

TRUST DEED
OF
ATLAS STOCK MARKET FUND

Dated: 29th day of May, 2004

TRUST DEED

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Atlas Stock Market Fund
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TRUST DEED

ATLAS STOCK MARKET FUND

This Trust Deed is made and entered into at Karachi, on this 29 day of May 2004 by and between:

- 1) Atlas Asset Management Company Limited (AAMCL), a company incorporated under the Companies Ordinance 1984 with its registered office at Ground Floor, Federation House, Sharea Firdousi, Clifton, Karachi-75600. (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
- 2) Central Depository Company of Pakistan Limited (CDC), a company incorporated under the Companies Ordinance 1984 and registered with the Securities & Exchange Commission of Pakistan (SECP) as a central depository company, with its registered office and place of business at 8th Floor Karachi Stock Exchange Building Stock Exchange 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:

- A. The Management Company has been incorporated and is registers as an asset management company (AMC) under the repealed Asset Management Companies Rules, 1995 (AMC Rules) to establish and operate unit trust schemes. On repeal of AMC Rules, SECP has granted license (No. NBFC – 40/ AMC/03/2003 dated June 16, 2003) to AAMCL under Rule 5 (2) of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 to undertake asset management services;
- B. The Management Company has been authorized by the SECP vide its letter No. NBFC-II-JD/ Atlas-ASMF/457 dated May 18, 2004 appended hereto as Annexure "A" to constitute the Trust under the name and title of ATLAS STOCK MARKET FUND (hereinafter referred to as the "Trust", "Unit Trust", "Fund" or "Scheme") and to register this Trust Deed, pending authorization for the establishment and operation of the Scheme in accordance with the provisions of the Rules and this Trust Deed;
- C. Central Depository Company of Pakistan Limited is authorized by its Memorandum of Association to act as trustee of unit trusts and mutual funds and has the necessary capability, expertise and arrangement to act as trustee and its Board of Directors has consented to act as Trustee of the Fund vide letter No. CDC/FIN/T/0585/2004 dated May 7, 2004;
- D. The Management Company has nominated and appointed the Trustee as trustee of the Scheme and the Trustee has accepted such appointment upon the terms and conditions here in contained;
- E. The SECP has approved the appointment of Trustee, vide letter No. NBFC-II-JD/ Atlas-ASMF/456 dated May 18, 2004, appended hereto as Annexure "B".

NOW THIS TRUST DEED (DEED) WITNWSSETH:

1. Governing Law

This Deed Shall be subject to and be governed by the Laws of Pakistan including the Ordinance, the Rules and all other applicable laws and regulations and it shall be deemed for all purposes whatsoever that all the provisions required to be

contained in a trust deed by the Rules are incorporated in this Deed as a part and parcel thereof and in the event of any conflict between this Deed and the provisions required to be contained in a trust deed by the Rules, the latter shall supersede and prevail over the provisions contained in this Deed.

2. Declaration of Trust Deed

It is hereby declared unequivocally that an open-ended trust in the name and title of Atlas Stock Market Fund is hereby created and the Management Company is hereby appointed to establish, manage, operate and administer the said open-ended trust and the Trustee is hereby nominated, constituted and appointed as the trustee of the open-ended trust. The Management Company and the Trustee hereby agree to such appointment and further declare that:

- i. The terms and conditions of this Deed and any deed supplemental hereto shall be binding on each Unit Holder, as if he is party to it so as to be bound by its provisions and each Unit Holder authorizes and requires the Trustee and the Management Company to do as required of them by the terms of this Deed.
- ii. The Unit holder shall not be liable to make any further payment in respect of purchase of Units after he has paid the purchase price of his Units and that no further liability can be imposed on him in respect of Units, which he holds.
- iii. The Trustee shall hold and stand possessed of the Deposited Property that may from time to time hereafter be vested in the Trustee upon trust as a single common fund for the benefit of the Unit Holders making *pari passu inter se* according to the number of Units held by each Unit Holder;
- iv. The Deposited Property shall be invested 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 and the conditions (if any) which may be imposed by the SECP from time to time.
- v. The Management Company shall manage, operate and administer the Fund in accordance with the Rules.
- vi. The Trustee shall issue a report to the Unit Holder, included in the annual report, in accordance with the Rules and as restated in clause 5 (vii) of this Deed.
- vii. The Trustee shall retire in the manner as laid down in clause 12 of the Deed.

3. DEFINITIONS

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

- i. **“Accounting Date”** means in case of the final Accounting Period the date on which the money is required for the final distribution is transferred to the Distribution Account and in any other case the thirtieth day of June in each year, provided, however, that the management Company may, with the consent of the Trustee and approval of SECP change such date to any other date.
- ii. **“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 Deposited Property is first paid or transferred to the Trustee and (in any other case) from the end of the Preceding Accounting Period.
- iii. **“Accounts Statement”** means statement of transactions in Units in the folio of the Holder.

- iv. **“AMC”** means Asset Management Company
- v. **“Auditor”** means, such audit firm that is appointed with the consent of the Trustee as the auditor of the Unit Trust Schemes by the Management Company.
- vi. **“Authorized Branch”** means those branches of the Distributors whose addresses have been given in the offering Document.
- vii. **“Authorized Investment”** means Pakistan origin investments transacted, issued, ended or listed inside or outside Pakistan and includes any of the following
 - a) Securities, shares, stock, bonds, debentures, debenture stock, participation term certificates, modaraba certificates, musharika certificates, term finance certificates, convertible bonds and other asset backed or mortgage backed securities.
 - b) Treasury bills and other Government Securities;
 - c) Money Market Instruments, Certificates of Deposit and Bankers’ Acceptance;
 - d) Deposits with Banks or Financial Institutions;
 - e) Shares/ certificates in closed-ended mutual funds;
 - f) Any other equity or debt security in respect of which permission to deal on a Stock Exchange is effective;
 - g) Repurchase transactions (REPOs) and reverse REPOs including Carry Over Transactions (COT).
 - h) Investment in any equity or debt security that may or may not be listed on the Stock Exchange but does not include bearer security or any security that would involve assumption of unlimited liability.
- viii. **“Back-end- Load”** means Sales Load deducted from the Net Asset Value in determining the Redemption Price.
- ix. **“Bank”** means an institution providing banking services under the banking laws of Pakistan or if operating outside Pakistan, under the banking laws of the jurisdiction of its operation outside Pakistan.
- x. **“Bank Account”** means those accounts the beneficial ownership of which rests in the Unit Holders and for which the Central Depository Company (CDC) has been appointed the trustee.
- xi. **“Business Day”** means a day (such business hours thereof) when Banks are open for business in Pakistan.
- xii. **“Carry Over Transactions (COT)”** is a form of financing transacted through the Stock Exchange. It consists of two simultaneous transactions, the first for purchase of an underlying security (shares) on the next settlement date and the second for selling back the security at a higher price for a subsequent settlement date.
- xiii. **“Certificate”** means the definitive certificate acknowledging the number of Units registered in the name or the Holder issued at the request of the Holder pursuant to the provisions of the Trust Deed.
- xiv. **“Companies Ordinance”** means the Companies Ordinance, 1984, as amended from time to time.

- xv. **“Connected Person”** shall have the same meaning as in the Rules.
(It is stated by way of explanation that for the time being, “connected person” in relation to a NBFC means.
- (a) any person or company beneficially owning, directly or indirectly, ten percent or more of ordinary share capital of the NBFC or the closed-end fund being managed by it, or being able to exercise, directly or indirectly, ten percent or more of the total voting power in that NBFC or the closed-end fund being managed by it;
 - (b) any person or company controlled by a person who or which meets one or both, of the descriptions given in sub-clause (a);
 - (c) any member of the group of which that company forms part; or
 - (d) any director or officer of that NBFC, or the closed-end fund being managed by it, or of any of their connected persons as specified in sub-clauses (a), (b) and (c);
- xvi. **“Constitutive Document”** means the Trust Deed which is the principal Document governing the formation management or operation of the Fund.
- xvii. **“Contingent Load”** means Sales Load payable on redemption of Units within a certain number of years from the date of purchase and/ or at a rate declining for every year or period Units are held.
- xviii. **“Core Investors”** of the FUND shall be such initial investors who shall be required to subscribe to and hold Units of the Par Value of not less than Rupees two hundred and fifty million (Rupees 250,000,000) for the minimum two years from the date of payment in full of such Units.
- xix. **“Core Units”** shall mean such Units of the Fund that are issued to Core Investors with the condition that these are not redeemable for a period of two years from the date of issue. Such Units are transferable with this condition and shall rank pari passu with all other Units save for this restriction.
- xx. **“Custodian”** means a Bank, a central depository company, or any other depository for the time being appointed by the Trustee with the approval of the Management Company to hold and protect the Deposited Property or any part thereof as custodian on behalf of the Trustee.
- xxi. **“Deposited Property”** means the aggregate proceeds of the sale of all Units at Offer Price after deducting there from or providing there against any applicable Sales Load, Duties and Charges and includes the Investment and all income, profit and other benefits arising there from and all cash and other assets movable or immovable and property of every description for the time being held or demand to be held upon trust by the Trustee for the benefit of the Unit Holders pursuant to the Trust Deed but does not include any amount standing to the credit of the Distribution Account.
- xxii. **“Discount Rate”** means the rate at which the State Bank of Pakistan makes funds available to banks for short periods against the collateral of government bonds; and if so longer published then the substitute thereof.
- xxiii. **“Distribution of Account”** means the account (which may be a current, saving or deposit account) maintained by the Trustee with a Bank approved by the Management Company in which the amount required for distribution of income to the Holders shall be transferred.
- xxiv. **“Distributor and Distribution Company or Distribution Companies”** means a Company or Companies, Firm or a Bank appointed by the Trustee with the approval of the Management Company for performing any or all of

the Distribution Functions and shall include the Management Company itself, if it performs the Distribution Function;

