

**TRUST DEED**

**BETWEEN**

**ABL ASSET MANAGEMENT COMPANY LIMITED**

**AND**

**CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED**

**Dated September 25, 2009**

**Amended till May 15, 2013**

**ABL CASH FUND (ABL-CF)**

## Table of Contents

CLAUSE	PAGE #
1.	NAME OF THE SCHEME.....1
2.	PARTICIPATING PARTIES AND CONSTITUTION OF THE TRUST .....1
3.	GOVERNING LAW AND JURISDICTION .....2
4.	DECLARATION OF TRUST.....2
5.	FOR THE UNIT TRUST (EFFECT OF THIS DEED, STATUS OF UNIT HOLDER(S) ETC.)3
5.1	Deed binding on each Unit Holder(s)..... 3
5.2	Unit Holder(s) not liable to make further payments..... 3
5.3	Units to rank pari passu ..... 3
5.4	Trustee to report to the Unit Holder(s)..... 3
6.	ROLE OF THE MANAGEMENT COMPANY .....3
6.2	Primary Functions of the Management Company: ..... 3
6.3	Other Functions and Responsibilities of the Management Company:..... 5
7.	CHANGE OF THE MANAGEMENT COMPANY .....7
8.	ROLE OF THE TRUSTEE .....8
8A	BANK ACCOUNTS ..... 11
9.	CHANGE OF TRUSTEE.....12
10.	INVESTMENT OF THE TRUST PROPERTY AND INVESTMENT RESTRICTIONS 13
10.1	Objective of the Scheme ..... 13
10.2	Investment Policy ..... 13
10.3	Investment of the Trust Property ..... 14
10.4	Investment and Exposure restrictions ..... 14
10.5	Exception to Investment Restrictions..... 16
11.	BORROWING AND BORROWING RESTRICTIONS .....16
12.	VALUATION OF PROPERTY AND PRICING.....17
12.1	Valuation of Assets and Liabilities ..... 17
12.2	Determination of Purchase (Offer) Price..... 17
13.	DEALING, SUSPENSION AND DEFERRAL OF DEALING .....19
14.	FEES AND CHARGES.....22
15.	TRANSACTIONS WITH CONNECTED PERSONS.....23
16.	DISTRIBUTION POLICY, DETERMINATION OF DISTRIBUTABLE INCOME AND DATE OF DISTRIBUTION .....24
16.1	Determination of Distributable Profits ..... 24
16.2	Distribution of Profits..... 25
17.	ANNUAL ACCOUNTING PERIOD .....25
18.	AUDIT .....26
19.	BASE CURRENCY .....26
20.	MODIFICATION OF THE CONSTITUTIVE DOCUMENTS.....26
21.	REVOCAION OF THE SCHEME.....27
22.	DISTRIBUTION ON REVOCAION OF THE SCHEME .....27
23.	TRUST PROPERTY .....28
24.	TRANSACTIONS RELATING TO INVESTORS (UNIT HOLDER(S)) .....28
25.	TRANSACTIONS RELATING TO INVESTMENT ACTIVITY/PORTFOLIO MANAGEMENT .....29
26.	OTHER MATTERS RELATING TO THE TRUST .....30
27.	VOTING RIGHTS ON TRUST PROPERTY.....30
28.	UNITS .....30
29.	ISSUE OF UNITS .....31
30.	CLASSES AND TYPES OF UNITS .....32
31.	ISSUE OF UNITS OUTSIDE PAKISTAN.....32
32.	REGISTER OF UNIT HOLDER(S) .....32
33.	ISSUANCE OF CERTIFICATES.....34
34.	REPLACEMENT OF CERTIFICATES .....35
35.	TRANSFER OF UNITS .....35
36.	PLEDGE/ LIEN OF UNITS .....36
37.	ARBITRATION.....36
38.	CONFIDENTIALITY .....37
39.	MISCELLANEOUS .....37
40.	DEFINITIONS.....37

ANNEXURE 'A'

ANNEXURE 'B'

ANNEXURE 'C'

## TRUST DEED

THIS TRUST DEED is made and entered into at Karachi, on this 25<sup>th</sup> day of September, 2009:

### 1. NAME AND CATEGORY OF THE SCHEME

ABL CASH FUND (ABL-CF)

*A Money Market Fund*

### 2. PARTICIPATING PARTIES AND CONSTITUTION OF THE TRUST

- I. **ABL Asset Management Company Limited**, a non-banking finance company constituted pursuant to the provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (hereinafter referred to as the “**Rules**”), having its registered office at 11-B, Lalazar M. T. Khan Road, Karachi (hereinafter called the “**Management Company**” which expression where the context so permits, shall include its successors in interest and assigns) of the one part;

**AND**

- II. **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.

#### **WITNESSETH:**

- A. The Management Company has been incorporated and licensed as an Asset Management Company pursuant to the Rules for the purpose of undertaking asset management services (license attached hereto as Annexure “**A**”).
- B. The Management Company has been authorised by the Securities & Exchange Commission of Pakistan (“Commission”) vide its letters bearing reference No. NBFC-II/DD/ABLAMC/838 and NBFC-II/DD/ABLAMC/650 dated September 08, 2009 and June 24, 2009, respectively attached herewith as Annexure “**B**” and “**B-1**” to constitute the Trust under the name and title of “**ABL Cash Fund**” (hereinafter referred to as “ABL-CF”, or “the Scheme”, or “the Trust” or “the Unit Trust” or “the Fund”) and to register this Trust Deed, pending registration of the Fund as a *notified entity* under Section 282CA of the Companies Ordinance, 1984 (“the Ordinance”) for the establishment and operation of the Scheme in accordance with the provisions of the Non-Banking Finance Companies and

Notified Entities Regulations, 2008 (hereinafter referred to as “the Regulations”) 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/DD/ABLAMC/872 dated September 17, 2009 attached herewith as Annexure “D”;
- E. ABL Cash Fund shall be an open end Money Market fund.

### **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 Regulations, the Rules and all other applicable laws, rules and regulations and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed by the Rules and/or the Regulations are incorporated in this Trust Deed as a part and parcel thereof and in the event of any conflict between this Trust Deed and the provisions required to be contained in a trust deed by the Rules and/or the Regulations, the latter shall supersede and prevail over the provisions contained in this Trust Deed, unless specific waivers have been granted by the Commission.
- 3.2 The Fund shall also be subject to the rules and regulations framed by the State Bank of Pakistan with regard to the foreign investments made by the Fund and investment made in the Fund from outside Pakistan in foreign currency.
- 3.3 The Investments made on account of the Fund in offshore countries and the Bank Accounts and custodial service accounts that may be opened by the Trustee for the Fund in any offshore countries on the instructions of the Management Company may become subject to the laws of such countries.
- 3.4 Subject to the Arbitration Clause 37 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.

### **4. DECLARATION OF TRUST**

It is hereby irrevocably and unconditionally declared that;

- a) The Trustee shall hold and stand possessed of the Trust Property that may from time to time hereafter be vested in the Trustee upon trust as a single common fund for the benefit of the Unit Holder(s) ranking *pari passu* inter se, according to the number of Units held by each Unit Holder;
- b) The Trust Property shall be invested or disinvested from time to time by the Trustee at the direction of the Management Company strictly in terms of the provisions contained and the conditions stipulated in this Trust Deed, the Offering Document, the Regulations and the conditions (if any) which may be imposed by the Commission from time to time in accordance with the law;
- c) The Management Company shall establish, manage, operate and administer the Fund in accordance with the Rules and Regulations, this deed and the offering document and the conditions (if any) which may be imposed by the Commission from time to time in accordance with the law.
- d) The Management Company may from time to time, with the consent of the Trustee make arrangements for conducting the business of the Scheme or in respect of any other matter incidental thereto, provided that, such arrangements are not inconsistent with the provisions of this Trust Deed or the Offering Document or the Regulations.
- e) Where this Trust Deed has been altered or supplemented, the Management Company shall notify the Unit Holders immediately.

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

### **5.1 Deed binding on each Unit Holder(s)**

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

### **5.2 Unit Holder(s) not liable to make further payments**

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

### **5.3 Units to rank *pari passu***

5.3.1 The Trustee shall hold and stand possessed of the Trust Property on trust for the benefit of the Unit Holders. All Units and fractions thereof represent an undivided share in the Scheme and shall rank *pari passu* according to the number of Units held by each Unit Holder, including as to the rights of the Unit Holder(s) in the Net Assets, earnings and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in the Trust proportionate to the Units held by such Unit Holder and shall have such rights as are set out in this Trust Deed and the Offering Document.

5.3.2 Core Units subscribed by the Core Investors shall however be offered and issued at par. The Core Units shall be of a restricted class which shall not be redeemable (but shall be 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.

### **5.4 Trustee to report to the Unit Holder(s)**

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

5.4.2 The Trustee shall be entitled to require the Auditors to provide such reports as may be agreed between the Trustee and the Management Company and 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.

