

Trust Deed
Atlas Islamic Income Fund

Managed By:
Atlas Asset Management Limited

Dated: May 7, 2008

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TRUST DEED
ATLAS ISLAMIC INCOME FUND (AIIF)

1. NAME OF THE OPEN-END SCHEME

ATLAS ISLAMIC INCOME FUND (AIIF)

2. PARTICIPATING PARTIES AND DEED OF TRUST

2.1 PARTICIPATING PARTIES & RECITALS

This Trust Deed is made and entered into at Karachi, on this 7th day of May, 2008 by and between:

- 1) **Atlas Asset Management Limited**, a company incorporated under the Companies Ordinance, 1984, with its registered office at Ground Floor, Federation House, Sharaf Firdousi, Clifton, Karachi-75600 (hereinafter called the “**Management Company**”, which expression shall, where the context so permits, include its successors-in-interest and assigns) of the one part; and
- 2) **Central Depository Company of Pakistan Limited (CDC)**, a public limited company incorporated under the Companies Ordinance, 1984, having its registered office at CDC House, 99-B Block ‘B’ S.M.C.H.S., Main Shahrah-e-Faisal, Karachi and registered to act as Central Depository Company under Central Depository Companies (Establishment & Regulation) Rules, 1996 (hereinafter called the “**Trustee**”, which expression shall, where the context so permits, include its successors-in-interest and assigns) of the other part.

WHEREAS:

(A) The Management Company is a Non-Banking Finance Company licensed by the Commission under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, (hereinafter referred to as the “**Rules**”, which expression shall include any amendments thereto) to, inter-alia, carry out asset management services, including investment schemes under trust deeds, and to establish and operate Shariah Compliant unit trusts (License to undertake Asset Management Services attached hereto as Annexure A).

The Management Company has been authorized by the Commission vide its letter No. NBFC – II/AD/AAML/316/2008 dated May 2, 2008 attached herewith as Annexure B to constitute a an Islamic open-end trust scheme under the name and title of “**Atlas Islamic Income Fund**” (hereinafter referred to as “the Scheme”, or “the Trust” or “the Unit Trust” or “the Fund” or “AIIF”) and to register this Trust Deed, pending registration for the establishment and operation of the Scheme in accordance with the provisions of the Rules, Regulations, circulars, directives, guidelines, codes, notifications, and this Trust Deed and Offering Document of the Fund.

- (B) The Management Company has nominated and appointed the Trustee as trustee of the Scheme and the Trustee has accepted such appointment upon the terms and

conditions herein contained and the tariff structure for trusteeship attached herewith as Annexure "C".

- (C) The Commission has approved the appointment of the Trustee vide its letter number NBFC – II/AD/AAML/317/2008 dated May 2, 2008 attached herewith as Annexure D.
- (D) The Shariah Advisors have confirmed that the provisions of this Deed are in compliance with Shariah vide its letter dated March 17, 2008 attached herewith as Annexure E.
- (E) All conducts and acts of the Trust shall be Shariah complaint and any guidelines, as may be specified by the SECP in relation to Shariah compliance shall be fully complied with.

NOW THIS TRUST DEED (DEED) WITNESSETH:

2.2 DECLARATION OF TRUST

An open-end Scheme is hereby constituted as a trust under the Trusts Act, 1882, under the name of *Atlas Islamic Income Fund (AIIF)*. ¹[The Unit Trust shall be an open-end 'Shariah Compliant Income' Scheme.] The Management Company is hereby appointed to establish, manage, operate and administer the Scheme and the CDC is hereby nominated, constituted and appointed as the Trustee of the Scheme hereby created. The Management Company and the Trustee hereby agree to such appointment and further declare that:

- (A) 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 ranking *pari passu inter se*, according to the number of Units held by each Unit Holder;
- (B) The Deposited Property shall be invested or disinvested from time to time by the Trustee at the direction of the Management Company, strictly in terms of the provisions contained and the conditions stipulated in this Deed, the Offering Document, the Rules, the Regulations, directives, circulars, codes, notifications, guide lines, other applicable laws and the conditions (if any) which may be imposed by the Commission from time to time and in compliance with the Islamic Shariah; If anything is contrary in the Offering Document with the terms of the Deed, and/or the Rules and/or the Regulations, the Rules and/or the Regulations will supersede the terms of this Deed and/or the Offering Document;
- (C) The Management Company shall establish, manage, operate and administer the Fund in accordance with the Rules, the Regulations, this Deed, Offering Document, directives, circulars, codes, notifications, guide lines, other applicable laws and any other conditions that may be imposed by the Commission from time to time;
- (D) All conducts and acts of the Trust shall be Shariah compliant as per the guidelines of the Shariah Advisor of the Fund.

1. Inserted vide 1st Supplemental Trust Deed dated June 23, 2010.

- (E) For attaining the aims and objectives, the Management Company shall handover to the Trustee an initial sum Rs. 10,000/-

3. GOVERNING LAW AND JURISDICTION

- 3.1 This Deed shall be subject to and be governed by the Laws of Pakistan, including the Ordinance, the Rules, the Regulations, and all other applicable laws and regulations and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed of a unit trust by the Rules and/or the Regulations are incorporated in this Deed as part and parcel thereof and in the event of any conflict between this Deed and the provisions required to be contained in a trust deed by the Rules and/or the Regulations, the latter shall supersede and prevail over the provisions contained in this Deed. Furthermore, all investments of the Deposited Property shall be in accordance with the Islamic Shariah as per the guidelines provided by the Shariah Advisor. The Fund shall also be subject to the rules and regulations framed by the State Bank of Pakistan with regard to the foreign investments made by the Fund and investments made in the Fund from outside Pakistan.
- 3.2 Subject to the Arbitration Clause 32 hereafter, applicable between the Management Company and the Trustee inter se, each party, including the Unit Holders irrevocably submit to the exclusive jurisdiction of the Courts at Karachi.

4. FOR THE TRUST

4.1 Deed binding on each Unit Holder

The terms and conditions of this Deed and any deed supplemental hereto shall be binding on each Unit Holder as if he has been party to this Deed and so to be bound by Deed's 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, the Rules and Regulations.

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

No Unit Holder shall be liable to make any further payments to the Trustee or the Management Company after he has paid the Offer Price of the Units in accordance with Clause 12.2 hereafter and no further liability shall be imposed on any Unit Holder in respect of the Units held by him.

4.3 Units to rank *pari passu*

4.3.1 All Units and fractions thereof represent an undivided share in the Scheme and shall rank *pari passu* according to the number of Units held by each Unit Holder, including as to the rights of the Unit Holders in the Net Assets, earnings and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in the Trust proportionate to the Units held by such Unit Holder and shall have such rights as are set out in this Deed and the Offering Document.

4.3.2 Core Units subscribed by the Core Investors shall however be offered and issued at par and shall not be redeemable (but are transferable) for a period of two years from the close of Initial Period. A mention of such restriction and its termination date shall

be entered into the Register and shall be noted on any Certificate issued in respect of such Units.

4.4 **Trustee to report to Unit Holders**

4.4.1 The Trustee shall report to the Unit Holders on all matters provided in the Rules, the Regulations, and this Deed. In particular, the Trustee shall issue a report to the Unit Holders to be included in the second quarter report and annual report to be sent to the Unit Holders, or at any frequency prescribed by the Commission, stating whether in the Trustee's opinion, the Management Company has in all material respects managed the Scheme in accordance with the provisions of the constitutive documents, the Rules and the Regulations and if, in the Trustee's opinion, the Management Company has not done so, the Trustee's report shall describe the respect in which it has not done so and the steps, which the Trustee has taken in respect thereof.

4.4.2 The Trustee shall be entitled to require the Auditors to provide such reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Rules/Regulations. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible.

4.5 **Objective and Investment Policy**

The Objective and Investment Policy of the Fund shall be as stated in Clause 11 of this Deed.

5. **DEFINITIONS**

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

- 5.1. "Accounting Date" means the date thirtieth day of June in each year and any interim dates at which the financial statements of the Trust are drawn up. Provided, however, that the Management Company may, with the consent of the Trustee and after obtaining approval of the Commission and the Commissioner of Income Tax, change such date to any other date.
- 5.2. "Accounting Period"²[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 day following the preceding Accounting Period.]
- 5.3. "Account Statement" means statement of transaction in Units in the folio of the Unit Holder.
- 5.4. "Administrative Plans" or "Investment Plans" means, investment plans offered by the Management Company, where such plans allow investors a focused investment strategy in

2. Substituted, vide 1st Supplemental Trust Deed dated June 23, 2010, for "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."

any one or a combination of the Shariah compliant Unit Trust Schemes managed by the Management Company and for which a common Trustee is appointed.

- 5.5. “Auditor”³[] means the Auditor of the Trust appointed by the Management Company, with the consent of the Trustee, as the auditor for the Scheme, who shall be independent of the auditor of the Management Company and the auditor of the Trustee, as provided under the Rules and the Regulations.
- 5.6. “Authorized Branch”⁴[means those branches of the Distributors whose addresses have been given in the Offering Document and updated on the website of Atlas Asset Management Limited i.e. www.atlasfunds.com.pk. Such branches shall have proper date and time stamping mechanism for timely acknowledgment of the applications. The list of authorized distributors shall be disclosed in the Offering Document of the Fund.]
- 5.7. “Authorized Investments”⁵[means any Shariah compliant investment instrument available within or outside Pakistan allowed under the Rules/ Regulations and that complies with the guidelines of Shariah Advisor of the Fund. These include:

3. Deleted vide 1st Supplemental Trust Deed dated June 23, 2010. Before deletion read as “or Shariah Auditor”.

4. Substituted, vide 1st Supplemental Trust Deed dated June 23, 2010, for “or “Branches” means those branches of the Distributors that have been authorized by the Management Company to perform distribution functions whose addresses shall be given in the Offering Document or as disclosed by the Management Company from time to time.”

5. Substituted, vide 1st Supplemental Trust Deed dated June 23, 2010, for “means any Shariah compliant investment instrument available within or outside Pakistan allowed under the Rules/ Regulations and that complies with the guidelines of Shariah Advisor of the Fund. These include:

- 5.7.1 Certificates of Investment, based on Shariah compliant structure issued by an entity with minimum investment grade rating in case the instrument itself is not rated.
- 5.7.2 Placements of deposits of various tenors in licensed Islamic Banks or Islamic financial institutions and licensed Islamic Banking windows/branches of conventional Banks or financial institutions, with minimum investment grade rating.
- 5.7.3 Placements of funds under Mudarabah, Murabaha and Mushharikah arrangements. Maximum exposure (as a percentage of Net Assets) to rated and non-rated entities/ in this asset class will be identified separately by the Management Company and mentioned in the Offering Document.
- 5.7.4 Spread (Ready-Future) as approved by the Shariah Advisor in eligible listed securities, as declared by the Stock Exchange and Commission.
- 5.7.5 Secured and listed income instruments/securities, including Sukuks:
- issued by local governments, government agencies and statutory bodies;
 - issued by public sector entities and/or Financial Institutions. A minimum investment grade rating of either the entity or the instrument by an approved credit rating agency should be applicable. Where credit rating is not available for either the entity or instrument in this category, the Management Company will identify maximum exposure limits and the requisite information regarding the issuer profile which will be specified in the Offering Document;
 - issued by private sector entities and/or Financial Institutions. A minimum investment grade rating of either the entity or the instrument by an approved credit rating agency should be applicable. Where credit rating is not available for either the entity or instrument in this category, the Management Company will identify maximum exposure limits and the requisite information regarding the issuer profile which will be specified in the Offering Document.
- 5.7.6 Secured and unlisted/privately placed income instruments/securities, including Sukuks:
- issued by local governments, government agencies, and statutory bodies;
 - issued by public sector entities and/or Financial Institutions. A minimum investment grade rating of either the entity or the instrument by an approved credit rating agency should be applicable. Where credit rating is not available for either the entity or instrument in this category, the Management Company will identify maximum exposure limits and the requisite information regarding the issuer profile which will be specified in the Offering Document;
 - issued by private sector entities and/or Financial Institutions. A minimum investment grade rating of either the entity or the instrument by an approved credit rating agency should be applicable. Where credit rating is not available for either the entity or instrument in this category, the Management Company will identify maximum exposure limits and the requisite information regarding the issuer profile which will be specified in the Offering Document;
- 5.7.7 Unsecured and listed income instruments/securities, including Sukuks:
- issued by local governments, government agencies, statutory bodies;
 - issued by public sector entities and/or Financial Institutions. A minimum investment grade rating of either the entity or the instrument by an approved credit rating agency should be applicable;
 - issued by private sector entities and/or Financial institutions. A minimum investment grade rating of either the entity or the instrument by an approved credit rating agency should be applicable.
- 5.7.8 Unsecured and unlisted/privately placed income instruments/securities, including Sukuks:
- issued by local governments, government agencies, statutory bodies;

- a) Shariah Compliant Government securities;
- b) Cash in Shariah Compliant Bank Accounts and TDRs with Islamic Banks or Islamic windows of Commercial Banks,
- c) Certificate of Islamic Investments (COII), ⁶ [Shariah compliant] money market placements, ⁷[Islamic] certificates of deposits (COD), certificates of Musharikahs (COM) and commercial paper structured under Islamic principles;
- d) Shariah compliant spread transactions;
- e) Placement of funds under Mudarabah, Murabaha and Musharikah arrangements;
- f) Secured and unsecured, listed or privately placed Shariah Compliant debt securities, including Sukuks issued by local governments, government agencies, statutory bodies, private ⁸[or] public sector entities and/or Financial Institutions;
- g) Contracts/Securities/Instruments issued by companies on the principles of Bai' Mu'ajjal, Bai' Salam, Istisna'a, Ijarah, Mudarabah, Murabaha and Musharikah;
- h) Investments outside Pakistan as per the guidelines of Fund's Shariah Advisor and subject to the prior approval of Commission and State Bank of Pakistan;
- i) Any other Shariah Compliant instrument that may be allowed by the Commission from time to time and is as per the guideline of the Fund's Shariah Advisor.

Further, the following restrictions apply on the investments of the Fund:

- a) At least 25% of the net assets shall be invested in cash and near cash instruments which include cash in bank accounts (excluding TDRs) ⁹[] not exceeding 90 days maturity;

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- issued by public sector entities and/or Financial Institutions. A minimum investment grade rating of either the entity or the instrument by an approved credit rating agency should be applicable;
 - issued by private sector entities and/or Financial Institutions. A minimum investment grade rating of either the entity or the instrument by an approved credit rating agency should be applicable.
- 5.7.9 Contracts, securities, instruments issued by companies, organizations and establishments issued on the principals of Bai' Mu'ajjal, Bai' Salam, Istisna'a, Ijarah, Mudarabah, Murabahah, and Musharikah. Minimum Investment Grade Rating will be applicable. Where credit rating is not available for either the entity or instrument in this category, the Management Company will identify maximum exposure limits and the requisite information regarding the issuer profile which will be specified in the Offering Document.
- 5.7.10 The above and other Investments available outside Pakistan, subject to the separate prior written approval of the State Bank of Pakistan, approval of the Commission and Shariah Advisor and compliance to any other applicable laws including:
- a) international profit bearing securities;
 - b) international debt/ money market instruments;
 - c) foreign currency bank deposits and certificates of investments of various tenors;
- 5.7.11 Any other Shariah compliant instrument that may be allowed by the Commission from time to time and as per the guidance of the Fund's Shariah Advisors, and under such parameters as mentioned in the Risk Management Policies of the Management Company.

The maximum exposure limits and minimum ratings of the above mentioned asset classes will be as specified in the Offering Document.

The Fund may also make Shariah compliant investments overseas markets to the extent of 30% of the Net Assets of the Fund subject to a cap of US\$ 15 million at the time of investment. Such overseas Investments would be made according to prescribed guidelines of Commission/Shariah Advisory Board and if guidelines are not available, specific approval from the Commission will be obtained".

6. Inserted vide 2nd Supplemental Trust Deed dated November 12, 2010.

7. Inserted vide 2nd Supplemental Trust Deed dated November 12, 2010.

8. Substituted, vide 2nd Supplemental Trust Deed dated November 12, 2010, for "pr".

9. Deleted vide 2nd Supplemental Trust Deed dated November 12, 2010. Before deletion read as "and treasury bills".

- b) No more than 15% of the net assets shall be invested in non-traded securities (including reverse repo, bank deposits, certificates of investments (COI), certificate of musharaka (COM) and anything over 6 month maturity which is not a marketable security);
 - c) Rating of any debt instrument in the portfolio shall not be lower than A- (A minus);
 - d) Rating of any Bank, DFI, NBFC and Modaraba with which funds are placed shall not be lower than A- (A minus);
 - ¹⁰[e) The weighted average time to maturity of the net assets shall not exceed 4 years. The condition shall not apply to securities issued by the Federal Government and there is no restriction regarding the time to maturity or duration of any single asset in the portfolio.]]
- 5.8. "Back-end Load" means sales charge or commission, not exceeding five (5) percent of the Net Asset Value deducted by the Management Company from the Net Asset Value in determining the Redemption Price; provided however that different levels of Back-end Load may be applied to different classes of units, as may be determined by the Management Company. The amount of Back end Load shall form part of Deposited Property.
- 5.9. "Bai Mu'ajjal" means a contract in which the seller earns a profit margin on his purchase price and allows the buyer to pay the price at a future date in lump sum or in installments.
- 5.10. "Bai' Salam" means a contract in which advance payment is made for certain defined goods (other than gold, silver and currencies) to be delivered later on a fixed date.
- 5.11. "Bank" means any Scheduled Bank, as defined under the State Bank of Pakistan Act, 1956 and licensed to carry on banking business and shall include a bank incorporated outside Pakistan and carrying on banking business in Pakistan as a Scheduled Bank.
- 5.12. "Bank Accounts" means those account(s) opened and maintained for the Trust by the Trustee at Banks, the beneficial ownership of which shall vest in the Unit Holders.
- 5.13. "Broker" means any person engaged in the business of and licensed by the Commission to effect transactions in the securities for the account of others.
- 5.14. "Business Day/ Dealing Day" means a day, ¹¹[from Monday to Friday, on which] Banks are open for business in Pakistan.
- 5.15. "Certificate" means the definitive certificate acknowledging the number of Units registered in the name of the Unit Holder(s) issued at the request of the Unit Holder(s) pursuant to the provisions of the Trust Deed.
- 5.16. "Charity" means amount paid out of the income of the Trust to a charitable/ welfare organization, in consultation with the Shariah Advisor, representing income, which is Haram.