- xxv. **“Distribution Function”** means the function with regard to:
- a. Receiving applications for issue of Units together with aggregate Offer Price for Units applied for by the applicants;
 - b. Issuing receipt 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 Transfer Agent, as appropriate and
 - d. Accounting to the Trustee for (i) monies received from the applicants for the issuance of Units; (ii) payments made to the Holders on redemption of Units; and (iii) expenses incurred in relation to the Distribution Function.
- xxvi. **“Duties and Charges”** means in relation to any particular transaction fees, registration fee and other duties, taxes, Government charges, transfer fees, registration fee and other duties and charges in connection with the issue, sale, transfer, redemption or purchase of Units or in respect of the issue, sale, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but do not include the remuneration payable to the Distribution Company or any Front-end or Back-end Load or commission payable to agents on sales and redemption of Units or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.
- xxvii. **“Financial Institution”** means a NBFC licensed under the Rules, a Modaraba registered under the Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980 and a DFI regulated by the State Bank of Pakistan or any other corporate body recognized as a financial institution under the laws of Pakistan.
- xxviii. **“Formation Cost”** means all preliminary and floatation expenses of the Trust, including expenses in connection with authorization of the Scheme, execution and registration of the Constitutive Document, issue. Legal costs, printing, circulation and publication of the Offering Document, announcements describing the Fund inviting investment therein and all expenses incurred during the period leading up to the initial Period.
- xxix. **“Front-end Load”** means the Sales Load, which are included in the Offer Price of Units.
- xxx. **“Holder”** or **“Unit Holder”** means the investor for the time being entered in the Register as owner of a Unit or a fraction thereof including investor jointly so registered pursuant to the provisions of this Deed.
- xxxi. **“Initial Period or Initial Offering Period”** means a period determined by the Management Company not exceeding fifteen days, during which the Units will be offered at the Initial Price in terms of the Offering Document.
- xxxii. **“Initial Price”** means the price per Unit, during the Initial Period, determined by the Management Company.
- xxxiii. **“Investment”** means any Authorized Investment forming part of the Deposited Property.

- xxxiv. **“Net Assets”** shall have the same meaning as in the Rules.
- xxxv. **“Net Asset Value or NAV”** means per Unit Value of the Fund arrived by dividing the Net Assets by the number of Units outstanding.
- xxxvi. **“No Load”** means no Sales Load payable on sale or redemption of Units.
- xxxvii. **“Offer Price”** means the sum to be paid to the Trustee for issuance of one Unit, such price to be determined pursuant to clause 16 of the trust Deed.
- xxxviii. **“Offering Document”** means the prospectus, advertisements or other documents (approved by the SECP), which contain the investment and distribution policy and all other information in respect of the Fund or different categories of units as required by the Rules and is calculated to invite offers by the public to invest in the Fund.
- xxxix. **“Ordinance”** means the Securities and Exchange Ordinance, 1969, as amended from time to time.
- xl. **“Par Value”** means the face value of Unit that shall be Rupees five Hundred (Rupees 500) or such other amount as may be determined by Management Company in consultation with the Trustee from time to time.
- xli. **“Personal Law”** means the law of inheritance and succession as applicable to the individual Unit Holder.
- xlii. **“Redemption Price”** means the amount to be paid to the relevant Holder of a Unit upon redemption of that Unit, such amount to be determined pursuant to clause 19 of the Trust Deed.
- xliii. **“Register”** means the Register of the Holders kept pursuant to the Rules and the Trust Deed.
- xliv. **“Registrar Functions”** means the functions with regard to:
- a) Maintaining the Register;
 - b) Processing requests for issue. Redemption, transfer and transmission of Unit and requests for recording of lien or for recording of changes in data with regard to the Unit Holders
 - c) Issuing Account Statement to the Holders;
 - d) Issuing Certificates in lieu of un-distributed income to Holders;
 - e) Dispatching income distribution warrants and bank transfer intimations; and
 - f) Canceling old Certificates on redemption or replacement.
- xlv. **“Reporting Currency or Base Currency”** means the currency used in presenting the financial statements, which will be the Pakistani Rupee.
- xlvi. **“Rules”** means the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003, as amended or replaced from time to time.
- xlvii. **“Sales Load”** means the sales and processing charge or commission (excluding) Duties and Charges) not exceeding five percent (5%) of the Offering Price, which may be included in the Offer Price of certain class of Units or deducted from the Redemption Price of certain class of Units.

- xlvi. **“SECP”** means the Securities and Exchange Commission of Pakistan, established under section 3 of the Securities and Exchange Commission of Pakistan Act, 1997 and its legal successors.
- xlix. **“Stock Exchange”** means Karachi Stock Exchange, Lahore Stock Exchange, Islamabad Stock Exchange or any other stock exchange registered under the Ordinance.
1. **“Subscription Day”** means every Business Day provided that the Management Company may with the prior written consent of the Trustee and upon giving not less than seven days notice in the newspapers declare any particular Business Day not to be a Subscription Day.
- 1i. **“Supplementary Offering Document”** means a document amending or adding to the offering document to be issued by the Management Company, in consultation with the Trustee, after seeking approval of the SECP.
- 1ii. **“Transfer Agent”** means a company, including a Bank that the Management Company shall appoint for performing the Registrar Function. The Management Company may itself perform the Registrar Function.
- 1iii. **“Transaction Costs”** means the costs incurred or estimated by the Management Company to cover the costs (such as, but not restricted to, brokerage, Trustee charges, taxes or levies on transactions, etc.) related to the investing or disinvesting activity of the Fund’s portfolio, necessitated by creation or cancellation of Units. Such costs, at the discretion of the Management Company may be added to the NAV for determining the Offer Price of Units or be deducted from the NAV in determining the Redemption Price. The Transaction Costs shall not normally be applied in determining these prices, however, if the Management Company is of the view that it is in the overall interest of the Unit holders, it may, in consultation and with the agreement of the Trustee, apply such charge either to the Offer or the Redemption Price. The Management Company may, however, apply Transaction Costs while determining Offer or Redemption prices, without consulting the Trustee provided the difference between the offer Price and the Redemption Price does not exceed five percent. The element of Transaction Costs taken into account in determining the prices and collected so, shall form a part of the Deposited Property.
- 1iv. **“Trust”, “Unit Trust”, Fund”, or Scheme”** means the Unit Trust constituted by this Trust Deed for continuous offers for sale of Units.
- 1v. **“Unit”** means one undivided share in the Trust and where the context so indicates a fraction thereof.

Words and expressions used but not defined herein shall have the meanings assigned to them in the Rules. Words importing persons include corporation, 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.

4. DEPOSITED PROPERTY

- i. The aggregate proceeds of all Units issued from time to time after deducting Duties and Charges and after deducting there from or providing there against any applicable Sales Load shall constitute part of the Deposited Property and the Distribution Company shall remit such proceeds and unless exempted under this Deed or applicable law, the Sales Load and Duties and Charges to the Trustee in accordance with the instructions given by the Management Company from time to time.

- ii. The Deposited Property shall initially be constituted out of the proceeds of the Units issued to the Core Investors and other Units issued during the Initial Period after deducting any applicable Duties and Charges and Loads there from or any Sales Load.
- iii. The Trustee shall take the Deposited Property into its custody or under its control either directly or through the Custodian and hold it in trust for the benefit of the Holders in accordance with the provisions of the Rules and this Deed. The Deposited Property shall always be kept as a separate property and shall not be applied to any purpose unconnected with the Fund. All registerable Investment shall be registered in the name of the Trustee and shall remain so registered until disposed of pursuant to the provisions of this Deed. All expenses incurred by the Trustee in effecting such registration shall be payable out of the Deposited Property.
- iv. Save, as herein expressly provided, the Deposited 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 Fund, rate or purport to create any mortgages, charges, liens or any other circumstances whatsoever to secure any loan, guarantee, or any other obligation actual or contingent incurred, assumed or undertaken by the Trustee, the Custodian or any other obligation actual or contingent incurred, assumed or undertaken by the Trustee, the Custodian or any other person.
- v. The Trustee shall have the sole responsibility for the safekeeping of the Deposited Property. In the event of any loss, caused through negligence on the part of the Trustee, the Trustee shall have an obligation to replace the 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.
- vi. All cash forming part of the Deposited Property shall be deposited by the Trustee in a separate account to be opened on the name of the Trustee, as a nominee of the rating, approved by the Management Company. Such Bank shall be required to allow profit thereon in accordance with the rules prescribed by such Bank for sharing of profits or mark-up on deposits maintained in such account or under any other arrangements approved by the Management Company.
- vii. Remuneration of the Management Company; Remuneration of the Trustee; Brokerage and transaction costs related to investing and disinvesting of the Deposited Property; legal and related costs incurred in protecting or enhancing the interests of the Fund or the collective interest of the Holders; Bank charges and borrowing/financial costs; audit fees; listing fee payable to a Stock Exchange, Formation Costs and taxes, if any applicable to the Trust shall be payable out of the Deposited Property.

