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TRUST DEED

THIS TRUST DEED is made and entered into at Karachi, on this 10 day of June, 2008:

1. NAME OF THE SCHEME

IGI Stock Fund

2. PARTICIPATING PARTIES AND CONSTITUTION OF THE SCHEME

2.1 Participating Parties

- I. **IGI Funds Limited**, a public limited company incorporated under the Companies Ordinance, 1984 (“Ordinance”), having its registered office at 5 F.C.C, Syed Maratib Ali Road, Gulberg, Lahore (hereinafter called the “**Management Company**”, which expression where the context so permits shall include its successors in interest and assigns) of the one part;

AND

- II. **Central Depository Company of Pakistan Limited**, a public limited company incorporated under the Companies Ordinance, 1984, having its registered office at CDC House, 99-B, Block B, SMCHS, Main Shahrah-e-Faisal, Karachi (hereinafter called the “**Trustee**” which expression where the context so permits shall include its successors in interest and assigns) of the other part.

WHEREAS:

- A. The Management Company has been incorporated under the Ordinance and licensed as an Investment Advisor and Asset Management Company pursuant to the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (hereinafter referred to as the “Rules”) for the purpose of undertaking investment advisory and asset management services (certificate attached hereto as Annexure “**A**”);
- B. The Management Company has been authorized by the Securities and Exchange Commission of Pakistan (“Commission”) vide its letter bearing reference No. NBFC-II/AD/IGIFL/450/2008 dated June 06,2008 attached herewith as Annexure “**B**” to constitute the Scheme under the name and title of “**IGI Stock Fund** ” (hereinafter referred to as “Scheme”) and to register this Trust Deed, pending registration for the establishment and operation of the Scheme in accordance with the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2007(hereinafter referred to as the “Regulations”) circulars, directives, guidelines, codes, notifications, offering document and this Trust Deed;
- C. The Management Company has nominated and appointed the Trustee as trustee of the Scheme and the Trustee has accepted such appointment upon the terms and conditions herein contained and the Tariff structure for Trusteeship as per Annexure “**C**” attached herewith;
- D. The Commission has also approved the appointment of the Trustee; vide its said letter bearing reference No. NBFC-II/AD/AAML/449/2008 dated June 06, 2008 attached herewith as Annexure “**D**”;

- E. Unless the context requires otherwise, the defined terms, words and expressions shall have the meaning respectively assigned to them in clause 36 hereof:

NOW THIS TRUST DEED WITNESSETH:

2.2 Constitution of the Scheme

- 2.2.1 An open-end Scheme is hereby constituted as a trust under the Trusts Act, 1882, under the name of **IGI Stock Fund**. The Trustee is hereby nominated, constituted and appointed as the trustee of the Scheme herein created and the Trustee hereby accepts such appointment on the terms and conditions contained in this Trust Deed. The Management Company and the Trustee declare that:
- (a) The Trustee shall hold and stand possessed of the Trust Property that may from time to time hereafter be vested in the Trustee upon trust as a single common fund for the benefit of the Unit Holder(s) ranking *pari passu* inter se, according to the number of Units held by each Unit Holder;
 - (b) The Trust Property shall be invested or disinvested from time to time by the Trustee at the direction of the Management Company strictly in terms of the provisions contained and the conditions stipulated in the Trust Deed, Offering Document circulars, directives, guidelines, codes, notifications and the Regulations and the conditions (if any) which may be imposed by the Commission from time to time.
- 2.2.2 The Management Company shall establish, manage, operate and administer the Scheme in accordance with the Regulations, circulars, directives, guidelines, codes, notifications, Trust Deed and Offering Document; and any other condition which may be imposed by the Commission from time to time.
- 2.2.3 Where this Trust Deed has been altered or supplemented, the Management Company shall notify the Unit Holders immediately.

3. GOVERNING LAW AND JURISDICTION

- 3.1 This Trust Deed shall be subject to and governed by the laws of Pakistan, including the Ordinance, the Rules/ Regulations and all applicable laws and regulations and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed by the Regulations are incorporated in this Trust Deed as a part and parcel thereof and in the event of any conflict between this Trust Deed and the provisions required to be contained in a trust deed by the Regulations, the latter shall supersede and prevail over the provisions contained in this Trust Deed. The Scheme shall also be subject to the rules and regulations framed by the State Bank of Pakistan (SBP) with regard to the foreign Investments made by the Scheme and investment made in the Scheme from outside Pakistan in foreign currency.
- 3.2 Subject to the Arbitration clause 33 hereafter, applicable between the Management Company and the Trustee inter se, each party, including the Unit Holder(s) irrevocably submit to the exclusive jurisdiction of the Courts at Karachi.
- 3.3 The Investments made in offshore countries and the Bank Accounts and custodial services accounts that may be opened by the Trustee for the Scheme in any offshore countries on the instructions of the Management Company may become subject to the laws of such countries.

4. FOR THE SCHEME

4.1 Trust Deed Binding on Each Unit Holder

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

4.2 Unit Holder(s) Not Liable to Make Further Payments

No Unit Holder 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 11.2.2 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 Holder(s) in the Net Assets, earnings and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in the Trust proportionate to the Units held by such Unit Holder and shall have such rights as are set out in the Trust Deed or Offering Document. However, the Management Company (while maintaining the integrity of each Unit's *pari passu* rights) may issue different types of Units after consulting the trustee and getting prior approval from the Commission.

4.3.2 Core Units subscribed by the Core Investors shall however be offered and issued at par. The Core Units may be of more than one type, including a restricted class which 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. Any transfer of these Core Units, during the first two (2) years of their issue, shall be affected only on the receipt by the Registrar of a written acceptance of this condition by the transferee. The Scheme shall have minimum investment in compliance with the requirement of Regulation 61(2)(e)(ii) of the Regulations which shall be rupees one hundred million (Rs. 100,000,000/-), out of which at least rupees fifty million (Rs. 50,000,000/-) shall be invested by the Management Company or by Core Investors for a minimum period of two (2) years.

4.4 Trustee to Report to the Unit Holder(s)

The Trustee shall report on all matters provided in the Regulations, including all matters in which it is required to issue a report under the Trust Deed, Offering Document and the Regulations, to the Holders including a report to be included in the annual report and second quarterly report on whether in its opinion, the Management Company has, in all material respect, managed the Trust Property in accordance with the provisions of the Regulations, the Trust Deed and Offering Document. And if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof. 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 Regulations. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible.

5. ROLE OF THE MANAGEMENT COMPANY

The Management Company shall manage, operate and administer the Scheme in accordance with the Regulations, the Trust Deed and Offering Document.

5.1 Primary Functions of the Management Company

5.1.1 Fund Management

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

5.1.2 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 the Management Company in investing and managing the assets of the Scheme. All Investment and dis-investment decisions shall be made through the investment committee within the framework of the Rules/ Regulations and this Trust Deed.

5.1.3 Investor Services

The Management Company has the responsibility to facilitate Unit Holder transactions in the Scheme and to make adequate arrangements for receiving and processing all applications in this regard.

5.1.4 Investor Records

- (a) The Management Company has the responsibility to maintain investor records and for this purpose it may appoint a Registrar, who is responsible for performing Registrar Functions, i.e. maintaining Unit Holder(s) records and providing related services. The Management Company or Registrar (as the case may be) shall carry out the responsibility of maintaining Unit Holder(s) records, issuing statements of accounts, issuing Certificates representing Units, processing redemption requests, processing dividend payments and all other related and incidental activities.
- (b) The Management Company shall not remove the records or documents pertaining to the Trust from Pakistan to a place outside Pakistan without the prior written permission of the Commission and the Trustee.

5.1.5 Distribution

The Management Company, shall from time to time appoint, remove or replace one or more suitable persons, entities or parties as Distributor(s) and /or Sub-Distributor(s) for carrying on Distribution Function(s) at one or more location(s) on terms and conditions to be incorporated in distribution and /or sub-distribution agreement(s) to be entered into between the Distributor(s) and /or Sub-Distributor(s) and the Management Company:

Provided that the Management Company may also itself act as a Distributor for carrying on Distribution Functions and in such case also subcontract the Distribution Functions to a Sub-Distributor(s). The Distributor(s) and/or Sub-Distributor(s) shall act as the interface between the investors, the Management Company, the Registrar and the Trustee. Remuneration of the distributors shall be paid by the management company from the Front End Load or from its own sources.

5.1.6 Investment Facilitators

The Management Company may from time to time appoint Investment Facilitators at its own responsibility to assist it in promoting sales of Units on terms and conditions agreed between the Management Company and Investment Facilitators. Remuneration of the Investment Facilitators shall be paid by the management company from the Front End Load or from its own sources.

5.1.7 Record Keeping

The Management Company has the primary responsibility for all record keeping, regular determination and announcements of prices and for producing financial reports from time to time. However, the Trustee has the responsibility to ensure timely delivery to the Management Company of statements of accounts and transaction advices for banking and custodial accounts in the name and under the control of the Trustee. The Management Company shall provide the Trustee unhindered access to all records relating to the Trust.

5.2 Other Functions and Responsibilities of the Management Company

5.2.1 The Management Company shall manage the Scheme in the best interest of the Unit Holder(s), in good faith and to the best of its ability and without gaining any undue 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 Trust Deed and the Regulations and subject to any special exemptions granted by the Commission. Any purchase or sale of Investments made under any of the provisions of this Trust Deed shall be made by the Trustee according to the instructions of the Management Company in this respect, unless such instructions are in conflict with the provisions of this Trust Deed or the Regulations.

5.2.2 The Management Company shall comply with the provisions of the Rules, Regulations and this Trust 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 authorized officer(s) of the Management Company or by any nominee or agent appointed by the Management Company and any act or matter so performed shall be deemed for all the purposes of this Trust Deed to be the act of the Management Company. The Management Company shall be responsible for the acts and omissions of all persons to whom it may delegate any of its functions, as if these were its own acts and omissions and shall account to the Trustee for any loss in value of the Trust Property where such loss has been caused by its negligence or reckless or willful act and / or omission or of its officers, officials or agents.

5.2.3 The Management Company may from time to time appoint, remove or replace the Registrar to perform the Registrar Functions under intimation to the Trustee.

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

5.2.5 The Management Company shall not be under any liability except such liability as may be expressly assumed by it under the Rules/Regulations, the Trust Deed and Offering Document, nor shall the Management Company (save as herein otherwise provided) be liable for any act or omission of the Trustee nor for anything except for its own negligence or willful breach of duty. If for any reason it becomes impossible or impracticable to carry out the provisions of the Trust Deed and Offering Document, the Management Company shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.

5.2.6 The Management Company shall maintain at its principal office proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and

- expenditure of the Scheme, all transactions for the account of the Scheme and amounts received by the Scheme in respect of issue of Units and paid out by the Scheme on redemption of the 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.
- 5.2.7 The Management Company shall prepare and circulate an annual report, together with a copy of the balance sheet, income and expenditure account, cash flow statement, statement of changes in equity and the Auditor's report of the Scheme to the Trustee, the Unit Holder(s) and stock exchanges, on which the units of the Scheme are listed within three (3) months of the closing of the Accounting Date and balance sheet and income and expenditure accounts shall comply with the requirements set out in the Regulations.
- 5.2.8 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 (3) months of the close of the Accounting Period, ensuring compliance with the requirements set out in Schedule IV of the Regulations together with a statement containing the following information, namely:
- (a) Total number of Unit Holder(s); and
 - (b) Particulars of the pertinent personnel (executives, research and other) of the Management Company.
- 5.2.9 The Management Company shall within one (1) month of the closing of the first quarter (3 months) and third quarter (9 months) and within two (2) months of the closing of first half (6 months) of each Accounting Date, prepare and circulate to the Unit Holder(s), the Commission and stock exchanges, on which the units of the Scheme are listed balance sheet as at the end of that quarter, profit and loss account, cash flow statement and statement of changes in equity for that quarter, whether audited or otherwise. The Management Company may transmit the said quarterly accounts to the unit holders by placing them on the company's website subject to the approval of the Commission. However the Management Company shall make available the printed copy to the Unit Holder(s), free of cost, as and when requested.
- 5.2.10 The Management Company shall maintain a Register of Unit Holder(s) of the Scheme (either in physical or electronic form) and inform the Trustee and the Commission of the address where the Register is kept.
- 5.2.11 The Management Company shall with the consent of the Trustee, appoint at the establishment of the Scheme and upon any vacancy, the Auditor, from the approved list of auditors circulated by the Commission from time to time, who shall be a chartered accountant and independent of the auditor of the Management Company, and such Auditor shall not be appointed for more than five (5) consecutive years and contents of the auditors report shall be in accordance with the provisions of Schedule IV of the Regulations.
- 5.2.12 The Management Company shall, from time to time, advise the Trustee of the settlement instructions relating to any investment/ disinvestment transactions entered into by it on behalf of the Scheme. The Trustee shall carry out the settlements in accordance with the dictates of the specific transactions subjected to the terms of this Trust Deed, Offering Document and the Rules/Regulations. The Management Company shall ensure the settlement instructions are given promptly after entering into the transaction so as to facilitate timely settlement and the Trustee, on its side, shall ensure that the settlement is handled in a timely manner in accordance with dictates of the transaction subjected to the terms of this Trust Deed, Offering Document and the Rules/Regulations.
- 5.2.13 The Management Company obtain a rating of the Scheme, once the Scheme becomes eligible for

- rating as per the rating criteria of the rating agency, and such rating shall be updated at least once every financial year and also published in the annual and quarterly reports of the scheme.
- 5.2.14 The Management Company shall develop criteria for appointing a diverse panel of Brokers and monitoring compliance thereof to avoid undue concentration with any single Broker and shall intimate the same to the Trustee.
- 5.2.15 The Management Company shall nominate one or more of its officers to act as attorney(s) for performing the functions of Management Company and for interacting with the Trustee.
- 5.2.16 The Management Company may appoint investment advisors to assist in investing and managing the assets of the Scheme or to invest and manage part or whole of the assets of the Scheme abroad, at its own cost and discretion, provided that the Management Company will be responsible for all acts of such investment advisors. The advisor or custodian or trustee shall be of good standing and if so required licensed/registered in the relevant jurisdiction.
- 5.2.17 The Management Company may in consultation with the Trustee further appoint advisors and professionals other than mentioned in clause 5.2.16 above in offshore countries for making investments in offshore countries and/or for issuing Units to the investors in the offshore countries to determine the legal and regulatory requirements to be fulfilled by the Scheme, the Management Company and the Trustee and their respective obligations in relation thereto.