10. Last para converted into sub-clause (e) vide 2nd Supplemental Trust Deed dated November 12, 2010.

11. Substituted, vide 1st Supplemental Trust Deed dated June 23, 2010, for "when."

- 5.17. "Collection Accounts"¹²[mean such investment grade Bank Account(s), being maintained by the Trustee, where the amounts received for investment through Administrative Plans are temporarily deposited prior to the amount being transferred by the Trustee upon instruction of the Management Company to the respective Fund's accounts in proportion to the Units being allocated.]
- 5.18. "Commission or SECP" means Securities and Exchange Commission of Pakistan set up under Securities and Exchange Commission of Pakistan Act, 1997.
- 5.19. "Connected Person" shall have the same meaning as assigned in the Rules/Regulations.
- 5.20. "Constitutive Document" means this Trust Deed which is the principal document governing the formation, management and the operation of the Trust, the Offering Document and all related material agreements.
- 5.21. "Contingent Load" means Sales Load payable not exceeding 5% of the Net Asset Value, if Units are redeemed by any major Unit Holder in such period of time that the Management Company believes may adversely affect the interest of the other Unit Holders. Any Contingent Load received will form part of the Deposited Property of the Fund.
- 5.22. "Core Investors" means the initial investors whose subscription shall in aggregate, be in compliance of the requirements of Regulation 61 (2)(e)(ii) of the Regulations. The Core Investors shall be issued with Core Units representing their subscriptions. Particulars of the Core Investors shall be included in the Offering Document that shall be issued for this Fund.
- 5.23. "Core Units" shall mean such Units of the Fund that are issued to Core Investors at Par Value with the condition that these are not redeemable for a period of two years from the date of issue. Such Units are transferable with this condition and shall rank *pari passu* with all other Units save for this restriction. Any transfer of these Core Units, during the first two years of their issue, shall be affected only on the receipt, by the Transfer Agent, of a written acceptance of this condition by the transferee.
- 5.24. "Custodian" means a Bank, the Central Depository Company or any other depository or an investment finance company licensed under the Rules, which may be appointed by the Trustee in consultation with the Management Company, to hold and protect the Trust Property or any part thereof as Custodian on behalf of the Trustee; the Trustee may also itself provide custodial services for the Fund.
- 5.25. "Deposited Property". shall consist of:
- 5.25.1 The aggregate proceeds of all Units issued from time to time after deducting the sum of: (a) Duties and Charges; (b) applicable Sales Load; and (c) any other expenses chargeable to the Scheme.
- 5.25.2 All Investments made by the Trustee in terms of this Deed and all income, profit (including accrued profits) and other benefits arising there from and all cash and other assets including moveable or immovable and property of every description

12. Substituted, vide 1st Supplemental Trust Deed dated June 23, 2010, for "means such temporary account(s), being maintained by the Trustee, where the amounts received for investment through Administrative Plans are deposited prior to the amount being transferred to the respective Funds accounts in proportion to the Units being allocated in both and the accounts where the redemption proceeds from the funds are transferred prior to the payment of the redemption proceeds to the Unit Holders."

(including present and future actionable claims) for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Holders pursuant to this Deed; and

- 5.25.3 Amounts standing to the credit of the Bank Account(s) maintained by the Scheme, including profits accruing therein and profits accruing in Distribution Account(s), until, from time to time, such amounts (or part thereof) are actually paid to Holders upon receipt of a request by such Holders to redeem their Units in accordance with the provisions of this Deed.
- 5.26. "Distribution Account" means the account (which may be a current, deposit or savings account) maintained by the Trustee with an Islamic Bank or a licensed Islamic branch of a Bank as directed by the Management Company in which the amount required for distribution of income to the Unit Holders shall be transferred. Income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the main account of the Fund from time to time, as part of the Deposited Property for the benefit of the Unit Holders.
- 5.27. "Distributor(s)" ¹³ [means Company(ies), firm(s), Sole Proprietorship Concern(s), Individual(s), Central Depository Company, Bank(s) or any other Financial Institution appointed by the Management Company, under the intimation to the Trustee, for performing any or all of the Distribution Functions and shall include the Management Company itself, if it performs the Distribution Function.]
- 5.28. "Distribution Function" means the functions with regard to:
- (a) Receiving applications for purchase of Units together with aggregate Offer Price for Units applied or by the applicants;
 - (b) Interfacing with and providing services to the Unit Holders including receiving Redemption, Transfer and Pledge applications, conversion notices, trading applications and applications for change of address or issue of duplicate Certificates for immediate transmission to the Management Company or the Transfer Agent as appropriate;
 - (c) Issuing receipts in respect of (a) & (b) above; and
 - (d) Accounting to the Management Company for (i) ¹⁴[payment instrument] received from the applicants ¹⁵[for] issuance of Units; (ii) ¹⁶[payment instrument delivered] to the Unit Holders on redemption of Units; and (iii) expenses incurred in relation to the Distribution Function.
- 5.29. "Duties and Charges" means in relation to any particular transaction or dealing, bank charges, brokerage, registration fee, all stamp and other duties, taxes, Government charges, transfer fees, registration fee and other duties and charges in connection with the issue, sale, transfer, redemption or purchase of Units or in respect of the issue, sale, transfer,

13. Substituted, vide 1st Supplemental Trust Deed dated June 23, 2010, for "means Company (ies), Firm(s), Sole Proprietorship Concern(s), Individual(s), Central Depository Company, Bank(s) or any other Financial Institution appointed by the Management Company for performing any or all of the Distribution Functions and shall include the Management Company itself, if it performs the Distribution Functions."

14. Substituted, vide 1st Supplemental Trust Deed dated June 23, 2010, for "monies."

15. Substituted, vide 1st Supplemental Trust Deed dated June 23, 2010, for "when they."

16. Substituted, vide 1st Supplemental Trust Deed dated June 23, 2010, for "payments made."

cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but do not include the remuneration payable to the Distributor/ Distribution Company or any Front-end or Back-end Load or commission payable to agents on sale and redemption of Units or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.

- 5.30. "Financial Institution" means a Bank, Development Finance Institution, Non Banking Finance Company, Modarba or an institution registered under relevant laws to provide financial services, including banking or brokerage, within or outside Pakistan.
- 5.31. "Formation Cost" means All expenses incurred in connection with the establishment and authorization of the Fund including execution and registration of the Constitutive Documents, issue, legal costs, printing, circulation and publication of the Offering Document, announcements describing the Fund and all expenses incurred during the Initial Offering Period.
- 5.32. "Front-end Load" means the sales and processing charges or commission (excluding duties and charges) not exceeding five percent (5%) of the NAV payable to the Management Company, which may be included in the Offer Price of certain classes of Units; provided however that different levels of Front-end Load may be applied to different investors, as determined by the Management Company.
- 5.33. "Fund" means Atlas Islamic Income Fund or "Scheme" or "Trust" or "Unit Trust." or "AIIF" constituted by this Trust Deed.
- 5.34. "Halal"¹⁷ [means anything permitted under the Shariah and categorized as Halal by the Shariah Advisor.]
- 5.35. "Haram"¹⁸ [means anything prohibited under the Shariah and categorized as Haram by the Shariah Advisor.]
- 5.36. "Holder(s)" or "Unit Holder(s)" means the investor(s) for the time being entered in the Register as owner(s) of Unit(s) or fraction(s) thereof including investor(s) jointly so registered pursuant to the provisions of this Deed.
- 5.37. "Initial Offer Price" or "Initial Price" means the price per Unit during the Initial Offering Period determined by the Management Company.
- 5.38. "Initial Offering Period" or "Initial Public Offer" means the period determined by the Management Company and indicated in the Offering Document during which the Units shall be offered at the Initial Offer Price.
- 5.39. "Investment" means any Authorized Investment forming part of the Deposited Property.
- 5.40. "Investment Facilitators/ Advisors" or "Sales Agents" means an individual, firm, corporate or other entity appointed by the Management Company, to identify, solicit and assist investors in investing in the Scheme. The Management Company shall compensate the

17. Substituted, vide 1st Supplemental Trust Deed dated June 23, 2010, for "means anything permitted by the Shariah."

18. Substituted, vide 1st Supplemental Trust Deed dated June 23, 2010, for "means anything prohibited by the Shariah."

Investment Facilitators/ Advisors/ Sales Agents out of the Sales Load collected by it in the Offer Price and/or the Management Fee.

- 5.41. “Istisna” means a contractual agreement for manufacturing goods and commodities, allowing cash payment in advance and future delivery or a future payment and future delivery.
- 5.42. “Mudarabah” means a form of partnership where one partner provides funds, while other provides skill, expertise and management.
- 5.43. “Murabahah” means a sale on mutually agreed profit. Technically it is a contract of sale in which the seller declares his cost and profit. As a financing technique, it involves a request by the client to the financier to purchase certain item for him, which is then sold to the client at a mutually agreed price.
- 5.44. “Musharikah” means a relationship established under a contract by the mutual consent of the parties for sharing of profits and losses arising from a joint enterprise or venture. All providers of capital are entitled to participate in management, but not necessarily required to do so. The profit is distributed among the partners in pre-agreed ratios, while the loss is borne by each partner strictly in proportion to respective capital contributions.
- 5.45. “Net Assets” in relation to the Trust, means the excess of assets over liabilities of the Trust, such excess being computed in the manner as specified in the Rules and the Regulations from time to time.
- 5.46. “Net Asset Value” or “NAV” means per Unit Value of the Fund arrived at by dividing the Net Assets by the number of Units outstanding.
- 5.47. “Offer Price” means the sum to be paid by the investor for the purchase of one Unit, such price to be determined pursuant to Clause 12.2 of this Trust Deed and as stated in the Offering Document.
- 5.48. “Offering Document” means the prospectus, advertisement or other document (approved by the Commission), which contain the investment and distribution policy and all other information in respect of the Scheme, as required by the Rules/Regulations and is circulated to invite offers by the public to invest in the Scheme.
- 5.49. “Online” means transactions through electronic data-interchange whether real time transactions or otherwise which may be through internet, intranet networks and the like.
- 5.50. “Ordinance” means Companies Ordinance 1984.
- 5.51. “Par Value”¹⁹ [means the face value of a Unit that shall be Five Hundred Rupees (Rs. 500/-) or such other amount as may be determined by the Management Company with the approval of the Commission and under intimation to the Trustee.]
- 5.52. “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 12.4 of this Trust Deed and as stated in the Offering Document.

19. Substituted, vide 1st Supplemental Trust Deed dated June 23, 2010, for “means the face value of a Unit that shall be Five Hundred Rupees (Rs.500/-) or such other amount as may be determined by the Management Company in consultation with the Trustee from time to time.”

- 5.53. "Register" means the Register of the Unit Holders kept pursuant to the Rules/Regulations and this Trust Deed.
- 5.54. "Registrar Functions" means the function with regard to:
- (a) Maintaining the Register, including keeping a record of all particulars of the Unit Holder including record of any change of address/ other particulars of the Unit Holder;
 - (b) Receiving applications for redemption, transfer/ transmission and conversion/ switching of Units directly from Unit Holders or legal representatives or through Distributors;
 - (c) Processing requests for issue, redemption, transfer, transmission and conversion/ switching of Units and requests for recording of pledge or for recording of changes in information/particulars/data with regard to the Unit Holders;
 - (d) Issuing Account Statements to the Unit Holders;
 - (e) Issuing Certificates to Unit Holders, if requested by the Unit Holder;
 - (f) Canceling old Certificates on redemption or replacement thereof;
 - (g) Maintaining record of lien/pledge/charge, transfer/ conversion/ switching of Units, Zakat deduction status; and
 - (h) Dispatching income distribution warrants and/or bank transfer intimations and distributing Bonus Units or partly both and allocating Units to the Unit Holders for reinvestments of dividends.
- 5.55. "Regulations" means the Non-Banking Finance Companies and Notified Entities Regulations, 2007 as amended from time to time.
- 5.56. "Rules" mean the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, as amended from time to time.
- 5.57. "Sales Load" means the sales and processing charge or commission (excluding Duties and Charges) not exceeding 5% of Net Asset Value and included the Front-end Load, Back-end Load and Contingent Load as determined by the Management Company from time to time; provided however that the Management Company may, at its discretion, charge different levels of the load to different Investors from time to time and may also apply different levels of Sales Load for different Administrative/ Investment Plans under the Scheme.
- 5.58. "Shariah" or "Islamic Shariah" means divine guidance as given by the Holy Qur'an and the Sunnah of Prophet Muhammad (PBUH) and embodies all aspects of the Islamic faith, including beliefs, practices, rules and principles.
- 5.59. "Shariah Advisor" or "Shariah Advisory Board" means either an Islamic financial institution, a body of Islamic scholars or an individual appointed by the Management Company ²⁰[, under intimation to the Trustee], having knowledge of Islamic finance, to supervise and monitor the activities of the Scheme and to ensure that all its activities comply with Shariah.

20. Substituted, vide 1st Supplemental Trust Deed dated June 23, 2010, for "with the approval of the Commission."

- 5.60. “Shariah Compliant”²¹ [means any activity that is in accordance with the Islamic Shariah as advised by the Shariah Advisor.]
- 5.61. “Stock Exchange” means Karachi Stock Exchange, Lahore Stock Exchange or Islamabad Stock Exchange or any other stock exchange registered under the Securities and Exchange Ordinance 1969 and shall also include stock exchanges registered and operating outside Pakistan.
- 5.62. “Sukuk” means a type of Islamic bond that is backed by assets of the issuer that earn profit or rent.
- 5.63. “Supplementary Offering Document” means a document issued by the Management Company, in consultation with the Trustee after seeking approval of the Commission.
- 5.64. “Term Finance Certificates” means redeemable equity instruments issued on profit and loss sharing basis.
- 5.65. “Transaction Costs” means the costs incurred or estimated by the Management Company to cover the costs (such as, but not restricted to, brokerage, Trustee charges, taxes or levies on transactions, etc.) related to the investing or disinvesting activity of the Fund’s portfolio, necessitated by creation or cancellation of Units. Such costs may be added to the NAV for determining the Purchase (Offer) Price of Units or be deducted from the NAV in determining the Repurchase (Redemption) Price. The Transaction Costs may not normally be applied in determining these prices; however, if the Management Company is of the view that it is in the overall interest of the Unit Holders, it may, with intimation to the Trustee, apply such charge either to the Offer or the Redemption Price. The Management Company may, however, apply Transaction Costs while determining Purchase (Offer) or Repurchase (Redemption) prices, under intimating the Trustee provided the difference between the Purchase (Offer) Price and the Repurchase (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.
- 5.66. “Transfer Agent” means a company, including a Bank, that the Management Company may appoint for performing the Registrar Functions and may also include a department of the Management Company, if the Management Company elects to perform the Registrar Function itself.
- 5.67. “Trust Deed” or “Deed” means this deed executed between the Management Company and the Trustee along with all exhibits appended hereto (if any).
- 5.68. “Unit” means one undivided share in the Scheme and where the context so indicates a fraction thereof.
- 5.69. “Zakat” has the same meaning as in Zakat and Ushr Ordinance (XVIII of 1980), 1980.

Words and expressions used but not defined herein shall have the meanings assigned to them in the Ordinance and the Rules, words importing persons include corporations, words importing the masculine gender include the feminine gender, words importing singular include plural and words

21. Substituted, vide 1st Supplemental Trust Deed dated June 23, 2010, for “means any activity that is in accordance with the Islamic Shariah.”

“written” or “in writing” include printing, engraving lithography or other means of visible reproduction.

6. ROLE AND OBLIGATIONS OF THE MANAGEMENT COMPANY

6.1 Compliance with Rules, Regulations and this Deed

The Management Company shall comply with the provisions of the Rules, Regulations and this Deed for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Management Company by any officer or responsible official of the Management Company or by any nominee or agent appointed by the Management Company and any act or matter so performed shall be deemed for all the purposes of this Deed to be the act of the Management Company.

6.2 Management of Deposited Property

The Management Company has the responsibility to make all investment decisions and shall manage the Deposited Property in the interest of the Unit Holders in good faith, to the best of its ability and without gaining any undue advantage for itself or any of its related parties including connected persons and group companies or its officers, and subject to the restrictions and limitations as provided in this Deed, the Regulations and the Rules and subject to any special exceptions granted by the Commission. The Management Company shall not be liable for any loss caused to the Trust or to the value of the Deposited Property due to any elements or circumstances beyond its reasonable control.

6.3 Appointment of Distributors

The Management Company, under intimation to the Trustee, shall from time to time appoint, remove or replace one or more Distributor(s) for carrying out the Distribution Functions at one or more locations, on terms and conditions to be incorporated in the distribution agreement to be entered into between the Distributor(s) and the Management Company. Provided that the Management Company may also itself act as a Distributor for carrying out Distribution Functions. The Management Company shall pay the remuneration to the Distributors from the management fee accruing to it, from its own resources, and there will be no separate charge to the Fund or Unit Holders.

6.4 Appointment of Investment Facilitators

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

6.5 Appointment of Transfer Agent

The Management Company has the responsibility to maintain investor records and for this purpose may, from time to time, appoint, remove or replace the Transfer Agent who is responsible for performing Registrar Functions. The Transfer Agent shall perform the Registrar Functions and all other related and incidental activities and any other role assigned to the Transfer Agent as per the transfer agent agreement. The Management Company may also itself perform the Registrar Functions.

