

TRUST DEED

THIS TRUST DEED is made and entered into at Karachi, on this 18 March of 2011.

1. NAME & CATEGORY OF OPEN-END SCHEME

1.1 NAME OF THE SCHEME

PAK OMAN GOVERNMENT SECURITIES FUND

1.2 CATEGORY OF THE SCHEME

Income Fund

2. PARTICIPATING PARTIES AND CONSTITUTION OF THE TRUST

2.1 PARTICIPATING PARTIES

I. Pak Oman Asset Management Company Limited, an unlisted public limited company incorporated under the Companies Ordinance, 1984, having its registered office at First Floor, Tower A, FTC Building, Main Shakra-e-Faisal, Karachi (hereinafter called the “**Management Company**” which expression where the context so permits, shall include its successors in interest and assigns) of the one part;

AND

II. MCB Financial Services Limited (MCBFSL) a public limited company, incorporated in Pakistan under the Companies Ordinance, 1984, and registered with Securities and Exchange Commission of Pakistan (SECP), with its Registered office at MCB Tower, 16th Floor, I.I. Chundrigar Road, Karachi, (hereinafter called the “**Trustee**” which expression, where the

context so permits shall include its successors in interest and assigns) of the **other part**. WHEREAS

2.2 CONSTITUTION OF THE UNIT TRUST

- A. The Management Company has been licensed by the Securities & Exchange Commission of Pakistan (“SECP”) to carry on the business of asset management services, pursuant to the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (hereinafter referred to as the “Rules” under license No. NBFC-II/37/POAMCL-AMC-II/2008 dated 14 December 2006 and renewed vide SECP’s letter No *NBFC-II/11/POAMCL/AMS/06/2011* dated *February 5, 2011*, attached hereto as **Annexure “A”**).
- B. The Management Company has been authorized by the Commission vide its letter no. *NBFC-II/POAMCL/110/2011* dated *March 3, 2011* attached herewith as **Annexure “B”** to constitute a Trust under the name and title of “Pak Oman Government Securities Fund” as an open-ended unit trust scheme (hereinafter referred to as “the Scheme” or “the Trust” or “the Unit Trust” or “the Fund” or “POGSF”) and to register this Trust Deed, (“the Deed”) pending authorization for the establishment and operation of the Scheme and registration of the Fund as a notified entity under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and this Trust Deed;
- C. The Management Company has nominated and appointed MCB Financial Services Limited as Trustee of the Scheme and the Trustee has accepted such appointment upon the terms and conditions herein contained and the Tariff structure for Trusteeship as per **Annexure “C”**, attached herewith;
- D. The Commission has approved the appointment of the Trustee vide its letter no. *NBFC-II/POAMCL/109/2011* dated *March 3, 2011* attached herewith as **Annexure “D”**

2.3 DECLARATION OF THE TRUST

A Unit Trust is hereby constituted under the name of *Pak Oman Government Securities Fund*, as an open-end scheme under the provisions of the Regulations. The Management Company and the Trustee declare that:

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

- c) The Management Company shall establish, manage, operate and administer the Fund in accordance with the Rules, the Regulations, this Deed and the Offering Document; and the conditions (if any) which may be imposed by the Commission from time to time in accordance with the law.

3. GOVERNING LAW AND JURISDICTION

This Trust Deed shall be subject to and governed by the laws of Pakistan, including the Ordinance, the Rules, the Regulations and all other applicable laws, rules and regulations as amended or replaced from time to time and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed by the Rules and the Regulations are incorporated in this Trust Deed as a part and parcel thereof and in the event of any conflict between this Trust Deed and the provisions required to be contained in a trust deed by the Rules and/or the Regulations, the latter shall supersede and prevail over the provisions contained in this Trust Deed. The Fund shall also be subject to the regulations of the State Bank of Pakistan (SBP) with regard to the foreign investments made in the Fund by the offshore investors and investments made by the Fund outside Pakistan.

- 3.1** The Investments made in offshore countries and the Bank Accounts and custodial services accounts that may be opened by the Trustee for the Fund in any offshore countries on the instructions of the Management Company may become subject to the laws of such countries.
- 3.2** Subject to the Arbitration Clause 35 hereafter, applicable between the Management Company and the Trustee inter se, each party, including the Unit Holder irrevocably submit to the exclusive jurisdiction of the Courts at Karachi.
- 3.3** Furthermore, the Fund shall also be subject to the Regulations framed by the SBP and the Commission with regard to the foreign investments made by the Fund or in the Fund.

4. FOR THE TRUST (EFFECT OF THIS DEED, STATUS OF UNIT HOLDER(S), ETC.)

4.1 Deed binding on each Unit Holder

The terms and conditions of this Trust Deed shall be binding on each Unit Holder as if the Unit Holder had been party to it and shall be bound by its provisions and shall be deemed to have authorized and required the Trustee and the Management Company to do as required of them by the terms of this Trust Deed, the Rules and the Regulations

4.2 Unit Holder(s) not liable to make further payments

No Unit Holder(s) shall be liable to make any further payments to the Trustee or the Management Company after he/she/it has paid the purchase (Offer) price of the Units in accordance with Clause 11.2 hereafter and no further liability shall be imposed on any Unit Holder(s) in respect of the Units held by him/her/it.

4.3 Units to rank pari passu

- 4.3.1 All Units and fractions thereof represent an undivided share in the Scheme and shall rank pari passu according to the number of Units held by each Unit Holder, including as to the rights of the Unit Holder(s) in the Net Assets, earnings and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in the Trust proportionate to the Units held by such Unit Holder and shall have such rights as are set out in this Deed and the Offering Document and the Regulations.
- 4.3.2 Core Units subscribed by the Core Investors shall however be offered and issued at par and shall not be redeemable (but are transferable) for a period of two years from the close of Initial Period. 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. The Trust shall have minimum investment in compliance with the requirement of Regulation 44(3)(e)(ii) of the Regulations which shall be one hundred million rupees, out of which at least rupees fifty million shall be invested by the Management Company or by Core Investors for a minimum period of two years. The remaining can be redeemed before the expiry of two years period.

4.4 Trustee to report to the Unit Holder(s)

- 4.4.1 The Trustee shall report to the Unit Holders on all matters provided in the Regulations and the Constitutive Documents, including a report to be included in the annual report and the second quarterly report on whether in its opinion, the Management Company has, in all material respect, managed the Scheme in accordance with the provisions of the Regulations and the Constitutive Documents and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof.

4.5 Investment Objective

- 4.5.1 The primary investment objective of the fund is to provide investor(s) optimal return with low risk, to provide reasonable income to its Unit Holder(s) by investing primarily in a portfolio of government securities and other authorized investments, subject to applicable laws, as allowed by the Commission. The main idea behind is to provide investor(s) with extremely low credit volatility, .
- 4.5.2 The Authorized Investments have been identified in detail in Clause 38.6 in this Deed. In making such investments, the Fund shall adhere to the limits specified in the Regulations or as may enunciated by the commission in its guidelines, if any.

4.6 Investment Policy

- 4.6.1 Pak Oman Government Securities Fund is an Income Fund and its "Authorized Investments" would primarily comprise of diversified portfolio of Government Securities. at least 70% of the total investment shall remain invested in securities issued by GOP, during the year based on quarterly average investment to be calculated on a daily basis. The rest of

net assets of the Fund may be invested in any of the Authorized Investments as allowed by this Trust Deed. The Management Company shall from time to time diversify the investments of the Fund in different categories of Authorized Investments based on the returns offered, expectations of the money markets outlook, the general economic conditions in the country as well as of the offshore country where such investments are made. However, in order to achieve diversification benefits, the investments shall not any time be made in excess of the maximum limits laid down in this Deed or the Offering Document or the Regulations for any of the Authorized Investments.

- 4.6.2 Subject to applicable laws, the Management Company may, with such regulatory permissions that may be required, alter the investment policy to include in the portfolio, Pakistan origin Authorized investments issued, traded or listed outside Pakistan as well as securities issued in offshore country(ies).
- 4.6.3 All investments shall be made within the limits prescribed in the Regulations or otherwise as may be specified by the Commission and by SBP for foreign investments.
- 4.6.4 The Fund is an income fund in terms of requirement of SECP Circular No. 7 of 2009. Within these requirements unless otherwise amended or revised by SECP, the Fund will be managed in the following manner:
- a. Government Securities, cash in bank account, money market placements, deposits, certificate of deposits (COD), certificate of musharakas (COM), TDRs, commercial paper, reverse repo, TFC/Sukuk, CFS, spread transactions;
 - b. Exposure to CFS and Spreads shall not exceed 5% of the net assets;
 - c. At least 25% of the net assets shall be invested in cash and near cash instruments which include cash in bank accounts (excluding TDRs), treasury bills not exceeding 90 days maturity;
 - d. Not more than 5 % of the net assets shall be invested in non traded securities including reverse repo, Bank deposits, certificates of investments (COI), certificate of musharakas (COM) and anything over 6 months maturity which is not a marketable security;
 - e. Rating of any securities in the portfolio shall not be lower than A+ (Single A+);
 - f. Rating of any NBFC and Modaraba with which funds are placed shall not be lower than A+ (Single A+);
 - g. Rating of any bank and DFI with which funds are placed shall not be lower than A+ (Single A+);
 - h. Weighted average time to maturity of the net assets shall not exceed 7.5 years;

4.7 Benchmark

The performance of the Scheme will be compared against a Benchmark based on 70% 6 Month Treasury Bill PKRV Rate and 30% average most recently published 3-Month deposit rates of A+ (Single A+) and above rated scheduled banks.

5. ROLE OF THE MANAGEMENT COMPANY AND ITS AGENTS

The Management Company shall manage, operate and administer the Scheme in accordance with the Rules and the Regulations, this Deed and the Offering Document. The management company will be the investment manager of the unit trust. The Management Company shall perform the following primary functions:

5.1 Fund Management

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

5.2 Investor Services

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

5.3 Investor Records

5.3.1 The Management Company has the responsibility to maintain investor records and for this purpose it may appoint a Registrar, who is responsible for performing Registrar Functions. The Registrar shall inter alia carry out the responsibility of maintaining investors' records, issuing statements of accounts, issuing Certificates representing Units, processing redemption requests, processing dividend payments and all other related and incidental activities.

5.3.2 The Management Company shall not remove the records or documents pertaining to the Scheme from Pakistan to a place outside Pakistan without the prior written permission of the Commission and the Trustee.

5.4 Distribution

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

5.5 Investment Facilitators

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

5.6 Record Keeping

- 5.6.1 The Management Company has the primary responsibility for all record keeping, regular determination and announcements of prices and for producing financial reports from time to time. The Management Company shall provide the Trustee unhindered access to all records relating to the Scheme.
- 5.6.2 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, the amounts received by the Scheme in respect of issues of Units, amounts paid out by the Scheme on redemption of Units and the distributions made by the Scheme by way of dividends, bonus Units, etc.

5.7 Fund Manager and Investment Committee

The Management Company shall appoint a qualified fund manager and constitute an investment committee in accordance with the provisions of the Regulations to assist the Management Company in investing and managing the assets of the Fund.

5.8 Other Functions and Responsibilities of the Management Company

- 5.8.1 The Management Company shall manage the Scheme in the best interest of the Unit Holder(s), in good faith and to the best of its ability and without gaining any undue for itself or any of its Connected Persons, and subject to the restrictions and limitations as provided in this Deed, the Rules and the Regulations and subject to any special exemptions that may be granted by Commission. Any purchase or sale of investments made under any of the provisions of this Trust Deed shall be made by the Trustee according to the instructions of the Management Company in this respect, unless such instructions are in conflict with the provisions of this Trust Deed, or the Regulations.
- 5.8.2 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(s) or responsible official(s) of the Management Company or by any nominee or agent appointed by the Management Company and any act or matter so performed shall be deemed for all the purposes of this Deed to be the act of the Management Company. The Management Company shall be responsible for the acts and omissions of all persons to whom it may delegate any of its functions, as if these were its own acts and omissions and shall account to the Trustee for any loss in value of the Trust Property

where such loss has been caused by its gross negligence or reckless or willful act and / or omission or of its officers, officials or agents.