5.3 Restrictions on the Management Company

The Management Company shall not;

- (a) Merge with, acquire the management of another scheme, unless it has obtained the prior approval of the Commission in writing to do so;
- (b) pledge any of the securities held or beneficially owned by the Scheme except as allowed under the Regulations;
- (c) accept deposits from the Scheme;
- (d) make a loan or advance money to any person from the assets of the Scheme;
- (e) participate in a joint account with others in any transaction on behalf of the Scheme;
- (f) apply any part of assets of the Scheme to real estate ;
- (g) make any investment of the Scheme with the purpose of having the effect of vesting the management, or control over the affairs, of investee company by the Management Company or its group;
- (h) 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 investment adviser or asset management company;
- (i) undertake brokerage services on Stock Exchanges or in the money market;
- (j) enter into underwriting or sub-underwriting contracts on behalf of the Scheme; and
- (k) maintain its own equity portfolio except for the investments made into the schemes or pension funds being managed by it or its subsidiaries licensed as Non-Banking Finance

Companies under the Regulations.

6. CHANGE OF THE MANAGEMENT COMPANY

- 6.1 The Trustee may appoint a new management company with the prior approval of the Commission; by giving twenty one (21) days notice in writing to the Management Company on the happening of any of the following events:
- (a) the Management Company has willfully contravened the provisions of this Trust Deed in any material respect and has failed to rectify the contravention within a reasonable period after the contravention has come to its notice by the Trustee and/or by the Commission;
 - (b) the Management Company goes into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for purpose of reconstruction and amalgamation);
 - (c) a receiver is appointed over any of the assets of the Management Company.
 - (d) The Management Company has become ineligible to act as Management Company under the Rules and/or the Regulations.
- 6.2 If the Commission has cancelled the license of the Management Company under the provisions of the Regulations/Rules/Companies Ordinance, 1984, the Trustee shall appoint another asset management company as the management company for the Scheme according to the provisions of the Trust Deed, Offering Document, and the Regulations.
- 6.3 The Management Company may voluntarily retire at any time with the prior written consent of the Commission and the Trustee after giving a notice as per the Regulations.
- 6.4 The removal of the Management Company and appointment of a new management company shall always require the prior approval of the Commission and intimation of the same time to Trustee.
- 6.5 Upon a new management company being appointed, the Management Company shall take immediate steps to hand over all the documents and records pertaining to the Scheme to the new management company and shall pay all sums due to the Trustee.
- 6.6 Upon its appointment the new management company shall exercise all the powers and enjoy all the rights and shall be subject to all duties and obligations of the Management Company hereunder as fully as though such new management company had originally been a party hereto.
- 6.7 Notwithstanding the removal/resignation of the Management Company and its subsequent discharge from its duties under this Trust Deed and the Regulations, the Management Company shall remain entitled to the benefits under the terms of this Trust Deed without prejudice to the Management Company's responsibility or obligation to liquidate any liability for which the Management Company may have become liable under this Trust Deed and/or the Rules/Regulations.
- 6.8 Furthermore, the Trustee may immediately upon the issuance of notice of removal of the Management Company appoint auditors with the consent of the Commission from amongst the list of approved auditors issued by the Commission from time to time.
- 6.9 The auditors so appointed shall be other than the existing Auditors of the Scheme, the Management Company and the Trustee.

- 6.10 The auditors shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Trustee or the Commission.
- 6.11 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 the Commission, the Management Company and the new management company.
- 6.12 The costs of audit shall be shared equally by the outgoing Management Company, the new management company and the Scheme.

7. ROLE OF THE TRUSTEE

- 7.1 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 Regulations and the provisions of this Trust Deed and the Offering Document and the cash and registerable assets shall be registered in the name of, or to the order of, the Trustee.
- 7.2 The Trustee shall invest the Trust Property from time to time at the direction of the Management Company strictly in terms of the provisions contained and the conditions stipulated in this Trust Deed, the Offering Document and, the Regulations and the conditions (if any) which may be imposed by the Commission from time to time.
- 7.3 The Trustee shall have all the obligations entrusted to it under the Regulations, the Trusts Act 1882, this Trust Deed and the Offering Document.
- 7.4 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. Names of the authorized officers and any changes thereto shall be intimated to the Management Company.
- 7.5 The Trustee shall in consultation with the Management Company appoint and may also remove and replace from time to time one or more Bank(s) and/or other depository company, to act as the Custodian(s) for holding and protecting the Trust Property and every part thereof and for generally performing the custodial services at one or more locations and on such terms, as the Trustee and the Management Company may mutually agree and to be incorporated in custodial services agreement(s) to be executed between the Trustee and the Custodian(s):

Provided however, the Trustee may also itself provide custodial services for the Scheme with the approval of the Management Company at competitive terms as part of its normal line of business.

- 7.6 The Trustee shall comply with the provisions of this Trust Deed for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee in consultation with 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 Scheme for any loss in value of the Trust Property where such loss has been caused by negligence or any reckless act and/or omission of the Trustee or any of its directors, officers, nominees or agents.

- 7.7 The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holder(s). The Trustee shall not be under any liability on account of anything done or suffered by the Scheme, 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 Trust Deed or the Regulations. Whenever pursuant to

any provision of this Trust 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 for managing and keeping records of the funds managed by the Management Company and to the satisfaction of the Trustee. The Management Company shall advise the Trustee of software solution adopted by the Management Company for the purposes hereof;
- (c) third party evidence where required such as broker contract, bills, etc in relation to (a) and (b) the above; and
- (d) the instructions shall be given electronically to the Trustee based on distinctive user IDs and passwords allocated to authorized person(s) of the Management Company through a computerized system for which both the parties i.e. the Management Company and the Trustee have agreed in writing. In case of any error or omission occurring in electronic system due to system malfunction or any instruction(s) based on such system contain any error or omission due to the above malfunction, the Trustee and the Management Company not knowing the fact will act in the best interests of the Scheme and the Unit Holders.

- 7.8 The Trustee shall not be liable for any loss caused to the Scheme or to the value of the Trust Property due to any elements or circumstances beyond its reasonable control.
- 7.9 The Trustee shall carry out the instructions of the Management Company in all matters including investment and disposition of the Trust Property unless such instructions are in conflict with the provisions of this Trust Deed and the Offering Document and/or the Regulations and/or any other applicable law.
- 7.10 The Trustee shall ensure that the sale, purchase, issue and transfer of Units effected by the Scheme and repurchase, redemption and cancellation of Units effected by the Scheme are carried out in accordance with the provisions of this Trust Deed, the Offering Document and the Regulations.
- 7.11 The Trustee shall ensure that the investment and borrowing limitations set out in the Regulations, this Trust Deed and the Offering Document and the conditions under which the Scheme has been registered are complied with.
- 7.12 The Trustee shall make available or ensure that there is made available to the Management Company such information as the Management Company may reasonably require from time to time in respect of the Trust Property and all other matters relating to the Scheme.
- 7.13 The Trustee shall issue a report to the Unit Holders included in the annual report and second quarterly report of the Scheme whether in its opinion, the Management Company has in all material respects managed the Trust Property in accordance with the provisions of the Regulations, this Trust Deed and the Offering Document and if the Management Company has not done so, the steps the Trustee has taken in respect thereof.
- 7.14 The Trustee shall be entitled to require the Auditor 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 Regulations. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible.

7.15 The Trustee shall, if requested by Management Company or if it considers necessary for the protection of Trust Property or safeguarding the interest of Unit Holder(s), institute or defend any suit, proceeding, arbitration or inquiry or any corporate or Unit Holder(s) action in respect of the Trust Property or any part thereof, with full powers to sign, swear, verify and submit pleadings and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized directors and officers. All reasonable costs, charges and expenses (including reasonable legal fees) incurred in instituting or defending any such action shall be borne by the Scheme 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 Scheme under this Trust Deed or the Regulations. For the avoidance of doubt it is clarified that notwithstanding anything contained in this Trust 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 Scheme arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or Unit Holder action or otherwise howsoever and (save as herein otherwise provided), all such losses, claims, damages and other liabilities shall be borne by the Scheme.

7.16 Neither the Trustee or the Custodian (if Trustee has appointed another person as Custodian) nor the Management Company or any of their Connected Persons shall sell or purchase or deal in the sale of any Investment or enter into any other transaction with the Scheme save in the capacity of an intermediary.

7.17 Subject to the Regulations, any transaction between the Scheme and the Management Company or any of their respective Connected Persons as principal shall only be made with the prior written consent of the Trustee.

7.18 The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Regulations and this Trust 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 Trust Deed the Trustee shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted, to be done in good faith hereunder.

7.19 The Trustee shall ensure that the Management Company has specified criteria in writing to provide for a diverse panel of brokers at the time of 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.

7.20 The Trustee shall ensure that Units of the Scheme have been issued after realization of subscription money. For this purpose the Management Company shall provide the Trustee with the summary of investments in the Scheme on regular basis.

7.21 The Trustee shall ensure that 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 this Trust Deed, the Offering Document and the Regulations.

8. CHANGE OF THE TRUSTEE

8.1 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.

- 8.2 In circumstances where the Commission is of the opinion that the Trustee has been in violation of the Rules/ Regulations or this 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.
- 8.3 The Commission may either on its own or on the recommendation of the Management Company remove the Trustee by giving at least twenty one (21) days notice in writing to the Trustee in case 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 Scheme under the provisions of the Regulations.
- 8.4 The Management Company may giving cogent reasons apply to the Commission for the change of the Trustee by simultaneously proposing the appointment of a new trustee. The Commission, if satisfied with the circumstances and reasons for the change applied for, may accord approval for appointment of a new trustee. Provided the removal of the Trustee on this ground shall per se, not constitute an admission of any default or non-compliance on part of the Trustee.
- 8.5 Upon the appointment of a new trustee the Trustee shall immediately hand over all the documents and records to the new trustee and shall transfer all the Trust Property and any amount deposited in any Bank Account(s) to the new trustee and make payments to the new trustee of all sums due from the Trustee. All dues of the Trustee upto the appointment of new trustee shall be settled accordingly from the Scheme.
- 8.6 The new trustee shall exercise all the powers and enjoy all the rights and shall be subject to all duties and obligations of the Trustee hereunder as fully as though such new trustee had originally been a party hereto.
- 8.7 Notwithstanding the removal / resignation of the Trustee and its subsequent discharge from its duties under this Trust Deed and the Regulations, the Trustee shall remain entitled to the benefit under the terms of this Trust Deed without prejudice to the Trustee's responsibility or obligation to liquidate any liability for which the Trustee may have become liable under this Trust Deed and / or the Regulations.
- 8.8 The Management Company shall ensure that accounts of the Scheme till the day of the appointment of the new Trustee are audited by the Auditors of the Scheme and the audit report is submitted, within one (1) month from the date of such appointment, to the Commission, the newly appointed trustee and the Management Company.
- 8.9 Further, the Management Company may immediately upon the issuance of notice of removal of Trustee appoint auditors with the consent of the Commission from amongst the list of approved auditors issued by the Commission from time to time.
- 8.10 The auditors so appointed shall be other than the existing auditors of the Scheme, the Management Company and the Trustee.
- 8.11 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 the Commission.

- 8.12 The auditor shall submit the report for the audit to the Management Company not later than thirty (30) Business Days from their appointment. A copy of the report shall also be provided to the Commission, outgoing Trustee and the new trustee.
- 8.13 The cost of such audit shall be shared equally by the outgoing Trustee, the new trustee and the Scheme.

9. INVESTMENT OF THE TRUST PROPERTY AND INVESTMENT RESTRICTIONS

9.1 Investment Objective

The Scheme shall seek long-term capital growth by investing primarily in a diversified pool of equities and equity related investments.

9.2 Investment Policy

The Scheme shall construct a diversified portfolio of equity and other investments.

The equity stocks shall be evaluated based on a combination of growth and value parameters. The best companies shall then be chosen from each sector. The final portfolio shall be determined taking into consideration the relative attractiveness of each sector

The fund may also invest in equity related investments, debt securities, short/medium/long term fixed income securities as well as derivatives (for hedging only) for purposes of diversification and when it has bearish view of stock market.

The fund shall invest in the asset classes mentioned in clause 36.5 of this Trust Deed under the heading Authorized Investment.

9.3 Investment of the Trust Property

- 9.3.1 During and prior to the commencement of the Initial Period the Trustee shall hold the Trust Property on deposit in a separate account(s) with a schedule bank(s) having at least, a investment grade rating by a credit rating agency approved by the Commission and approved by the Management Company. After the Initial Period all Trust Property, except in so far as such cash may in the opinion of the Management Company be required for transfer to the Distribution/Redemption Account, shall be invested by the Trustee from time to time in such Authorized Investment as may (subject always to the provisions of this Trust Deed, Offering Documents and the Regulations) be directed by the Management Company.
- 9.3.2 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 or to provide cash required for the purpose of any provision of this 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 Investment shall be realized and the net proceeds of realization shall be applied in accordance with this clause:
- 9.3.3 The purchase or sale of any Investment in listed securities for the account of the Scheme shall be made on the Stock Exchange, through a Broker who must be a member of the Stock Exchange, unless the Management Company is satisfied that it is possible and permissible under the rules and regulations to make such purchase or sale more advantageously in some other manner.

9.3.4 The broker(s) shall be appointed by the Management Company, from time to time, under intimation to Trustee. The Management Company shall specify a criteria for providing a divest panel of brokers at the time of the offering of the Scheme and avoid undue concentration with a single broker following the limitations specified in Clause 45 (5)(h) of the Regulations. The Management Company shall not employ as a Broker, directly or indirectly, any director, officer or employee of the Management Company or member of the family of such person

Explanation: For the purposes of this Section the term “family” includes spouse, lineal ascendants and descendants and brothers and sisters.

9.4 Investment and Exposure Restrictions

9.4.1 The Trust Property shall be subject to such exposure limits as are provided in the Regulations (subject to any exemptions that may be specifically given to the Scheme by the Commission):

Provided that it shall not be necessary for the Trustee to sell any Investment merely because owing to appreciation or depreciation of any Investment or disposal of any Investments such limit shall be exceeded. The Management Company shall have three (3) months to comply with the exposure limits in case such limits are exceeded.