## **6. ROLE OF THE MANAGEMENT COMPANY**

6.1 The Management Company shall manage, operate and administer the Scheme in accordance with the Regulations, this Trust Deed and the Offering Document and the conditions that may be imposed by the Commission from time to time.

### **6.2 Primary Functions of the Management Company:**

#### **6.2.1 Fund Management**

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

#### **6.2.2 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 Regulations to assist the Management Company in investing and managing the assets of the Fund. All investment

and disinvestment decisions shall be made through the investment committee within the framework of the Regulations and this Deed.

6.2.3 Investor Services

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

The Management Company shall be obliged to process payment instrument immediately on receipt of application according to its procedures defined in the Offering Document.

6.2.4 Investor Records

The Management Company has the responsibility to maintain investors' records and for this purpose, shall perform Registrar's functions or appoint a Registrar/Transfer Agent who is responsible for performing Registrar Functions.

6.2.5 Registrar Services

The Management Company shall carry out the responsibility of maintaining investors' records, issuing statements of accounts, issuing Certificates representing Units, processing redemption requests, processing dividend payments and all other related and incidental activities. The Management Company shall not remove the records or Documents pertaining to the Scheme from Pakistan to a place outside Pakistan without the prior written permission of the Commission and the Trustee. The Management Company shall perform the function of Registrar/Transfer Agent. However, at its discretion the Management Company may outsource the Registrar Function to a third party.

6.2.6 Distribution

The Management Company shall, from time to time, appoint, remove or replace one or more suitable persons, entities or parties as Distributor(s) under intimation to Trustee for carrying on Distribution Function(s) at one or more location(s) on terms and conditions to be incorporated in the Distribution Agreement(s) to be entered into between the Distributor and the Management Company. The Distribution Agreement(s) states the terms and conditions for avoidance of frauds and sales based upon misleading information. The Distributors shall be remunerated by the Management Company out of the Front-end Load or out of its own resources. Provided that the Management Company may also itself act as a Distributor for carrying on Distribution Function(s). The Distributor(s) shall act as the interface between the investors, the Management Company, the Registrar/Transfer Agent and the Trustee and perform the Distribution Function(s), as defined in Clause 40.22 hereafter.

The Management Company shall ensure, where it delegates the Distribution Function that the Distributors to whom it delegates, have acquired and are maintaining the associate membership of the association(s) constituted in consultation with the Commission and are abiding by the code of conduct prescribed by the association(s).

6.2.7 Investment Facilitators

The Management Company may, at its own responsibility, from time to time appoint Investment Facilitators to assist it in promoting sales of Units. The Investment Facilitators shall be remunerated by the Management Company out of the Front-end Load or out of its own resources.

6.2.8 Record Keeping

6.2.8.1 The Management Company has the primary responsibility for all record keeping, regular determination and announcements of prices and for producing and issuing financial reports from time to time. The Management Company shall provide the Trustee unhindered access to all records relating to the Scheme.

6.2.8.2 The Management Company shall maintain at its principal office, complete and proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Scheme, all transactions for the account of the Scheme, the amounts received by the Scheme in respect of issues of Units, payments made by the Scheme on redemption of Units and by way of distributions and payments made at the termination of the Scheme. The Management Company shall maintain the books of accounts and other records of the Scheme for a period of not less than ten years. The Management Company shall not remove the records or documents pertaining to the Scheme from its principal place to another place without the prior written permission of the Commission and the Trustee.

### 6.3 Other Functions and Responsibilities of the Management Company:

- 6.3.1 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, the Rules and the Regulations and subject to any special exemptions granted by Commission. The Management Company shall not be liable for any loss caused to the Scheme or to the value of the Trust Property due to any elements or circumstances beyond its reasonable control.
- 6.3.2 The Management Company shall comply with the provisions of the Regulations and the Constitutive Documents for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Management Company by any officer(s) or responsible official(s) of the Management Company or by any nominee or agent appointed by the Management Company and any act or matter so performed shall be deemed for all the purposes of this 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 manager as if these were its own acts and omissions and shall account to the Trustee for any loss in value of the Trust Property where such loss has been caused by its gross negligence or reckless or willful act and/or omission of its officers, officials or agents.
- 6.3.3 The Management Company may from time to time appoint, remove or replace the Registrar/Transfer agent under intimation to the Trustee.
- 6.3.4 The Management Company shall make available or ensure that there is made available to the Trustee such information as the Trustee may reasonably require in respect of any matter relating to the Scheme.
- 6.3.5 The Management Company shall not be under any liability except such liability as may be expressly assumed by it under the Rules, the Regulations and the Constitutive Documents, nor shall the Management Company (save as herein otherwise provided) be liable for any act or omission of the Trustee nor for anything except for its own gross negligence or willful breach of duty and the acts and omissions of all persons to whom it may delegate any of its functions as manager as if they were its own acts and omissions. If for any reason it becomes impossible or impracticable to carry out the provisions of the Constitutive Documents, the Management Company shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.
- 6.3.6 The Management company shall prepare and transmit within four months of closing of the accounting period of the Scheme to the unit holders, the Trustee, the Commission and stock exchanges, on which the units of the scheme are listed, the annual report as per the requirements set out in Schedule V of the Regulations, including;
- (i) copy of the balance sheet and income statement;
  - (ii) cash flow statement;
  - (iii) statement of movement in Unit Holders' fund or Net Assets or reserves; and;
  - (iv) the Auditor's report of the Scheme;
- 6.3.7 The Management company shall prepare and transmit (physically or on the web subject to Commission's approval) within one month of the close of the first and third quarters and within two months of the close of second quarter of the Accounting Period of account of the Scheme, prepare and transmit to the Unit Holders, the Trustee, the Commission and Stock Exchanges, on which the units of the scheme are listed whether audited or otherwise:
- (i) balance sheet as at the end of that quarter;
  - (ii) income statement;
  - (iii) cash flow statement;
  - (iv) statement of movement in Unit Holders' fund or Net Assets or reserves; and;
  - (v) statement showing the securities owned at the beginning of the relevant period, securities purchased or sold during such period, and the securities held at the end of such period together with value (at carrying and at market) and the percentage in relation to its own Net Assets and the issued capital of the person whose securities are owned for that quarter;

- 6.3.8 The Management Company shall maintain a Register of Unit Holder(s) of the Trust (either in physical or electronic form) through Registrar/Transfer Agent or itself and inform the Trustee and the Commission of the address where the Register is kept. The Management Company shall not remove the records or documents pertaining to the Scheme from Pakistan to a place outside Pakistan without the prior written permission of SECP and the Trustee. The Management Company shall maintain the accounts, records and other documents pertaining to the scheme for a period not less than ten years.
- 6.3.9 The Management Company shall with the consent of the Trustee, appoint at the establishment of the Trust and upon any vacancy, the Auditor, from the approved list of auditors circulated by the Commission from time to time, who shall be Chartered Accountant and independent of the auditor of the Management Company and the Trustee and such auditor shall be appointed for a period as prescribed in the Regulations and the contents of the Auditor's report shall also be in accordance with the provisions of the Regulations.
- 6.3.10 The Management Company shall be obliged to obtain a rating of the Scheme, once the Scheme becomes eligible for ratings as per the rating criteria of the rating agency. Such rating shall be updated at least once every Accounting Period and also published in the annual and quarterly reports of the Scheme.
- 6.3.11 The Management Company shall, from time to time, advise the Trustee of the settlement instructions relating to any investment/disinvestment transactions entered into by it on behalf of the Trust. The Trustee shall carry out the settlements in accordance with the dictates of the specific transactions unless they are not in conflict with Trust Deed and the Regulations. The Management Company shall ensure the settlement instructions are given promptly after entering into the transaction so as to facilitate timely settlement and the Trustee, on its side, shall ensure that the settlement is handled in a timely manner in accordance with dictates of the transaction, subject to the Trust Deed and the Regulations.
- 6.3.12 The Management Company shall provide the Trustee with regular reports indicating dividends, other forms of income or inflows, and any rights or warrants relating to the investments that are due to be received. The Trustee shall report back to the Management Company any such amounts or warrants that are received on such accounts from time to time.
- 6.3.13 Subject to Clause 6.3.14, the Management Company may appoint advisors to assist in investing and managing the assets of the Fund at its own cost and discretion, provided that the Management Company will be responsible for all acts of such advisers.
- 6.3.14 The Management Company may in consultation with the Trustee further appoint advisors and professionals 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 Fund, the Management Company and the Trustee and their respective obligations in relation thereto. The fees of such advisors and professionals shall not be charged to the Fund.
- 6.3.15 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.
- 6.3.16 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.
- 6.3.17 The Management Company shall provide such other information and record to the Trustee as may be necessary for the Trustee to discharge obligations under the Regulations and this Deed.

