

Constitutive Document

TRUST DEED

PAKISTAN CASH MANAGEMENT FUND

1. NAME OF OPEN-END SCHEME

PAKISTAN CASH MANAGEMENT FUND

2. PARTICIPATING PARTIES AND DEED OF TRUST

2.1. PARTICIPATING PARTIES

This Trust Deed is made and entered into at Karachi, on this 08 day of February 2008 by and between:

- (A) **Arif Habib Investment Management Limited**, a company incorporated under the Companies Ordinance, 1984, with its registered office at 2/1, R.Y. 16, Old Queens Road, Karachi (hereinafter called the “Management Company”, which expression shall, where the context so permits, include its successors-in-interest and assigns) of the one part; and

- (B) **Habib Metropolitan Bank Limited**, a banking company incorporated under the Companies Ordinance, 1984 and licensed by the State Bank of Pakistan as a scheduled bank with its registered office Spencer's Building, I.I. Chundrigar Road, Karachi-74200 (hereinafter called the "Trustee", which expression shall, where the context so permits, include its successors-in-interest and assigns) of the other part.

WHEREAS:

- (a) The Management Company is a Non-Banking Finance Company licensed by the Securities and Exchange Commission of Pakistan (“the Commission”) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (hereinafter referred to as “the Rules”, which expression shall include any amendments thereto) to, inter-alia, carry out asset management services, including investment schemes under trust deeds.
- (b) The Management Company has been allowed by the Commission vide its letter No. NBFC-II/AD/AHIML/PCF/63/2008 dated 01 February 2008 appended hereto as Annexure “B” to constitute an open-end trust scheme under the name and title of **Pakistan Cash Management Fund** (hereinafter referred to as the “Open-ended Scheme”, the “Scheme”, or PCF, or the “Fund”, or the “Trust”) and to register this Trust Deed, pending the registration of the Fund as a Notified Entity under Section 282CA of the Companies Ordinance, 1984 (“the Ordinance”) for the establishment and operation of the Scheme in accordance with the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (hereinafter referred to as “the Regulations”) and this Trust Deed. The Securities and Exchange Commission of Pakistan has also approved an amendment in clause 7.1.3 of this trust deed vide its letter no. NBFC-II/AD/AHIML/79 dated 07 February 2008 appended hereto as Annexure D;
- (c) The Management Company has nominated and appointed the Trustee as trustee of the Scheme and the Trustee has accepted such appointment upon the terms and conditions herein contained;
- (d) The Commission has approved the appointment of the Trustee, vide letter no. NBFC-II/AD/AHIML/PCF/62/2008 dated 01 February 2008, appended hereto as Annexure “C”;
- (e) Unless the context requires otherwise, the defined terms, words and expressions shall have the meaning respectively assigned to them in Clause 21 hereof:

NOW THIS DEED WITNESSETH:**2.2. DECLARATION OF TRUST**

2.2.1 An Open-end Scheme is hereby constituted as a trust under the Trusts Act, 1882, under the name of “Pakistan Cash Management Fund”. The Trustee is hereby nominated, constituted and appointed as the trustee of the Scheme hereby created and the Trustee hereby accepts such appointment. The Trustee and the Management Company declare that:

- (a) The Trustee shall hold and stand possessed of the Fund Property that may from time to time hereafter be vested in the Trustee upon trust as a single common fund for the benefit of the Unit Holders ranking pari passu inter se according to the number of Units held by each Unit Holder.
- (b) The Fund Property shall be invested from time to time by the Trustee at the direction of the Management Company, which shall manage, operate, and administer the Fund strictly in accordance with the provisions and conditions contained in this Deed, the Offering Document, the Rules, the Regulations and the conditions (if any) which may be imposed by the Commission from time to time.

2.2.2 The Trust shall have such minimum investment in compliance with the requirement of Regulation 61(2)(e)(ii) of the Regulations and the Management Company shall invest or arrange the investment of the required minimum amount by the Core Investors for a minimum period of two years.

2.2.3 As soon as may be practicable, after the registration of the Fund as a Notified Entity and receiving authorization from the Commission, the Management Company shall offer Units of the aggregate Par Value of Rs.50/- each to the general public, including banks and financial institutions through an Offering Document. The Offering Document shall be in the form and substance as prescribed under the Regulations, which shall be subject to the approval of the Commission. The Management Company may offer different types of Units with different levels of Front/Back-end Loads, as disclosed in the Offering Document.

2.2.4 Where this Deed has been altered or supplemented, the Management Company shall notify the Unit Holders immediately.

2.2.5 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 or the Offering Document, Supplemental Offering Documents, the Rules or the Regulations.

3. GOVERNING LAW

This Deed shall be subject to and be governed by the laws of Pakistan, including the Ordinance, the Rules, the Regulations and all other applicable laws and regulations and shall be deemed for all purposes, whatsoever, to incorporate the provisions required to be contained in a trust deed by the Regulations as a part and parcel hereof, and in the event of any conflict between this Deed and the provisions required to be contained in a trust deed by the Regulations, the latter shall supersede and prevail over the provisions contained in this Deed. The Fund shall also be subject to the rules and regulations framed by the State Bank of Pakistan with regard to the foreign investments made in the Fund from outside Pakistan in foreign currency.

4. FOR THE TRUST

- (A) **Binding on Unit Holders:** The terms and conditions of this Deed and any deed supplemental hereto shall be binding on each Unit Holder, as if he had been a party to it and so to be bound by its provisions and each Unit Holder authorizes and requires the Trustee and the Management Company to do as required of them by the terms of this Deed.
- (B) **Limited Liability:** A Unit Holder is not liable to make any further payments after he has paid the purchase price of his Units and no further liability can be imposed on Unit Holders in respect of Units they hold.
- (C) **Unit Holders Ranking Pari Passu:** The Trustee shall hold and stand possessed of the Fund Property that may from time to time hereafter be vested in the Trustee upon trust as a single common fund for the benefit of the Unit Holders ranking pari passu inter se, according to the number of Units held by each Unit Holder
- (D) **Trustee Reports to Unit Holders:** The Trustee shall report to the Unit Holders in accordance with the Regulations, including a report to be included in the annual and second quarter reports to the Unit Holders, or at any frequency prescribed by the Commission, a statement as to whether, in its opinion, the Management Company has in all material respect managed the Scheme in accordance with the provisions of the Rules, the Regulations and this Deed and if, in the Trustee's opinion, the Management Company has not done so, the Trustee's report shall describe the respect in which the Management Company has not done so and the steps the Trustee has taken in respect thereof.
- (E) The primary objective of the fund is to provide the investors with extremely low credit and price volatility, thus enabling them to manage their surplus liquidity efficiently. The Scheme is a purely money market fund which shall make Investments only in the following instrument with a maturity of 90 days or less.

The Fund shall be invested in the following asset classes:

- (a) Treasury Bills
- (b) Short Dated government instruments
- (c) Reverse repo transactions with government paper as the underlying Security.
- (d) Bank deposits with a scheduled commercial bank(s) having minimum rating of 'AA'

5. ROLE OF MANAGEMENT COMPANY

5.1. DUTIES AND POWERS OF THE MANAGEMENT COMPANY

- 5.1.1 The responsibilities of the Management Company are to invest and manage the assets of the Fund according to the provisions of this Deed, the Offering Document, the Rules and the Regulations in good faith, to the best of its ability, and without gaining any undue advantage for itself or any Connected Persons or its officers.
- 5.1.2 The Management Company shall appoint a qualified fund manager and constitute an investment committee in accordance with the provisions of the Regulations to assist in investing and managing the assets of the Fund or to invest and manage part or whole of the assets of the Fund both locally and abroad, at its own cost and discretion.

- 5.1.3 The Management Company shall comply with the provisions of the Rules, the Regulations and this Deed for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Management Company by any officer or responsible official of the Management Company or by any nominee or agent appointed by the Management Company and any act or matter so performed shall be deemed for all the purposes of this Deed to be the act of the Management Company.
- 5.1.4 The Management Company shall be liable to the Trustee for any loss in value of the Fund Property where such loss has been caused by its negligence reckless or willful act and/or omission or by its officers, officials or agents.
- 5.1.5 Any purchase or sale of Investments made under any of the provision of this Deed shall be made by the Trustee according to the instructions of the Management Company, unless such instructions are in conflict with the provisions of this Deed or the Rules or the Regulations. The Management Company shall not be liable for any loss caused to the Fund or to the value of the Fund Property due to any elements or circumstances beyond its reasonable control.
- 5.1.6 The Management Company shall maintain at its principal office, proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Scheme, all transactions for the account of the Scheme and amounts received by the Scheme in respect of issues of Units and paid out by the Scheme on redemption of Units and by way of distributions;
- 5.1.7 The Management Company shall prepare and circulate (physically or through electronic means or, with the approval of the Commission, on the web) transmit the annual report, together with a copy of the balance sheet, income and expenditure account, cash flow statement, statement of movement Unit Holders' funds, net assets and reserves and the Auditor's report of the Scheme within three months of closing of the Accounting Period, to the Unit Holders, and the balance sheet and income and expenditure account shall comply with requirements set out in Schedule IV of the Regulations and also disclose in the annual report the following information:–
- (i) Total number of Unit Holders; and
 - (ii) Particulars of the personnel (Executive, Research and other) of the Management Company;
- 5.1.8 The Management Company shall within one month of the close of the first and the third quarter of its year of accounts, prepare and transmit to the Unit Holders, the Trustee, the Commission and the Stock Exchanges on which the Units of the Scheme may be listed, balance sheet as on the end of that quarter, profit and loss account, (income and expenditure statement, a cash flow statement and a statement of changes in equity for that quarter, whether audited or otherwise; provided that these accounts may be transmitted to Unit Holders electronically by publication on the Management Company's website unless any Unit Holder(s) elect(s) to receive them physically in which case the Management Company shall make available to such Unit Holder(s) printed copies thereof free of cost, as and when requested.
- 5.1.9 The Management Company shall within two months after the close of the first half of its year of account, (second quarter) prepare and transmit to the Unit Holders, the Trustee, the Commission and the Stock Exchanges on which the Units of the Scheme may be listed, a profit and loss account (income and expenditure statement) for and balance sheet as at the end of that half year, whether audited or otherwise, in accordance with the Regulations provided that these accounts may be transmitted to Unit Holders electronically by publication on the Management Company's website unless a Unit Holder elects to receive them physically, in which case printed copies thereof shall be provided to such Unit Holder free of cost, as and when requested.
- 5.1.10 The Management Company shall maintain a Register of Unit Holders of the Scheme and inform the Commission of the address where the Register is kept. However, the Management Company may appoint a Registrar, as its agent, to maintain the register and may from time to time remove or replace the Registrar.
- 5.1.11 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 Trust.
- 5.1.12 The Management Company shall not be under any liability, except such liability as may be expressly assumed by this Deed or liability imposed under the Rules and the Regulations, nor shall the Management Company (save as herein otherwise provided) be liable neither for any act or omission of the Trustee nor for anything except its own negligence or willful breach of duty hereunder. If for any reason it becomes impossible or impracticable to carry out the provisions of this Deed, the Management Company shall not be under any liability therefor

or thereby and it shall not incur any liability by reason of or any matter or thing done or suffered or omitted to be done in good faith hereunder.

- 5.1.13 The Management Company shall, after obtaining approval of the Trustee, from time to time appoint, remove or replace one or more Distribution Company(ies) for carrying out the Distribution Function at one or more locations both locally and abroad, on terms and conditions to be incorporated in the Distribution Agreement(s) to be entered into between the Distribution Company(ies) and the Management Company. Provided the Management Company and its affiliates may also perform Distribution Function and act as a Distribution Company(ies).
- 5.1.14 The Management Company shall, after obtaining approval of the Trustee, from time to time appoint, remove or replace one or more Distribution Company(s) for carrying the Distribution Function at one or more locations, on terms and conditions to be incorporated in the Distribution Agreement to be entered into between the Distribution Company and the Management Company.
- 5.1.15 The Management Company shall obtain rating of the Fund, once it becomes eligible for rating as per the rating criteria of the rating agency, and such rating shall be updated once every year and shall be disclosed in the annual and quarterly reports.