9.4.2 The exposure of the Scheme to any person shall not, at any time, exceed an amount equal to ten per cent (10%) of total Net assets of the Scheme or ten per cent (10%) of issued capital of that person, whichever is lower:

Provided that where exposure of the Scheme exceeds the limits so specified because of corporate actions including taking up rights or bonus issue, and due to market price increase or decrease in Net Assets due to redemptions the excess exposure shall be regularized within three (3) months of the breach of limits unless the said period of three (3) months is extended up to another three (3) months by the Commission on an application by the Management Company.

9.4.3 Cumulative exposure by all the schemes (including the Scheme), managed by the Management Company, to a single person shall remain below forty nine per cent (49%) of issued capital of that person:

Provided that the Management Company shall comply with the conditions, including divestment by a scheme, as may be specified by the Commission from time to time.

9.4.4 The Scheme shall not invest more than twenty five per cent (25%) of its Net Assets in securities of any one sector as per classification of the pertinent Stock Exchange(s).

9.4.5 The Management Company shall not take exposure of more than:

- (a) thirty five per cent (35%) of Net Assets of the Scheme in any single group; and
- (b) ten per cent (10%) of Net Assets of the Scheme at the time of taking exposure in listed group companies of the non-banking finance company holding license of asset management services and such exposure shall only be made through the secondary market.

9.4.6 The Scheme shall not make total investments in a pre-initial public offering (Pre-IPO) in excess of fifteen per cent (15%) of its Net Assets, subject to the investment limits prescribed under the Regulations.

9.4.7 The Trust Property shall not be invested in any security of a company if any director or officer of the Management Company or any of their Connected Persons own 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 or any of their Connected Persons own more than ten per cent (10%) of those securities.

9.4.8 The Scheme shall not purchase from or sell any security to the Management Company or the Trustee or to any director, officer or employee of the Management Company or Trustee or to any person who beneficially owns ten per cent (10%) or more of the equity of the Management Company or the Trustee, save in the case of such party acting as an intermediary.

9.4.9 The Scheme shall not at any time:

- (a) effect a short sale in a security whether listed or unlisted;
- (b) purchase any security in a forward contract;
- (c) purchase any security on margin;
- (d) apply any part of its assets to real estate, commodities or commodity contracts;
- (e) acquire any security of which another asset management company managing a scheme is the issuer;
- (f) issue at any time, without the prior approval of the Commission in writing, a senior security which is either stock or represents indebtedness;
- (g) apply for de-listing from Stock Exchange, unless it has obtained prior approval of the Commission in writing to the scheme of de-listing;
- (h) lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.
- (i) participate in a joint account with others in any transaction;
- (j) borrow, except with the approval of the Trustee, for meeting redemption request and such borrowing shall not exceed fifteen per cent (15%) of the total Net Assets of the Scheme at the time of borrowing and shall be repayable within a period of ninety (90) days.

9.4.10 In case investments are made on behalf of the Scheme in any offshore countries, the same shall be subject to the limits as may be prescribed by the SBP and/or the Commission.

9.5 Exception to Investment Restrictions

In the event the weightages of securities exceed the limits laid down in the Offering Document or the Regulations as a result of the relative movement in the market prices of the Investments or through any disinvestments, the Management Company shall bring the exposure within the prescribed limits within three (3) months of the event. The Management Company shall not invest further in such securities while the deviation exists. However, this restriction on further Investment shall not apply to any offer of right shares and bonus shares.

9.6 Risk Disclosure

Investors in the IGI Stock Fund are advised that all investments in mutual funds and securities are subject to market risks. Risks include but are not limited to:

Market Risk

Since this Scheme invests most of its assets in stocks, it is subject to stock market risk. Market risk involves the possibility that the value of the Scheme's investments in stocks will decline due to drops in the stock market. In general, the value of the Scheme will move in the same direction as the overall stock market, which will vary from day to day in response to the activities of individual companies and general market and economic conditions.

Value Stocks Risk

Value stocks are subject to the risk that their intrinsic value may never be realized by the market or that their prices may go down. While the Scheme's investments in value stocks may limit its downside risk over time, the Scheme may produce more modest gains than riskier stock funds as a trade-off for this potentially lower risk.

Securities Selection Risk

Securities selected by a sub-advisor for the Scheme may not perform to expectations. This could result in the Scheme's underperformance compared to other funds with similar investment objectives.

Investment Risk

An investment in the Scheme is not a deposit of a bank and is not insured or guaranteed by any insurance company or any other government agency. When the Unit Holder sells his Units, they could be worth less than what he paid for them. Therefore, the Unit Holder may lose money by investing in the Scheme.

Currency Risk

The Scheme may be affected favorably or unfavorably by changes in currencies and exchange control regulations. The income earned by the Scheme may also be affected by foreign exchange rates.

Government Regulation Risk

Government policies or regulations are more prevalent in some sectors than in others. Schemes that invest in these sectors may be affected due to change in these regulations or policies, which directly or indirectly affect the earnings and / or the cash flows and / or any governmental or court orders restraining payment of capital, principal or income.

Derivative Risk

Derivatives may be used to limit or hedge potential fund losses associated with capital markets and return/mark-up/coupon rates. This process is called "hedging". Derivatives may also be used for non-hedging purposes - to reduce transaction costs, achieve greater liquidity, create effective exposure to financial markets or increase speed and flexibility in making portfolio changes. Any use of derivatives has risks, including;

- (a) The hedging strategy may not be effective
- (b) There is no guarantee that a market shall exist when the Scheme wants to buy or sell the derivative contract.
- (c) A large percentage of the assets of the Scheme may be placed on deposit with one (1) or more counter parties.

- (d) There is no guarantee that an acceptable counterpart shall be willing to enter into a derivative contract.
- (e) The counter party to the derivative contract may not be able to meet its obligations.
- (f) The Stock Exchange(s) on which the derivative contracts are traded may set daily trading limits, preventing the Scheme from closing out a particular contract.
- (g) If a Stock Exchange halts trading in any particular derivative contract, the Scheme may not be able to close out its position in that contract.
- (h) The price of the derivative may not accurately reflect the value of the underlying security or index.

Voluminous Purchase / Redemption of the Scheme Units Risk

Any significant transaction made by an investor could significantly impact the Scheme's cash flow. If the investor(s) buys a large number of Units of the Scheme, the Scheme may temporarily have a high cash balance. Conversely, if the Unit Holder(s) redeems a large number of Units, the Scheme may be required to fund the redemption by selling securities at an inopportune price. This unexpected sale may have a negative impact on the performance of the Investment.

Other Risks Involved

- (a) Mismanagement of the investee company, third party liability whether through class action or otherwise or occurrence of other events such as strikes, fraud etc., in the company in which the investment is made.
- (b) Breakdown of law and order, war, terrorist activity, natural disasters etc.
- (c) Senior rights of some creditors over other creditors in the event of winding up.

The Management Company shall incorporate adequate safeguards for controlling the risks in the portfolio construction process. The risk control process would include reducing risks through portfolio diversification and altering the various types of investments depending on market conditions. Moreover, in order to counter the judgment risk, the Management Company has employed qualified personnel with professional experience in the investments department.

10. BORROWING AND BORROWING RESTRICTIONS

- 10.1 Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Management Company may make varying arrangements with Banks or other Financial Institutions for borrowing with the approval of the Trustee for the account(s) of the Scheme provided that borrowing shall not be resorted to, except for meeting redemption request.
- 10.2 The charges payable to any Bank or Financial Institution against borrowings on account of the Scheme as permissible under Clause 10.1 above, shall not be higher than the normal prevailing Bank charges or normal market rates.
- 10.3 The maximum borrowing for the account of the Scheme shall not exceed fifteen per cent (15%) of the total Net Assets of the Scheme at the time of the borrowing or such other limit as may be provided in the Regulations and shall be repayable within a period of ninety (90) days. If subsequent to such borrowing, the Net Assets are reduced as a result of depreciation in the market value of the Trust Property or redemption of Units, the Management Company shall not be under any obligation to reduce such borrowing.

- 10.4 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.
- 10.5 For the purposes of securing any such borrowing the Trustee may upon the written request of the Management Company mortgage, charge or pledge in any manner all or any part of the Trust Property provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limits provided under the Regulations and / or any law for the time being in force.
- 10.6 Neither the Trustee nor the Management Company shall incur any liability by reason of any loss to the Scheme or any loss that a Unit Holder(s) may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangement made hereunder in good faith.

11. VALUATION OF THE TRUST PROPERTY AND PRICING

11.1 Valuation of the Trust Property

The method of determining the value of the assets and liabilities of the Trust Property and the Net Assets shall be in compliance with the Regulations and is stated herein below:

- (a) a security listed on a Stock Exchange, local or foreign as the case may be, shall be valued at its last sale price on such exchange on the date on which it is valued or if such exchange is not open on such date, then at its last sale price on the next preceding date on which such exchange was open and if no sale is reported for such date the security shall be valued at an amount neither higher than the closing asked price nor lower than the closing bid price;
- (b) a debt security listed but not traded regularly on a Stock Exchange shall be valued at the average rate, notified by the Mutual Funds Association of Pakistan based on the average rates quoted by top three brokers, in terms of volume traded during last three months in that debt security, and record of such rates shall be maintained by the Management Company for a period of at least three (3) years;
- (c) an Investment purchased and awaiting payment against delivery shall be included for valuation purposes;
- (d) an Investment sold but not delivered pending receipt of proceeds shall be valued at the net sale price;
- (e) the value of any dividends, bonus shares or rights which may have been declared on securities in the Trust Property but not received by the Scheme as of the close of business on the valuation date shall be included as assets of the Scheme if the security upon which such dividends, bonuses or rights were declared is included in the assets and is valued ex-dividend, ex-bonus or ex-rights as the case may be;
- (f) mark-up accrued on any mark-up-bearing security in the Trust Property shall be included as an asset of the Scheme if such accrued mark-up is not otherwise included in the valuation of the security;
- (g) any other income accrued upto the date on which computation was made shall also be included in the assets;
- (h) all liabilities, expenses and other charges due or accrued up to the date of computation

which are chargeable under this Trust Deed, the Offering Document and the Regulations and taxes shall be deducted from the value of the assets;

- (i) the remuneration accrued up to the date of computation payable to the Management Company, as the case may be, for providing management and other services shall be included as an expense;
- (j) 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;
- (k) 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; and
- (l) any such method of valuation of assets and liabilities as may be specified or modified by the Commission from time to time.
- (m) In respect of investments held in foreign currencies, the same shall be translated in Pakistan Rupees using the closing buying spot rates declared by the State Bank of Pakistan at each balance sheet date.

11.2 Determination of Offer Price

11.2.1 During the Initial Offer, the Units shall be offered at the Initial Offer Price. The offer and issuance of Units during the Public Offering shall be conducted during the period specified in the Offering Document. After the Initial Period, the Offer Price shall be calculated and announced by the Management Company on Subscription Days only and in accordance with the Regulations.

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

- (a) the Net Asset Value as of the close of Business Day;
- (b) any Front-end Load;
- (c) such amount as the Management Company may consider being 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 Paisa.

11.2.3 The Offer Price shall be calculated on each Subscription Day.

11.2.4 The Offer Price so determined shall apply to purchase requests for which funds have been realized in the Bank Account from the investor, complete in all respects made and received by the authorized personnel of the Authorized Transaction Location (ATL) or Management Company during the business hours (as announced by the Management Company from time to time) on any Business Day. Provided that if a Business Day is not a Subscription Day the Offer Price calculated on the next Subscription Day shall apply to the purchase request.

11.2.5 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 11.2.2(c) above is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (including where such excess arises from any Duties and Charges levied

with retroactive effect after the date of payment).

- 11.2.6 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 11.2.2(c) exceeds the relevant amount of Duties and Charges, the Registrar shall issue additional Units or fractions thereof to the Unit Holder(s) based on the price applicable to the Units issued against the relevant application.
- 11.2.7 The Offer Price determined by the Management Company shall be made available to the public at the official website and branches of the Management Company and at the discretion of the Management Company may also be published in any number of daily newspapers widely circulated in Pakistan.

11.3 Allocation of Front End Load

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 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 Fund 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.

Such payments may be made to the Management Company by the Trustee on the instruction of the Management Company on any frequency as mutually agreed.

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.

11.4 Determination Of Redemption Price

- 11.4.1 During the Initial Period, the Units shall not be redeemed.
- 11.4.2 After the Initial Period, the Redemption Price shall be equal to the Net Asset Value as of the close of the Business Day less:
- (a) any Back-end Load; and
 - (b) such amount as the Management Company may consider an appropriate provision for Duties and Charges; and
 - (c) such amount as the Management Company may consider an appropriate provision for Transaction Costs;

such amount to be adjusted downwards to the nearest Paise.

- 11.4.3 The Redemption Price shall be calculated on each Subscription Day.
- 11.4.4 The Redemption Price so determined shall apply to redemption requests, complete in all respects made and received by the authorized personnel of the ATL and / or the Management Company during the subscription hours (as announced by the Management Company from time to time) on that Business Day. Provided that if the Business Day is not a Subscription Day the Redemption Price calculated on the next Subscription Day shall apply.

- 11.4.5 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 11.4.2(b) above is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (including where such excess arises from any Duties and Charges levied with retroactive effect after the date of payment).
- 11.4.6 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 11.4.2(b) above exceeds the relevant amount of Duties and Charges, the Trustee shall refund such excess amount to the relevant Holders with the next income distribution or if instructed by the Management Company, at any time earlier.
- 11.4.7 The Redemption Price determined by the Management Company shall be made available to the public at the official website and branches of the Management Company and at the discretion of the Management Company may also be published in any number of daily newspapers widely circulated in Pakistan.

11.5 Allocation of Back End Load:

Any Back-end Load received by the management company on redemption of units shall accrue to the fund as income.