- 5.8.3 The Management Company may from time to time appoint, remove or replace the transfer agent under intimation to the Trustee.
- 5.8.4 The Management Company shall make available or ensure that there is made available to the Trustee such information as the Trustee may reasonably require in respect of any matter relating to the Scheme.
- 5.8.5 The Management Company shall not be under any liability except such liability as may be expressly assumed by it under the Rules, the Regulations and the Constitutive Documents, nor shall the Management Company (save as herein otherwise provided) be liable for any act or omission of the Trustee nor for anything except for its own gross negligence or willful breach of duty. If for any reason it becomes impossible or impracticable to carry out the provisions of the Constitutive Documents, the Management Company shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.
- 5.8.6 The Management Company shall within four months of closing of the accounting period of the Scheme transmit to the Unit Holders, the Trustee, the Commission and Stock Exchanges, on which the Units of the Scheme are listed, the annual report as per the requirements set out in Schedule V of the Regulation 2008 or any other amendment by the commission thereafter.
- 5.8.7 The Management Company shall within one month of the close of first and third quarters and within two months of the close of second quarter of the year of account of the Scheme, prepare and transmit to the Unit or Certificate Holders, the Trustee, the Commission and Stock Exchanges, on which the Units or Certificates of the Scheme are listed the quarterly accounts including the reports as required by the regulations:
- 5.8.8 Provided that the Commission, subject to any conditions, may allow the Management Company to transmit the said quarterly accounts to the Unit or Certificate Holders by placing them on the Company's website and shall make the printed copy of the said accounts available to any Unit Holder, free of cost, as and when requested.
- 5.8.9 The Management Company shall maintain a Register of Unit Holder(s) of the Trust (either in physical or electronic form) and inform the Trustee and the Commission of the address where the Register is kept.
- 5.8.10 The Management Company shall appoint at the establishment of the Trust and upon any vacancy, an Auditor from the approved list of auditors circulated by the Commission from time to time who shall be a Chartered Accountant and independent of the Auditors of the Asset Management Company and the Trustee and such Auditor shall not be appointed for more than five consecutive years or any other period as stipulated under the Regulations and/or Ordinance, as amended from time to time, and the contents of the Auditor's report shall be in accordance with the provisions of the Regulations.

- 5.8.11 The Management Company shall obtain a rating of the Scheme, once the Scheme becomes eligible for rating as per the rating criteria of the rating agency, and such rating shall be updated at least once every financial year and also published in the annual and quarterly reports of the Scheme.
- 5.8.12 The Management Company shall, from time to time, advise the Trustee of the settlement instructions relating to any investment/ disinvestment transactions entered into by it on behalf of the Trust. The Trustee shall carry out the settlements in accordance with the dictates of the specific transactions unless they are not in conflict with Trust deed and the Regulations. The Management Company shall ensure the settlement instructions are given promptly after entering into the transaction so as to facilitate timely settlement and the Trustee, on its side, shall ensure that the settlement is handled in a timely manner in accordance with dictates of the transaction subject to the Regulations.
- 5.8.13 The Management Company may, if it considers necessary for the protection of Trust Property or safeguarding the interest of the Unit Holders, request the Trustee to institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Trust Property or any part thereof.
- 5.8.14 Subject to the prior approvals of the SECP and the SBP, the Management Company may in consultation with the Trustee appoint advisors and professionals in offshore countries for making investments in such countries and/or for issuing Units to the investors in the offshore countries and in particular, shall determine the legal and regulatory requirements to be fulfilled by the Fund, the Management Company and the Trustee in their respective capacities, in relation thereto. The fees of such advisors and professionals shall not be charged to the Scheme.
- 5.8.14 The Asset Management Company shall ensure that no entry and exit to the scheme (including redemption and reissuance of units to the same Unit Holder(s) on different NAVs) shall be allowed other than cash settled transactions based on the formal issuance and redemption request, unless permitted otherwise by the Commission under the Regulations.

6. CHANGE OF THE MANAGEMENT COMPANY

- 6.1** The Commission may either on its own or on the recommendation of the Trustee, remove the Management Company and appoint a new management company by giving at least ninety (90) days notice in writing to the Management Company, if any of the following events has occurred:
- (a) The Management Company has willfully contravened the provisions of this Deed in any material respect and has failed to rectify the contravention within a reasonable period after the contravention has come to its notice;

- (b) The Management Company goes into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for purpose of reconstruction and amalgamation);
 - (c) A receiver is appointed over any of the assets of the Management Company; or
 - (d) The Management Company has become ineligible to act as Management Company under the Ordinance, Rules and/or the Regulations.
- 6.2** Provided that any notice given to the Management Company shall not be construed as acceptance of such contravention or violation and the Management Company shall have the right to defend itself.
- 6.3** The Management Company may be removed by the Commission under the provisions of the Ordinance.
- 6.4** The Management Company may voluntarily retire at any time with the prior written consent of the Commission and at least ninety (90) days prior notice to the Trustee.
- 6.5** Upon a new management company being appointed the Management Company will take immediate steps to hand over all the documents and records pertaining to the Trust to the new management company and shall pay all sums due to the Trustee.
- 6.6** The Trustee may immediately upon the issuance notice of removal of Management Company appoint auditors with the consent of Commission from amongst the panel of auditors designated as “A” category by SBP for the audit of the Financial Institutions or as stated in the Rules.
- 6.7** The auditors so appointed shall be other than the existing Auditors of the Fund, the Management Company, and the Trustee.
- 6.8** The auditors shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Trustee and Commission.
- 6.9** The report for the audit shall be submitted by the auditors to the Trustee not later than 30 Business Days from their appointment. A copy of the report shall also be provided to Commission, outgoing Management Company and the new management company.
- 6.10** Upon its removal or retirement, the Management Company shall have the right to receive its remuneration accrued upto the date of removal or retirement.
- 6.11** Upon its appointment, the new management company shall exercise all the powers and enjoy all the 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.

6.12 In case of change, the old Management Company shall continue be liable for any default in or non-performance of its duties as the Management Company or for any negligence on its part or on part of its officer or officials, nominees or agents and for any acts or omissions effectuated prior to and upto the effective date in accordance with the provision of the Trust Deed and Offering Document, the Rules and the Regulations, where after the new Management Company shall be responsible for the same.

7. ROLE OF THE TRUSTEE

7.1 The Trustee shall take into its custody or control the Trust Property and hold the same in accordance with the provisions of this Deed and the Regulations. The registerable assets shall be registered in the name of or to the order of the Trustee. The Trustee shall invest the Trust Property from time to time at the direction of the Management Company strictly in terms of the provisions contained and the conditions stipulated in this Deed, the Offering Document(s), the Regulations and the conditions (if any) which may be imposed by the Commission from time to time;

7.2 The Trustee has the responsibility for being the nominal owner and for the safe custody of the assets of the Unit Trusts on behalf of the beneficial owners (the Unit Holder(s)), within the framework of the Rules, the Regulations, the Trust Deed and the Offering Document.

7.3 The Trustee has the responsibility to ensure timely delivery to the Management Company of statements of accounts and transaction advices for banking and custodial accounts in the name and under the control of the Trustee.

7.4 The Trustee shall have all the obligations entrusted to it under the Rules, the Regulations, the Trusts Act 1882, this Trust Deed and the Offering Document.

7.5 The Trustee shall obtain written approval from the Management Company to appoint, remove or replace from time to time one or more bank(s) and/or other depository company(ies) etc. to act as the Custodian(s) for holding and protecting the Trust Property and every part thereof and for generally performing the custodial services at one or more locations and on such terms, as the Trustee and the Management Company may mutually agree and to be incorporated in custodial services agreement(s) to be executed between the Trustee and the Custodian(s) under intimation to the Management Company. Provided however, the Trustee may also itself provide custodial services for the Trust at competitive terms as part of its normal line of business.

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

Property where such loss has been caused by gross negligence or any reckless act and/or omission of the Trustee or any of its directors, officers, nominees or agents.

- 7.7** The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holder(s). 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:
- i) a document signed or purporting to be signed on behalf of the Management Company by any person(s) whose signature the Trustee is for the time being authorized in writing by the Management Company to accept;
 - ii) any instruction received online through the software solution adopted by the Management Company or the Trustee for managing and keeping records of the funds managed by the Management Company and to the satisfaction of the Trustee or the Management Company as case may be;
 - iii) instructions given electronically to the Trustee based on distinctive users IDs and passwords allocated to authorized persons of the Management Company through a computerized system for which both the parties i.e. the Management Company and the Trustee have agreed in writing. In case of any error or omission accruing in electronic system due to system malfunction or any instructions (as) based on such system contained any error or omission due to the above system malfunction, the trustee and the management company not knowing the fact will act in the best interest of the fund and the Unit Holders
 - iv) third party evidence where required such as broker contract, bills, etc in relation to (i) and (ii) the above
- 7.8** The Trustee and the Management Company shall not be liable for any loss caused to the Scheme or to the value of the Trust Property due to any elements or circumstances of Force Majeure
- 7.9** The Trustee shall carry out the instructions of the Management Company in all matters including investment and disposition of the Trust Property unless such instructions are in conflict with the provisions of this Deed and/or the Offering Document(s) or the Rules, the Regulations or any other applicable law.
- 7.10** The Trustee shall make available or ensure that there is made available to the Management Company such information as the Management Company may reasonably require from time to time in respect of the Trust Property and all other matters relating to the Trust.
- 7.11** The Trustee shall issue a report to the Unit Holder(s) included in the annual report and second quarter report of the Trust whether in its opinion, the Management Company has in all material respects managed the Trust

Property in accordance with the provisions of the Rules and the Regulations, Offering Document and this Deed and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof.

- 7.12** The Trustee shall endeavor to provide the certification at the earliest date reasonably possible.
- 7.13** The Trustee shall, if requested by Management Company or if it considers necessary for the protection of Trust Property or safeguarding the interest of Unit Holder(s), institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Trust Property or any part thereof, with full powers to sign, swear, verify and submit pleadings and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized directors, officers and/or legal representatives. All reasonable costs, charges and expenses (including 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 gross negligence or breach of its duties in connection with the Trust under this Deed, the Rules or the Regulations. For the avoidance of doubt it is clarified that notwithstanding anything contained in this Deed, the Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities whatsoever suffered or incurred by the Trust arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or shareholders' action or otherwise howsoever and (save as herein otherwise provided) all such losses, claims, damages and other liabilities shall be borne by the Trust Fund.

- 7.14** Neither the Trustee, 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. Subject to the Rules and the Regulations, any transaction between the Trust and the Management Company or any of their respective Connected Persons as principal shall only be made in accordance with the regulations.
- 7.15** The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Rules and the Regulations and this Deed nor shall the Trustee be liable neither 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 therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.
- 7.16** The Trustee shall ensure that (a) sale, issue, repurchase, redemption and cancellation of Units affected by the Scheme are carried out in accordance with the provisions of the Constitutive Documents and the Regulations and

(b) the method adopted by the Management Company in calculating the value of the Units are adequate and in accordance with the provisions of this Deed, the Offering Document and the Regulations.

- 7.17** The Trustee shall provide regular intimation of corporate actions to the Management Company indicating dividends, other forms of income or inflows, and any rights or warrants relating to the investments that are due to be received.
- 7.18** The Trustee shall ensure that the investment and borrowing limitations set out in the Constitutive Documents and the conditions under which the Scheme was registered are complied with.
- 7.19** The Trustee shall promptly forward to the Management Company within two Business Days any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government, regulator, stock or other exchange or any instruction of the Management Company in all such matters relating to recovery of the Trust Property.
- 7.20** The Trustee shall provide to the Management Company 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.
- 7.21** The Trustee shall ensure the Unit Certificates are not issued until subscription money has been paid as provided in the Regulations.
- 7.22** The Trustee shall not invest in the Units of the Fund.
- 7.23** The Trustee shall immediately inform the Commission if any action of the Management Company contravenes the Ordinance, the Rules, and the Regulations, the Constitutive Documents, guidelines, codes, circulars, directives or any other applicable laws.

7A BANK ACCOUNTS

- 7A.1** The Trustee shall open Bank Account(s) titled **MCBFSL-Trustee Pak Oman Funds** at various branches of such Bank(s) and at such locations (including outside Pakistan, subject to applicable rules and the regulations and after obtaining all necessary approvals from the relevant regulatory authority in Pakistan) as may be reasonably required by the Management Company from time to time. These accounts shall be temporary collection accounts for investment in the Unit Trusts and the Administrative Plans thereof. In these accounts collections shall be held prior to their being transferred to the bank account(s) of the pertinent unit trust(s) on a daily basis.
- 7A.2** The Trustee shall open additional Bank Account(s) titled **MCBFSL - Trustee Pak Oman Government Securities Fund** at such branches of Banks and at such locations (including outside Pakistan, subject to applicable rules and the regulations and after obtaining all necessary

approvals from the relevant regulatory authority in Pakistan) as may be reasonably required by the Management Company from time to time.