#### 6.4 **Restrictions on the Management Company**

The Management Company shall not;

- (a) acquire the management of a Collective Investment 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 a collective investment 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 Collective Investment Scheme except for collection account of the Collective Investment Scheme managed by it;
- (f) apply any part of assets of the Scheme to real estate;
- (g) make any investment from the Collective Investment Scheme which will vest with the Asset Management Company or its group the management or control of the affairs of the investee company;
- (h) enter, on behalf of the Scheme, into transactions with any broker, which exceed thirty per cent of the commission paid by the Scheme in any one accounting year;
- (i) undertake brokerage services on Stock Exchanges or in the money market;
- (j) enter, on behalf of the Scheme, into underwriting or sub-underwriting contracts;
- (k) maintain its own equity portfolio except for the investments made by the Management Company into the schemes or pension funds being managed by it or its subsidiary NBFCs as allowed under Rule 7(2)(h);

Provided that the Management Company shall comply with this requirement by 30<sup>th</sup> June 2009;

- (l) buy more than twenty five percent of the outstanding shares or certificates of the Closed End Fund managed by it.

The above limitations and conditions may change from time to time by the SECP's directives or amendments to or substitution of the Regulations, in which event such amended or modified conditions will be deemed to be incorporated in this Deed without the need to enter into any supplement trust deed subject to SECP requirement in this regard.

## **7. CHANGE OF THE MANAGEMENT COMPANY**

7.1 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 to the Trustee.

7.2 The Commission may either on its own or on the recommendation of the Trustee remove the Management Company by giving at least ninety days notice in writing for sub-clause (a) hereunder and immediate notice for sub-clause (b), (c) and (d) to the Management Company if any of the following events has occurred:

- (a) The Management Company has willfully contravened the provisions of this Deed in material respect and has failed to rectify the contravention within a reasonable period after the contravention has been brought to its notice by the Trustee and/or by the Commission;
- (b) The Management Company has gone into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for purpose of reconstruction and amalgamation);
- (c) A receiver has been appointed over any of the assets of the Management Company; or
- (d) The Management Company has become ineligible to act as Management Company under the Rules.

7.3 If the Commission has cancelled the license of the Management Company under the provisions of the Rules and Ordinance, the Commission or the Trustee if authorized by the Commission shall appoint another asset management company as the management company for the Scheme according to the provisions of the Constitutive Documents, Ordinance, the Rules and the Regulations.

- 7.4 The Management Company may voluntarily retire at any time with the prior written consent of the Commission and after giving a notice of three months to the Trustee and the Commission.
- 7.5 Upon removal or retirement, as the case may be, the Management Company shall be entitled to receive its remuneration accrued upto the effective date of retirement or removal, as the case may be.
- 7.6 Upon a new management company being appointed the Management Company will take immediate steps to hand over all the documents and records pertaining to the Trust to the new management company and shall pay all sums due to the Trustee.
- 7.7 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.
- 7.8 Furthermore the Trustee shall, immediately upon the issuance of notice of removal of Management Company appoint auditors with the consent of Commission from amongst the panel of auditors designated as 'A' category by Commission for the audit of financial institutions.
- 7.9 The auditors so appointed shall be other than the existing auditors of the Fund, the Management Company and the Trustee.
- 7.10 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 Commission.
- 7.11 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 Commission, outgoing Management Company and the new Management Company.
- 7.12 The costs of audit shall be shared equally by the outgoing Management Company, the new Management Company and the Fund.

## **8. ROLE OF THE TRUSTEE**

- 8.1 The Trustee shall take into its custody or control and invest, hold and/or maintain the Scheme 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, the Regulations and the conditions (if any) which may be imposed by the Commission from time to time. All registerable assets shall be registered in the name of or to the order of the Trustee.
- 8.2 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.
- 8.3 The Trustee has the responsibility for being the nominal owner and for the safe custody of the assets of the Trust on behalf of the beneficial owners (the Unit Holders), within the framework of the Regulations, the Trust Deed establishing the Trust and Offering Document issued for the Trust.
- 8.4 The Trustee shall have all the obligations entrusted to it under the Regulations, the Trusts Act 1882, this Trust Deed and the Offering Document.
- 8.5 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.
- 8.6 The Trustee may in consultation with the Management Company and at the cost of the Fund 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 Trust with the approval of the Management Company at competitive terms as part of its normal line of business.

- 8.7 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(s) or responsible official(s) of the Trustee or by any nominee(s) or agent(s) appointed by the Trustee with the written approval of the Management Company, provided that the Trustee shall be responsible for the acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Trust for any loss in value of the Trust Property where such loss has been caused by gross negligence or any reckless act and/or omission of the Trustee or any of its directors, officers, nominees or agents.
- 8.8 The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holders. The Trustee shall not be under any liability on account of anything done or suffered by the Trust, if the Trustee had acted in good faith in performance of its duties under this Trust Deed or in accordance with or pursuant to any request of the Management Company provided it is not in conflict with the provisions of this Trust Deed and 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 have been signed on behalf of the Management Company by any person(s) whose signature(s) the Trustee is for the time being authorised in writing by the Management Company to accept;
  - (b) any instruction(s) received online through the software solution adopted by the Management Company in consultation with the Trustee for managing and keeping records of the funds managed by the Management Company and to the satisfaction of the Trustee.
  - (c) instructions given electronically to the Trustee based on distinctive users IDs and passwords allocated to authorised 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 Fund and the unit holders; or
  - (d) third party evidence where required (such as broker contracts and note), in relation to (a) and (b) above.
- 8.9 The Trustee shall not be liable for any loss caused to the Fund or to the value of the Trust Property due to any elements or circumstances beyond its reasonable control.
- 8.10 The Trustee shall be liable for any loss caused due to its acts or omissions or that of its agents in relation to any custody of assets or investment forming part of the property of the Scheme;
- 8.11 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 a Scheme and shall also ensure that the Management Company has been diligent in appointing Brokers to avoid undue concentration of business with any Broker;
- 8.12 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/or the Offering Document or the Regulations and/or any other applicable law, provided, however if for any reasons, it becomes impractical or not possible to carry out any instructions or fulfill or effectuate any of the provisions of this Deed, the Trustee shall not be responsible therefore and it shall neither incur any liability for anything done or omitted to be done in good faith, provided it has attempted to employ its best efforts and all available means to comply with the instructions. In such situation, the Trustee shall forthwith notify the Management Company in writing, highlighting such reasons.
- 8.13 The Trustee shall make available or ensure that there is made available to the Management Company such information as the Management Company may reasonably require from time to time in respect of the Trust Property and all other matters relating to the Trust.

- 8.14 The Trustee shall issue a report to the Unit Holder(s) included in the annual and second quarterly report whether in its opinion, the Management Company has in all material respects managed the Scheme in accordance with the provisions of the Regulations, the Offering Document and this Trust Deed and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof.
- 8.15 The Trustee shall ensure that (a) the sale, issue, purchase, re-purchase/ redemption, transfer and cancellation of Units are carried out in accordance with the provisions of this Deed, the Offering Document and the Regulations and (b) the methodology and procedures adopted by the Management Company in calculating the value of the Units are adequate and the pricing and valuation for sale, issue, repurchase, redemption and cancellation prices are carried out in accordance with the provisions of this Deed, the Offering Document and the Regulations. In order to comply with this obligation, the Trustee shall have an unhindered access to the records and information maintained or available with the Management Company or its agents.
- 8.16 The Trustee shall ensure that the investment and borrowing limitations set out in this Deed and the Regulations and the conditions under which the Scheme was registered are complied with.
- 8.17 The Trustee shall arrange for an annual system audit by its auditors and provide the report to this effect to the Commission and the Management Company within four months of the close of the financial year of the Trustee.
- 8.18 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.
- 8.19 The Trustee shall, if requested by Management Company or if it considers necessary for the protection of Trust Property or safeguarding the interest of Unit Holder(s), institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Trust Property or any part thereof, with full powers to sign, swear, verify and submit pleadings and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's Authorised 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 Trust and the Trustee shall be indemnified against all such costs, charges and expenses, provided that no such indemnity shall be available in respect of any action taken against the Trustee for gross negligence or breach of its duties in connection with the Trust under this 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 Trust arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or shareholders' action or otherwise howsoever and (save as herein otherwise provided), all such losses, claims, damages and other liabilities shall be borne by the Trust.
- 8.20 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, nor for anything except for loss caused due to its willful acts or omissions or that of its agents in relation to any custody of assets of investments forming part of the Trust Property. 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 thereof 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.
- 8.21 The Trustee shall ensure that Units of the scheme have been issued after realization of subscription money, or act as provided in the Regulations. For this purpose, Management Company will provide the Trustee with the summary of Investments on regular basis.
- 8.22 The Trustee shall Immediately inform the Commission if any action of the Management Company contravenes the Ordinance, the Rules, the Regulations, Constitutive Documents, guidelines, codes, circulars, directives or any other applicable laws; and

8.23 The Trustee shall comply with the directions of the Commission given in the interest of the unit holders;

## **8A BANK ACCOUNTS**

8A.1 The Management Company would perform all banking activities through the Trustee of the Fund.