6.6 Record Keeping

- 6.6.1 The Management Company shall maintain, at its principal office, proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Scheme, and all other transactions for the account of the Scheme and amounts received by the Scheme in respect of issues of Units and paid out by the Scheme on redemption of Units and by way of distributions. Such accounts and records shall be maintained for a period of ten years, or as prescribed under the provisions of the Rules, the Regulations or any other law for time being in force in Pakistan.
- 6.6.2 The Management Company shall maintain a Register of Unit Holders of the Scheme (either in physical or electronic form) and inform the Commission and the Trustee of the address where the Register is kept.
- 6.6.3 The Management Company shall not remove the records or documents pertaining to the Scheme from Pakistan to a place outside Pakistan without prior written permission from the Trustee and the Commission.

6.7 **Investor Services**

The Management Company has the responsibility to facilitate the investment and disinvestments by investors in the Scheme and to make adequate arrangements for receiving and processing applications in this regard. Offer and Redemption prices have to be announced for investor facilitation as per the procedures outlined in Section 11 of this Trust Deed.

6.8 **Submission of Accounts to Unit Holders**

6.8.1 ²²[Within four months of closing of the accounting period of the Open End Scheme, transmit to the unit holders, the trustee, the Commission and stock exchanges, on which the units or certificates of the scheme are listed, the annual report as per the requirements set out in Schedule V of the Regulations, including, -

- (i) copy of the balance sheet and income statement;
- (ii) cash flow statement;
- (iii) statement of movement in unit holders' fund or net assets or reserves; and
- (iv) the auditor's report of the Open End Scheme]

6.8.2 ²³[Within one month of the close of first and third quarters and within two months of the close of second quarter, prepare and transmit to the unit holders, the trustee, the Commission and the stock exchanges, on which the units of the scheme are listed:

- (i) balance sheet as at the end of that quarter;
- (ii) income statement;

22. Substituted, vide 1st Supplemental Trust Deed dated June 23, 2010, for "The Management Company shall within three months of closing of the Accounting Period, prepare and circulate the annual report, together with a copy of the balance sheet, income statement, cash flow statement and statement of movement in Unit Holders' fund or Net Assets or reserves and the auditor's report to the Unit Holders, the Trustee, the Commission and stock exchanges, on which the Units of the Scheme are listed and the balance sheet and profit and loss account shall comply with requirements set out in Schedule IV."

23. Substituted, vide 1st Supplemental Trust Deed dated June 23, 2010, for "The Management Company shall within one month of the close of first and third quarters and within two months of the close of second quarter of the year of account of the Fund, prepare and circulate to the Unit Holders, the Trustee, the Commission and stock exchanges, on which the Units of the Scheme are listed, balance sheet as at the end of that quarter, an income statement, a cash flow statement and a statement of changes in equity for that quarter, whether audited or otherwise: Provided that the Commission subject to any applicable conditions may allow the Management Company to transmit the said quarterly accounts to the Unit Holders by placing them on its website."

- (iii) cash flow statement;
- (iv) statement of movement in unit holders' fund or net assets or reserves; and
- (v) statement showing the securities owned at the beginning of the relevant period, securities purchased or sold during such period, and the securities held at the end of such period together with the value (at carrying and at market) and the percentage in relation to its own net assets and the issued capital of person whose securities are owned for that quarter, whether audited or otherwise.]

6.9 Appointment of Auditors

The Management Company shall with the consent of the Trustee, appoint at the establishment of the Scheme and upon any vacancy, an Auditor who shall be a chartered accountant and independent of the Auditors of the Management Company and the Trustee and such Auditors shall not be appointed for more than five consecutive years and the contents of Auditor's report shall be in accordance with the provisions of the ²⁴[Rules] Regulations.

6.10 Submission of information to the Commission

The Management Company shall furnish a copy of the annual report together with copies of the balance sheet, income and expenditure accounts and the Auditor's report of the Scheme to the Commission within three months of the close of the Accounting period, together with a Statement containing the following information, namely:

- (i) Total number of Unit Holders; and
- (ii) Particulars of the personnel (Executive, research and other) of the Management Company.

6.11 Liabilities of the Management Company

6.11.1 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.

6.11.2 The Management Company shall not be under any liability, except such liability as may be expressly assumed by it under the Rules/ Regulations and this Deed nor shall the Management Company (save as herein otherwise provided) be liable for any act or omission of the Trustee 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 Management Company shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.

24. Substituted, vide 1st Supplemental Trust Deed dated June 23, 2010, for "of Schedule IV".

6.12 Submission of information to Trustee

The Management Company shall make available or ensure that there is made available to the Trustee such information as the Trustee may reasonably require in respect of any matter relating to the Trust.

6.13 Instructions to Trustee

- 6.13.1 The Management Company shall, from time to time, advise the Trustee of the instructions relating to any transaction entered into by it on behalf of the Trust.
- 6.13.2 The Management Company shall, from time to time, advise the Trustee of the settlement instructions relating to any investment/ disinvestment transactions entered into by it on behalf of the Trust. The Management Company shall ensure the settlement instructions are given promptly after entering into the transaction so as to facilitate timely settlement and the Trustee on its side, shall ensure that the settlement is handled in a timely manner in accordance with the dictates of the transaction.
- 6.13.3 The Management Company shall provide the Trustee with regular reports indicating dividends, other forms of income or inflows, and nay rights or warrants relating to the investments that are due to be received.
- 6.13.4 The Management Company may, if it considers necessary for the protection of the Deposited Property or safeguarding the interest of the Unit Holders, request the Trustee to institute or defend any suit, proceeding arbitration or inquiry or any corporate or shareholders' action in respect of the Deposited Property or any part thereof.
- 6.13.5 The Management Company shall nominate one or more of its officer to act as the authorized persons for interacting with the Trustee.

6.14 Obtain Rating of Fund

The Management Company shall be obliged to obtain a rating of the Fund, once the Fund becomes eligible for rating as per the rating criteria of the rating agency, and such rating shall be updated at least once every financial year and also published in the Fund's annual and quarterly reports.

6.15 Appointment of Brokers

The Management Company shall set a specific criteria to provide for a diverse panel of brokers at the time of offering of a Scheme and shall ensure diligence in appointing brokers to avoid undue concentration of business with any broker.

6.16 The Management Company shall perform any other duties as may be required by the Commission in accordance with the Rules/ Regulations.

6.17 The Management Company in relation to the Fund shall not:

- 6.17.1 merge with, acquire or take over any other asset management company or a scheme, unless it has obtained the prior approval of the Commission in writing to the scheme of such merger, acquisition or takeover;
- 6.17.2 pledge any of the securities held or beneficially owned by a scheme except as allowed under the Regulations;
- 6.17.3 accept deposits from a scheme;
- 6.17.4 make a loan or advance money to any person except in connection with the normal business of the scheme;
- 6.17.5 participate in a joint account with others in any transaction on behalf of Fund;
- 6.17.6 apply any part of its assets to real estate except property for its own use;
- 6.17.7 make any investment with the purpose of having the effect of vesting the management, or control, over the affairs, of investee company by the NBFC or its group; and
- 6.17.8 ²⁵ [enter into transaction(s) with any broker that exceed thirty percent of the commission paid by the collective investment scheme in any one accounting year; However, this restriction shall not apply on transactions relating to money market instruments and debt securities.]
- 6.17.9 Undertake brokerage services on stock exchanges or in the money market;
- 6.17.10 Enter into underwriting or sub-underwriting contracts, except as specified in clause b of sub-regulation 1 of regulation 6, on behalf of the collective investment schemes being managed by it; and
- 6.17.11 Maintain its own equity portfolio except for the investments made by such NBFC into the collective investment schemes or pension funds being managed by it or its subsidiaries licensed as NBFC under the Rules or as allowed in clause h of sub-rule 2 of the Rule 7 or as allowed by the Commission from time to time.

6.18 Fund Manager and Investment Committee

The Management Company shall appoint a qualified fund manager and constitute an investment committee in accordance with the provisions of the rules/regulations to assist in investing and managing the assets of the Fund or to invest and manage part or whole of the assets of the Fund both locally and abroad and its own cost and discretion.

²⁶[6.19 The Management Company shall ensure that no entry and exit to the scheme (including redemption and reissuance of units to the same unit holders on different NAVs) shall be allowed other than cash settled transactions based on the formal issuance and redemption request, unless permitted otherwise by the Commission under the Regulations.

6.20 The Management Company shall formally forward all the requests for dealing in Units, duly time and date stamped, to the Trustee within 24 hours of the receipt of such requests.]

25. Substituted, vide 1st Supplemental Trust Deed dated June 23, 2010, for "enter into transactions with any broker, which exceed ten per cent of the commission paid by the Scheme in any one accounting year; subject, however, that such broker shall not have a common director, officer or employee with the Management Company."

26. Inserted vide 1st Supplemental Trust Deed dated June 23, 2010.

7. CHANGE OF MANAGEMENT COMPANY

- 7.1 The Commission may either at its own or on the recommendation of the Trustee remove the Management Company by giving at least ninety Business Days notice for sub-clause (a) hereunder and immediate notice for sub-clauses (b) and (c) hereunder in writing to the Management Company if any of the following have occurred:
- 7.1.1 The Management Company has willfully contravened the provisions of this Deed in any material respect and has failed to rectify the contravention within a reasonable period after the contravention has come to its notice;
 - 7.1.2 The Management Company goes into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for purpose of reconstruction and amalgamation); a receiver is appointed over any of the assets of the Management Company.
 - 7.1.3 The Management Company becomes ineligible to act as the management company of the Trust under the provisions of the NBFC Rules, the NBFC Regulations or any other law for time being in force.
- 7.2 The Management Company may retire at any time after giving at least 90 days prior notice and with the prior written consent of the Commission.
- 7.3 The removal or retirement of Management Company and appointment of a new management company shall always require the prior approval of the Commission and the intimation of the same to the Trustee.
- 7.4 If the Commission has cancelled the registration/license of the Management Company under the provisions of the Rules/Regulations,/Companies Ordinance, 1984 the Commission shall appoint another asset management company as the management company for the Scheme according to the provisions of this Deed and the Rules/Regulations.
- 7.5 Upon a new management company being appointed the Management Company will take immediate steps to deliver all the documents and records pertaining to the Trust to the new management company and shall pay all sums due to the Trustee.
- 7.6 Upon its appointment the new management company shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the management company hereunder as fully as though such new management company had originally been a party hereto.
- 7.7 Furthermore, the Trustee may immediately upon the issuance of notice of removal of Management Company appoint auditors with the consent of Commission from amongst the approved list of auditors circulated by the Commission from time to time.
- 7.8 The auditors so appointed shall be other than the existing Auditors of the Fund, the Management Company and the Trustee.
- 7.9 The auditors shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Trustee or Commission.
- 7.10 The report for the audit shall be submitted by the auditors to the Trustee not later than thirty (30) Business Days from their appointment. A copy of the report shall also be provided to Commission, outgoing Management Company and the new Management Company.

7.11 The costs of audit shall be shared equally by the outgoing management company, new Management Company and the Fund.

7.12 Upon retirement or removal, the Management Company shall be paid its accrued remuneration up to the date of retirement or removal.

8. ROLE AND OBLIGATIONS OF THE TRUSTEE

8.1 Compliance with this Deed

The Trustee shall comply with the provisions of this Deed, the Rules and Regulations for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee under intimation to 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 attorney (ies), or agents.

8.2 Custody of Assets

The Trustee shall take into its custody or under its control all the property of the Scheme and hold it in trust for the Unit Holders in accordance with the law, Rules/ Regulations, this Trust Deed and Offering Document and the cash and registerable assets shall be registered in the name of, or to the order of, the Trustee.

8.3 Protection of Unit Holders' interest

The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holders. The Trustee shall not be under any liability on account of anything done or suffered by the Trust, if the Trustee had acted in good faith in accordance with or in pursuance of any request of the Management Company provided they are not in conflict with the provisions of this Deed or the Rules. Whenever pursuant to any provision of this Deed, any certificate, notice, direction, instruction, or other communication is to be given by the Management Company to the Trustee, the Trustee may accept as sufficient evidence thereof:

- (a) A document signed or purporting to be signed on behalf of the Management Company by any person(s) whose signature the Trustee is for the time being authorized in writing by the Management Company to accept.
- (b) Any instruction received online through the software solution adopted by the Management Company or the Trustee for managing and keeping records of the funds managed by the Management Company and to the satisfaction of the Trustee or the Management Company as case may be.
- (c) Third party evidence, where required, such as broker contracts, expenses bills etc.

8.4 Investment of Deposited Property at the directions of Management Company

The Trustee shall invest the Deposited Property from time to time at the directions of the Management Company strictly in terms of the provisions contained and the conditions stipulated in this Deed, the Offering Document(s), the Rules, the Regulations and the conditions (if any) which may be imposed by the Commission from time to time.

8.5 Obligations under Rules and Constitutive Documents

The Trustee shall have all the obligations entrusted to it under the Rules/Regulations, the Offering Document and this Deed.

8.6 Nomination of Attorney

The Trustee shall nominate one or more of its officers to act as attorney(s) for performing the Trustee's functions and for interacting with the Management Company and the same would be intimated to the Management Company.

8.7 Appointment of Custodian

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

8.8 Actions to protect Unit Holders' interest

The Trustee shall, if requested by Management Company or if it considers necessary for the protection of Deposited property or safeguarding the interest of Unit Holders, institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders action in respect of the Deposited Property or any part thereof, with full powers to sign, swear, verify and submit pleadings and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustees authorized attorney(s). All costs, charges and expenses (including legal fees) incurred in instituting or defending any such action shall be borne by the Trust and the Trustee shall be indemnified against all such costs, charges and expenses; Provided that no such indemnity shall be available in respect of any action taken against the Trustee for negligence or breach of its duties in connection with the Trust 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 or incurred by the Trust arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or shareholders action or otherwise howsoever and (save as herein otherwise provided), all such losses, claims, damages and other liabilities shall be borne by the Trust.

8.9 Carrying out instructions of the Management Company

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 and/or the Offering Document(s) and the Rules/Regulations and/or are prohibited by the Shariah Advisory Board or any other applicable law.

8.10 Availability of information to Management Company

8.10.1 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.

8.10.2 The Trustee shall forward to the Management Company within two Business Days any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government, regulator, stock or other exchange or any other party having any connection with any transactions. The Trustee shall promptly act on any instruction by the Management Company in all such matters relating to recovery of the Deposited Property.

8.10.3 The Trustee shall promptly provide proxies or other forms of powers of attorney to the order of the Management Company with regard to any voting rights attached to any Investment.

8.11 Entitlements

8.11.1 To require the Auditors to provide reports

The Trustee shall be entitled to require the Auditors to provide such reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the its reports required under the Rules/Regulations. The Trustee shall endeavor to provide its reports at the earliest date reasonably possible.

8.11.2 To receive the copies of Financial Statements

The Trustee shall be entitled to receive copies of financial statements on quarterly, half yearly and annual basis.

8.12²⁷[]

8.13 Liabilities of the Trustee

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 be liable for any act or omission of the Management Company or for anything except its own negligence or willful breach of duty hereunder. If for any reason it becomes impossible or impracticable to carry out the provisions of this Deed the Trustee shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or

27. Deleted vide 1st Supplemental Trust Deed dated June 23, 2010. Before deletion read as “**Transactions with the Trust**” Neither the Trustee nor the Management Company or any of Connected Persons of Management Company shall sell or purchase or deal in the sale of any Investment with the Trust [save in the capacity of an intermediary].”

thing done or suffered or omitted, to be done in good faith hereunder. The trustee shall not be liable for any loss caused to the Trust or to the value of the Deposited Property due to any elements or circumstances beyond its reasonable control.

8.14 The Trustee shall ensure that:

8.14.1 the sale, purchase, issue, transfer, repurchase, redemption and cancellation of Units are carried out in accordance with the provisions of the Deed and the Rules/Regulations.

8.14.2 the investment and borrowing limitations set out in the Regulations and Constitutive Documents and the conditions under which the Scheme has been authorized are complied with.

8.14.3 the Management Company has specified criteria in writing to provide for a diverse panel of brokers at the time of offering of the Scheme and shall also ensure that the Management Company has been diligent in appointing brokers to avoid undue concentration of business with any broker.

8.14.4 the Units of the Fund have been issued after realisation of subscription money.

8.14.5 the methodology and procedures adopted by the Management Company in calculating the value of Units are adequate to ensure that the sale, issue, repurchase, redemption and cancellation prices are calculated in accordance with the provisions of the Trust Deed and Offering Document.

8.15 Report to Unit Holders

The Trustee shall issue a report to be included in the annual and second quarter report of the Scheme to be sent to Unit Holders whether, in the Trustee's opinion, the Management Company has in all material respects managed the Scheme in accordance with the provisions of the Constitutive Documents, the Rules and the Regulations and if the Management Company has not done so, the respects in which it has not done so and the steps which the Trustee has taken in respect thereof.

8.16 Opening/ Maintaining Bank Accounts

8.16.1 The Trustee, at the request of the Management Company, shall open Shariah Compliant Bank Accounts titled CDC-Trustee-Atlas Islamic Income Fund for the Unit Trust at designated Bank(s) (within and outside Pakistan subject to necessary approvals) for the purpose of collection, investment, redemption or any other use of the Trust's funds.

8.16.2 The Trustee, at the request of the Management Company, shall open separate Bank Accounts as Distribution Account(s) titled CDC-Trustee-Atlas Islamic Income Fund for each dividend distribution out of the Unit Trust.

8.16.3 To facilitate investment in each of the Administration Plan, the Trustee shall open a Bank Account at its main Bank and may open additional accounts at such branches of banks and at such locations (including outside Pakistan, subject to applicable regulations and after obtaining all necessary approvals from the relevant regulatory

authority in Pakistan) as is required by the Management Company from time to time. The main account and the branch accounts, hereinafter referred to as Collection Accounts shall be used as temporary allocation accounts where collections (i.e. investments in the Administrative Plans) shall be held prior to their being allocated and being transferred in the respective units trusts and as temporary disbursement accounts for receiving the redemption proceeds from the respective unit trusts for onward payment to investors at redemptions.

