this Offering Document have each been appointed as Distributors to perform the Distribution Functions at their Authorized Branches within or outside Pakistan. The addresses of these branches are given in Annexure C of this Offering Document; these branches may be increased or decreased by the Management Company from time to time. The Management Company may from time to time, appoint additional Distributors or terminate the arrangement with any Distributor and intimate the Trustee accordingly. The Management Company may itself perform the functions of a Distributor either directly or through sub-distributors. The appointment of Distributor will be done through Distribution Agreement(s) defining among other terms and conditions, terms and conditions for avoidance of fraud and sales based on misleading information. Further the distributor so appointed shall maintain associate membership of the Association(s) constituted in consultation with the Commission and abide by the code of conduct prescribed by the Association(s).
- 3.11.2. The Distributors will be responsible for receiving applications for purchase of Units and redemption/transfer applications. They will be interfacing with and providing service to Unit Holders, including receiving applications for change of address and other particulars or application for issuance of duplicate Certificates, transfer to electronic form in CDS, requests for income tax exemption/zakat exemption, etc. for immediate transmission to the Management Company or the Registrar (if the Management Company appoints an independent Registrar) as appropriate for further action.
- 3.11.3. The Management Company may, at its sole responsibility, from time to time, appoint Investment Facilitators (Facilitators). The Facilitators' function is to identify, solicit and assist investors in investing in the Fund. The Management Company may remunerate the distributor and/or Facilitators out of the Front-end Load or from its own resources. The cost of distributors and investment facilitators shall be borne by Management Company.

### 3.12. The External Auditors

- 3.12.1. The first auditor of the Fund are:

***KPMG Taseer Hadi and Co***  
Chartered Accountants  
1st Floor  
Sheikh Sultan Trust Building #2  
Beaumont Road  
Karachi.

- 3.12.2. They will hold office until the transmission of the reports and accounts, which will cover the period from commencement of the Trust up to Accounting Period and will be eligible for reappointment by the Management Company with the concurrence of the Trustee. However, an auditor may be reappointed for up-to five consecutive terms. Thereafter, that auditor may only be appointed after a break in appointment.
- 3.12.3. The Auditors shall have access to the books, papers, accounts and vouchers of the Fund, 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.
- 3.12.4. 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 Regulations.
- 3.12.5. The Auditors shall prepare a written report to the Unit Holders on the accounts and books of accounts of the Fund and the balance sheet, profit and loss account, cash flow statement and movement in unit holder's fund or net assets or reserves, and on every other document forming part of balance sheet and profit and loss account including notes, statements or schedules appended thereto.
- 3.12.6. The contents of the Auditors report shall be as mentioned in the Regulations.

### 3.13. Legal Advisors

The legal advisor of the Fund is:

***Bawaney & Partners***  
404, 4th Floor, Beaumont Plaza,  
Beaumont Road  
Karachi, Pakistan

### 3.14. Bankers

3.14.1. The banker to the Fund is Bank Alfalah Limited or any other bank appointed by the Management Company from time to time. The Trustee will operate the bank accounts of the Fund on the instructions from the Management Company.

#### 3.14.2. Bank Accounts

- a. The Management Company will perform all banking activities through Trustee of the Fund. The rating of the banks where bank accounts will be shall be AA (double AA) as defined in Rules, Regulations and circulars issued by SECP from time to time.
- b. The Management Company shall not open or close or arrange to open or close any account with Banks without approval of its board. However where the Management Company has obtained approval for opening/arranging to open an account with any particular bank, it may open accounts with any branch of that bank and shall obtain approval of its board in the subsequent meeting.
- c. The Trustee, at the request of the Management Company, shall open Bank Accounts titled "**CDC-Trustee Alfalah GHP Cash 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.
- d. The Trustee shall also open additional Bank Account(s) titled "**CDC-Trustee Alfalah GHP Cash 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.
- e. The Trustee shall open additional Bank Accounts titled "**CDC-Trustee Alfalah GHP Cash 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.
- f. 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.
- g. 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.
- h. All bank charges for opening and maintaining Bank Accounts for the Trust shall be charged to the Fund.

- i. 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.
- j. The amounts received from the Core Investors (seed capital) and Private Placement Investors (as per Clause 4.1 below) shall be deposited in separate Bank Accounts having title "**CDC-Trustee Alfalah GHP Cash 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 schedule 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 Public Offering. Any Interest/markup, profit etc. earned on such Pre-IPO bank deposits upto the close of the Initial Public Offering, after deducting all expenses in this regard, shall be paid to (upon receipt of such interest/markup, profit, etc) 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.
- k. To facilitate investment in administrative plans the Trustee, at the request of the Management Company, shall open Bank Accounts titled "**CDC-Trustee Alfalah GHP Funds**" 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). Such accounts shall be used as temporary allocation accounts where collection (i.e. investments in Administrative Plans) shall be held prior to their being allocated and being transferred in the respective Collective Investment schemes.
- l. The Trustee shall, if requested by the Management Company open Bank Accounts titled "**CDC-Trustee Alfalah GHP Funds**" in offshore countries where the Investments are made/managed on account of the Fund, if such Investments necessitate opening and operation of Bank Accounts by the Trustee. For this purpose, the Trustee shall be deemed to be authorized to sign and submit the prescribed account opening forms of such Banks, including custodial/sub-custodial services accounts and brokerage accounts with such Banks, custodians, sub-custodians, and brokers, as may be required to be appointed for offshore Investments of the Fund. The opening, operation and maintenance of such Bank Accounts, custodial/sub-custodial and brokerage services accounts in offshore countries shall always be subject to the approval of the SBP and the exchange control regulations, as well as any directives of the SBP and/or the Commission.
- m. The Management Company will exercise due caution and diligence in appointing and arranging of such Bank, brokerage houses and custodian/sub-custodian in offshore countries:
  - i. The execution by the Trustee of the account opening forms/documents with all particulars as may be required by such Bank(s), Financial Institution(s), custodian(s)/sub-custodian(s) and brokerage house(s);
  - ii. The opening of such account(s) with the offshore Bank(s), Financial Institution(s), custodian(s)/sub-custodian(s) and brokerage house(s);
  - iii. The Investments made in offshore countries on account of the Trust;
  - iv. The appointment of Bank(s), Financial Institution(s), broker(s) and/or custodian(s)/sub-custodian(s) for the Funds' Investments, securities and other assets internationally; and
  - v. All other related or incidental activities of the Management Company/Trustee in relation to the above. Provided that such indemnity shall not be available to the Management Company and/or the Trustee, if such loss, cost or expense is sustained or incurred due to willful or gross negligence on their respective part. For the purpose of making such arrangements in offshore countries, the Management Company may in consultation with the Trustee retain the services of advisors and professionals to ensure legal and regulatory compliances on part of the Management Company and the Trustee. However, the cost of such advisors and professional fees shall not be charged to the Fund.
- n. 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.

#### **4 CHARACTERISTICS OF UNITS**

##### **4.1. Classes of Units:**

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

- 4.1.1. **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 (50 M) shall remain invested and cannot be redeemed for a period of two (2) years from the date of closure of Initial Public Offering. However such Units are transferable.
- 4.1.2. **Class "A"** Units being offered and issued during the Private Placement and Initial Public Offering (IPO) with no Front-end Load. However such units shall have Back-end Load. The current level of Back-end Load is 0% (zero percent) as defined in Annexure "B".
- 4.1.3. **Class "B"** Units, which shall be offered and issued after the Initial Public Offering (IPO) shall be charged a Front-end Load and Back-end Load as defined in Annexure "B". The current level of Front-end and Back-end Load is 0% (zero percent) as defined in Annexure "B".

##### **4.2. Types of Units:**

Currently Alfalah GHP Cash Fund offers following types of units:

- a. Growth Units (entitled to Bonus Units in case of any distribution by the Fund)
- b. Income Units (entitled to Cash Dividend in case of any distribution by the Fund)

**Growth Units:** Growth Units are meant for those Unit Holders who want to receive Bonus Units only at the time of any interim and annual distribution announcements made by the Management Company on behalf of the Fund from time to time. However, the Unit Holder(s) will have the option at the time of investment or subsequently through Service Request Form (AGIML-02) to en-cash bonus units at Ex-NAV for the relevant distribution period.

**Income Units:** Income Units are meant for those Unit Holders who want to receive Cash Dividend only at the time of any interim and annual distribution announcements made by the Management Company on behalf of the Fund from time to time. However, the unit holders may instruct in writing at the time of investment or subsequently through Service Request Form (AGIML-02) to reinvest their cash dividend on the basis of the ex- NAV at the Distribution Date. Such reinvestment shall be made, net of any taxes, charge and duties that the Management Company or the Trustee is obliged to recover from the Unit Holder(s). For details please refer clause 5.4.4 of the Offering Document.

##### **4.3. Minimum amount of Investment**

4.3.1. At present the following is the minimum amount of investment required:

###### **a. Growth Units**

Initial Investment	PKR 5,000
Subsequent Reinvestments	PKR 5,000

###### **b. Income Units**

Initial Investment	PKR 20,000
Subsequent Reinvestments	PKR 5,000

4.3.2. The Management Company reserves the right to alter the minimum initial investment and subsequent reinvestment amounts stated hereinabove after giving 30 days prior notice to the Unit Holders in any type of Units at its sole discretion.

4.3.3. Sales load may be charged on these Unit types depending upon the classes of Units in which they are issued.

- 4.3.4. At the time of investment or subsequently through Service Request Form (AGIML-02) an investor can split its investment in more than one type of Units.
- 4.3.5. The Unit Holders shall be allowed to switch from one type of Units to the other type of Units in the same Unit class without any fee excluding book closure period.
- 4.3.6. The Registrar shall send directly, through mail or electronically to Unit Holder(s) an Account Statement each time there is a transaction in the account.
- 4.3.7. All Units and fractions thereof (up to two decimal places) represent an undivided share in the Scheme and rank *pari passu* as to their rights in the net assets, earnings, and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in AGCF proportionate to the Units held by such Unit Holder. However, while maintaining the integrity of each Unit's *pari passu* rights, for the convenience of investors, the Management Company may issue Units with different options for different arrangements as chosen by the investor from time to time through supplementary Offering Document with prior approval of SECP and with prior intimation to the Trustee.
- 4.3.8. **Transfer of units** - The Unit Holder may transfer his/her investment holdings to some other person at any stage by filling out and lodging the prescribed Service Request Form (AGIML-02) to the Distributor/Investment Facilitator or to the Management Company or to the Registrar/Transfer Agent during business hours on the Business Day as announced by the Management Company from time to time. This transfer will be done without any Front-end Load or Back end Load or any other transaction costs.
- 4.3.9. **Unit Certificate** - The Unit Holder(s) may obtain Certificates representing the Units they hold by paying a nominal fee of Rupees Fifty (Rs. 50/-) per Certificate, subject to revision from time to time by the Management Company. However the Management Company on its discretion may waive condition of payment of fee for issuance of Certificate of any denomination per Certificate. Requests for redemption, transfer or transmission of Units shall be processed only on the production of the Certificate(s) if issued earlier. In the event of loss or defacing of Certificates, the process shall be carried out subject to appropriate safeguards to the satisfaction of the Management Company/Trustee/Registrar and the associated cost if any will be borne by the Unit Holder.
- 4.3.10. **Registration of Pledge/Lien** - The Registrar may register a pledge/lien on any Units in favour of any third party with the specific authority of the Management Company. However, the pledge/lien shall be valid only if evidenced by a statement or letter issued by the Registrar indicating the Units marked in favour of the pledgee. The onus for due process having been followed in registering a lien shall lie with the party claiming the lien and the party giving the lien. (Please see Clause 4.10 for details).
- 4.3.11. In case the Management Company announces a suspension of further issue of Units of the Fund, it may allow existing Unit Holder(s) to continue acquiring Units out of any distribution declared on Units held by them.
- 4.3.12. No issuance and redemption of units of the scheme shall be allowed other than cash settlement transaction, based on the processing of formal redemption and issuance request by Unit Holder(s). This shall not apply to Bonus and transfer of Units.
- 4.3.13. The Management Company will ensure that all applications of purchase, redemption, conversion etc. will be acknowledged by mentioning appropriate date and time through time stamping machine at designated location of acceptance of these application.
- 4.3.14. The Management Company shall formally forward all the requests for dealing in Units, duly time and date stamped, to the Trustee within 24 hours of the receipt of such requests.
- 4.3.15. In the event of winding up of the Fund, the Units standing to the credit of investor(s) shall be dealt with as per the applicable NAV of those Units.