- 7A.3 The Management Company may also require the Trustee to open a separate Bank Account(s) as Distribution Account(s) for each dividend distribution out of the Unit Trust.
- 7A.4 All bank charges for opening and maintaining Bank Accounts for the Trust shall be charged to the Fund.
- 7A.5 All interest, income, profit etc earned in the Distribution Account(s), including those accruing on unclaimed dividends, shall form part of the Trust Property for the benefit of the Unit Holder(s) and shall be transferred periodically from the Distribution Account(s) to the main Bank Account of the Trust.
- 7A.6 The amounts received from the Core Investors (seed capital) and Pre-IPO Investors shall be deposited in a separate Bank Account titled **MCBFSL - Trustee Pak Oman Government Securities Fund - Pre IPO** and transferred to the main bank account of the Fund upon the close of the Initial Period. Income, profit etc. earned on the investments by the Core Investors and Pre IPO Investors up to and including the day before the opening of Initial Period, shall be paid, on receipt of such income/profit, to the Core Investors and Pre IPO Investors and shall not form part of the Trust Property.
- 7A.7 The Trustee shall, if requested by the Management Company open Bank Accounts titled **MCBFSL – Trustee Pak Oman Government Securities Fund** in offshore countries where the Investments are made on account of the Fund, subject to the approval of the SBP and the exchange control regulations as well as any directives of the SBP and/or the Commission. The Management Company while exercising due caution and diligence in appointing and arranging of such Bank, Brokerage houses and Custodian/Sub-Custodian in offshore countries mentioned in Clause 7A.3 above. The Management Company and the Trustee shall not incur any personal liability for any consequences that may arise in the opening and operation of such Bank Accounts, Brokerage Accounts and/or Custodial/Sub-Custodial Services Accounts.
- 7A.8 The beneficial ownership of the balances in the Bank Account(s), except the Bank Account(s) mentioned in Clauses 7A.3 and 7A.7 above shall vest in the Unit Holder(s).

8. CHANGE OF TRUSTEE

- 8.1 The Trustee shall be entitled to retire voluntarily at any time upon prior written notice of three months to the Management Company and after obtaining prior written consent of the Commission; subject to the condition that the retirement shall not take effect except upon the appointment of a new trustee. In the event of the Trustee desiring to retire, the Management Company, within a period of three months after receiving a notice to that effect from the Trustee and with the prior written approval of the Commission, may by a deed supplemental hereto under the seal of the

Management Company appoint a new trustee under the provisions of the Rules and the Regulations in place of the retiring Trustee and also provide in such deed for the automatic vesting of all the assets of the Scheme in the name of the new trustee. Provided that the obligations of the Trustee shall continue and the Trustee shall also receive its remuneration until the new trustee is appointed. The Trustee shall extend all possible and necessary help in the handover process. Provided further the retirement of the Trustee shall take place from the date of appointment of the new trustee with the approval of the Commission or from the date of the assumption of assets of the Trust by the newly appointed trustee, whichever is later.

- 8.2** In circumstances where the Commission is of the opinion that the Trustee has been in violation of the Regulations or the provisions of this Deed or is found guilty of misconduct or has failed to discharge its obligations under the Regulations, the Commission may remove the Trustee after giving opportunity of being heard.
- 8.3** The Commission may either on its own or on the recommendation of the Management Company remove the Trustee by giving at least twenty-one days notice in writing to the Trustee. If the Trustee goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction on terms previously agreed to with the Management Company for purpose of reconstruction and amalgamation) or ceases to carry on business or a receiver of its undertaking is appointed or it becomes ineligible to act as a trustee of the Unit Trust under the provisions of the Rules and the Regulations, the Management Company shall with the approval of the Commission, by an instrument in writing, remove the Trustee from its appointment under this Deed and shall by the same or some other instrument in writing simultaneously appoint as trustee some other company or corporation according to the provisions of the Regulations and this Deed, as the new trustee.
- 8.4** The Management Company may apply to the Commission giving cogent reasons for change of the Trustee by simultaneously proposing the appointment of a new Trustee. The Commission, if satisfied by the reasons given by the Management Company and after providing an opportunity of hearing to the Trustee, approves the removal of the existing and the appointment of a new Trustee.
- 8.5** Upon the appointment of a new trustee the Trustee shall immediately hand over all the documents and records to the new trustee and shall transfer all the Trust Property and any amount held in any Distribution Account to the new trustee and make payments to the new trustee of all sums due from the Trustee. Provided the Trustee shall remain entitled to its remuneration up to the effective date of termination or removal.
- 8.6** The new trustee shall exercise all the powers and enjoy all the 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.

9. INVESTMENT OF THE TRUST PROPERTY AND INVESTMENT AND BORROWING RESTRICTIONS

9.1 Investment of the Trust Property

- 9.1.1 During and prior to the commencement of the Initial Period the Trustee shall hold the Trust Property on deposit in separate account(s) with Banks or Financial Institutions having rating of “A+” category (rated by any credit rating agency licensed/approved by the Commission) and approved by the Management Company. After the Initial Period, the Trust Property shall be invested by the Trustee from time to time as directed by the Management Company but subject to the provisions of this Trust Deed, Offering Document and the Regulations.
- 9.1.2 Any Investment may at any time be realized at the discretion of the Management Company either in order to invest the proceeds in other Investment or to provide cash required for the purpose of any provision of this Trust Deed or in order to retain the proceeds in cash or on deposit as aforesaid or partly one and partly another. Any investment which ceases to be an Authorized Investment shall be realized in three months from the date it ceases to be an Authorized Investment or any other period as prescribed by the commission and the net proceeds of realization shall be applied in accordance with this Clause.
- 9.1.3 The Management Company through its investment committee shall specify criteria for providing a diverse panel of brokers at the time of offering of the Scheme and avoid undue concentration with a single Broker as specified in Regulations 37(3)(1) and 41(i) and (j) of the Regulation. The Management Company shall not appoint, except as may be permissible under the Rules and Regulations, directly or indirectly, as a Broker any of its directors, officers or employees or their family members (which term shall include their spouse, parents, children, brothers and sisters).

9.2 Investment Restrictions and Exceptions to Restrictions

- 9.2.1 The Trust Property shall be subject to such exposure limits as are provided in the Regulations (subject to any exemptions that may be specifically given to the Fund by the SECP): Provided that it will not be necessary for the Trustee to sell any Investment merely because owing to appreciation or depreciation of any Investment, disposal of any Investments or due to redemption of units such limit is exceeded. The Management Company will have three (3) months to comply with the exposure limits in case such limits are exceeded.
- 9.2.2 An Investment of a Scheme in any company shall not, at any time, exceed an amount equal to 10% of the total Net Assets of the Scheme at the time of investment or 10% of the issued capital of the investee company or in case of debt security 10% of the total debt issue. . In case Investment is made in listed securities, the Scheme shall not invest more than twenty five (25) percent of its Net Assets in securities of any one sector as per classification of the Stock Exchange(s).The Exposure limit for overseas investments shall also be calculated with reference to the total Fund size.
- 9.2.3 The Exposure of the scheme in any single group shall not exceed more than 35% (thirty five percent) of the Net Assets of the Scheme or 10% (ten

percent) of its Net Assets in listed group companies holding licenses of asset management services and such Exposure shall only be taken through secondary market.

9.2.4 The Trust Property shall not be invested in any security of a company if any director or officer of the Management Company or any of their Connected Persons owns more than five per cent of the total nominal amount of the securities issued or collectively the directors and officers of the Management Company or any of their Connected Persons own more than ten per cent of those securities.

9.2.5 The Management Company, on the behalf of the scheme, shall with the approval of the Board of Directors (prior or subsequent) and consent of the Trustee, purchase from, or sell any security to any connected person or employee of the Asset Management Company; whereas it shall not apply to the issue, sale, redemption, conversion or bonus / distribution of units / profit by the scheme..

9.2.6 The Trust shall not at any time:

i. Purchase or sell:

- Bearer securities;
- Securities on margin;
- Apply any part of its assets to real estate, commodities or commodity contracts;
- Securities which result in assumption of unlimited liability (actual or contingent);
- Purchase any security in a forward contract;
- Anything other than Authorized Investments as defined herein.

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

iii. Effect a short sale in a security whether listed or unlisted;

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

v. Apply for de-listing from Stock Exchange, unless it has obtained prior written approval of the Commission.

vi. Invest in securities of the Asset Management Company

9.2.7 In case investments are made on behalf of the Fund in any offshore country(ies), the same shall be subject to the limits as may be prescribed by the SBP and/or the Commission.

10. FINANCING ARRANGEMENTS AND RESTRICTIONS

10.1 Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained the Trustee may, at any time at the request of the Management Company, the Trustee may make arrangements

with Banks or Financial Institutions for arranging finance which will be utilized only to meet redemption of Units.

- 10.2** The Management Company in relation to the Fund may arrange for borrowings, with the approval of Trustee, for meeting redemption requests and such borrowing for the account of the Trust shall not exceed fifteen (15) percent of the total Net Asset Value of the Scheme for a period of ninety (90) Days or such other limit as may be provided in the Regulations. If subsequent to such borrowing, the Net Assets are reduced as a result of depreciation in the market value of the Trust Property or redemption of Units, the Management Company shall not be under any obligation to reduce such borrowing.
- 10.3** Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such financings 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 financings.
- 10.4** For the purposes of securing any such borrowing the Trustee may on the instruction of the Management Company mortgage, charge or pledge in any manner all or any part of the Trust Property provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limits provided under the Regulations and/or any law for the time being in force.

Neither the Trustee nor the Management Company shall incur any liability by reason of any loss to the Trust or any loss that a Unit Holder(s) may suffer by reason of any depletion in the Net Asset Value that may result from any financing arrangement made hereunder in good faith.

11. VALUATION OF PROPERTY AND PRICING

11.1 Valuation of Assets & Liabilities and Net Asset Value of the Fund

- 11.1.1 The method for determining the value of the assets and liabilities and the Net Asset Value would be as mentioned in the Regulations and Clauses 38.36 and 38.37 of this Deed.
- 11.1.2 In respect of investments held in foreign currencies, the same will be translated in Pakistan Rupees using the closing buying spot rates declared by the National Bank of Pakistan at each balance sheet date.

11.2 Determination of Purchase (Offer) Price

- 11.2.1 During the Initial Period, the Units will be offered at Par Value. After the Initial Period, the Offer Price shall be calculated and announced by the Management Company for every Dealing Day and will be calculated as under
- 11.2.2 The Purchase (Offer) Price shall be equal to the sum of:
- a) The Net Asset Value as of the close of the Dealing Day;
 - b) Any Front-end Load;

- c) Such amount as the Management Company may consider an appropriate provision for Duties and Charges, levies etc;
 - d) Such amount as the Management Company may consider an appropriate provision for Transaction Costs. Such sum may be adjusted up to four decimal places.
- 11.2.3 Units will be allocated to the investor(s) at the Purchase (Offer) Price so determined for the Dealing Day on which completely and correctly filled investment form(s) submitted by the investor(s) is/are received by the Distributor(s) or the Management Company before the cut-off time, along with the payment instruments. The Management Company will make arrangements, from time to time, for receiving purchase requests from outside Pakistan and will disclose these arrangements through its website and its Distributors and agents outside Pakistan. In general, the Offer Price applicable to purchase requests received from outside Pakistan will be the Offer Price applicable on the date the Trustee receives the payments from international investors provided it is a Dealing Day otherwise the Purchase (Offer) Price of the next Dealing Day will apply.
- 11.2.4 The Management Company may announce different classes of Units with differing levels of Front-end and/or Back-end Load.
- 11.2.5 In the event that the amount paid as provision for payment of Duties and Charges pursuant to Sub-Clause 11.2.2(c) above is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retroactive effect after the date of payment in which case such excess shall be recovered from the Trust Property).
- 11.2.6 In the event that the amount paid as provision for payment of Duties and Charges pursuant to Sub-Clause 11.2.2 (c) exceeds the relevant amount of Duties and Charges, the Registrar, as per instructions of Management Company, shall issue additional Units or fractions thereof to the Unit Holder(s) based on the price applicable to the Units issued against the relevant application.
- 11.2.7 The Offer Price determined by the Management Company shall be made available to the public at the office and branches of the Distribution Company by such time, as specified by the Commission.
- 11.2.8 The sale, redemption, conversion and transfer of Units and any other dealings in the Units may be carried out online, with the consent of the Trustee and the Commission to the extent permitted by and in accordance with applicable law.

11.3 Determination of Redemption Price

- 11.3.1 During the Initial Period, the Units shall not be redeemed. After the Initial Period, the Redemption Price shall be calculated and announced by the Management Company for every Dealing Day.
- 11.3.2 After the Initial Period the Redemption (Repurchase) Price shall be equal to the Net Asset Value as of the close of the Dealing Day less:
- a) Any Back-end Load;
 - b) Any taxes imposed by the Government; and
 - c) Such amount as the Management Company may consider an appropriate Provision for Duties and Charges, Levies (foreign redemption) etc;
 - d) Such amount as the Management Company may consider an appropriate provision for Transaction Costs. Such sum may be adjusted up to four decimal places
- 11.3.3 Units will be redeemed to the investor(s) at the Redemption Price so determined for the Dealing Day on which completely and correctly filled redemption form(s) submitted by the investor(s) is/are received by the Distributor(s) or the Management Company before the cut-off time. The Management Company will make arrangements, from time to time, for receiving redemption requests from outside Pakistan and will disclose these arrangements through its Distributors and agents outside Pakistan.
- 11.3.4 In the event that the amount paid as provision for payment of Duties and Charges pursuant to Sub-Clause 11.3.2(c) above is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retroactive effect after the date of payment in which case such excess shall be recovered from the Trust Property).
- 11.3.5 In the event that the amount paid as provision for payment of Duties and Charges pursuant to Sub-Clause 11.3.2(c) above exceeds the relevant amount of Duties and Charges, such amount shall be refunded to the relevant Holder.
- 11.3.6 The Redemption Price determined by the Management Company shall be made available to the public at the office and branches of the Distribution by such time, as specified by the Commission.