5.2. CHANGE OF MANAGEMENT COMPANY

- 5.2.1 The Commission may either on its own or on the recommendation of the Trustee remove the Management Company, by giving at least ninety days' notice in writing to the Management Company, on the happening of any of the following events:
- (a) The Management Company has willfully contravened the provisions of this Deed in any material respect and has failed to rectify the contravention within a reasonable period after the contravention has come to its notice;
 - (b) The Management Company goes into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for purpose of reconstruction and amalgamation);
 - (c) A receiver is appointed over any of the assets of the Management Company.
 - (d) The Management Company becomes ineligible to act as management company of the Scheme under the provisions of the Rules and/or the Regulations.
- 5.2.2 The Management Company may retire at any time with the prior written consent of the Commission and the Trustee. Provided that until the new management company is appointed, the Management Company shall continue to perform its functions as the Management Company and shall be entitled to receive its usual remuneration.
- 5.2.3 The removal of the Management Company and appointment of a new management company shall always require the prior approval of the Commission and the Trustee.
- 5.2.4 If the Commission has cancelled the licence of the Management Company under the provisions of the Rules, the Trustee shall appoint another management company for the Scheme according to the provisions of this Deed and the Regulations.
- 5.2.5 Upon a new management company being appointed, the Management Company will take immediate steps to deliver all the documents and records pertaining to the Trust to the new management company and shall pay all sums due to the Trustee.
- 5.2.6 Upon its appointment the new management company shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Management Company hereunder as fully as though such new management company had originally been a party hereto.

6 ROLE OF TRUSTEE

6.1 DUTIES AND POWERS OF THE TRUSTEE

- 6.1.1 The Trustee shall comply with the provisions of this Deed, the Rules and the Regulations, for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee in consultation with the Management Company. Provided that the Trustee shall be responsible for the acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions

and shall account to the Trust for any loss in value of the Fund Property where such loss has been caused by negligence or any reckless act and/or omission of the Trustee or any of its directors, officers, nominees or agents.

- 6.1.2 The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holders. The Trustee shall not be under any liability on account of anything done or not done by the Trustee in good faith in accordance with or in pursuance of any request of the Management Company, provided they are not in conflict with the provisions of this Deed or the Rules. Whenever, pursuant to any provision of this Deed, any certificate, notice, direction, instruction or other communication is to be given by the Management Company to the Trustee, the Trustee may accept, as sufficient evidence thereof, a document signed or purporting to be signed on behalf of the Management Company, by any person whose signature the Trustee, is for the time being, authorized in writing by the Management Company to accept.
- 6.1.3 The Trustee shall not be liable for any loss caused to the Fund or to the value of the Fund Property due to any elements or circumstances beyond its reasonable control.
- 6.1.4 The Trustee shall ensure that the sale, issue, repurchase, redemption and cancellation of Units effected by a scheme are carried out in accordance with the provisions of the Constitutive Documents and the Regulations;
- 6.1.5 The Trustee shall ensure that the methods adopted by the management company in calculating the value of Units are adequate to ensure that the sale, issue, repurchase, redemption and cancellation prices are calculated in accordance with the provisions of the Constitutive Documents and the Regulations;
- 6.1.6 The Trustee shall carry out the instructions of the Management Company in all matters including investment and disposition of the Fund Property, unless such instructions are in conflict with the provisions of this Deed, the Rules, the Regulations or any other law.
- 6.1.7 The Trustee shall ensure that the investment and borrowing limitations set out in the Constitutive Documents and the conditions under which the Scheme was authorized are complied with;
- 6.1.8 The Trustee shall issue a report to be included in the annual and second quarter reports, to be sent to Unit Holders whether, in the Trustee's opinion, the Management Company has in all material respects managed the Scheme in accordance with the provisions of the Constitutive Documents and the Regulations and if the Management Company has not done so, the respects in which it has not done so and the steps which the Trustee has taken in respect thereof;
- 6.1.9 The Trustee shall ensure that Units are not issued until subscription moneys have been paid.
- 6.1.10 The Management Company shall, after obtaining approval of the Trustee, from time to time appoint, remove or replace one or more Distribution Company(s) for carrying the Distribution Function at one or more locations, on terms and conditions to be incorporated in the Distribution Agreement to be entered into between the Distribution Company and the Management Company.
- 6.1.11 Subject to the Regulations, any transaction between the Trust and the Management Company or any of their respective Connected Persons as principal shall only be made with the prior written consent of the Trustee.
- 6.1.12 The Trustee shall, in consultation with the Management Company, from time to time, appoint, remove or replace one or more Custodian(s) for performing the Custodian Function at one or more locations, on terms and conditions to be agreed between the Custodian and the Trustee and approved by the Management Company.
- 6.1.13 The Trustee shall make available or ensure that there is made available to the Management Company such information as the Management Company may reasonably require, from time to time, in respect of the Fund Property and all other matters relating to the Trust.
- 6.1.14 The Trustee shall be entitled to require the Auditors to provide such reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Rules. The Trustee shall endeavour to provide the certification at the earliest date reasonably

possible.

- 6.1.15 The Trustee shall, if requested by Management Company, and may, if it considers necessary for the protection of Fund Property or safeguarding the interest of Unit Holders, institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Fund Property or any part thereof, with full powers to sign, swear, verify and submit pleadings and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized directors and officers. All costs, charges and expenses (including reasonable legal fees) incurred in instituting or defending any such action shall be borne by the Trust and the Trustee shall be indemnified against all such costs, charges and expenses, provided that no such indemnity shall be available in respect of any action taken against the Trustee for negligence or breach of fiduciary duties in connection with its duties as the Trustee under this Deed or the Regulations. For the avoidance of doubt it is clarified that, notwithstanding anything contained in this Deed, the Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities, whatsoever, suffered or incurred by the Trust arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or shareholders' action or otherwise, howsoever, and (save as herein otherwise provided), all such losses, claims, damages and other liabilities shall be borne by the Fund.
- 6.1.16 The Trustee shall ensure that the Management Company has specified criteria in writing to provide for a diverse panel of Brokers at the time of the offering of the Scheme and shall ensure that the Management Company has been diligent in appointing Brokers to avoid undue concentration with any Broker.
- 6.1.17 The Trustee shall not be under any liability, except such liability as may be expressly assumed by it under the Regulations and this Deed, nor shall the Trustee (save as herein otherwise provided) be liable for any act or omission of the Management Company nor for anything except its own negligence or willful breach of duty hereunder. If, for any reason, it becomes impossible or impracticable to carry out the provisions of this Deed, the Trustee shall not be under any liability therefor or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.

6.2. CHANGE OF TRUSTEE

- 6.2.1 The Trustee shall not be entitled to retire voluntarily or otherwise except upon the appointment of a new trustee. In the event of the Trustee desiring to retire, it shall serve a three months notice to the Management Company under intimation to the Commission, the Management Company shall, within a period of three months of the Trustee's notice of intent to retire (or in default the Trustee) with the prior written approval of the Commission may by a deed supplemental hereto under the seal of the Management Company, appoint a new trustee under the provisions of the Regulations in place of the retiring Trustee and also provide in such supplemental deed for the automatic vesting of all the assets of the Trust in the name of the new trustee. However, in the event of the Management Company failing to appoint a new trustee as herein provided, the Trustee may, immediately after the expiry of the above mentioned three month period, request SECP to appoint a new Trustee. The retirement shall take effect at the same time as the new trustee is appointed with the approval of the Commission or from the date of assumption of assets of the Fund by the newly appointed trustee, whichever is later.
- 6.2.2 If the Trustee goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction on terms previously agreed to with the Management Company) or ceases to carry on business or a receiver of its undertaking is appointed or it becomes ineligible to act as a trustee of the Trust under the provisions of the Regulations, the Management Company shall forthwith, by instrument in writing, remove the Trustee from its appointment under this Deed and shall by the same or some other instrument in writing, simultaneously, appoint as trustee some other company or corporation according to the provisions of the Regulations and this Deed as the new trustee.
- 6.2.3 In circumstances where the Commission is of the opinion that the Trustee has been in violation of the Regulations or the provisions of this Trust Deed or is found guilty of misconduct or has failed to discharge his obligations under the Regulations, the Commission may remove the Trustee after giving opportunity of being heard.
- 6.2.4 The Management Company may apply to the Commission giving cogent reasons for change of Trustee by simultaneously proposing the appointment of a new trustee. If the Commission

is satisfied with the circumstances and reasons for the change applied for, may accord approval for appointment of a new Trustee.

6.2.5 Upon the appointment of a new trustee, the Trustee shall, immediately, deliver all the documents and records to the new trustee and shall transfer all the Fund Property and any amount deposited in any Distribution Account to the new trustee and make payments to the new trustee of all sums due from the Trustee.

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

6.3. ADMINISTRATIVE ARRANGEMENTS

6.3.1 The Trustee shall have all the obligations entrusted to it under the Regulations, the Trusts Act, 1882, this Trust Deed and the Offering Document of the Fund. However, the Trustee shall, in addition to the aforesaid obligations, facilitate the Management Company's business in the following manner:

- (a) **Attorney(s) and Point Person(s):** The Trustee shall nominate one or more of its officers to act as attorney(s) for performing the Trustee's functions and for interacting with the Management Company.
- (b) **Custodian(s):** The Trustee shall act as custodian for securities for which custody services are available with the Trustee at such terms as the Trustee and the Management Company may mutually agree. For other securities the Management Company may advise the Trustee to make appropriate arrangements with one or more Custodians for custody of securities in which investment may be made on behalf of the Fund. The Trustee shall provide custodial services to the extent others cannot be identified for this purpose.

6.4. BANK ACCOUNTS

6.4.1 The Trustee shall open and operate Bank Accounts titled as "Trustee Pakistan Cash Management Fund" for the Fund at suitable Banks at the request of the Management Company.

6.4.2 The Trustee shall open and operate additional Bank Accounts 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 required by the Management Company, from time to time.

6.4.3 The Management Company may also require the Trustee to open and operate separate Bank Accounts for each dividend distribution out of the Fund.

6.4.4 Notwithstanding any thing in this Deed, the beneficial ownership of the balances in the Accounts shall vest in the Unit Holders.

6.5. TRANSACTIONS RELATING TO THE FUND

6.5.1 The Trustee shall authorize and facilitate the provision to the Management Company of daily statements of account for all the Bank Accounts being operated by the Trustee as a nominee of the Fund.

6.5.2 The Management Company shall, from time to time, advise the Trustee of the dividend distribution for the Trust. The Trustee may establish separate bank accounts for each dividend distribution and transfer the amount payable as cash dividend to such accounts after deducting such taxes and Zakat as may be required under the law. The Trustee shall rely on the amount calculated by the Management Company as the dividend payable in cash after adjusting for dividend being distributed in the form of Units of the Trust, as explained in the Offering Document.

6.6. TRANSACTIONS RELATING TO INVESTMENT ACTIVITY/ PORTFOLIO MANAGEMENT

6.6.1 The Management Company shall, from time to time, advise the Trustee of the settlement instructions relating to any investment/disinvestment transactions entered into by it on behalf of the Trust. The Management Company shall ensure the settlement instructions are complete and accurate so as to facilitate timely settlement and the Trustee shall ensure that the settlement is handled promptly and in accordance with such instructions.

- 6.6.2 The Trustee shall ensure that, where applicable, payments against investments are made against delivery and vice versa.
- 6.6.3 The Trustee shall promptly forward to the Management Company any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust Funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government regulator, stock or other exchange or any other party having any connection with the transaction.
- 6.6.4 The Management Company shall also advise the Trustee, of the details of amounts to be paid to respective Unit Holders against redemption requests. Such payments shall be effected by the Trustee out of the respective accounts of the Unit Trust by way of transfer of the appropriate amounts to the designated bank accounts of the Unit Holders or by transfer to a temporary parking account.
- 6.6.5 The Management Company may request the Trustee to make arrangements through branches of banks to facilitate issue and redemption of Units of the Scheme. A request for the issue of Units may also be made through the use of electronic means, i.e., the Internet and ATM facilities. A request for redemption of Units, may be made through the ATM facility only when the relevant bank /branches have been instructed by the Management Company to accept a Unit Holders' request to redeem the Units of the Trust. The Trustee shall agree to such arrangements after satisfying itself in respect of all appropriate safeguards having been taken, without incurring any liability for additional risks involved. The compensation for such services that are provided by the Trustee in this respect shall be mutually agreed between the Trustee and the Management Company.
- 6.6.6 The Trustee shall pay to the Management Company's order such sums out of the sale proceeds of any redeemed Units as are representative of Front-end or Back-end Loads or charges or other recoveries that are specified in this Trust Deed, Offering Document or Supplemental Offering Document(s), if any, as being payable out of the Offer or Redemption Prices, after deducting any applicable Duties and Charges.
- 6.6.7 The Trustee shall also, if so required by the nature of such notices or documents mentioned in the foregoing Clause, act in a manner that is in the best interest of the Trust. Such action shall include legal action, if called for, and the Trustee shall be entitled to recover any legal costs reasonably incurred from the Trust.
- 6.6.8 The Management Company shall provide the Trustee with regular reports indicating dividends, other forms of income or inflows and any rights or warrants relating to the Investments that are due to be received. The Trustee shall report back to the Management Company any such amounts or warrants that are received on such accounts, from time to time.
- 6.6.9 The Trustee shall provide proxies or other forms of powers of attorney to the order of the Management Company with regard to any voting rights attaching to any investment.