5. DUTIES AND POWERS OF TRUSTEE

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

- ii. The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Holders. The Trustee shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or in pursuance of any request of the Management Company provided they are not in conflict with the provisions of this Deed or the Rules. Whenever pursuant to any provision of this Deed any certificate, notice, direction, instruction or other communication is to be given by the Management Company to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Management Company by any person whose signature the Trustee is for the time being authorized in writing by the Management Company to accept.
- iii. The Trustee shall not be liable for any loss caused to the Fund or to the value of the Deposited Property due to any elements or circumstances beyond its reasonable control.
- iv. The Trustee shall carry out the instructions of the Management Company in all matters including investment and disposition of the Deposited Property unless such instructions are in conflict with the provisions of this Deed or the Rules or any applicable law.
- v. The Trustee shall, on instruction of the Management Company, from time to time appoint, remove or replace one or more Distribution Company(s) for carrying the Distribution Function at one or more locations, on terms and conditions to be incorporated in the Distribution Company and the Trustee and approved by the Management Company.
- vi. The Trustee, shall, in consultation with the management Company, from time to time appoint, remove or replace one or more Custodian for performing the Custodian Function at one or more locations, on terms and conditions to be agreed between the Custodian and the Trustee and approved by the Management Company.
- vii. 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 Deposited Property and all other matters relating to the Trust.
- viii. The Trustee shall issue a report to the Holders included in the annual or periodic report as the SECP may require in writing whether in its opinion, the Management Company has in all material respect managed the Deposited Property in accordance with the provisions of the Rules 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.
- ix. The Trustee shall, if requested by management Company and may if it considers necessary for the protection of Deposited property or safeguarding the interest of holders, institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Deposited Property or any part thereof, with full powers to sign, swear, verify and submit pleading and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized directors and officers. All costs, charges and expenses (including reasonable legal fees) incurred in instituting or defending any such action shall be borne by the Trust and the Trustee shall indemnified against all such cost, charges and expenses: Provided that no such indemnity, shall be available in respect of any action taken against the Trustee for negligence or breach of fiduciary duties in connection with its duties in connection with its duties as the Trustee under this Deed or the Rules. 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 to 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.

- x. Neither the Trustee or the Custodian (if Trustee has appointed another person as Custodian) nor the Management Company or any of their Connected Persons shall sell or purchase or deal in the sale of any Investment or enter into any other transaction with the Trust save in the capacity of an intermediary.
- xi. Any transaction between the Trust and the Management Company or any of the Connected Persons as principal shall only be made, if permissible under the Rules, with the prior written consent of the Trustee.
- xii. The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Rules and this Deed nor shall the Trustee (save as herein otherwise provided) be liable for any act or omission of the management Company or for anything except its own negligence or willful breach of duty hereunder. If for any reason it becomes impossible or impracticable to carry out the provisions of this Deed the Trustee shall not be under any liability there for or thereby and it shall not incur any liability by reason of any error of law or any matter or things done or suffered or omitted to be done in good faith hereunder.
- xiii. The Trustee shall appoint a Broker in terms of clause 9 (iii) of this Deed.
- xiv. 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. The Trustee shall promptly act on any instruction of the Management Company in all such matters relating to recovery of the Deposited Property.
- xv. The Trustee shall promptly provide proxies or other forms of power of attorney to the order of the Management Company with regards to any voting rights attaching to any investments.
- xvi. The Trustee shall ensure that sales, issue, redemption and cancellation of Units are carried out in accordance with the provisions of the Constitutive and Offering Documents and the Rules and the methods adopted by the Management Company in calculating the value of the Units are adequate and in accordance with the provisions of the Constitutive and Offering Documents and the Rules.

6. REMUNERATION OF TRUSTEE AND ITS AGENTS

- i. The Trustee shall be entitled to a monthly remuneration out of the Deposited Property based on an annual tariff of charges, as appended below, which shall be applied to the average daily Net Assets during such calendar month. The remuneration shall begin to accrue from the date of payment in full of all Units subscribed by the Core Investors. 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 for the total number of days in the calendar month concerned.

CDC's Tariff Structure for Trusteeship of Open-end Mutual Funds (Unit Trusts)

The Trustee remuneration shall consist of reimbursement of actual custodial expenses / charges plus the following tariff not exceeding

**OPEN-END FUND – TRUSTEE
TARIFF STRUCTURE**

The Trustee remuneration shall consist of reimbursement of actual custodial expenses/ charges (excluding book entry custody fee which is waived) plus the following tariff:

NET ASSETS	TARIFF
Up to Rs. 250 million	0.4% p.a
On amount exceeding Rs. 250 million up to Rs. 500 million	Rs. 1,000,000 plus 0.35% p.a. on amount exceeding Rs. 250 million
On amount exceeding Rs. 500 million up to Rs. 1,000 million	Rs. 1,875,000 plus 0.25% p.a on amount exceeding Rs. 500 million
On amount exceeding Rs. 1,000 million	Rs. 3,125,000 plus 0.10% on amount exceeding Rs. 1,000 million

- ii. Such remuneration shall be paid to the Trustee in arrears within thirty days after the end of each calendar month.
- iii. In consideration of the foregoing and save as aforesaid the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with their duties as Trustee of the Trust. The Trustee shall not make any charge against the Holder or against the Deposited Property or against the Distribution Account for their services or for their expenses, except such expenses as are expressly authorized to be paid out of the Deposited Property under the provisions of the Rules and this Deed.
- iv. The Trustee shall bear all expenditure 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.
- v. Any increase in the remuneration of the Trustee agreed to by the Management Company shall Require the approval of the SECP.

7. DUTIES AND POWERS OF MANAGEMENT COMPANY

- i. The Management Company shall comply with the provisions of the Rules and this Deed for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Management Company by any officer or responsible official of the Management Company or by any nominee or agent appointed by the Management Company and any act or matter so performed shall be deemed for all the purposes of this Deed to be the act of the Management Company. The Management Company shall be responsible for the acts and omissions of all persons to whom it may delegate any of its functions as manager as if these were its own acts and omissions and shall account to the Trustee for any loss in value of the Deposited Property where such loss has been caused by its negligence reckless or willful act and/or omission or by its officers, officials or agents.
- ii. The Management Company shall manage the Deposited Property in the interest of the Holders in good faith and to the best of its ability and without gaining any undue advantage for itself or any of its Connected Persons, and Subject to the restrictions and limitations as provided in this Deed and the Rules. Any purchase or sale of investments made under any of the provisions of this Deed shall be made by the Trustee according to the instructions of the

Management Company in this respect, unless such instructions are in conflict with the provisions of this Deed or the Rules. The Management Company shall not be liable for any loss caused to the Fund or to the value of the Deposited Property due to any elements or circumstances beyond its reasonable control.

- iii. The Management Company shall maintain at its principal office, proper accounts and accords to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Scheme, all transactions for the account of the Scheme and amount received by the Scheme in respect of issues of Units and paid out by the Scheme in respect of issues of Units and paid out by the Scheme on redemption of Units and by way of distribution.
- iv. The Management Company shall prepare and transmit the annual report, together with the balance sheet, income and expenditure account and the auditors report of the Scheme within four months of closing of the Accounting Period to the Holders and the balance sheet and income expenditure account shall comply with the Rules.
- v. The Management Company shall within one month or such period as the SECP may specify of the close of the first, second and third quarter of its year of account, prepare and transmit to the Holders and the SECP balance sheet as on the end of that quarter, profit and loss account, cash flow statement and a statement of changes in equity for that quarter.
- vi. The Management Company shall maintain a Register of Holders of the Scheme and inform the SECP of the address where the Register is kept.
- vii. The Management Company may from time to time appoint, remove or replace the Transfer Agent.
- viii. The Management Company shall appoint with the consent of the Trustee, at the establishment of the Scheme and upon any vacancy, an auditor who shall be a chartered accountant and independent of the auditor of the Management Company and Trustee and such auditor shall not be appointed for more than three consecutive years. The content of the Auditors Report shall be in accordance with the Rules.
- ix. The Management Company shall furnish to the SECP a copy of the annual report together with balance sheet, income and expenditure account and the Auditor's Report of the Scheme within four months of the close of the Accounting Period together with a statement containing the total number of Holders and particulars of the personnel (executive, research and others) of the Management Company.
- x. The Management Company shall furnish to the SECP a copy of its annual report together with balance sheet, income and expenditure account and the Auditors Report within four months of the close of the Accounting Period.
- xi. The Management Company shall make available or ensure that there is made available to the Trustee such information as the Trustee may reasonable require in aspect of any matter relating to the Trust.
- xii. The Management Company shall not be under any liability except such liability as may be expressly assumed by it under the Rules and this Deed nor shall the Management Company (save as herein otherwise provided) be liable neither for any act or omission of the Trustee not for anything except its own negligence or willful breach of duty hereunder. If for any reason it becomes impossible or impracticable to carry out the provisions of this Deed the Management Company shall not be under any liability there for or thereby and