12. DEALING, SUSPENSION AND DEFERRAL OF DEALING

12.1 Suspension of redemption of Units

12.1.1 The Redemption of Units may be suspended during extraordinary circumstances including closure of one or more Stock Exchanges on which any of the Securities invested in by the Scheme are listed, turmoil in the money market, the existence of a state of affairs, which in the opinion of the Management Company, constitutes an emergency as a result of which disposal of any investment would not be reasonably practicable or might seriously prejudice the interest of the Scheme or of the Unit Holder(s), or a break down in the means of communication normally employed in determining the price of any investment, or when remittance of money cannot be carried out in reasonable time and if the Management Company is of the view that it would be detrimental to the remaining Unit Holder(s) to redeem Units at a price so determined in accordance with the Net Asset Value (NAV) or proceeds of Investments made in offshore countries cannot be realized due to similar situations occurring in such offshore countries. The Management Company may announce a suspension or deferral of redemption and such a measure shall be taken to protect the interest of the Unit Holder(s) in the event of extraordinary circumstances or in the event redemption requests accumulate in excess of ten 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..

12.1.2 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 newspapers in which the Fund's prices are normally published.

12.2 Suspension of fresh issue of Units

The Management Company may, under certain circumstances suspend issue of fresh Units. These circumstances may include

- When redemption of the units of the scheme is suspended, or the situation referred in Clause 12.1.1, 12.5, 20.1 and 20.2 of this Deed;
- A situation in which it is not possible to invest the amount received against issuance of fresh Units ; or
- Any other situation in which issuance of fresh Units is, in Management Company's opinion, against the interests of the existing/remaining Unit Holders.

Such suspension may however not affect existing subscribers for the issue of

bonus Units as a result of profit distribution or the option to receive dividends in the form of additional Units. The Management Company shall announce the details of exemptions at the time a suspension of fresh issue is announced. The Management Company shall immediately notify the Commission and Trustee if fresh issue of Units is suspended and shall also have the fact published, immediately following such decision, in the newspapers in which the Fund's prices are normally published.

12.3 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

12.4 Queue System

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

In case of redemptions requests are pending for more than the period as stipulated in the Regulations, the Management Company shall not make any investment or rollover of any investment without the consent of the Trustee.

12.5 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 Trust Property 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 Holder(s) who are not redeeming, it may announce winding up of the Fund. In such an event, the Queue System, if already invoked, shall cease to apply and all Unit Holder(s) shall be paid after selling the assets and determining the final

Redemption (Repurchase) Price. Interim distributions of the proceeds may be made if the Management Company finds it feasible.

12.6 Dealing in Units

The Management Company shall formally forward all the requests for dealing in Units, duly time and date stamped, to the Trustee within 24 hours or such other times as specified by the commission from time to time of the receipt of such requests.

13. FEES AND CHARGES

13.1 Remuneration of the Management Company

- 13.1.1 The Management Company shall be entitled to an accrued remuneration equal to an amount not exceeding three per cent (3%) per annum of the average annual Net Assets during the first five years of the Scheme and two per cent (2%) of the average annual Net Assets thereafter,; it being further understood and agreed that the Management Company shall fix the rate of remuneration and shall intimate any change in the rate to the Trustee from time to time, within the maximum limit permissible under the Regulations.
- 13.1.2 The remuneration shall begin to accrue from the close of the Initial Offer Period. In respect of any period other than an Accounting Period such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued in proportion to the total number of days accrued in the Accounting Period concerned.
- 13.1.3 In consideration of the foregoing and save as aforesaid the Management Company shall be responsible for the payment of all expenses incurred by the Management Company from time to time in connection with its responsibilities as Management Company of the Trust. The Management Company shall not make any charge against the Unit Holder(s) or against the Trust Property or against the Distribution Account for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the Regulations and this Deed to be payable out of Trust Property.
- 13.1.4 The Management Company shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of this Deed.
- 13.1.5 The fees payable on offshore investments to an international fund manager/advisor appointed by the Management Company, if any, shall be paid directly to such international fund manager/advisor by the Management Company which shall be the responsibility of the Management Company and shall not be charged to the Fund.

13.2 Remuneration of Trustee and Its Agents

- 13.2.1 The Trustee shall be entitled to a monthly remuneration out of the Trust Property determined in accordance with **Annexure "C"**. The

remuneration shall begin to accrue following the expiry of the Initial Period. For any period other than a full calendar month such remuneration will be prorated on the basis of the actual number of days for which such remuneration has accrued in proportion to the total number of days in the calendar month concerned.

13.2.2 Such remuneration shall be paid to the Trustee in arrears within thirty (30) Business Days after the end of each calendar month after lodging the invoice from the trustee.

13.2.3 In consideration of the foregoing and save as aforesaid and the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with its duties as Trustee of the Trust. The Trustee shall not make any charge against the Holders or against the Trust Property or against the Distribution/Redemption Account for their services or for their expenses, except such expenses as are expressly authorized to be paid out of the Trust Property under the provisions of the Regulations and the Constitutive Documents.

13.2.4 Any increase in the remuneration of the Trustee agreed to by the Management Company shall require the approval of the Commission. However, any decrease in remuneration of the Trustee shall not require such approval.

13.3 Formation Cost and its treatment

13.3.1 Formation Cost shall be charged to the Fund, which are estimated at and shall not exceed 1% of amount received during Pre IPO or Rs.5 Million, whichever is lower.

13.3.2 The formation cost shall be amortized over a period of not less than five years or with the maturity date of Scheme which ever comes earlier.

13.4 Other costs and expenses to be charged to and borne by the Trust

(a) Brokerage and Transaction Costs related to investing and disinvesting of the Trust Property.

(b) Legal and related costs incurred in protecting or enhancing the interests of the Scheme or the collective interests of the Unit Holders.

(c) Bank charges, borrowing and financing costs; provided that the charges payable to any Bank or Financial Institution against financings on account of the Scheme as permissible under Clause 10 above shall not be higher than the normal prevailing bank charges or normal market rates.

- (d) Auditors' remuneration (including any out of pocket expense billed).
- (e) Annual fee payable to the Commission under the Regulations.
- (f) All types of Taxes including capital gain tax, if any, applicable to the Scheme on its income and/or its properties.
- (g) Rating fees.
- (h) Listing fee payable to the stock exchange including renewals;
- (i) Charges and levies of stock exchange, national clearing and settlement company and central depository company
- (j) Remuneration of Custodian, if any.
- (k) Printing costs and related expenses for issuing the Schemes quarterly, half yearly and annual reports.
- (l) Hedging costs, including forward cover, forward purchase or option purchase costs.
- (m) Other expenses directly related to Scheme, as may be permitted by Commission.
- (n) Any cost associated with sales, marketing and advertisement of Scheme shall not be charged to the Scheme.

13.5 Remuneration of Distribution Company / Sales Agent / Investment Facilitator

- 13.5.1 Distribution Company(s), Sales Agents or Investment Facilitators employed by Management Company will be entitled to a remuneration payable by the Management Company from any front-end (or out of its own resources) and no charges shall be made against the Trust Property or the Distribution Account in this respect.
- 13.5.2 Distributor(s)/Investment Facilitator(s) or Sales Agent(s) located outside Pakistan may if so authorized by the Management Company, retain such portion of the front-end load as is authorized by the Management Company and transfer the net amount to the Trustee, subject to the law for the time being in force.

13.6 Payments of Units in Foreign Currency

- 13.6.1 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 Manual of the SBP. The Management Company shall be responsible for ensuring compliance with all the relevant laws and regulations.

- 13.6.2 Payments made in foreign currency to purchase Units shall be converted into Pakistani Rupees through the interbank rates and any conversion cost shall be deducted from the payment before Units are issued.
- 13.6.3 At the option of the Management Company, payments made in foreign currency for Units purchased may directly be made part of Trust property after deduction of the relevant duties, charges, Transaction Costs and Front-end Load. The Units issued will be denominated in Pakistani Rupees using the interbank rates at the issue date of the Units (buying rate for the relevant currency).
- 13.6.4 Payments to be made in foreign currency on redemption of Units shall be converted from Pakistani Rupees using interbank rates.
- 13.6.5 At the option of the Management Company, payments to be made in foreign currency for Unit redemption may directly be paid from Trust 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 interbank rates quoted at the redemption date of the Units (selling rate for the relevant currency).

14 TRANSACTIONS WITH CONNECTED PERSONS

- 14.1 The Management Company, on the behalf of the scheme, shall with the approval of the Board of Directors and consent of the Trustee, purchase from, or sell any security to any connected person or employee of the Asset Management Company; whereas it shall not apply to the issue, sale, redemption of units issued by the scheme.
- 14.2 The Trust Property shall not be invested in any security of a company if any director or officer of the Management Company individually owns more than five per cent of the total nominal amount of the securities issued or collectively the directors and officers of the Management Company in their individual capacities own more than ten per cent of those securities.
- 14.3 The Fund shall not purchase from or sell any security to the Management Company or the Trustee or to any director, officer or employee of the Management Company or to any person who beneficially owns ten per cent or more of the equity of the Management Company save in case of such party acting as an intermediary.
- 14.4 For the purpose of Clauses 14.1 and 14.2 above, the term director, officer and employee shall include spouse, lineal ascendants and descendants, brothers and sisters.
- 14.5 Where cash forming part of assets of Scheme is deposited with the Trustee or the Custodian that is a banking company or an NBFC, a return on the deposit shall be paid by such Trustee or Custodian at a rate that is not lower than the rate offered by the said banking company or NBFC to its other depositors on deposits of similar amount and maturity.
- 14.6 All transaction carried out by or on behalf of the Scheme with connected person(s) shall be made as provided in the constitutive Documents, and shall be disclosed in the Scheme's annual reports.

15 DISTRIBUTION POLICY, DETERMINATION OF DISTRIBUTABLE INCOME AND DATE OF DISTRIBUTION

15.1 Determination of Distributable Profits

15.1.1 The Management Company shall decide, as soon as possible or any time stipulated under the Ordinance and/or the Regulations, whether to distribute among Holders, profits (if any) and shall advise the Trustee accordingly. Such profits may be distributed in cash, bonus units, or a combination of both as the Management Company may determine.

15.1.2 The profit including retained earnings (if any) available for distribution in respect of any Accounting Period shall be determined by the Management Company but shall not exceed the portion of Net Assets on the Profit Distribution Date that is attributable to the sum total of:

- (a) the total income earned on the Trust Property during such Accounting Period including all amounts accrued in respect of dividend, mark up, profit, fee and any other income;
- (b) net realized appreciation as set out in Sub-Clause 15.1.3 below;
- (c) Undistributed profit or retained earnings

from which shall be deducted expenses as set out in Clause 15.1.4 below, adjustment as set out in Sub-Clause 15.1.5 below and such other deductions and adjustments as the Management Company may determine, subject to the Rules and the Regulations and the provisions of the Income Tax Ordinance and the Rules and the Regulations hereunder.

15.1.3 The proceeds of sale of rights and all other receipts deemed by the Management Company to be in the nature of capital accruing from Investments shall not be regarded as available for determining distributable income in terms of this Clause but shall be retained as part of the Trust Property, provided that such amounts out of the sale proceeds of the Investments and all other receipts as deemed by the Management Company to be in the nature of the net realized appreciation may be included in determining distributable income to the Holders by the Trustee and shall thereafter, cease to form part of the Trust Property once transferred to the Distribution Account.

15.1.4 The amount qualifying for purposes of determining distributable income in respect of the relevant period shall be ascertained by deducting expenses as are admissible under the Regulations and this Deed.

15.1.5 The amount qualifying for purposes of determining distributable income in respect of the relevant period shall be adjusted as under:

- (a) deduction of a sum by way of adjustment to allow for effect of purchase of shares or any of the Investment cum-dividend, , profit or mark-up;
- (b) addition of a sum representing amounts included in the price of Units for income accrued prior to the date of issue and deduction of a sum representing all participation in income distributed upon Redemption of Units upon a reduction of the Trust during the relevant period;
- (c) adjustment considered necessary by the Management Company to reflect the diminution in value of Trust Property.

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

15.1.7 Notwithstanding anything contained in the Trust Deed, the Management Company shall distribute by way of dividend to the Unit Holders not less than ninety per cent (90%) of the income of the Scheme received or derived from sources other than unrealized capital gains and reduced by such expenses as are chargeable to the Scheme under this Deed and the Regulations.