8A.2 The Trustee, at the request of the Management Company, shall open Bank Accounts titled "**CDC-Trustee ABL Cash Fund**" for the Trust at designated Bank(s) in Pakistan for collection, investment, redemption or any other use of the Trust's funds.

8A.3 The Trustee shall also open additional Bank Account(s) titled "**CDC-Trustee ABL Cash Fund**" at various branches of such other Bank(s) as requested by the Management Company. These accounts shall be temporary collection accounts where collections shall be held prior to their being transferred to the main Bank Account of the Trust on a daily basis.

8A.4 The Trustee shall, if requested by the Management Company open Bank Accounts titled "**CDC – Trustee ABL Cash Fund**" in offshore countries where the Investments are made on account of the Fund, if such Investments necessitate opening and operation of Bank Accounts by the Trustee. For this purpose, the Trustee shall 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 Fund. 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 SBP and the exchange control regulations, as well as any directives of the SBP and/or the Commission.

8A.5 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 mentioned in Clause 8A.4 above. For the purpose of making such arrangements in offshore countries, the Management Company may in consultation with the 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 6.3.14 above. However the cost of advisors and professionals shall not be charged to the Fund.

8A.6 The Management Company may require the Trustee to open separate Bank Accounts for the Trust to facilitate investments on account of the Trust and the receipt, tracking and reconciliation of income or other receipts relating to the investments. This account may also be used to facilitate redemptions and other Trust related (ancillary) transactions.

8A.7 The Management Company may also require the Trustee to open a separate Bank Account for each dividend distribution out of the Trust.

8A.8 All bank charges for opening and maintaining Bank Accounts for the Trust shall be charged to the Fund.

8A.9 All interest, income, profit etc earned in the Distribution Account(s), including those accruing on unclaimed dividends, shall form part of the Trust Property for the benefit of the Unit Holder(s) and shall be transferred periodically from the Distribution Account(s) to the main Bank Account of the Trust.

8A.10 The amounts received from the Core Investors (seed capital) and other investors during the Pre-IPO shall be deposited in separate Bank Accounts having title CDC-Trustee ABL Cash Fund. Separate bank accounts for Local and Offshore Pre-IPO investors will be opened with a scheduled bank. The Management Company may from time to time deposit such Pre-IPO amounts with scheduled commercial banks having a minimum investment grade rating, rated by any credit rating agency listed/approved by the Commission and subsequently transfer such amounts to the main Bank Account of the Fund upon the close of the Initial Period of Offer. Any interest/markup, profit, etc. earned on such Pre-IPO bank deposits up to the close of the Initial Period, after deducting all expenses, shall be paid to the Core Investors and Pre IPO investors based on proportionate basis of their Pre-IPO subscription amounts and shall not form part of Trust Property. Such payments shall be made either in the form of cash or additional units as the management may decide.

- 8A.11 The Management Company shall not open or close or arrange to open or close any account with a bank, broker or depository for the Collective Investment Scheme without the approval of its Board.
- 8A.12 Notwithstanding anything in this Trust Deed, the beneficial ownership of the balances in the Bank Accounts shall vest with the Unit Holder(s), except for the Bank Account mentioned in Clause 8A.10 above.
- 8A.13<sup>1</sup> "The Trustee if requested by the Management Company shall also open separate Bank account(s) titled "**CDC -Trustee ABLAMC Funds**" at various locations for collection of funds pursuant to any centralized funds collection system that may be introduced by Management Company for all the unit trusts managed by the Management Company. These account(s) shall be a temporary allocation accounts, where collections received on account of subscription of Units by investors of various units trusts and Administrative Plans that are managed by the Management Company and under trusteeship of common Trustee shall be held prior to their being allocated and transferred to the scheme on a daily basis by the Trustee. The Management Company may also require the Trustee to open separate accounts for temporary parking of redemption funds".

## 9. CHANGE OF TRUSTEE

- 9.1 A Trustee may, subject to prior approval of the Commission and under intimation to the Management Company, 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 or from the date of assumption of assets of the Fund by the new appointed trustee, whichever is later. In the event of the Trustee desiring to retire, the Management Company within a period of ninety (90) days with the prior written approval of SECP may by a deed supplemental hereto under the seal of the Management Company and the Trustees (both incoming and outgoing Trustee), which hereby appoints a new trustee under the provisions of the Rules and the Regulations in place of the retiring Trustee and also provide in such deed for the automatic vesting of all the assets of the Trust in the name of the new trustee.
- 9.2 Where the Commission is of the opinion that trustee has been in violation of the Regulations or this Trust Deed or is found guilty of misconduct or failed to discharge its obligations under the Regulations, it may remove the Trustee after giving the Trustee an opportunity of being heard.
- 9.3 The Management Company may by giving reasons in writing apply to the Commission for change of the Trustee and propose a new trustee. The Commission, if satisfied by the reasons given by the Management Company and after providing an opportunity of hearing to the Trustee, approve the removal of the existing and the appointment of a new trustee
- 9.4 Upon the appointment of a new trustee, the Trustee shall immediately deliver and hand over all the documents and records to the new trustee and shall transfer all the Deposited Property and any amount held in any Fund's Bank Account to the new trustee and make payments to the new trustee of all sums due from the Trustee. Dividend bank accounts (if any) shall not be closed.
- 9.5 The new trustee shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Trustee hereunder as fully as though such new trustee had originally been a party hereto.
- 9.6 Notwithstanding the removal/resignation of the Trustee and its subsequent discharge from its duties under this Deed and the Regulations, the Trustee shall remain entitled to the benefit under the terms of this Deed till the removal/ resignation of the Trustee is effective without prejudice to the Trustee's responsibility or obligation to liquidate any liability for which the Trustee may have become liable under this Deed and/or the Regulations.
- 9.7 Furthermore, the Management Company may immediately upon the issuance of notice of removal of Trustee appoint Auditors with the consent of SECP from amongst the panel of auditors designated as "A" category by State Bank of Pakistan for the audit of Financial Institutions.

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<sup>1</sup> Inserted vide 1<sup>st</sup> Supplemental Trust Deed dated July 29, 2011.

- 9.8 The Auditors so appointed shall be other than the existing auditors of the Fund, the Management Company and the Trustee.
- 9.9 The Auditors shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Management Company or SECP.
- 9.10 The Auditor shall submit the report for the audit to the Management Company not later than 30 Business Days from their appointment. A copy of the report shall also be provided to SECP, outgoing Trustee and the new Trustee.
- 9.11 The cost of such audit shall be shared equally by the outgoing Trustee, the new Trustee and the Fund.

## **10. INVESTMENT OF THE TRUST PROPERTY AND INVESTMENT RESTRICTIONS**

### **10.1 Objective of the Scheme**

The objective of ABL-CF is to provide investors, consistent income with a high level of liquidity, through a blend of money market and sovereign debt instruments.

#### **Benchmark**

<sup>2</sup> [The Benchmark for “ABL Cash Fund” will be a 50/50 composition as follows and will be net of expenses:

- (i) 50% that would be an average of “3-Month deposit rates of AA and above rated scheduled banks” for the period of return; and
- (ii) 50% that would be an average of “3 Month PKRV rate” for the period of return as available through Reuters and Financial Markets Association of Pakistan (FMA).]

### **10.2 Investment Policy**

- 10.2.1 ABL-CF in line with its Investment Objectives will be investing in Government Securities and cash and near cash instruments which include cash in bank accounts (excluding terms deposit receipts), Treasury Bills, Money Market Placements, Certificate of Deposits/Investments (COD/COI), Musharika Certificates (COM), Term Deposit Receipts (TDRs), Commercial Papers (CP), Reverse Repo transactions and any other such investments as approved by the commission from time to time;
- 10.2.2 Allocation among various asset classes will be based on analysis of macro and micro variables such as interest rates, economic growth rates and political climate.
- 10.2.3 The Fund may invest in any of the Authorized Investments as allowed by this Trust Deed. However, investments shall be made within the maximum limits laid down in the Offering Document and the Regulations for any of the Authorized Investments.
- 10.2.4 Subject to applicable laws and necessary regulatory approvals, the Fund may also include in the portfolio, Pakistan origin Authorized Investments issued, listed or traded outside Pakistan.
- 10.2.5 The Fund may seek to invest in foreign listed or otherwise traded Authorized Investments outside Pakistan on such terms, guidelines and directions as may be issued by Commission and/or State Bank of Pakistan from time to time. The Investments outside Pakistan may be made subject to the approval of the Commission /SBP and upto the limits that may be imposed by the Commission or the SBP from time to time, subject to any relaxation of such limits that may be granted by the Commission/SBP. The Management Company may expand this limit after seeking permission from the Commission and the State Bank of Pakistan and under intimation to the Trustee, if the Fund registers a success in terms of the growth of its size and the returns paid to the investors.
- 10.2.6 The limit to international investments will apply at the time of investment and it will not be necessary for the Management Company to cause the Trustee to sell any investment merely because, owing to appreciation or depreciation of any investment, change in foreign exchange parities, disposal of any investment or such other reasons, the limit is exceeded. In case, due to the relative movement of the value of foreign Investment

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<sup>2</sup> Substituted vide 2<sup>nd</sup> Supplemental Trust Deed dated May 15, 2013. The substituted clause (10.1) read as follows; “The performance of the Scheme will be compared against the benchmark of “average of the most recently published 3-Month deposit rates of AA and above rated scheduled banks.”

and/or change in the limit, the value of foreign investment exceeds the above limit, the Management Company will have three months to bring the Fund into compliance.