8.16.4 The Trustee shall, on the instructions of the Management Company, transfer the amount to the respective bank accounts of the unit trust schemes on a daily basis.

8.16.5 The Trustee shall, on the instruction of the Management Company, open separate Bank Accounts for temporary parking of redemption funds. On receiving the requests for redemption from investors of various Administration Plans or on maturity of these Plans, as the case may be, the Management Company will require each unit trust schemes to pay to these accounts, the amount representing their liability for redemption. The Trustee on the instructions of the Management Company will pay to the Unit Holders of the Administration Plan from these accounts.

8.16.6 The amounts received from the Core Investors (seed capital) and Private Placement Investors shall be initially deposited in the Shariah compliant Bank Account, stated in clause 8.16.1, pending investment in Authorized Investment. Any income received shall form part of the Deposited Property and can be availed for distribution to the Unit Holders.

²⁸[8.17 The Trustee shall not invest in the Units of the Fund.

8.18 The Trustee shall immediately inform the Commission if any action of the Asset Management Company contravenes the Ordinance, the Rules, the Regulations, Constitutive Documents, guidelines, codes, circulars, directives or any other applicable laws.]

9. CHANGE OF TRUSTEE

9.1 The Trustee may, subject to prior approval of the Commission, retire from his office on appointment of a new trustee and the retirement shall take effect at the same time as the new trustee is appointed with the approval of the Commission or from the date of assumption of assets of the Scheme by the newly appointed trustee, whichever is later..

9.2 If the Trustee goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction on terms previously agreed to with the Management Company for purpose of reconstruction and amalgamation) or ceases to carry on business 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/Regulations, the Management Company shall with the approval of the Commission, by an instrument in writing, remove the Trustee from its appointment under this Deed and shall by the same or some other instrument in writing simultaneously appoint as trustee some other company or corporation according to the provisions of the Rules/Regulations and this Deed as the new trustee.

28. Inserted vide 1st Supplemental Trust Deed dated June 23, 2010.

- 9.3 The Management Company may apply to the SECP, giving cogent reasons for change of Trustee by simultaneously proposing the appointment of a new trustee. The SECP, if satisfied with the circumstances and reasons for the change applied for may accord approval for appointment of a new trustee.
- 9.4 In circumstances where the Commission is of the opinion that Trustee has been in violation of the Regulations or the Trust Deed or found guilty of misconduct or failed to discharge its obligations under the regulations, it may remove the Trustee after giving an opportunity of being heard.
- 9.5 Upon the appointment of a new Trustee, the Trustee shall immediately deliver all the documents and records to the new Trustee and shall transfer all the Deposited Property and any amount deposited in any Distribution Account to the new Trustee and make payments to the new trustee of all sums due from the Trustee, provided however, upon retirement or removal, the Trustee shall be paid its accrued remuneration up to the date of retirement or removal.
- 9.6 The new trustee shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Trustee hereunder as fully as though such new trustee had originally been a party hereto.
- 9.7 Notwithstanding, removal/ resignation of the Trustee and its subsequent discharge from its duties under this Deed and the Rules/Regulations, the Trustee shall remain entitled to the benefit of Clauses 8.3, 8.8, 8.14 and 9.1 without prejudice to the Trustee's responsibility or obligation to liquidate any liability for which the Trustee may have become liable under this Deed and/or the Rules/Regulations.
- 9.8 Furthermore the Management Company may immediately upon the removal of Trustee appoint Auditors with the consent of SECP from amongst the panel of auditors designated as "A" category by State Bank of Pakistan for the audit of Financial Institutions.
- 9.9 The Auditors so appointed shall be other than the existing auditors of the Scheme, the Management Company and the Trustee.
- 9.10 The Auditors shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Management Company or SECP.
- 9.11 The report for the audit shall be submitted by the Auditors to the Management Company not later than 30 Business Days from their appointment. A copy of the report shall also be provided to SECP, outgoing Trustee and the new trustee
- 9.12 The costs of audit shall be shared equally by the outgoing Trustee, the new trustee and the Scheme.
- 9.13 Upon retirement or removal, the Trustee shall be paid its accrued remuneration up to the date of retirement or removal.

10. SHARIAH GOVERNANCE, SHARIAH ADVISORY SERVICES ²⁹[]

10.1 Shariah Governance

All activities of the Unit Trust shall be undertaken in accordance with the Islamic Shariah as per the guidelines given by Shariah Advisor. The Fund shall not invest in any instrument or investment that is not compliant with Shariah.

10.2 Shariah Advisor

10.2.1 The Management Company shall appoint Shariah Advisor that shall advise the Management Company regarding Shariah.

10.2.2 The Shariah Advisor will be comprised of persons, who must be experts on Shariah and have good understanding of Finance and Economics.

10.2.3 The Shariah Advisory Board will be appointed for a period of three years but may be reappointed on completion of their term. The Management Company can at any time terminate the agreement(s) with the Shariah Advisory Board and/or members thereof giving a notice period as provided in such agreement(s), before the completion of their term(s) and fill the casual vacancy (ies) or appoint an new/additional Shariah Advisor under the relevant rules and regulations.

10.2.4 The Shariah Advisor shall provide technical guidance and support on various aspects of Shariah, so as to enable the Management Company to mould the Unit Trust into a Shariah Compliant Investment.

10.2.5 The Shariah Advisor will advise the Management Company on matters relating to Shariah compliance and recommend general investment guidelines, consistent with the Shariah including the guidelines as may be specified by the Commission under the regulations. Any verdict issued by the Shariah Advisory Board in respect of any Shariah related matter would be final and acceptable by the Trustee, the Management Company, the Unit Holders, and other parties related with that matter subject to clause 32 of this Deed.

10.2.6 The responsibilities of the Shariah Advisors will be as under:

- (a) To co-ordinate with the Management Company in drawing up of this Deed and other related material documents constituting Constitutive Documents for the formation of the Unit Trust and shall further provide technical guidance and support on various aspects of Shariah, so as to enable the Management Company to mould the Unit Trust into a riba free avenue of investment.
- (b) To do the research as appropriate on the criteria followed by Islamic Unit Trusts all over the world for the purpose of screening of investments. The Shariah Advisory Board will then decide as to which screening criteria are relevant to be used in the context of Pakistan's capital markets and the instruments available therein, and which need to be modified/added/deleted.

29. Deleted vide 1st Supplemental Trust Deed dated June 23, 2010. Before deletion read as "AND SHARIAH COMPLIANCE AUDITOR".

- (c) To certify that all the provisions of the Scheme and proposed Investments to be made on account of the Unit Trust on the instructions of the Management Company are Shariah Compliant with the criteria established as per sub-clauses (a) and (b) above.
- (d) To evaluate and advise upon all new financial instruments/products as and when introduced for their Shariah permissibility.
- (e) To issue at the end of each Accounting Period, a certificate, to be included in the Scheme's financial reports, in respect of Shariah compliance of the preceding year's operations of the Scheme and the Shariah Advisory Board may conduct such audits or other investigations as may be necessary for the issuance of the certificate.
- (f) To determine an appropriate percentage of income and cash flows included in the income and cash flow of the companies in which the Unit Trust has invested from activities not in accordance with the principles of the Shariah, and will recommend to the Management Company the criteria for selecting the Charities to whom such sums shall be donated, subject to the Rules/ Regulations.
- (g) To assist the Management Company in developing operational procedures in relation to the Fund.
- (h) May conduct reviews of the Scheme to check implementation of operation procedures in relation to Shariah Compliance of the Fund.

10.3³⁰[]

11. INVESTMENT OBJECTIVE, INVESTMENT POLICY AND INVESTMENT & BORROWING RESTRICTIONS

11.1 Investment Objective

The Fund's primary objective is to provide investors with a good and stable rate of current income consistent with long-term preservation of capital in a Shariah Compliant manner. A secondary objective is to take advantage of opportunities to realize capital appreciation. The Fund shall seek to provide the investors with a rate of return consistent with a broadly diversified portfolio of long, medium, and short term, high quality Islamic income instruments.

30. Deleted vide 1st Supplemental Trust Deed dated June 23, 2010. Before deletion read as "Shariah Compliance Auditor

10.3.1 The auditor of the Unit Trust will also act as Shariah Compliance Auditor, and will complete Shariah Compliance Audit of the Trust for each Accounting Period within three months from the relevant Accounting Date, and will issue a Shariah compliance audit report.

10.3.2 The Shariah Compliance Auditor shall be competent to carry out the Shariah Compliance audit, including that the audit firm should have experience and requisite knowledge of conducting Shariah compliance audits and should have laid down systems and programs to carry out such audit.

10.3.3 The scope of Shariah Audit will involve verification with regard to :

- a) Approvals from the Shariah Advisors in respect of transactions involving Shariah related matters.
- b) Documentations containing all necessary information to make the Unit Trust Shariah compliant.
- c) Trust Fund was invested in Shariah compliant avenues.
- d) Any Haram Income has been duly segregated and paid to Charity after consulting the Shariah Advisors.
- e) Disclosure shall be made in the notes to the financial accounts, of earnings prohibited by Shariah, if any, and how those amounts are disposed of."

³¹[11.1A **Performance Benchmark**

The Performance Benchmark for Atlas Islamic Income Fund shall be the most recently published average six months profit rate of three Islamic Banks in the country.]

11.2 Investment Policy

- 11.2.1 To achieve its investment objective of providing the investors with a safe and stable stream of Halal income on their investments along with preservation of capital and to generate long term risk adjusted returns, the Fund shall keep an exposure in a blend of short, medium and long term income instruments, both within and outside Pakistan, with significant amount invested in short term instruments for the purpose of maintaining liquidity and to capitalize on any exceptional returns if available at any given point in time. The portfolio shall aim to maximize annual income for the investor while preserving the capital.
- 11.2.2 All Investments of the Fund would be as per the guidelines of the Shariah Advisor of the Fund and will be in strict conformity with the rules of Shariah.
- 11.2.3 Authorized Investments means any investment instrument available within or outside Pakistan allowed under the Rules/Regulations and complies with the guidelines of Shariah Advisor of the Fund. These include all such Investments as are defined in Clause 5.7 of this Deed.
- 11.2.4 During the Initial Period, the Trustee shall hold the Deposited Property on deposit in a separate Shariah-Compliant account with Bank(s) with a minimum investment grade rating (rated by any credit rating agency licensed/approved by the Commission) and approved by the Management Company. After the Initial Period, all Deposited Property, except in so far as such amount may, in the opinion of the Management Company, be required for transfer to the Distribution Account, shall be invested by the Trustee from time to time in such Authorized Investments as may (subject always to the provisions of Trust Deed, the Offering Document, the Rules, the Regulations and the Islamic Shariah as advised by the Shariah Advisory Board) be directed by the Management Company.
- 11.2.5 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 Investment(s) or to provide cash required for the purpose of any provision of the Trust 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 or Shariah Compliant Investment (subject to the Commission's directive or Shariah Advisory Board's decision) shall be realized within three months and the net proceeds of realization shall be applied in accordance with this Clause. It is clarified that the proceeds of any Investments realized as aforesaid shall be kept by the Trustee in the account of the Scheme.

31. Inserted vide 1st Supplemental Trust Deed dated June 23, 2010.

- 11.2.6 The purchase or sale of any Investment in listed securities for the account of the Trust shall be made on a Stock Exchange through a Broker, who must be a member of such Stock Exchange, unless the Management Company is satisfied that it is possible and permissible under the Rules and Regulations and other applicable laws, to make such purchase or sale more advantageously in some other manner. The Broker shall be appointed from time to time by the Management Company. ³²[]
- 11.2.7 While investing internationally, the Deposited Property will not be placed in any Investment that has the effect of leveraging the Fund and if any such instrument/security is used, it must be supported by investment in spot or money market such that the effect of leverage is cancelled out. Separate written prior approval shall be sought before making foreign investments.
- 11.2.8 If a company listed in one country is the parent company or associate of a company listed in another country, investment in any of these companies will fall within the definition of investment in a single company for the purpose of per company limit.

11.3 Investment Restrictions

- 11.3.1 The Management Company in managing the Scheme shall abide by all the provisions of the Rules and Regulations.
- 11.3.2 ³³[The Deposited Property shall be subject to such Exposure limits as are provided in the Regulations (subject to any relaxations/exemptions that may be specifically given to the Fund by the Commission).]
- 11.3.3 ³⁴[In the event exposure limits are exceeded due to corporate actions including taking up rights or bonus issue and owing to appreciation or depreciation in value of any Investment, disposal of any Investment or Redemption of Units, the excess exposure shall be regularized within three months of the breach of limits unless the said period of three months is extended by the Commission on an application by the Asset Management Company.]
- 11.3.4 The Trust will not at any time:
- (a) Purchase or Sell:
- (i) Bearer securities
 - (ii) Securities on margin
 - (iii) Commodities contracts or commodities and directly real estate.

32. Deleted vide 1st Supplemental Trust Deed dated June 23, 2010. Before deletion read as “ The Management Company shall not employ, as a Broker, directly or indirectly any of its directors or officers or employees of the Management Company or their family members (which term shall include their spouse, parents, children, brothers and sisters) or the Trustee or a person who beneficially owns, whether individually or in association with close relative(s), 10% (ten percent) or more of the equity or other securities with voting rights, if any, issued by the Management Company, without the prior approval of the Commission.”

33. Substituted, vide 1st Supplemental Trust Deed dated June 23, 2010, for “The Deposited Property shall be subject to such exposure limits as are provided in the Regulations (subject to any relaxations/exemptions that may be specifically given to the Fund by the Commission). Provided that the Trustee and the Management Company will have a period of three months to bring the Fund into compliance with the exposure limits if the deviation is due to corporate actions, including taking up of rights or bonus issue, appreciation or depreciation of any Investment due to increase in market prices or decrease in Net Assets due to redemptions, or disposal of any Investment. Provided that the Commission may extend the period for another three months on the application of the Management Company.”

34. Substituted, vide 1st Supplemental Trust Deed dated June 23, 2010, for “If and so long as the value of the holding in a particular security shall exceed the limit imposed by the Regulations, the Management Company shall not purchase any further Investments in such security.”

- (iv) Securities which result in assumption of unlimited liability (actual or contingent)
 - (v) Any Investment other than Authorized Investments as defined herein.
 - (vi) Purchase any security in a forward contract.
- (b) Make short sales of any security or maintain a short position in securities whether listed or unlisted.
 - (c) Purchase any security in a forward contract.
 - (d) Make any Investments that are not compliant with the Islamic Shariah and not authorized by its Shariah Advisor (s).
 - (e) Merge with, acquire or take over any scheme, unless it has obtained the prior approval of the Commission in writing to the scheme of such merger, acquisition or take over.
 - (f) Pledge any of the securities held or beneficially owned by it, except for its own benefit.
 - (g) Make a loan or advance money to any person except in connection with the normal business of the Scheme, subject to the limits specified under the Rules or Regulations.
 - (h) Apply any part of its assets to 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 have interest therein).
 - (i) Make an Investment in a company which has the effect of vesting the management or control over the affairs of such company, in the Scheme.
 - (j) Lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person. This provision shall not apply to sale and repurchase transactions of Government securities or those regulated by a stock exchange.
 - (k) Engage in leveraged transactions or borrow, except that the Fund may borrow as provided by the Regulations to meet redemption requests, provided the borrowing complies with the Islamic Shariah as advised by the Shariah Advisor.
 - (l) ³⁵ [Enter into transaction(s) with any broker that exceeds thirty percent of the commission paid by the collective investment scheme in any one accounting year;

35. Substituted, vide 1st Supplemental Trust Deed dated June 23, 2010, for

- (l) "Enter into transactions with any broker, which exceed ten per cent of the commission paid by the Scheme in any one accounting year; subject, however, that such broker shall not have a common director, officer or employee with the Management Company.
- (m) Invest in a company an amount more than ten percent of the Net Assets or ten per cent of the issued capital of the investee company.
- (n) Invest an amount, which is more than twenty-five percent of the Net Assets in one sector as per the classification of the Stock Exchange.
- (o) Invest in Group Companies, except in secondary market to the extent of ten per cent of Net Assets.
- (p) Invest more than thirty-five per cent of Net Asset in one Group."

However, this restriction shall not apply on transactions relating to money market instruments and debt securities.

- (m) Invest in any security at any time exceeding an amount equal to 15% of the total Net Assets of the Scheme at the time of investment or 15% of the issued capital of the investee company, whichever is lower.
- (n) Invest an amount, which is more than thirty percent of the Net Assets in one sector as per the classification of the Stock Exchange.
- (o) Take total exposure in any single group exceeding more than thirty five per cent of the Net Assets of the Scheme.

- (p) Invest in excess of ten per cent of its Net Assets in listed group companies of the Management Company.]
- (q) Make a cumulative investment of all collective schemes managed by the Management Company in one company in excess of forty-nine per cent of the issued capital of the investee company.
- ³⁶[(r) At least 25% of the Net Assets shall be invested in cash and near cash instruments which include cash in bank account (excluding TDRs) and Shariah Compliant government securities not exceeding 90 days maturity.

- (s) No more than 15% of the Net Assets shall be invested in non-traded Shariah Compliant securities including reverse repos, bank deposits, certificates of investments (COI), certificate of musharakas (COM) and anything over 6 months maturity which is not a marketable security.

- (t) Weighted average time to maturity of the Net Assets shall not exceed 4 years. This condition shall not apply to securities issued by the Federal Government. However, there is no restriction regarding time to maturity and duration on any single asset in the portfolio.]

11.3.5 ³⁷[]

- ³⁸[11.3.6 The Management Company, on behalf of the Fund, shall not at any time rollover the investments, if in the opinion of trustee, the Fund would not be able to issue payment instrument for the redemption money to the unit holder within time period stipulated in the Regulations.

- 11.3.7 The Management Company on behalf of the Fund shall not at any time net off any investment of the Fund against the investment of the Unit Holder(s) in the Fund.]