12. DEALING, SUSPENSION AND DEFERRAL OF DEALING

12.1 Issuance of Units

- 12.1.1 The Management Company shall be responsible for obtaining all requisite consents and approvals for the offer and issue of Units and for the issue, compilation and publication or circulation of the Offering Document.
- 12.1.2 Application for issuance of Units shall be made by an investor by completing the prescribed application form and submitting it with the payment by cheque, bank draft, pay order, or credit card etc. in favor of the Trustee and crossed "Account Payee Only" at an ATL. The application for issuance of the Units and the specimen signature of each investor shall be provided to the Registrar and a copy may be retained by the relevant ATL, if so required by the Management Company. The authorized personnel of the ATL shall verify the particulars given in the application for issuance of Units and the documents submitted therewith.
- 12.1.3 Units shall be issued on the Offer Price announced by the Management Company for the applications for which funds have been realized along with the completed application form(s) received at the ATL within the subscription hours (as announced by the Management Company via the company website from time to time) on a Subscription Day. If the application submitted by the investor is incomplete in any aspect, the investor shall have a maximum of fifteen (15) calendar days to ensure submission of all required documents and overall completion of the application. An investor shall be provided a confirmation statement within seven (7) Business Days after the issuance of Units subject to the completion of application in all respects.
- 12.1.4 Each investor shall be liable to pay the 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, levies etc 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.
- 12.1.5 The Units shall be issued in fractions upto four decimal points, only against receipt of full payment.

12.2 Redemption Of Units

- 12.2.1 The Trustee shall at any time during the life of the Scheme on the instruction of the Management Company authorize redemption of Units out of the Trust Property.
- 12.2.2 Application for redemption of Units shall be made by completing the prescribed application form for redemption and submitting it at an ATL. Application for redemption shall be retained by authorized personnel of the ATL and a copy may be supplied to the Registrar, if so required by the Management Company. The Management Company may make arrangements to accept redemption requests through electronic means such as online, ATMs or other means of electronic, telephonic or mobile communications. The Unit Holders shall be entitled to redeem part of their Units, however in case where a Certificate is issued the Holder is required to comply with the provisions contained in sub-clause 29.1. The application for redemption of Units shall be accompanied by the relevant Certificate, if issued, duly endorsed on the reverse. In case of applications for redemption by joint Holders, any Holder may sign the redemption form if he is so authorized by all joint Holders.
- 12.2.3 The Trustee may at its option dispense with the production of any Certificate that shall have become lost, stolen or destroyed upon compliance by the Unit Holder(s) with the like requirements to those arising in the case of any application by him for the replacement thereof, as per sub-clause 29.2.
- 12.2.4 The price at which Units shall be redeemed shall be the Redemption Price announced by the Management Company. The Redemption Price shall be announced by the Management Company on each Subscription Day. Unit(s) shall be redeemed based on the Redemption Price announced by the Management Company of the day on which the Unit Holder submits a complete and correctly filled redemption form to the ATL within the subscription hours (as announced by the Management Company via the company website from time to time) on a Subscription Day. If the application submitted by the Unit Holder is incomplete in any aspect, or if the Rupee amount / number of Unit(s) stated in the redemption request is in excess of the Unit Holder's account value then the redemption request shall be rejected and the Unit Holder(s) shall be notified of the same.
- 12.2.5 The amount payable on redemption shall be paid to the Holder or in the case of joint Holders, the first named joint Holder by crossed cheque or direct transfer to his designated Bank account after receipt of a properly documented request for redemption of the Units in terms of this Trust Deed, or via ATM / electronic means (subject to terms and conditions as announced by the Management Company) provided that redemption is not suspended in terms of this Trust Deed.
- 12.2.6 Authorized personnel of the ATL shall verify the particulars given in the application for redemption of Units and documents submitted therewith. The signature of any Holder or joint Holder to any document required to be signed by him under or in connection with the application for redemption of Units may be verified by authorized personnel and authenticated to their reasonable satisfaction.
- 12.2.7 Redemption applications shall be received at ATLs on Business Days only. Payments for Units so redeemed shall be made within six (6) Business Days of the date of receipt of such application; provided that in the event redemption requests on any day exceed ten per cent (10%) of the Units in issue, the Management Company may invoke a queue system as stated in sub-clause 12.7.
- 12.2.8 The sale, redemption and transfer of Units and any other dealings in the Units may be carried out On-line and via other means as may be approved by the Commission, with the consent of the Trustee (which consent shall not be unreasonably withheld or delayed), to the extent permitted by and in accordance with applicable law.
- 12.2.9 In all cases the amount payable on Redemption shall be considered paid by the Trustee if either:
- (a) The amount of Redemption has been transferred to the designated Bank account provided by the Unit Holder at the time of submission of account opening form / change request

form provided that the Scheme has a business relationship with that Bank; or

- (b) The payment instrument has been delivered and duly acknowledged by the Unit Holder or his representative (as per Unit Holder authorization in the redemption form). If several persons are registered as joint Holders any one of them may give effectual receipt for such payment; or
- (c) For payments received via any other mode of redemption, as maybe introduced by the Management Company in consultation with the Trustee, shall be deemed discharged as per the guidelines published and made available to the Unit Holder(s) by the Management Company from time to time.

12.3 Issue and Redemption of Units Outside Pakistan

- 12.3.1 The Management Company shall make arrangements, from time to time, for receiving purchase and redemption requests from outside Pakistan and shall disclose these arrangements through its website and its Distributors and agents outside Pakistan.
- 12.3.2 The Offer Price applicable to purchase requests received from outside Pakistan shall be the Offer Price applicable on the date the Trustee receives the payments, along with the completed application forms, from international investors provided it is a Subscription Day otherwise the Offer Price of the next Subscription Day shall apply.
- 12.3.3 The Redemption Price applicable to redemption requests received from outside Pakistan shall be the Redemption Price applicable on the date the Trustee receives the completed application forms, from international investors provided it is a Subscription Day otherwise the Redemption Price of the next Subscription Day shall apply.
- 12.3.4 The Offer and Redemption Price shall be in Pak rupee terms and the Scheme shall not carry any exchange risk. The investor shall invest at the exchange rate prevailing at that time and payments shall be made in Pakistani rupees and investor shall be responsible for converting it into dollars or any other foreign currency.

12.4 Temporary Change in the Method of Dealing

Under the extraordinary circumstances mentioned in the sub-clause 12.5.1, the Management Company may request the Trustee to approve a temporary change in the method of dealing in Units. Such approval shall not be unreasonably withheld. The Management Company may, at any stage, suspend the dealing of Units and for such periods it may so decide.

12.5 Suspension of Redemption of Units

- 12.5.1 The redemption of Units may be suspended during extraordinary circumstances including:
 - (a) closure of one or more Stock Exchanges on which any of the securities invested in by the Scheme are listed; or
 - (b) the existence of a state of affairs like the event of war (declared or otherwise), natural disasters, and a major break down in law and order which in the opinion of the Management Company constitutes an emergency as a result of which disposal of any Investment would not be reasonably practicable or might seriously prejudice the interest of the Scheme or of the Unit Holder(s); or
 - (c) a break down in the means of communication normally employed in determining the price of any Investment; or

- (d) 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 Holder(s) to redeem Units at a price so determined in accordance with the Net Asset Value (NAV).

12.5.2 The Management Company may announce a suspension or deferral of redemption and such a measure shall be taken to protect the interest of the Unit Holder(s) in the event of extraordinary circumstances or in the event redemption requests accumulate in excess of ten per cent (10%) of Net Assets.

12.5.3 The Management Company shall immediately notify the Commission if redemption in Units ceases or is suspended and the fact that redemption is suspended shall also be published immediately following such decision in the two newspapers, one in Urdu and One in English widely circulated in Pakistan.

12.5.4 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 Trust Deed exists.

12.6 Suspension of Fresh Issue of Units

12.6.1 The Management Company may at any time, subject to the Regulations, as may be modified from time to time and during extraordinary circumstances mentioned in clause 12.5.1 suspend issuance of fresh Units.

12.6.2 Such suspension may however not affect existing Unit Holders for the issue of bonus Units as a result of profit distribution or the option to receive dividends in the form of additional Units. The Management Company shall announce the details of exemptions at the time a suspension of fresh issue is announced.

12.6.3 The Management Company shall immediately notify the Commission if fresh issuance of Units is suspended and shall also have the same published, immediately following such decision, in the two newspapers, one in Urdu and One in English widely circulated in Pakistan..

12.7 Queue System

12.7.1 In the event redemption requests on any day exceed ten per cent (10%) of the number of Units outstanding, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for upto ten per cent (10%) of the Units in issue.

12.7.2 The Management Company shall proceed to sell adequate assets of the Scheme and / or arrange borrowing as it deems fit in the best interest of the Unit Holder(s) and shall determine the Redemption Price to be applied to the redemption requests based on such action.

12.7.3 Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same Business Day, such requests shall be processed on a proportional basis proportionate to the size of the requests.

12.7.4 The requests in excess of the ten per cent (10%) shall be treated as redemption requests qualifying for being processed on the next Business Day at the price to be determined for such redemption requests.

12.7.5 If the carried over requests and the fresh requests received on the next Business Day still exceed ten per cent (10%) of the Units in issue or ten per cent (10%) of the Net Assets of the Scheme,

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 per cent (10%) of the Units then in issue.

12.8 Winding up in View of Major Redemptions

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

12.9 Permanent Change in the Method of Dealing

A permanent change in the method of dealing shall be made after expiry of one (1) month's notice to Unit Holders and with the approval of Trustee.

13. FEES AND CHARGES

13.1 Maximum Sales Load

13.1.1 The Management Company may charge a maximum of five per cent (5%) of the Net Asset Value as Front-end Load included in the Offer Price of the Scheme.

13.1.2 The Management Company may charge a maximum of five per cent (5%) of the Net Asset Value as Back-end Load deducted from the Net Asset Value of the Scheme in determination of the Redemption Price of the Scheme.

13.2 Remuneration of the Management Company

13.2.1 A remuneration of an amount not exceeding three per cent (3%) of the average annual Net Assets of the Scheme as defined under the Regulations during the first five (5) years and two per cent (2%) of the average annual Net Assets of the Scheme for the rest of the Scheme's existence.

13.2.2 The remuneration shall begin to accrue from the close of the Initial Offer Period, and this shall be intimated to the respective Pre-IPO and IPO investor. In respect of any period other than an Accounting Period such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued in proportion to the total number of days accrued in the Accounting Period concerned.

13.2.3 The Management Company shall be entitled to be paid monthly in arrears, accrued remuneration duly verified by the Trustee within seven (7) business days after the end of each calendar month.

13.2.4 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 Scheme.

13.2.5 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 Trust Deed.

- 13.2.6 The Management Company shall however not make any further material charge against the Unit Holder(s) nor against the Trust 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 the Trust Deed to be payable out of Trust Property.
- 13.2.7 The Distribution Company or Sub-Distribution Company or any Investment Facilitator employed by the Management Company shall be entitled to a remuneration payable by the Management Company in terms to be agreed between the Management Company and the Distribution Company / Facilitator / Sub-Distribution Company.
- 13.2.8 The Management Company may announce different Units with reduced levels of Management Fee, and shall prescribe the way of compensating such classes of Units through the Offering Document or supplementary Offering Document.

13.3 Remuneration of the Trustee

- 13.3.1 The Trustee shall be entitled to a monthly remuneration out of the Trust Property determined in accordance with **Annexure “C”**. The remuneration shall begin to accrue from the expiry of the Initial Period. For any period other than a full calendar month 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 in the calendar month concerned.
- 13.3.2 Such remuneration shall be paid to the Trustee in arrears within seven (7) Business Days after the end of each calendar month.
- 13.3.3 In consideration of the foregoing and save as aforesaid and the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with their duties as Trustee of the Scheme.
- 13.3.4 The Trustee shall bear all expenditures in respect of their secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of this Trust Deed.
- 13.3.5 Any increase in the remuneration of the Trustee agreed to by the Management Company shall require the approval of the Commission.
- 13.3.6 The Trustee shall however not make any further material charge against the Unit Holder(s) nor against the Trust 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 the Trust Deed to be payable out of Trust Property.

13.4 Formation Costs

- 13.4.1 All expenses incurred in connection with the establishment and authorization of the Scheme including execution and registration of the Constitutive Documents, issue, legal costs, printing, circulation and publication of the Offering Document, announcements describing the Scheme and all expenses incurred during the Initial Period shall be borne by the Management Company and shall be reimbursable by the Scheme subject to the audit of expenses.
- 13.4.2 Formation Costs shall be charged to the Scheme which are estimated at and shall not exceed one per cent (1%) of the Pre-IPO investment or rupees five million (Rs. 5,000,000/-) which ever is lower and shall be reimbursable by the Scheme subject to the audit of expenses.
- 13.4.3 Formation Cost shall be amortized over a period not less than five (5) years or any other period that may be specified by the Commission.

13.4.4 The Management Company shall ensure the compliance of clause 69(4) of the Regulations.

13.5 Other Costs and Expenses Payable by the Scheme

In addition to the remuneration of the Management Company and the Trustee and the Formation Costs as detailed herein above following costs and expenses are payable by the Scheme:

- (a) remuneration of both local & international trustee or custodian;
- (b) listing fee payable to the Stock Exchange including renewals;
- (c) charges and levies of Stock Exchanges, national clearing and settlement company, depository charges;
- (d) rating fee of the Scheme payable to approved rating agency;
- (e) auditors' fees and related expenses;
- (f) any fee payable to the Commission;
- (g) brokerage and Transaction Costs related to investing and disinvesting of the Trust Property;
- (h) expenses incurred by the Trustee in effecting registration of all registerable assets in the name of the Trustee;
- (i) legal and related costs incurred in protecting or enhancing the interest of the Unit Holder(s) of the Scheme.
- (j) Bank charges and borrowing / financial costs;
- (k) hedging costs including forward cover, forward purchase or option purchase costs;
- (l) taxes, fees, cess, duties and other charges applicable to the Scheme on its income or its properties, including taxes, fees, cess, duties and other charges levied by foreign jurisdiction on Investments outside Pakistan;
- (m) any printing costs and related expenses for issuing the Scheme's quarterly, half-yearly and annual reports etc.; and
- (n) any other expense or charges as may be permitted by the Commission..

such expenses shall be reimbursed to the Management Company at actual within thirty (30) calendar days of the payment of such expense.

14. TRANSACTIONS WITH CONNECTED PERSONS

14.1 The Trust Property shall not be invested in any security of a company if any director or officer of the Management Company individually owns more than five per cent (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 (10%) of those securities.