15.2 Distribution of Profits

15.2.1 After fixation of the rate of distribution per unit, distribution payments shall be made by warrant / cheques by the Trustee and sent through the registered post or reliable courier service to the registered address of such Holder, or in the case of joint Holders to the registered address of the joint Holder, first named on the Register. Every such warrant / cheque shall be made payable to the order of person to whom it is delivered or sent and payment of the warrant / cheque (if purporting to be duly endorsed or subscribed) shall be in satisfaction of the moneys payable. When an authority in that behalf shall have been received in such form as the Management Company shall consider sufficient, it shall transfer to the Holders' designated bank account or in case of joint Holder, to designated bank account of the joint Holder, first named in the Register. The receipt of funds by such designated bankers shall be a good discharge of Trustee's responsibilities.

15.2.2 The Management Company may offer the Holder the option to receive new units or fractions thereof under cumulative investment instead of dividend payment, as per the terms and condition and the procedure laid down in the Offering Document.

15.2.3 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 Holder the certificate in respect of such

deductions in the prescribed form or in a form approved or acquired by the concerned authorities.

15.2.4 Where Units are placed under pledge/lien the payment of dividend will be made in accordance with Clause 34 of this Deed.

15.2.5 For different types of units Management Company may distribute cash or additional units as per clause 26.1.

16 ANNUAL ACCOUNTING PERIOD

16.1 The Annual Accounting Period shall commence on July 1st of the calendar year and shall end on June 30th of the ensuing calendar year.

16.2 Accounting Date shall be the 30th day of 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.

16.3 Accounting Period shall be a period ending on and including an accounting date and commencing (in case of the first such period) on the date on which the Trust property is first paid and (in any other case) from the end of the preceding accounting period.

17 AUDIT

17.1 The Management Company shall at the establishment of the Scheme appoint a Auditor, with the consent of Trustee, a firm of chartered accountants who shall be independent of the auditor of the Management Company and the Trustee and such auditor shall not be appointed for more than five consecutive years or any other period as stipulated under the Rules and the Regulations and/or Ordinance, as amended from time to time. The Management Company may at any time, with concurrence of the Trustee, remove the Auditor and appoint another Auditor in its place. The Auditor shall hold office until transmission of the annual report and accounts but may be reappointed. The first Auditor shall be **A. F. Ferguson & Co., Chartered Accountants.**

17.2 The following persons shall not qualify to be the Auditor 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.

- 17.3** Appointment of a partnership firm to be the Auditor shall be deemed to be the appointment of all persons who are partners in the firm for the time being.
- 17.4** The Auditor shall have access to the books, papers, accounts and vouchers of the Trust, whether kept at the office of the Management Company, Trustee, Registrar, Distribution Company or elsewhere and shall be entitled to require from the Management Company, Trustee and their directors, officers and agents such information and explanations as considered necessary for the performance of audit. The cost associated with such reporting shall be borne by the Trust.
- 17.5** The Auditor shall prepare a written report to the Holders on the account and books of accounts of the Trust and the balance sheet and income and expenditure account and on every other documents forming part of the balance sheet and income and expenditure account, including notes, statement or schedule appended thereto.
- 17.6** The contents of the Auditor's report shall be as required in the Regulations.
- 17.7** The Management Company shall prepare and transmit the first, second and third quarterly balance sheets, income and expenditure accounts, cash flows, statements and statements of movements of Unit Holders' funds and investments in the Net Assets and reserves as specified in Clauses 5.8.6 and 5.8.7 above:

18 BASE CURRENCY

The base currency of the Scheme shall be Pakistani Rupee; it being clarified, however, that the Authorized Investments may be denominated in Pakistani Rupee or (subject to applicable law) any other Foreign Currency.

19 MODIFICATION OF THE CONSTITUTIVE DOCUMENTS

- 19.1** 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 to the approval of the Commission.
- 19.2** Where this Deed has been altered or supplemented the Management Company shall notify the Unit Holder(s) immediately.

The Management Company may, from time to time, with the consent of the Trustee, frame operational procedures for conducting the business of the Trust or in respect of any other matter incidental thereto; provided that such procedures are not inconsistent with the provisions of this Trust Deed or the Offering Document, the Rules and/or the Regulations.

19.3 If the Commission modifies the Rules and the Regulations to allow any relaxations or exemptions, these will be deemed to have been included in this Trust Deed without requiring any modification as such.

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

20 TERMINATION AND LIQUIDATION OF THE SCHEME

20.1 The Management Company may terminate the Scheme, if the Net Assets at any time fall below Rupees fifty million. The Management Company shall give at least three months notice to Unit Holder(s), the Trustee and the Commission and shall disclose the grounds of its decision. The Management Company may announce winding up of the Trust without notice in the event redemption requests build up to a level where the Management Company is of the view that the disposal of the Trust Property to meet such redemptions would jeopardize the interests of the remaining Unit Holder(s) and that it would be in the best interest of all the Unit Holder(s) that the Trust be wound up.

20.2 In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Scheme 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 Holder(s) who are not redeeming, it may announce winding up of the Trust without notice.

20.3 The Trust may also be terminated by the Commission on the grounds given in the Regulations.

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

21 DISTRIBUTION AND LIQUIDATION OR WINDING UP AND TERMINATION OF THE SCHEME

21.1 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 Trust Property and shall repay any financing obtained by the Trust together with any profit or other consideration remaining unpaid to the extent possible out of the Trust Property. The Trustee shall not be liable for shortfall, if any.

21.2 The Trustee on the recommendation of the Management Company shall from time to time distribute to the Unit Holder(s) pro rata to the number of Units held by them respectively all net cash proceeds derived from the realization of the Trust Property after making payment as mentioned in

Clause 21.1 above and retaining such sum as determined by the Management Company for all costs, charges, expenses, claims and demands. In case the sum so detained is not sufficient for meeting all cost, charges, expenses, claims and demands, the Trustee will not be liable for the shortfall. However, in case there is any surplus left in the hands of the Trustee after meeting all cost, charges, expenses, claims and demands, the Trustee shall distribute the surplus to the Unit Holder(s) pro rata to the number of Units held by them.

22 TRUST PROPERTY

- 22.1** The aggregate proceeds of all Units issued from time to time after deducting Duties and Charges, and after deducting there from any applicable Front-end Load and adding thereto any applicable Back-end Load recovered in the Redemption Price shall constitute part of the Trust Property. The Distribution Company shall remit such proceeds to the Trustee in accordance with instructions given by the Management Company from time to time.
- 22.2** The Trust Property shall initially be constituted out of the proceeds of the Units issued to the Core Investors and other Units issued during the Initial Offer after deducting any applicable Duties and Charges and Front-end Load there from.
- 22.3** The Trustee shall take the Trust Property into its custody or under its control either directly or through the Custodian and hold it in trust for the benefit of the Unit Holder(s) ranking *pari passu* inter se, according to the number of Units held by each Unit Holder(s) and in accordance with the provisions of the Rules and the Regulations and this Deed. The Trust Property shall always be kept as separate property and shall not be applied to any purpose unconnected with the Scheme. All registerable Investment shall be registered in the name of the Trustee and shall remain so registered until disposed off or transferred to new trustee pursuant to the provisions of this Deed. All expenses incurred by the Trustee in effecting such registration(s) shall be payable out of the Trust Property.
- 22.4** Except as specifically provided in this Trust Deed, the Trust Property shall always be kept as separate property free from any mortgages, charges, liens or any other encumbrances whatsoever and the Trustee or the Custodian shall not, except for the purpose of the Scheme as directed by the Management Company, create or purport to create any mortgages, charges, liens or any other encumbrance whatsoever to secure any loan, guarantee or any other obligation actual or contingent incurred assumed or undertaken by the Trustee or the Custodian or any other person.
- 22.5** The Trustee shall have the sole responsibility for safekeeping and maintaining the Trust Property in its own name. In the event of any loss caused due to any negligence or willful act and/or omission, the Trustee shall have an obligation to replace the lost investment forthwith with similar investment of the same class and issue together with all rights and privileges pertaining thereto or compensate the Trust to the extent of such loss. However, the Trustee shall not be under any liability therefore or thereby

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

22.6 All cash forming part of the Trust Property shall be deposited by the Trustee in a separate bank account as directed by the Management Company to be opened in the name of the Trustee, as a nominee of the Unit Trust, with Banks or Financial institutions having rating of “A+” category rated by Commission’s approved credit rating agency.

22.7 The Management Company shall not open or close or arrange to open or close any account with a bank, broker or depository for the Scheme without the approval of its Board. However, where the Management Company has obtained approval for opening/arranging to open an account with any particular bank, it may open accounts with any branch of that bank and shall obtain approval of its Board in the subsequent meeting.

23 TRANSACTIONS RELATING TO INVESTORS (UNIT HOLDER(S))

23.1 The Trustee shall provide the Management Company Statements of all the Bank Accounts being operated by the Trustee for the Unit Trust. Such statements will be provided according to the requirements of the Management Company.

23.2 The Management Company shall also advise the Trustee on daily basis of the details of amounts to be paid to respective Unit Holder(s) against redemption requests, if any. Such payments shall be effected by the Trustee out of the accounts of the Unit Trust by way of transfer of the appropriate amounts to the designated bank accounts of the Unit Holder(s) or through any other mode(s) of payment subject to the Rules and the Regulations or by dispatch of dividend cheques/ advice to the Unit Holder(s) by registered post at their respective addresses. Such dispatch shall constitute discharge of responsibilities of the Management Company and the Trustee in respect of such payment.

23.3 The Management Company may appoint Distributors to facilitate Issuance and Redemption of Units of the Unit Trust. A request for purchase of Units may also be made through the use of electronic means such as Internet or ATM facilities or Credit Card facilities subject to approval of Commission.

23.4 The Management Company shall from time to time advise the Trustee of the dividend distribution for the Unit Trust. The Trustee may rely on the amount certified by the Auditors or in absence of the such certification may require the Management Company to provide detailed working for such distribution and disburse the dividend payment after checking of the said working, within two days time.

23.5 The Trustee shall pay to the Management Company's order such sums out of the sale proceeds of Units as is representative of front-end load that are specified in the Trust Deed or Offering Document.

24 TRANSACTIONS RELATING TO INVESTMENT ACTIVITY / PORTFOLIO MANAGEMENT

The Management Company shall, from time to time, instruct the Trustee of the settlement instructions relating to any investment/dis-investment transactions entered into by it on behalf of the respective Unit Trust. The Trustee shall carry out the settlements in accordance with the information/instruction given by the Management Company subject to the Rules and the Regulations, the Trust Deed and the Offering Document. The Management Company shall ensure the settlement instructions are given promptly after entering into the transaction so as to facilitate timely settlement and the Trustee, on its side, shall ensure that the settlement is handled in a timely manner.

24.1 The Trustee shall ensure that where applicable, payments against investments are made against delivery and vice versa.

24.2 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.

24.3 The Trustee shall also, if so required by the nature of such notices or documents mentioned in the Clause 24.3 above, act, on the instruction of the Management Company in a manner that is in the best interest of the Unit Trust. Such action shall include legal action if called for and the Trustee shall be entitled to recover any legal costs reasonably incurred from the Unit Trust.

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

24.5 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.

25 VOTING RIGHTS ON TRUST PROPERTY

25.1 All rights of voting attached to any Trust Property shall be exercisable by the Management Company on behalf of the Trustee and it shall be entitled to exercise the said rights in what it may consider to be in the best interest of the Holders and may refrain at its own discretion from the exercise of any

voting rights and the Trustee or the Holders shall not have any right to interfere or complain.

- 25.2** The Trustee shall upon written request by the Management Company and on account of the Trust Property, from time to time execute and deliver or cause to be executed or delivered to the Management Company or their nominees powers of attorneys or proxies authorizing such attorneys and proxies to vote, consent or otherwise act in respect of any investment in such form and in favor of such persons as the Management Company may require in writing.

The phrase “rights of voting” or the word “vote” used in this sub-clause shall be deemed to include not only a vote at a meeting but the right to elect or appoint directors, any consent to or approval of any arrangement scheme or resolution or any alteration in or abandonment of any rights attaching to any Investment and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement. The Management Company shall keep record stating the reasons for casting the vote in favor or against any resolution for a period of six years.

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

26 UNITS

- 26.1** The Management Company may issue following classes and types of Units to Holders:

Classes of Units: Units may be charged with no front-end load or back-end load, or any combination of the foregoing from time to time. The types of Units shall be classified as following:

- (i) Class ‘A’ (Restricted / Core) Units: Units issued to the core investor with no front-end load and back-end load. Core Units shall be at least one hundred million, out of which at least fifty million rupees shall remain invested in the scheme for at least two years or the life of the Collective Investment Scheme, whichever is lesser.. However such units are transferable on the condition that the transferee(s) shall also not redeem the same before the expiry of the period of two years as stated above. Further the Management Company will notify to the Trustee on each transfer.
- (ii) Class ‘B’ Units allocated to Pre IPO and IPO Investors with no Front-end Load; except that in the event of redemption of such Units before the expiry of three (3) months from the date of issue, back-end load not exceeding 2.5% of the NAV will be charged as per details given in Offering Document. The back-end load shall form part of Fund Property.
- (iii) Class ‘C’ Units: Units allocated to investors after the completion of IPO with front-end load as per Offering Documents may be charged

by the company and in the event of redemption of such units before the expiry of three (3) months from the date of issue, back-end load not exceeding 2.5% of the NAV will be charged as per details given in Offering Document. The back-end load shall form part of Fund Property.