36. Inserted vide 1st Supplemental Trust Deed dated June 23, 2010.

37. Deleted vide 1st Supplemental Trust Deed dated June 23, 2010. Before deletion read as "Subject to the Rules/ Regulations, clearance from Shariah Advisory Board of the Fund and any other applicable law, the Management Company may, on behalf of the Fund, write call options/derivatives provided there is a satisfactory market based exit mechanism from options so written. The Management Company may also on behalf of the Fund, if and when the law so allows, buy put options equivalent to any securities held in the portfolio. Provided however, under no circumstances, the Management Company shall buy or sell such options on behalf of the Fund in excess of 10% of NAV that result in an exposure beyond the number of underlying Shariah Compliant fixed income, Shariah Compliant money market or other securities held in the portfolio of the Fund."

38. Inserted vide 1st Supplemental Trust Deed dated June 23, 2010.

11.4 Exceptions to investment restrictions

- 11.4.1 The Fund may deposit securities, for facilitation or guaranteeing settlement of its own trades and transactions in favor of an exchange or clearing house or national clearing and settlement system, on acquiring associate membership of the concerned settlement system. The securities, however, shall not be pledged for any other reason with any other person or entity.
- 11.4.2 The Fund may sell its securities under forward contracts if the Trustee of the Fund confirms that securities of such value are available in the portfolio of the Fund or will be available pursuant to a duly executed contract.

11.5 Voting Rights on Deposited Property

- 11.5.1 All rights of voting attached to any Deposited Property shall be exercisable by the Management Company on behalf of the Scheme and it shall be entitled to exercise the said rights in what it may consider to be the best interests of the Unit Holders and may refrain at its own discretion from the exercise of any voting rights.
- 11.5.2 The Trustee shall, upon written request by the Management Company and at the expense of the Trust, 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 Management Company shall keep a record of using such authorization and the justification for the same including stating the reasons for casting the vote in favor or against any resolution.

The phrase "rights of voting" or the word "vote" used in this sub-clause shall be deemed to include not only a vote at a meeting but the right to elect or appoint directors, any consent to or approval of any arrangement scheme or resolution or any alteration in or abandonment of any rights attaching to any Investment and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

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

11.6 Financing Arrangements

- 11.6.1 Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Management Company shall arrange finance, with the approval of the Trustee, with Banks or Financial Institutions or Islamic windows of conventional Banks and Financial Institutions for arranging finance which will be utilized only to meet redemption of Units.
- 11.6.2 The charges payable to any Bank or Financial Institution against financing on account of the Trust as permissible above shall not be higher than the normal prevailing bank charges or normal market rates for similar service and/or facility.

- 11.6.3 The Management Company may, in relation to the Scheme, borrow for meeting redemption request subject to approval of Trustee and such borrowing shall not exceed fifteen per cent of the total Net Asset value of the Scheme at the time of borrowing and shall be repayable within a period of ninety days.
- 11.6.4 Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such borrowings from Banks and Financial Institutions. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such loans or advances.
- 11.6.5 For the purposes of securing any such financing 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 limits provided under the Rules/Regulations or any other applicable law/regulation for the time being in force.
- 11.6.6 Neither the Trustee nor the Management Company shall incur any liability by reason of any loss to the Trust or any loss that a Unit Holder may suffer by reason of any depletion in the Net Asset Value that may result from any financing arrangement made hereunder in good faith.

12. VALUATION OF PROPERTY AND PRICING

12.1 Valuation of Assets and Liabilities and Net Asset Value of the Fund

³⁹[The valuation methods for determining the value of assets and liabilities of the Deposited Property of the Fund and the Net Assets shall be as prescribed in the Regulations or otherwise by the Commission from time to time.]

39. Substituted, vide 1st Supplemental Trust Deed dated June 23, 2010, for

“The valuation methods for determining the value of assets and liabilities of the Deposited Property of the Fund and the Net Asset Value shall be as prescribed in the Regulations or otherwise by the Commission from time to time. For any asset class, where no specific methods or valuation is prescribed in the Rules/ Regulations and this Deed, the guidance from the Commission shall be obtained and valuation shall be done accordingly. Any amendments in the valuation method prescribed in the Regulations or otherwise by the Commission will supersede anything mentioned in this Deed and will not require any amendments to this Deed and Offering Document. The method for determining the value of assets and liabilities of the Deposited Property of the Fund and the Net Asset Value as per the Rules/Regulations or otherwise at the time of signing of this Deed are as mentioned below:

- 12.1.1 A security listed on a stock exchange, local or foreign as the case may be, shall be valued at its last sale price on such exchange on the date as of which it is valued or, if such exchange is not open on such date, then at its last sale price on the next preceding date on which such exchange was open and, if no sale is reported for such date, the security shall be valued at an amount neither higher than the closing asked price nor lower than the closing bid price.
- 12.1.2 A debt security listed but not traded regularly on a stock exchange and the unlisted Debt Security, which are traded through brokers and where rates at which these are traded are available shall be valued at the average rate, notified by the Mutual Funds Association of Pakistan based on the average rates quoted by top three brokers, in terms of volume traded during last three months in that debt security, and record of such rates shall be maintained by the respective investment adviser or asset management company and Mutual Funds Association of Pakistan for a period of at least [3] three years and shall be posted on website of the Association.
- 12.1.3 An Investment purchased, and awaiting payment against delivery shall be included for valuation purposes.
- 12.1.4 An investment sold, but not delivered pending receipt of proceeds, shall be valued at the net sale price.
- 12.1.5 The value of any dividends, bonus shares or rights, which may have been declared on securities in the portfolio but not received by the Fund as of the close of the business on the valuation date, shall be included as assets of the Fund if the security, upon which such dividends, bonuses or rights were declared, is included in the assets and is valued ex-dividend, ex-bonus or ex-rights, as the case may be.
- 12.1.6 Profit accrued on any profit bearing security in the portfolio of the Fund shall be included as an asset of the Fund if such accrued profit is not otherwise included in the valuation of the security.
- 12.1.7 Any other income accrued up to the date on which computation was made, shall also be included in the assets.
- 12.1.8 All liabilities, expenses, taxes and other charges, due or accrued up to the date of computation, which are chargeable under this Trust Deed and/or the Regulations, shall be deducted from the value of assets.

The valuation shall be conducted as at the close of the Business Day in Pakistan. For international Investments, valuation will be carried-out one hour before the close of the Business Day in Pakistan according to the price of securities at or around that time or, if the price is not available, valuation will be carried out at the closing price of securities at the end of the last Business Day in the country in which the securities are quoted.

⁴⁰[12.1A Announcement of NAV

The Management Company shall announce the NAV of the Fund on all business days on its website i.e. www.atlasfunds.com.pk and also send such information to Mutual Funds Association of Pakistan (MUFAP) for hosting on MUFAP web-site. The timing of such announcement shall be mentioned in the Offering Document.]

12.2 Determination of Offer Price

12.2.1 Units offered and issued during the Initial Offer Period shall be issued at Par Value or such Offer Price determined by the Management Company and stated in the Offering Document. The offer and issuance of Units during the Initial Offer Period shall remain open during the period specified in the Offering Document.

12.2.2 After the Initial Period, the Offer Price for the Unit Holder(s) shall be determined from time to time pursuant to the Clause 12.2.3 hereafter and clause 66 of the Regulations and shall be calculated and announced by the Scheme on each Dealing/Business Day.

12.2.3 The Offer Price shall be equal to the sum of:

- (a) The Net Asset Value as of the close of the Dealing Day;
- (b) Any Front-end Load;
- (c) Such amount as the Management Company may consider an appropriate provision for Duties and Charges;
- (d) Such amount as the Management Company may consider an appropriate provision for Transaction Costs.

Such sum shall be adjusted upwards to the nearest two decimal places.

12.1.9 the remuneration accrued up to the date of computation payable to the investment adviser or asset management company, as the case may be, for providing management and other services shall be included as an expense

12.1.10 A security not listed or quoted on a stock exchange, other than a government or debt security, shall be valued at investment price or its break up value as per last audited accounts, whichever is lower.

12.1.11 A government security not listed on a stock exchange and traded in the interbank market shall be valued at the average rate quoted on a widely used electronic quotation system and such average rate shall be based on the remaining tenor of the security.

12.1.12 For international Investments and foreign currencies, valuation/ conversion will be carried out in consultation with the external Auditor and will be disclosed in the financial statements of the Fund.

12.1.13 A security bought or sold under a repurchase or reverse repurchase transaction, which has to be settled at a future date, shall be valued by taking the net effect of the complete transaction into account. The value or loss occurring shall be recognized taking into account the allocation of such value or loss over the period between the transaction date and the settlement date.

12.1.14 A derivative shall be valued in accordance with the method prescribed by the Commission, if any, or otherwise, in accordance with generally accepted accounting principles.

12.1.15 Any such method of valuation of assets and liabilities as may be specified or modified by the Commission from time to time.”

40. Inserted vide 1st Supplemental Trust Deed dated June 23, 2010.

The Management Company may announce different classes of Units or different plans under different administrative arrangements with differing levels of Front-end Load and/or Back-end Load, which may also vary according to other criteria which may be provided in the Offering Document or the Supplementary Offering Document after getting consent of trustee and getting prior approval of the Commission. Consequently, the Offer Price may differ for Units issued under differing administrative arrangements.

- 12.2.4 The Purchase (Offer) Price so determined shall apply to purchase requests, received by the Distributor or the Management Company during the business hours on the Business Day on which the completely and correctly filled purchase of Units application form is received. Any minor deficiencies in the Units application form need to be removed within seven (7) Business Days. The Management Company will make arrangements, from time to time, for receiving purchase requests from outside Pakistan and will disclose these arrangements through its website and its Distributors and agents outside Pakistan. In general, the Offer Price applicable to purchase requests received from outside Pakistan will be the Offer Price applicable on the date the Trustee receives the payment from international investors provided it is a Dealing Day otherwise the offer Price of the next Dealing Day will apply.
- 12.2.5 In the event that the amount paid as provision for payment of Duties and Charges is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retrospective effect after the date of payment in which case such excess shall be recovered from the Deposited Property).
- 12.2.6 In the event that the amount paid as provision for payment of Duties and Charges exceeds the relevant amount of Duties and Charges, the Transfer Agent shall issue additional Units or fractions thereof to the Unit Holders based on the price applicable to the Units issued against the relevant application.
- 12.2.7 The Offer Price determined by the Management Company shall be made available to the public at the office and branches of the Distributors and at the website of Management Company. The Offer Price(s) applicable to any Administrative Plans shall be made available on the website of the Management Company and at the Distribution Offices of the Management Company.
- 12.2.8 The sale, redemption and transfer of Units and any other dealings in the Units may be carried out Online, with the consent of the Trustee to the extent permitted by and in accordance with the applicable law.

12.3 Allocation of Front-End Load

- 12.3.1 The remuneration of Distributors and Investment Facilitators for the sale of Units with Front-end Load shall be paid exclusively from any Front-end Load received by the Trustee and/ or may be paid by the Management Company when the Trustee pays the Front-end Load to the Management Company for onward distribution to the Distributors and Investment Facilitators and no charges shall be made against the Deposited Property or the Distribution Account in this respect. The Trustee shall pay the remainder of any Front-end Load after such disbursement to the

Management Company as additional remuneration for their management services for the Scheme. If the Front-end Load received by the Trustee is insufficient to pay the remuneration of the Distributors and Investment Facilitators, the Management Company shall pay the amount necessary to pay in full such remuneration.

12.3.2 Such payments of Front-end Load may be made to the Management Company by the Trustee on the instructions of the Management Company normally on monthly basis in arrears within thirty days of the end calendar month or in some other frequency on mutually agreed basis.

12.3.3 A Distributor or Investment Facilitator located outside Pakistan may if so authorized by the Management Company and the Trustee retain such portion of the Front-end Load as is authorized by the Management Company and transfer the net amount to the Trustee, subject to the law for the time being in force.

12.3.4 The Management Company may issue additional Units to Unit Holder at a reduced or no Sales Load and processing charge in lieu of Sales Load or part thereof, payable to Distributor/ Sales Agents.

12.4 Determination of Redemption Price

12.4.1 During the Initial Offer Period, the Units shall not be redeemed.

12.4.2 After the Initial Period, the Redemption Price shall be equal to the Net Asset Value as of the close of the Dealing Day less:

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

Such sum shall be adjusted downward to the nearest two decimal places.

The Management Company may announce different plans under different administrative arrangements with differing levels of Back-end Load. Consequently, the Redemption Price may differ for Units issued under differing administrative arrangements.

12.4.3 The Redemption Price so determined shall apply to redemption requests, complete in all respects, received by the Distributor or the Management Company during the business hours (as announced by the Management Company from time to time) on the Business Day on which a correctly and properly filled redemption application is received. The Management Company will make arrangements, from time to time, for receiving redemption requests from outside Pakistan and will disclose these arrangements through its website and its Distributors and Agents outside Pakistan.

- 12.4.4 The Transaction Costs shall not normally be applied in determining the Offer and Redemption 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 agreement with the Trustee, apply such charge either to the Offer or to the Redemption Price. The Management Company may, however, apply Transaction Costs while determining the Offer or Redemption Price, without consulting the Trustee, provided the difference between the Offer Price and Redemption Price does not exceed five percent. The element of Transaction Costs taken into account in determining the prices and collected so shall form part of the Deposited Property.
- 12.4.5 In the event that the amount paid as provision for payment of Duties and Charges is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retrospective effect after the date of payment in which case such excess shall be recovered from the Deposited Property).
- 12.4.6 In the event that the provision for payment of Duties and Charges exceeds the relevant amount of Duties and Charges, then such excess will form part of Deposited Property.
- 12.4.7 The Redemption Price determined by the Management Company shall be made available to the public at the office and branches of the Distributors and at the website of the Management Company. The Redemption Price(s) applicable to any Administrative Plans shall be made available on the website of the Management Company and at the Distribution Offices of the Management Company.
- 12.4.8 In the event the Units are redeemed by any major Unit Holder in such period of time that the Management Company believes may adversely affect the interest of the other Unit Holders, it may charge a Contingent Load on such redemption. Such load shall form part of Deposited property.

12.5 Allocation of Back-End Load

The amount of Back end Load shall form part of Deposited Property. The remuneration of Distributors on sales of Units with only Back-end Load shall be paid out of the management fee accruing to the Management Company, from its own resources, and there will be no separate charge to the Fund or the Unit holders.

13. DEALING, SUSPENSION AND DEFERRAL OF DEALING

13.1 Issue of Units

- 13.1.1 The Management Company may issue any of the following classes and types of Units to Holders from time to time:
- (a) **Classes of Units:** Units may be charged with no Sales Load, Front-end Load, Back-end Load and or any combination of the foregoing from time to time. The

Management Company shall identify each such type of Units in such manners it deems fit as Class “A”, Class B” and so on.

(b) **Types of Units:** The types of Units shall consist of growth Units and Income Units.

The details of both sub-clauses (a) and (b) above shall be given in the Offering Document or Supplementary Offering Document(s) or through its website as may be decided by the Management Company from time to time in consultation with the Trustee and after getting prior approval from SECP.

- 13.1.2 Irrespective of the different classes of Units issued, all Units issued from time to time shall rank *pari passu* inter se and shall have such rights as are set out in this Deed and the Offering Documents. The liability of the Holders shall be limited to the Offer Price paid for the Units.
- 13.1.3 The Units issued with differing classes may have differing quantum of Front-end Load added to the Net Asset Value to determine the Offer Price and differing level of Back-end Load deducted from the Net Asset Value to determine the Redemption Price
- 13.1.4 The Management Company shall be responsible for obtaining all requisite consents and approval(s) for the offer and issue of Units and for the issue, publication or circulation of the Offering Document.
- 13.1.5 Except as provided herein the Units shall be offered through the authorized offices or branches of the Distributors on all Dealing Days.
- 13.1.6 Application for purchase of Units shall be made by completing the prescribed application form and submitting it to the authorized branches of the Distributor or to the Management Company together with the payment by cheque, bank draft, pay order, credit card etc., as the case may be in favor of the Trustee and crossed “Account Payees Only”. Payment for Units in cash will not be accepted. Such Forms have to be submitted within the announced Business Hours on the Dealing Days. The Distribution Company shall verify the particulars given in the application for issue of Units and ensure that the signature of any Unit Holder or joint Unit Holder to any document required to be signed by him under or in connection with the application for issue of Units is verifiable or otherwise authenticated to its or their reasonable satisfaction.
- 13.1.7 The Management Company may make arrangements to accept electronic forms of payments, such as bank auto debit instructions, credit cards and debit cards (as and when introduced by the Management Company with proper notification to the Unit Holders) or in such form (other than through cash or any bearer instruments) as is prescribed by the Management Company, in favor of the Trustee at the Authorized Branch or office of any Distribution Company on any Dealing Day. It is reiterated that only Authorized Branches of Distribution Companies are authorized to collect application and payment for issue of Units for non electronic applications and payment methods. Any surcharge/additional costs incurred during such transactions will be borne by the Unit Holder or the Management Company as may be agreed

upon but shall not be charged to the Fund. Such charges/ additional costs, if payable by the Unit Holder, shall be properly disclosed to the Unit Holders.