7 FUND PROPERTY

- 7.1.1 The Fund Property shall initially be constituted out of the proceeds of the Units issued (the "Core Units") to "Core Investors" after deducting any applicable Duties and Charges therefrom.
- 7.1.2 The aggregate proceeds of all Units issued from time to time, , shall constitute part of the Fund Property and the Authorized Branches shall remit such proceeds to the Trustee in accordance with the instructions given by the Management Company from time to time.
- 7.1.3 If proceeds of the Units are paid in a currency other than Pakistani Rupees the currency will be converted into Pakistani Rupees using an Authorized Dealer and will become Fund Property. Units will be issued in Pakistani Rupees based on the exchange rate quoted by the Authorized Dealer (for buying of the relevant currency) on the issue date of the Units. Cost of conversion into Pakistani Rupees (where applicable) will be borne by the Unit Holder and Units will be issued net of such costs.
- 7.1.4 The Trustee shall take the Fund Property into its custody or under its control, either directly or through the Custodian and hold it in trust for the benefit of the Unit Holders in accordance with the provisions of the Rules, the Regulations and this Deed. The Fund Property shall

always be kept as separate property and shall not be applied to any purpose unconnected with the Fund. All registerable Investments shall be registered in the name of the Trustee and shall remain so registered until disposed off pursuant to the provisions of this Deed. All expenses incurred by the Trustee in effecting such registration shall be payable out of the Fund Property.

- 7.1.5 All cash forming part of the Fund Property shall be deposited by the Trustee, as approved by the Management Company in a separate account to be opened in the name of the Trustee, as a nominee of the Fund, with a bank having minimum rating of 'AA' as per the criteria laid down by a credit rating agency approved by the Commission.
- 7.1.6 Save as herein expressly provided, the Fund Property shall always be kept as separate property free from any mortgages, charges, liens, or any other encumbrances whatsoever and the Trustee, the Management Company, or the Custodian shall not, except for the purpose of the Fund and as permissible under the Regulations, create or purport to create any mortgages, charges, liens or any other encumbrances, whatsoever, to secure any loan, guarantee, or any other obligation, actual or contingent, on the Fund Property.
- 7.1.7 The Trustee shall have the sole responsibility for the safekeeping of the Fund Property. In the event of any loss, caused through negligence on the part of the Trustee, the Trustee shall have an obligation to replace the loss forthwith with similar investment of the same class and issue together with all rights and privileges pertaining thereto or compensate the Trust to the extent of such loss.
- 7.1.8 All interest, income or 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 scheduled commercial Bank Account of the Trust.

7.2. INVESTMENT OBJECTIVE

The primary objective of the Fund is to provide the investors with extremely low credit and price volatility, thus enabling them to manage their surplus liquidity efficiently. The Fund has been formed to enable Unit Holders to participate in a portfolio of government securities (primarily T-bills) and other authorized investments, managed by the Management Company, that would Provide the investors with a high level of liquidity and price stability, so that they can join or leave the Fund at any time at their convenience, at the prevailing market based prices

7.3. INVESTMENT POLICIES

- 7.3.1 The Scheme is a purely money market fund which shall make Investments only in the following instruments with a maturity of 90 days or less
- 7.3.2 The Fund may be invested in the following asset classes:
- (a) Treasury Bills
 - (b) Short Dated government instruments
 - (c) Reverse repo transactions with government paper as the underlying security.
 - (d) Bank deposits with a scheduled commercial bank(s) having minimum rating of 'AA'
- 7.3.3 All Fund Property, except in so far as such cash may, in the opinion of the Management Company, be required for transfer to the Distribution Account or to be kept for meeting the redemption requirements, shall be applied by the Trustee from time to time in such Authorized Investments as may (subject always to the provisions of this Deed, the Offering Document, and the Regulations) be directed by the Management Company.
- 7.3.4 Any Investment may at any time be disinvested at the discretion of the Management Company either in order to invest the proceeds of sale in other Authorized Investments or to provide funds required for the purpose of any provision of the Trust Deed or in order to retain the proceeds of sale in cash deposit as aforesaid or any combination of the aforesaid. Any Investment, which ceases to be an Authorized Investment, shall be disinvested within such period as the Management Company and the Trustee determine to be in the best interest of the Unit Holders. However, in any case the period shall not exceed 3 (three) months.
- 7.3.5 The Fund Property shall be subject to such exposure limits as are provided in the Regulations, provided that the Trustee and the Management Company will have a period of three months

to bring the Fund into compliance with the exposure limits if the deviation is due to appreciation or depreciation of any Investment or disposal of any Investment.

- 7.3.6 In case the rating of a Bank is reduced from 'AA' or institution is placed on watch list, investment may at any time be realized at the discretion of the Management Company but only to reasonably protect the interest of the Unit Holders.

7.4. RESTRICTIONS

- 7.4.1 The Fund Property shall be subject to such exposure limits as are provided in the Regulations. Subject to this, the Fund will not at any time:

- (a) effect a short sale in a security whether listed or unlisted ;
- (b) purchase any security in a forward contract;
- (c) purchase any security on margin;
- (d) apply any part of its assets to real estate, commodities or commodity contracts;
- (e) issue at any time, without the prior approval of the Commission in writing, a senior security which is either stock or represents indebtedness;
- (f) apply for de-listing from stock exchange, unless it has obtained prior approval of the Commission in writing to the scheme of de-listing;
- (g) invest in any security of a company if any director or officer of the investment adviser owns more than five per cent of the total amount of securities issued, or, the directors and officers of the investment adviser own more than ten per cent of those securities collectively;
- (h) lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person;
- (i) take exposure of more than thirty five percent of its Net Assets in any single group and more than ten percent of its Net Assets in listed group companies holding licences of asset management services and such exposure shall only be taken through secondary market.
- (j) make total investments in pre-initial public offering (Pre-IPO) in excess of fifteen percent of its Net Asset Value, subject to the investment limits prescribed by the Regulations; and
- (k) acquire any security of which another asset management company, managing a collective investment scheme, is the issuer;

7.5. EXCEPTION TO INVESTMENT RESTRICTIONS

- 7.5.1 The Management Company may from time to time, for the account of the Trust, direct the Trustee to enter into underwriting or sub-underwriting contracts in relation to the subscription or purchase of Authorized Investments upon such terms in all respects as the Management Company shall think fit but subject always to the provisions of the Regulations, this Deed and other applicable laws and so that no such contract shall relate to an Authorized Investment which if acquired would constitute a holding in excess of the exposure limit if any specified in the Regulations. All Authorized Investments acquired pursuant to any such contract shall form part of the Fund Property and any subscription or purchase moneys payable there under shall be paid out of the Fund Property.

7.6. BORROWING

- 7.6.1 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 arrangements with Banks or financial institutions for borrowing by the Trustee for the account of the Fund, provided that the

charges payable to such Bank or Financial Institution are not higher than the prevailing market rates. Provided further that the maximum borrowing for the account of the Trust shall not exceed the limit provided in the Regulations but 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.

- 7.6.2 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.
- 7.6.3 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 limit provided in the Regulations.
- 7.6.4 Neither the Trustee nor the Management Company shall incur any liability by reason of any loss to the Trust or any loss that a Unit Holder may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangement made hereunder.

8. VALUATION OF PROPERTY

8.1. VALUATION OF ASSETS/LIABILITIES

- (a) A debt security listed but not traded regularly on a Stock Exchange shall be valued at the average rate, notified by the Mutual Funds Association of Pakistan based on the average rates quoted by top three Brokers, in terms of volume traded during last three months in that debt security, and record of such rates shall be maintained by the respective investment adviser or asset management company and Mutual Funds Association of Pakistan for a period of at least [3] three years and shall be posted on website of the Association.
- (b) An investment purchased and awaiting payment against delivery shall be included for valuation purposes.
- (c) An investment sold but not delivered pending receipt of proceeds shall be valued at the net sale price.
- (d) 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.
- (e) Any other income accrued upto the date on which computation was made shall also be included in the assets.
- (f) 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.
- (g) The remuneration accrued up to the date of computation payable to the investment adviser or asset management company, as the case may be, for providing management and other services shall be included as an expense.
- (h) A government security not listed on a stock exchange and traded in the interbank market shall be valued at the average rate quoted on a widely used electronic quotation system and such average rate shall be based on the remaining tenor of the security.
- (l) Any such method of valuation of assets and liabilities as may be specified or modified by the Commission from time to time.

8.2. DETERMINATION OF OFFER PRICE

- 8.2.1 Units offered and issued to the Core Investors will be at the Offer Price of Rs.50.
- 8.2.2 Subsequent to the issue of Units to Core Investors, the Offer Price shall be calculated and announced by the Management Company on the following basis:
- (a) The gross NAV of the Fund will be calculated based on the valuation methodology given in 8.1 above;

- (b) The gross NAV will be divided by the number of Units outstanding in the fund to reach the gross NAV per Unit.
- (c) The gross NAV per Unit will be adjusted for the following to arrive at the net offer NAV per Unit:
 - i. Addition of any Front-end Load, if any, but not exceeding five (5) percent of NAV;
 - ii. Addition of such amount as the Management Company may consider an appropriate provision for Duties and Charges;
- (d) The net offer NAV per Unit for each type of Unit will be adjusted upwards to the nearest Paisa to arrive at the Offer Price for each type of Unit.

8.2.3 Units shall be issued based on the Offer (Sale) Price that is fixed on the basis of the NAV determined on the Business Day prior to the receipt of the duly completed investment application Form along with the funds in favour of the trustee. The investment application form along with the funds should reach at the registered address or the Authorized Branch on or before the Cut-Off Time on any Business Day. Any Investment Request Form received after Cut-Off Time will be transferred to the next Business Day.

8.2.4 In the event payment has been accepted by cheque, the payment will be deemed to be completed on the date the cheque is received by the Management Company. However, the Management Company may impose such limits it deems fit as to the bank branch on which it is drawn and as to the monetary limits on cheques, which may vary for various class of Units and in the event a cheque is returned unpaid, the Management Company may instruct the Registrar to cancel the Units so allocated at the then prevailing redemption price but not exceeding the redemption price fixed on the day the Units were allocated. In the event the Management Company instructs the Registrar to cancel the Units, the investor may be prosecuted for recovery of the shortfall in the issue and redemption price and /or other punitive action for presenting a cheque that is returned unpaid.

8.2.5 In general, the payments from outside Pakistan will be deemed to be completed on the date the Trustee receives the payments from international investors in its account. However, the Management Company may announce a different policy for payments for different classes of units from outside Pakistan; which shall be disclosed in the Offering Document(s)

8.2.6 The Management Company may announce different plans under different administrative arrangements with differing levels of Front-end/Back end Load 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 Price may differ for Units issued under differing administrative arrangements and for different investors.

8.2.7 In the event that the provision for payment of Duties and Charges is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retroactive effect after the date of payment in which case such excess shall be recovered from the Fund Property).

8.2.8 In the event that the provision for payment of Duties and Charges exceeds the relevant amount of Duties and Charges the Registrar shall issue additional Units or fractions thereof to the Unit Holder based on the price applicable to the Units issued against the relevant application.

8.2.9 The Offer Price determined by the Management Company shall be made available to the public at the office and Authorized branches and at the discretion of the Management Company may also be published in at least two daily newspapers, one in English and one in Urdu, widely circulated in Pakistan and make it available at its website.

8.3. DETERMINATION OF REDEMPTION PRICE

8.3.1 The Redemption Price shall be calculated according to the following method.

- (a) The gross NAV of the Fund will be calculated based on the valuation methodology given in 8.1 above.
- (b) The gross NAV will be divided by the number of Units outstanding in the Fund to reach the gross NAV per Unit.
- (c) The gross NAV per Unit will be adjusted for the following to arrive at the net redemption NAV per Unit:
 - i. Deduction of any Back-end Load, if any, but not exceeding five (5) percent of NAV;

- ii. Deduction of any taxes imposed by the Government;
 - iii. Deduction of such amount as the Management Company may consider an appropriate provision for Duties and Charges; and
- (d) The net redemption NAV will be adjusted downwards to the nearest Paisa to arrive at the Redemption Price.