Types of Units: The investor shall, at the time of opening an account, select the Type(s) of Unit(s) in which investor wishes to invest i.e. Growth Units and/or Income Units. The investor shall, at his discretion, at any time change the Type(s) of Units(s) by submitting the Transfer of Type(s) of Unit(s) Form, free of any charge. The following are the features of growth and income unit:

- (i) **Growth Units:** The Unit value grows in line with the growth in the NAV and the Unit Holders are entitled for bonus Units at the time of distribution.
- (ii) **Income Units:** These Units are meant for those investors who opt to receive the dividends in the form of cash only at the time of distribution.

- 26.2** Units shall be issued in the Initial Period for the Initial Price to the first subscribers of such Units and to the extent of an amount determined by the Management Company and intimated to the Trustee, subject to the Regulations. Details of the Core Investors shall be included in the Offering Documents to be issued for this Trust.
- 26.3** Subject to the terms of this Deed, all Units and fractions thereof represent an undivided share in the Trust Property and rank *pari passu* as to their rights in the Net Assets, earnings, and the receipt of the dividends and distributions.
- 26.4** The liability of the Holders shall be limited to the Offer Price paid for the Units.
- 26.5** The Units issued with differing classes may have differing quantum of the Front-end Load added to the Net Asset Value to determine the Offer Price.
- 26.6** After the Initial Offer, the Offer Price shall be determined from time to time pursuant to Sub-Clause 11.2 of this Deed and the Regulations.
- 26.7** By a deed supplemental to this Trust Deed, the Management Company may at any time with the approval of the Trustee on giving not less than twenty one days previous notice in writing to each Holder subdivide or consolidate the whole or any part of the Units of the same class and the Holder shall be bound accordingly. The Management Company shall require in such notice that each Holder to whom Certificates have been issued (who shall be bound accordingly) deliver up his Certificates for endorsement or enfacement with the number of Units to be represented thereby as a result of such sub-division or consolidation; provided that any delay or failure to deliver up the Certificates shall not delay or otherwise affect any such sub-division or consolidation.

27 ISSUE OF UNITS

- 27.1** 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 Documents.
- 27.2** Except as provided herein the Units shall be offered at the authorized offices or branches of the Distribution Company(ies) on all Dealing Days.
- 27.3** Application for issuance of Units shall be made by completing the prescribed application form and submitting it with the payment by cheque or bank draft, pay order, credit card etc. in favor of the Trustee and crossed “**Account Payee Only**” at the authorized branch or office of any Distribution Company. The application for issuance of the Units and the specimen signature of each Holder shall be retained by the relevant Distribution Company with copies supplied to the Registrar, if so required by the Management Company. The Distribution Company shall verify the particulars given in the application for issuance of Units and the documents submitted therewith and ensure that the signature of any Holder or joint Holder to any document required to be signed by him under or in connection with the application for issue of Units are verified to reasonable satisfaction.
- 27.4** Each Unit Holder(s) shall be liable to pay the Purchase (Offer) Price of the Units subscribed by him and no further liability shall be imposed on him in respect of any Units held by him. The Units shall be issued in fractions upto four decimal points, only against receipt of full payment.
- 27.5** An application for purchase of Units shall be deemed to have been made in accordance with the provisions of the Offering Document, if the Account Holder / Unit Holder authorizes automatic issuance of Units under certain circumstances
- 27.6** No Units shall be issued until full payment of the Offer Price has been received by the Trustee. The Management Company may offer different type of Units and different plans under different administrative arrangements with differing levels of front-end load as provided in the Offering Document or the Supplementary Offering Document.
- 27.7** The Registrar shall process sale and redemption applications as well as conversion/ switching and transfer application in accordance with the relevant Offering Documents or Supplementary Offering Documents. In addition, the Registrar shall also process the automated conversion/ switching between Funds as per the terms of Offering Document or Supplementary Offering Document. Based on the prices applicable to the relevant sales or redemption, the Registrar shall determine the number of Units to be issued.

28 Redemption of Units

- 28.1** Application for redemption of Units shall be made by completing the prescribed application form for redemption and submitting it at the Authorized Branch or office of the Distribution Company, before the cut-
The Management Company may make arrangements to accept redemption

requests through electronic means such as online, ATMs or other means of electronic use. The application for redemption of Units shall be accompanied by the relevant Certificate, if issued, duly endorsed on the reverse. In case of applications for redemption by Joint Holders, any holder may sign the redemption form if he is so authorized by all Joint Holders.

- 28.2** The Trustee may at its option dispense with the production of any Certificate that shall have become lost, stolen or destroyed upon compliance by the Unit Holder(s) with the like requirements to those arising in the case of any application by him for the replacement thereof.
- 28.3** The amount payable on redemption shall be paid to the Holder or to the order of the Holder or, in case of joint Holders, the first named joint Holder by crossed cheque or direct transfer to his designated bank account or any other mode, after receipt of a properly documented request for redemption of the Units in terms of this Trust Deed, provided that redemption is not suspended in terms of this Trust Deed.
- 28.4** The receipt of the Holder for any moneys payable in respect of the Units shall be a good discharge to the Trustee and the Management Company and if several persons are registered as joint Holders any one of them may give effectual receipt for any such money.
- 28.5** The Distribution Company shall verify the particulars given in the application for redemption of Units and documents submitted therewith. The signature of any Holder or joint Holder to any document required to be signed by him under or in connection with the application for redemption of Units may be verified to reasonable satisfaction. In case of submission of electronic on-line redemptions the Holder's user ID and password will authenticate his identity.
- 28.6** Application for redemption will be received at the authorized offices or branches of the Distribution Company on all Dealing Days. Payments of Units so redeemed shall be made within six (6) Business Days of the date of receipt of such application; provided that in the event redemption requests on any day exceed ten percent (10%) of the Units in issue, the Management Company may invoke a Queue System as described in Clause 12.4 herein below.
- 28.7** In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Trust Property being run down to an unmanageable level or is of the view that the sell-off of assets is likely to result in a significant loss in the value for the Holders who are not redeeming, it may announce winding up of the Trust. In such an event, the queue system, if already invoked, shall cease to apply and all Holders shall be paid after selling the assets and determining the final Redemption Price. The interim distributions of the proceeds may be made if the Management Company finds it feasible.
- 28.8** Where lien/ pledge/ charge on any unit is recorded in the Register, the Management Company and Trustee may concur to make payment to the pledgee, if a request is received from the pledgee or through an order of a

competent court and on receipt of such indemnification as Management Company or Trustee may require.

28.9 The Management Company shall ensure all valid redemption request are paid based on ranking of the request in a queue.

29 ISSUE AND REDEMPTION OF UNITS OUTSIDE PAKISTAN

29.1 Subject to foreign exchange control and other applicable laws, rules and the regulations, in the event of arrangements being made by the Management Company for the issuance of Units to person(s) 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 herein before provided a further amount sufficient to cover any currency exchange fluctuation, any additional stamp duty or taxation whether national, municipal or otherwise leviable in that country or in Pakistan, if any, in respect of such issue or of the delivery or issue of Certificates in connection therewith or the remittance of money to Pakistan.

29.2 In the event that the Redemption Price for Units is paid in any country outside Pakistan, the price at which such Units may be redeemed may, at the discretion of the Management Company, include as a deduction to the Redemption Price as hereinbefore provided a future amount sufficient to cover any currency exchange fluctuation and any additional stamp duty or taxation whether national, municipal or otherwise leviable in that country or in Pakistan, if any, in respect of such payment or redemption. Neither the Management Company, nor the Trustee shall be responsible for arranging remittance of the redemption proceeds to offshore countries and it shall be the responsibility of the offshore Unit Holder(s) to arrange for formalities for remittance through their own banks or custodian(s) in Pakistan.

29.3 The currency of transaction of the Trust is the Pakistani Rupee and the Management Company, Trustee or any Distributor are not obliged to transact the Purchase 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, for receipt or payment in any other currency or for any obligations arising there from.

29.4 Payments of redemption proceeds of Units shall be made to or on account of offshore Unit Holder(s) in Base Currency, but shall be convertible from the Base Currency through an authorized dealer to be appointed by the Management Company, using State Bank of Pakistan's (SBP) quoted rates (selling rate for the relevant currency) and any conversion costs, Duties and charges and back-end load, if any shall be deducted from such payment. The Management Company shall arrange the remittance and/or fulfill any foreign exchange formalities at SBP through Trustee (if required). Furthermore, in case of any remittance is delayed or cannot be made due to in-availability of foreign currency from the SBP and/or delay due to approval process at SBP, both Management Company and Trustee will not be responsible for the same.

29.5 The Offer and Redemption Price shall be in Pak rupee terms and the Scheme shall not carry any exchange risk. The investor shall invest and disinvest at the exchange rate (closing spot rates declared by State Bank of Pakistan (SBP)) prevailing at the time of receipt of the applications for issue or redemption of Units, as the case may be. For investment in Units, the investor shall remit the proceeds in foreign exchange through normal banking channels. For redemption of Units of offshore investors, payments shall be made in Pakistani rupees and investor shall be responsible for converting it into dollars or any other foreign currency and for arranging remittance of the redemption proceeds.

30 REGISTER OF UNIT HOLDER(S)

30.1 The Register shall be maintained by the Registrar at such a place as is agreed by the Management Company. The Management Company shall ensure that Registrar shall comply with all relevant provisions of the Constitutive Documents and the Rules and the Regulations and inform the commission of the address where the register is kept.

30.2 The Management Company shall ensure that the Registrar shall at all reasonable times during business hours give the Trustee and its representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without charge but neither the Trustee nor its representatives shall be entitled to remove the Register or to make any entries therein or alterations thereto, except when the Register is closed in accordance with the provisions of this Trust Deed, the Register shall during business hours (subject to such restrictions as may be mentioned in the Offering Document and for a period of at least two hours in each Business Day) be open in legible form to the inspection of any Holder without charge.

30.3 The Registrar shall, within seven (7) working days of receiving a written request from any Unit Holder(s), post (or send by courier or through electronic means) to such Unit Holder(s) details of such Units Holder's account in the Register.

30.4 The Register shall contain the following information in respect of each class and type of Units:

- (a) Full names, father's/husband's name and addresses of each Holder and joint Unit Holder(s);
- (b) National Identity Card Number, registration number or any other identification number in case of foreign holders;
- (c) Nationality;
- (d) Number of Certificates held;
- (e) The date on which the name of every Unit Holder was entered in respect of the Units standing in his name;

- (f) The date on which any transfer or redemption is registered with Certificate number, if any;
- (g) Information about lien, pledge or charge of Units;
- (h) Information about verification of redemption/transfer Forms;
- (i) Tax and Zakat status of Holder;
- (j) Information about nominees (in case of individuals);
- (k) Record of signature of Holder;
- (l) Such other information as the Management Company may require.

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

30.6 Any change of name or address of any Holder shall forthwith be notified in writing to the Distribution Company who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name the surrender of any Certificate previously issued to such Holder and the payment of the fee) shall forward the particulars to the Registrar who on being satisfied with the compliance of formalities shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall issue where necessary a new Certificate to such Holder.

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

30.8 A body corporate may be registered as a Holder or as one of the joint Holders.

30.9 The register of the unit holders of the scheme may be closed for the purpose of declaration of dividend for a period not exceeding the six working days at a time and whole forty five days in a year or any other time period as specified by the regulation.

However, during such closure period, the Management Company may authorize the Registrar to record a lien on any or all Units held by Unit Holder(s) in favor of a third party at the request of such Unit Holder(s) or Joint Unit Holder(s) as the case may be.

- 30.10** The Holder shall be the only person to be recognized by the Trustee and the Management Company as having any right, title or interest in or to such Units and the Trustee and the Management Company may recognize the 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 the execution of any trust except where required by any court of competent jurisdiction.
- 30.11** The executors or administrators or succession certificate holders of deceased Holder (not being one of several joint Holders) shall be the only persons recognized by the Trustee and the Management Company as having right, title or interest in or to the Units represented thereby.
- 30.12** Any person becoming entitled to a Unit in consequence of the death or bankruptcy/insolvency of any sole Holder or of the survivor of joint Holders may subject to 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/Distribution Company such notice in writing of his desire or transfer such Unit to some other person. All the limitations, restrictions and provisions of this Trust Deed relating to transfer shall be applicable to any such notice or transfer as if the death or bankruptcy/insolvency had not occurred and such notice or transfer was a transfer executed by the Holder.
- 30.13** The Trustee shall retain any moneys payable in respect of any Unit of which any person is under the provisions as to the transmission of Units herein before contained entitled to be registered as the 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.