- 14.2 The Scheme shall not purchase from or sell any security to the Management Company or the Trustee or to any director, officer, connected person or employee of the Management Company or Trustee or to any person who beneficially owns ten per cent (10%) or more of the equity of the Management Company or the Trustee, or the major shareholders of the Trustee Company, save in the case of such party acting as an intermediary.
- 14.3 For the purpose of sub-clauses (14.1) and (14.2) above the term director, officer and employee shall include spouse, lineal ascendants and descendants, brothers and sisters.
- 14.4 Cash forming part of the Trust Property of the Scheme may be placed as deposits with the Trustee or the custodian, which is a banking company or a non-banking finance company, return shall be paid on the deposit by such trustee or custodian at a rate that is not lower than the rate offered by the said banking company or non-banking finance company to its other depositors on deposits of similar amount and maturity.
- 14.5 Money can be borrowed subject to Regulations from any institution provided that the charges are not higher than the normal Bank charges.
- 14.6 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 Scheme's annual accounts.
- 14.7 Subject to the Rules/ Regulations, any transaction between the Scheme and the Management Company or any of their respective connected persons as principal shall only be made with the prior written consent of the Trustee.
- 14.8 Direct transactions (other than those carried out on the trading system of the exchange) between the collective investment schemes of the same asset Management Company, as the case may be, shall be notified to the Commission within two (2) days of such transactions and shall be disclosed in quarterly and annual accounts of the collective investment schemes.
- 14.9 The Management Company shall not be allowed to enter on behalf of the Scheme into underwriting or sub-underwriting contracts without the prior consent of the Trustee unless the Scheme or the Management Company provides in writing that all commissions and fees payable to the Management Company under such contracts and all Investments acquired pursuant to such form part of the assets of the Scheme and shall be as per applicable rules, regulations and circulars.

15. DISTRIBUTION POLICY

15.1 Determination of Distributable Income

- 15.1.1 The Management Company shall decide as soon as possible but not later than forty five (45) days after the Accounting Date whether to distribute among Holders, profits (if any) available for the distribution at the end of the Accounting Date and shall advise the Trustee accordingly.
- 15.1.2 The profit (if any) available for distribution in respect of any Distribution Period shall be determined by the Management Company but shall not exceed the portion of Net Assets on the Distribution Date that is attributable to the sum total of:
- (a) the total income earned on the Trust Property during such Distribution Period including all amounts received in respect of dividend, mark up, profit, interest, fee and any other income;
 - (b) net realized appreciation as set out in sub-clause 15.1.3 below.

From which shall be deducted expenses as set out in sub-clause 15.1.4 below and such other deductions and adjustments as the Management Company may determine in consultation with the Auditor subject to the Rules/Regulations and the provisions of the Income Tax Ordinance and the Rules/Regulations hereunder.

- 15.1.3 The proceeds of sale of rights and all other receipts deemed by the Management Company to be in the nature of capital accruing from Investments shall not be regarded as available for determining distributable income in terms of this Clause but shall be retained as part of the Trust Property, provided that such amounts out of the sale proceeds of the Investments and all other receipts as deemed by the Management Company after consulting the Auditor to be in the nature of the net realized appreciation may be included in determining distributable income to the Holders by the Trustee and shall not form part of the Trust Property.
- 15.1.4 The amount qualifying for purposes of determining distributable income in respect of the Distribution Period shall be ascertained by deducting expenses as are admissible under the Regulations and this Trust Deed.
- 15.1.5 The amount qualifying for purposes of determining distributable income in respect of the Distribution Period shall be adjusted as under:
- (a) deduction of a sum by way of adjustment to allow for effect of purchase of shares or any of the Investment / dividend, interest, profit or mark-up;
 - (b) adjustment considered necessary by the Management Company to reflect the diminution in value of Trust Property.
- 15.1.6 Out of the amount determined for the purpose of distributable income in respect of each Holder withholding tax, Zakat or other statutory levies, as may be applicable to the relevant Holder shall be deducted before computing the distributable income for the relevant Holder.
- 15.1.7 The Management Company may, in the interest of the Holders, announce cash dividend and bonus Units on different types of Units. The bonus Units would rank *pari passu* as to their rights in the Net Assets, earnings, and receipt of dividend and distribution with the existing Units from the date of issue of these bonus Units.

15.2 Distribution of Profits

- 15.2.1 The Management Company shall distribute by way of dividend to the Unit Holders of the Scheme not less than ninety per cent (90%) of its income received or derived from sources other than capital gains as reduced by such expenses as are chargeable to the Scheme under the Regulations.
- 15.2.2 On each Distribution Date, the Management Company shall instruct the Trustee to transfer such amount of cash as required to reflect such distribution to the Distribution Account. The amount standing to the credit of the Distribution Account shall not for any purposes of this Trust Deed be treated as part of the Trust Property but shall be held by the Trustee upon trust to distribute the same as herein provided.
- 15.2.3 In case of cash dividend, after fixation of the rate of distribution per Unit, distribution payments shall be made by cheque or warrant by the Trustee and sent through the registered post or reliable courier service to the registered address of such Holder, or in the case of joint Holders to the registered address of the joint Holder, first named on the Register. Every such cheque or warrant shall be made payable to the order of 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 transfer to the Holders' designated Bank account or in case of joint Holder, to designated Bank account of the joint Holder, first named in the Register. The receipt of funds by such designated bankers shall be a good discharge therefore.

- 15.2.4 In case of bonus distribution, the Management Company shall inform the Trustee who shall cause to have additional Units issued in the name of the Unit Holders as per the bonus ratio, at the ex-dividend Net Asset Value specified by the Management Company for the relevant Distribution Period.
- 15.2.5 The Management Company may offer the Holder the option at the time of the initial investment (as part of the account opening procedure for entry into the Register) to receive new Units or fractions thereof under a reinvestment plan instead of dividend payment, as per the terms and condition and the procedure laid down in the Offering Document.
- 15.2.6 Before making any payment in respect of a Unit, the Trustee or the Management Company may make such adjustments as may be required by law in respect of any Zakat, income or other taxes, charges or assessments whatsoever and issue to the Holder the Certificate in respect of which deduction in the prescribed form or in a form approved or acquired by the concerned authorities.
- 15.2.7 Where Units are placed under pledge / lien the payment of dividend shall be made in accordance with clause 31 of this Trust Deed.

16. ANNUAL ACCOUNTING PERIOD

- 16.1 The annual Accounting Period shall commence on July 1st every year and shall end on June 30th of the ensuing calendar year.
- 16.2 Accounting Date shall be the 30th day of June in each year and any interim dates at which the financial statements of the Scheme are drawn up:

Provided, however, that the Management Company may, with the consent of the Trustee and after obtaining prior approval of the Commission and the Commissioner of Income Tax and complying with other applicable laws, change such date to any other date.

17. AUDIT

- 17.1 The Management Company shall at the establishment of the Scheme and upon any vacancy with the consent of the Trustee, appoint Auditors from the list of approved auditors issued by the Commission from time to time who shall be independent of the auditors of the Management Company and the Trustee and such auditors shall not be appointed for more than five (5) consecutive years.
- 17.2 The Auditors shall hold office until transmission of the annual report and accounts but may be reappointed.
- 17.3 The Management Company may at any time, with the concurrence of the Trustee, remove the Auditors and appoint another Auditor in its place. First Auditors and subsequent auditors shall not be appointed for more than such number of consecutive years as specified under relevant rules and regulations, thereafter those auditors shall only be eligible for appointment after the lapse of such period as may be prescribed under the relevant rules and regulations
- 17.4 The following persons shall not qualify to be the Auditors of the Scheme:

- (a) a person who is or at any time during the preceding three (3) years was a director, officer

or employee of the Management Company or the Trustee;

- (b) a person who is a partner of, or in employment of a director, officer, employee, or Connected Person of the Management Company or Trustee;
- (c) the spouse of a director of the Management Company or Trustee;
- (d) a person who is indebted to the Management Company or Trustee; and
- (e) a body corporate.

17.5 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.

17.6 The Auditors shall have access to the books, papers, accounts and vouchers of the Scheme, whether kept at the office of the Management Company, Trustee, Transfer Agent, ATLs 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.

17.7 The Auditors shall prepare a written report to the Holders to be included in the annual report on the account and books of accounts of the Scheme and the balance sheet and income and expenditure account and on every other documents forming part of the balance sheet and income and expenditure account, including notes, statement or schedule appended thereto.

17.8 The contents of the Auditors' report shall be as required in the Regulations.

18. BASE CURRENCY

The base currency of the Scheme shall be the Pakistani Rupee. The Management Company, Trustee, ATL or any Investment Facilitator 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 and this Trust Deed, for receipt or payment in any other currency or for any obligations arising there from.

19. MODIFICATION OF THE TRUST DEED

19.1 The Trustee and the Management Company, acting together and with the prior approval of the Commission, shall be entitled by the supplemental deed(s) to modify, alter, or add to the provisions of this Trust Deed on any of the following grounds:

- (a) to such extent as may be required to ensure compliance with any applicable laws and regulations or any amendments of such laws and regulations;
- (b) to enable the provisions of this Trust Deed to be more conveniently and efficiently implemented;
- (c) to enable the Units to be listed on a Stock Exchange or any other exchange; or
- (d) otherwise to the benefit of the Unit Holders.

Provided that such alteration or addition shall not prejudice the interest of the Unit Holders; and that in any event, it shall not release the Trustee or the Management Company of their responsibilities.

19.2 Where this Trust Deed has been altered or supplemented the Management Company shall notify the Unit Holder(s) immediately at their respective registered addresses and the dispatch of such notices to the Unit Holders shall be announced in two (2) daily newspapers (one in English and One in Urdu) having their primary circulation in Pakistan.

19.3 If the Commission modifies the Rules/ Regulations or allows any relaxations or exemptions, in respect thereof, these shall deem to have been included in this Trust Deed without requiring any modification as such.

20. TERMINATION OF THE SCHEME

20.1 The Management Company may terminate the Scheme, if the Net Assets at any time fall below rupees fifty million (Rs. 50,000,000/-). The Management Company shall give at least three (3) months notice to Unit Holder(s), Trustee and the Commission and shall disclose the grounds of its decision.

20.2 Subject to the Regulations, the Management Company may announce winding up of the Scheme in the event redemption requests build up to a level where the Management Company is of the view that the disposal of the Trust Property to meet such redemptions would jeopardize the interests of the remaining Unit Holder(s) and that it would be in the best interest of all the Unit Holder(s) that the Scheme be wound up.

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

20.4 The Scheme may be terminated in accordance with the conditions specified in the Regulations if there is a material breach of the provisions of this Trust Deed.

21. DISTRIBUTION ON LIQUIDATION, WINDING UP OR TERMINATION OF THE SCHEME

21.1 Upon the Scheme being terminated the Management Company shall suspend the issue and redemption of Units forthwith and proceed to sell all Investments then remaining in the hands of the Trustee as part of the Trust Property and shall repay any borrowing effected by the Scheme together with any mark-up remaining unpaid. In case of any deficit the Trustee shall not be liable to pay the same.

21.2 The Trustee on the recommendation of the Management Company shall distribute to the Unit Holder(s) pro rata to the number of Units held by them respectively all net cash proceeds derived from the realization of the Trust Property after making payment as mentioned in clause 21.1 above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands. In case the sum retained is insufficient, the Trustee shall not be liable for the same and in case there is a surplus, the same should be distributed ratably among the Unit Holders.

22. TRUST PROPERTY

22.1 The Trust Property shall initially be constituted out of the proceeds of the Units issued to the Core Investors and the Units issued during the Initial Period after deducting any applicable Duties and Charges there from.

22.2 The aggregate proceeds of all Units issued from time to time after deducting Duties and Charges,

- and after deducting there from or providing there against any applicable Front-end Load, shall constitute part of the Trust Property. The proceeds shall be remitted to the Trustee in accordance with instructions given by the Management Company from time to time.
- 22.3 The Trustee shall take the Trust Property into its custody or under its control either directly or through the Custodian and hold it in trust for the benefit of the Unit Holder(s) ranking *pari passu* inter se, according to the number of Units held by each Unit Holder and in accordance with the provisions of the Regulations and this Trust Deed. The Trust Property shall always be kept as separate property and shall not be applied to any purpose unconnected with the Scheme. All registerable Investments shall be registered in the name of the Trustee and shall remain so registered until disposed of pursuant to the provisions of this Trust Deed. All expenses incurred by the Trustee in effecting such registration shall be payable out of the Trust Property.
- 22.4 Save, as herein expressly provided, the Trust Property shall always be kept as separate property free from any mortgages, charges, liens or any other encumbrances whatsoever and the Trustee or the Custodian shall not, except for the purpose of the Scheme as directed by the Management Company, create or purport to create any mortgages, charges, liens or any other encumbrances whatsoever to secure any loan, guarantee, or any other obligation actual or contingent incurred, assumed or undertaken by the Trustee, the Custodian or any other person.
- 22.5 The Trustee shall have the sole responsibility for safekeeping and maintaining the Trust Property in its own name. In the event of any loss caused due to any negligence or willful act and / or omission, the Trustee shall have an obligation to replace the lost Investment forthwith with similar Investment of the same class and issue together with all rights and privileges pertaining thereto or compensate the Scheme to the extent of any loss.
- 22.6 All cash forming part of the Trust Property shall be deposited by the Trustee in a separate Bank Account as directed by the Management Company to be opened in the name of the Trustee, as a nominee of the Scheme, with a scheduled commercial Bank. Such Bank shall be required to allow profit thereon in accordance with the rules prescribed by such Bank or the Financial Institution for sharing of profits or mark-up on deposits maintained in such account or under any other arrangement approved by the Management Company.
- 22.7 Remuneration of the Management Company; remuneration of the Trustee; brokerage and transaction costs related to investing and disinvesting of the Trust Property; legal and related costs incurred in protecting or enhancing the interests of the Unit Holder(s), Bank charges and borrowing / financial costs, audit fees and expenses, rating fee payable to rating agency, Formation Cost, fee / charges payable to the Commission or Stock Exchanges or depository charges, or Trustee and taxes if any applicable to the Scheme shall be payable out of the Trust Property.