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

8. REMUNERATION OF MANAGEMENT COMPANY AND ITS AGENTS

Management Company shall be entitled to receive:

- i. A remuneration of an amount not exceeding three percent per annum of the average daily Net Assets during the first five years of the Scheme and two percent per annum of the average daily Net Assets thereafter; and
- ii. Provided that the remuneration so calculated shall not exceed the maximum remuneration allowed under the Rules
- iii. The remuneration shall begin to accrue from the date of payment in full of all Units subscribed by the Core Investors. In respect of any period other than an Accounting Period such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued for the total number of days accrues in the documenting Period concerned.
- iv. The remuneration due to the Management Company shall be paid on or before the dues that is thirty days after the close of Accounting Date, provided that the Management Company may from time to time draw in advance out of the accrued remuneration a sum that the Trustee shall consider reasonable.
- v. 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 their responsibilities as Management Company of the Trust, including the remuneration and expenses of Transfer Agent. The Management Company shall not make any charge against the Holders or against the Deposited Property or against the Distribution Account for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the Rules and this Deed to be payable out of Deposited Property.
- vi. 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.

9. INVESTMENT OF THE DEPOSITED PROPERTY

- i. During and prior to the commencement of the Initial Offer, the Trustee shall hold the Deposited Property on deposit in a separate account with a Bank of good standing, having a minimum investment grade rating, approved by the Management Company. After the Initial Offer all Deposited Property, except in so far as such cash may in the opinion of the Management Company be required for transfer to the Distribution Account, shall be invested by the Trustee from time to time to line in such Authorized Investment as may (subject always to the provisions of this Deed) be directed by the Management Company.
- ii. Any Investment may at any time be realized at the discretion of the Management Company either in order to invest the proceeds of sale in other Authorized Investments or to provide cash required for the purpose of any provision of this Deed or in order to retain the proceeds of sale in cash or on deposit as aforesaid or partly one and partly another. Any Investment which ceases to be an Authorized Investment shall be realized and the net proceeds of realization shall be applied in accordance with this clause. Provided that the Trust may postpone the realization of such Investment for such period as the Management Company may determine to be in the interest of the Holders.

- iii. The purchase or sale of any Investment in listed securities for the account of the Trust shall be made on the Stock Exchange through a broker who must be a member of the Stock Exchange, unless the Management Company is satisfied that it is possible and permissible under the rules and regulations to make such purchase to sale more advantageously in some other manner. The broker will be appointed from time to time by the Trustee with the approval of the Management Company. The Management Company shall not nominate, 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).
- iv. The Deposited Property shall be subject to such exposure limits as are provided in the Rules: Provided that it will not be necessary for the Trustee to sell any investment merely because owning to appreciation or depreciation of any Investment or disposal of any investments such limit shall be exceeded.
- v. The purchase or acquisitions of units in other unit trusts shall not exceed in the aggregate ten percent (10%) of the Net Assets immediately after such investment has been made.
- vi. If and so long as the value of the holding in a particular company shall exceed the limit imposed by the Rules, the Trustee shall not purchase shall not apply to any offer of right shares or any other offering, if the Management Company is satisfied that accepting such offer is in the interest of the Trust. The Management shall bring such investment with permissible limit within six months after the receipt of right shares.
- vii. The Deposited 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 Person owns more than five percent of the total nominal amount of the securities issued or collectively the directors and officers of the Management Company or any of their Connected Person owns more than ten percent of those securities.
- viii. The Trust 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 Trustee or to any person who beneficially owns ten per cent or more of the equity of the Management Company or the Trustee, save in the case of such party acting as a intermediary. For the purposes of sub-clauses 9. vii and 9. viii the term director, officer or employee shall include their relatives including the spouse, parents, children, brothers and sisters and other family members.
- ix. The Trust will not at any time:
 - a) Purchase or sell:
 - Bearer securities;
 - Securities on margin;
 - Securities which result in assumption of unlimited liability (actual or contingent);
 - Commodities or commodity contracts;
 - Real estate or interest in real estate save and except that the Management Company may invest in securities secured by real estate or interest therein or equity securities issued by companies that invest in real estate or interest therein;
 - b) Invest in anything other than Authorized Investments as defined herein;
 - c) Participate in a joint account with others in any transaction;
 - d) Make short sales of any security or maintain a short position.
- x. Subject to the Rules and any other applicable law, the Management Company may, on behalf of the Fund, write call options on any of the securities held in

the portfolio if there is a market based exit mechanism from options so written. The Management Company may also, on behalf of the Fund, buy put options equivalent to any securities held in the portfolio. Under no circumstances shall the Management Company buy or sell such options on behalf of the Fund that will result in an exposure beyond the number of underlying securities held in the portfolio of the Fund. The Management Company may, however, buy call options or put options, on one or more item (financial or otherwise) that in its opinion would act as a hedge defensive hedge shall not exceed one percent per annum of the Fund (for the preceding twelve months) at the time such transactions are entered into.

- xi. In the event the weight of shares exceed the limits laid down in the Offering Investment or the Rules as a result of the relative movement in the market prices of the investments or through any disinvestment, the Management Company shall make the best endeavors to bring the exposure within the prescribed limits within six months of the event. But in any case the Management Company shall not invest further such shares or sectors while the deviation exists. However, this restriction or further investment shall not apply to any offer of right shares.
- xii. The Management Company may from time to time, for the account of the Trust, direct the Trustee to enter into underwriting or sub-underwriting contracts in relation to the subscription or purchase of Authorized Investments upon such terms in all aspects as the management Company shall think fit but subject always to the provisions of the Rules and this Deed and so that no such contract shall release to an Authorized Investment which if acquired would constitute a holding in excess of the exposure limit specified in the Rules. All Authorized Investments acquired pursuant to any such contract shall from part of the Deposited Property and any subscription as purchase moneys payable there under shall be paid out of the Deposited Property.

10. VOTING RIGHTS ON DEPOSITED PROPERTY

- i. All rights of voting attached to any Deposited 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 may consider to be the best interests 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 object.
- ii. The Trustee shall upon written request by the Management Company at the expense of the Fund from time to time execute and deliver or cause to be executed 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 arrangements scheme or resolution or any alternative in or abandonment of any rights attaching to any Investment and the right to requisition or join in a requisition to convey any meeting or to give notice of any resolution or to circulate any statement.

- iii. Whether the representatives or the nominees of the management Company, in whose favor the Trustee has executed the power of attorney or proxy, have attended the meeting, the Management Company shall keep a record of such attendance, stating the manner in which the vote was cast and record the justification.

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

11. BORROWING

- i. Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Trustee may at any time at the request of the Management Company concur with the Management Company in making and varying arrangements with Banks or Financial Institutions for borrowing by the Trustee for the account of the Fund: Provided that the charges payable to such Bank or Financial Institution are not higher than the prevailing market rates. Provided further that the maximum borrowing for the account of the Trust shall not exceed the limit provided in the Rules but if subsequent to such borrowing, the Net Assets are reduced as a result depreciation in the market value of the Deposited Property or redemption of Units, the Management Company shall not be under any obligation to reduce such borrowing.
- ii. Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such borrowings from Banks and Financial Institutions. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such loans or advances.
- iii. For the purposes of securing any such borrowing the Trustee may with the approval of the Management Company mortgage, charge or pledge in any manner all or any part of the Deposited Property provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limit provided in the Rules.
- iv. Neither the Trustee nor the Management Company shall incur any liability by reason of any loss to the Trust or any loss that a Holder may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangement made hereunder.
- v. Subject to the provision in the Rules, the borrowing shall not exceed fifteen percent of the total Net Assets of the Scheme and shall be utilized only to meet the redemption requests.

12. CHANGE OF TRUSTEE

- i. The Trustee shall not be entitled to retire voluntarily or otherwise except upon the appointment of a new Trustee. In the event of the Trustee desiring to retire, the Management Company, within a period of six months (or in default the Trustee) with the prior written approval of the SECP, may by a deed supplemental hereto under the seal of the Management Company or the Trustee (as the case may be) appoint a new trustee under the provisions of the Rules in place of the retiring Trustee and also provide in such deed for the automatic vesting of all the assets of the Trust in the name of the new trustee.
- ii. If the Trustee goes in to 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, the Management Company shall forthwith by instrument in writing remove the Trustee from its appointment under this Deed and shall by the same or some other instrument in writing

simultaneously appoint as trustee some other company or corporation according to the provisions of the Rules and this Deed as the new trustee.