31 ISSUANCE OF CERTIFICATES

- 31.1** Upon confirmation that the Offer Price for each Unit has been received in full from the applicant, the Registrar shall issue an account statement that will constitute evidence of the number of Units registered in the name of the Holder.
- 31.2** Certificates shall be issued only if so requested by the Holder at the time of application or at any later stage and upon payment of a fee not exceeding Rs. 50/- (Rupees Fifty only) per Certificate of any denomination, subject to revision of fee from time to time by the Management Company. The proceeds of such fee will accrue to the Management Company.
- 31.3** Certificates shall only be issued for Units that have been fully paid, in such denomination as may be required by the Holder. Separate Certificates shall be issued for each class of Units.
- 31.4** Certificates, where requested, shall be issued as herein provided not later than twenty-one Business Days after the date of such request. The Certificate may be sent to the Holder or his duly authorized nominee at his own risk by registered post, by courier service or may be collected by the Holder from the Distribution Company.
- 31.5** In the case of Units held jointly, the Registrar shall not issue more than one Certificate for the Units held by such joint Holders and delivery of such

Certificate to the Holders named first therein shall constitute sufficient delivery to all joint Holders. All payments required under this Trust Deed (i.e. redemption and dividend) shall be made to first named joint Unit Holder.

- 31.6** Certificates shall be issued in such form as may from time to time be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the name and address of the Management Company and the Trustee, shall bear a serial number and shall specify the number of Units represented thereby and the name and address of the Holder as appearing in the Register.
- 31.7** 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. and shall also bear the signature of the authorized representative of the Registrar. No Certificate shall be of any force or effect until signed as herein above mentioned. Certificate so signed shall be valid and binding notwithstanding that before the date of delivery thereof the Trustee or the Management Company or the Registrar or any person whose signature appears thereon as a duly authorized signatory may have ceased to be the Trustee, the Management Company, Registrar or any authorized signatory.

32 REPLACEMENT OF CERTIFICATES

- 32.1** Subject to the provisions of this Trust Deed and in particular to the limitations of the denominations of Certificates, as may be fixed by the Management Company, and subject to any Rules and the Regulations from time to time every Holder shall be entitled to exchange upon surrender of the existing Certificate any or all of his Certificates for one or more Certificates of such denominations as he may require representing the same aggregate number of Units.
- 32.2** In case any Certificate shall be lost, 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 Distribution Company/Registrar evidence satisfactory to the Management Company of the loss, theft or destruction of the original Certificate;
 - (ii) Paid the expenses incurred in connection with the investigation of the facts;
 - (iii) In the case of joint Holders obtained the written consent of the joint Holders for issuance of such new certificates; and
 - (iv) Furnished such indemnity as the Management Company and the Trustee may require. Neither the Management Company nor the

Trustee nor the Distribution Company/Registrar shall incur any liability for any action that they may take in good faith under the provisions of this sub-clause.

- 32.3** Before the issuing of any Certificate under the provisions of this sub-clause, the Distribution Company / Registrar may require from the applicant for the Certificate the payment to it of a fee of Rs. 100/- (Hundred Rupees) for each Certificate, subject to revision of fee from time to time by the Management Company together with a sum sufficient in the opinion of the Management Company to cover any Duties and Charges payable in connection with the issue of such Certificate.

33 TRANSFER OF UNITS

- 33.1** Unit Holder(s) may, subject to the law, transfer any Units held by them to any other account holder(s). The transfer shall be carried out after the Registrar has satisfied himself that all the requisite formalities including the payment of any taxes have been completed and has recovered the fee prescribed for the service. A Unit shall be transferable only in its entirety.
- 33.2** 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 on respect thereof. 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 Certificates where the Certificates have been lost 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 Clause 32 of the Trust Deed. The Registrar shall retain all instruments of transfer.
- 33.3** Transfer of Units to successors in case of inheritance or distribution of the estate of a deceased Unit Holder shall be processed by the Registrar after satisfying himself as to all legal requirements. The processing fee, legal costs and taxes etc., if any, shall be borne and paid by the transferees.
- 33.4** The Distribution Company/Registrar with the prior approval of the Management Company 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 expiry of ten years from the date of registration thereof and all Certificates which have been cancelled at any time after the expiration of three years from the date of cancellation thereof and all registers, statements and other records and documents relating to the Trust at any time after the expiration of six years from termination of the Trust. The Trustee or the Management Company or the Distribution Company/ 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 Distribution Company/ Registrar that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered by the Trustee or the Management Company or the Distribution Company/Registrar and that every Certificate so destroyed was a valid Certificate duly and properly registered by the Trustee or the Management

Company or the Distribution Company/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 thereof) 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 Distribution Company/Registrar any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of provision (i) above are not fulfilled; and
- (iii) Reference herein to the destruction of any document includes reference to the disposal thereof in any manner.

33.5 A Unit Holder may merge the Units when he/she has invested with two folio/registration numbers and wishes to merge both the Units into one registration number. The Registrar shall carry out the merger after satisfying himself that all the requisite formalities have been completed and payment of applicable taxes and fee, if any, have been received.

33.6 A Unit Holder may convert the Units held by him in a Unit Trust Scheme managed by the Management Company into Units of another Unit Trust Scheme managed by the Management Company. The Registrar shall carry out the conversion after satisfying himself that all the requisite formalities have been fulfilled and payment of the applicable taxes and fees, if any, has been received. The Management Company may impose a time limit before which conversion may not be allowed.

34 PLEDGE/LIEN OF UNITS

34.1 Any Unit Holder or all the joint Holders of a Unit or types of Units may request the Registrar to record pledge or lien on all or any of his/ their Units in favor of a third party legally entitled to invest in such units in its own right. The Registrar shall register a lien on any Units in favor of the third party, with the specific authority of the Management Company, as security for any debt owed to any third party. Any charges, duties, levies etc. applicable on such pledge/lien will be borne by the Pledgor.

34.2 The lien once registered shall be removed by the written authority of the party in whose favor the lien has been registered or through an order of the competent court. Neither the Trustee nor the Management Company nor the Registrar shall be liable for ensuring the validity of any such pledge/lien/charge. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge/lien/charge by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company nor the Registrar take any responsibility in this matter.

- 34.3** Save any legal bar or court order requiring otherwise, any dividends that are declared on the pledged Units shall be made to the order of the Unit Holder. However, any units issued on reinvestments or bonus Units that the pledged Units are entitled to, shall automatically be marked under the lien or pledge. In the event the pledged Units are redeemed for any reason, the redemption proceeds of the Units under lien/pledge/charge shall be made to the Pledge/Lien/Charge Holder for the account of the Unit Holder.
- 34.4** The lien on the pledge Units shall continue till such time it is released by the pledge/lien/charge holder in writing

35 ARBITRATION

In the event of any disputes arising out of this Trust Deed or the Offering Document between the Management Company on the one part and the Trustee on the other part, including as to the respective rights and obligations of the parties hereto, as well as those relating to the interpretation of the terms and conditions of this Trust Deed and the Offering Document of the Unit Trust, the same shall be referred to arbitration by two arbitrators, one to be appointed by the Management Company and the other to be appointed by the Trustee. In the event of lack of consensus between the two arbitrators, the matter shall be referred to an umpire, to be selected by the two arbitrators before commencement of the reference. The unanimous decision of both the arbitrators, or the decision of the umpire, as the case may be, shall be final and binding upon both the parties hereto. 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. The venue of the arbitration shall be Karachi. The arbitration shall be conducted in accordance with the Arbitration Act, 1940.

36 CONFIDENTIALITY

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

37 MISCELLANEOUS

- 37.1** Any notice required to be served upon the Holder shall be deemed to have been duly given if sent by post, by courier or left at his address as appearing in the Register. Any notice so served by post/courier shall be deemed to have been served on the day following that on which the letter containing the same is posted/sent by courier, and in proving such service, it shall be sufficient to prove that such letter was properly addressed, stamped (if required) and posted/sent by courier.

- (a) The Management Company shall advertise any such notice in newspapers in which prices of Units are published.
- (b) Service of a notice or document on any one of several joint Holders shall be deemed effective service on the other joint Holders.
- (c) Any notice or document sent by post to or left at the registered address of a Holder shall notwithstanding that such Holder be then dead or bankrupt/insolvent 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.

37.2 A copy of this Trust Deed and of any such supplemental deed shall be made available for inspection at the respective Head Offices of the Trustee and the Management Company at all times during usual business hours and shall be supplied by the Management Company to any person on application at a charge of Rs. 50/- (Rupees Fifty) per copy or at such rate as determined from time to time by the Management Company.

38 DEFINITIONS

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

- 38.1** “**Accounting Date**” means the thirtieth day of June in each year and any interim date on which the financial statements of the Trust are drawn up. Provided that the Management Company may, with the written consent of the Trustee and after obtaining approval from the Commission and the commissioner of Income Tax may change such date to any other date and such change shall be intimated to the Commission.
- 38.2** “**Accounting Period**” means a period ending on and including an accounting date and commencing (in case of the first such period) on the date on which the Trust property is first paid or transferred to the trustee and (in any other case) from the end of the preceding accounting period.
- 38.3** “**Asset Management Company**” means an asset management company as defined in the Rules and the Regulations.
- 38.4** “**Auditor**” means the Auditor of the Trust appointed by the Management Company as per the Rules and the Regulations.
- 38.5** “**Authorized Branch and Branches**” means those Branches of Distributors or Distribution Companies which are allowed to deal in Units of Funds under management of the Management Company.
- 38.6** “**Authorized Investments**”

Pak Oman Government Securities Fund is a money market fund and its “Authorized Investments” comprise of any investments transacted, issued,

traded or listed in Pakistan and abroad as authorized by SECP for money market open-end collective investment schemes and includes any of the following:

- 38.6.1** Bank deposit with a scheduled commercial bank(s);
 - 38.6.2** Cash or near Cash Instrument;
 - 38.6.3** Term Deposit Receipts of varying maturities;
 - 38.6.4** Treasury Bills;
 - 38.6.5** Money market Placement;
 - 38.6.6** Government Securities and Instruments;
 - 38.6.7** Reverse repo transactions with Government paper as the underlying Securities;
 - 38.6.8** COD/LOP from commercial banks and financial institutions;
 - 38.6.9** Certificate of Musharaka;
 - 38.6.10** Commercial Paper;
 - 38.6.11** Any other security and/or instruments and/or transactions that may be allowed by the SECP in categorization of open-end collective investment scheme. In case of any revision or change in rating, exposure limits and authorized investments issued by SECP the later will take precedence.
- 38.7** **“Back-end Load”** means Load deducted from the Net Asset Value in determining the Redemption Price; not exceeding 2.5% of the Net Asset Value. Back-end Load shall form part of the Fund Property.
- 38.8** **“Bank”** means institution(s) providing banking services under the Banking Companies Ordinance, 1962, or any other regulation in force for the time being in Pakistan, or if operating outside Pakistan, under the banking laws of the jurisdiction of its operation outside Pakistan.
- 38.9** **“Bank Accounts”** means those account(s) opened and maintained for the Trust by the Trustee at Banks, the beneficial ownerships in which shall vest in the Unit Holder(s).
- 38.10** **“Broker”** means any person engaged in the business of effecting transactions in securities for the account of others.
- 38.11** **“Business Day”** means any day (business hours thereof) on which banks and the management company are open for business in Pakistan.

- 38.12 “Certificate”** means the definitive certificate acknowledging the number of Units registered in the name of the Unit Holder issued at the request of the Unit Holder pursuant to the provisions of this Trust Deed.
- 38.13 “Commission”** means Securities and Exchange Commission of Pakistan established under Securities and Exchange Commission of Pakistan Act, 1997 and shall include its successor.
- 38.14 “Connected Person”** shall have the same meaning as in the Rules.
- 38.15 “Constitutive Documents”** means this Trust Deed that is the principal document governing the formation, management and operation of the Trust, the Offering Document and all material agreements in relation to the Trust.
- 38.16 “Core Investors”** of the Scheme shall be such initial Investors whose subscription shall in aggregate be in compliance of the requirements of the Rules and the Regulations. The Core Investors shall be issued with Class “A” Core Units representing their subscriptions. Particulars of the Core Investors shall be included in the Offering Document that shall be issued for this Trust.
- 38.17 “Core Units”** means such Class “A” Units of the Scheme that are issued to Core Investors at Par Value with the condition that these units are not redeemable for a period of two years from close of initial period. However, 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 affected only on the receipt by the Registrar of a written acceptance of this condition by the transferee.
- 38.18 “Custodian”** means a Bank, a Depository or an Investment Finance Company licensed under the Rules and the Regulations, which may be appointed by the Trustee with the approval of the Management Company to hold and protect the Trust Property or any part thereof as custodian on behalf of the Trustee; and shall also include the Trustee itself if it provides custodial services for the Fund.
- 38.19 “Cut-off time”** means the timings as may be prescribed by the management company from time to time.
- 38.20 “Dealing Day”** means every Business Day is dealing day except the book closure period of the fund.
- 38.21 “Distributor / Distribution Company”** means Company(ies), Firm(s), Sole Proprietorship concern(s), individual(s), Central Depository Company or any other Financial Institution appointed by the Management Company under intimation to the Trustee for performing any or all of the Distribution Functions and shall also include the Management Company itself, if it performs the Distribution Function.