- 8.3.2 The Redemption Form that is received on or before the Cut-Off Time on any Business Day at the registered office or the Authorized Branch shall be redeemed based at the Redemption Price that is fixed on the basis of the NAV determined on the business day prior to the receipt of such Form.. Any Redemption Forms received after Cut-Off Time will be transferred to the next Business Day
- 8.3.3 The Management Company may announce different Units with differing levels of Front end /Back -end load which shall be disclosed in the Offering Document of the Fund. Consequently, the Redemption Price may differ for different types of Units issued and for different investors.
- 8.3.4 In the event that the amount deducted for payment of Duties and Charges pursuant to sub-Section 8.3.1(c)iii is insufficient to pay, in full, such Duties and Charges, the Management Company shall be liable for the payment, in full, of the amount of such Duties and Charges in excess of the provisions.
- 8.3.5 In the event that the amount deducted as provision for payment of Duties and Charges pursuant to sub-Section 8.3.1(c)iii exceeds the relevant amount of Duties and Charges, the Trustee shall refund such excess amount to the relevant Unit Holders with the next income distribution, or if instructed by the Management Company, at any time earlier.
- 8.3.6 The Redemption Prices determined by the Management Company shall be made available to the public at the office and branches of the Management Company and, at the discretion of the Management Company, may also be published in at least two daily news papers, one in English and one in Urdu, circulating in Pakistan and make it available at its website.

8.4 CIRCUMSTANCES UNDER WHICH PRICING METHODOLOGY CAN CHANGE

- 8.4.1 A permanent change in the method of dealing shall be made after expiry of one month's notice to unit holders and with the approval of trustee.
- 8.4.2 A temporary change shall only be made
- (a) in exceptional circumstances, having regard to the interests of unit holders;
 - (b) if the possibility of a change and the circumstances in which it can be made have been fully disclosed in the offering documents; and
 - (c) with the approval of the trustee.

8.4.3 Deferral of fresh issue, conversion or redemption of Units in Exceptional Circumstances:

The Management Company shall defer all the issue, conversion or redemption applications whose value exceeds 5% of the Net Assets of the Fund to the next Business Day if a volatility in the market value of investments (Valuation Gain/loss) over last business day exceeding 0.5% is observed. Volatility may be due to a change in discount rates or any other factor.

The objective of deferring the issue, conversion or redemption of Units would be to safeguard the existing investors from any possible arbitrage from one or more investors.

9. DEALING, SUSPENSION, AND DEFERRAL OF DEALING AND WINDING UP

- 9.1 The maximum interval of time between receipt of a Redemption Form and payment of redemption amount to the Unit Holder will not exceed six Business Days
- 9.2 **Suspension of fresh issue of Units:** The Management Company may at any time, subject to the Regulations, suspend issue of fresh Units. Such suspension may, however, not affect existing subscribers to invest in any plans that may be offered by the Management Company under different administrative arrangements or the issue of bonus Units as a result of dividend distribution. The Management Company shall announce the details of exemptions at the time a suspension of fresh issue is announced. The Management Company shall immediately notify the Commission if dealing in Units is suspended and shall also have the fact published, immediately following such decision, in the newspaper in which the Fund's prices are normally published.

- 9.3 Refusal to accept fresh issue/account opening request:** The Management Company or the Distribution Company may at any time refuse to accept a request for account opening/fresh issue of Units in any of the following cases:
- (a) In case the application for account opening/fresh issue request is contrary to the Know -Your-Customer rules or any other money laundering rules that the Fund may be subject to or that the Management Company may frame for self regulation.
 - (b) In case the request for account opening/fresh issue of Units is contrary to the rules of the foreign jurisdiction that the Fund or the investor may be subject to or if accepting the request may subject the Fund or the Management Company to additional regulation under the foreign jurisdiction.
 - (c) If accepting the request for account opening/fresh issue of Units would in any case be contrary to the interests of the Management Company, the Fund or the Unit Holders.
- 9.4 Deferral of request for fresh issue of Units:** The Management Company may at any time suspend or defer the issue of fresh Units if in its opinion the total number or any one request for fresh issue of Units is so large that investing the funds would take some time and be contrary to the interests of the present Unit Holders. In this case the Management Company may accept certain request for fresh issue of Units and may defer part or all of certain request for fresh issue of Units and issue only a limited number of fresh Units. The Units that are issued on a deferred basis, some time after the request for fresh issue of Units has been received, will be issued at the Offer Price prevailing on the date of such issue.
- 9.5 Circumstances of suspension of redemption:** The redemption of Units may be suspended or deferred during extraordinary circumstances, including war (declared or otherwise), natural disasters, a major break down in law and order, breakdown of the communication system, closure of the banking system, computer breakdown or strikes or other events that render the Management Company or the Distributors unable to function, or 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 a break down in the means of communication normally employed in determining the price of any Investment or when remittance of money can not be carried out in reasonable time and if the Management Company is of the view that it would be detrimental to the remaining Unit Holders to redeem Units at a price determined in accordance with the Net Asset Value. Such a measure shall be taken to protect the interest of the Unit Holders in the event of extraordinary circumstances or in the event redemption requests accumulate in excess of ten percent 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 Clause 9.8 and 9.9 below.
- 9.6** Such suspension or Queue System shall end on the day following the first Business Day on which the conditions giving rise to the suspension or Queue System shall, in the opinion of the Management Company, have ceased to exist and no other condition, under which suspension or queue system is authorized under the Deed, exists. In case of suspension and invoking of a Queue System and end of suspension and Queue System, the Management Company shall immediately notify the Commission and publish the same in at least two daily news papers in which the Fund's prices are normally published.
- 9.7 Queue System:** In the event redemption requests on any day exceed 10% of the Units in issue, the Management Company may invoke a Queue System whereby requests for redemption shall be processed on a first come first served basis for up to 10% of the Units in issue. The Management Company shall proceed to sell adequate assets of the Fund and/ or arrange borrowing, as may be permissible under the Regulations 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 10% shall be treated as redemption requests qualifying for being processed on the next Business Day at the price to be determined for such redemption requests. However, if the carried over requests and the fresh requests received on the next business day still exceed 10% of the Units in issue, these shall once again be treated on first-come -first-served basis and the process for generating liquidity and determining the Redemption Price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten percent (10%) of the Units then in issue.
- 9.8 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 under intimation to the Commission and the Trustee. 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 Price. However, interim distributions of the proceeds may be made if the Management Company finds it feasible.

- 9.9 The Commission may cancel the registration of the Scheme before the investment of the core units and direct the Management Company and/or the Trustee to wind-up the Scheme. In such case, the terms so specified by the Commission shall be adhered to by both the parties individually and collectively.

10. FEES AND CHARGES

10.1. MANAGEMENT COMPANY REMUNERATION

10.1.1 Regulation 70 of the Regulations (Non-Banking Finance Companies and Notified Entities Regulations 2007) allows the Management Company to charge a remuneration of an amount not exceeding three percent per annum of the average daily/weekly/monthly Net Assets during the first five years of the scheme and two percent per annum of the average daily/weekly/monthly Net Assets thereafter. The Regulations also allow Management Company to charge a performance based management fee.

10.1.2 The Management Company shall however, charge a performance fee at the rate of 10% of the gross earnings, calculated on a daily basis not exceeding the maximum rate of remuneration permitted under the Rules & Regulations. This fee is subject to a minimum of 0.25% of the average daily Net Assets of the Fund, subject to the guidelines as may be issued by the Commission from time to time.

Gross earnings of the Fund would be calculated by adding up the following.

- 1) Realized and unrealized gains on Treasury Bills and other government securities including amortization of discounts (excluding amortization of premiums) on these securities
- 2) Income from Reverse repo transactions
- 3) Income from bank deposits
- 4) Any other income earned by the fund

While calculating Gross earnings of the fund, no deduction would be made whatsoever on account of management fee, tax, formation cost or any other expense chargeable to the fund

The performance fee charged by the Management Company would cover the following expenses on behalf of the Fund.

- (a) Annual Fee payable to the Commission.
- (b) Trustee remuneration at the rate specified in Annexure "A"
- (c) Bank charges, foreign currency conversion, commission & buy -sell spreads and borrowing/financial costs
- (f) Audit Fees
- (e) Custody charges
- (f) Fees and deposits for registration with a depository organization such as the Central Depository Company of Pakistan.
- (g) Listing fees of the exchange, associate membership fee in the stock exchanges, etc.
- (h) Rating fee of collective investment scheme payable to approved rating agency;
- (i) any printing costs and related expenses for issuing the collective investment scheme's quarterly, half-yearly and annual reports, etc.

10.1.3 The remuneration shall begin to accrue from the date of payment in full on all core Units subscribed by the core investors. 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.

10.1.4 The remuneration due to the Management Company shall be calculated and accrued on a daily basis but paid monthly.

10.1.5 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 Fund. 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 Offering Document or the Trust Deed to be payable out of Fund Property.

- 10.1.6 The Management Company shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of this Offering Document or the Trust Deed

10.2. TRUSTEE REMUNERATION

- 10.2.1 The Trustee shall be entitled to a remuneration based on tariff annexed to this Deed as Annexure A. The remuneration shall begin to accrue from the date of payment in full in respect of the subscription of the Core Units. The Trustee's remuneration shall be paid to the Trustee in arrears within thirty days after the end of each calendar month.

- 10.2.2 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 Trust. The Trustee shall not make any charge against the Unit Holders or against the Fund Property or against the Distribution Account for their services or for their expenses, except such expenses as are expressly authorized to be paid out of the Fund Property under the provisions of the Regulations, this Deed and the Offering Document.

- 10.2.3 The Trustee shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of this Deed and the Offering Document.

10.3. FORMATION COST

- 10.3.1 Formation Cost that will not exceed 1.0% of the core investment in the Fund or Rs. 5,000,000/-, whichever is lower and shall be borne by the Management Company and reimbursable by the Fund to the Management Company, subject to audit of expenses, over a period not less than five years

10.4. ALLOCATION OF BACK-END LOAD

- 10.4.1 There is no Front end Load on the Units issued, however Back end Load may be charged from Class A and B Units to the extent of maximum 0.1% of the Investment value in the cases where the redemption has been made within three days of investment (details are in Clause 19). Back end Load charged from the customer would only be used to cover transaction cost of the Fund.
- 10.4.2 Units issued to an existing account holder through conversion from another scheme run by the Management Company shall be issued at a price based on the Net Asset Value. In addition conversion from PCF would also be allowed to another scheme run by the management company. However If conversion from PCF is made within 30 days of the investment/conversion from another scheme then a back-end load shall be charged @ 0.1% of investment/conversion value
- 10.4.3 Transfer of Units from one owner to another shall be subject to a processing charge of an amount not exceeding one percent of the Net Asset Value at the date the request is lodged ,which shall be recovered from the transferee. However, the processing charge shall not be payable by successors in the case of inheritance or distribution of the estate of a deceased Unit Holder.

10.5. PAYMENT OF UNITS IN FOREIGN CURRENCY

- 10.5.1 The Management Company shall appoint one or more scheduled bank(s) as the Authorized Dealer(s) to manage Offer and Redemption of Units from outside Pakistan in foreign currency under the provisions of the Foreign Exchange Regulations
- 10.5.2 Payments made in foreign currency to purchase Units shall be converted into Pakistani Rupees through the Authorized Dealer using his quoted rates and any conversion cost shall be deducted from the payment before Units are issued.
- 10.5.3 At the option of the Management Company, payments made in foreign currency for Units purchased may directly be made part of Fund Property without conversion into Pakistani Rupees, after deduction of the relevant Duties and Charges, Transaction Costs and Front-end Load. The Units issued will be denominated in Pakistani Rupees using the conversion rates quoted by the Authorized Dealer at the issue date of the Units (buying rate for the relevant currency).