#### 4.4. Administrative Arrangements

The Alfalah GHP Cash Fund is carefully structured to meet a wide range of investors needs. An investor can purchase units of fund by investing in investments plans offered by the management company for Alfalah GHP Cash Fund. Not only do Unit Holders have a comprehensive choice of Plans to invest in within the Scheme, but it is also easier for Unit holders to move between Plans as their needs change.

Initially fund will offer following type of investment plans based on unit's types as defined below:

- a. Growth Payout Plan (Quarterly and Semi annually bonus units encashment)
- b. Income Payout Plan (Quarterly and Semi annually disbursement of cash distribution payments).

##### 4.4.1. Growth Plan

###### AGCF - Growth Payout Plan

Under this plan the unit holder will be allocated Growth Units and they will have an option to en-cash their periodic distribution on quarterly and Semi annually basis only. This encashment will be based on applicable ex-NAV price on chosen interval period distribution date. Such encashment shall be made, net of any taxes, charge and duties that the Management Company or the Trustee is obliged to recover from the Unit Holder(s).

###### Basic Plan Information

Name of the Assets	Alfalah GHP Cash Fund (AGCF)
Type of Units	Growth Units (AGCF)
Asset Allocation	100% AGCF
Nature of Plan	Open - end
Sales Load	Nil
Back end Load	Nil
Initial Investment	PKR. 5,000/-
Subsequent Reinvestments	PKR. 5,000/-
Periodicity of Unit Transactions	Every Monday to Saturday on or before Cut-off timing on any Business day as defined in clause 4.4.9
Dividend Entitlement	Bonus Units only
Dividend Encashment	Quarterly and Semi annually
Redemption Proceeds	Dispatched within 6 Business Days as per NBFC Regulations

In order to protect unit holder(s) of Growth Payout Plan from diminution of its initial invested value at the time of his first distribution the management company will withheld such number of bonus units from encashment that will reinstate their outstanding investment value to initial invested value at Ex-NAV price on distribution date. However such reinstatement of initial invested capital will only be applicable where NAV remains above Par.

##### 4.4.2. Income Plan

###### AGCF - Income Payout Plan

Under this plan the unit holders will be allocated Income Units. The unit holder will have an option to receive periodic interim cash dividends disbursement on quarterly basis and Semi annually. The periodic interim cash distribution prior to last periodic interim cash distribution of the chosen interval period will be re-invested back into the Fund at Ex-NAV price. On selected disbursement date/period the management company will pay unit holder his total cash distribution amount of his selected period/interval by redeeming all reinvested monthly cash distribution unit at Ex-NAV price along with last monthly cash distribution payment.

**Basic Plan Information**

Name of the Assets	Alfalalah GHP Cash Fund (AGCF)
Type of Units	Income Units (AGCF)
Asset Allocation	100% AGCF
Nature of Plan	Open - end
Sales Load	Nil
Back end Load	Nil
Initial Investment	PKR. 20,000/-
Subsequent Reinvestments	PKR. 5,000/-
Periodicity of Unit Transactions	Every Monday to Saturday on or before Cut-off timing as defined in clause 4.4.9 on every business day
Dividend Entitlement	Cash Dividend only
Dividend Payout	Quarterly and Semi annually
Redemption Proceeds	Dispatched within 6 Business Days as per NBFC Regulations

In order to protect unit holder(s) of Income Payout Plan from diminution of its initial invested value at the time of his first distribution the management company will re-invest such amount of cash from cash distribution of the unit holders to reinstate the outstanding investment value at Ex-NAV distribution price on distribution date to initial invested value. However such reinstatement of initial invested capital will only be applicable where NAV remains above Par.

- 4.4.3. An investor cannot select different bonus encashment or cash dividend payout period/intervals at the time of re-investment/additional investment within a plan. For this he/she has to make investment through new registration/folio number.
- 4.4.4. At the time of investment or subsequently through Service Request Form (AGIML-02) an investor can split his/her investment in more than one type of plans.
- 4.4.5. The Unit Holders shall be allowed to switch from one type of plan to the other type of plan in the fund in same Unit class without any fee excluding book closure period.
- 4.4.6. All Units issued under the administrative arrangement shall rank *pari passu* with the units of AGCF.
- 4.4.7. Any Administrative Arrangement offered by AGCF shall be governed by the Rules, Regulations, Deed and this Offering Document or any supplemental Deed or supplemental Offering Document as and when made available by the Management Company.
- 4.4.8. The Management Company may announce different administrative plans under different administrative arrangements with differing levels of Front-end/Back-end Load in future with approval of SECP and consent of Trustee and with prior notice of minimum 7 days to Unit Holders, as disclosed in the Supplemental Offering Document(s) which may also vary according to other criteria in the Management Company's sole discretion. Consequently, the Offer/Redemption Price may differ for Units issued under different administrative arrangements and for different investors.
- 4.4.9. **Cut-Off Time**

Cut off time for acceptance of application for issuance, redemption, swap, transfer, pledge and conversion of units is 9:00 am to 11:00 am from Monday to Friday and on Saturday from 9:00 am to 10:00 am during business day. The place of receiving application forms is attached in Annexure "C". Cut off timing during the Holy Month of Ramazan will be adjusted accordingly and announced separately by Management Company through its website and same will be communicated to Distributors.



#### **4.5. Purchase and Redemption of Units**

- 4.5.1. Units are purchased at the Offer Price and redeemed at the Redemption Price at any of the Authorized Distribution Offices on any Business Day on or before Cut-off time as defined in clause 4.4.9.
- 4.5.2. During the period in which the register is closed, as mentioned in Clauses 4.11 and 5.7 of this Offering Document, the purchase and redemption of Units will be suspended.
- 4.5.3. The Management Company may decline to issue Units to any applicant if it is of the opinion that it will not be possible to invest substantial inflow of fund.

#### **4.6. Procedure for Purchase of Units**

##### **4.6.1. Who Can Apply?**

Any investor or any related group of investors qualified or authorized to purchase the Units may make applications for the purchase of Units in the Fund. The onus for being so qualified lies with the investor and neither the Management Company, nor the Trustee, nor the Registrar nor the Distributors nor the Investment Facilitators accept any responsibility in this regard. Application may be made pursuant to the procedures described in paragraph 4.4.2 below including but not limited to:

- a. Citizens of Pakistan resident in Pakistan: In respect of minors below 18 years of age applications may only be made by their guardians.
- b. Companies, corporate bodies, financial institutions, banks, modarabas, partners of a firm and societies incorporated in Pakistan so long as such investment is permitted under their respective memorandum and articles of association and/or bye-laws.
- c. Pakistanis resident abroad, foreign nationals and companies incorporated outside Pakistan can apply for Units subject to the regulations of the State Bank of Pakistan and the Government of Pakistan and any such regulations and laws that may apply to their place of residence, domicile and citizenship. The payment of dividends and redemption proceeds to such investors shall be subject to the relevant taxation and exchange regulations/laws. Any person making an application for the purchase of Units in the Fund shall warrant that he/she is duly authorized to purchase such Units.
- d. Provident Funds constituted by companies registered under the Companies Ordinance, 1984, subject to conditions as laid down in Employees Provident Fund (Investment in Listed Securities) Rules, 1996, as amended by S.R.O. 261(I)/2002 dated 10 May, 2002, to the extent of twenty percent of the Provident Fund, as amended from time to time. (AGCF will obtain listing on one of the stock exchanges in Pakistan).
- e. Provident, Pension and Gratuity Funds constituted by organizations other than companies under Section 20 (h) of the Trusts Act, 1882 (11 of 1882).
- f. Insurance companies under the Insurance Ordinance, 2000.
- g. Non Profit Institutions, funds, trusts, societies or other organizations established in Pakistan for religious or charitable and community service purposes under Section 213(1)(i) of Income Tax Rules, 2002.
- h. And any other person, natural or artificial, who is allowed to invest in this Fund under the applicable laws.

##### **4.6.2. Account Opening Application Procedure**

- a. Fully completed Account Opening & Units Transaction Form (AGIML-01) mentioning type of units in which unit holder wishes to purchase Units accompanied by the payment for the investment and copies of the documents mentioned in the subparagraphs below should be delivered at any of the Authorized Branches of the Distribution Companies or to Investment Facilitator or may be submitted directly to the Management Company on or before Cut-off time as define in clause 4.4.9. Account Opening & Unit Transaction Form (AGIML-01) is available with Distributors or Investment Facilitators or may be obtained from the Management Company or its web site. Units shall be issued based on the Purchase (Offer) Price that is determined as per Clause 4.12.4. Currently only the Authorized Branches of the Distribution Companies as mentioned in Annexure "C" of this Offering Document are authorized to collect application and payment for the issue of Units as laid down in Clause 4.6.4 of this Offering Document.

- b. In case of individuals, a photocopy of the Computerized National Identity Card (CNIC) of the applicant or any other form of identification acceptable to the Management Company, needs to be furnished, along with following key relevant information:
- i. Personal Information of the Investor such as name, father's name etc.;
  - ii. In case of Joint Holders the names along with CNIC/passport copies;
  - iii. Information about Nominee (where required);
  - iv. Zakat declaration Form in case of exemption;
  - v. Specimen signature of the applicant plus all Joint Holders;
  - vi. Operating Instructions for Redemption/Operation of Account;
  - vii. Instructions for Redemption and Dividend mandate;
  - viii. Bank details for Redemption and Dividend mandate.
- c. In case of body corporate or a registered society, institutions, corporates or trusts, copies of the following documents, if available, may be submitted at the time of opening of the investment account:
- i. Investor's name;
  - ii. Registration Number and National Tax Number (NTN);
  - iii. List of Authorized Signatories along with copies of CNIC and their specimen signatures;
  - iv. Instructions for Redemption;
  - v. Bank details;
  - vi. Instructions for Dividend mandate, Zakat and Tax status;
  - vii. Other relevant documents as may be required by the Transfer Registrar/Agent.
- d. In case of existing Unit Holders, if any of the documents have previously been deposited with the Management Company and/or Transfer Agent, fresh submission of documents will not be required, provided that deposited documents are acceptable to Management Company. However, the account number must be provided to facilitate linking.
- e. Once the Investor Account has been opened, the Investor will be allotted a specific Registration/Folio Number which can be used for all future transactions to facilitate reference and linking.
- f. The applicant will receive acknowledgement confirming the receipt of the application form from Authorized Officer of the Distributor or Management Company. Payment of Units can be made as laid down in Clause 4.6.4.
- g. The Distribution Company and/or Management Company will be entitled to verify the particulars given in the application form. In case of any incorrect information the application may be rejected if the applicant fails to rectify the discrepancy.
- h. If subsequent to receipt of the application by the Distributor or Management Company, but prior to issue of the Units, the application is found by the Transfer Registrar/Agent or the Distributor to be incomplete or incorrect in any material manner, the Transfer Registrar/Agent or the Distributor will advise the applicant to remove the discrepancy, in the meanwhile the application will be held in abeyance for fifteen (15) days. In the event the discrepancy is not removed in the said fifteen (15) days, the amount will be refunded without any markup.
- i. However, in the event Units have been issued and a material discrepancy is discovered subsequent to that, the Transfer Registrar/Agent or the Distributor or the Management Company will advise the applicant in writing to remove the discrepancy within fifteen (15) days. If the investor, in the opinion of the Transfer Registrar/Agent, fails to remove the discrepancy without good cause, the Units shall be redeemed at the Redemption Price announced on the date the Units are so redeemed. The Unit Holder shall not be entitled to any payment beyond the redemption value so determined.