- 10.2.7 All Investments shall be made within the limits prescribed in the Regulations or otherwise as may be specified by the Commission and for investments in offshore countries, Investments shall be made within the limits prescribed by the State Bank of Pakistan

### **10.3 Investment of the Trust Property**

10.3.1 Prior to and during the Initial Period the Trustee shall hold the Trust Property on deposit in separate account(s) with schedule bank(s) having at least an investment grade rating (rated by any credit rating agency listed/approved by the Commission) and approved by the Management Company. After the Initial Period all the 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 Authorised Investment as may (always subject to the provisions of this Trust Deed, the Offering Document and the Regulations) be directed by the Management Company.

10.3.2 It is declared that the Scheme shall offer investment opportunities in accordance with the investment options announced in the Offering Document and Supplementary Offering Document(s).

10.3.3 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 Authorised 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 Authorised Investment shall be realized and the net proceeds of realization shall be applied in accordance with this Clause.

10.3.4 The Broker(s) will be appointed from time to time by the Management Company under intimation to the Trustee. The Management Company shall specify criteria for providing a diverse 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 the Regulations. The Management Company shall not nominate, except as may be permissible under the Regulations, directly or indirectly, as a Broker any of its directors, officers or employees or their family members (which term shall include their spouse, parents, children, brothers and sisters).

### **10.4 Investment and Exposure restrictions**

10.4.1 The Trust Property shall be subject to such Exposure limits as are provided in the Trust Deed, the Offering Document and the Regulations (subject to any exemptions that may be specifically given to the Fund by the Commission): Provided that it will 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 will have a maximum of three (3) months to comply with the Exposure limits in case such limits are exceeded.

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

10.4.3 The investment of the Scheme in any company shall not, at any time, exceed an amount equal to 10% of the total Net Assets of the Scheme at the time of investment or 10% of the issued capital of the investee company, whichever is lower.

10.4.4 In the event, the weightages of the securities or the sectors exceed the limits laid down in clauses 10.4.2 and 10.4.3 of this Deed as a result of the relative movement in the market prices of the investments or any corporate actions or through any disinvestment, the Management Company shall bring the Exposure within the prescribed limits within three months of the breach of limits unless the said period of three months is extended upto another three months by the Commission on an application by the Management Company. The Management Company will not invest further in such securities or sectors while the deviation exists.

10.4.5 The Trust Property shall not be invested in any security of a company if any director or



officer of the Management Company owns more than five (5) percent of the total nominal amount of the securities issued or collectively the directors and officers of the Management Company own more than ten (10) percent of those securities.

10.4.6 The Management Company on account of the Scheme shall not, without the prior approval of the Commission in writing, 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 (10) percent or more of the equity of the Management Company or the Trustee, save in the case of such party acting as an intermediary. Subject to the Regulations, any transaction between the Trust and the Management Company or any of their respective Connected Persons as principal shall only be made with the prior written consent of the Trustee.

10.4.7 The Management Company and the Trustee, on behalf of the Fund, shall not at any time rollover the investments, if the Fund would not be able to issue payment instrument for the redemption money to the unit holder within time period as stipulated in the Regulations/Offering Documents.

10.4.8 The Trust will not at any time:

10.4.8.1 Purchase or sell:

- bearer securities;
- securities on margin,
- real estate (other than securities issued by listed real estate companies),
- securities which result in assumption of unlimited liability (actual or contingent);
- commodity contracts or commodities;
- anything other than Authorised Investments as defined herein;

10.4.8.2 participate in a joint account with others in any transaction on behalf of the Collective Investment Scheme, except for collection account of the Collective Investment Schemes managed by it.;

10.4.8.3 make short sales of any security or maintain a short position in securities.

10.4.8.4 invest in Securities of the Asset Management Company.

10.4.8.5 purchase any security in a forward contract;

10.4.8.6 issue at any time, without the prior approval of the Commission in writing, a senior security which is either stock or represents indebtedness;

10.4.8.7 apply for de-listing from Stock Exchange, unless it has obtained prior approval of the Commission in writing to the Scheme of de-listing;

10.4.8.8 lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person;

10.4.8.9 The exposure of a Fund to any single entity shall not, exceed an amount equal to ten per cent (10%) of the total net asset value of the scheme subject to following condition;

- a) Exposure to any debt issue of a company shall not exceed ten percent of that issue size

Provided that where the 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 the excess exposure shall be regularized within three months of the breach of limits unless the said period of three months is extended up to another three months by the Commission on an application by the asset management company.

10.4.8.10 No direct/indirect exposure to equities, i.e. no exposure in equities, CFS, spread transactions, etc.;

10.4.8.11 Rating of any NBFC and/or Modaraba with which funds are placed shall not be lower than AAA;

- 10.4.8.12 Rating of any Bank and/or DFI with which funds are placed should not be lower than Double A;
- 10.4.8.13 Rating of any security in the portfolio shall not be lower than Double A;
- 10.4.8.14 Time to maturity of any asset shall not exceed six months;
- 10.4.8.15 Weighted average time to maturity of the net assets shall not exceed 90 days
- 10.4.8.16 The limits given above are based on the current limits defined in the Regulations and may be modified based on any change in the Regulations and any exemptions/clarifications given by the Commission.
- 10.4.8.17 The Asset Management Company shall not acquire twenty five percent or more of the voting rights or control of a company on behalf of its collective investment schemes.
- 10.4.8.18 The Asset Management Company, on behalf of Collective Investment Schemes, shall not take exposure of more than,-
  - (a) thirty five per cent of the net assets of Collective Investment Scheme in any single group; and
  - (b) ten per cent of net assets of Collective Investment Scheme in listed group companies of the asset management company and such exposure shall only be made through the secondary market.

## **10.5 Exception to Investment Restrictions**

- 10.5.1 The exposure of the Fund to any person shall not, at any time, exceed an amount equal to ten percent (10%) of total net assets of the fund or ten percent (10%) of issued capital of that person, whichever is lower. Provided that where exposure of a Fund 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 months by the Commission on an application by the asset management company.

## **11. BORROWING AND BORROWING RESTRICTIONS**

- 11.1 Subject to any statutory requirements for the time being in force and to the terms and conditions contained herein the Management Company may make arrangements with Banks or other Financial Institutions for borrowing by the Trustee for the account(s) of the Scheme, provided that borrowing shall not be resorted, except for meeting redemption requests.
- 11.2 The Trustee shall ensure that the borrowing limitations set out in the regulations and constitutive documents and the conditions under which the Scheme has been authorised are complied with. The Management Company on account of the Scheme managed by it shall not borrow, except with the approval of Trustee, for meeting redemption request and such borrowing shall not exceed fifteen per cent of the total Net Asset Value of the Scheme at the time of borrowing and shall be repayable within a period of ninety days or such other limit as may be provided in the Regulations. The financing documents shall be executed by the Trustee on behalf of the Fund and at the cost of the Fund. 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.
- 11.3 The charges payable to any Bank or Financial Institution by the Trust against such borrowings on account of the Scheme as permissible under Clause 11.1 above shall not be higher than the normal prevailing bank charges or normal market rates.
- 11.4 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 or their officers shall not in any manner be liable in their personal capacities for repayment of such loans or advances.
- 11.5 For the purposes of securing any such borrowing the Trustee may with the written

approval 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.

- 11.6 Neither the Trustee, nor the Management Company shall incur any liability by reason of any loss to the Trust or any loss that 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.

## **12. VALUATION OF PROPERTY AND PRICING**

### **12.1 Valuation of Assets and Liabilities**

The mechanism on valuation of the Trust Property and pricing, as prescribed under the Regulations shall apply to:

- (a) the method of determining the value of the assets and liabilities of the Trust Property of the Scheme and the Net Asset Value accordingly;
- (b) the method of calculating the Offer and Redemption Prices; and
- (c) the method of pricing and the circumstances under which it can change.