- 10.5.4 Payments to be made in foreign currency on redemption of Units shall be converted from Pakistani Rupees through the Authorized Dealer using his quoted rates (selling rate for the relevant currency) and any conversion cost shall be deducted from the payment to be made.
- 10.5.5 At the option of the Management Company, payments to be made in foreign currency for Unit redemption may directly be paid from foreign currency dominated bank account that are part of Fund Property after deduction of the relevant duties, charges, Transaction Costs and Back-end Load. As the Units redeemed will be denominated in Pakistani Rupees the conversion rate will be the rates quoted by the Authorized Dealer at the redemption date of the Units (selling rate for the relevant currency).

10.6. OTHER FEES AND CHARGES OF THE FUND

Other fees and charges shall include:

- (a) Brokerage and Transaction Costs related to investing and disinvesting of the Fund Property
- (b) Taxes applicable to the Trust on its income, turnover, assets or otherwise
- (c) Legal and related costs incurred in protecting or enhancing the interests of the Fund or the collective interest of the Unit Holders
- (d) Charges relating to the transactions of the Fund.

11. TRANSACTION WITH CONNECTED PERSONS AND BORROWINGS

11.1. TRANSACTIONS WITH CONNECTED PERSONS

- 11.1.1 All cash forming part of the Fund Property shall be deposited by the Trustee, as approved by the Management Company in a separate account to be opened in the name of the Trustee, as a nominee of the Fund, with a bank having minimum rating of 'AA' as per the criteria laid down by a credit rating agency approved by the Commission
- 11.1.2 Neither the Trustee or the Custodian (if Trustee has appointed another person as Custodian) nor the Management Company or any of their Connected Persons shall sell or purchase or deal in the sale of any Investment or enter into any other transaction with the Trust save in the capacity of an intermediary.
- 11.1.3 Subject to the Regulations, any transaction between the Trust and the Management Company or any of their respective Connected Persons as principal shall only be made with the prior written consent of the Trustee.
- 11.1.4 Direct transactions, other than those carried out through the Stock Exchange, with another collective investment scheme, managed by the Management Company shall be notified to SECP within two days of such transactions and shall be disclosed in the annual and quarterly accounts of the Fund.
- 11.1.5 Charges payable on any borrowing made by the Trustee for the account of the Trust to a scheduled commercial Bank or Financial Institution shall not be higher than the normal bank charges.
- 11.1.6 All transactions carried out by an asset management company on behalf of the collective investment scheme shall be made as provided in the constitutive documents, and shall be disclosed in the collective investment scheme's annual report

12. DISTRIBUTIONS FROM THE FUND

12.1. DISTRIBUTION POLICY AND DATE

- 12.1.1 The Fund on a monthly basis (except June, as disclosed in Clause 19.4.10) shall distribute cash dividend, bonus, partially cash/bonus or in any other form acceptable to the Commission (such as bonus units) that may qualify under the tax laws. Net income (after deducting all the expenses of the fund) earned upto 25th of each month may be distributed by the management company. By distributing on a monthly basis it would be ensured 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. The Fund will comply with regulatory and taxation requirements and the distribution policy may be

amended accordingly, after intimation to Trustee and SECP. For determining the dividend entitlements, 25th of each month (except June) shall be treated as a Cut-Off Date for receiving investment, redemption and conversion forms, however if in any given month 25th is not a business day, the last business day prior to 25th would be treated as a Cut-Off date for that month. All investment/redemption/conversion forms received on or before the Cut-Off Time on the cutoff date in a manner specified in this trust deed shall be entitled for dividend distribution for that month. Register of unit holders may be closed for a period from 26th to 28th of each month (except June as specified in Clause 19.4.10), 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 reduce the period for Book Closure 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.

- 12.1.2 The Management Company shall decide as soon as possible, but not later than 45 days after the Accounting Date whether to distribute among Unit Holders, profits, if any (after taking into account the distribution made on a monthly basis during the accounting period), available for the distribution at the end of the Accounting Period to comply with the requirement of the Regulations, the tax laws and other regulations in force relating to income distribution and shall advise the Trustee of the rate of such distribution per Unit.
- 12.1.3 The amount available for distribution in respect of any Accounting Period shall be determined by the Management Company after consulting the Auditors and shall be the sum total of:
- (a) The total income earned on the Fund Property during such Accounting Period, including all amounts received in respect of, mark -up, profit and fee;
 - (b) Whole or part of the realized and unrealized appreciation, at the option of the Management Company; and
 - (c) From the above amounts shall be deducted expenses and such other adjustment as the Management Company may determine in consultation with the Auditors.
- 12.1.4 The Management Company may also distribute an amount, through cash dividend, bonus, partially cash/bonus or in any other form acceptable to the Commission, for an interim period that is not a full month/ Accounting Period.

12.2. DISTRIBUTION OF INCOME

- 12.2.1 After the fixing of the rate of bonus distribution per Unit, in case of distribution in the form of Bonus Units, the Management Company will inform the Trustee who shall cause to have additional Units issued in the name of the Unit Holders as per the bonus ratio. The Bonus Units shall rank pari passu as to their rights in Net Assets, earning and the receipts of the dividends and distributions, with the existing Units of the Fund from the date of issue of these Units.
- 12.2.2 On each Accounting Date or interim distribution date the Management Company shall, in case of cash distribution, instruct the Trustee to transfer to the Distribution Account such amount of cash as required to effect the cash distribution of income to the Unit Holders net of re-investment of dividend as provided by Clause 12.2.5 below. The amount standing to the credit of the Distribution Account shall not be treated as part of the Fund Property but shall be held by the Trustee upon trust to distribute to Unit Holders as herein provided. Management Company may decide not to open a separate distribution account for each dividend distribution
- 12.2.3 After the fixing of the rate of cash distribution per Unit, cash 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. The receipt of funds by such designated bankers shall be a good discharge thereof.
- 12.2.4 Before making any payment in respect of a Unit, the Trustee or the Management Company may make such deductions as may be required by law in respect of any Zakat, income or other taxes, charges or assessments, whatsoever, and issue to the Unit Holder the certificate in respect of such deduction in the prescribed form, in a form approved by the concerned authorities.
- 12.2.5 Certain Unit Holders may authorize the Trustee to re-invest any cash distributions from the Fund into additional Units of the Fund. The Trustee, in such cases will not pay cash distribution but will issue such Units and pay for such Units out of the relevant cash distribution net of any deductions as may be required by law in respect of any Zakat,

income or other taxes, charges or assessments. Issue of the account statement by the Registrar showing an increase in Units shall be a good discharge of the obligation to pay dividends. In such cases, the additional Units will be issued at Net Asset Value less any duties and charges and will not attract any front-end fees or transaction charges. Deductions in respect of any Zakat, income or other taxes, charges or assessments shall be paid as cash to the relevant Government agencies and the Unit Holder will be issued a certificate in respect of such deduction in the prescribed form or in a form approved by the concerned authorities.

- 12.2.6 Where the Units are placed under pledge, the payment of dividends or the issue of Bonus Units for Units under pledge shall be made to the pledge holder for the account of the Unit Holder.

12.3. DISTRIBUTION OF LIQUIDATION PROCEEDS

- 12.3.1 Upon the Trust being terminated, the Management Company shall suspend the sale and redemption of Units forthwith and proceed to sell all Investments then remaining in the hands of the Trustee as part of the Fund Property and shall repay any borrowing effected by the Trust together with any mark-up remaining unpaid.
- 12.3.2 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 sub- Section 12.3.1 above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands.
- 12.3.3 In case the Trust is terminated by the Commission on the grounds given in the Regulations, the Commission may appoint a liquidator in consultation with the Trustee.

13. ANNUAL ACCOUNTING PERIOD AND DATE

- 13.1 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.
- 13.2 Accounting Date means the date 30th June in each year and any interim dates at which the financial statements of the Fund are drawn up. Provided, however, that the Management Company may, with the consent of the Trustee and after obtaining approval of the Commission and the Commissioner of Income Tax, change such date to any other date.

14. AUDIT

- 14.1 The first Auditors of the Trust shall be KPMG Taiser Hadi & Co. Thereafter, the Management Company shall, in consultation with the Trustee, appoint as auditor a firm of chartered accountants who shall be independent of the auditor of the Management Company and the Trustee. The Management Company may at any time, with the concurrence of the Trustee, and shall, if directed by the Commission, remove the Auditors and appoint other Auditors in their place.
- 14.2 The Auditors shall hold office until transmission of the annual report and accounts but may be re-appointed for up to three consecutive terms of one year each. Thereafter, the Auditors shall only be eligible for appointment after the lapse of at least one year. The following persons shall not qualify to be the Auditors of the Trust:
- (a) A person who is or, at any time during the preceding three years, was a director, officer or employee of the Management Company or the Trustee.
 - (b) A person who is a partner of, or in employment of, a director, officer, employee or Connected Person of the Management Company or Trustee.
 - (c) The spouse of a director of the Management Company or Trustee.
 - (d) A person who is indebted to the Management Company or Trustee, and
 - (e) A body corporate.
- 14.3 Appointment of a partnership firm to be the Auditors shall be deemed to be the appointment of all persons who are partners in the firm, for the time being.
- 14.4 The Auditors shall have access to the books, papers, accounts, vouchers and other records of

the Trust, whether kept at the office of the Management Company, Trustee, Custodian, Registrar or elsewhere and shall be entitled to require from the Management Company, the Trustee and their directors, officers and agents, such information and explanations as considered necessary for the performance of audit.

- 14.5 The Trustee shall be entitled to require the Auditors to provide such further reports as may be agreed between the Trustee and the Management Company and considered necessary to facilitate the Trustee in issuing the certification required under the Regulations.
- 14.6 The Auditors shall prepare a written report to the Unit Holders on the accounts and books of accounts of the Trust and the balance sheet and income and expenditure account and on every other document forming part of the balance sheet and income and expenditure account, including notes, statements or schedules appended thereto.
- 14.7 The contents of the Auditors report shall be as required in the Regulations.

15. BASE CURRENCY

The currency of transaction of the Fund is the Pakistan Rupee and the Management Company, Trustee or any Distributor are not obliged to transact the issuance or redemption of the Units in any other currency and shall not be held liable, save as may be specifically undertaken by the Management Company under this Deed, for receipt or payment in any other currency or for any obligations arising therefrom.

16. MODIFICATION OF CONSTITUTIVE DOCUMENTS

- 16.1 The Trustee and the Management Company, acting together, shall be entitled, by deed supplemental hereto, to modify, alter or add to the provisions of this Deed in such manner and to such extent as they may consider expedient for any purpose, subject only to the approval of the Commission, if so required. Provided that, the Trustee and the Management Company shall certify, in writing, that in their opinion, such modification, alteration or addition is required pursuant to any amendment in the Rules and/or the Regulations or to ensure compliance with any fiscal or statutory requirement or to enable the provisions of this Deed to be more efficiently, conveniently or economically managed or to enable the Units to be listed on a Stock Exchange or otherwise for the benefit of the Unit Holders and that it does not prejudice the interests of the Unit Holders or any of them or operate to release the Trustee or the Management Company from any responsibility to the Unit Holders.
- 16.2 Where this Deed has been altered or supplemented, the Management Company shall notify the Unit Holders immediately.
- 16.3 If the Commission modifies the Rules and/or the Regulations, these shall deemed to have been included in this Trust Deed without requiring any modification as such.

17. TERMINATION OF SCHEME

17.1. TERMINATION AND LIQUIDATION OF TRUST

- 17.1.1 The Management Company may terminate the Fund if the Net Assets, at any time, fall below Rupees fifty million. The Management Company shall give at least three months notice to Unit Holders and shall disclose the grounds of its decision. The Management Company may announce winding up of the Fund without notice to the unit holders but under intimation to trustee and SECP in the event redemption requests build up to a level where the Management Company is of the view that the disposal of the Fund property to meet such redemption would jeopardize the interests of the remaining Unit Holders and that it would be in the best interest of all the Unit Holders that the Fund be wound up.
- 17.1.2 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 without notice.
- 17.1.3 If the Commission considers that further continuation of the registration of the Scheme will not be in the interest of the Unit Holders, the Commission may give three months notice to the Trustee, the Management Company and the Unit Holders about the Commission's intention to

cancel the registration of the Scheme. Provided that the registration shall not be cancelled without providing an opportunity of being heard to the Management Company or to the Unit Holders upon representation filed before the Commission by three-fourth (3/4th) of the total number of Unit Holders of the Scheme, as the case may be. In case of cancellation of registration for such reason, the Management Company shall be required to wind-up the Scheme and refund the net proceeds to the Unit Holders in such manner and within such time as may be specified by the Commission.