- j. Investors will be allotted Units as per unit holders chosen unit type or investment plan based on the Purchase (Offer) Price of the Fund, as announced by the Management Company, for the day on which correctly filled Account Opening & Unit Transaction Form (AGIML-01) is submitted to the Distributor and/or Management Company on or before Cut-off time as defined in clause 4.4.9 on any Business Day or at such time as may be prescribed by the Management Company from time to time. However, the Investor will be provided the account statement within seven (7) Business Days after the said purchase amount of the Units purchased have been credited to the Fund Account.
- k. In the event a cheque is returned unpaid, the Management Company will assume the application for subscription to be regarded as void and the Units allotted will be cancelled and the investor informed accordingly. The investor will be asked to submit fresh payment for the said Units which will then be allotted based on the Purchase (Offer) Price announced by the Management Company on the day the said new Investment Form together with the payment is received by the Distributor and/or Management Company on the Business Day on or before Cut-off time as defined in clause 4.4.9 or at such time as may be prescribed by the Management Company from time to time.

#### 4.6.3. Joint Application

- a. Joint application can be made by up to four applicants. Such persons shall be deemed to hold Units on first named holder basis; however, each person must sign the Account Opening & Unit Transaction Form (AGIML-01) and submit a copy of their Computerized National Identity Card (CNIC) or any other identification document.
- b. The first named Holder shall receive all notices and correspondence with respect to the account, as well as proceeds of any redemption, or dividend payments. Such person's receipt or payment into the designated bank account as mentioned at the time of Purchase of Units shall be considered as a valid discharge by the Trustee and Management Company of its obligation.
- c. In the event of death of the first Holder, the person first in the order of survivor(s) as stated in the Account Opening & Unit Transaction Form (AGIML-01), shall be the only person recognized by the Trustee to receive all notices and correspondences with regards to the accounts, as well as proceeds of any redemption requests or dividend. Such person's acknowledgement of receipt of proceeds shall be considered as the valid discharge by the Trustee and Management Company of its obligations.

#### 4.6.4. Payment for Purchase of Units

- a. Payment for the investment in Fund Units can be made in the form of:
  - i. Cheque (marked "Account Payee Only" in favor of "CDC-Trustee Alfalah GHP Cash Fund");
  - ii. Demand draft or Pay-order in favor of "CDC-Trustee Alfalah GHP Cash Fund";
  - iii. Online transfer money with proper intimation to the Management Company/Registrar applicable for Bank Alfalah Limited Account Holder(s) only.
- b. Payment for the investment in Fund plan can be made in the form of:
  - i. Cheque (marked "Account Payee Only" in favor of "CDC-Trustee Alfalah GHP Funds");
  - ii. Demand draft or Pay-order in favor of "CDC-Trustee Alfalah GHP Funds";
  - iii. Online transfer money with proper intimation to the Management Company/Registrar applicable for Bank Alfalah Limited Account Holder(s) only.
- c. The Management Company may also notify from time to time, arrangements or other forms of payment within such limits and restrictions considered fit by it.
- d. The aforesaid payments must be handed over to a Distributor or Management Company who will acknowledge the receipt on the Account Opening & Unit Transaction Form (AGIML-01). Such payments will only be deposited in the bank account of the Fund titled "CDC-Trustee Alfalah GHP Cash Fund" or "CDC - Trustee Alfalah GHP Funds" as the case may be maintained with the designated banks and their branches.
- e. Notwithstanding the above, nothing contained herein shall be construed as limiting or otherwise restricting the Management Company's liability under Regulation 38 of the NBFC Regulations.

#### 4.7. Procedure for Redemption of Units

##### 4.7.1. Who Can Apply?

- a. All Unit Holders, other than the holders of Class "A" Units (Core/Restricted Units) are eligible to redeem the said Units. Holders of Class "A" Restricted Units will be eligible for redemption of Rupees Fifty million (50 M) after the expiry of the period of two years from the date of the closure of the Initial Public Offering (IPO), however such Units are eligible for transfer subject to the condition that the new transferee of such unit(s) agrees to the same for the balance period, if any.
- b. Forms are available with Distributors or Investment Facilitators or may be obtained from the Management Company or its website.

##### 4.7.2. Redemption Requests Procedure

- a. Request for redemption can be made by completing the prescribed Account Opening & Units Transaction Form (AGIML-01) and surrendering the relevant Certificate, if issued, and submitting the same to any of the Authorized Branches of the Distribution Companies or to the Management Company or through an Investment Facilitator on or before Cut-off time as defined in clause 4.4.9 on any Business Day or at such time as announced by the Management Company from time to time. In case the Certificate is not issued, the applicant has only to complete the prescribed Account Opening & Unit Transaction Form (AGIML-01). The request for redemption would be honored after verifying the signature and other particulars of the Unit Holder(s) from the Unit Holder Register.
- b. In case of CDS Units, copy of withdrawal request form submitted to the CDC by the unit holder, will also be submitted to the Registrar/Transfer Agent along with the Account Opening & Units Transaction Form (AGIML-01).
- c. The Unit Holder(s) will receive the acknowledgement confirming the receipt of the application for redemption from the relevant Distributor and/or Management Company.
- d. The Distribution Company and/or Management Company will be entitled to verify the particulars given in the Account Opening & Unit Transaction Form (AGIML-01). In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.
- e. If subsequent to receipt of the application by the Distributor, but prior to the Redemption of the Units, the application is found by the Registrar/Transfer Agent or the Distributor or the Management Company to be incomplete or incorrect in any material manner, the Registrar/Transfer Agent or the Distributor or the Management Company will advise the applicant to remove the discrepancy; in the meanwhile the application will be held in abeyance for fifteen (15) days. In the event the discrepancy is not removed in the said fifteen (15) days, the application for redemption will be cancelled treating the same as null and void. The Unit Holder will then have to submit a fresh application for Redemption of Units.
- f. Units will be redeemed on the basis of daily Net Asset Value (NAV) announced as of the close of the Business Day on which a correctly filled Account Opening & Unit Transaction Form (AGIML-01) is submitted on or before Cut-off time as defined in clause 4.4.9 on any Business Day or at such time as announced by the Management Company from time to time.
- g. Unless otherwise instructed, payment of the redemption proceeds will be made by a cross cheque, in favor of Unit Holder's registered name or first named Joint Holder in the event of Joint Holders, and will be sent to registered address of the Unit Holder or first named Joint Holder within six (6) Business Days of the receipt of a properly documented request for redemption of Units. However, if so authorized by the Unit Holder, payment of redemption proceeds will be made by transfer to the bank account number of the Unit Holder or first named Joint Holder in the event of Joint Holder. No money shall be paid to any intermediary except the Unit Holder/Joint Holder or his/their authorized representatives.

- h. The maximum interval between the receipt of a properly documented request for redemption of units and the issue of payment instrument for the redemption money to the holder shall not exceed six working days unless redemption has been suspended.
- i. In case the investor has requested encashment of bonus Units then such bonus Units will be redeemed at the ex - NAV of the relevant Accounting Period(s)/Distribution date(s).
- j. Redemption of Fund's Units may be suspended or put in queue due to exceptional circumstances. For detailed information about this, please refer to Clause 4.11.3 and Clause 4.11.5 below.
- k. Partial Redemption of Units covered by a single Certificate is not permitted. However, Unit Holders may apply for a splitting of the Certificate before applying for redemption.

#### **4.8. Procedure for Requesting Change in Unit Holder Particulars**

##### **4.8.1. Who Can Request Change?**

All existing unit holders or those who have purchased Fund's Units as per Clause 4.6 above are eligible to change their Unit Holder details if they so desire. Such change in particulars and requests can be made via the Service Request Form (AGIML-02). These Forms may be obtained from Distributors or Investment Facilitators or from the Management Company or through its website.

##### **4.8.2. Application Procedure for Change in Particulars**

- a. The information submitted at the time of purchase of Units can be changed through the Service Request Form (AGIML-02).
- b. Some of the key information which the Unit Holder can change is as follows:
  - i. Change in address;
  - ii. Joint Holder details;
  - iii. Nominee details.
- c. The Unit Holder can also issue the following instructions:
  - i. Change in Bank Account details;
  - ii. Account operating instructions;
  - iii. Dividend mandate instruction.
- d. The Unit Holder can also issue the following instructions:
  - i. Transfer Unit holding in favor of someone else;
  - ii. Transmission of Units;
  - iii. Deletion and Merger of Units;
  - iv. Change in form of Units.
- e. The Unit Holder can also issue instructions for certificate processing such as:
  - i. Issuance of Certificate;
  - ii. Splitting of Certificate;
  - iii. Consolidation and cancellation of Certificate.
- f. Fully completed Service Request Form (AGIML-02) has to be submitted by both Individuals and/or by Institutional Investor(s). This Form should be delivered to any of the Authorized Branches of the Distribution Companies or may be submitted to the Registrar/Transfer Agent through an Investment Facilitator or may be directly given to the Management Company on or before Cut-off time as defined in clause 4.4.9 on any Business Day or at such time as announced by the Management Company from time to time on the Business Day.

- g. The applicant must obtain the acknowledgment of the receipt of Service Request Form (AGIML-02) signed and duly verified by an Authorized Officer of the Distributor or Management Company if the Form is given to an Investment Facilitator. Notwithstanding the above, nothing contained herein shall be construed as limiting or otherwise restricting the Management Company's liability under Regulation 38 of the NBFC Regulations.
- h. The Distribution Company and/or Management Company will be entitled to verify the particulars given in the Service Request Form (AGIML-02). In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.
- i. The Unit Holder will be liable for any taxes, charges or duties that may be levied on any of the above changes that the Unit Holder may request via the Service Request Form (AGIML-02). These taxes, charges or duties may either be recovered by redemption of Unit Holder equivalent Units at the time of the service request or the Management Company may require separate payment for such services.
- j. Transfer of Units from one owner to another may be done without any back end load or transaction charges. However such transfer may be subject to a processing charge of an amount not exceeding one percent (1%) of the Net Asset Value per Unit. Any taxes or duties applicable on such transfer and transmission shall be payable by the transferee. These taxes, charges or duties may be recovered by redemption of Unit Holder equivalent Units at the time of the service request.