- 12.1.1 An unlisted Debt security and a debt security listed but not traded regularly on a stock exchange shall be valued in the manner specified by the Commission.
- 12.1.2 An investment purchased and awaiting payment against delivery shall be included for valuation purposes.
- 12.1.3 An investment sold but not delivered pending receipt of proceeds shall be valued at the net sale price.
- 12.1.4 Mark-up accrued on any mark-up-bearing security in the portfolio shall be included as an asset of the Scheme if such accrued mark-up is not otherwise included in the valuation of the security.
- 12.1.5 Any other income accrued upto the date on which computation was made shall also be included in the assets.
- 12.1.6 All liabilities, expenses and other charges due or accrued up to the date of computation which are chargeable under the Regulations and taxes shall be deducted from the value of the assets.
- 12.1.7 The remuneration and fees accrued up to the date of computation payable to the Management Company, the Trustee, the Commission, and the Auditors of the Fund and for providing the services shall be included as an expense.
- 12.1.8 Government Securities not listed on a Stock Exchange and traded in the interbank market shall be valued at the average rate quoted on a widely used electronic quotation system and such average rate shall be based on the remaining tenor of the security.
- 12.1.9 In respect of investments held in foreign currencies, the same will be translated in Pakistan Rupees using the closing buying spot rates declared by the State Bank of Pakistan at each balance sheet date.
- 12.1.10 Any such method of valuation of assets and liabilities as may be specified or modified by the Commission from time to time; For any asset class, where no specific method or valuation is prescribed in the Regulations, specific approval from the Commission shall be obtained and valuation shall be done accordingly.

### **12.2 Determination of Purchase (Offer) Price**

- 12.2.1 During the Initial Period, the Units will be offered at par value determined by the Management Company and stated in the Offering Document.
- 12.2.2 After the Initial Period, the Purchase (Offer) Price shall be determined from time to time pursuant to Clause 12.2.4 hereafter and the Regulations which shall be calculated and

announced by the Management Company on each Business Day in accordance with the Regulations.

12.2.3 The method of determining the value of assets and liabilities of the Trust Property and the NAV shall be in compliance with the Regulations.

12.2.4 The Purchase (Offer) Price shall be equal to the sum of:

- (a) the Net Asset Value as of the close of the Business Day;
- (b) any Front-end Load as per the Offering Document but not exceeding five percent of the Net Assets Value;
- (c) such amount as the Management Company may consider being an appropriate provision for government taxes, Duties and Charges.

12.2.5 The Management Company may announce different classes of Units with differing levels of Front-end and/or Back-end Load through the Offering Document.

12.2.6 The Offer price so determined shall apply to purchase request, complete in all respects (including payments in this regard), received by the Distributor before the cut off time of 4.00 pm for acceptance of application for issuance of units on the Business Day on which the investment form has been received. 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. The Management Company will make arrangements, from time to time, for receiving purchase request from outside Pakistan and will disclose these arrangements through its website and its Distributors and agents outside Pakistan. In general, the Offer Price applicable to purchase requests received from outside Pakistan will be the Offer Price applicable on the date the Trustee receives the payments from international investors provided it is a Subscription Day otherwise the Offer Price of the next Subscription Day will apply.

12.2.7 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 12.2.4(c) above is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retrospective effect after the date of payment in which case such excess shall be recovered from the Trust Property).

12.2.8 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 12.2.4(c) exceeds the relevant amount of Duties and Charges, the Registrar/Transfer Agent 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.

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

12.2.10 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/subject to the approval of the Commission.

12.2.11 The sale and redemption of Units may also be carried out via credit cards, ATM cards, debit cards and other electronic means with the consent of the Trustee and subject to the regulatory approvals.

### **12.3 Remuneration of Distribution Company/ Sales Agent/ Investment Facilitator**

12.3.1 Distribution Company(s), Sales Agents or Investment Facilitators employed by Management Company will be entitled to a remuneration payable by the Management Company from any Front-end Load (or out of its own resources) and no charges shall be made against the Trust Property or the Distribution Account in this respect.

12.3.2 Such payments shall be made by the Management Company to the Distribution Company(s) or Sales Agents or Investment Facilitators or any authorised person of the Management Company on a monthly basis in arrears within ninety (90) calendar days of the end of the calendar month.

## **12.4 Determination of Redemption Price**

- 12.4.1 During the Initial Period, the Units shall not be redeemed.
- 12.4.2 After the Initial Period the Redemption Price shall be equal to the Net Asset Value as of the close of the Business Day on which a correctly and properly filled Units redemption application form is received within business hours as may be announced by the Management Company from time to time, less;
- (a) any Back-end load as per the Offering Document; but not exceeding five percent of the Net Assets Value and;
  - (b) such amount as the Management Company may consider an appropriate provision for government taxes, Duties and Charges;
  - (c) such amount to be rounded off to the nearest four decimal places.
- 12.4.3 The Management Company may announce different classes of Units with differing levels of Front-end and/or Back-end Load through the Offering Document.
- 12.4.4 The Redemption price so determined shall apply to redemption request, complete in all respects received by the Distributor before the cut-off time of 4:00 pm for acceptance of application for redemption of units on that Business Day. Provided that if the Business Day is not a Subscription Day the Redemption Price calculated on the next Subscription Day will apply. The Management Company will make arrangements, from time to time, for receiving redemption request from outside Pakistan and will disclose these arrangements through its website and its Distributors and agents outside Pakistan.
- 12.4.5 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 12.4.2(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 (except where such excess arises from any Duties and Charges levied with retrospective effect after the date of payment in which case such excess shall be recovered from the Trust Property).
- 12.4.6 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 12.4.2(b) above exceeds the relevant amount of Duties and Charges, the Trustee shall refund such excess amount to the relevant holders.
- 12.4.7 The Redemption Price determined by the Management Company shall be made available to the public at the office and branches of the Distribution Company and at the discretion of the Management Company may also be published in at least two daily newspapers, one English and one Urdu, widely circulated in Pakistan and make it available at its website.

## **13. DEALING, SUSPENSION AND DEFERRAL OF DEALING**

### **13.1 Redemption of Units**

- 13.1.1 The Trustee shall at any time during the life of the Trust on the instruction of the Management Company authorize redemption of Units out of the Trust Property through duly Authorised Distributors and/or Investment Facilitators.
- 13.1.2 Application for redemption of Units shall be made by completing the prescribed application form, duly signed by the authorised signatory and having all necessary information required for the redemption of units, and submitting it at any office of the Management Company, authorised branch or office of an appointed Distribution Company or Investment Advisor/ Facilitator. Application for redemption shall be retained by the Transfer Agent and a copy may be supplied to the Distribution Company, if so required by the Management Company. The Management Company may make arrangements to accept redemption requests through electronic means subject to the satisfaction of Trustee such as online, ATMs or other means of electronic use. No person shall be entitled to redeem only part of the Unit comprised in a Certificate, however in case where a Certificate is not issued any number of Units may be redeemed by the Holder thereof. 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/ she is so authorised by all joint Holders. The Management Company shall formally forward details of all the requests for dealing in Units, including the information of stamped time and date, to the Trustee within 24 hours of the receipt of such requests.

- 13.1.3 The Trustee may at its option dispense with the production of any Certificate which is lost, stolen or destroyed, upon compliance by the Unit Holder(s) with such requirements arising in the case of any application by him/ her for the replacement thereof.
- 13.1.4 The price at which Units shall be redeemed shall be the Redemption Price fixed by the Management Company subject to clause 12.4 above. The Redemption Price shall be announced by the Management Company at the end of each Business Day as specified by the Regulations.
- 13.1.5 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 her/his designated bank account or any other mode, after receipt of a properly documented request for redemption of the Units in terms of this Trust Deed, provided that redemption is not suspended in terms of this Trust Deed.
- 13.1.6 The receipt of the Holder for any moneys payable in respect of the Units shall be a good discharge to the Trustee and the Management Company and if several persons are registered as joint Holders any one of them may give effectual receipt for any such moneys.
- 13.1.7 The Distribution Company shall verify the particulars given in the application for redemption of Units and documents submitted therewith.
- 13.1.8 Application for redemption will be received at the authorised offices or branches of the Distribution Company on all Subscription Days. Payments of redemption amounts 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 (10) percent of the Units in issue, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for up to ten percent of the Units in issue. The Management Company shall proceed to sell adequate assets of the Trust and/or arrange borrowing as it deems fit in the best interest of the Holders and shall determine the Redemption Price to be applied to the redemption requests based on such action. The redemption requests in excess of ten (10) percent of the Units in issue will be carried over to the next Business Day. However, if the carried over requests and the fresh requests received on the next Subscription Day still exceed ten (10) percent of the Units in issue, these shall once again be treated on first come first served basis and the process for generating liquidity and determining the Redemption Price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten (10) percent of the Units then in issue.
- 13.1.9 In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Trust Property being run down to an unmanageable level or is of the view that the sell-off of assets is likely to result in a significant loss in the value for the Holders who are not redeeming, it may announce winding up of the Trust. In such an event, the queue system, if already invoked, shall cease to apply and all Holders shall be paid after selling the assets and determining the final Redemption Price. The interim distributions of the proceeds may be made if the Management Company finds it feasible.
- 13.1.10 The sale, redemption and transfer of Units and any other dealings in the Units may be carried out On-line or through ATMs or other means of electronic use, 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.
- 13.1.11 No netting off transactions (adjustment of assets of the scheme against the investment of unit holders) are allowed within the scheme.
- 13.1.12 The Management Company shall not specifically use flipping mechanism (i.e. redemption and re-issuance of units to the same unit holders based on different NAV's without cash settlement).
- 13.1.13 The Management Company shall provide all redemption requests duly timed and date stamped to the Trustee within 24 hours of receipt of any such request following the queue system.