38.22 “Distribution Function” means the functions with regard to:

- a. receiving applications for issue of Units together with the aggregate Offer Price for Units applied for by the applicants;
- b. issuing receipts in respect of (a) above;
- c. 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;
- d. accounting to the Management Company for all: (i) moneys received from the applicants for issuance of Units; (ii) payments made to the Holders on redemption of Units; and (iii) expenses incurred in relation to the Distribution Function.
- e. the above functions may be performed electronically, if appropriate systems are in place.

38.23 “Duties and Charges” means in relation to any particular transaction or dealing all stamp and other duties, taxes, Government charges, bank charges, transfer fees, registration fees and other duties and charges in connection with the increase or decrease of the Trust Property or the creation, issue, sale, transfer, redemption or purchase of Units or the sale or purchase of Investment or in respect of the issue, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable, but do not include the remuneration payable to the Distribution Company or any 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.

38.24 “Exposure” shall have the same meaning as in the Regulations

38.25 “Financial Institution” means a Bank, Development Finance Institution, Non Banking Finance Company, Modaraba or an institution registered under relevant laws to provide financial services within or outside Pakistan.

38.26 “Force Majeure” means any occurrence or circumstance or element which delays or prevents performance of any of the terms and conditions of this Deed or any obligations of the Management Company or the Trustee and shall include but be no limited to any circumstance or element that cannot be reasonably controlled, predicted, avoided or overcome by any Party and which occurs after the execution of this Agreement and makes the performance of the Agreement in whole or in part impossible or impracticable or delays the performance, including but not limited to any situation where performance is impossible without unreasonable expenditure. Such circumstances include but are not limited to floods, fires, droughts, typhoons, earthquakes and other acts of God and other

unavoidable or unpredictable elements beyond reasonable control, such as war (declared or undeclared), insurrection, civil war, acts of terrorism, accidents, strikes, riots, turmoil, civil commotion, any act or omission of a governmental authority, failure of communication system, hacking of computer system and transmissions by unscrupulous persons, closure of stock exchanges, banks or financial institutions, freezing of economic activities and other macro-economic factors, etc.

- 38.27 “Formation Cost”** means preliminary expenses relating to regulatory and registration fees of the Scheme, flotation expenses of the Scheme, expenses relating to authorization of the Scheme, execution and registration of the Constitutive Documents, legal costs, printing, circulation and publication of the Offering Document, announcements describing the Scheme and all other expenses incurred until the end of the Initial Period. The formation cost will not exceed one per cent of the pre-initial public offering capital or five million rupees, whichever is lower.
- 38.28 “Front-end Load”** means the sales and processing charge or commission (excluding duties and charges) not exceeding 5% or such other percentage (as specified by the Management Company in the Offering Document) of the Net Asset Value which may be included in the Offer Price of the Units.
- 38.29 “Government Securities”** include monetary obligation of the Federal Government or a Provincial Government or of a Corporation wholly owned or controlled, directly or indirectly, by the Federal Government or a Provincial Government and guaranteed by the Federal Government and any other security as the Federal Government may, by notification in the Official Gazette, declare, to the extent determined from time to time, to be a Government Securities.
- 38.30 “Holder or Unit Holder”** means the investor for the time being entered in the Register as owner of a Unit including investors jointly so registered pursuant to the provisions of this Trust Deed.
- 38.31 “Initial Period”** means a period determined by the Management Company not exceeding sixty days from the date of approval of the Offering Document during which Units will be offered at the Initial Price as per the Offering Document.
- 38.32 “Initial Price”** means the price per Unit during the Initial Period determined by the Management Company.
- 38.33 “Investment”** means any Authorized Investment forming part of the Trust Property.
- 38.34 “Investment Facilitators/Advisors/Sales Agents”** means an individual, firm, corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Scheme. The Management Company shall compensate the Investment Facilitators/Sales Agents out of the front-end Load collected by it in the Offer Price and/or Management Fee.

- 38.35** “**Local Governments**” mean the all the local / city governments in Pakistan.
- 38.36** “**Net Assets**”, in relation to the Trust, shall have the same meaning as in the Rules and the Regulations.
- 38.37** “**Net Asset Value**” or “**NAV**” means per Unit value of the Trust arrived at by dividing the Net Assets by the number of Units outstanding.
- 38.38** “**Offer Price**” or “**Purchase Price**” means the sum to be paid by investor(s) for the purchase of one Unit of the Scheme. Such price is to be determined in accordance with Clause 11.2 of this Trust Deed.
- 38.39** “**On-line**” means transactions through electronic data-interchange whether real time transactions or otherwise, which may be through the internet, intranet networks and the like.
- 38.40** “**Par Value**” means the face value of a Unit as defined in the Offering Documents of the Trust, which shall be Rs:10/-.
- 38.41** “**Pre IPO**” means the period preceding the Initial Period during which investments are made in the Scheme by the Pre-IPO Investors.
- 38.42** “**Pre IPO Investor(s)**” mean(s) the investors who make investments in the Scheme before the Initial Period.
- 38.43** “**Profit Distribution Date**” means the date on which the Management Company decides to distribute the profits (if any).
- 38.44** “**Redemption Account**” means the Bank Account(s) (which may be a current, saving or deposit account(s)) maintained by the Trustee with Bank(s) having A+ rating and approved by the Management Company in which the amount required for redemption of Units to the Holders may be transferred.
- 38.45** “**Redemption Price**” means the amount to be paid to the relevant Unit Holder(s) upon redemption of that Unit, such amount to be determined pursuant to Clause 11.4 of this Trust Deed.
- 38.46** “**Register**” means the Register of the Unit Holder(s) kept pursuant to the Rules and the Regulations and this Trust Deed.
- 38.47** “**Registrar Functions**” means the functions with regard to:
- a) maintaining the Register, including keeping a record of change of addresses/other particulars of the Unit Holder(s);
 - b) issuing account statements to the Unit Holder(s);
 - c) issuing Certificates;
 - d) canceling old Certificates on redemption or replacement thereof;

- e) processing of applications for issue, redemption, transfer and transmission of Units, recording of pledges, liens and changes in the data with regard to the Unit Holder(s);
- f) issuing and dispatching of Certificates;
- g) Dispatching income distribution warrants, and bank transfer intimation and distributing bonus Units or partly both and allocating Units to Holders on re-investment of dividends;
- h) Receiving applications for redemption and transfer/transmission of Units directly from Holder or legal representatives or through Distributor; and
- i) Maintaining record of lien/pledge/charge on units, transfer/switching of units, Zakat.

38.48 “**Rules**” mean Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 as amended or substituted from time to time.

38.49 “**Regulations**” mean Non-Banking Finance Companies and Notified Entities Regulations, 2008; as amended or substituted from time to time and inclusive of any specific or general relaxations in respect of applicability of such Regulations granted or to be granted by Commission.

38.50 “**Transaction Costs**” means the costs incurred or estimated by the Management Company to cover the costs (such as, but not restricted to, brokerage, Trustee charges, taxes or levies on transactions, etc.) related to the investing or disinvesting activity of the Trust’s portfolio, *inter alia*, necessitated by creation or cancellation of Units, which costs may be added to the NAV for determining the Offer Price of Units or to be deducted from the NAV in determining the Redemption Price.

38.51 “**Transfer Agent/Registrar**” means a company including a Bank that the Management Company shall appoint for performing the Registrar Functions. The Management Company may itself perform the Registrar Function.

38.52 “**Trust**” or “**Unit Trust**” or “**Fund**” or “**Pak Oman Government Securities Fund**” or “**POGSF**” or “**Scheme**” means the Unit Trust constituted by this Trust Deed for continuous offers for sale of Units of the Trust.

38.53 “**Trust Deed**” or “**Deed**” means this trust deed executed between the Management Company and the Trustee along with all the exhibits appended hereto.

38.54 “**Unit Holders**” means the investor to whom a certain number of units are issued and is the owner of an undivided share in the Trust Property upto his share of investments on *pari passu* basis.

38.55 “Zakat” has the same meaning as in Zakat and Usher ordinance (XVIII of 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.

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

The Common Seal of **Pak Oman Asset Management Company Limited** was hereunto affixed in the presence of:-

Seal (1)	_____	(2)	_____
	_____		_____
CNIC:	_____	CNIC:	_____

The Common Seal of **MCB Financial Services Limited** was hereunto affixed in the presence of: -

Seal (1)	_____	(2)	_____
	_____		_____
CNIC:	_____	CNIC :	_____

WITNESSES:

Name:
CNIC No.

Name:
CNIC No.

License to carry on Asset Management Services as Non-Banking Finance Company



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


No. NBFC-II/ **11** /POAMCL/AMS/ **06** /2011

Islamabad, February **5**, 2011

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

The Securities and Exchange Commission of Pakistan, having considered the application for the renewal of license to undertake **Asset Management Services** submitted by **Pak Oman Asset Management Company Limited** under rule 5 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 as amended through S.R.O.1131(1) 2007 and S.R.O. 271(I)/2010 (the "Rules"), and being satisfied that it would be in the public interest so to do, in exercise of powers conferred by sub-rule (9) of rule 5 of the Rules, hereby renews the license of **Pak Oman Asset Management Company Limited** to carry out **Asset Management Services** subject to the conditions stated herein below or as may be prescribed or imposed hereafter: -

1. **Pak Oman Asset Management Company Limited** and the collective investment schemes under its management shall comply with the Companies Ordinance, 1984, the Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (as amended or replaced) and any directives, circulars, codes, notifications and guidelines issued by the Commission to regulate the business of asset management companies
2. **Pak Oman Asset Management Company Limited** shall submit annual, half yearly, quarterly or such other reports as specified in the applicable laws; and
3. The license is valid for a period of three years **w.e.f December 12, 2010** and shall be renewable every three years as specified in the Rules.


(Muhammad Ali)
 Chairman

SECP approval of Trust Deed of Pak Oman Government Securities Fund



**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
NBFC DEPARTMENT**

No. NBFC-II/POAMCL/110/2011

March 3, 2011

Chief Executive Officer
Pak-Oman Asset Management Company Ltd.
1st Floor, Tower A, FTC
Shahra-e-Faisal
Karachi.

Subject: NOC for the registration of trust deed of Pak Oman Government Securities Fund

Dear Madam,,

I am directed to refer to the application dated December 13, 2011 whereby Pak Oman Asset Management Company Limited has submitted the draft trust deed of proposed Pak Oman Government Securities Fund (the "Fund") to be executed between Pak Oman Asset Management Company Limited (the "Management Company") and MCB Financial Services Limited (the "Trustee").

In this regard, the Securities and Exchange Commission of Pakistan has no objection to the registration of the trust deed of proposed Fund under the Trusts Act, 1882. The clearance of the draft trust deed is without prejudice to the conditions and the requirements stipulated in the license issued in favor of the Management Company, the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations 2008. Further action will be taken on receipt of duly registered copy of the trust deed.

Yours truly,

Omaimah Nazir
(Deputy Director)

ANNEXURE "C"

Remuneration of Trustee and its Agents

The Trustee shall be entitled to a monthly remuneration out of the Trust Property as follows:

Net Assets	Charges
Up to Rs. One billion	Rs. 0.6 million or 0.2% p.a. of NAV, whichever is higher
Exceeding Rupees One billion	Rs. 1.5 million plus 0.10% of NAV exceeding Rs. 1,000 million

SECP approval for Appointment of Trustee



**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
NBFC DEPARTMENT**

No. NBFC-II/POAMCL/109/2011

March 3, 2011

Chief Executive Officer
Pak-Oman Asset Management Company Ltd.
1st Floor, Tower A, FTC
Shahra-e-Faisal
Karachi

Subject: **Appointment of MCB Financial Services Limited as Trustee of Pak Oman Government Securities Fund**

Dear Madam,,

I am directed to refer to the letter dated November 24, 2010 received from Pak Oman Asset Management Company Limited on the subject matter and to convey the approval of Securities and Exchange Commission of Pakistan for the appointment of MCB Financial Services Limited as Trustee of Pak Oman Government Securities Fund in terms of regulation 39 of the NBFC and NE Regulations, 2008.

Yours truly,

Omaimah Nazir
(Deputy Director)