#### **4.9. Procedure for Transfer of Units**

- 4.9.1. A Unit Holder can transfer Units held by him by completing the prescribed Form and surrendering the relevant Certificate, if issued, to be signed by the transferor and transferee and paying applicable Duties and Charges.
- 4.9.2. Any person becoming entitled to hold the Units in consequence of the death, insolvency or winding up of any sole holder or the survivor of joint holders shall be registered as the holder or joint holders as the case may upon paying applicable Duties and Charges.
- 4.9.3. The request for transfer of Units would be honored after verifying the signature and other particulars of the Unit Holder(s) from the Unit Holder Register.
- 4.9.4. Partial transfers of Units covered by a single Certificate are not permitted. However, Unit Holders may apply for a splitting of the Certificate before applying for transfer.
- 4.9.5. Application for transfer can be submitted on any of the Authorized Branches of the Distribution Companies or to the Management Company or through an Investment Facilitator on or before Cut-off time as defined in clause 4.4.9 on any Business Day as announced by the Management Company from time to time.
- 4.9.6. A Unit Holder may also convert the Units held by him in a Collective Investment Scheme/Administrative Plan managed by the Management Company into units of another Collective Investment Scheme/Administrative Plan managed by the Management Company or vice versa subject to the terms of the respective Offering Documents or the terms stated in the Supplementary Offering Document(s) relating to the respective Administrative Plan(s). The Registrar shall carry out the conversion after satisfying himself that all the requisite formalities have been completed and payment of the applicable taxes and fees, and back-end load if any, has been received.

#### **4.10. Procedure for Pledge/Lien/Charge of Units**

- 4.10.1. The Unit Holder(s) who have purchased Fund Units as per Clause 4.6 above or in whose name(s) Units have been transferred are eligible to apply for Pledge/Lien/Charge of Units (other than Core Units upto two years from the date of the closure of Initial Public Offering) if they so desire. Such Pledge/Lien/Charge can be made via the Pledge of Units Form (AGIML-03). These forms may be obtained from Distributors or Investment Facilitators or from the Management Company or through its website.

- 4.10.2. The Unit Holder(s) or Joint Unit Holder(s) (as per mandate in Account Opening & Unit Transaction Form - AGIML-01) 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 register a lien on any Units in favor of any third party with the consent of the Management Company. However, the lien shall be valid only if evidenced by an account statement or letter issued by the Registrar with the Units marked in favor of the pledgee. The onus for due process having been followed in registering a lien shall lie with the party claiming the lien & the party wanting to have the lien.
- 4.10.3. The lien once registered shall be removed by the authority of the party in whose favor the 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/charge. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge/lien/charge by any party shall be entirely at the discretion of such party and neither the Trustee nor the Management Company and the Registrar shall take any responsibility in this matter.
- 4.10.4. Payments of dividends or the issue of bonus Units and redemption proceeds of the Units or any benefits arising from the said Units that are kept under pledge/lien/charge shall be made to the pledge/lien/charge holder for the account of the Unit Holder.
- 4.10.5. The Distribution Company and/or Management Company will be entitled to verify the particulars given in the Pledge of Units Form (AGIML-03). In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.
- 4.10.6. Fully completed Pledge of Units Form (AGIML-03) has to be submitted by both Individuals and/or by Institutional Unit Holders. This Form should be delivered to any of the Authorized Branches of the Distribution Companies or may be submitted to the Management Company through an Investment Facilitator or may be given directly to the Management Company on or before Cut-off time as defined in clause 4.4.9 on any Business Day as announced by the Management Company from time to time.
- 4.10.7. All risks and rewards, including the right to redeem such Units and operate such account, shall vest with the pledge/lien/charge holder. This will remain the case until such time as the pledge/lien/charge holder in writing to the Management Company instructs otherwise.
- 4.10.8. Any charges, duties, levies etc. applicable on such pledge/lien will be borne by the pledger. It is the responsibility of the Pledger and the Pledgee to ensure that the pledge/lien meets their respective legal compliance.

#### **4.11. Dealing, Suspension and Deferral of Dealing**

##### **4.11.1. Temporary change in the method of dealing**

Under the extraordinary circumstances as defined in clauses 4.11.3, 4.11.4 and 4.11.5 below, the Management Company with the approval of Trustee in the interest of the unit holder(s) may make temporary changes 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 with the consent of Trustee and intimation to the Commission.

##### **4.11.2. Permanent change in the method of dealing**

Subject to compliance with the Regulations the Management Company may request the Trustee to approve a permanent change in the method of dealing. Such change shall be made after expiry of one month notice to unit holders.

##### **4.11.3. Suspension of redemption of Units**

- a. The Management Company may suspend/defer with the approval of the board of directors of the Management Company redemption of Units during extraordinary circumstances including:

- i. Closure of one or more Stock Exchanges on which any of the securities invested in by the Scheme are listed; or
  - ii. During 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 Fund or of the Unit Holders; or
  - iii. During a break down in the means of communication normally employed in determining the price of any investment or when for any reason the price of any such investment cannot be promptly and accurately ascertained; or
  - iv. During any period when remittance of money can not be carried out in reasonable time;
  - v. During any period where 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; and
  - vi. During an event of war (declared or otherwise), or natural disasters, a major break down in law and order, breakdown of the communication system, closure of the capital markets and/or the banking system or strikes or other events that render the Management Company or the Distributors unable to function.
- b. The Management Company may announce a deferral of redemption and such a measure shall be taken to protect the interest of the Unit Holders in the event redemption requests accumulate in excess of ten percent (10%) of the Units in issue. 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. Details of the procedure are given in this Offering Document.
- c. Such suspension or queue system shall end on the first Business Day on which the conditions giving rise to the suspension or queue system shall in the opinion of the Management Company have ceased to exist and no other condition under which suspension or queue system is authorized under the Trust Deed exists. 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.
- d. The Management Company shall ensure that in case of suspension of redemption of units due to extraordinary circumstances in terms of the Regulations (as amended or replaced) and the constitutive documents, the issuance of fresh units to the public shall also be kept suspended until redemption of units is resumed.
- e. In case of suspension of redemption of units due to extraordinary circumstances in terms of the Regulations (as amended or replaced) and the constitutive documents the management shall discontinue regular monthly distribution as defined in clause 5 until redemption of units is resumed.

#### 4.11.4. Suspension of fresh issue of Units

- a. The Management Company may at any time, subject to the Regulations, as may be modified from time to time, suspend issue of fresh Units. These circumstances may include:
  - i. A situation in which the Management Company has decided to terminate the Scheme subject to regulatory approval;
  - ii. A situation in which it is not possible to invest the amount received against issuance of fresh units e.g. closure of money markets and/or scheduled banks etc;
  - iii. A situation in which the Management Company has suspended the redemption of units; or
  - iv. Any other situation in which issuance of fresh units is, in Management Company's opinion, against the interests of the existing/remaining unit holders.
- b. 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.



- c. The Management Company shall announce the details of exemptions at the time a suspension of fresh issue is announced.
- d. 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.

In case of suspension of fresh issue of units due to extraordinary circumstances in terms of the Regulations (as amended or replaced) and the constitutive documents the management shall discontinue regular monthly distribution as defined in clause 5 until fresh issue of units is resumed.

#### 4.11.5. Queue System

In the event redemption requests on any day exceed ten percent (10%) of 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 ten percent (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 ten percent (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 ten percent (10%) of the Units then in issue.

#### 4.11.6. Winding up in view of major redemptions

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.

#### 4.12. Frequency of Valuation, Dealing and Mode of the Price Announcement

- 4.12.1. The valuation and pricing of the Fund property will be in accordance with the prescribed Rules & Regulations and any other directives provided thereof.
- 4.12.2. For the Classes of Units and the Initial Offer (Purchase) Prices, please refer to clause 1.8.2 and clause 1.10 of this Document.
- 4.12.3. Subsequent to the First Offer, the Management Company shall announce the Purchase (Offer) and Redemption (Repurchase) Prices daily on each business day latest by 18:00 hours, (or such time as amended from time to time by MUFAP or SECP) calculated on the basis of the NAV and adjusted for such load, transaction costs, charges and duties as are described herein. However the announcement of prices may be delayed after 18:00 hours in case of extraordinary circumstances beyond the control of Management Company including delays in announcement of valuation prices by Stock Exchanges, MUFAP, etc. or if there is breakdown of means of communication normally employed in the announcement of NAV prices of the Fund by the Management Company. The method of calculation shall be cleared to the Trustee's satisfaction that such method is adequate for ensuring accurate calculation of the prices.

- 4.12.4. The Purchase (Offer) Price shall be equal to the sum of the Net Asset Value (NAV) as of the close of the Business Day (in the event there are closed days, for any reason, following that Business Day, the NAV so determined shall be adjusted for the accrual of income or losses if any for such closed days), Transaction Costs as defined in Clause 16.67, any Sales Load not exceeding five percent (5%) of the Net Asset Value (NAV) (Please refer to Annexure "B" for the current level of load) and such amount as the Management Company may consider appropriate provision for Duties and Charges.
- 4.12.5. The Purchase (Offer) Price so determined shall apply to purchase requests, complete in all respects, received by the Distributor and/or Management Company on or before Cut-off time as defined in clause 4.4.9 on any Business Day on which the Account Opening & Unit Transaction Form (AGIML-01) has been received.
- 4.12.6. The Redemption Price shall be equal to the NAV as of the close of the Business Day (in the event there are closed days, for any reason, the NAV so determined for the following Business Day shall be adjusted for the accrual of income or losses if any for such closed days), less Transaction Costs as defined in Clause 16.67, any Back-end Load (Processing charged) not exceeding five percent (5%) of the Net Asset Value (Please refer to Annexure B for the current level of load) and such amount as the Management Company may consider an appropriate provision for Duties and Charges.
- 4.12.7. The Redemption Price so determined shall apply to redemption requests, complete in all respects, received by the Distributor and/or Management Company on or before Cut-off time as defined in clause 4.4.9 on any Business Day on which the Account Opening & Unit Transaction Form (AGIML-01) has been received.
- 4.12.8. The Management Company shall, at such frequencies as may be prescribed in this Offering Document or under the Regulations, determine and announce the Net Asset Value based prices of the Units. Under certain circumstances as provided in this Offering Document including circumstances mentioned in clause 4.11.3 & 4.11.4, the Management Company may suspend the announcement of the prices.
- 4.12.9. The Management Company shall publish the Purchase (Offer) and Redemption (Repurchase) Prices in at least one daily newspaper widely circulated in Pakistan and also on its website ([www.alfalahghp.com](http://www.alfalahghp.com)).
- 4.12.10. The prices determined, as described hereinabove shall be subject to adjustment for any taxes payable in the jurisdiction of the transaction.
- 4.12.11. **Valuation of Assets/Liabilities:**

The valuation and pricing of the Fund property will be in accordance with the prescribed Rules & Regulations as describe below:

- a. a security listed on a stock exchange, local or foreign as the case may be, shall be valued at its last sale price on such exchange on the date on which it is valued or if such exchange is not open on such date, then at its last sale price on the next preceding date on which such exchange was open and if no sale is reported for such date the security shall be valued at an amount neither higher than the closing asked price nor lower than the closing bid price;
- b. an Unlisted Debt Security and a debt security listed but not traded regularly on a stock exchange shall be valued in the manner specified by the Commission;
- c. an investment purchased and awaiting payment against delivery shall be included for valuation purposes;
- d. an investment sold but not delivered pending receipt of proceeds shall be valued at the net sale price;
- e. 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;

- f. 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;
- g. any other income accrued upto the date on which computation was made shall also be included in the assets;
- h. 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;
- i. the remuneration accrued up to the date of computation payable to the Asset Management Company for providing management and other services shall be included as an expense;
- j. security not listed or quoted on a stock exchange, other than Government Securities or debt security, shall be valued at investment price or its break up value as per last audited accounts, whichever is lower;
- k. Government Securities not listed on a stock exchange and traded in the interbank market shall be valued at the average rate quoted on a widely used electronic quotation system and such average rate shall be based on the remaining tenor of the security; and
- l. Any such method of valuation of assets and liabilities as may be specified or modified by the Commission from time to time.
- m. In respect of investment held in foreign currencies, the same will be translated in Pakistan Rupees using the closing buying spot rates declared by the State bank Of Pakistan at each balance sheet date.