**13.2 (a) Temporary change in the method of dealing**

Under the circumstances mentioned in the Offering Document and subject to compliance with the Regulations, 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.

#### **(b) Permanent change in the method of dealing**

A permanent change in method of dealing shall be made after one month's notice to Unit Holders with the approval of Trustee. Subject to compliance with Rules and Regulations and the circumstances mentioned in the Offering Documents. Such approval shall not be unreasonable being withheld.

### **13.3 Suspension of redemption of Units**

13.3.1 The Redemption of Units may be suspended during extraordinary circumstances including closure of one or more Stock Exchanges on which any of the Securities invested in by the Scheme are listed, the event of war (declared), natural disasters, a major break down in law and order, breakdown of the communication system, closure of the capital markets and /or the banking system or strikes or other events that render the Management Company or the Distributors unable to function, the existence of a state of affairs, which in the opinion of the Management Company, constitutes an emergency as a result of which disposal of any investment would not be reasonably practicable or might seriously prejudice the interest of the Scheme or of the Unit Holder(s), or 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).

13.3.2 Suspension of redemption shall be provided in exceptional circumstances, having regard to the interest of unit holders and such a decision shall be made with the prior approval of the Board of Directors of the Management Company.

13.3.3 Further, where the commission is of the opinion that it is in the interest of the unit holders, it may direct that the operations of the scheme including issuance, sale or redemption of units shall be suspended with effect from such date as specified by the Commission.

13.3.4 In case of suspension of redemption of the units of the Scheme the Management Company shall also suspend issuance of fresh units of the Scheme until and unless redemption of units is resumed.

### **13.4 Suspension of fresh issue of Units**

The Management Company may at any time under extraordinary circumstances, subject to the Regulations, as may be modified from time to time, suspend issue of fresh Units. Such suspension may however not affect existing subscribers to any plans that may be offered by the Management Company under different administrative arrangements, the issue of bonus Units as a result of dividend distribution, the option to receive dividends in the form of additional Units. However, no such fresh administrative plan will be offered during the suspension period. The Management Company shall announce the details of exemptions at the time a suspension of fresh issue is announced. The Management Company shall immediately notify the Commission if fresh issue of Units is suspended and shall also have the fact published, immediately following such decision, in the newspapers in which the Fund's prices are normally published.

### **13.5 Deferral of request for fresh issue of Units**

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

### **13.6 Queue System**

In the event redemption requests on any day exceed ten (10) percent 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 up to

ten (10) percent of the Units in issue. The Management Company shall proceed to sell adequate assets of the Fund and/ or arrange borrowing as it deems fit in the best interest of the Unit Holder(s) and shall determine the redemption price to be applied to the redemption requests based on such action. The requests in excess of the ten (10) percent shall be treated as redemption requests qualifying for being processed on the next Business Day at the price to be determined for such redemption requests. However, if the carried over requests and the fresh requests received on the next Business Day still exceed ten (10) percent of the Units in issue or ten (10) percent of the NAV of the Fund, these shall once again be treated on first-come-first served basis and the process for generating liquidity and determining the Redemption Price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten (10) percent of the Units then in issue.

### **13.7 Winding up in view of major redemptions**

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

## **14. FEES AND CHARGES**

### **14.1 Remuneration of the Management Company**

14.1.1 The Management Company shall be entitled to be paid monthly in arrears, accrued remuneration duly verified by the trustee, a remuneration of an amount not exceeding three (3) percent per annum of the average daily Net Assets during the first five years of the scheme and two (2) percent per annum of the average daily Net Assets there after, or such other amount as may be specified by the Commission from time to time and provided that the remuneration so calculated shall not exceed the maximum remuneration allowed under Regulations.

14.1.2 The remuneration shall begin to accrue from the close of the Initial period. In respect of any period other than an Accounting Period such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued in proportion to the total number of days accrued in the Accounting Period concerned.

14.1.3 The remuneration due to the Management Company shall be paid in arrears within 15 (fifteen) Business Days after the close of each calendar month and after the receipt of invoice by the Trustee

14.1.4 In consideration of the foregoing and save as aforesaid the Management Company shall be responsible for the payment of all expenses incurred by the Management Company from time to time in connection with its responsibilities as Management Company of the Trust. The Management Company shall not make any charge against the Unit Holder(s) or against the Trust Property or against the Distribution Account for its services or for its expenses, except such expenses as are expressly authorised under the provisions of the Regulations and this Trust Deed to be payable out of Trust Property.

14.1.5 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.

14.1.6 The Management Company shall however not make any further 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 authorised under the provisions of the Regulations and the Trust Deed.

### **14.2 Remuneration of Trustee**

14.2.1 The Trustee shall be entitled to a monthly remuneration out of the Trust Property determined in accordance with **Exhibit "C"**. The remuneration shall begin to accrue from the close of Initial Period. For any period other than a full calendar month such remuneration will be pro-rated 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.

- 14.2.2 Such remuneration shall be paid to the Trustee within fifteen (15) Business Days after the end of each calendar month after the receipt of invoice from the Trustee.
- 14.2.3 In consideration of the foregoing and save as aforesaid and the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with their duties as Trustee of the Trust. The Trustee shall not make any charge against the Holders or against the Trust Property or against the Distribution/Redemption Account for their services or for their expenses, except such expenses as are expressly authorised to be paid out of the Trust Property under the provisions of the Regulations and the Constitutive Documents.
- 14.2.4 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 and the Regulations.
- 14.2.5 Any increase in the remuneration of the Trustee agreed to by the Management Company shall require the approval of the Commission.
- 14.2.6 The Trustee shall however not make any further 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 authorised under the provisions of the Regulations and the Trust Deed to be payable out of Trust Property.

### **14.3 Formation Costs to be amortized against Property of the Scheme**

- 14.3.1 Formation Cost shall be charged to the Fund which are estimated at and shall not exceed 1% of amount received during Pre-IPO or Five Millions rupees, whichever is lower subject to the audit of expenses and shall be reimbursable to the Asset Management Company over a period of not less than five years.

### **14.4 Other costs and expenses to be charged to and borne by the Trust**

The following costs and expenses shall be charged to and borne by the Trust:

- (a) listing fee payable to the Stock Exchange including renewals;
- (b) charges and levies of Stock Exchange, national clearing and settlement company and central depository company;
- (c) rating fee of collective investment scheme payable to approved rating agency;
- (d) auditors' fees and related expenses;
- (e) any fees payable to the Commission;
- (f) brokerage and transaction costs related to investing and disinvesting of the assets of the collective investment schemes;
- (g) expenses incurred by Trustee in effecting registration of all registerable assets in the name of the Trustee;
- (h) legal and related costs incurred in protecting or enhancing the interests of the Unit Holders of the collective investment scheme;
- (i) bank charges and borrowing and financial costs;
- (j) hedging costs including forward cover, forward purchase or option purchase costs;
- (k) any printing costs and related expenses for issuing the collective investment scheme's quarterly, half-yearly and annual reports, etc.;
- (l) taxes, fees, cess, duties and other charges applicable to the collective investment scheme on its income or its properties, including taxes, fees, cess, duties and other charges levied by foreign jurisdiction on investments outside Pakistan; and
- (m) all other expenses, taxes and charges due or accrued during Accounting Period which are allowed under the Regulations and any other expense or charge as may be permitted by the Commission.

The expenses referred in 14.3 shall be reported to the Commission and the Trustee giving their break-up under separate heads, as soon as the distribution of the units is completed.

## **15. TRANSACTIONS WITH CONNECTED PERSONS**

- 15.1 The Trust Property shall not be invested in any security of a company if any director or officer of the Management Company owns more than five (5) percent of the total nominal amount of the securities issued or collectively the directors and officers of the

Management Company own more than ten (10) percent of those securities.