23. BANK ACCOUNTS

- 23.1 The Trustee shall open Bank Account(s) for the Scheme, at such Bank branch(s) as may be required by the Management Company from time to time.
- 23.2 The Trustee, at the request of the Management Company, shall open Bank Account(s) for the Scheme titled "CDC-Trustee IGI Stock Fund" at various branches of different Bank(s) (including outside Pakistan, subject to applicable regulations and after obtaining all necessary approvals from the relevant regulatory authority in Pakistan) as required by the Management Company. These Bank Account(s) shall facilitate Investments on account of the Scheme and the receipt, tracking and reconciliation of income or other receipts relating to the Investments. Such accounts shall also be used as collection and redemption accounts, and for other Scheme related transactions. There shall be instructions for all such collection and redemption accounts to promptly transfer the funds collected therein to the main Bank Account and/or transfer the funds to the relevant bank accounts

- of the Unit Holder for redemption purposes.
- 23.3 The Management Company may also require the Trustee to open a separate Bank Account for dividend distribution out of the Scheme. Notwithstanding anything in this Trust Deed, the beneficial ownership of the balances in the Accounts shall vest in the Unit Holder(s).
- 23.4 All bank charges for opening and maintaining Bank Account(s) for the Scheme shall be charged to the Scheme.
- 23.5 All interest, income, profit etc earned in the Distribution Account(s), including those accruing on unclaimed dividends, shall form part of the Trust Property for the benefit of the Unit Holder(s) and shall be transferred periodically from the Distribution Account(s) to the main Bank Account of the Scheme.
- 23.6 The amounts received from the Core Investors (seed capital) and Pre-IPO investors shall be deposited in a separate Bank Account titled “CDC-Trustee IGI Stock Fund” and transferred to the main Bank Account of the Scheme upon the close of the Initial Period. The Management Company shall issue additional Units to the Core Investors and Pre-IPO Investors at the Initial Price for an amount equivalent to the income etc earned on their investments up to the close of the Initial Period.
- 23.7 The Trustee shall, if requested by the Management Company open Bank Accounts titled CDC – Trustee IGI Stock Fund in offshore countries where the Investments are made on account of the Scheme, if such Investments necessitate opening and operation of Bank Accounts by the Trustee. For this purpose, the Trustee shall be deemed to be authorized to sign and submit the prescribed account opening forms of such Banks, including custodial/sub-custodial services accounts and brokerage accounts with such Banks, custodians, sub-custodians, and brokers, as may be required to be appointed for offshore Investments of the Scheme. The opening, operation and maintenance of such Bank Accounts, custodial/sub-custodial and brokerage services accounts in offshore countries shall always be subject to the approval of the State Bank of Pakistan and the exchange control regulations, as well as any directives of the State Bank of Pakistan and/or the Commission.
- 23.8 The Management Company shall exercise due caution and diligence in appointing and arranging of such Bank, brokerage houses and custodian/ sub-custodian in offshore countries. The Management Company and the Trustee shall not incur any personal liability for any consequences that may arise in the opening and operation of such Bank Accounts, brokerage accounts and/or custodial/sub-custodial services accounts. The Management Company and the Trustee shall be indemnified out of the Trust Property for any losses, costs and expenses that may be suffered, sustained or incurred by the Management Company /Trustee and against all consequences arising from and out of (1) the execution by the Management Company /Trustee of the account opening forms/ documents with all particulars as may be required by such Bank(s), Financial Institution(s), custodian(s)/sub-custodian(s) and brokerage house(s), (2) the opening of such account(s) with the offshore Bank(s), Financial Institution(s), custodian(s)/sub-custodian(s) and brokerage house(s), (3) the Investments made in offshore countries on account of the Scheme, (4) the appointment of Bank(s), Financial Institution(s), broker(s) and/or custodian(s)/sub-custodian(s) for the Schemes’ Investments, securities and other assets internationally and (5) all other related or incidental activities of the Management Company/Trustee in relation to the above. Provided that such indemnity shall not be available to the Management Company and/or the Trustee, if such loss, cost or expense is sustained or incurred due to willful or negligence on their respective part. For the purpose of making arrangements in offshore countries, the Management Company may in consultation with Trustee retain the services of advisors and professionals to ensure legal and regulatory compliances on part of the Management Company and the Trustee, as provided in Clause 5.2.17 above.
- 23.9 The beneficial ownership of the balances in the Bank Account(s), except the Bank Account(s) mentioned in Clauses 23.3 and 23.6 above, shall vest in the Unit Holder(s).

24. TRANSACTIONS RELATING TO UNIT HOLDER(S)

- 24.1 The Trustee shall provide the Management Company daily statements of all the Bank Accounts being operated by the Trustee for the Scheme.
- 24.2 The Management Company shall advise the Trustee on a daily basis of the details of amounts to be paid to respective Unit Holder(s) against redemption requests, if any. Such payments shall be effected by the Trustee out of the Bank Account(s) of the Scheme by way of transfer of the appropriate amounts to the designated bank accounts of the Unit Holder(s) or through any other mode(s) of payment and such payment shall be subject to Regulations.
- 24.3 The Management Company may make arrangements through branches of Banks to facilitate issuance and redemption of Units of the Scheme or may appoint Distributors and / or Sub-Distributors and / or Investment Facilitators for this purpose. A request for issue, conversion / exchange or redemption of Units may also be made through the use of electronic means such as Internet or ATM facilities or Credit Card facilities. A request for redemption of Units may also be made through the ATM facility only when the relevant Bank has been instructed by the Management Company to accept a Unit Holder's request to redeem the Units of the Scheme. The Trustee shall agree to such arrangements after satisfying itself in respect of all appropriate safeguards having been taken, without incurring any liability for additional risks involved. The compensation for such services that are provided by the Trustee in this respect shall be mutually agreed between the Trustee and the Management Company.
- 24.4 The Management Company shall, from time to time, advise the Trustee of the dividend distribution for the Scheme. The Trustee shall establish a separate Bank Account for dividend distribution and transfer the amount payable as cash dividend to such Bank Account after deducting such taxes and Zakat or other applicable charges as may be required under the law. The Registrar shall dispatch dividend cheques / warrants / advice to the Unit Holder(s) by registered post at their respective addresses. Such dispatch shall constitute discharge of the Management Company and the Trustee in respect of such payment. The Trustee shall rely on the amount certified by the Auditors as the dividend payable in cash after adjusting for dividend being distributed in the form of Units of the Scheme.
- 24.5 The Trustee shall pay to the Management Company's order such sums out of the sale proceeds of Unit(s) or the sums retained out of the redemption amounts as are representative of Front-end or Back-end Loads or Contingent Load (if any) or duties and charges that are specified in the Trust Deed and Offering Document, as being payable out of the Issue or Redemption Prices.
- 24.6 Without prejudice to the foregoing, and subject to any law for the time being in force, the Trustee shall endeavor to ensure and employ prudent practices to ensure that information pertaining to Trust Property, such as, but not restricted to, Investments made, list of Unit Holder(s) etc., is not compromised, dispersed or provided to any third party without express consent of the Management Company.
- 24.7 The Management Company may at some future time register the Units with a depository organization, such as the Central Depository Company of Pakistan. Any issue, redemption, transfer or transmittal of de-materialized Units registered with the depository shall take place according to the rules and regulations of the depository organization and the Management Company may frame its own rule and regulations to deal with such situations.

25. TRANSACTIONS RELATING TO INVESTMENT ACTIVITY / PORTFOLIO MANAGEMENT

- 25.1 The Management Company shall, from time to time, instruct the Trustee of the settlement instructions relating to any Investment / disinvestment transactions entered into by it on behalf of the Scheme. The Trustee shall carry out the settlements in accordance with the dictates of the specific transactions in accordance with Regulations and this Trust Deed. The Management Company shall ensure the settlement instructions are given promptly after entering into the transaction so as to facilitate timely settlement and the Trustee, on its side, shall ensure that the settlement is handled in a timely manner in accordance with dictates of the transaction subject to the Regulations and this Trust Deed.
- 25.2 The Trustee shall ensure that where applicable, payments against Investments are made against delivery and vice versa, unless specified otherwise.
- 25.3 The Trustee shall promptly forward to the Management Company any notices, reports or other documents issued by the issuers of securities, recipients of any of the funds of the Scheme (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.
- 25.4 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 Scheme. Such action shall include legal action if called for and the Trustee shall be entitled to recover any legal costs reasonably incurred from the Scheme.
- 25.5 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.
- 25.6 The Trustee shall provide proxies or other forms of powers of attorney to the order of the Management Company with regard to any voting rights attaching to any Investment.

26. VOTING RIGHTS ON TRUST PROPERTY

- 26.1 All rights of voting attached to any Trust Property shall be exercisable by the Management Company on behalf of the Trustee and it shall be entitled to exercise the said rights in what it may consider to be in the best interest of the Unit Holders and may refrain at its own discretion from the exercise of any voting rights and the Trustee or the Unit Holders shall not have any right to interfere or complain.
- 26.2 The Trustee shall upon written request by the Management Company and on account of the Trust Property, from time to time execute and deliver or cause to be executed or delivered to the Management Company or their nominees powers of attorneys or proxies authorizing such attorneys and proxies to vote, consent or otherwise act in respect of any Investment in such form and in favor of such persons as the Management Company may require in writing.

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

- 26.3 Not later than one (1) Business Day of receipt, the Trustee shall forward to the Management Company all notices of meetings and all reports and circulars received by the Trustee as the holder

of any investment.

27. UNITS

27.1 The Management Company may initially issue following classes and types of Units to Holders:

Classes of Units: Units may be charged with Front-end Load, or Back-end Load, or any combination of the foregoing, or they may be offered without any Sales Load from time to time. The Management Company shall identify each such class of Units in such manner as it thinks fit as class 'A', class 'B', class 'C' and so on and so forth in the Offering Document.

Types of Units: The Management Company may issue different types of Units from time to time as set out in the Offering Document, and in this regard, the Management Company may specify or offer such conditions or privileges with respect to redemption of Units, distribution of profits (whether by cash or bonus Units), applicable rate of Management Fee, fixed or flexible timing of such redemption or distribution at the option of the holder and / or the Management Company, and as specified by the Unit Holder in the account opening form

27.2 Units shall be issued in the Initial Period for the Initial Price to the initial subscribers of such Units and to the extent of an amount determined by the Management Company and intimated to the Trustee, subject to the provisions of Regulations.

27.3 The Core Units worth at least rupees fifty million (Rs. 50,000,000/-) issued at Par Value to Core Investors shall not be redeemable for a period of two (2) years from the date of close of Initial Period. 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 (2) years of their issue, shall be affected only on the receipt by the Registrar of a written acceptance of this condition by the transferee. 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. Details of the Core Investors shall be included in the Offering Document to be issued for this Scheme. Further the management company will notify to the Trustee on each transfer of Core Units.

27.4 Subject to the terms of this Trust Deed, all Units and fractions thereof represent an undivided share in the Trust Property and rank *pari passu* as to their rights in the Net Assets, earnings, and the receipt of the dividends and distributions.

27.5 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 Trust Deed and the Offering Document. The liability of the Holders shall be limited to the unpaid amount (if any) on the Units.

27.6 After the Initial Offer, the Offer Price shall be determined from time to time pursuant to sub-clause 11.2.2 of this Trust Deed and the Regulations.

27.7 By a deed supplemental to this Trust Deed, the Management Company may at any time with the approval of the Trustee on giving not less than twenty one (21) days previous notice in writing to each Holder subdivide or consolidate the whole or any part of the Units of the same class and the Holder(s) shall be bound accordingly. The Management Company shall require in such notice that each Holder to whom Certificates have been issued (who shall be bound accordingly) deliver up his Certificates for endorsement or enfacement with the number of Units to be represented thereby as a result of such sub-division or consolidation; provided that any delay or failure to deliver up the Certificates shall not delay or otherwise affect any such sub-division or consolidation.

27.8 The Management Company may list the Units of the Scheme on Stock Exchanges in Pakistan and subject to compliance with legal requirements, in any foreign jurisdiction. The cost of achieving and maintaining such a listing shall be borne by the Scheme. For this purpose the Management

Company, with the approval of the Commission and Trustee, may amend the Trust Deed or issue supplemental Trust Deeds or Offering Documents and the Unit Holders shall be bound accordingly.

28. REGISTER OF UNIT HOLDER(S)

- 28.1 The Register shall be maintained by the Registrar at such a place as is agreed by the Management Company. The Management Company shall ensure that the Registrar shall comply with all relevant provisions of this Trust Deed, the Offering Document and the Rules/ Regulations and inform the Commission of the address where the register is kept.
- 28.2 The Management Company shall ensure that the Registrar, at all reasonable times during business hours give the Trustee and its representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without charge but neither the Trustee nor its representatives shall be entitled to remove the Register or to make any entries therein or alterations thereto, except when the Register is closed in accordance with the provisions of this Trust Deed.
- 28.3 The Register shall contain the following information in respect of each class and type of Units:
- (a) full names, father's / husband's name of each Holder and joint Unit Holder(s);
 - (b) complete address of the Holder or the Joint Holder whose name appears first in the investment application.
 - (c) national identity card (NIC) number, registration number or any other identification number in case of foreign holders;
 - (d) nationality;
 - (e) number of Certificate(s) held;
 - (f) the date on which the name of every Unit Holder was entered in respect of the Units standing in his name;
 - (g) the date on which any transfer or redemption is registered with Certificate number, if any;
 - (h) information about lien, pledge or charge of Units;
 - (i) information about verification of redemption / transfer forms;
 - (j) tax and Zakat status of the Unit Holder;
 - (k) information about nominees;
 - (l) record of signature of Holder / joint Holder;
 - (m) Certificate number;
 - (n) number of Units held; and
 - (o) such other information as the Management Company may require.