The valuation methods prescribed in the Rules and the Regulations will be used unless the Rules and the 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 and the Regulations, specific approval from the Commission shall be obtained and valuation shall be done accordingly.

#### **4.13. Purchase (Offer) and Redemption (Repurchase) of Units outside Pakistan**

- 4.13.1. Subject to exchange control and other applicable laws, Rules & 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.
- 4.13.2. 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. The management company shall use SBP or NBP rate for foreign currency translation purposes.
- 4.13.3. 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.

#### **4.14. Electronic Trading of Units**

- 4.14.1. 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 the Deed, this Offering Document and the Regulations and after making the required arrangement with the Trustee.

## **5 DISTRIBUTION POLICY**

### **5.1. Distribution Policy**

- 5.1.1. The Fund on a monthly basis (except for last month of the financial year) shall distribute as cash dividend or bonus unit or in any other form acceptable to the Commission that may qualify under the tax laws. Net income (after deducting all the expenses of the fund) earned upto 26th of each month may be distributed by the management company. By distributing on a monthly basis the management company would ensure that total distribution in an Accounting period accumulates to an amount that is required under the tax laws and other regulations in force to be distributed and that may be beneficial for its Unit Holders.
- 5.1.2. The net amount available for distribution at the end of the financial year (or such interim period as may be decided by the Management Company), shall comprise of the revenues earned by the Fund including the net impact of the revenue collected and paid out in the NAV calculation through Purchase (Offer) and Redemption (Repurchase) of Units, less all expenses incurred or accrued attributable to the Fund.
- 5.1.3. In case of any distribution by the Management Company, the Growth Unit Holders shall be paid dividend in the form of Bonus Units and the Income Unit Holder(s) shall be paid dividend in the form of Cash dividend only.
- 5.1.4. The Fund shall comply with regulatory and taxation requirements and the dividend policy may be amended accordingly.
- 5.1.5. The Fund for every accounting year shall distribute 90% of the amount available for distribution by way of dividend which would comprise of Bonus Units and Cash dividends as required under Regulation 63 of NBFC Regulations and in compliance with tax laws for the benefit of the Unit Holder(s).

### **5.2. Declaration and time period of Dividend**

- 5.2.1. The Management Company shall distribute among Unit Holders regular interim monthly profit (subject to availability of distributable profits on distribution date). Such profits may be distributed as cash or additional Units as per the Unit Holder(s) chosen unit type/investment plans.
- 5.2.2. For determining the dividend entitlements the 26th of each month shall be treated as a Cut-Off Date for receiving investment, redemption and conversion forms. However if in any given month 26th is not a Business day, the last business day prior to 26th of the month would be treated as a Cut-off date for that month. All investment/redemption/conversion forms received on or before Cut-off time as defined in clause 4.4.9 on the cut off date in a manner specified in this offering document shall be entitled for dividend distribution for that month.
- 5.2.3. Register of unit holders may be closed on 27th of each month (except last month of the financial year). However if any of these is not a business day, the period for Book Closure may be extended accordingly. If Management Company decides not to close a register in a particular month or decides to increase the period for Book Closure for any reasons it will not be obliged to intimate the unit holders, however if the Management Company decides to close a register for more than three business days, an intimation to the unit holders would be made accordingly.
- 5.2.4. In case such days are closed for business for any reason including public holiday or in event where the management company is not in a position to announce price the distribution process will run on next business working day.
- 5.2.5. The Fund will not announce distribution on above days if the NAV of the Fund falls below par value for any reason.
- 5.2.6. Since the interim distribution will be done automatically each month, there will not be any public announcement of book closure for the same, no announcement of monthly distribution to the concerned regulatory authorities and no need for any board approval for such regular monthly interim distributions.

### 5.3. Distributable Profit as Stock Dividend

5.3.1. The Management Company may decide to distribute in the interest of the Growth Unit Holder(s), 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. The Bonus Units will be issued at the Ex-Bonus NAV price at distribution date.

5.3.2. After the fixation of rate of bonus entitlement per Unit on each relevant distribution date(s), 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. Such Units shall be added to the holding of the Unit Holders.

Accordingly, the Management Company shall determine the amount available for distribution as bonus Units and advise the Trustee of the same for onward action, if any.

5.3.3. Growth Unit Holder(s) may receive the cash value of the bonus Units (encashment of the bonus Units) provided such Unit Holder opts for such an arrangement at the time of applying for the Units or requests the Registrar in writing through Service Request Form (AGIML-02) prior to the dividend declaration for any Relevant Period(s). The NAV applicable to the encashment of such Units will be the ex-NAV after appropriation of the distribution of each Relevant Period. The encashment of bonus Units shall be made, net of any taxes, charges and duties that the Management Company or the Trustee is obliged to recover from the Unit Holder.

### 5.4. Distribution of Profit as Cash Dividend

5.4.1. The Management Company may at each regular interim distribution date distribute to the Income Unit Holder(s), the distributable profits in the form of a cash dividend, 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 Offering Document be treated as part of the Fund Property but shall be held by the Trustee upon trust to distribute the same as herein provided.

5.4.2. 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 thereof.

5.4.3. 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 tax 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.

5.4.4. The Unit Holder(s) of Income Units may opt to receive the amount equivalent to their share of the annual/interim cash distribution in the form of additional Units. The Unit Holder(s) of Income Units may in writing at the time of opening of an account in the Unit Holder Register during the first purchase of Units or may by completing the prescribed Service Request Form (AGIML-02) at a later date instruct the Management Company to reinvest the future dividends to which he will be entitled to additional Fund Units. In such an event, the Management Company shall at the end of the financial year (or the Relevant Period(s) in the event of an interim distribution) cause to issue such number of Units to the Unit Holder that approximately equates the value of the Cash Dividend for the period. The issue price shall be determined on the basis of the ex-NAV at the Distribution Date after appropriation of the distribution but without any charge of the Front end Load normally deducted from the Offer Price. The issuance of the additional Units shall be made, net of any taxes, charges and duties that the Management Company or the Trustee is obliged to recover from the Unit Holder.

5.4.5. Where Units are placed under Pledge/Lien the payment of Cash dividend and Bonus Units or any other benefits of the Units shall be made to the Pledge/Lien holder for the account of the Unit Holder.

## 5.5. Payment of Dividend

All payments of Dividends shall be made by transfer of funds to the Unit Holder(s) designated bank account (or the charge-holder's designated bank account in case of lien/pledge of Units as the case may be) or through any other mode(s) of payment and such payment shall be subject to Regulations.

## 5.6. Dispatch of Dividend Warrants/Advice

Dividend warrants, advice, or the Account Statement, as the case may be, shall be dispatched to the Unit Holder's or the charge-holder registered address within thirty (30) days of the declaration as per the Law.

## 5.7. Closure of Register

The Management Company may close the Register with intimation to Trustee by giving at least seven (7) days notice to Unit Holders and for a period not exceeding six (6) working days at a time and forty five (45) days in any Accounting period. During the period the Register is closed transaction in Units for the purchase and redemption of Units, including transfer and Pledge applications will be suspended.

## 6 FEES AND CHARGES

### 6.1. Fees and Charges Payable by an Investor

#### 6.1.1. Sales and Processing Charges (Front-end Load)

The Unit Purchase Price includes Sales load of a maximum of five percent (5%) of the Net Asset Value. (The current level of Front-end Load is indicated in Annexure B). The issue price applicable to Bonus Units issued by way of dividend distribution or issue of Units in lieu of cash distribution shall not include any Sales load. Transfer of Units from one owner to another may be subject to a processing charge of an amount not exceeding one percent (1%) of the Net Asset Value per Unit at the date the request is lodged on or before Cut-off time as defined in clause 4.4.9 on any Business Day to the Authorized Distributor, Management Company or Registrar/ Transfer Agent which shall be recovered from the transferee. These taxes, charges or duties may be recovered by redemption of Unit Holder equivalent Units at the time of the transfer or may be charged separately. However, the processing charges shall not be payable by successors in the case of inheritance or distribution of the estate of a deceased Unit Holder.

#### 6.1.2. Allocation of Front-End Load

- a. The remuneration of Distributors and Investment Facilitators for the sale of units with Sales 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 Sales 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.
- b. 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.
- c. 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.
- d. 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.

### 6.1.3. Redemption Processing Charge (Back-end Load)

Back-end Load is a processing charge, not exceeding five percent (5%) of the Net Asset Value, which may be deducted by the Management Company from the Net Asset Value in determining the Redemption (Repurchase) Price (The current level of Back-end Load is indicated in Annexure B). The Back-end Load shall form part of fund property.

The Management Company may revise Sales Load and Back-end Load from time to time, but at no time will the sum of Sales Load and Back-end Load be greater than five percent (5%) of NAV.

## 6.2. Fees and Charges payable by Alfalah GHP Cash Fund

### 6.2.1. Remuneration of the Management Company

- a. The Management Company shall be entitled to receive:

A remuneration of an amount not exceeding three percent (3%) per annum of the average annual Net Assets for the first five (5) years of the scheme and there after of an amount equal to two percent (2%) per annum of the average annual Net Assets.

- b. Current level of Management Fee is defined in Annexure 'B'.

- c. The remuneration shall begin to accrue from the close of the Initial Public Offering. 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 Regulations and the Deed 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 the Deed.

- g. The Management Company with prior approval of SECP and consent of the Trustee may charge performance fee based or fixed fee or the combination of both which shall not exceed the limit prescribed in the Regulations and such fee structure shall be disclosed in the Offering Document or in supplementary Offering Document.

### 6.2.2. Remuneration of the Trustee

- a. The Trustee shall be entitled to a monthly remuneration out of the Fund Property based on an annual tariff of charges annexed hereto (Annexure 'A'), 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 Public Offering. 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.

- b. Such remuneration shall be paid to the Trustee in arrears within thirty days after the end of each calendar month.

- c. Any increase in the remuneration of the Trustee agreed to by the Management Company shall require the approval of the SECP.

- d. The remuneration and expenses of the custodian and sub-custodian shall be charged from the Fund Property.
- e. In consideration of the foregoing and save as aforesaid, 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 Regulations and the Deed.
- f. 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 the Deed.

### **6.3. Annual Fee**

- 6.3.1. The Management Company within three months of the close of accounting year of the Scheme, shall pay the Commission an annual fee which is such percentage of average annual net assets of the Scheme as provided in the Regulations. Provided that the annual fee shall be chargeable by the Management Company to the Scheme.
- 6.3.2. For the purposes of clause 6.1, 6.2 and 6.3 "average annual net assets" means the average of net assets calculated on daily, weekly or monthly basis during the year.

### **6.4. Formation Costs to be amortized against Property of the Scheme**

- 6.4.1. Formation Cost not exceeding one percent (1%) of the Pre Initial Public Offering (Pre IPO) capital or five million rupees (5 M), whichever is lower, shall be borne by the Fund.
- 6.4.2. The formation cost expense shall be reimbursable by the Fund to the Management Company subject to audit of expenses.
- 6.4.3. Formation Cost will be amortized over a period not less than five years.