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

17.1.5 The Commission may cancel the registration of the Scheme before the investment of the core units and direct the Management Company and/or the Trustee to wind-up the Scheme. In such case, the terms so specified by the Commission shall be adhered to by both the parties individually and collectively.

17.1.6 In the event of termination of the Scheme, other than due to reasons mentioned in Clauses 17.1.1, 17.1.2, and 17.1.4 above, the Management Company shall notify the Unit Holders by issuing a public notice in at least two newspapers, one in English and one in Urdu, each having wide circulation in Pakistan.

18. TRUST ARRANGEMENTS

18.1. PRIMARY FUNCTIONS:

18.1.1 **Fund Management** – The Management Company has the responsibility to take all investment decisions within the framework of the Rules, the Regulations, this Trust Deed establishing the Scheme and the Offering Documents issued for the Scheme.

18.1.2 **Control over Assets** - The Trustee has the responsibility for being the nominal owner for the safe custody of the assets of the Scheme on behalf of the beneficial owners (the Unit Holders), within the framework of the Rules, the Regulations, this Trust Deed and the Offering Documents issued for the Scheme.

18.1.3 **Investor Records** – The Management Company has the responsibility to maintain Unit Holders' records and for this purpose it may appoint a Registrar, who is responsible for maintaining Unit Holders' records and providing related services. The Registrar shall perform the Registrar Functions and all other related activities.

18.1.4 **Record Keeping** – The Management Company has the primary responsibility for all record keeping, and for producing financial reports from time to time (the Management Company may outsource this function but will remain primarily responsible for it and bear the cost consequent to outsourcing). However, the Trustee has the responsibility to ensure timely delivery to the Management Company of statements of account and transaction advices for banking and custodial accounts in the name and under the control of the Trustee. The Management Company shall provide the Trustee unhindered access to all records relating to the Scheme.

18.1.5 **Investor Services** - The Management Company has the responsibility to facilitate investment and disinvestment by investors and to make adequate arrangements for receiving and processing applications in this regard.

18.1.6 **Investment Promotion Officers** – The Management Company shall, at its own responsibility, from time to time, appoint Investment Promotion officers to assist it in promoting sales.

18.2. VOTING RIGHTS ON FUND PROPERTY

18.2.1 All rights of voting attached to any Fund Property shall be exercisable by the Management Company on behalf of the Trust 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.

18.2.2 The Trustee shall, upon written request by the Management Company, at the expense of the

Fund, from time to time, execute and deliver or cause to be executed and delivered to the Management Company or their nominees, powers of attorney or proxies authorizing such attorneys and proxies to vote, consent or otherwise act in respect of any Investment in such form and in favor of such persons as the Management Company may require in writing.

The word “vote” used in this sub-Section 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.

18.2.3 The Trustee shall forward to the Management Company in a timely manner all notices of meetings and all reports and circulars received by the Trustee as the registered holder of any Investment.

18.2.4 The Management Company shall keep a record of voting on special business for five years

19. UNITS

19.1. LEGAL STATUS

19.1 PCF is divided into Units having a Par Value of R s. 50. Two types of Units of the Fund are offered Type A and Type B.

Type A Units

Type A Units are meant for all types of investors and have the following characteristics

Minimum Investment: The Management Company may from time to time amend the minimum amount of initial investment that is required for opening an account with the Registrar. At the initial stage, the minimum amount of investment to open an account is Rs.5,000 and the minimum amount for adding to an existing account is Rs.5,000 per transaction.

Front End Load: None

Back End Load: Back end load not exceeding 0.1% of the investment value may be charged to cover transaction cost, if the redemption is made within 3 days. In addition, if conversion from PCF is made within 30 days of the investment/conversion from another scheme then a back-end load shall be charged @0.1% of Investment/conversion value.

Distribution Method: These Units will be entitled to get Bonus Units or Cash dividend as decided by Management company

Type B Units:

Type B Units are meant for only Institutional Investors and have the following characteristics

Minimum Investment: The Management Company may from time to time amend the minimum amount of initial investment that is required for opening an account with the Registrar. At the initial stage, the minimum amount of investment to open an account is Rs.10,000,000 and the minimum amount for adding to an existing account is Rs.5,000,000 per transaction.

Front End Load: None

Back End Load: Back end load not exceeding 0.1% of the investment value may be charged to cover transaction cost, if the redemption is made within 3 days. In addition, if conversion from PCF is made within 30 days of the investment/conversion from another scheme then a back-end load shall be charged @0.1% of Investment/conversion value.

Distribution Method: All normal distribution to Type B Units will be as cash dividend only, even if distribution for other types of Units is in the form of Bonus Units

19.1.2 The Units of the Fund rank pari passu with each other. For the convenience of investors, the Management Company may issue Units with different options as to the administrative arrangements. Units issued under the different administrative arrangements shall in addition to being governed by this Offering Document, be governed by the relevant Supplementary Offering Document.

- 19.1.3 Units shall be accounted for in fractions up to four decimal places , with the fifth decimal being rounded up if it has a value of five or higher
- 19.1.4 Statements shall be sent to the Unit holders at their designated addresses after the close of every year and each time any activity takes place in the account indicating Units held at the statement date and the movement since the previous statement . The Unit holders may obtain more frequent statements by paying a nominal fee representing the costs involved.
- 19.1.5 Unit Holders may obtain certificates representing the units they hold by paying a nominal fee that might be imposed by the Management Company representing the costs involved. However in such cases, requests for redemption, transfer or transmission of Units shall be processed only on the production of the certificates. In the event of loss or defacing of certificates, the process shall be carried out subject to appropriate safeguards to the satisfaction of the Registrar. Certificates shall not be issued under certain plans governed by Supplemental Offering Documents.
- 19.1.6 The Management Company may also at its discretion allow relaxation in the minimum investment amount or Back -end Load on Type A and Type B units. The Management Company reserves the right to alter the minimum amounts stated herein above at its discretion. In the event the investment in any investor's account falls below the minimum level as a result of revised limits, changes in valuation, redemption, conversion, transfer or transmission, the Management Company may instruct the Registrar to either change the account/units to another type or to close such account by redeeming the Units in such accounts at the close of any accounting period at the price applicable to redemptions on such date.
- 19.1.7 Notwithstanding anything stated above, there will be no Back -End Load on Units subscribed by the Core Investors.
- 19.1.8 Core Units shall be issued in compliance with the Regulation No.61(2)(e)(ii) and shall not be redeemable for a period of two years from the date of issue. A mention of such restriction and its termination date shall be entered into the Register and shall be noted on any Certificate issued in respect of such Units. For attaining the aims and objectives, the Management Company does hereby deliver, transfer and hand over to the Trustee this day, [MONTH/DAY], 2008, initially a sum of Rs. 100,000
- 19.1.9 The Offer Price shall be determined, from time to time, pursuant to Section 8.2 of this Deed.
- 19.1.10 The Management Company may list the Units of the Fund on Stock Exchanges in Pakistan and subject to compliance with legal requirements, in any foreign jurisdiction. The cost of achieving and maintaining such a listing will be borne by the Management Company from its remuneration. For this purpose the Management Company, with the approval of the Commission, may amend the Trust Deed or issue supplemental Trust Deeds or Offering Documents and the Unit Holders will be bound accordingly.
- 19.1.11 The Management Company may also register the Units of the Fund in foreign jurisdictions as available for purchase/sale in those jurisdictions and the cost of such registrations will be borne by the Management Company. For this purpose the Management Company, with the approval of the Commission, may amend the Trust Deed or issue supplemental Trust Deeds or Offering Documents and the Unit Holders will be bound accordingly.
- 19.1.12 By a deed supplemental to this Deed, the Management Company may at any time, with the approval of the Trustee, on giving not less than 21 days previous notice in writing to each Unit Holder, subdivide or consolidate the whole or any part of the Units and the Unit Holder shall be bound accordingly. The Management Company shall require in such notice that each Unit Holder to whom Certificates have been issued, (who shall be bound accordingly) deliver up his Certificates for endorsement or enfacement with the number of Units to be represented thereby as a result of such sub-division or consolidation; provided that any delay or failure to deliver up the Certificates shall not delay or otherwise affect any such sub-division or consolidation.

19.2. ISSUE OF UNITS AND LIMITATION OF LIABILITY

- 19.2.1 The Management Company shall be responsible for obtaining all requisite consents and approvals for the offer and issue of Units and for the issue, publication or circulation of the Offering Document.
- 19.2.2 Except as provided herein the Units shall be offered through the authorized offices or branches of the Distribution Companies on all Subscription Days.
- 19.2.3 Each Unit Holder shall only be liable to the extent of the issue price of the Units

subscribed by him and no further liability shall devolve on him in respect of any Units held by him. Units shall be issued only against receipt of full payment. No further liability shall devolve on a subsequent Unit Holder save any transfer fees or taxes applicable to transfers and transmission.

- 19.2.4 Application for issuance of Units shall be made by completing the prescribed application form and submitting it with the payment, in such form as is prescribed by the Management Company, in favour of the Trustee at the Authorized Branch or office of any Distribution Company. The Distribution Company shall verify the particulars given in the application for issue of Units and ensure that the signature of any Unit Holder or joint Unit Holder to any document required to be signed by him under or in connection with the application for issue of Units is verified by a banker or broker or other responsible person or otherwise authenticated to its or their reasonable satisfaction.

19.3. ISSUE OF UNITS OUTSIDE PAKISTAN

- 19.3.1 Subject to foreign exchange regulations and other applicable laws, rules and regulations, in the event of arrangements being made by the Management Company for the issuance 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 Offer Price as hereinbefore provided, a further amount sufficient to cover any exchange risk insurance, 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 Units or any additional costs relating to the delivery of certificates or the remittance of money to Pakistan.

19.4. REGISTER OF UNIT HOLDERS

- 19.4.1 The Registrar at such a place as is agreed by the Management Company shall maintain a Register. The Management Company shall ensure that the Registrar shall comply with all relevant provisions of this Deed and the Regulations.
- 19.4.2 The Register may be maintained in electronic form provided the Registrar and the Management Company have made sufficient provision for back-up of the Register.
- 19.4.3 The Management Company shall ensure that the Registrar shall at all reasonable times during business hours give the Trustee and its representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without charge except when the Register is closed in accordance with the provisions of this Deed, however neither the Trustee nor its representatives shall be entitled to remove the Register or to make any entries therein or alterations thereto..
- 19.4.4 The Registrar shall, within two working days of receiving a written request from any Unit Holder, post (or send by courier or through electronic means) to such Unit Holder details of such Unit Holder's account in the Register. Such service shall be provided free of charge to any Unit Holder requesting so once in any financial year. The Management Company may prescribe reasonable charges for servicing of any additional requests.
- 19.4.5 The Register shall contain the following information:
- (a) Full names, nationalities, residency status, Computerized National Identity Card (CNIC) number (in respect of Pakistan nationals)/National Identity Card for Overseas Pakistanis (NICOP) or Pakistan Origin Card number (in respect of overseas Pakistanis)/passport numbers or other identifying numbers (in respect of overseas Pakistanis and Foreign Nationals) and addresses of each Unit Holders and joint Unit Holders;
 - (b) The number of Units held and the distinctive numbers of Certificate, if any;
 - (c) The date on which the name of every Unit Holder was entered in respect of the Units standing in his name;
 - (d) The date on which any transfer is registered with distinctive numbers and Certificate numbers;
 - (e) Information about pledge on Units;
 - (f) Tax/Zakat status of the Unit Holders;
 - (g) Nominees;
 - (h) Information about loss of Certificates and issuance of duplicates;

- (i) Record of specimen signatures of the Unit Holders;
- (j) Such other information as the Management Company may require.

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

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

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

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

19.4.10 The Register may be closed in consultation with the Trustee for such period as the Management Company may, from time to time, determine and after giving at least seven days notice to Unit Holders (except for a monthly dividend as specified in clause 12.1.1), provided that it is not closed for more than forty-five days in any calendar year.

19.4.11 The Unit Holder shall be the only person to be recognized by the Trustee, the Management Company and the Registrar as having any right, title or interest in or to such Units and the Trustee, the Management Company and the Registrar may recognize the Unit Holder as the absolute owner thereof and shall not be bound by any notice to the contrary and shall not be bound to take notice of or to see to the execution of any trust, except where required by any court of competent jurisdiction. However, the Management Company may authorize the Registrar to record a pledge on any or all Certificates held by a Unit Holder in favor of a third party at the request of such Unit Holder or all the Joint Unit Holders, as the case may be.