- 28.4 The Register shall be conclusive evidence as to the Units held by each Holder.
- 28.5 Any change of name or address of any Holder shall forthwith be notified in writing to the Registrar who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name, the surrender of any Certificate previously issued to such Holder and the payment of the fee) shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall issue where necessary a new Certificate to such Unit Holder.
- 28.6 The Registrar 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 persons recognized by the Trustee as having any title to or interest in the Units held by the joint Holders.
- Provided however that, the Registrar or the Trustee or the Management Company may at their discretion request the survivors to provide succession certificate(s) or other such mandate(s) from court(s) or lawful authority(s), if they consider necessary.
- 28.7 A body corporate may be registered as a Holder or as one of the joint Holders.
- 28.8 The Register may be closed in consultation with the Trustee for such period as the Management Company may from time to time determine and after giving at least thirty (30) calendar days notice to Holders, provided that it is not closed for more than forty five (45) days in any calendar year.
- 28.9 The Holder shall be the only person to be recognized by the Trustee and the Management Company as having any right, title or interest in or to such Units and the Trustee and the Management Company may recognize the Holder as the absolute owner thereof and shall not be bound by any notice to the contrary and shall not be bound to take notice of or to see the execution of any trust except where required by any court of competent jurisdiction.
- 28.10 The executors or administrators or succession certificate holders of deceased Holder (not being one of several joint Holders) shall be the only persons recognized by the Trustee and the Management Company as having right, title or interest in or to the Units represented thereby.
- 28.11 Any person becoming entitled to a Unit in consequence of the death or bankruptcy / insolvency of any sole Holder or of the survivor of joint Holders may subject to as hereinafter provided upon producing such evidence as to his title as the Trustee shall think sufficient either be registering himself as Holder of such Unit upon giving the Registrar such notice in writing of his desire or transfer such Unit to some other person. All the limitations, restrictions and provisions of this Trust Deed relating to transfer shall be applicable to any such notice or transfer as if the death or bankruptcy / insolvency had not occurred and such notice or transfer was a transfer executed by the Holder.
- 28.12 The Trustee shall retain any moneys payable in respect of any Unit of which any person is under the provisions as to the transmission of Units herein before contained entitled to be registered as the Holder or which any person under those provisions is entitled to transfer until such person shall be registered as the Holder of such Unit or shall duly transfer the same.
- 28.13 The Registrar shall, subject to any law in force, ensure at all times and shall endeavor to implement prudent practices to ensure that the Register or the information contained therein of all or any particular Unit Holders is not provided to any third party without express permission from the Management Company or the Unit Holders himself, unless any disclosure is required in compliance with any applicable laws, rules and regulations or where such disclosure is required by an appropriate court or competent authority.

29. UNIT CERTIFICATES

29.1 Issuance of Certificates

- 29.1.1 Upon being satisfied, through the relevant Bank statement, that the Offer Price for each Unit or fraction thereof has been received in full from the applicant the Management Company shall intimate the Registrar who shall issue an account statement that shall constitute evidence of the number of Units registered in the name of the Unit Holder.
- 29.1.2 Subject to sub-clause 29.1.1, Certificates shall be issued by the Registrar, only if so requested by the Unit Holder at the time of application or at any later stage and upon payment of a fee not exceeding rupees twenty five (Rs. 25/-) per Certificate, subject to revision of fee from time to time by the Management Company. The proceeds of such fee shall accrue to the Management Company.
- 29.1.3 Separate Certificates shall be issued for each class and type of Units.
- 29.1.4 Certificates, where requested, shall be issued as herein provided not later than twenty one (21) Business Days after the date of such request. The Certificate may be sent to the Holder at his own risk by registered post, by courier service or may be collected by the Holder from the ATL.
- 29.1.5 In the case of Units held jointly, the Registrar shall not issue more than one Certificate for the Units held by such joint Holders and delivery of such Certificate to the joint Holder named first therein shall constitute sufficient delivery to all joint Holders.
- 29.1.6 Certificates shall be issued in such form as may from time to time be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the name and address of the Management Company and the Trustee, shall bear a distinctive serial number and the folio number of the Holder or joint Holders and shall specify the number of Units represented thereby and the name and address of the Holder as appearing in the Register.
- 29.1.7 Certificates may be engraved or lithographed or printed as the Management Company may determine from time to time with the approval of the Trustee and shall be signed on behalf of the Trustee by a duly authorized officer of the Trustee and on behalf of the Management Company by a duly authorized officer of the Management Company. Every such signature shall be autographic unless there shall be for the time being in force an arrangement authorized by the Trustee adopting some lithographic or other mechanical method of signature in which event all or any of such signatures may be effected by the method so adopted. The Certificates shall also bear the signature of the authorized representative of the Registrar, which shall always be autographic. No Certificate shall be of any force or effect until signed as herein above mentioned. Certificate so signed shall be valid and binding notwithstanding that before the date of delivery thereof the Trustee or the Management Company or the Registrar or any person whose signature appears thereon as a duly authorized signatory may have ceased to be the Trustee, the Management Company, Registrar or any authorized signatory.
- 29.1.8 Where a Unit Holder wishes to redeem or transfer part of his Units contained in a Certificate, the aggregate Certificate shall be retained by the ATL, along with the completed redemption / transfer form. The Unit Holder shall be issued a receipt for the aggregate Certificate retained by the ATL, and a new Certificate shall be issued, subject to fees detailed in sub-clause 29.1.2 (upon request of the Unit Holder, depicting the number of Units outstanding after partial redemption / transfer) and sent to the Unit Holder along with the confirmation statement for the redemption / transfer transaction.

29.2 Replacement of Certificates

- 29.2.1 Subject to the provisions of this Trust Deed and in particular to the limitations of the denominations of Certificates, as may be fixed by the Management Company, and subject to any regulations from time to time made by the Trustee with the approval of the Management Company every Holder shall be entitled to exchange upon surrender of the existing Certificate any or all of his Certificates for one or more Certificates as he may require representing the same aggregate number of Units.
- 29.2.2 In case any Certificate shall be lost, mutilated, defaced or destroyed, the Registrar with the approval of the Management Company may issue to the person entitled a duplicate certificate in lieu thereof. No such duplicate Certificate shall be issued unless the applicant shall previously have:
- (a) returned the mutilated or defaced Certificate or furnished to the ATL / Registrar evidence satisfactory to the Management Company of the loss, theft or destruction of the original Certificate;
 - (b) paid as expenses incurred in connection with the investigation of the facts;
 - (c) in the case of joint Holders obtained the written consent of the joint Holders for issuance of such new Certificates; and
 - (d) furnished such indemnity as the Management Company and the Trustee may require.

Neither the Management Company nor the Trustee nor the authorized personnel of ATLs and nor the Registrar shall incur any liability for any action that they may take in good faith under the provisions of this sub-clause.

- 29.2.3 Before issuing any Certificate under the provisions of this clause, the authorized personnel of ATLs / Registrar may require from the applicant for the Certificate the payment to it of a fee of rupees twenty five (Rs. 25/-) for each Certificate, subject to revision of fee from time to time by the Management Company together with a sum sufficient in the opinion of the Management Company to cover any Duties and Charges payable in connection with the issue of such Certificate.

30. TRANSFER OF UNITS

- 30.1 Every Holder shall be entitled to transfer, pledge or otherwise encumber the Units held by him by an instrument in such form as the Management Company may prescribe from time to time with the approval of the Trustee.
- 30.2 A Unit Holder may transfer his Unit(s) contained in a Certificate either partially, subject to procedure stated in sub-clause 29.1.8, or in entirety.
- 30.3 Every instrument of transfer must be signed by both the transferor and the transferee and the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof.
- 30.4 Every instrument of transfer must be duly completed in all respects including payment of applicable Duties and Charges. 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 Trust Deed.

- 30.5 All instruments of transfer shall be retained by the Registrar.
- 30.6 Authorized personnel of ATLS / Registrar with the prior approval of the Management Company shall be entitled to destroy all instruments of transfer or the copies thereof as the case may be which have been registered at any time after the expiry of twelve (12) years from the date of registration thereof and all Certificates which have been cancelled at any time after the expiration of three (3) years from the date of cancellation thereof and all registers, statements and other records and documents relating to the Scheme at any time after the expiration of six (6) years from termination of the Scheme.

The Trustee or the Management Company or the authorized personnel of ATLS / Registrar shall be under no liability whatsoever in consequence thereof and it shall conclusively be presumed in favor of the Trustee or the Management Company or the authorized personnel of ATLS / Registrar that every Certificate so destroyed was a valid Certificate duly and properly cancelled; provided always that:

- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereof) to which the document may be relevant;
 - (b) nothing in this sub-clause shall be construed as imposing upon the Trustee or the Management Company or the authorized personnel of ATLS / Registrar 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
 - (c) reference herein to the destruction of any document includes reference to the disposal thereof in any manner.
- 30.7 The sale, redemption and transfer of Units and any other dealings in the Units may be carried out On-line, with the consent of the Trustee (which consent shall not be unreasonably withheld or delayed), to the extent permitted by and in accordance with applicable law.

31. PLEDGE / LIEN OF UNITS

- 31.1 Any Unit Holder or all the joint Holders of a Unit or types of Units may request the Registrar to record pledge or lien all or any of his / their Units in favor of third party legally entitled to invest in such Units in its own rights. The Registrar shall register a lien on any Units in favor of third party with the specific authority of the Management Company as security for any debt to any third party. The Registrar shall take a note of the pledge / lien charge in his record, whether the Certificate has been issued or not, provided sufficient evidence of pledge to the satisfaction of the Management Company.
- 31.2 The lien once registered shall be removed by the authority of the party in whose favor the lien has been registered or through an order of the competent court. Neither the Trustee nor the Management Company nor the Registrar shall be liable for ensuring the validity of any such pledge / lien / charge. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge / lien / charge by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company nor the Registrar take any responsibility in this matter.
- 31.3 Save any legal bar, court order requiring otherwise or any written agreement between the Unit Holder and any counter party, any cash dividends that are declared on the pledged Units shall be

made to the order of the Unit Holder. However, any Units issued on reinvestments or bonus Units that the pledged Units are entitled to automatically be marked under the lien or pledge. In the event the pledged Units are redeemed for any reason, the redemption proceeds of the Units shall be made to the lien / charge / pledge holder for the account of the Holder.

- 31.4 The lien on the pledged Units shall continue till such time it is released by the lien holder in writing.

32. OTHER MATTERS RELATING TO THE SCHEME

32.1 Declaration of Net Asset Value Based Prices

The Management Company shall, at such frequencies as are prescribed in the relevant Offering Documents, determine and announce the Net Asset Value based prices. Under certain circumstances as provided in the Trust Deed and subject to the Regulations, the Management Company may suspend the announcement of the prices under intimation to the Trustee as per the Regulations and relevant Offering Document.

32.2 Offer and Redemption of Units

The Registrar shall process purchase and redemption applications as well as conversion/ switching and transfer applications in accordance with the relevant Offering Document. Based on the prices applicable to the relevant purchase or Redemption, the Registrar shall determine the number of Units to be issued or redeemed.

33. ARBITRATION

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

34. 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 Scheme and all persons employed or engaged by the Trustee or the Management Company in connection with the business of the Scheme shall observe strict confidentiality in respect of all transactions of the Scheme, 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.

35. MISCELLANEOUS

- 35.1 (a) Any notice required to be served upon the Holder shall be deemed to have been duly given if sent by post to or left 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 and posted.
- (b) The Trustee or the Management Company shall advertise any such notice in at least two (2) newspapers. The cost of advertising of any notice shall be payable by the Scheme subject to specific approval from the commission.
- (c) Service of a notice or document on the Holder among several joint Holders whose name appears first in the Register shall be deemed effective service on the other joint Holders.
- (d) Any notice or document sent by post to or left at the registered address of a Holder shall notwithstanding that such Holder be then dead or bankrupt / insolvent and whether or not the Trustee or the Management Company have notice of his death or bankruptcy be deemed to have been duly served and such service shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under him) in the Units concerned.
- 35.2 A copy of this Trust Deed and of any such supplemental deed shall be made available for inspection at the respective head offices of the Trustee and the Management Company at all times during usual business hours and shall be supplied by the Management Company to any person on application at a charge of rupees fifty (Rs. 50/-) per copy or at such rate as determined from time to time by the Management Company.
- 35.3 The Certificates, if eligible and deposited with a depository – whether locally or abroad, shall be subject to the terms and conditions prescribed by the depository and any inconsistent terms and conditions applicable to the Certificates herein, shall not apply.
- 35.4 If at any time, any clause of this Trust 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 Trust Deed hereof, shall not in any way be effected or impaired thereby.

36. DEFINITIONS

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

- 36.1 “**Accounting Date**” means the thirtieth (30th) day of June in each year, provided that the Management Company, with the written consent of the Trustee may change such date to any other date and such change shall be intimated to the Commission.
- 36.2 “**Accounting Period**” means a period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the Trust Property is first paid or transferred to the Trustee and (in any other case) from the end of the preceding Accounting Period.
- 36.3 “**Asset Management Company**” shall have the same meaning as in Regulations.

- 36.4 **“Auditor”** means the Auditor of the Scheme appointed by the Management Company as per the Regulations.
- 36.5 **“Authorized Investments”** means all transacted, issued, traded, listed and unlisted investments, inside or outside Pakistan and may include any of the following:
- (a) listed equity securities;
 - (b) unlisted equity securities for the listing of which an application has been accepted by the Stock Exchange;
 - (c) Listed debt securities issued by federal or provincial government or any other government body
 - (d) Unlisted debt securities issued by federal or provincial government or any other government body
 - (e) Listed debt securities (bonds, term finance certificates, Sukuks) issued by corporate entities
 - (f) Unlisted debt securities (bonds, term finance certificates, Sukuks) issued by corporate entities
 - (g) Listed debt securities (bonds, term finance certificates, Sukuks) issued by financial institutions
 - (h) Unlisted debt securities (bonds, term finance certificates, Sukuks) issued by financial institutions
 - (i) securities traded over the counter market;
 - (j) long, medium and short term deposits with commercial Banks in rupee or in any other foreign currency;
 - (k) convertible debt securities issued by corporate entities and / or Financial Institutions;
 - (l) convertible and non-convertible preferred shares;
 - (m) certificates of investment / deposits / musharika / modaraba;
 - (n) reverse repurchase transactions against those securities which are protected by the clearing company/stock exchange;
 - (o) commercial papers;
 - (p) Continuous Funding System (CFS); or its replacement thereof with necessary approval of the Commission. Investment in CFS shall be restricted upto a maximum of 25% of Net Assets of the Scheme, with not more than 5 % of net assets in any one scrip at the time of investment;
 - (q) spread transactions in accordance with the Regulations;

- (r) warrants, options, derivatives subject to the prior approval of the Commission. Investment in this asset class would be for hedging purposes only and subject to such terms and conditions as approved by the Commission from time to time;
- (s) any other security and / or instruments that may be allowed by the Commission, the Regulations or any other regulatory authority from time to time; and
- (t) Authorized Investments in overseas markets to the extent of thirty per cent (30%) of the Net Assets, subject to a cap of fifteen million dollars (US\$ 15,000,000/-) or such cap as may be defined in the Regulations from time to time. Overseas investments would be subject to prior written approvals / guidelines of the Commission and the State Bank of Pakistan.