### **6.5. Other costs and expenses to be charged to and borne by the Scheme**

- 6.5.1. Custodial and Sub Custodial charges, both local and international;
- 6.5.2. Listing fee payable to the Stock Exchange(s) including renewals;
- 6.5.3. Charges and levies of Stock Exchange(s), National Clearing and Settlement Company and Central Depository Company;
- 6.5.4. Rating fee payable to approved rating agency;
- 6.5.5. Auditors' fees and out of pocket expenses as billed by them;
- 6.5.6. Any fees pertaining to the scheme payable to the Commission;
- 6.5.7. Brokerage and transaction costs related to investing and disinvesting of the assets of the Scheme;
- 6.5.8. Expenses incurred by Trustee in effecting registration of all registerable assets in the name of the Trustee;
- 6.5.9. Legal and related costs incurred in protecting or enhancing the interests of the unit or Certificate Holders of the Scheme;
- 6.5.10. Bank charges and borrowing and financial costs pertaining to the Scheme;
- 6.5.11. Hedging costs including forward cover, forward purchase or option purchase costs subject to limits to be specified in the Offering Document;



- 6.5.12. Any printing costs and related expenses for issuing the scheme's quarterly, half yearly and annual reports etc.;
- 6.5.13. 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;
- 6.5.14. 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;
- 6.5.15. 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.
- 6.5.16. Any cost associated with sales, marketing and advertisement of collective investments schemes shall not be charged to the collective investment schemes.

Such expenses shall be paid to the Management Company at actual within thirty days of the incurring of such expense.

## **7 TAXATION**

### **7.1. Taxation on the Income of the Fund**

#### **7.1.1. Liability for Income Tax**

- a. Under the Tax Law in Pakistan, the definition of a public company includes a unit trust whose Units are widely available to the public and any other trust as defined in the Trust Act, 1882. The Fund will be regarded as a public company liable to a tax rate applicable to a public company.
- b. The income of the Fund will accordingly be taxed at the following rates:
  - i. Dividend income received from a Pakistani company shall be taxed at an income tax rate of ten percent (10%);
  - ii. Capital gain arising on sale of securities listed on any stock exchange(s) in Pakistan is exempt from tax upto 30th June 2010;
  - iii. Return from all other sources/instruments are taxable at the rate 35% applicable to a public company (as per Income Tax law).

#### **7.1.2. Liability for Income Tax if 90% of Income is distributed**

Notwithstanding the tax rates given above, the income from the Fund will be exempted from tax if not less than 90% of the income for the year as reduced by realized capital gains is distributed amongst the Unit Holders as dividend (cash & stock or both).

The Fund shall distribute 90% of the amount available for distribution as dividend which would comprise of Bonus Units or Cash dividends as required under Regulation 63 of NBFC Regulations and in compliance with tax laws for the benefit of the Unit Holder(s).

- 7.1.3. Withholding Tax - Under the provisions of Clause 47 (B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, return from term finance certificates or corporate papers, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with banks of the Fund will not be subject to any withholding tax.

#### **7.1.4. Zakat**

The Fund is Sahib-e-Nisab under Zakat and Ushr Ordinance, 1980.

## 7.2. Taxation on Unit Holders

### 7.2.1. Income Tax - Withholding Tax

- a. Unless exempted from such taxation or at reduced rate under any law for Avoidance of Double Taxation Agreement, Unit Holders of the Fund will be subject to Income Tax on cash dividend income (excluding the amount of dividend paid out of capital gains) at a rate of 10%;
- b. The rate of tax so specified will be the final tax and the payer (trustee) will be required to withhold the amount of tax at source;
- c. Unit Holders who are exempt from income tax may obtain exemption certificate from the Commissioner of Income Tax and provide the same to the Management Company and/or Registrar (Transfer Agent) and on the basis of Exemption Certificate income tax will not be withheld;
- d. In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

### 7.2.2. Capital Gains

Capital Gains in disposition of Units in the Fund will be subject to capital gains tax at the applicable tax rate. The Units of the Fund will be listed on the stock exchange. Consequently, subject to such listing, the capital gain on disposal of the Units shall be exempt from tax upto Tax Year ending on 30th day of June 2010.

### 7.2.3. Tax Credit

Unit Holders other than a company shall be entitled to a tax credit under Section 62 of the Income Tax Ordinance, 2001, on purchase of new Units. The amount on which tax credit will be allowed shall be lower of (a) amount invested in purchase of new Units, (b) 10% of the taxable income of the Unit Holder, and (c) Rs. 300,000/- (Rupees three hundred thousand), and will be calculated by applying the average rate of tax of the unit holder for the tax year. If the Units so acquired are disposed within 12 months, the amount of tax payable for the tax year in which the Units are disposed shall be increased by the amount of tax credit.

### 7.2.4. Zakat

Units held by resident Pakistani shareholders (individuals only) shall be subject to Zakat at 2.5% of the Par value of the Units under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted under the said Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds.

## 7.3. Disclaimer

- 7.3.1. The tax and Zakat information given above is based on the Management Company's tax adviser's interpretation of the law, which to the best of the Management Company's understanding is correct but Investors are advised to seek independent advice so as to determine the taxability arising from their investment in the Units of the Fund. Furthermore, tax and Zakat laws, including rates of taxation and of withholding tax are subject to amendments from time to time. Any such amendments in future shall be deemed to have been incorporated herein.
- 7.3.2. The entire information in this Clause 7 is based on the current taxation status. The exemptions and rates of taxation are subject to change from time to time.

## 8 REPORTS AND ACCOUNTS

### 8.1. Financial Year of Alfalah GHP Cash Fund

- 8.1.1. The Accounting Period shall commence on January 1 of a calendar year and shall end on December 31 of the same calendar year.

- 8.1.2. 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, with the consent of the Trustee may change such date to any other date.
- 8.1.3. 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.
- 8.1.4. However, the Management Company in future may change annual accounting period dates of the Scheme subject to prior approval of its Board and under intimation to the Trustee and after complying with all regulatory requirements in this regard.

## 8.2. Financial Reporting

### 8.2.1. The following reports will be sent to the Unit Holders:

- a. Audited financial statements, together with the auditors report, the report by the Management Company (Director's Report) and the report by the Trustee within four (4) months of the close of each Accounting Period;
- b. Un-audited financial statements (subject to limited scope review by auditors), together with the report by the Management Company within two months of the close of the second quarter of the Accounting Period, as per the Regulations;
- c. Un-audited financial statements, together with the report by the Management Company within one month of the close of the first and third quarter of each Accounting Period or such period as prescribed by SECP or the Regulations;
- d. The Trustee shall issue a report to the Unit Holders to be included in the annual report, or at such times as directed by the SECP, in accordance with the Law, whether in its opinion, the Management Company has in all material respects managed the Fund Property in accordance with the provisions of the Regulations and the 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;
- e. The regularity of reporting will change if so required by the SECP or under the Regulations and the Ordinance.

## 9 SERVICE TO UNIT HOLDERS

### 9.1. Availability of Forms

All the forms mentioned and/or included in this Offering Document and the Offering Documents will be available at the Authorized Branches of the Distribution Companies as well as from the Management Company or on its website at [www.alfalahghp.com](http://www.alfalahghp.com).

### 9.2. Register of Unit Holders

Details of Register of Unit Holders are defined in clause 9.7 of the Deed. Unit holder register contains following features:

- 9.2.1. A Register of Unit Holders shall be maintained by Registrar Department of the Management Company presently having its office at Registrar Department, Alfalah GHP Investment Management Limited, 12th Floor, Tower A, Saima Trade Towers, I.I. Chundrigar Road, Karachi, or such other company, as the Management Company may appoint as the Registrar from time to time after giving prior notice to the Unit Holders.

- 9.2.2. If, in the future, the Management Company appoints any other independent Transfer Agent (with the approval of the Trustee and the SECP), the roles and responsibilities will be assigned under a Transfer Agency Agreement and the Register of Unit Holders will then be maintained by the Transfer Agent.
- 9.2.3. Every Unit Holder will have a separate Registration/Folio number. The Management Company shall use such Registration/Folio number for recording Units held by the Unit Holder(s). Unit Holder's account identified by the Registration/Folio number will reflect all the transactions in that account held by such Unit Holder.
- 9.2.4. The Holder will be entitled to ask for copies of his account statement thereof on any Business Day within business hours by applying to the Registrar in writing and providing such fee that the Management Company may notify from time to time.
- 9.2.5. 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.
- 9.2.6. The Unit Holder's Register shall be open from 11:00 am to 1:00 pm on each Business Day excluding close days or such other days as the management company may determine from time to time in legible form to the inspection of any Unit Holder without any charge with regard to Unit Holder's own information/data.
- 9.2.7. The Register shall be conclusive evidence as to the Units held by each Unit Holder.
- 9.2.8. The Management Company shall maintain register of Unit Holder of the scheme for a period not less than ten years.

### **9.3. Information in the Register**

9.3.1. The Register may normally contain the following major information:

#### **9.3.2. About Unit Holders**

- a. Name of Unit Holder/Joint Unit Holders (if any);
- b. Address of Unit Holder/first named Joint Holder;
- c. Computerized National Identification Card (CNIC) Number(s) of Unit Holder/Joint Unit Holders and/or identification number of passport if applicable;
- d. Father's or Husband's name of Unit Holder in case of individual;
- e. Occupation of Unit Holder;
- f. Nationality;
- g. Tax status of the Unit Holder;
- h. Bank details;
- i. Zakat status of the Unit Holders;
- j. Record of signature of Unit Holder/Joint Holders;

- k. Particulars of Nominee;
- l. Incorporation/Registration Number in case of a company, institution, body corporate, etc.;
- m. Names and designations of authorized signatories in case of a company, institution or a body corporate;
- n. Registered office address, in case of a company, institution or a body corporate.

#### 9.3.3. About Units

- a. Class and Type;
- b. Certificate number, if applicable;
- c. Dates of purchase/redemption/transfer/conversion;
- d. Number of Units held by the Unit Holder;
- e. Information about pledge/lien/charge on Units; and
- f. Information about transfer of Units.

#### 9.3.4. Instructions

- a. Instruction about reinvestment or payment of dividend or the encashment of bonus Units;
- b. Information and instruction about pledge of Units/lien;
- c. Information and instruction about nominee in case of death of Unit Holder; and
- d. Bank details for redemption/dividend mandate.

#### 9.3.5. Request for Changes

All Unit Holder(s) are eligible to change their Unit Holder details if they so desire. Such change in particulars and requests can be made via the Service Request Form (AGIML-02). These Forms may be obtained from Distributors or Investment Facilitators or from the Management Company or through its website. 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 previously issued to such Holder and the payment of the fee) shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall issue a new Certificate if required to such Holder.

#### 9.3.6. Book Closure

The Management Company may close the Register with intimation to the Trustee by giving at least 07 days notice to Unit Holders and for period not exceeding six (6) working days at a time and forty five (45) days in any Accounting period. During the period the Register is closed, no application will be entertained.

#### 9.4. Account Statement

Depending on the type of unit and size of investment the Registrar may send directly, through mail or electronically to each Unit Holder an account statement each time there is a transaction in the account.