- iii. The Management Company may remove the Trustee, with the prior approval of the SECP, after giving at least twenty-one days notice in writing to the Trustee on grounds of any material default or non-corporation according to the provisions of this Deed or the Rules, and appoint another trustee.
- iv. Upon the appointment of a new trustee the Trustee shall immediately deliver all the documents and records to the new trustee and shall transfer all the Deposited Property and any amount deposited in any Distribution Account to the new trustee and make payments to the new trustee of all sum due from the Trustee.
- v. The new trustee shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Trustee hereunder as fully as though such new trustee had originally been a party hereto.

13. CHANGE OF MANAGEMENT COMAPNY

- i. The Trustee may with the prior approval of the SECP, remove the Management Company by giving at least twenty-one days notice in writing to the Management Company if any of the following events have occurred.
 - a) The Management Company has 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 with the Trustee for purpose of reconstruction and amalgamation);
 - c) A receiver is appointed over any of the assets of the Management Company.
- ii. The Management Company may retire at any time with the prior written consent of the SECP and the Trustee.
- iii. The removal of Management Company and appointment of a new management company shall always require the prior approval of the SECP and the Trustee.
- iv. If the SECP has cancelled the registration of the Management Company under the provisions of the Rules, the Trustee shall appoint another asset management company as the management company for the Scheme according to the provisions of this Deed and the Rules.
- v. Upon a new management company being appointed the Management Company will take immediate steps to deliver all the documents and records pertaining to the trust to the new management company and shall pay all sums due to the Trustee.
- vi. Upon its appointment the new management company shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the management company hereunder as fully as though such new management company had originally been a party hereto.

14. UNITS

- i. All Units and fractions thereof represent an undivided share in the Fund and rank pari passu as to their rights in the net assets, earnings, and the receipt of the dividends and distributions. Each Holder has a beneficial interest in the Trust proportionate to the Units held by such holder. The liability of Holder shall be limited to the unpaid amount (if any) on the Units.
- ii. All Units issued from time to time shall rank pari passu inter se and shall have such rights as are set out in this Deed and the Offering Documents.
- iii. The Units issued with differing arrangements may have differing quantum of the Front-end Load added to the NAV for determining the Offer Price thereof and differing levels of Back-end Loan deducted for determining the Repurchase Price.
- iv. Core Units subscribed by the Core Investors shall be offered and issued at the Initial Price and shall not be redeemable for a period of two years from the date of issue. A mention of such restriction and its termination date shall be entered into the Register and shall be noted on any Certificate issued in respect of such Units.
- v. Units offered and issued during the Initial Offer shall be issued at the Initial Price. The offer and issue of Units during the Initial Offer shall remain open during the period specified in the Offering Document.
- vi. After the Initial Offer, the offer Price shall be determined from time to time pursuant to clause 16 (ii) of this Deed.
- vii. By a deed supplemental to this Deed the Management Company may at any time with the approval of the Trustee on giving not less than twenty-one days previous notice in writing to each Holder subdivide or consolidated the whole or any part of the Units 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.

15. ISSUE OF UNITS

- i. The Management Company shall be responsible for obtaining all requisite consents and approval for the offer and issue of Units and for the issue, publication or circulation of the Offering Documents.
- ii. Except as provided herein the Units shall be offered through the authorized offices or branches of the Distribution Companies on all Subscription Days.
- iii. Application for issuance of Units shall be made by completing the prescribed application form and submitting it with the payment by cheque or pay order or bank draft, all crossed A/C Payee only or in such form (other than cash or any bearer instruments), as in prescribed by the Management Company in favor of the Trustee at the authorized branch or office of any Distribution Company. The Distribution Company shall verify the particulars given in the application for issue of Units and ensure that the signature of any Holder or joint Holder to any document required to be signed by him under or in connection with the application for issue of Units is verified by a banker or broker or other responsible person or otherwise authenticated to its or their reasonable satisfaction.

- iv. Each Holder shall only be liable to pay the 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 only against receipt of full payment.
- v. An application for issuance of Units shall be deemed to have been made in accordance with the provisions of the Offering Document or a Supplementary Offering Document, if such documents prescribe automatic issuance of Units under certain circumstances.

16. DETERMINATION OF OFFER PRICE

- i. During the Initial Offer, the Units will be offered at an Offer Price determined by the Management Company and stated in the Offering Document. After the Initial Offer the Offer Price shall be calculated and announced by the Management Company on daily basis.
- ii. The Offer Price shall be equal to the sum of and adjusted upwards to the nearest Paisa.
 - a) The Net Asset Value as of the close of the preceding Business Day;
 - b) Any Front-end Load;
 - c) Such amount as the Management Company may consider an appropriate provision for Duties and Changes;
 - d) Such amount as the Management Company may consider an appropriate provision for Transaction Costs;
- iii. The Offer Price so determined shall apply to purchase requests, complete in all respects, received by the Distribution during the business hours on the following day.
- iv. If the variation of the Net Asset Value at anytime exceeds two percent of the Net Asset Value included in the current Offer Price, calculated under sub-clause 16 (ii), the Management Company shall suspend any issuance of Units and shall calculate forthwith a new Offer Price.
- v. In the event that the amount paid as provisions for payment of Duties and Charges pursuant to sub-clause 16 (ii) (c) is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retroactive effect after the date of payment in which case such excess shall be recovered from the Deposited Property).
- vi. In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub clause 16 (ii) (c) exceeds the relevant amount of Duties and Charges the Transfer Agent shall issue additional Units or fractions thereof to the Holder based on the latest price applicable to the Units issued against the relevant application.
- vii. The Offer Price determined by the Management Company shall be made available to the public at the office and branches of the Distribution Companies and at the discretion of the Management Company may also be published in at least one daily newspaper widely circulated in Pakistan

17. ALLOCATION OF FRONT-END LOAD

- i.. The remuneration of Distribution Companies or any sales agent employed by the Management Company or any payment authorized by the Management Company shall be paid exclusively from any Front-end Load

received by the Trustee and no charges shall be made against the Deposited Property or the Distribution Account in this respect. The remainder of any Front-end Load after such disbursement shall be paid by the Trustee to the Management Company. If the Front-end Load received by the Trustee is in sufficient to pay the remuneration of the Distribution Companies and Sales Agent, the Management Company shall pay to the Trustee the amount necessary to pay in full such remuneration.

- ii. Such payments shall be made to the Distribution Companies, any authorized person, the Sales Agent and the Management Company by the Trustee or by the Management Company to the Trustee on monthly basis in arrears within thirty days of the end of the calendar month.
- iii. A Distributor located outside Pakistan may if so authorized by the Trustee and 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.

18. REDEMPTION OF UNITS

- i. The Trustee shall at any time during the life of the Trust authorize redemption of Units out of the Trust funds through its duly authorized Distribution Companies.
- ii. Application for redemption of Units shall be made by completing the prescribed redemption form and submitting it at the authorized branch or office of the Distribution Company, Management Company or Transfer Agent. The Management Company may make arrangements to accept redemption request through electronic or other means. No person shall be entitled to redeem only part of the Units comprised in a Certificate, however a Certificate may be split for this purpose and in case where Certificate is not issued any number of Units may be redeemed by the Holder thereof.
- iii. The Trustee may at their option dispense with the production of any Certificate or redemption form verified by the Transfer Agent; that shall have become lost, stolen or destroyed upon compliance as specified in clause 24 (ii) of this Deed by the Holder with the like requirements to those arising in the case of an application by him for the replacement thereof.
- iv. The Management Company shall announce the Redemption price on a daily basis. The Redemption Price at which Units shall be redeemed shall be the price fixed by the Management Company under the terms of this Deed. However, in the event, clause 19 (iv) hereunder comes into application, the redemption value shall be determined in accordance with the procedure laid out in clause 19 (iv).
- v. The amount payable on redemption shall be paid to the Holder by transfer to the Holder's designated banker or a crossed cheque for the amount will be dispatched to the registered address of the Holder, within six Business Days from the date of presentation of the duly completed application for redemption form at the authorized branch or office of the Distribution Company, Management Company to Transfer Agent.
- vi. The receipt of the Holder for any moneys payable in respect of the Units shall be a good discharge to the Trustee and if several persons are registered as joint Holders any one of them may give effectual receipt for any such moneys.
- vii. Application for redemption of Units will be received at the authorized offices or branches of the Distribution Company or at the Management

Company on all Subscription Days. Where redemption requests on any one Subscription Day exceed ten percent of the total number of Units issued, redemption requests in excess of ten percent may be deferred in accordance with the procedure elaborated in clause 20 (vi) hereof.