- 13.1.8 A request for purchase of Units may also be made through the use of electronic means such as Internet or ATM facilities, IVR (Interactive Voice Response) or other means, the arrangements for which would be decided by the Management Company, with consent of the Trustee from time to time. A request for issue of Units may be accepted through the ATM facility only when the relevant bank branches have been authorized to accept Unit Holders' request to purchase the Units of the Trust. Any such arrangements shall be notified to the Unit Holders as and when introduced by the Management Company.
- 13.1.9 Each Unit Holder shall be liable to pay the aggregate Offer Price of the Units subscribed by him together with a sum sufficient in the opinion of the Management Company to cover any Duties and Charges, payable in connection with the purchase of such Units and no further liability shall be imposed on him in respect of any Units held by him. The Units shall be issued in fractions up to four decimal points, only against receipt of full payment.
- 13.1.10 An application for purchase of Units shall be deemed to have been made in accordance with the provisions of the Offering Document, if such document prescribes automatic issuance of Units under certain circumstances.
- 13.1.11 The Management Company may market the Fund/ any Administrative Plan in conjunction with Shariah Compliant Takkaful Schemes, subject to approval of the Commission. These supplementary schemes would not be compulsory for all the Unit Holders to join and the Trustee would be authorized to deduct the premiums only from the payment amounts of those Unit Holders who have opted to join such schemes. The Front-end Load shall be deducted from the amount received after the deduction of the premium amount and only then the Units shall be issued. The Trustee would, on the instructions of the Management Company, deduct any insurance premiums from the payments and directly deposit the deducted premium with the relevant insurance company. Only the net amount received for issuance of Units after deduction of the premium and Sales Load would form part of the Deposited Property. The Holder may also provide the premium amount in addition to the payment through a separate cheque in favour of the life insurance or other insurance company.
- 13.1.12 The Management Company may announce special conditions regarding issue of Units in dematerialized form registered with a recognized depository company.

13.2 Issue and Redemption of Units outside Pakistan

- 13.2.1 Subject to separate prior written approval from SBP/SECP, 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 person(s) not resident in Pakistan or for delivery in any country outside Pakistan, the price at which such Units may be issued may, at the discretion of the Management Company, include in addition to the Offer Price as 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 in connection therewith or the remittance of money to Pakistan or any other cost(s) in general incurred in providing this facility.

- 13.2.2 In the event that the Redemption Price for Units shall be paid in any country outside Pakistan, the price at which such Units may be redeemed may at the discretion of the Management Company include as a deduction to the Redemption Price as hereinbefore provided a further amount sufficient to cover any currency exchange fluctuation or 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 or any other cost in general incurred in providing this facility. Provided however, neither the Management Company, nor the Trustee give any assurance or make any representation that remittance would be allowed by the State Bank of Pakistan at the relevant time.
- 13.2.3 The currency of transaction of the Units of the Trust is Pakistani Rupee and the Management Company, Trustee or any Distributor are not obliged to transact the purchase or redemption of the Units in any other currency and shall not be held liable, save as may be specifically undertaken by the Management Company, for receipt or payment in any other currency or for any obligations arising there-from.
- 13.2.4 The Management Company shall appoint one or more scheduled bank(s) as the Authorized Dealer(s) to manage the offer and redemption of Units from outside Pakistan in foreign currency under the provisions of the Foreign Exchange law and the Regulations of the State Bank of Pakistan.
- 13.2.5 Payments made in foreign currency for purchase of Units shall be converted into Pakistani Rupees through the Authorized Dealer using his quoted rates prevailing on the Business Day of the receipt of the Fund from abroad through normal banking channels or from foreign currency account maintained locally in accordance with the Foreign Exchange law and any conversion cost shall be deducted from the payment before the actual number of Units are calculated against such amount and issued to the applicant.
- 13.2.6 At the option of the Management Company, payments made in foreign currency for Units purchased may directly be made part of Deposited Property without conversion into Pakistani Rupees after deduction of the relevant duties, charges, Transaction Costs and applicable Sales Load. The Units will be issued in Pakistani Rupee using a conversion rate quoted by the Authorized dealer at the date on which the amount is realized in the bank account.
- 13.2.7 Payments to be made in foreign currency on redemption of Units shall be converted from Pakistani Rupees on the Business Day of Payment through the Authorized Dealer using his quoted rates and any conversion cost shall be deducted from the payment to be made. Payment will be made in the local foreign currency account of such Unit Holder, if any. In case such Unit Holder does not hold the foreign currency account in Pakistan, the Unit Holder shall be required to inform the Management Company about the alternate arrangement for remittances through his own local or overseas bank, local custodian or Authorized Dealer, through which

the payment shall be arranged, as per procedure laid down in the Offering or Supplementary Document.

13.2.8 At the option of the Management Company, payments to be made in foreign currency for redemptions may directly be paid from foreign currency denominated bank account that are part of Deposited Property after deduction of the relevant duties, charges, Transaction Costs and applicable Sales Load. As the Units redeemed will be denominated in Pakistani Rupees, the conversion rate will be the rates quoted by the Authorized Dealer at the redemption date of the Units.

13.2.9 The Management Company will make arrangements from time to time for receiving account opening forms, investment request forms and payments from outside Pakistan and will disclose these arrangements through its website, Distributors and Investment Facilitators outside Pakistan.

13.3 Redemption of Units

13.3.1 The Trustee shall at any time during the life of the Trust on the instructions of the Management Company authorizes redemption of Units out of the Deposited Property through duly authorized Distributors and/or Investment Facilitators and directly through the Management Company.

13.3.2 An 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 Distributor and/or Investment Facilitator on a Dealing Day during the Business Hours as may be announced by the Management Company from time to time. The Management Company may make arrangements to accept redemption requests through electronic, IVR (Interactive Voice Response) or other means which shall be notified to the Unit Holders as and when introduced by the Management Company. No person shall be entitled to redeem only part of the Units comprised in a Certificate; provided however in case where a Certificate is not issued any number of Units may be redeemed by the Unit Holders thereof. The relevant Certificate shall accompany the application for Redemption of Units, if issued, duly endorsed on the reverse. In case of application for redemption by joint Unit Holders, any Holder may sign the Application for Redemption, if so authorized by all the Joint Holders otherwise such application should be signed by all the joint Holders as per their specimen signatures provided at the time of opening of the account within the Unit Holder Register, through the application form for purchase of Units.

13.3.3 The Trustee may at its discretion dispense with the production of any Certificate that shall have become lost, stolen or destroyed upon compliance by the Unit Holder(s) with the like requirements to those arising in the case of an application by him for the replacement thereof.

13.3.4 The Management Company or Distribution Company or Transfer Agent shall verify the particulars given in the application for redemption of Units and documents submitted therewith. The signature of any Holder or joint Holder to any document required to be signed by him under or in connection with the application for redemption of Units may be if required otherwise authenticated to their reasonable satisfaction. In case of submission of electronic online redemptions or redemptions

through ATMs or debit cards, the Holder's user ID and password will authenticate the Holder's identity.

- 13.3.5 A redemption request shall deem to have been made in accordance with the provisions of the Offering Document, if such document prescribes automatic redemption under certain circumstances.
- 13.3.6 The amount payable on redemption shall be paid to the Holder or first named joint Holder or to any representative authorized by Holder or joint Holder duly verified by Management Company or its Registrar, by transfer to the Holder's designated bankers 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, in electronic or otherwise means as may be acceptable to the Management Company, at the Authorized Branch or office of the Distribution Company or Transfer Agent. The Management Company may make arrangements for making redemption payments by transferring the redemption proceeds to the Holder's designated bankers or as otherwise requested by the Holder for other mode of payments. In general, redemption proceeds will be paid within six Business Days of the Management Company receiving a redemption request at its registered office in Pakistan. In all cases, the amount payable on redemption will be considered paid once if the dispatch of cheque, pay order or draft for the full amount or deposit of the full amount with a bank or other transfer agent for conversion and/or onwards payment to the Unit Holder.
- 13.3.7 The receipt of the Unit Holders for any moneys payable in respect of the Units shall be a good discharge to the Trustee. In case of joint Unit Holders, the receipt of payment by the first Holder shall be a good discharge from all the joint Holders.
- 13.3.8 The Management Company may make arrangements through branches of banks to facilitate redemption of Units of the Unit Trust or may appoint Investment Facilitators for this purpose. A request for redemption of Units may also be made through the use of electronic means such as Internet or ATM facilities or Credit card/ Debit card facilities, under prior arrangement with the Trustee. A request for redemption of Units may be accepted through the ATM facility only when the relevant bank branches have been authorized to accept Unit Holder's request to redeem the Units of the Trust".
- 13.3.9 The Transfer Agent shall process sale and redemption applications as well as conversion/switching and transfer applications in accordance with the relevant Offering Documents. In addition, the Transfer Agent shall also process the automated conversion/switching between Funds as per the terms of the relevant Supplementary Documents. Based on the prices applicable to the relevant sale or redemption, the Transfer Agent shall determine the number of Units to be redeemed. The payments for such conversion/switching redemption requests shall be directly payable by the Trustee of the Fund to the trustee of another fund being managed by the Management Company.
- 13.3.10 Where lien/pledge/charge is recorded in the Register, the Management Company and the Trustee may concur to make payment to the pledgee, if joint request is received from the Holder and the pledgee and on receipt of such indemnification, as the Management Company and Trustee may require.

⁴¹[13.3A **Official Points for Acceptance of Applications**

The Management Company shall designate and disclose the location of its official points for acceptance of application for issuance, redemption, conversion and transfer of Units and Administration Plans, in the Offering Document of the Fund, as well as on its web-site as updated from time to time. All applications shall be acknowledged noting the date and time of such application. The Management Company shall specify cut-off timings for acceptance of applications at the designated points for issuance, redemption, conversion and transfer of Units, including Administration Plans.]

13.4 Change in the method of Dealing

A permanent change in the method of dealing shall be made after expiry of one month's notice to Unit Holder(s) and with the approval of Trustee. A temporary change shall only be made with the approval of the Trustee in exceptional circumstances, having regard to the interests of Unit Holder(s), the possibility of a change and the circumstances shall be fully disclosed in the Offering Documents of the Fund.

13.5 Suspension of Redemption of Units

13.5.1 The redemption of Units may be suspended or deferred ⁴²[, under intimation to the Trustee and SECP,] during extraordinary circumstances, including war (declared or otherwise), natural disasters, a major break down in law and order, breakdown of the communication system, closure of one or more Stock Exchanges on which any of the Securities invested in by the Fund are listed, closure of one or more Banks, in which the Fund's Bank Accounts are maintained closure of capital markets and/or the banking system, computer breakdown or strikes or other events that render the Management Company or the Distributors unable to function, or the existence of a state of affairs which, in the opinion of the Management Company, constitutes an emergency, as a result of which disposal of any investment would not be reasonably practicable or might seriously prejudice the interest of the Fund or of the Unit Holders or a break down in the means of communication normally employed in determining the price of any Investment or when remittance of money can not be carried out in reasonable time and if the Management Company is of the view that it would be detrimental to the remaining Unit Holders to redeem Units at a price determined in accordance with the Net Asset Value. The Management Company may announce a suspension or deferral of redemption and such a measure shall be taken to protect the interest of the Unit Holders in the event of extraordinary circumstances or in the event redemption requests accumulate in excess of 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 13.10 below.

41. Inserted vide 1st Supplemental Trust Deed dated June 23, 2010.

42. Inserted vide 1st Supplemental Trust Deed dated June 23, 2010.

13.5.2 Such suspension or queue system shall end on the day following the first Business Day on which the conditions giving rise to the suspension or queue system shall in the opinion of the Management Company have ceased to exist and no other condition under which suspension or queue system is authorized under the Deed exists. In case of suspension and invoking of a queue system and end of suspension and queue system the Management Company shall immediately notify the Commission and the Trustee and publish the same in any one of the newspapers in which prices of Scheme are normally published.

⁴³[13.5.3 The Management Company shall ensure that in case of suspension of redemption of units of the scheme due to extra ordinary circumstances, as stated above and as per the provisions of the Regulations, the issuance of fresh units shall also be kept suspended until and unless the redemption of units is resumed.]

13.6 Suspension of fresh issue of Units

The Management Company may at any time, subject to the Rules and Regulations, suspend the issue of fresh Units if any of the extraordinary circumstances as mentioned in Clause 13.5.1 above, exist. 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 Commission and the Trustee if dealing in Units is suspended and shall also have the fact published, immediately following such decision, in any one of the newspapers in which the Fund's prices are normally published.

13.7 Refusal to accept fresh issue of Units request

The Management Company or the Distribution Company may at any time refuse to accept a request for fresh issue of Units in any of the following cases:

13.7.1 In case the request for fresh issue of Units is contrary to the Know-Your-Customer rules or any other money laundering rules that the Fund may be subject to or that the Management Company may frame for self regulation.

13.7.2 In case the request for fresh issue of Units is contrary to the rules of the foreign jurisdiction that the Fund or the investor may be subject to or if accepting the request for fresh issue of Units may subject the Fund or the Management Company to additional regulation under the foreign jurisdiction.

13.7.3 If accepting the request for fresh issue of Units would in any case be contrary to the interests of the Management Company or the Fund.

13.8 Deferral of request for fresh issue of Units

The Management Company may at any time suspend or defer the issue of fresh Units if in its opinion the total number or any one request for fresh issue of Units is so large that investing the funds would take some time and be contrary to the interests of the existing Unit Holders. In this case the Management Company may accept certain request for fresh

43. Inserted vide 1st Supplemental Trust Deed dated June 23, 2010.

issue of Units and may defer part or all of certain request for fresh issue of Units and issue only a limited number of fresh Units. The Units that are issued on a deferred basis, sometime after the request for fresh issue of Units has been received, will be issued at the Offer Price prevailing on the date of such issue.

13.9 Queue System

In the event redemption requests on any day exceed ten percent of either the number of Units outstanding or the rupee redemption value of the Units in issue, the Management Company may invoke a queue system whereby requests for redemption shall be processed on 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/financing as it deems fit in the best interest of the Unit Holder(s) and shall determine the Redemption Price to be determined to the redemption request 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 Dealing Day, such requests shall be processed on a proportional basis proportionate to the size of the requests. The requests in excess of ten percent shall be treated as redemption requests qualifying for being processed on the next Dealing Day at the price to be determined for such redemption requests. However, if the carried over requests and the fresh requests received on the next Dealing Day still exceed ten percent of the Units in issue or 10% of the NAV of the Fund, these shall once again be treated on first come first served basis and the process for generating liquidity and determining the Redemption Price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten percent of the Units then in issue.

13.10 Winding up in view of major redemptions

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

14. FEES AND CHARGES

14.1 Sales Load Payable

The Management Company may charge up to a maximum Sales Load of 5% of Net Asset Value which may be charged at the time of purchase of Units or at the time of redemption of Units.

14.2 Remuneration of the Management Company

14.2.1 The Management Company shall be entitled to receive a remuneration of an amount not exceeding three percent of the average annual Net Assets as defined under the Regulations during the first five years of the Scheme and two percent of such assets thereafter. Provided that the Management Company may charge performance based or fixed fee or a combination of both as per the guidelines issued by the

Commission from time to time. The details of such a fee structure shall be disclosed in the Offering Document.

- 14.2.2 The remuneration shall begin to accrue from the date on which the Deposited Property is first paid or transferred to the Trustee. In respect of any period other than an Accounting Period such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued in proportion to the total number of days accrued in the Accounting Period concerned.
- 14.2.3 The remuneration due to the Management Company shall be paid monthly in arrears, within thirty days after the close of each month. The Management Company shall be entitled to draw advance remuneration on a monthly (or other periodic) basis from the Deposited Property out of its accrued remuneration as may be considered reasonable by the Trustee.
- 14.2.4 In consideration of the foregoing and save as aforesaid the Management Company shall be responsible for the payment of all expenses incurred by the Management Company from time to time in connection with its responsibilities as Management Company of the Trust. The Management Company shall not make any charge against the Unit Holders or against the 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/Regulations and this Deed to be payable out of Deposited Property.
- 14.2.5 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.
- 14.2.6 The Management Company shall however not make any further material charge against the Unit Holders nor against the Deposited Property nor against the Distribution Account for its services nor for expenses, except such expenses or fees as are expressly authorized under the provisions of the Rules and Regulations and this Deed to be payable out of Deposited Property.

14.3 Remuneration of the Trustee

- 14.3.1 The Trustee shall be entitled to a monthly remuneration out of the Deposited Property based on an annual tariff of charges annexed hereto as Annexure C, which shall be applied to the average daily Net Assets during such calendar month. This may be amended from time to time without requirement of any amendment to this Deed.
- 14.3.2 The remuneration shall begin to accrue from the date on which the Deposited Property is first paid or transferred to the Trustee. 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.
- 14.3.3 Such remuneration shall be paid to the Trustee monthly in arrears, within thirty days after the close of each calendar month.

- 14.3.4 In consideration of the foregoing and save as aforesaid and as provided in Annexure C the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with its duties as Trustee of the Trust.
- 14.3.5 The Trustee shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of this Deed.
- 14.3.6 Any increase in the remuneration of the Trustee agreed to by the Management Company shall require the approval of the Commission. However, any decrease in remuneration of the Trustee shall not require any such approval.
- 14.3.7 The Trustee shall however not make any further material charge against the Unit Holders nor against the Deposited Property nor against the Distribution Account for its services nor for expenses, except such expenses or fees as are expressly authorized under the provisions of the Rules/ Regulations and this Deed to be payable out of Deposited Property.

14.4 Formation Costs

- 14.4.1 The Formation Cost shall be borne by the Management Company and shall be reimbursable by the Fund subject to audit of expenses over a period of not less than five years or any other time period as may be mentioned in the Regulations or allowed by the Commission, from time to time. The Formation Cost shall be amortized over a period of not less than five years.
- 14.4.2 The Formation Cost payable by the Fund shall not exceed one percent (1%) of pre initial public offering capital of the Fund (comprising of Core Units and other Pre IPO Units) or Rupees five million whichever is lower as per the Regulations.
- 14.4.3 The Formation Cost shall be reported by the Management Company to the Commission and the Trustee giving their break-up under separate heads, as soon as the distribution of the securities is completed.

14.5 Other Fees and Charges chargeable to the Deposited Property of the Scheme

- 14.5.1 Custody charges of both local and international Custodian.
- 14.5.2 Listing Fee payable to the Stock Exchange(s) including renewals.
- 14.5.3 Charges and levies of Stock Exchange(s), National Clearing and Settlement Company and Central Depository Company.
- 14.5.4 Fund's rating fee payable to approved rating agency.
- 14.5.5 Auditors' remuneration (including out of pocket expense billed) and other related expenses.
- 14.5.6 Annual and other fees payable to the Commission under the Regulations.