**9.5. Certificates**

- 9.5.1. Physical Certificates will be issued only to Unit Holder(s) if requested by them.
- 9.5.2. Unit Holders can apply for the issue of Certificate by completing the prescribed form and submitting it to the relevant Distribution Company and to Management Company or to the Management Company through an Investment Facilitator together with a fee at the rate of Rupees Fifty (Rs. 50/-) per Certificate or any other amount as determined by the Management Company from time to time. However the Management Company on its discretion may waive condition of payment of fee for issuance of Certificate of any denomination per Certificate.
- 9.5.3. The issued Certificate would be sent through postal or courier service at the applicant's risk within 21 Business Days after the request for the Certificate has been made, to the address of the Unit Holder or to the address of the first named Joint Holder/Principal Account Holder, if the relevant Unit or Units are jointly held.
- 9.5.4. Each Unit or any fraction thereof shall not be represented by more than one Certificate at any one time.
- 9.5.5. In the case of Units held jointly the Registrar shall not issue more than one Certificate for the Units held by such Joint Holders and delivery of such Certificate to the first named Joint Holder/Principal Account Holder named first therein shall constitute sufficient delivery to all Joint Holders. All payments required under this document (i.e. redemption and dividend) will be made to first named Joint Holder/Principal Account Holder.
- 9.5.6. 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 and address of the Management Company and the Trustee, shall bear a serial number and shall specify the number of Units represented thereby and the name and address of the Holder as appearing in the Register.
- 9.5.7. Certificate shall only be issued for Unit(s) that have been fully paid.

**9.6. Replacement of Certificates**

- 9.6.1. The Registrar or Management Company may replace certificates, which are defaced, mutilated, lost or destroyed on application received by them from the Unit Holder on the prescribed Service Request Form (AGIML-02) on the payment of all costs, and on such terms as to evidence, indemnity and security as may be required. Any defaced or mutilated Certificate must be surrendered before a new Certificate is issued.
- 9.6.2. The Unit Holder shall on application on prescribed form be entitled to consolidate the entire holding in the Fund into one certificate upon surrender of existing Certificates.
- 9.6.3. Each new issue of Certificates will require payment of Rupees Fifty (Rs.50/-) per Certificate, subject to revisions of fee from time to time by the Management Company.

**9.7. Pledge/Lien of Units/Charge**

For details about Pledge/Lien of Units/Charge please refer to Clause 4.10 above.

**9.8. Nomination**

Subject to any Personal Laws that may be applicable to a Unit Holder, a single Unit Holder can nominate a successor to receive the Units upon his death by filling in the relevant portion of the Account Opening & Unit Transaction Form (AGIML-01) or may request a nomination or change in nomination through the Service Request Form (AGIML-02). Nominee(s) can be nominated only by single Unit Holders when there are no Joint Holders. The maximum number of Nominee(s) can be two (02) in number with their respective shares mentioned in percentage against their respective names. Such nomination shall however not restrict the Management Company or the Trustee or the Registrar from demanding succession certificate from appropriate court of law and they shall not be liable in any manner in case of any disputes among the legal heirs of the deceased.

**10 FINANCIAL INFORMATION**
**10.1. Auditors Certificate on Core Investors' Investment in the Units of the Fund**

	<b>KPMG Taseer Hadi &amp; Co.</b> Chartered Accountants Sheikh Sultan Trust Building No. 2 Beaumont Road Karachi, 75530 Pakistan	Telephone + 92 (21) 3568 5847 Fax + 92 (21) 3568 5095 Internet www.kpmg.com.pk							
The Board of Directors Alfalah GHP Investment Management Limited 12th Floor, Tower A Saima Trade Towers I.I Chundrigar Road Karachi.	Our ref K/A-AQ-823								
16 January 2010									
Dear Sirs,									
<b>Certification on Core Investors' Investments in the units of Alfalah GHP Cash Fund</b>									
As requested, we have verified from the un-audited books and records of Alfalah GHP Cash Fund (the Fund) managed by Alfalah GHP Investment Management Limited that a sum of Rs. 100,000,000 (One hundred million) has been received by the Fund from core investors as follows:									
<table border="0"> <thead> <tr> <th data-bbox="277 1155 451 1178">Name of Investors</th> <th data-bbox="927 1155 1027 1200">Investment (Rupees)</th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="277 1205 895 1256"><b>Core Investor (Restricted as per the requirements of NBFC Regulations 2008)</b></td> </tr> <tr> <td data-bbox="277 1249 707 1272">Bank Alfalah Limited – Employees' Gratuity Fund</td> <td data-bbox="943 1249 1038 1272" style="text-align: right;">50,000,000</td> </tr> </tbody> </table>	Name of Investors	Investment (Rupees)	<b>Core Investor (Restricted as per the requirements of NBFC Regulations 2008)</b>		Bank Alfalah Limited – Employees' Gratuity Fund	50,000,000	<table border="0"> <tbody> <tr> <td data-bbox="943 1317 1038 1339" style="text-align: right;">50,000,000</td> </tr> <tr> <td data-bbox="927 1339 1046 1368" style="text-align: right;"><u>100,000,000</u></td> </tr> </tbody> </table>	50,000,000	<u>100,000,000</u>
Name of Investors	Investment (Rupees)								
<b>Core Investor (Restricted as per the requirements of NBFC Regulations 2008)</b>									
Bank Alfalah Limited – Employees' Gratuity Fund	50,000,000								
50,000,000									
<u>100,000,000</u>									
Classification of restricted and unrestricted has been made by the management based on the representation received from core investors.									
This certificate is being issued only for inclusion as part of Alfalah GHP Cash Fund's "Offering Document".									
Yours faithfully,									
									
<small>KPMG Taseer Hadi &amp; Co., a partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative</small>									

**10.2. Auditors Certificate on the Net Asset Value of the Fund**


**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2  
Beaumont Road  
Karachi, 75530 Pakistan

Telephone + 92 (21) 3568 5847  
Fax + 92 (21) 3568 5095  
Internet www.kpmg.com.pk

The Board of Directors  
Alfalah GHP Investment Management Limited  
12th Floor, Tower A  
Saima Trade Towers  
I.I Chundrigar Road  
Karachi

Our ref KA-AQ-822

16 January 2010

Dear Sirs,

**Net Asset Value (Un-audited) of Alfalah GHP Cash Fund**

As requested, we have checked from the un-audited books and records of Alfalah GHP Cash Fund (the Fund) and details provided to us by the Management Company of the Fund that Net Assets of the Fund as on 14 January 2010 amounted to Rs. 105.850 million are as follows:

Total assets of the Fund		106,898,244
Total liabilities of the Fund		(1,048,244)
Net asset of the Fund	<i>Rupees</i>	<u>105,850,000</u>
Proposed units to be issued against the funds received	<i>Number</i>	<u>211,700</u>
Net Assets Value per unit	<i>Rupees</i>	<u>500</u>

Management is responsible for the above information. We have not audited or reviewed the financial statements from which the above information have been extracted and accordingly express no assurance thereon.

This certificate is being issued only for inclusion as part of Alfalah GHP Cash Fund's "Offering Document".

Yours faithfully,

*KPMG Taseer Hadi & Co.*



### 10.3. Pre - IPO Investors

In addition to the Core Investors, Pre-IPO investors have committed to subscribe to Class 'A' Units of AGCF amounting to Rs. 385.723 million.

### 10.4. Formation Cost

Formation Cost consists of 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 Offering Document, Trust Deed, announcements describing the Fund 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 (Pre-IPO) capital or Five million rupees (5 M) whichever is lower. Such expenses are borne by Management Company and reimbursable by the Fund subject to the audit of formation cost expenses.

## 11 WARNINGS

### 11.1. Offering Document

The provisions of the Trust Deed and the Regulations and the Rules govern this Offering Document. This Offering Document sets out the arrangements covering the basis of the Fund Units. It sets forth information about the Fund that a prospective investor should know before investing in any Unit of the Fund. Prospective investors should consult one or more from amongst their legal adviser, stockbroker, bank manager, or other financial adviser.

### 11.2. Fluctuation in Price and Income

Prices of Units and income from them may go up or down.

### 11.3. Disclaimer

11.3.1. Investment in this Fund is suitable for investors who have the ability to take the risks associated with financial and other market investments whether listed or otherwise. Capital invested in extreme circumstances may lose its entire value. The historical performance of this Fund, financial and other markets or instruments or investments whether listed or otherwise included in the Fund portfolio does not necessarily indicate future performance.

11.3.2. **Investors are advised to read risk disclosure as mentioned in this document in Clause 2.13 above for more information concerning risk.**

## 12 GENERAL INFORMATION

### 12.1. Inspection of Constitutive Documents

The copies of the Trust Deed and the Offering Document can be inspected free of charge at the addresses given below between 11:00 am to 1:00 pm during Business Days:

***Alfalah GHP Investment Management Limited (AGIM)***

12th Floor  
Tower A  
Saima Trade Towers  
I.I. Chundrigar Road  
Karachi  
Pakistan.

***Central Depository Company of Pakistan Limited (CDC)***

CDC House, 99-B,  
Block 'B', S.M.C.H.S.,  
Main Shakra-e-Faisal,  
Karachi.

## 12.2. Date of Publication of Offering Document

The Offering Document has been published on March 3, 2010. The Management Company accepts responsibility for the information contained in the Offering Document as being accurate at the date of publication.

## 12.3. Responsibility of Management Company for Information Given in this Document

The Management Company accepts responsibility for the information contained in the Offering Document as being accurate at the date of publication.

## 13 TERMINATION OF THE FUND

### 13.1. By the Management Company

The Fund may be terminated by the Management Company by giving at least three month's notice in writing to the Holders and the SECP and the Management Company shall disclose the grounds of its decision. The Management Company may also announce termination of the Trust on the grounds given in Clauses 4.11.6 of this Offering Document. The grounds on which termination is made shall be mentioned in the notice to the Unit Holders.

### 13.2. By the Securities and Exchange Commission of Pakistan

13.2.1. Upon representation to the SECP, by three fourth in value of the total unit holders of Fund, or if in the opinion of the SECP further continuation of the registration of the Scheme will be detrimental to the interest of the unit holders or the market generally, the SECP may cancel the registration of the Scheme:

Provided that the registration of the Scheme shall not be cancelled without providing an opportunity of being heard to the Management Company and the trustee.

13.2.2. In case of cancellation of registration, the Management Company shall revoke the Scheme and refund the proceeds to the unit holders in such manner and within such time as may be specified by the SECP.

13.2.3. Notwithstanding anything contained in any other provision, where in the opinion of the SECP or the Management Company any delay in the revocation of the Scheme is detrimental to the interest of the unit holders or the market generally, the SECP may direct the immediate revocation of the Scheme without first canceling the registration or providing an opportunity of being heard to the Management Company in such manner and within such time as may be specified by the SECP.

13.2.4. Where the SECP grants approval under Regulation 45(1) or cancels the registration of the Scheme or orders the revocation of the Scheme, all issuance and redemption of units of the Scheme shall stand suspended immediately.

13.2.5. In case of revocation of the Scheme all unit holders shall be treated *pari passu*.

### 13.3. Winding up

In case of the termination of the Fund, the Management Company shall be required to wind-up the Fund and refund the net proceeds to the Unit Holders in proportion to the number of Units held by them in such a manner and within such time as may be specified by the SECP.

## 14 DISTRIBUTION ON LIQUIDATION, WINDING UP OR TERMINATION

14.1. 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. In case of any shortfall, neither the Trustee, nor the Management Company shall be liable for the same.

- 14.2. 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 14.1 above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands. In case the sum retained is insufficient, the Trustee shall not be liable for the same and in case there is a surplus, the same shall be distributed on a *pro rata* basis among the unit holder(s).