- viii. Before payment on account of redemption of Units, the Management Company or Distribution Company or the Transfer Agent shall verify the particulars given in the application for the redemption of Units. 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 from the Transfer Agent's record and if required, by a banker or broker or other responsible person or otherwise authenticated to their reasonable satisfaction.
- ix. A redemption request shall be deemed to have been made in accordance with the provisions of the Offering Document or a Supplementary Offering Document, if such documents prescribe automatic redemption under certain circumstances.
- x. Where lien/ pledge/ charge is recorded in the Register, the Management Company and the Trustee may concur to make payment to the pledge, if joint request is received from the Holder and the pledge and on receipt of such indemnification as the Management Company and Trustee may require.

19. DETERMINATION OF REDEMPTION PRICE

- i. During the Initial Period, the Units shall not be redeemed.
- ii. After the Initial Offer the Redemption Price shall be equal to the Net Asset Value as of the close of the preceding Business 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;
 - d) Such amount as the Management Company may consider an appropriate provision for Transaction Costs;
 - e) Such sum shall be adjusted downwards to the nearest Paisa.
- iii. The Redemption Price so determined shall apply to redemption requests, complete in all respects, received by the Distributor during the business hours on the following business day.
- iv. If the variation of the Net Asset Value at any time exceeds two percent of the Net Asset Value included in the current Redemption Price, calculated under sub-clause 16 (ii), the Management Company shall suspend any redemption of Units and shall calculate forthwith a new Redemption Price.
- v. In the event that the amount deducted as provision for payment of Duties and Charges pursuant to sub-clause 19 (ii) (c) is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of the provisions (except where such excess arises from any Duties and Charges levied with retrospective effect after the date of payment in which case such excess shall be recovered from the Deposited Property).
- vi. In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 19 (ii) (c) exceeds the relevant amount of Duties and Charges, the Trustee shall refund such excess amount to the relevant Holders with the next income distribution or if instructed by the Management Company, at any time earlier.

- vii. The Redemption Price determined by the Management Company shall be made available to the public at the office and branches of the Distribution Companies and at the discretion of the Management Company may also be published in at least one daily newspaper having wide circulation in Pakistan.

20. CHANGE IN AND SUSPENSION OF DEALING, QUEUE SYSTEM AND WINDING UP

- i. Under the circumstances mentioned in the Offering Documents, the Management Company may request the Trustee to approve a temporary change in the method of dealing in Units. Such approval shall not be unreasonably withheld. The Management Company may, at any stage, suspend the issue (sale) of Units and for such periods it may so decide. The Management Company shall immediately notify the SECP if dealing in Units is suspended and shall also have the fact published, immediately following such decision in two leading daily newspapers one Urdu and one English having circulation in major cities of Pakistan.
- ii. 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 Fund are listed, the existence of a state of affairs, which in the opinion of the Management Company, constitutes an emergency as a result of which disposal of any investment would not be reasonably practicable or might seriously prejudice the interest of Fund or of the Unit Holders, or a break down in the means of communication normally employed in determining the price of any investment, or when remittance of money can not be carried out in reasonable time and if the Management Company is of the view that it would be detrimental to the remaining Unit Holders to redeem Units at a price determined in accordance with the Net Asset Value. The Management Company may announce a suspension or deferral of redemption. Such a measure shall be taken to protect the interest of the Holders in the event of extraordinary circumstances or in the event redemption requests accumulate in excess of ten percent of the Units in issue. In the event of a large number of redemption requests accumulating, the requests may be processed in a Queue System and under extreme circumstances the Management Company may decide to wind up the Fund Details of the procedure are given in clause 20 (vi) here in below.
- iii. 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 caused to exist and no other condition under which suspension or queue system is authorized under the Deed exists. In case of suspension and invoking of a queue system and end of suspension and queue system, the Management Company shall immediately notify the SECP and publish the same in at least one daily paper each circulating at Karachi, Lahore and Islamabad.
- iv. The Management Company may at any time, subject to the Rules, suspend issue of fresh Units. Such suspension may however not affect the issue of bonus units as a result of dividend distribution or the option to receive dividends in the form of additional Units. The Management Company shall announce the details of exemptions at the time a suspension of fresh issue is announced. The Management Company shall immediately notify the SECP if dealing in Units is suspended and shall also have the fact published, immediately following such decisions, in the newspaper in which the Fund's prices are normally published.

- v. In the event of extra-ordinary circumstances, the Management Company may suspend or defer redemption of Units. The circumstances under which the Management Company may suspend redemption shall be the event of war (declared or otherwise), natural disasters, a major break down in law and order, breakdown of the communication system, closure of the capital markets and / or the banking system or strikes or other events that render the Management Company or the Distributors unable to function.
- vi. In the event redemption requests on any day exceed ten percent of the Units in issue, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for up to 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 Holders and shall determine the redemption requests based on such action. Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same business day, such requests shall be processed on the next business day at the price to be determined for such redemption requests. However, if the carried over requests and the fresh requests received on the next business day still exceed-ten percent of the Units in issue, these shall once again be treated on first-come-first served basis and the process for generating liquidity and determining the redemption price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten percent of the Units then in issue.
- vii. In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Fund being run down to an unmanageable level or it is of the view that the sell-off of assets is likely to result in a significant loss in value for the Holders who are not redeeming, it may announce winding up of the Fund. In such an event, the queue system, if already invoked, shall cease to apply and all Holders shall be paid after selling the assets and determining the Final Redemption Price. However, interim distributions of the proceeds may be made to the Holders in proportion to their holding if the Management Company finds it feasible.

21. ISSUE OF UNITS OUTSIDE PAKISTAN

- i. Subject to exchange control and other applicable laws, rules and regulations, in the event of arrangements being made by the Management Company for the issuance of Units to persons not resident in Pakistan or for delivery in any country outside Pakistan, the price at which such Units may be issued may, at the discretion of the Management Company, include in addition to the Offer Price as hereinbefore provided a further amount sufficient to cover any exchange risk insurance, any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such issue or of the delivery or issue of Certificates, or any additional costs relating to the delivery of Certificates or the remittance of money to Pakistan.
- ii. In the event that the Redemption Price for Units shall be paid in any country outside Pakistan, the price at which Units may be redeemed may at the discretion of the Management Company include as a deduction to the Redemption Price as hereinbefore provided a further amount sufficient to cover any exchange risk insurance and any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such payment or redemption or any bank or other charges incurred in arranging the payment.
- iii. The currency of transaction of the Fund is the Pakistan Rupee and the Management Company, Trustee or any Distributor are not obliged to

transact the issuance or redemption of the Units in any other currency and shall not be held liable, save as may be specifically undertaken by the Management Company, for receipt or payment in any other currency or for any obligations arising there from.

22. REGISTRATION OF UNIT HOLDERS

- i. A Register shall be maintained by the Transfer Agent (or by the Management Company, if it performs the Registrar Function) at such a place as is agreed by the Management Company. The Management Company shall ensure that the Transfer Agent shall comply with all relevant provisions of this Deed and the Rules.
- ii. The Management Company shall ensure that the Transfer Agent 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 alternations thereto.
- iii. The Transfer Agent shall, within two working days of receiving a written request from any Holder, post (or send by courier or through electronic means) to such Holder details of such Holder's account in the Register. Such service shall be provided free of charge to any Holder. The Management Company may prescribe reasonable charges for servicing of any additional requests.
- iv. The Register shall contain the following information:
 - a) Full names and addresses of each Unit Holder and joint Unit Holder;
 - b) National Identity Card Number, registration number or any other identification number in case of foreign Holders;
 - c) Nationality;
 - d) The number of the Units held and the distinctive numbers of Certificate, if any
 - 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 distinctive number and Certificate number;
 - g) Information about lien, pledge or charge on Units;
 - h) Information about verification of Redemption/ Transfer Forms;
 - i) Tax and Zakat status of Holder;
 - j) Instruction about payment of Dividend, Re-investment;
 - k) Information about nominee;
 - l) Record of signature of Holder;
 - m) Such other information as Management Company may require;
- v. The Register shall be conclusive evidence as to the Units held by each Unit Holder.
- vi. Any change of name or address of any Unit Holder shall forthwith be notified in writing to the Transfer Agent, who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name the surrender of any Certificate (s) previously issued to such Unit Holder and the payment of the fee) shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall, if requested, issue new Certificate (s) to such Unit Holder.
- vii. The Transfer Agent 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 Transfer Agent 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.