- 14.5.7 Brokerage and transaction costs related to investing and disinvesting of the Deposited Property.
- 14.5.8 Legal and related costs incurred in protecting or enhancing the interests of the interest of the Unit Holders of the fund.
- 14.5.9 Bank charges and borrowing and financial costs.
- 14.5.10 Any printing costs and related expenses for issuing Fund's quarterly, half yearly and annual reports etc.
- 14.5.11 Expenses incurred by trustee in effecting registration of all registerable assets in the name of the Trustee.
- 14.5.12 Hedging costs including forward cover, forward purchase or option purchase costs.
- 14.5.13 Taxes, fees, cess, duties and other charges levied by foreign jurisdictions on investments outside Pakistan and any domestic taxes, fees, cess, duties and other charges.
- 14.5.14 Any amount which the Shariah Advisory Board may declare to be Haram and which shall be payable to an approved charitable organization in accordance with the decision of the Shariah Advisor.
- 14.5.15 Any other expenses or charges as may be permitted by the Commission from time to time.

15. TRANSACTIONS WITH CONNECTED PERSONS

- ⁴⁴[15.1 AIIF shall not be invested in any security of a company if any director or officer of the Management Company individually owns more than five per cent (5%) of the total amount of securities issued, or, the directors and officers of the Management Company collectively own more than ten per cent (10%) of those securities.
- 15.2 The Management Company on behalf of the Scheme shall not without the approval of its Board of Director in writing and consent of Trustee, purchase from, or sell any security to, any connected person or employee of the Management Company.

44. Substituted, vide 1st Supplemental Trust Deed dated June 23, 2010, for

- "15.1 The Deposited Property shall not be invested in any security of a company if any director or officer of the Management Company individually owns more than five per cent (5%) of the total nominal amount of the securities issued or collectively the directors and officers of the Management Company in their individual capacities own more than ten per cent of those securities.
- 15.2 The Fund shall not, without prior approval of the Commission, purchase from or sell any security to the Management Company or the Trustee or to any Connected Person or employee of the Management Company or to any person who beneficially owns ten per cent (10%) or more of the equity of the Fund or the Management Company save in the case of such party acting as an intermediary.
- 15.3 For the purposes of sub-clauses 15.1 and 15.2 of this Trust Deed the term director, officer or employee shall include spouse, lineal ascendants and descendants, brothers and sisters.
- 15.4 Cash forming part of the Trust Property of the Scheme shall be placed as deposits with the Trustee or an institution licensed to accept deposits.
- 15.5 Money can be borrowed from the Trustee or any other institution provided that the charges are not higher than the normal bank charges.
- 15.6 Subject to the Rules and Regulations, any transaction between the Trust and the Management Company or any of their respective Connected Persons (as defined in Rules) as principal may only be made with the prior written consent of the Trustee.
- 15.7 All transactions carried out by or on behalf of the Scheme shall be made as provided in the Constitutive Documents, and shall be disclosed in the Fund's annual report."

- 15.3 For the purpose of sub-paragraph 15.1 and 15.2 above, the terms director, officer and employee shall include spouse, lineal ascendants and descendants, brothers and sisters.
- 15.4 Cash forming part of the property of the Scheme may be placed as deposits with the Trustee or an institution licensed to accept deposits.
- 15.5 Money can be borrowed from the Financial Institutions provided that the charges are not higher than the normal bank charges.]

16. DISTRIBUTION POLICY, DETERMINATION OF DISTRIBUTABLE INCOME AND DATE OF DISTRIBUTION

16.1 Distribution Policy and Date of Distribution

- 16.1.1 The Management Company shall decide as soon as possible but not later than forty-five days after the Accounting Date or any other time stipulated under the Ordinance and/or the Rules/Regulations, whether to distribute among Unit Holders, profits, either in form of bonus Units or cash dividend or a combination of both, if any, available for the distribution at the end of the Accounting Period or such other interim period(s) as decided by the Management Company, and shall advise the Trustee of the amount of such distribution per Unit. The Fund will comply with regulatory and taxation requirements and the distribution policy may be amended accordingly.
- 16.1.2 The Management Company may also distribute an amount, through cash or bonus, for an interim period that is not a full Accounting Period.
- 16.1.3 ⁴⁵[After determining the amount available for the distribution Management Company shall, in case of cash distribution, instruct the Trustee to issue payment instrument to the Unit Holders or 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. However, any amount standing to the credit of the Distribution Account being profit would be treated as Deposited Property and would be transferred to the Trusts Bank Account.]
- 16.1.4 After the fixation of the rate of distribution per Unit, distribution payments shall be made by warrant by the Trustee and sent through registered post or courier service to the registered address of such Holder, or in case of joint Holders to the registered address of the first named joint Holder. Every such 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 moneys payable. When an authority in that behalf shall have been received in such form as the Management Company shall consider sufficient, it shall arrange for payment of the amount distributable to the Holder through transfer to the Unit Holder's or first named joint Holder's designated bank accounts as mentioned in

45. Substituted, vide 1st Supplemental Trust Deed dated June 23, 2010, for "In case of cash dividend, on each Distribution 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. However, any amount standing to the credit of the Distribution Account being profit would be treated as Deposited Property and would be transferred to the Trusts Bank Account."

the application form or such other form as prescribed by the Management Company from time to time, and the receipt of funds by such designated bankers shall be a good discharge of Trustee's responsibilities. The distribution payments may also be made through any other mode(s) of payment and such payment shall be subject to the Rules/Regulations.

- 16.1.5 Before making any distribution payment in respect of a Unit the Trustee or the Management Company may make such deductions as may be required by law in respect of any Zakat, income or other taxes, charges or assessments whatsoever and issue to the Unit Holders the certificate in respect of such deductions in the prescribed form or in a form approved by the concerned authorities.
- 16.1.6 The Management Company shall offer the Unit Holders the option to receive new Units or fractions thereof under cumulative investment instead of cash dividend. Such option may be selected at the time of opening of Unit Holder' Account (via the application for issue of Units form) or through requests to the Transfer Agent in writing prior to the distribution declaration for any relevant period. The Unit Holders shall be entitled to change such option in writing prior to the distribution declaration for any relevant period.
- 16.1.7 In case of distribution in the form of bonus Units on each Distribution Date the Management Company shall determine the amount available for distribution as bonus Units and inform the Trustee of the same.
- 16.1.8 After the fixation of rate of bonus entitlement per Unit, the Management Company shall instruct the Transfer Agent to credit the respective Unit Holders accounts with the designated number of Units calculated on the basis of the rate of distribution determined above against the number of Units held by them on the date of Register Closure.
- 16.1.9 The Management Company may offer the Unit Holders the option to receive the cash value of the bonus Units instead of dividend in the form bonus Units. Such option may be selected at the time of opening of Unit Holder' Account (via the application for issue of Units form) or through requests to the Transfer Agent in writing prior to the distribution declaration for any relevant period. The Unit Holders shall be entitled to change such option in writing prior to the distribution declaration for any relevant period.
- 16.1.10 The Management Company shall offer the Unit Holder(s) the option to encash bonus Units. In such case the bonus Units issued to the credit of such Unit Holder(s) shall be redeemed at the NAV as calculated on the Business Day immediately after the last day of the book closure announced for such purpose and proceeds shall be credited in accordance with the normal procedure already detailed above for Redemption of Units. Such option may be selected at the time of opening of Unit Holder' Account (via the application for issue of Units form) or through requests to the Transfer Agent in writing prior to the distribution declaration for any relevant period. The Unit Holders shall be entitled to change such option in writing prior to the distribution declaration for any relevant period.
- 16.1.11 Where Units are placed under pledge/lien the payment of payouts will be made in accordance with Clause 27 of this Deed.

16.2 Determination of Distributable Income

16.2.1 The amount available for distribution in respect of any Accounting Period shall be determined by the Management Company and shall be the sum total of:

- (a) The total income earned on the Deposited Property during such Accounting Period including all amounts received/accrued in respect of dividend, mark-up, profit, fee, etc., and any other income;
- (b) Whole or part of the net realized and unrealized appreciation as set out in sub-clause 16.2.2, below;

from which shall be deducted expenses as set out in sub-clause 16.2.3, adjustments as set out in sub-clause 16.2.4 and such other adjustments as the Management Company may determine in consultation with the Auditors, subject to the Rules/Regulations and the provisions of the Income Tax Ordinance and the Rules/Regulations hereunder.

16.2.2 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 Unit Holders by the Trustee upon instructions of the Management Company and shall thereafter cease to form part of the Deposited Property once transferred to the Distribution Account. The Management Company may also elect to distribute part or whole from the net un-realized appreciation.

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

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

- (a) Deduction of a sum by way of adjustment to allow for effect of purchase of shares or any of the Investments cum dividend, profit or mark-up;
- (b) Adjustment considered necessary by the Management Company to reflect the diminution in value of Deposited Property, including deterioration in exchange rate applicable to international investments, in consultation with the Trustee.

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

17. ANNUAL ACCOUNTING PERIOD

- 17.1 Accounting Period shall be a period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the Deposited Property is first paid or transferred to the Trustee and (in any other case) from the end of the preceding Accounting Period (which shall then commence on 1st July and shall end on 30th June of the succeeding calendar year.)
- 17.2 Accounting Date shall be the 30th day of June in each year and any interim dates at which the financial statements of the Fund are drawn up. Provided, however, that the Management Company may, with the consent of the Trustee and after obtaining approval of the Commission and the Commissioner of Income Tax, change such date to any other date.

18. AUDIT

- 18.1 The Management Company shall at the establishment of the Scheme and upon any vacancy with the consent of the Trustee, appoint as auditor, a firm of chartered accountants who shall be independent of the auditor of the Management Company and the Trustee and such auditor shall not be appointed for more than five consecutive years or such other period as may be allowed under the Rules/Regulations from time to time. The Management Company may at any time, with the concurrence of the Trustee, remove the Auditors and appoint another auditor in its place.
- 18.2 The first Auditors of the Fund shall be Ford Rhodes Sidat Hyder & Co. Chartered Accountants, who shall hold office until the transmission of the annual report and accounts but may be reappointed.
- 18.3 The following persons shall not qualify to be the Auditors of the Trust:
- 18.3.1 A person who is or at any time during the preceding three years was a director, officer or employee of the Management Company or the Trustee;
 - 18.3.2 A person who is a partner of, or in employment of, a director, officer, employee, or connected person of the Management Company or Trustee;
 - 18.3.3 The spouse of a director of the Management Company or Trustee;
 - 18.3.4 A person who is indebted to the Management Company or Trustee; and
 - 18.3.5 A body corporate.
- 18.4 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.
- 18.5 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 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.

- 18.6 The Trustee shall be entitled to require the Auditors to provide such further reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Rules/Regulations.
- 18.7 The Auditors shall prepare a written report to the Unit Holders on the books of accounts of the Trust and the balance sheet and income and expenditure account and on every other document forming part of the balance sheet and income and expenditure account, including notes, statement or schedule appended thereto.
- 18.8 The contents of the Auditors report shall be as required in the Rules/Regulations.
- 18.9 ⁴⁶[]

19. BASE CURRENCY

The base currency of the Fund shall be Pakistani Rupee and the Management Company, Trustee or any Distributor are not obliged to transact the issuance or redemption of the Units in any other currency and shall not be held liable, save as may be specifically undertaken by the Management Company under this Deed, for receipt or payment in any other currency or for any obligations arising there from; it being clarified, however, that the Authorized Investments may be denominated in Pakistani Rupee or (subject to applicable law) any other foreign currency.

20. MODIFICATION OF THE CONSTITUTIVE DOCUMENTS

- 20.1 The Trustee and the Management Company acting together shall be entitled by deed supplemental hereto to modify, alter or add to the provisions of this Deed in such manner and to such extent as they may consider expedient for any purpose, subject only to the approval of the Commission. 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 Regulations or to ensure compliance with any fiscal or statutory requirement or to enable the provisions of this Deed to be more efficiently, conveniently or economically managed or to enable the Units to be dealt in or quoted on Stock Exchange or otherwise for the benefit of the Unit Holder(s) and that it does not prejudice the interests of the Unit Holder(s) or any of them or operate to release the Trustee or the Management Company from any responsibility to the Unit Holder(s).
- 20.2 Where this Deed has been altered or supplemented, the Management Company shall immediately notify the Unit Holders of such alteration.
- 20.3 The Management Company may, from time to time, frame policies and procedures for conducting the business of the Trust or in respect of any other matter incidental thereto; provided such policies and procedures are not inconsistent with the provisions of the Rules, the Regulations, this Deed or the Offering Document.

46. Deleted vide 1st Supplemental Trust Deed dated June 23, 2010. Before deletion read as "The Auditors will also act as Shariah-Compliance Auditors, and will complete a Shariah Compliance Audit of the Scheme for each Accounting Period within three months from the relevant Accounting Date becoming available and will issue a Shariah-Compliance audit report. The report will assess the compliance of the Fund with the investment guidelines issued by the Shariah Advisory Board."

- 20.4 If the Commission modifies the Rules/Regulations to allow any relaxations or exemptions or any other changes, these will be deemed to have been included in this Trust Deed without requiring any modification as such.
- 20.5 If, at any time, any Clause of this Trust Deed is, or becomes, in whole or in part, illegal, invalid or unenforceable under the laws of any applicable jurisdiction, neither the legality, validity and enforceability of the remaining clauses of this Trust Deed, nor the legality, validity or enforceability of such Clause under the law or any other jurisdiction shall in any way be affected or impaired thereby.

21. TERMINATION AND LIQUIDATION OF THE SCHEME

- 21.1 The Management Company may terminate the Scheme, if the Net Assets at any time fall below Rupees Fifty (50) million. The Management Company shall give at least three months notice to Unit Holders and the Commission and shall disclose the grounds of its decision. The Management Company may announce winding up of the Trust without notice in the event redemption requests build up to a level where the Management Company is of the view that the disposal of the Deposited Property to meet such redemptions would jeopardize the interests of the remaining Unit Holders and that it would be in the best interest of all the Unit Holders that the Trust be wound up.
- 21.2 In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Scheme being run down to an unmanageable level or it is of the view that the sell-off of assets is likely to result in a significant loss in value for the Unit Holders who are not redeeming, it may announce winding up of the Trust without notice.
- 21.3 The Trust may also be terminated by the Commission on the grounds given in the Rules and Regulations.
- 21.4 This Deed may be terminated in accordance with the conditions specified in the Rules/Regulations if there is a material breach of the provisions of this Deed or other agreement or arrangement entered into between the Trustee and Management Company regarding the Unit Trust. However, it is recognized that the Trustee shall be acting as a combined Trustee of two or more Unit Trusts and Administrative Plans thereof. In the event of the termination of the Trustee for any one Unit Trust is likely to require the termination of Trustee for the other Unit Trusts, which forms an integral part of any administrative plan covering more than one Unit Trust, both parties shall act in a manner that causes the least degree of inconvenience to the investors and is the most cost efficient for the Unit Trusts subject to clause 32 of this Deed.

22. DISTRIBUTION OF LIQUIDATION PROCEEDS

- 22.1 Upon the Trust being terminated the Management Company shall suspend the sale and redemption of Units forthwith and proceed to sell all Investments then remaining in the hands of the Trustee as part of the Deposited Property and shall repay any borrowing/financing affected by the Trust together with any markup or profit remaining unpaid to the extent possible out of the Deposited Property. The Trustee/ Management Company shall not be liable for the shortfall, if any.

- 22.2 The Trustee on the recommendation of the Management Company shall from time to time distribute to the Unit Holders pro rata to the number of Units held by them respectively all net cash proceeds derived from the realization of the Deposited Property after making payments as mentioned in Clause 22.1 above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands. In case the sum so detained is no sufficient for meeting all costs, charges, expenses, claims and demands, the / Management Company shall not be liable for the shortfall. However, in case there is any surplus left in the hands of the Trustee after meeting all costs, charges, expenses, claims and demands, the Trustee shall distribute the surplus to the Unit Holder(s) pro rata to the number of Units held by them.

23. TRANSACTIONS RELATING TO INVESTORS (UNIT HOLDERS)

- 23.1 The Trustee shall arrange to provide the Management Company daily statements of all the Bank Accounts being operated by the Trustee for the Unit Trust.
- 23.2 The Management Company shall also advise the Trustee on a daily basis of the details of amounts to be paid to respective Unit Holders against redemption requests, if any. Such payments shall be effected by the Trustee out of the accounts of the Unit Trust by way of transfer of the appropriate amounts to the designated Bank Accounts of the Unit Holders or through any other mode(s) of payment and such payment shall be subject to the Rules or by dispatch of dividend cheques / warrants / advice to the Unit Holders by registered post at their respective addresses. Such dispatch shall constitute discharge of the Management Company and the Trustee in respect of such payment.
- 23.3 The Management Company may make arrangements through branches of banks to facilitate issuance and redemption of Units of the Unit Trust or may appoint Investment Facilitators for this purpose. A request for purchase of Units may also be made through the use of electronic means such as Internet or ATM facilities or Credit Card facilities, under prior arrangement with the Trustee.
- 23.4 The Management Company shall, from time to time, advise the Trustee of the dividend distribution for the Unit Trust. The Trustee shall establish a separate Bank Account for dividend distribution and transfer the amount payable as cash dividend to such Account after deducting such Taxes and Zakat as may be required under the law. The Trustee may rely on the information and calculation furnished by the Management Company as the dividend payable in cash after adjusting for dividend being distributed in the form of Units of the Unit Trust.
- 23.5 The Trustee shall pay to the Management Company's order such sums out of the sale proceeds of Units or the sums retained out of the redemption amounts as are representative of Front-end or Back-end Loads or charges or other recoveries that are specified in the Trust Deed or Offering Document, as being payable out of the Offer or Redemption Prices.
- 23.6 The Transfer Agent shall process purchase and redemption applications as well as conversion, switching, transfer and trading applications in accordance with the relevant Offering Document(s). Based on the prices applicable to the relevant Offer or Redemption, the Transfer Agent shall determine the number of Units to be issued or redeemed or under certain circumstances as provided in this Deed the Management Company may suspend the issue and/or redemption of Units. For certain Administrative Plans the Transfer Agent function

may be carried out by such bank/distributor that has been appointed for this function by the Management Company

24. TRANSACTIONS RELATING TO INVESTMENT ACTIVITY/ PORTFOLIO MANAGEMENT

- 24.1 The Trustee shall ensure that where applicable, payments against investments are made against delivery and vice versa, unless specified otherwise.
- 24.2 The Trustee shall promptly forward to the Management Company any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust Funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government, regulator, stock or other exchange or any other party having any connection with the transaction.
- 24.3 The Trustee shall also, if so required by the nature of such notices or documents mentioned in the foregoing clause, act, with the consent of the Management Company in a manner that is in the best interest of the Unit Trust. Such action shall include legal action if called for and the Trustee shall be entitled to recover any legal costs and expenses (including legal fees) incurred from the Unit Trust, as provided in Clause 8.8 above.
- 24.4 The Management Company shall intimate the Trustee with regard to dividends, other forms of income or inflows, and any rights or warrants relating to the Investments that are due to be received. Further, the Trustee shall also report back to the Management Company any such amounts or warrants that are received on such accounts from time to time.