## 15 ARBITRATION

- 15.1. In the event of any disputes arising out of the Trust Deed and/or this 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 Management Company and the Trustee, as well as those relating to the interpretation of the terms and conditions of the 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.
- 15.2. Subject to Arbitration Clause above 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.

## 16 GLOSSARY

Unless the context requires otherwise the following words or expressions used in this Document above, shall have the following meanings respectively assigned to them viz.:

- 16.1. "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.
- 16.2. "Account Opening & Unit Transaction Form" or "Unit Transaction Form" means a prescribed consolidated form required from both individual and institutional investors at the time of creation of account opening, purchase of units/investments, redemption of units, gain realization of units and fund swapping.
- 16.3. "Accounting Period" means a period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the Fund Property is first paid or transferred to the Trustee and in any other case from the end of the preceding Accounting Period.
- 16.4. "Administrative Plan" means investment plan/saving plans offered by Management Company, where such plans allow investors a focused investment strategy in any one or more combination of collective investment schemes managed by the Management Company.
- 16.5. "Asset Management Company" means an Asset Management Company as defined in the Regulations.
- 16.6. "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.
- 16.7. "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.

- 16.8.** "Authorized Branch or Branches" means those branches of the Distributors whose addresses shall be given in the Offering Documents as Annexure "C" or its website and as amended by the Management Company from time to time. The management company will ensure that all applications of purchase, redemption, conversion etc. will be acknowledged by mentioning appropriate date and time through time stamping machine at designated location/authorized branches of acceptance of these applications.
- 16.9.** "Authorized Investment" means any investments transacted, issued, traded or listed in Pakistan and abroad and as defined in clause 2.3 of this document.
- 16.10.** "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.
- 16.11.** "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. The back-end load shall form part of fund property.
- 16.12.** "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.
- 16.13.** "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.
- 16.14.** "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).
- 16.15.** "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.
- 16.16.** "Business Hour" means the time period for dealing in Units in a Business Day, as defined in clause 4.4.9 of this Offering Document.
- 16.17.** "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.
- 16.18.** "Connected Person" shall have the same meaning as assigned in the Rules & the Regulations.
- 16.19.** "Constitutive Document" means the Trust Deed, Offering Document and other principal documents governing the formation and operations of an Open End Scheme, including all related material agreements.
- 16.20.** "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.
- 16.21.** "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 Public Offering. 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.
- 16.22.** "Custodian" means:
- 16.22.1.* 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

- 16.22.2. The Trustee, with the approval of the Management Company, to hold and protect the Fund Property or any part thereof as custodian.
- 16.23.** "Cut-off time" means such Business Hours on a Business Day before which unit transactions shall be effectuated as defined in clause 4.4.9. Cut off time for acceptance of application for issuance, redemption, swap, transfer, pledge and conversion of units is 9:00 am to 11:00 am from Monday to Friday and on Saturday from 9:00 am to 10:00 am during business day. The place of receiving application forms is attached in Annexure "C". Cut off timing during the Holy Month of Ramzan will be adjusted accordingly and announced separately by Management Company through its website and same will be communicated to Distributors.
- 16.24.** "Deed" means the Trust Deed which is one of the principal documents governing the formation, management and operation of the Fund.
- 16.25.** "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.
- 16.26.** "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;
- 16.27.** "Distribution Functions" means the functions with regard to:
- 16.27.1. Receiving applications for purchase of Units together with aggregate Purchase (Offer) Price for Units applied for by the applicants;
- 16.27.2. 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
- 16.27.3. Acknowledging receipt in respect of Clause 16.27.1 & 16.27.2 above;
- 16.27.4. 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.
- 16.28.** "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.
- 16.29.** "Federal Government" means the Federal Government of Islamic Republic of Pakistan.
- 16.30.** "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.
- 16.31.** "Formation Cost" means all expense incurred in connection with incorporation, establishment and registration of collective investment scheme including legal costs, printing, circulation and publication of the Trust Deed and Offering Document, one time advertisement cost describing the scheme and inviting investment therein 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 (5 M) whichever is lower.

- 16.32.** "Front-end Load" means the sales and processing charges, also described as Sales Load in Clause 16.60, payable to the Management Company, which are included in the Offer Price of Units.
- 16.33.** "Fund's Auditors" mean the Auditors.
- 16.34.** "Fund Property" or "Trust Property" means the aggregate proceeds of the sale of all Units as defined in Clause 8.1 of the Deed.
- 16.35.** "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.
- 16.36.** "Initial Public Offering" or "IPO" mean the period during which First Offer of Units shall be made at the price of Rs. 500/- per Unit, which shall be indicated in the Offering Document and not exceeding seven (7) days.
- 16.37.** "Investment" means any Authorized Investment forming part of the Fund Property.
- 16.38.** "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.
- 16.39.** "Management Company" is defined in the preamble hereto.
- 16.40.** "Money Market" means the market where financial instruments and deposits having short-term obligations/maturities with high liquidity are traded. Typically money market instruments include (but not restricted to) bank deposits, short term placements, Certificate of deposits, Re-purchase (Repo) agreements, Treasury Bills, Govt. papers, Commercial Papers, and other debt securities. These securities are bought and sold by Financial Institutions, dealers and other market participants trading in money or credit, who wish to either borrow or lend for short periods of time ranging from overnight to several days under a year.
- 16.41.** "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.
- 16.42.** "Net Asset Value" means per Unit Value of the Fund arrived at by dividing the Net Assets by the number of Units outstanding.
- 16.43.** "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.
- 16.44.** "Offering Document" means the prospectus, advertisements or other document (approved by the SECP), which contain the investment and distribution policy and all other information in respect of the Unit Trust, as required by the Regulations and is calculated to invite offers by the public to invest in the Unit Trust and includes any other Supplementary Offering Document.
- 16.45.** "Online" means transactions through electronic data-interchange whether real time transactions or otherwise, which may be through the internet, intranet networks and the like.
- 16.46.** "Ordinance" means Companies Ordinance 1984.
- 16.47.** "Par Value" means the Initial Public Offering Price of a Unit that shall be Rupees Five Hundred (Rs. 500/).
- 16.48.** "Personal Law" means the law of inheritance and succession as applicable to the individual Unit Holders.
- 16.49.** "Pre Initial Public Offering (Pre-IPO)" means period during which the investors have subscribed to the Units of the Scheme before the Initial Public Offering.

- 16.50.** "Private Placement Investors" mean those investors who subscribe to Class 'A' Units prior to the Initial Public Offering as mentioned in Clause 4.1.2 above.
- 16.51.** "Redemption of Units Form" means the prescribed form, which is to be stated in the Offering Document.
- 16.52.** "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 this Offering Document.
- 16.53.** "Register" means the Register of the Holders kept pursuant to the Rules & the Regulations and the Trust Deed.
- 16.54.** "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.
- 16.55.** "Registrar Functions" means the functions with regard to:
- 16.55.1.* Maintaining the Register;
- 16.55.2.* 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;
- 16.55.3.* Issuing account statement to the Unit Holders;
- 16.55.4.* Issuing Certificates to the Unit Holders if required;
- 16.55.5.* Dispatching income distribution advice and/or bank transfer intimations; and
- 16.55.6.* Canceling old Certificates on redemption or replacement.
- 16.56.** "Relevant Date" means the date on which the Management Company decides to distribute the profits (if any).
- 16.57.** "Relevant Period" means the period in respect of which distribution of profits, are proposed to be made by the Management Company.
- 16.58.** "Rules" mean the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (amended) (the "Rules"), as amended from time to time.
- 16.59.** "Regulations" mean the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the Schedules and Forms attached to it (the "Regulations"), as amended from time to time.
- 16.60.** "Sales Load" means front end load 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 as disclosed in Supplementary Offering Document.
- 16.61.** "SECP" means the Securities and Exchange Commission of Pakistan.
- 16.62.** "Stock Exchange" means stock exchanges, registered under the Securities and Exchange Ordinance, 1969.
- 16.63.** "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.
- 16.64.** "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, declare any particular Business Day or days not to be a Subscription Day.

- 16.65.** "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, administrative arrangement/plan and offering investment in the Scheme.
- 16.66.** "Trading Day" means a day when stock exchanges of the country where the fund is listed are open for business in Pakistan.
- 16.67.** "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.
- 16.68.** "Trust", "Alfalah GHP Cash Fund", "AGCF", "The Scheme", "Unit Trust" or "Fund" means the Unit Trust constituted by this Trust Deed for continuous offers for sale of Units.
- 16.69.** "Trust Deed" means the deed including supplemental deeds executed between the Management Company and the Trustee along with all the exhibits appended hereto.
- 16.70.** "Trustee" is defined in the preamble hereto.
- 16.71.** "Unit" means one undivided share in the Scheme and where the context so indicates a fraction thereof.
- 16.72.** "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 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.



## ANNEXURE 'A'

## Central Depository Company of Pakistan Limited

## Tariff Structure for Trusteeship of Open-end Mutual Funds (Unit Trusts)

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 % pa of NAV whichever is higher
>1,000	& above	Rs 2.0 million plus 0.10 % pa of NAV exceeding Rs. 1,000 million

**ANNEXURE 'B'****Current Level of Front-end, Back-end Loads and Management Fee****Effective from Close of Initial Public Offering**

**Front-end Load:** 0.00%

**Back-end Load:** 0.00%

**Management fee:** The current level of management fees is 1.25% (One Hundred and Twenty Five basis points) per annum of the average daily Net Assets Value of AGCF.

Any change in the load and fee structure, provided it is within the maximum limit disclosed in Clauses 6.1.1, 6.1.3 and 6.2.1, shall be notified through an addendum to this annexure.



**ANNEXURE 'C'**
**LIST OF DISTRIBUTOR OFFICES**
**Alfalah GHP Investment Management Limited**
**Head Office**

12th Floor, Tower A, Saima Trade Towers,  
I.I. Chundrigar Road, Karachi  
Tel: 99217600-03

**Distributor Offices**
**Bank Alfalah Limited - Priority Banking And Wealth Management Limited**

<b>NORTH</b>	
<b>Islamabad</b> F-10 Markaz Branch Priority Banking & Wealth Management Bank Alfalah Ltd, 4-D, Urfi Center, F-10 Markaz, Islamabad. Tel : 051-32102871-4 Fax: 051-32102870	<b>Peshawar</b> Peshawar Main Branch Priority Banking & Wealth Management Bank Alfalah Ltd. 6-B, Islamia Road, Peshawar Cantt. Tel: 091-35284761-2, Fax: 091-3524723
<b>CENTRAL</b>	
<b>Lahore</b>	
Gulberg Branch Priority Banking & Wealth Management Bank Alfalah Ltd, 115 -E/1 Hali Road, Gulberg Lahore. Tel: 042-35870911-4 Fax: 042-35870915	Defence Main Branch Priority Banking & Wealth Management Bank Alfalah Ltd, G9 Commercial Area, Main Boulevard, DHA, Lahore. Tel: 042-35741777, 35745222 Fax: 042-35748110
<b>SOUTH</b>	
<b>Karachi</b> Karachi Main Branch Priority Banking & Wealth Management Bank Alfalah Ltd, Mezzanine floor B.A .Building I.I. Chundrigar Road Karachi. Tel: 021 - 32425502-32425504 Fax: 021 - 32425503	

## ANNEXURE 'D'

**Forms**

The following Forms are attached herewith;

<b>Type of Form</b>	<b>Form Reference</b>
Account Opening & Unit Transaction Form	AGIML - 01
Service Request Form	AGIML - 02
Pledge of Units Form	AGIML - 03