19.4.12 The nominee(s), in case of nomination(s) and the executors or administrators or succession Unit Holder of deceased Unit Holder (not being one of several joint Unit Holders) and/or any other person directed by an appropriate court, shall be the only persons recognized by the Trustee and the Management Company as having title to the Units represented thereby.

19.4.13 Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Unit Holder or of the survivor of joint Unit Holders may, subject to conditions as hereinafter provided, upon producing such evidence as to his title as the Trustee shall think sufficient either be registered himself as Holder of such Unit upon giving the Trustee/Registrar such notice in writing of his desire or transfer such Unit to some other person. All the limitations, restrictions and provisions of this Deed relating to transfer shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer was a transfer executed by the Unit Holder. Provided however, the Registrar or the Trustee may, at their discretion, request the survivors to provide succession certificates or such other mandate from a court or lawful authority as they consider necessary.

19.4.14 The Trustee shall retain any moneys payable in respect of any Unit of which any person is, under the provisions as to the transmission of Unit hereinbefore contained, entitled to be registered as the Unit Holder or which any person under those provisions is entitled to transfer, until such person shall be registered as the Holder of such Unit or shall duly transfer the same.

19.5. ISSUANCE OF CERTIFICATES

19.5.1 Upon being satisfied that the Initial Offer Price for each Unit has been received in full from the successful applicant, the Registrar shall issue an account statement that will constitute evidence of the number of Units registered in the name of the Unit Holder.

- 19.5.2 Certificates shall 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 to be set by the Management Company from time to time. The proceeds of such fee will accrue to the Management Company.
- 19.5.3 Account statements or Certificates, as the case may be, shall only be issued against full payment of the subscription money.
- 19.5.4 Certificates shall be issued as herein provided not later than 21 (twenty one) Business Days after the date of request. The Certificate may be sent to the Unit Holder or his duly authorized nominee at his own risk by registered post or by courier service.
- 19.5.5 In the case of Units held jointly, the Registrar shall not issue more than one Certificate for the Certificates held by such joint Unit Holders and delivery of such Certificate to the Unit Holder named first therein shall constitute sufficient delivery to all joint Unit Holders.
- 19.5.6 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 distinctive serial number and shall specify the number of Units represented thereby and the name and address of the Unit Holder as appearing in the Register.
- 19.5.7 Certificates may be engraved or lithographed or printed as the Management Company may determine from time to time with the approval of the Trustee and shall be signed on behalf of the Trustee by a duly authorized officer of the Trustee and on behalf of the Management Company by a duly authorized officer of the Management Company. Every such signature shall be autographic unless there shall be for the time being in force an arrangement authorized by the Trustee adopting some lithographic or other mechanical method of signature in which event all or any of such signatures may be effected by the method so adopted. The Certificates shall also bear the signature of the authorized representative of the Registrar, which shall always be autographic. No Certificate shall be of any force or effect until signed as hereinabove mentioned. Certificates so signed shall be valid and binding notwithstanding that before the date of delivery thereof the Trustee or the Management Company or the Registrar or any person whose signature appears thereon as a duly authorized signatory may have ceased to be the Trustee, Management Company, Registrar or an authorized signatory.
- 19.5.8 Where the Units are in form of book entry securities registered with the Central Depository Register of the Central Depository Company of Pakistan Limited, the issue of certification or receipt in lieu of physical Certificate or any other record shall be in accordance with the procedures laid down by the Central Depository Company of Pakistan Limited Regulations.

19.6. REPLACEMENT OF CERTIFICATES

- 19.6.1 Subject to the provisions of this Deed and in particular to the limitations of the denominations of Certificates as may be fixed by the Management Company and subject to any regulations from time to time made by the Trustee, with the approval of the Management Company, every Unit Holder shall be entitled to exchange upon surrender of any or all of his existing Certificates for one or more Certificates of such denominations as he may require representing the same aggregate number of Units.
- 19.6.2 In case any Certificate shall be lost, stolen, mutilated, defaced or destroyed, the Registrar, with the approval of the Management Company, may issue to the person entitled a new Certificate in lieu thereof. No such new Certificate shall be issued unless the applicant shall previously have (i) returned the mutilated or defaced Certificate or furnished to the Trustee /Registrar evidence satisfactory to the Management Company of the loss, theft or destruction of the original Certificate, (ii) paid all expenses incurred in connection with the investigation of the facts; and (iii) furnished such indemnity as the Management Company and the Trustee may require. Neither the Management Company nor the Trustee nor the Registrar shall incur any liability for any action that they may take in good faith under the provisions of this sub- Clause. Provided further that the Trustee and/or the Management Company may also require production of an FIR and an affidavit of loss as well as issuance of public notices in newspapers and/or provision of such indemnification as the Management Company and the Trustee may deem appropriate, at the cost of the pertinent Unit Holder, before issuing any new certificates.

19.6.3 Before the issuing of any Certificate under the provisions of this sub-Section, the Registrar may require from the applicant for the Certificate the payment to it of a fee to be set by the Management Company, from time to time, together with a sum sufficient in the opinion of the Management Company to cover any Duties and Charges, if any, payable in connection with the issue of such Certificate.

19.7. TRANSFER OF UNITS

19.7.1 Every Unit Holder shall be entitled to transfer the Units held by him by an instrument in such form as the Management Company may prescribe, from time to time, with the approval of the Trustee.

19.7.2 A Unit shall be transferable only in its entirety.

19.7.3 Both the transferor and the transferee must sign every instrument of transfer and the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof.

19.7.4 Every instrument of transfer must be duly completed in all respects including affixation of transfer stamps of the requisite value. Where Certificates have been issued the Trustee may dispense with the production of any Certificate where the Certificate has been lost, stolen or destroyed, subject to compliance by the transferor with like requirements to those arising in the case of an application by him for the replacement thereof as provided in this Deed.

19.7.5 The Registrar shall retain all instruments of transfer.

19.7.6 The Registrar, with the prior approval of the Management Company and the Trustee, shall be entitled to destroy all instruments of transfer or the copies thereof, as the case may be, which have been registered, at any time after the expiration of twelve years from the date of registration thereof and all Certificates which have been cancelled at any time after the expiration of six years from the date of cancellation thereof and all registers, statements and other records and documents relating to the Trust at any time after the expiration of six years from termination of the Trust. The Trustee or the Management Company or the Registrar shall be under no liability, whatsoever, in consequence thereof and it shall conclusively be presumed in favor of the Trustee or the Management Company or the Registrar that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered by the Trustee or the Management Company or the Registrar and that every Certificate so destroyed was a valid Certificate duly and properly cancelled, provided always that

- (i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant;
- (ii) nothing in this Sub-Clause shall be construed as imposing upon the Trustee or the Management Company or the Registrar any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of proviso (i) above are not fulfilled; and
- (iii) reference herein to the destruction of any document includes reference to the disposal thereof in any manner.

19.8. PLEDGE OF UNITS

19.8.1 Any Unit Holder or all joint Unit Holders may request the Registrar to record a pledge 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 pledge on any Units in favor of any third party with the specific authority of the Management Company.

19.8.2 The pledge, once registered, shall be removed by the authority of the party in whose favor the pledge 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. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company nor the Registrar take any responsibility in this matter.

19.8.3 Payments of dividends or the issue of bonus Units for Units under pledge shall be made to the pledge holder for the account of the Unit Holder.

19.9. REDEMPTION OF UNITS

- 19.9.1 Unit Holders may redeem any Units held by them at any time using the redemption form. Certificates, if issued, must be submitted with the redemption form with an endorsement at the back of the Certificate. Partial redemption of Units covered by a single Certificate is not permitted. However, Holders may apply for a splitting of the Certificate before applying for redemption. Unless the Joint Holders of Units have specified otherwise, all the Joint Holders shall sign the redemption form of such Units.
- 19.9.2 All forms can be obtained from the Management Company or any Distributor or Facilitator of the Management Company or downloaded from the Management Company website or requested from the Management Company by mail.
- 19.9.3 The redemption form can be lodged with any Authorized Branch of the Management Company. No other person is authorized to accept the form. The applicant must obtain a copy of the form signed and stamped by an authorized officer of the Distributor/Management Company acknowledging the receipt of the form and the Certificates, if any.
- 19.9.4 The Redemption Form that is received on or before the Cut-Off Time on any Business Day at the registered office or the Authorized Branch shall be redeemed based on the repurchase price that is fixed on the basis of the NAV determined on the Business Day prior to the receipt of such Form. Any redemption forms received after the Cut-Off Time will be transferred to the next Business Day.
- 19.9.5 The Management Company will make arrangements, from time to time, for receiving Redemption Forms from outside Pakistan and payment of redemption amounts outside Pakistan and will disclose these arrangements through its website and its Distributors and agents outside Pakistan.
- 19.9.6 The maximum interval of time between receipt of a Redemption Form and payment of redemption amount to the Unit Holder will not exceed six Business Days. However, the Management Company would endeavor that redemption requests of all investors received in accordance with Clause 19.9.4 and which exceeds the monetary limit for same day clearing as imposed by the State Bank of Pakistan are paid on the next business day to their designated bankers, if any in the city where the Management Company maintains its registered office.
- 19.9.7 The payment of the redemption value shall be made by virtue of a transfer to the Unit Holder's (the first named joint holder if jointly held) designated banker. In case of overseas account holders the maximum interval of time between receipt of a Redemption Form and payment of redemption amount to the Authorized Dealer for conversion and transmission to the Unit Holder will not exceed six Business Days, however, the actual receipt of the redemption amount by the Unit Holder may be delayed due to time taken for conversion and transmittal of the amount. The Management Company may also specify some other procedure, rather than direct transfer to a bank account, for payment of redemption amount to overseas Unit Holders, which shall be disclosed in the Offering Document.
- 19.9.8 In redeeming Units of the Fund, no money shall be paid to any person except the Unit Holder or his or her duly authorized representative.
- 19.9.9 After an existing Unit Holder has redeemed all his Units and collected all his dues, he shall have no further claims against the Fund, except as committed in Clause 8.3.5 herein above.
- 19.9.10 The procedure hereinabove is designed for paper-based transactions. The Management Company may at a later date introduce electronic/ Internet based options for the transactions. The Management Company may also offer Automated Teller Machines (ATMs) based redemptions through which a Unit Holder may also redeem Units of the Fund to such extent as the Management Company may arrange from time to time through Automated Teller Machines (ATMs) supported by one or more banks. Such arrangements shall be announced by the Management Company at such terms and conditions as it may deem fit. Such facility shall be available subject to the Unit Holder signing a special form and agreement prescribed by the Management Company.
- 19.9.11 The Management Company may frame additional rules and regulations regarding redemption of de-materialized Units registered with a depository organization.

20. MISCELLANEOUS

20.1. DEPOSITORY ARRANGEMENTS

The Certificates, if eligible and deposited with a depository whether locally or abroad, shall be subject to the terms and conditions prescribed by the depository and any inconsistent terms and conditions applicable to the certificates herein, shall not apply.

20.2. ARBITRATION

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

20.3. CONFIDENTIALITY

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

20.4. OTHER

- 20.4.1 Any notice required to be served upon a Unit Holder shall be deemed to have been duly given if sent by post or courier service to or left at his address as appearing in the Register. Any notice so served by post or courier shall be deemed to have been served on the third day following that on which the letter containing the same is posted or delivered to the courier and in proving such service, it shall be sufficient to prove that such letter was properly addressed, stamped and posted or delivered to the courier.
- 20.4.2 The Trustee or the Management Company shall advertise any such notice in two leading daily newspapers in Pakistan having wide circulation in Pakistan.
- 20.4.3 Service of a notice or document on any one of several joint Unit Holders shall be deemed effective service on the other joint Unit Holders.
- 20.4.4 Any notice or document sent by post or courier service to or left at the registered address of a Unit Holder shall, notwithstanding that such Unit Holder be then dead or bankrupt and whether or not the Trustee or the Management Company have notice of his death or bankruptcy, be deemed to have been duly served and such service shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under him) in the Units concerned.
- 20.4.5 A copy of this Deed and of any such supplemental deed shall be made available for inspection at the respective Head Offices of the Trustee and of the Management Company at all times during usual business hours and shall be supplied by the Management Company to any person on application at a charge to be determined, from time to time, by the Management Company.

21. DEFINITIONS

Unless the context requires otherwise, the following words or expressions shall have the meaning respectively assigned to them, viz.:

- 21.1.1 "Accounting Date" means the date, 30th June, in each year and any interim dates at which the financial statements of the Fund are drawn up. Provided, however, that the

Management Company may, with the consent of the Trustee and after obtaining approval of the Commission and the Commissioner of Income Tax, change such date to any other date.