- viii. A body corporate may be registered as a Unit Holder or as one of joint Unit Holders.
- ix. The Register may be closed in consultation with the Trustee for such period as the Management Company may from time to time determine and after giving at least seven days notice to Unit Holders, provided that it is not closed for more than forty five days in any calendar year.
- x. The Holder shall be the only person to be recognized by the Trustee, the Management Company and the Transfer Agent as having any right, title or interest in or to such Units and the Trustee, the Management Company and the Transfer Agent 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 to the execution of any trust except where required by any court of competent jurisdiction. However, the Management Company may authorize the Transfer Agent to record a lien on any or all Units held by a Holder in favor of a third party at the request of such Holder or Joint Holders as the case may be.
- xi. The executors or administrators or succession certificate holder of deceased Holder (not being one of several joint Holder) shall be the only persons recognized by the Trustee and the Management Company as having title to the Units represented thereby.
- xii. Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Unit Holder or of the survivor of Joint Unit Holders may subject 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 Management Company, Trustee or Transfer Agent, such notice in writing of his desire or transfer such Unit to some other person. All the limitations, restrictions and provisions of this Deed relating to transfer shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer was a transfer executed by the Unit Holder. Provided however, the Management Company, Transfer Agent, 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.
- xiii. The Trustee shall retain any moneys payable in respect of any Unit of which any person is, under the provisions as to the transmission of Units hereinbefore contained, entitled to be registered a the Unit Holder or which any person under those provisions is entitled to transfer, until such person shall be registered as the Holder of such Unit or shall duly transfer the same.

23. ISSUANCE OF CERTIFICATES

- i. Upon being satisfied that the Offer Price for each Unit or fraction thereof has been received in full from the applicant and on receiving confirmation from Trustee, the Transfer Agent shall issue an Account Statement that will constitute evidence of the number of Units registered in the name of the Holder.
- ii. The Transfer Agent shall send directly to each Holder a non transferable Account Statement within forty-five days of the end of the Accounting Date and each time there is a transaction in the folio, i.e. Units are:

- a) Issued/ subscribed
- b) Redeemed
- c) Transferred from/ to third person
- d) Consolidated/ split
- e) Additional issue of bonus Units or Re-investment of Dividend

Accounts Statement will be dispatched within fifteen Business Days after each relevant transaction

- iii. 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 twenty five (25) Rupees 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.
- iv. Certificates shall only be issued for Units that have been fully paid.
- v. Certificates where requested shall be issued as herein provided no later than fifteen 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 or by courier service or these may be collected by the Holder.
- vi. In the case of Units held jointly the Transfer Agent shall not issue more than one Certificate for the Units held by such joint Holders and delivery of such Certificate to the Holder named first therein shall constitute sufficient delivery to all joint Holders.
- vii. Certificates shall be issued in such form as may from time to time be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the name and address of the Management Company and the Trustee, shall bear a distinctive and serial number and shall specify the number of Units represented thereby and the name and address of the Holder as appearing in the Register.
- viii. Certificates may be engraved or lithographed or printed as the Management Company may determine from time to time with the approval of the Trustee and shall be signed on behalf of the Trustee by a duly authorized officer of the Trustee and on behalf of the Management Company by a duly authorized officer of the Management Company. Every such signature shall be autographic unless there shall be for the time being in force an arrangement authorized by the Trustee adopting some lithographic or other mechanical method of signature in which event on all or any of such signatures may be effected by the method so adopted. The Certificates shall also bear the signature of the authorized representative of the Transfer Agent (or a Distributor if so specifically authorized by the Management Company), which shall always be autographic. No Certificate shall be of any force or effect until signed as herein above mentioned. Certificate so signed shall be valid and binding notwithstanding that before the date of delivery thereof the Trustee or the Management Company or the Transfer Agent or any person whose signature appears thereon as a duly authorized signatory may have ceased to be the Trustee, Management Company, Transfer Agent, Distributor or an authorized signatory.

24. REPLACEMENT OF CERTIFICATES

- i. Subject to the provisions of this Deed and in particular to the limitations of the denominations of Certificates as may be fixed by the Management Company and subject to any regulations from time to time made by the Trustee with the approval of the Management Company every Holder

shall be entitled to exchange upon surrender of the existing Certificates any or all his Certificates for one or more Certificates of such denominations as he may require representing the same aggregate number of Units.

- ii. In case any Certificate shall be lost, stolen, mutilated, defaced or destroyed the Transfer Agent with the approval of the Management Company may issue to the person entitled new Certificate in lieu thereof. No such new Certificate shall be issued unless the applicant shall previously have (i) returned the mutilated or defaced Certificate or furnished to the Distribution Company/ Transfer Agent evidence satisfactory to the Management Company of the loss, theft or destruction of the original Certificate, (ii) paid all expenses incurred in connection with the investigation of the facts; and (iii) furnished such indemnity as the Management Company and the Trustee may require. Neither the Management Company nor the Trustee nor the Distribution Company / Transfer Agent shall incur any liability for any action that they may take in good faith under the provisions of this sub-clause. Provided further that the Trustee and / or the Management Company may also require issuance of public notices in newspapers at the cost of the pertinent Holders before issuing any new Certificates.
- iii. Before the Issuing of any Certificate under the provisions of this sub-clause the Distribution Company/ Transfer Agent may require from the applicant for the Certificate the payment of a fee of twenty five 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.

25. TRANSFER OF UNITS

- i. Every Holder shall be entitled to transfer the Units held by him by an instrument in such form as the Management Company may prescribe from time to time with the approval of the Trustee.
- ii. A Certificate shall be transferable only in its entirety.
- iii. Every instrument of transfer must be signed by both the transferor and the transferee and the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof.
- v. Every instrument of transfer must be duly completed in all respects including affixation of transfer stamps of the requisite value. Where Certificates have been issued the Trustee may dispense with the production of any Certificate or the Transfer form verified by the Transfer Agent where the Certificate or verified Transfer form shall have become lost, stolen or destroyed subject to compliance by the transferor with the like requirements to those arising in the case of an application by him for the replacement thereof as provided in this Deed.
- vi. The Transfer Agent with the prior approval of the Management Company and the Trustee shall be entitled to destroy all instruments of transfer or the copies thereof as the case may be which have been registered at any time after the expiration of twelve years from the date of registration thereof and all Certificates which have been cancelled at any time after the expiration of 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, the Management Company, the Distribution Company or the

Transfer Agent 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 or Transfer Agent that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered by the Trustee or the Management Company or the Distribution Company or Transfer Agent that every Certificate so destroyed was a valid Certificate duly and properly cancelled: Provided always that (i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant; (ii) nothing in this sub-clause shall be construed as imposing upon the Trustee or the management Company or the Distribution Company or the Transfer Agent any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of proviso (i) above are not fulfilled; and (iii) reference herein to the destruction of any document includes reference to the disposal thereof in any manner.

26. PLEDEGE/ LIEN OF UNITS

- i. Any Holder or all joint Holders may request the Transfer Agent to record a pledge or lien of all or any of his/ their Unit in favor of any third party legally entitled to invest in such Units in its own right. The Registrar shall register a lien on any Units in favor of any third party with the specific authority of the Management Company.
- ii. The lien once registered shall be removed by the authority of the party in whose favor the lien has been registered or through an order of a competent court. Neither the Trustee, nor the Management Company, nor the Transfer Agent, shall be liable for ensuring the validity of any such pledge/ charge/ lien. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge/ charge/lien by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company nor the Transfer Agent take any responsibility in this matter.
- iii. Save any legal bar or the court order requiring otherwise, any dividends that are declared on the pledged Units shall be made to the order of the Holders. However, any bonus Units or Units issued on re-investment of dividends, that the pledged Units are entitled to are automatically marked under lieu or pledge. In the event the pledged Units are redeemed for any reason, the redemption proceeds of the Units under lien/ charge/pledge shall be made to the lien/ charge/ pledge holder for the account of the Holder.
- iv. The lien on the pledged Units shall continue till such time it is released by the lien holder in writing.

27. FEES AND CHARGES

- i. The Following shall be payable out of the Deposited Property.
 - a) Remuneration of the Management Company, as stated in the clause 8 and in accordance with the Rules;
 - b) Remuneration of the Trustee, as stated in the clause 6;
 - c) The Formation Cost not exceeding 1% of the amount of the value of Core Units and amortized over a period not exceeding five years
 - d) Brokerage and Transaction Cost relating to investing and disinvesting of the Deposited Property;

- e) All expenses incurred by the Trustee effecting registration of all register able property in the name of the Trustee;
- f) Legal and related costs, as may be incurred in protecting or enhancing the interests of Trust or the collective interests of the Holders;
- g) Bank charges or financial cost;
- h) Audit Fees
- i) SECP Annual Fee
- j) Listing and annual fees payable to Stock Exchanges;
- k) Rating Fee, payable to approved rating agency;
- l) Taxes, if any;
- m) Sales Load and Transaction cost will be charged on issue and redemption of Units, not exceeding 5% of the Net Asset Value of Units.

28. TRANSACTIONS WITH CONNECTED PERSONS

- i. All cash forming part of the Deposited Property shall be deposited by the Trustee in a separate account in the name of the Trusts with a Bank approved by the Management Company having a minimum investment grade rating as per the criteria laid down by the credit rating agency approved by the SECP. The Bank shall be caused to allow profit thereon in accordance with the Rules prescribed by the Bank for sharing of profits and mark up on the deposits, as may be allowed.
- ii. Subject to any statutory requirements for the time being in force and to the terms and conditions here in contained the Trustee may at any time at the request of the Management Company concur with the Management Company in making and varying arrangements with Banks for borrowing by the Trustee for the account of the Trust for the purpose of redeeming any Units; Provided that the charges payable to such Bank (which may be any Connected Person) are not higher than normal Bank charges.
- iii. Any transaction between the Scheme and the Management Company or any of their Connected Person as principal may be made, only as permissible in the Rules and with the prior consent of the Trustee.