25. TRANSFER OF UNITS

- 25.1 Unit Holder(s), subject to law, shall be entitled to transfer the Units held by them to any other account holder(s), by an instrument, i.e. the transfer of Units form, in such form as the Management Company may prescribe from time to time.
- 25.2 A Unit shall be transferable only in its entirety.
- 25.3 Both the transferor and the transferee must sign every instrument of transfer and the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof.
- 25.4 The instrument of transfer, must be duly completed in all respects including affixation of transfer stamps of the requisite value, if applicable. Where Certificates have been issued the Trustee may dispense with the production of any Certificate where the Certificate shall have become lost, stolen or destroyed subject to compliance by the transferor with the like requirements to those arising in the case of an application by him for the replacement thereof as provided in this Deed or as required by the Transfer Agent.

- 25.5 The transfer shall be carried out after the Transfer Agent has been satisfied that all the requisite formalities including payment of any taxes have been completed and has recovered the fee prescribed for the service, if any.
- 25.6 Transfer of Units to successors in case of inheritance or distribution of the assets of a deceased Unit Holder shall be processed by the Transfer Agent after satisfying himself as to all legal requirements. The processing fee, legal costs and taxes, etc., if any, shall be borne and paid by the transferees.
- 25.7 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 or the Management Company or the Distributors or 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 Distributors 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 and that every Certificate so destroyed was a valid Certificate duly and properly cancelled, provided always that:
- 25.7.1 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;
- 25.7.2 Nothing in this sub-clause shall be construed as imposing upon the Trustee or the Management Company or the Distributor or Transfer Agent any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of provision (a) above are not fulfilled; and
- 25.7.3 Reference herein to the destruction of any document includes reference to the disposal thereof in any manner.

26. CONVERSION OF UNITS

- 26.1 A Unit Holder may convert the Units held by him in the Fund into the units of any other schemes/ administrative plans being offered by the Management Company and vice versa, subject to such terms and conditions as set forth by the Management Company.
- 26.2 In such an event, the Unit Holder shall submit the relevant conversion of units form for the redemption of the Units from the Fund and purchasing of units in another fund/plan or vice versa. Such conversions shall be at the NAV of the respective Fund(s)/ Unit Trust Scheme(s) plus a processing charge not exceeding one half of one percent. The Management Company at its discretion charge reduced or no processing charge for such conversions.
- 26.3 On receiving such form, the Management Company shall advise the Trustee of the conversion of Units between respective unit trusts/ administrative plans. On receiving such instructions

from the Management Company, the Trustee shall transfer the appropriate amounts from one Unit Trust to the other Unit Trust under the same Trustee or the trustee of the other unit trust as the case may be. Such transfers may be in the form of exchange of the payment cheques, or such amounts would be directly debited from the bank account of the Fund and credited to the bank account of the other fund or vice versa.

- 26.4 The Transfer Agent shall carry out the conversion after satisfying himself that all requisite formalities have been fulfilled and the payment of the applicable taxes and fees, if any, has been received. The Management Company may impose a time limit before which conversion may not be allowed.

27. PLEDGE/LIEN OF UNITS

- 27.1 Any Unit Holder or all the joint Holders of a Unit may request the Transfer Agent to record a pledge/lien of all or any of his/their Units in favor of any third party legally entitled to invest in such Units in its own right. The Transfer Agent shall register a lien on any Units in favor of any third party with the consent of the Management Company. Any charges, duties, levies etc., applicable on such pledge/lien will be borne by the Pledgor.
- 27.2 The pledge/lien once registered shall be removed by the authority of the party in whose favor the pledge/lien has been registered or through an order of a competent court. Neither the Trustee, nor the Management Company, nor the Transfer Agent, shall be liable for ensuring the validity of any such pledge/lien. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge/lien by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company nor the Transfer Agent takes any responsibility in this matter.
- 27.3 Save any legal bar or court order requiring otherwise, any dividends or bonus Units declared on the Units under pledge/lien shall be made to the order of the Unit Holder, unless the Unit Holder notifies the Transfer Agent and the Management Company to pay/issue the same to or in favor of the pledge/lien holder. In the event, the pledged Units are redeemed for any reason, the redemption proceeds if the Units under lien/pledge/charge shall be made to the pledge/lien/charge holder for the account of the Unit Holder.

28. REGISTER OF UNIT HOLDERS

- 28.1 A Register shall be maintained by the Transfer Agent 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/Regulations.
- 28.2 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 alterations thereto.
- 28.3 The Transfer Agent shall, within seven Business Days of receiving a written request from any Unit Holder(s), post (or send by courier or through electronic means) to such Unit

Holder(s) details of such Unit Holders account in the Register. The Management Company may prescribe reasonable charges for servicing of any additional requests.

28.4 The Register shall contain the following information:

- 28.4.1 Folio No./ Customer Identification No. and Date of Registration;
- 28.4.2 Full name, father's/husbands name and addresses of Unit Holder(s) (including all joint Holders) together with a copy(ies) of the Computerized National Identity Card Number (in respect of Pakistan nationals)/ National Identity Card for Overseas Pakistanis (NICOP) or Pakistan Origin Card number (in respect of overseas Pakistanis)/ passport numbers or other identifying numbers (in respect of overseas Pakistanis and Foreign Nationals);
- 28.4.3 The number and type of the Units held and the distinctive numbers of Certificate(s), if any;
- 28.4.4 National Tax Number (NTN) (For non-individuals);
- 28.4.5 Nationality;
- 28.4.6 Occupation;
- 28.4.7 The date on which the name of every Unit Holder was entered in respect of the Units standing in his name;
- 28.4.8 The date on which any transfer, conversion or redemption is registered together with the Certificate numbers, if any;
- 28.4.9 Information about lien, pledge or charge on Units;
- 28.4.10 Tax and Zakat status of the Unit Holder(s);
- 28.4.11 Information about verification of redemption/transfer forms;
- 28.4.12 Record of the specimen signature(s) of the Unit Holder(s);
- 28.4.13 Information about loss of Certificates and issuance of duplicates;
- 28.4.14 Instructions relating to about dividend payments/ issuance of bonus Units;
- 28.4.15 Information about nominees of the Unit Holder(s); and
- 28.4.16 Such other information as Management Company may require.

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

28.6 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(s) 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(s) subject to payment of applicable fee for such issuance.

28.7 The Transfer Agent shall not register more than four (4) 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 person(s) 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.

- 28.8 A body corporate may be registered as a Unit Holder or as one of joint Unit Holders provided that any undertaking provided by such body confirming its eligibility to make such investment shall be considered as sufficient proof of its eligibility to make such investment.
- 28.9 ⁴⁷ [The Register may be closed with intimation to the Trustee for such period as the Management Company may from time to time determine and after giving at least seven days notice to Unit Holder(s), provided that it is not closed for more than forty-five days in any calendar year. However, in no case the time period for closure of register for dividend declaration shall exceed six (6) working days at a time. The Management Company may authorize the Transfer Agent to record a lien on any or all Units held by Unit Holders in favor of a third party at the request of such Unit Holders or joint Unit Holders as the case may be.]
- 28.10 The Unit 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 Unit Holders as the absolute owner thereof and shall not be bound by any notice to the contrary and shall not be bound to take notice of or to see to the execution of any trust except where required by any court of competent jurisdiction.
- 28.11 The executor or administrator or succession certificate holder of deceased Unit Holder (not being one of several Joint Unit Holders) shall be the only person recognized by the Trustee and the Management Company as having title to the Units represented thereby. The succession certificate in case of individual unit holders should be issued by a competent authority in favor of the legal heir.
- 28.12 Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Unit Holder(s) 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 Trustee/Distributor 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 Holders. Provided however, 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.
- 28.13 The Trustee shall retain any money 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 as the Unit Holder(s) 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.

29. ISSUANCE OF CERTIFICATES

- 29.1 Upon being satisfied that the Offer Price for each Unit or fraction thereof has been received in full from the applicant, the Transfer Agent shall issue an Account Statement that will constitute evidence of the number of Units registered in the name of the Unit Holder(s) within

47. Substituted, vide 1st Supplemental Trust Deed dated June 23, 2010, for "The Register may be closed with intimation to the Trustee for such period as the Management Company may from time to time determine and after giving at least seven days notice to Unit Holder(s), provided that it is not closed for more than forty-five days in any calendar year. However, the Management Company may authorize the Transfer Agent to record a lien on any or all Units held by Unit Holders in favor of a third party at the request of such Unit Holders or joint Unit Holders as the case may be."

fourteen days from the date of the receipt of the Offer Price. The Management Company will also issue Account Statement whenever there is any transaction in the Register, which means that new Units are issued, bonus Units are issued, Units are issued in lieu of dividend, Units are transferred in the Register or from Register or Units are redeemed within fourteen days of the transaction.

- 29.2 Certificates shall be issued only if so requested by the Unit Holders at the time of application or at any later stage and upon payment of a fee as specified in the Offering Document. The proceeds of such fee will accrue to the Management Company.
- 29.3 Certificates shall only be issued for Units that have been fully paid, in such denomination as may be required by the Holder. Separate Certificates shall be issued for each class of Units.
- 29.4 Certificates where requested shall be issued as herein provided not later than twenty-one Business Days after the date of such request. The Certificate may be sent to the principal account Holder named first or his duly authorized nominee at his own risk by registered post or by courier service or may be collected by the Unit Holder(s) from the Distributor (s) and their authorized branches as well or from the Management Company if it is performing the Distribution Functions.
- 29.5 In the case of Units held jointly the Transfer Agent shall not issue more than one Certificate for the Units held by such joint Unit Holders and delivery of such Certificate to the first named joint Unit Holder therein shall constitute sufficient delivery to all joint Unit Holders. All payments required under this Trust Deed (i.e. redemption and dividend) shall be made to the first named joint Unit Holder.
- 29.6 Certificates shall be issued in such form as may from time to time be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the name of Trust, name and address of the Management Company and the name of the Trustee, shall bear a distinctive serial number and shall specify the number of Units represented thereby and the name and address of the Unit Holders as appearing in the Register.
- 29.7 Certificates may be engraved or lithographed or printed as the Management Company may determine from time to time with the mutual agreement of the Trustee and shall be signed on behalf of the Trustee by duly authorized officer(s) of the Trustee and on behalf of the Management Company by duly authorized officer(s) of the Management Company. Every such signature shall be autographic unless there shall be for the time being in force an arrangement authorized by the Trustee adopting some lithographic or other mechanical method of signature in which event all or any of such signatures may be effected by the method so adopted. The Certificates shall also bear the signature of the authorized representative(s) of the Transfer Agent 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 and Transfer Agent or any authorized signatory.
- 29.8 Where the Units are in form of book entry securities registered with the Central Depository Register of the Central Depository Company of Pakistan Limited, the issue of certification or receipt in lieu of physical Certificate or any other record shall be in accordance with the procedures laid down by the Central Depository Company of Pakistan Limited Regulations.

- 29.9 Certificates shall not be issued under Administrative Plans governed by Supplementary Offering Documents. The Account Statement issued in this respect will be the final confirmation in respect of the Units purchased under the Administrative Plan.

30. REPLACEMENT OF CERTIFICATES

- 30.1 Subject to the provisions of this Deed and in particular to the limitations of the denominations of Certificates as may be fixed by the Management Company and subject to any regulations from time to time made by the Trustee with the approval of the Management Company every Unit Holder shall be entitled to exchange upon surrender of the existing Certificate any or all of his Certificates for one or more Certificates of such denominations as he may require representing the same aggregate number of Units.
- 30.2 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:
- 30.2.1 Returned the mutilated or defaced Certificate or furnished to the Distributor/ Transfer Agent evidence satisfactory to the Management Company of the loss, theft or destruction of the original Certificate;
 - 30.2.2 Paid all expenses incurred in connection with the investigation of the facts; and
 - 30.2.3 Furnished such indemnity as the Management Company and the Trustee may require.

Neither the Management Company, nor the Trustee or the Distributor/ Transfer Agent shall incur any liability for any action that they may take in good faith under the provision of this sub clause, provided further that the Trustee and/or the Management Company may also require issuance of public notices in newspapers at the cost of the pertinent Unit Holder before issuing any new Certificate.

- 30.3 Upon completion of all formalities and notice period i.e. twenty one (21) days and if no objection/ Claim has been received on issuance of the certificates; the Transfer Agent shall issue certificates within seven business days.

31. ADMINISTRATIVE PLANS

- 31.1 In addition to this Unit Trust, the Management Company has also established another unit trust scheme and may in future establish other schemes with different investment objectives. These schemes shall have the same Trustee.
- 31.2 The Management Company may offer different Shariah compliant Administrative Plans, where such Plans allow investors a focused investment strategy in any one or a combination of Shariah compliant unit trust schemes, managed by the Management Company after getting consent of the trustee and obtaining prior approval of the SECP.
- 31.3 To facilitate investment in each of the Administrative Plan, the Trustee shall open a Bank Account titled-“CDC-Trustee Atlas Funds” at its main bank and may open additional accounts at such branches of banks and at such locations (including outside Pakistan, subject

to applicable regulations and after obtaining all necessary approvals from the relevant regulatory authority in Pakistan) as is required by the Management Company from time to time. The main account and the branch accounts, hereinafter referred to as Collection Accounts shall be used as temporary allocation accounts where collections (i.e. investments in the Administrative Plans) shall be held prior to their being allocated and being transferred in the respective units trusts and as temporary disbursement accounts for receiving the redemption proceeds from the respective unit trusts for onward payment to investors at redemptions.

- 31.4 The Management Company shall advise the Trustee of the allocation of the funds between the respective unit trusts on a daily basis. On its instructions, the Trustee shall transfer the amount to the respective bank accounts of the unit trust schemes on a daily basis.
- 31.5 The Management Company may also require the Trustee to open separate accounts for temporary parking of redemption funds. On receiving the requests for redemption from investors of various Administration Plans or on maturity of these Plans, as the case may be, the Management Company will require each unit trust schemes to pay to these accounts, the amount representing their liability for redemption. The Trustee on the instructions of the Management Company will pay to the investors of the Administration Plan from these accounts.
- 31.6 Notwithstanding anything in this Deed the beneficial ownership of the balances in the Accounts vests in respective unit trusts.
- 31.7 The banking and other arrangements for each Administrative Plan will be subject to an agreement among the Management Company and trustee of all unit trust schemes covered under the plan.

32. ARBITRATION

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

33. CONFIDENTIALITY

The Trustee and the Management Company and every director or officer of the Trustee and the Management Company who are in any way engaged in the business of the Trust and all persons employed or engaged by the Trustee and the Management Company 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.

34. MISCELLANEOUS

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

34.1.1 The Management Company may advertise any such notice in any two widely circulated newspapers in Pakistan.

34.1.2 Service of such notice or document on first named joint Unit Holder of several joint Unit Holders shall be deemed effective service on the other joint Unit Holders.

34.1.3 Any such notice or document sent by post to or left at the registered address of a Unit Holder shall notwithstanding that such Unit Holder be then dead or bankrupt and whether or not the Trustee or the Management Company have notice of his death or bankruptcy be deemed to have been duly served and such service shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under him) in the Units concerned.

34.2 If at any time, any Clause of this Deed is or becomes in whole or in part illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, the legality, validity and enforceability of the remaining Clauses of this Deed hereof, shall not in any way be effected or impaired thereby.

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

35. SURVIVAL

All obligations of either party which expressly or by their nature survive termination or transfer of this Deed shall continue in full force and effect after the termination or transfer, until they are satisfied, or by their nature expire.

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

The Common Seal of Atlas Asset Management Limited was hereunto affixed in the presence of:

Name:
Designation:

Name:
Designation:

Seal:

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

Name:
Designation:

Name:
Designation:

Seal:

Witnesses:

Name:
CNIC:

Name:
CNIC:

ANNEXURE A

Copy of letter No. NBFC-II/21/AAML/AMC/7/2007 dated May 29, 2007 stating that the Commission approves to carry out Asset Management Services.

ANNEXURE B

Copy of letter No. NBFC-II/AD/AAML/316/2008 dated May 2, 2008 stating that the Commission has no objection to registration of Trust Deed of the Fund.

ANNEXURE C

Tariff Structure of the Trustee

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

Amount of Funds Under Management (Average NAV)	Tariff per annum
Up to Rs. 1,000 million	Rs 0.7 million or 0.20% p.a. of NAV, whichever is higher.
On an amount exceeding Rs. 1,000 million	Rs. 2.0 million plus 0.10% p.a. of NAV exceeding Rs. 1,000 million

ANNEXURE D

Copy of letter No. NBFC-II/AD/AAML/317/2008 dated May 2, 2008 stating that the Commission approves the appointment of Central Depository Company of Pakistan as Trustee of the Fund.

ANNEXURE E

Copy of letter dated March 17, 2008 from Shariah Advisory Board confirming that the provisions of this Deed are in compliance with Shariah.