- 21.1.2 “Accounting Period”, “Accounting Year” 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.
- 21.1.3 “Auditors” means such audit firms that are appointed as the auditors of the Scheme;
- 21.1.4 “Authorized Branch” means branches of the Management Company which are authorized from time to time to perform Distribution Functions;
- 21.1.5 “Authorized Dealer” means a Schedule 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.
- 21.1.6 “Authorized Investment” means investments transacted, issued, traded or listed in Pakistan defined in Clause 7.3.2 of this Deed.
- 21.1.7 “Back-end Load” means a processing charge or sales costs, deducted by the Management Company from the Net Asset Value in determining the Redemption Price;
- 21.1.8 “Bank” means a banking company licensed under the Banking Companies Ordinance, 1962 or any other regulation for the time being in force or an institution providing banking services under the banking laws of Pakistan, , or if operating outside Pakistan, under the banking laws of the jurisdiction of its operation outside Pakistan.
- 21.1.9 “Bank Accounts” mean those accounts the beneficial ownership of which rests in the Unit Holders and for which Habib Metropolitan Bank has been appointed the Trustee;
- 21.1.10 “Book Closure” means a period where the unit holder register is closed and no transfer, issue, redemption, conversion of unit is allowed in that period.
- 21.1.11 “Bonus Units” means the units issued, on distribution of the distributable income, in the form of stock dividend.
- 21.1.12 “Business Day” means any day of the week, but does not include any day which is gazetted Government of Pakistan holiday or on which Banks are closed for business in Pakistan
- 21.1.13 “Certificate” means the definitive certificate acknowledging the number of Units registered in the name of the Holder issued at the request of the Holder pursuant to the provisions of the Trust Deed.
- 21.1.14 “Commission” means the Securities and Exchange Commission of Pakistan (SECP) set up under Securities and Exchange Commission of Pakistan Act, 1997.
- 21.1.15 “Connected Person” shall have the same meaning as in the Regulations.
- 21.1.16 “Connected Broker” means a broker that is a Connected Person.
- 21.1.17 “Constitutive Documents” means this Trust Deed, Offering Document(s) and other principal documents governing the formation, management or operation of the Fund including all related material agreements.
- 21.1.18 “Core Investors” of the Fund shall be such initial investors, including the Management Company whose subscription shall in aggregate be in compliance of the requirements of Rule 61(2)(e)(ii) of the Regulations. The Core Investors shall be issued Core Units representing their subscription. Details of the Core Investors shall be included in the Offering Document that shall be issued for this Trust.
- 21.1.19 “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 issue. Such Units are transferable with this condition and shall rank pari passu with all other Units save for this restriction. Any transfer of these Core Units, during the first two

years of their issue, shall be effected only on the receipt, by the Registrar, of a written acceptance of this condition by the transferee.

- 21.1.20 “Custodian” means Habib Metropolitan Bank or any other bank licensed under the Banking Companies Ordinance, 1962 (LVII of 1962) or a depository company for the time being 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; the Trustee may also, itself, provide custodial services for the Fund, with the approval of the Management Company, at competitive terms, as part of the normal line of its business; provided it has been approved by the Commission to act as custodian.
- 21.1.21 “Cut-Off Time” means (10:00 am) on any Business Day as may be determined by the Management Company and communicated to the Trustee and Unit holders before which unit transactions shall be effectuated.
- 21.1.22 “Cut-Off Date” means a date for determining the dividend entitlements. 25th of each month (except June) shall be treated as a Cut-Off Date for receiving investment, redemption and conversion forms, however if in any given month 25th is not a business day, the last business day prior to 25th would be treated as a Cut-Off date for that month
- 21.1.23 “Dealing/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 7 (seven) days notice in the news papers, declare any particular business day not to be a Dealing Day;
- 21.1.24 “Deed” means this Trust Deed which is the principal Document governing the formation management or operation of the Fund.
- 21.1.25 “Distribution Account” means the account (which may be a current, deposit, or savings account) maintained by the Trustee with a Bank approved by the Management Company in which the amount required for distribution of income to Unit Holders shall be transferred.
- 21.1.26 “Distributor”, “Distribution Company”, “Distribution Companies” mean company(ies), firm(s), or bank(s) appointed by the Management Company, with the approval of the Trustee, for performing any or all of the Distribution Functions and shall include the Management Company, itself, if it performs the Distribution Functions.
- 21.1.27 “Distribution Functions” mean the functions with regard to:
- (a) Receiving applications for the issue of Units and the aggregate Offer Price for Units applied for by such applications;
 - (b) Issuing receipts in respect of (a) above;
 - (c) Issing Contract notes to the applicants in accordance with the terms of the Scheme;
 - (d) Interfacing with and providing services to the Holders including receiving redemption. transfer 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
 - (e) Accounting to the Trustee for (i) money received from applicants for the issuance of units; (ii) payments made to the Unit Holders on redemption of Units; (iii) expenses incurred in relation to the Distribution Function.
- 21.1.28 “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 Distribution Company 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.
- 21.1.29 “Financial Institution” means

- (a) a company or an institution whether established under any special enactment and operating within or outside Pakistan which transacts the business of banking or any associated or ancillary business through its branches;
 - (b) a modaraba, leasing company, investment bank, venture capital company, financing company, housing finance company, a nonbanking finance company; and
 - (c) such other institution or company authorized by law to undertake any similar business, as the Federal Government may, by notification in the official Gazette, specify for the purpose
- 21.1.30“Formation Cost” means all preliminary and floatation expenses of the Fund including expenses in connection with authorization of the Scheme, execution and registration of the Constitutive Document, issue, legal costs, printing, circulation and publication of the Offering Document, announcements describing the Fund, inviting investment therein and all expenses incurred during the period leading up to the initial issue of Units.
- 21.1.31 “Front-end Load” means the processing charge or sales costs, included by the Management Company in NAV in determining the Offer Price.
- 21.1.32“Fund Property” means the aggregate proceeds of the sale of all Units at Offer Price and any Transaction Costs recovered in the Offer or Redemption prices, after deducting therefrom or providing there against, the value of Redemption, Front-end Load, Back-end Load, Duties and Charges (if included in the Offer Price or Redemption Price) applicable to the issue or redemption of Units and any expenses chargeable to the Fund; and includes the Investment and all income, profit and other benefits arising therefrom and all cash and other assets, movable or immovable, and property of every description, for the time being, held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holders pursuant to the Trust Deed but does not include any amount standing to the credit of the Distribution Account.
- 21.1.33“Holder” or “Unit Holder” means the investor, for the time being, entered in the Register as owner of a Unit or part thereof, including investors jointly registered pursuant to the provisions of this Deed.
- 21.1.34 “Initial Offer Price” means the price of R s. 50 per U nit at which units are offered to core investors.
- 21.1.35“Institutional Investor” means company, trust, mutual fund, partnership, body corporate incorporated by or under the law of a country outside Pakistan, cooperative society, foreign association but does not include an individual investor
- 21.1.36“Investment” means any Authorized Investment forming part of the Fund Property.
- 21.1.37“Investment Promotion Officer” or “Facilitator” means an individual, firm, corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Fund. The Management Company will compensate the Facilitators
- 21.1.38 “Management Company” means Arif Habib Investment Management Limited.
- 21.1.39“Net Assets” means the excess of assets over liabilities of the Fund, such excess being computed in the manner specified in Clause 8.1 of this Deed.
- 21.1.40“Net Asset Value” or “NAV” means per Unit Value of the Fund arrived at by dividing the Net Assets by the number of Units outstanding.
- 21.1.41 “Offer Price” means the sum to be paid to the Trustee for issuance of one Unit, such price to be determined pursuant to Clause 8.2 of this Trust Deed.
- 21.1.42“Offering Document” means the prospectus, advertisements or other documents (approved by the Commission) that contain the investment and distribution policy and all other information in respect of the Fund and the plans offered under various administrative arrangements covered by the respective Supplementary Offering Documents, as required by the Regulations and is calculated to invite offers by the public to invest in the Fund.
- 21.1.43“Ordinance” means the Companies Ordinance, 1984.

- 21.1.44 “Par Value” means the Offer Price of a Unit that shall be Fifty Rupees.
- 21.1.45 “Pakistan Cash Management Fund”, “Fund”, “Trust” or “Scheme”, or “PCF”, or “Open-end Scheme” means the Trust constituted by this Trust Deed.
- 21.1.46 “Redemption Price” means the amount to be paid to the relevant Holder of a Unit upon redemption of that Unit, such amount to be determined pursuant to Clause 7.3 of the Trust Deed.
- 21.1.47 “Redemption Form” means the redemption form as defined in the Offering Document.
- 21.1.48 “Register” means the Register of the Holders kept pursuant to the Regulations and the Trust Deed.
- 21.1.49 “Registrar” means an organization that the Management Company shall appoint for performing the Registrar Functions.
- 21.1.50 “Registrar Functions” means the functions with regard to:
- (a) Maintaining the Register;
 - (b) Processing requests for issue, redemption, transfer and transmission of Units and requests for recording of lien/pledge or for recording of changes in data with regard to the Unit Holders
 - (c) Dispatching income distribution warrants and bank transfer intimations;
 - (d) Issuing statement of accounts to the Unit Holders; and
 - (e) Issuing, re-issuing and canceling Certificates.
- 21.1.51 “Regulations” mean the Non-Banking Finance Companies and Notified Entities Regulations, 2007, as amended or substituted from time to time.
- 21.1.52 “Rules” mean Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003, as amended or substituted from time to time.
- 21.1.53 “Stock Exchange” means Karachi Stock Exchange, Lahore Stock Exchange or Islamabad Stock Exchange or any other stock exchange registered under the Securities and Exchange Ordinance 1969 .
- 21.1.54 “Subscription Day” means every Business Day, on which stock exchanges are open in Pakistan, provided that the Management Company may, with the prior written consent of the Trustee, and upon giving not less than 7 (seven) days notice in the newspapers, declare any particular Business Day not to be a Subscription Day.
- 21.1.55 “Supplementary Offering Document” means a document issued by the Management Company, in consultation with the Trustee after seeking approval of the Commission, describing amendments in the Offering Document or the special features of new type of Units and offering investment in the Scheme.
- 21.1.56 “Supplementary Trust Deed” means a document issued by the Management Company, in consultation with the Trustee after seeking approval of the Commission, describing amendments in the Trust Deed.
- 21.1.57 “Transaction Costs” means the costs incurred or estimated by the Management Company to cover the costs (such as, but not limited to, brokerage, Trustee charges, taxes or levies on transaction, etc.) related to the investing or disinvesting activities of the Fund’s portfolio, necessitated by creation or cancellation of Units. Such cost may be added to the NAV for determining the Offer Price of Units or be deducted from the NAV in determining the Redemption Price. The element of Transaction Costs taken into account in determining the prices and collected so, shall form a part of the Fund Property.
- 21.1.58 “Unit” means one undivided share in the Fund and, where the context so indicates, a fraction thereof.
- 21.1.59 “Zakat” has the same meaning as in the Zakat and Ushr Ordinance, 1980.

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

22. SIGNATURES

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

The Common Seal of Arif Habib Investment Management Limited was hereunto affixed in the presence of

Seal (1) Sd

(2) Sd.

The Common Seal of Habib Metropolitan Bank Limited was hereunto affixed in the presence of

Seal (1) Sd.

(2) Sd.

Witness

Sd.

Sd.

Sd.

Sd.

Annexure A

Habib Metropolitan Bank Limited Tariff Structure for Trusteeship of Open -end Scheme

The Trustee remuneration shall be 1% of the gross earnings of the fund, calculated on a daily basis, subject to a minimum monthly remuneration of Rs 200,000 (Two Hundred Thousand). In respect of any month other than a complete calendar month such minimum remuneration shall be prorated on the basis of the actual number of days of such month.

In addition to the above remuneration, Trustee would also be entitled to a reimbursement of custodial expenses/charges.

The Trustee remuneration would be paid by the management company from its share of management fee.

Annexure B

SECP has Approved the Trust Deed of Pakistan Cash Management Fund (PCF) vide its letter no. NBFC-II/AD/AHIML/PCF/63/2008 dated February 01, 2008.

Annexure C

SECP has approved the Appointment of Habib Metropolitan Bank Limited (HMB) as Trustee of Pakistan Cash Management Fund.