The investment in asset classes mentioned above shall be subject to such exposure limits and minimum ratings as specified in the Offering Document of the Scheme.

- 36.6 **“Authorized Transaction Location or “ATL”** means branch(es) of the Management Company and Distributor / Sub-distributor authorized to accept and process investmeny / redemption / transfer / conversion etc requests. A list of ATLS shall be maintained and updated by the Management Company.
- 36.7 **“Back-end Load”** means the charge or commission (excluding Duties and Charge) not exceeding five per cent (5%) (or such other percentage as may be specified in the Offering Document in writing) of the Net Asset Value, deducted 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 mutually agreed between the Trustee and the Management Company. Back-end load shall form part of the trust property
- 36.8 **“Bank”** means institution(s) providing banking services under the Banking Companies Ordinance, 1962, or any other regulation in force for the time being in Pakistan, or if operating outside Pakistan, under the banking laws of the jurisdiction of its operation outside Pakistan.
- 36.9 **“Bank Accounts”** means those account(s) opened and maintained for the Scheme by the Trustee at Banks, the beneficial ownerships in which shall vest in the Unit Holder(s).
- 36.10 **“Broker”** means any person engaged in the business of effecting transactions in securities for the account of others or a member of the Stock Exchange
- 36.11 **“Business Day”** means a day on which the State Bank of Pakistan or the Stock Exchange(s) is open for business in Pakistan.
- 36.12 **“Certificate”** means the definitive certificate acknowledging the number of Units registered in the name of the Unit Holder issued at the request of the Unit Holder pursuant to the provisions of this Trust Deed.
- 36.13 **“Connected Person”** shall have the same meaning as in the Regulations.
- 36.14 **“Constitutive Documents”** means this Trust Deed that is the principal document governing the formation, management or operation of the Scheme, the Offering Document and all material agreements in relation to the Scheme.
- 36.15 **“Contingent Load”** means Sales Load payable not exceeding five per cent (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 other Unit Holder(s) and disclosed in the Offering Document. Any Contingent Load received shall form part of the Trust Property.

- 36.16 **“Commission”** is defined in the preamble.
- 36.17 **“Core Units”** means such Units of the Scheme that are issued to Core Investors with the condition that Units worth at least rupees fifty million (Rs. 50,000,000/-) are not redeemable for a period of two (2) years from the Initial Period. However, such Units are transferable with this condition and shall rank *pari passu* with all other Units save for this restriction. Any transfer of these Core Units, during the first two (2) years of their issue, shall be affected only on the receipt by the Registrar of a written acceptance of this condition by the transferee.
- 36.18 **“Core Investors”** of the Scheme shall be such initial investors whose subscription shall in aggregate be in compliance of the requirements 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 Scheme.
- 36.19 **“Custodian”** means Bank(s) 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; and / or the Trustee itself, with the approval of the Management Company, to hold and protect the Trust Property or any part thereof as custodian.
- 36.20 **“Distribution Account”** means the account (which may be a current, saving or deposit account) maintained by the Trustee with a Bank as directed by the Management Company as per this Trust Deed in which the amount required for distribution of income to the Unit Holder(s) 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 Scheme from time to time, as part of the Trust Property for the benefit of the Unit Holder(s).
- 36.21 **“Distributor / Distribution Company”** means a company(s) or firm(s) or a Bank(s) or Central Depository Company or any other Financial Institution appointed by the Management Company in consultation with the Trustee for performing any or all of the Distribution Functions, and shall also include the Management Company itself, if it performs the Distribution Function.
- 36.22 **“Distribution Date”** means the date on which the Management Company decides to distribute the profits (if any).
- 36.23 **“Distribution Period”** means the period in respect of which distribution of profits, are proposed to be made by the Management Company.
- 36.24 **“Distribution Function”** means the functions with regard to:
- (a) receiving applications for issue of Units together with the aggregate Offer Price for Units applied for by the applicants;
 - (b) issuing receipts in respect of (a) above;
 - (c) interfacing with and providing services to the Holders including receiving redemption / transfer applications, conversion notices and applications for change of address or issue of duplicate Certificates for immediate transmission to the Management Company or the Transfer Agent as appropriate;
 - (d) accounting to the Trustee for all: (i) moneys received from the applicants for issuance of Units; (ii) payments made to the Holders on redemption of Units; and (iii) expenses incurred in relation to the Distribution Functions.
 - (e) the above functions may be performed electronically, if appropriate systems are in place; and

- (f) where applicable, any other function as specified in the distribution agreement between the Distribution Company and / or Sub-Distribution Company, and the Management Company.
- 36.25 **“Duties and Charges”** means in relation to any particular transaction or dealing all stamp and other duties, levies, taxes, Zakat, Government charges, brokerage, bank charges, transfer fees, registration fees and other duties and charges in connection with the increase or decrease of the Trust Property or the creation, issue, sale, transfer, redemption or purchase of Units or the sale or purchase of Investment or in respect of the issue, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable, but do not include the remuneration payable to the Distribution Company or any commission payable to agents on sales and redemption of Units or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.
- 36.26 **“Federal Government”** means the Federal Government of Islamic Republic of Pakistan.
- 36.27 **“Financial Institution”** means a scheduled Bank or development finance institution, a company registered under the Regulations, a member of a Stock Exchange registered with the Commission or an institution registered to provide financial services including banking or brokerage in or outside Pakistan.
- 36.28 **“Formation Cost”** means preliminary expenses relating to regulatory and registration fees of the Scheme, including flotation expenses of the Scheme, expenses relating to authorization of the Scheme, execution and registration of the Constitutive Documents, legal costs, printing, circulation and publication of the Offering Document, announcements describing the Scheme and all other expenses incurred until the end of the Initial Period. This shall not exceed one per cent (1%) of the Pre-IPO investors’ investment or rupees five million (Rs. 5,000,000/-) whichever is lower.
- 36.29 **“Front-end Load”** means the sales and processing charge or commission (excluding Duties and Charges) not exceeding five per cent (5%) or such other percentage (as may mutually be agreed upon between the Trustee and the Management Company in writing) of the Net Asset Value which may be included in the Offer Price of the Units; provided however that different levels of Front-end Load may be applied to different investors, as may be mutually agreed between the Trustee and the Management Company.
- 36.30 **“Government Securities”** means securities and other instruments issued and to be issued by any Federal and / or Provincial Government of the Islamic Republic of Pakistan and / or the State Bank of Pakistan.
- 36.31 **“Holder or Unit Holder”** means an investor for the time being entered in the Register as owner of Units of the Scheme including investors jointly so registered pursuant to the provisions of this Trust Deed.
- 36.32 **“Initial Offer”** means Pre-IPO and Public Offering.
- 36.33 **“Initial Period”** means a period determined by the Management Company not exceeding ninety (90) days during which Units shall be offered at the Initial Price in terms of the Offering Document.
- 36.34 **“Initial Price”** means the price of rupees one hundred (Rs. 100/-) per Unit during the Initial Period determined by the Management Company.
- 36.35 **“Investment”** means any Authorized Investment forming part of the Trust Property.

- 36.36 **“Investment Facilitators”** means an individual, firm, corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Scheme.
- 36.37 **“Management Company”** is defined in the preamble hereto;
- 36.38 **“Net Assets”** shall have the same meaning as in the Regulations.
- 36.39 **“Net Assets Value” or “NAV”** means per Unit value of the Scheme arrived at by dividing the Net Assets of the Scheme by the number of Units outstanding on any particular day.
- 36.40 **“Offer Price”** means the sum to be paid to the Trustee for the benefit of the Scheme for issuance of one Unit, such price to be determined pursuant to clause 11.2.2 of this Trust Deed.
- 36.41 **“Offering Document”** means the prospectus, advertisement or other document (approved by the Commission) which contains the Investments and distribution policy, Unit structure(s) and all other information in respect of the Scheme, as required by the Regulations and is circulated to invite offers by the public to invest in the Scheme.
- 36.42 **“On-line”** means transactions through electronic data-interchange whether real time transactions or otherwise, which may be through the internet, intranet networks and the like.
- 36.43 **“Ordinance”** means the Companies Ordinance, 1984.
- 36.44 **“Par Value”** shall be rupees one hundred (Rs. 100/-) per Unit of the Scheme.
- 36.45 **“Pre-IPO”** means the private placement of Units to investors prior to the Public Offering
- 36.46 **“Public Offering”** means offering of Units to the general public through and in accordance with the Offering Document;
- 36.47 **“Redemption Price”** means the amount to be paid to the relevant Unit Holder(s) upon redemption of Units, such amount to be determined pursuant to clause 11.4.2 of this Trust Deed.
- 36.48 **“Register”** means the Register of the Unit Holder(s) kept pursuant to the Regulations and this Trust Deed.
- 36.49 **“Registrar”** means a company including a Bank that the Management Company shall appoint for performing the Registrar Functions. The Management Company may itself perform the Registrar Functions.
- 36.50 **“Registrar Functions”** means the functions with regard to:
- (a) maintaining the Register, including keeping a record of change of addresses / other particulars of the Unit Holder(s);
 - (b) issuing account statements to the Unit Holder(s);
 - (c) issuing Certificate, including Certificates in lieu of undistributed income to Unit Holder(s);
 - (d) canceling old Certificates on redemption or replacement thereof;
 - (e) processing of applications for issue, redemption, transfer and transmission of Units, recording of pledges, liens and changes in the data with regard to the Unit Holder(s);

- (f) issuing and dispatching of Certificates;
 - (g) dispatching income distribution warrants, and Bank transfer intimation and distributing bonus Units or partly both and allocating Units to Unit Holders on re-investment of dividends
 - (h) receiving applications for redemption and transfer / transmission of Units directly from Unit Holder or legal representatives or through Distributor.
 - (i) maintaining record of lien / pledge / charge;
 - (j) keeping record of change of addresses / other particulars of the Unit Holders; and
 - (k) any other information that the Management Company deems necessary.
- 36.51 **“Regulations”** is defined in the preamble hereto and includes any specific or general relaxations in respect of applicability of such Regulations granted or to be granted by the Commission and / or the Federal Government, as appropriate.
- 36.52 **“Rules”** is defined in the preamble hereto and includes any specific or general relaxations in respect of applicability of such Rules granted or to be granted by the Commission and / or the Federal Government, as appropriate.
- 36.53 **“Sales Load”** means the Front-end Load, Back-end Load and the Contingent Load.
- 36.54 **“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 a stock exchange abroad.
- 36.55 **“Subscription Day”** means Business Days designated by the Management Company and on which the State Bank of Pakistan is open for business in Pakistan.
- 36.56 **“Sub-Distributor / Sub-Distribution Company”** means a company(s) or firm(s) or a Bank(s) or Central Depositor Company or any other Financial Institution appointed by the Management Company to perform the Distribution Functions, in circumstances where the Management Company is a Distributor.
- 36.57 **“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 Scheme’s portfolio, *inter alia*, necessitated by creation or cancellation of Units, which costs may be added to the Net Asset Value for determining the Offer Price of Units or to be deducted from the Net Asset Value in determining the Redemption Price. The Transaction Costs shall not normally be applied in determining 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 with the agreement of the Trustee, apply such charge either to the Offer or the Redemption Price. The Management Company may, however, apply Transaction Costs while determining Offer or Redemption Prices, without consulting the Trustee provided the difference between the Offer Price and the Redemption Prices does not exceed five per cent (5%) of Net Asset Value. The element of Transaction Costs taken into account in determining the prices and collected so, shall form a part of the Trust Property
- 36.58 **“Scheme”** means the Unit Trust constituted by this Trust Deed for continuous offers for sale of Units.
- 36.59 **“Trust Deed”** means this trust deed executed between the Management Company and the Trustee

along with all the exhibits appended hereto.

- 36.60 **“Trust Property”** means the aggregate proceeds of the sale of all Units at Offer Price and any Transaction Costs recovered in the Purchase (Offer) or Redemption Price after deducting there from or providing there against the value of Redemption, Front-end Load, Back-end Load, Duties and Charges (if included in the Offer Price or Redemption Price) applicable to the purchase or redemption of Units and any expenses chargeable to the Scheme; and includes the Investment and all income, profits, shares, securities, deposits, right and bonus shares, cash, bank balances, dividends, fees, commissions, receivables, claims, contracts, licenses, privileges and other benefits arising there from and all cash and other movable or immovable assets and properties of every description, whether accrued or accruing, for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holder(s) pursuant to this Trust Deed and shall include the income, profit etc earned on the amount credited to the Distribution Account but shall not include any amount standing to the credit of the Distribution Account.
- 36.61 **“Trustee”** is defined in the preamble hereto.
- 36.62 **“Unit”** means one undivided share in the Scheme, and where the context so indicates, a fraction thereof.
- 36.63 **“Zakat”** has the same meaning as in the Zakat and Ushr Ordinance, 1980.

Words and expressions used but not defined herein shall have the meanings assigned to them in the Regulations. Words importing persons include corporations, words importing the masculine gender include the feminine gender, words importing singular include plural and words **“written”** or **“in writing”** include printing, engraving, lithography or other means of visible reproduction.

IN WITNESS WHEREOF THIS TRUST DEED has been executed at the date mentioned herein above.

The Common Seal of IGI FUNDS LIMITED was hereunto affixed in the presence of :

FOR IGI FUNDS LIMITED

Ali Azam Shirazee
Chief Executive Officer

WITNESS:

Name:
NIC No.:
Address:

FOR CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Name
Designation

WITNESS:

Name:
NIC No.:
Address:

Annexure 'C'

TARIFF STRUCTURE FOR OPEN-END MUTUAL FUNDS UNDER CDC'S TRUSTEESHIP

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

| Net Assets (Rupees in millions) | | TARIFF |
|--|-----------|--|
| From | To | |
| 1 | 1,000 | Rs. 0.7 million or 0.20% p.a. of NAV which ever is higher |
| 1,000 | & Above | Rs. 2.0 million plus 0.10% p.a. of NAV exceeding Rs. 1,000 million |