29. AUDIT

- i. The Management Company shall appoint with the consent of the Trustee, a firm of chartered accountants as an Auditor, who shall be independent of the auditor of the Management Company and Trustee. The Management Company at any time may remove an Auditor and appoint another Auditor in its place. The same firm of chartered accountants cannot be appointed Auditor for more than three consecutive years.
- ii. The Auditors shall hold the office until the transmission of the annual report and accounts but may be reappointed. The first auditor shall be Hameed Chaudhri & Co., Chartered Accountants, Karachi.
- iii. The following persons shall not qualify to be the Auditors of the Trust:

- a) A person who is or at any time during the preceding three years was a director, officer or employee of the Management Company or the Trustee;
 - b) A person who is a partner of, or in employment of, a director, officer, employee, or Connected Person of the Management Company or Trustee;
 - c) The spouse of a director of the Management Company or Trustee;
 - d) A person who is indebted to the Management Company or Trustee; and
 - e) A body corporate.
- iv. Appointment of a partnership firm to be the Auditors shall be deemed to be the appointment of all persons who are partners in the firm for the time being.
 - v. The Auditors shall have access to the books, papers accounts and vouchers of the Trust, whether kept at the office of the Management Company, Trustee, Custodian, Transfer Agent, 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.
 - vi. The Auditors 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 document forming part of the balance sheet and income and expenditure account, including notes, statement or schedule appended thereto.
 - vii. The contents of the Auditors report shall be as required in the Rules.
 - viii. The Management Company shall:
 - a) within four months of closing of the Accounting Period, prepare and transmit the annual report together with a copy of the balance sheet, income and expenditure account together with the Auditor's report for the Accounting Period to the SECP and Holders in accordance with the Rules.
 - b) within two months after the close of the first half of its year of account, prepare and transmit to the Holders and the SECP , a profit and loss account for and balance sheet as at the end of that half year, whether audited or otherwise, in accordance with the Rules.
 - c) within a month after the close of the first and third quarter of accounts, prepare and transmit the quarterly report to the Holder and the SECP, a profit and loss account for the quarter and a balance sheet as at the end of that quarter whether audited or otherwise, in accordance with the Rules.

30. DETERMENATION OF DISTRIBUTABLE INCOME

- i. The financial year of the Scheme will be as stated in clause 3 (i) and 3 (ii) of this Deed.
- ii. The Reporting (Base) Currency of the Scheme shall be Pakistani Rupee.
- iii. The Management Company shall decide as soon as possible but not later than forty-five days after the Accounting Date whether to distribute among

Holder, profits, if any, available for the distribution at the end of the Accounting Period, and shall advise the Trustee of the rate of such distribution per Unit.

iv. The amount available for distribution in respect of any Accounting Period, shall be determined by the Management Company after consulting the Auditors and shall be the sum total of :

a) The total income earned on the Deposited Property during such Accounting Period including all amounts earned in respect of dividend, mark-up, profit, interest and fee;

b) Net realized appreciation as set out in sub-clause 30 (iv) (c) .

(from which shall be deducted expenses admissible under this Deed and making adjustments, as set out in sub-clause (v) of this clause and such other adjustments as the Management Company may determine in consultation with the Auditors)

c) The proceeds of sales of rights and all other receipts deemed by the Management Company after consulting the Auditors to be in the nature of capital accruing from Investments shall not be regarded as available for distribution but shall be retained as part of the Deposited Property, provided that such amounts out of the sale proceeds of the Investments and out of the sale proceeds of the rights, bonus shares and all other receipts as deemed by the Management Company after consulting the Auditors to be in the nature of the net realized appreciation may be distributable to the Holders by the Trustee and shall thereafter cease to form part of the Deposited Property once transferred to the Distribution Account.

v. The income qualifying for distribution in respect of the relevant period shall be further adjusted as under:

a) deduction of a sum by way of adjustment to allow for effect of purchase of shares or any of the Investments cum dividend, interest, profit and mark-up;

b) addition of a sum representing amounts included in the price of Units for income accrued up to the date of issue and deduction of a sum representing all participation in income distributed upon redemption of Units during the relevant period; and

c) adjustment if considered necessary by the Management Company to reflect the diminution in value of Deposited Property in consultation with the Trustee.

31. DISTRIBUTION OF INCOME

i. On each Accounting Date, the Management Company shall instruct the Trustee to transfer such amount of cash as required to effect such distribution to the Distribution Account. The amount standing to the credit of the Distribution Account shall not for any purposes of this Deed be treated as part of the Deposited Property but shall be held by the Trustee upon trust to distribute the same as herein provided

ii. After fixation of the rate of distribution per unit, distribution payments shall be made by cheque or warrant by the Trustee and sent through the registered post or such arrangements as Management Company may consider appropriate to the registered address of the Holder or joint Holder, first named in the Register. Every such cheque or warrant shall be made payable to the order of the person to whom it is delivered or sent and

payment of the cheque or warrant (if purporting to be duly endorsed or subscribed) shall be in satisfaction of the money payable. When an authority in that behalf shall have been received in such form as Management Company shall consider sufficient, it shall transfer to the Holders' designated bank accounts or in the case of joint Holders to designated bank account of the joint Holder, first named on the Register. The receipt of funds by such designated bankers shall be a good discharge therefore.

- iii. 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 deduction in the prescribed form or in a form approved by the concerned authorities.
- iv. The Management Company may offer the Holder the option to receive new Units under cumulative investment instead of cash dividend, as per the terms and condition and procedure laid down in the Offering Document.

32. MODIFICATION OF THE DEED

- i. The Trustee and the Management Company acting together shall be entitled by deed supplemental hereto modify, alter or add to the provisions of this Deed in such manner and to such extent as they may consider expedient for any purpose, subject only to the approval of the SECP, if so required. Provided that, the Trustee and the Management Company shall certify in writing that, in their opinion such modification, alteration or addition is required pursuant to any amendment in the Rules or to ensure compliance with any fiscal or statutory requirement or to enable the provisions of this Deed to be more efficiently, conveniently or economically managed or to enable the Units to be dealt in or quoted on Stock Exchange or other-wise for the benefit of the Unit Holders and that it does not prejudice the interests of the Unit Holders or any of them or operate to release the Trustee or the Management Company from any responsibility to the Unit Holders.
- ii. Where this Deed has been altered or supplemented the Management Company shall notify the Holders as per clause 37 of this Deed.
- iii. The Management Company may from time to time with the consent of the Trustee frame rules or regulations for conducting the business of the Trust or in respect of any other matter incidental thereto; provided such rules or regulations are not inconsistent with the provisions of this Deed or the Offer Documents.

33. TERMINATION AND LIQUIDATION OF TRUST

- i. 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 Holders and shall disclose the grounds of its decision. The Management Company may announce winding up of the Fund 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 Deposited Property to meet such redemption would jeopardize the interests of the remaining Unit Holders and that it would be in the best interest of all the Unit Holders that the Fund be wound up.
- ii. In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Fund being run down to an unmanageable level or it is of the view that the sell-off of

assets is likely to result in a significant loss in value for the Unit Holders who are not redeeming, it may announce winding up of the Fund without notice,

- iii. The Trust may also be terminated by the SECP on the grounds given in the Rules.
- iv. This Deed may be terminated in accordance with the conditions specified in the Rules if there is any breach of the provisions of this Deed or any other agreement or arrangement entered into between the Trustee and Management Company regarding the Unit Trust.
- v. The termination and liquidation of Trust shall always require the prior approval of the SECP.

34. DISTRIBUTION OF LIQUIDATION PROCEEDS

- i. 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 Deposited Property and shall repay any borrowing effected by the Trust together with any mark-up remaining unpaid.
- ii. The Trustee on the recommendation of the Management Company shall from time to time distribute to the Unit Holders prorata to the number of Units held by them respectively all net cash proceeds derived from the realization of the Deposited Property after making payment as mentioned in sub-clause 34 (i) above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands.

35. ARBITRATION

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

36. CONFIDENTIALITY

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

Mohammad Hanif Jakhura
Director

(2) Sd

Director

Witness:

Seal (1)

Sd.

Kamran Qazi
B-402, Amber Tower
Shahrah-e-Faisal
Karachi

(2) Sd.

Ather Husain Medina
57/1. 22nd Street, Phase 5, DHA
Karachi

(3)

(4)

The Common Seal of Asset Management Company Limited was hereunto affixed in presence of

Seal (1) Sd.

(_____)

Director

(2) Sd.

(_____)

Director

Witness:

Seal (1) Sd.

(_____)

(2) Sd.

(_____)

(3) Sd.

(_____)

(4) Sd.

(_____)