- 15.2 The Management Company on behalf of the Scheme shall not without the prior approval of the Commission in writing, purchase from, or sell any securities to any connected person or employee of the Management Company.
- 15.3 Cash forming part of the property of the Scheme may be placed as deposits with the Trustee or an institution licensed to accept deposits, but at a rate that is not lower than the rate offered by the same to its other depositors on deposits of similar amount and maturity.
- 15.4 Money can be borrowed from any Financial Institution provided that the charges are not higher than the normal bank charges.
- 15.5 All transactions with connected persons carried out by the Management Company and on behalf of Collective Investment Scheme as provided in the Constitutive Documents shall be disclosed in the Annual report of the Scheme.

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

### **16.1 Determination of Distributable Profits**

16.1.1 The Management Company on behalf of the scheme shall for every accounting year, distribute by way of dividend to its Unit Holders as the case may be not less than ninety per cent of the accounting income of the scheme received or derived from sources other than un realized capital gains as reduced by such expenses as are chargeable to the Scheme under the Regulations.

16.1.2 The Management Company shall decide as soon as possible, but not later than 45 days after the Accounting Date whether to distribute among Unit Holders, profits, either in form of bonus Units or cash dividend, if any, available for distribution at the end of Accounting Period, and shall advise the Trustee of the rate of such distribution per Unit.

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

- (a) the total income earned on the Trust Property during such Accounting Period including all amounts received in respect of dividend, mark up, profit, interest, fee and any other income; and
- (b) Whole or part of the net realized appreciation as set out in Clause 16.1.4 below at the option of the Management Company;

From which shall be deducted expenses as set out in Clause 16.1.6 below, adjustment as set out in Clause 16.1.6 below and such other deductions and adjustments as the Management Company may determine in consultation with the Auditor.

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

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

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

- (a) deduction of a sum by way of adjustment to allow for effect of purchase of any of the Investment / dividend, interest, profit or mark-up;
- (b) addition of a sum representing amounts included in the price of Units for income accrued prior to the date of issue and deduction of a sum representing all

- participation in income distributed upon Redemption of Units upon a reduction of the Trust during the Relevant Period;
- (c) adjustment considered necessary by the Management Company to reflect the diminution in value of Trust Property.

16.1.7 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 out of the distributable income for the relevant Holder.

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

## **16.2 Distribution of Profits**

16.2.1 On each Accounting Date or interim distribution date, the Management Company shall instruct the Trustee to transfer to the Distribution Account such amount of cash as required to effect cash distribution of income to the Unit Holders. 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.

16.2.2 After fixation of the rate of distribution per Unit, distribution payments shall be made by direct bank transfer or 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.

16.2.3 The Management Company may also issue bonus Units in lieu of cash dividend on the pertinent Classes or Types of Units, which will be mentioned in the Offering Document. The Management Company may offer the Holder the option to receive new Units or fractions thereof under cumulative investment instead of dividend payment, as per the terms and condition and the procedure laid down in the Offering Document.

16.2.4 The Management Company may offer the Unit Holder the option to encash bonus Units as may be entitled against distribution in form of bonus Units. The Unit Holders shall be entitled to change such option under the signatures of the Unit Holder and in case of joint Holders, under the signatures of all the joint Holders.

16.2.5 In case of encashment, the bonus Units will be redeemed on the first Dealing Day after distribution at the NAV of the effective date of distribution after appropriation of the distribution but without any charge of any Back end Load.

16.2.6 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.

16.2.7 Where Units are placed under pledge/lien the payment of dividend will be made in accordance with Clause 36 of this Trust Deed.

## **17. ANNUAL ACCOUNTING PERIOD**

17.1 The Annual Accounting Period shall commence on 1<sup>st</sup> July and shall end on 30<sup>th</sup> June of the ensuing calendar year.

17.2 Accounting Date shall be the 30<sup>th</sup> day of June in each year and any interim dates at which the financial statements of the Fund are drawn up. Provided, however, that the Management Company may, with the consent of the Trustee and after obtaining

approval of the Commission and the Commissioner of Income Tax, change such date to any other date.

- 17.3 Accounting Period shall be the 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.

## **18. AUDIT**

- 18.1 The Management Company shall at the establishment of the Scheme and upon any vacancy with the consent of the Trustee, appoint an Auditor, who shall be chartered accountant, and be independent of the auditor of the Management Company and the Trustee and such auditor shall not be the auditor of the Scheme for more than five consecutive years. The Management Company may at any time remove the Auditor and appoint another Auditor in its place. The appointment of the Auditors shall be as per provisions of the Regulations, as amended and/or replaced from time to time.

- 18.2 The Auditor shall hold office until transmission of the annual report and accounts but may be re-appointed for up to five consecutive terms of one year each. Thereafter, the Auditors shall only be eligible for appointment after the lapse of at least one year. The first Auditor shall be **A.F. Ferguson & Company**, Chartered Accountants, Karachi. The auditor should be 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 the Trustee.

- 18.3 The following persons shall not qualify to be the Auditor of the Trust:

- (a) a person who is or at any time during the preceding three (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.

- 18.4 Appointment of a partnership firm to be the Auditor shall be deemed to be the appointment of all persons who are partners in the firm for the time being.

- 18.5 The Auditor shall have access to the books, papers, accounts and vouchers of the Trust, whether kept at the office of the Management Company, Trustee, Registrar/Transfer Agent, Distribution Company or elsewhere and shall be entitled to require from the Management Company, Trustee and their directors, officers and agents such information and explanations as considered necessary for the performance of audit.

- 18.6 The Trustee shall be entitled to require the Auditors to provide such further reports as may be agreed between the Trustee and the Management Company to facilitate the Trustee in issuing the certification required under Regulations.

- 18.7 The Auditor shall prepare a written report to the Holders on the accounts and books of accounts of the Trust and the balance sheet and income and expenditure account and on every other documents forming part of the balance sheet and income and expenditure account, including notes, statement or schedule appended thereto.

- 18.8 The contents of the Auditor's report shall be as required in the Regulations.

## **19. BASE CURRENCY**

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

## **20. MODIFICATION OF THE CONSTITUTIVE DOCUMENTS**

- 20.1 The Trustee and the Management Company acting together shall be entitled by Trust Deed supplemental hereto to modify, alter or add to the provisions of this Trust Deed in such manner and to such extent as they may consider expedient for any purpose, subject only to the approval of the Commission . Provided that, the Trustee and the Management Company shall certify in writing that, in their opinion such modification,

alteration or addition is required pursuant to any amendment in the Rules or the Regulations or to ensure compliance with any fiscal or statutory requirement or to enable the provisions of this Trust Deed to be more efficiently, conveniently or economically managed or to enable the Units to be dealt in or quoted on Stock Exchange or otherwise for the benefit of the Unit Holder(s) and that it does not prejudice the interests of the Unit Holder(s) or any of them or operate to release the Trustee or the Management Company from any responsibility to the Unit Holder(s).

- 20.2 The amended or supplemented Deed shall be binding on the Unit Holders(s) from the date of such amended or supplemented Deed. Where this Trust Deed has been amended or supplemented the Management Company shall notify the Unit Holder(s) immediately either through mail, advertising in the paper or by posting on its website regarding such alteration/amendments. Failure to notify the Unit Holder(s) immediately of any amended or supplemented Deed shall not prejudice the validity or enforceability of the amended or supplemented Deed against the Unit Holder(s).
- 20.3 The Management Company may, from time to time, with the consent of the Trustee frame operational procedures for conducting the business of the Trust or in respect of any other matter incidental thereto; provided such procedures are not inconsistent with the provisions of this Trust Deed or the Offering Documents, the Rules and/or the Regulations.
- 20.4 If the Commission modifies the Rules and/or the Regulations to allow any relaxations or exemptions, these will be deemed to have been included in this Trust Deed without requiring any modification.

## **21. REVOCATION OF THE SCHEME**

- 21.1 The Management Company, after the prior written approval of the Commission, shall give at least three months notice to the unit holders and Trustee if it intends to have the registration of the Scheme managed by it cancelled:
- 21.2 At the end of notice period given under Regulation, the Commission may by an order in writing cancel the registration of the Scheme.
- 21.3 Upon representation to the Commission, by three fourth in value of the total unit holders of the Scheme, or if in the opinion of the Commission further continuation of the registration of the Scheme will be detrimental to the interest of the unit holders, the Commission may cancel the registration of such Scheme; provided that the registration of the Scheme shall not be cancelled without providing an opportunity of being heard to the Asset Management Company and the Trustee.
- 21.4 In case of cancellation of registration, the Management Company shall revoke the Scheme and refund the proceeds to the unit holders in such manner and within such time as may be specified by the Commission.
- 21.5 Notwithstanding anything contained in any other provision, where in the opinion of the Commission or the Management Company any delay in the revocation of a Scheme is detrimental to the interest of the unit holders, the Commission may direct the immediate revocation of the Scheme without first canceling the registration or providing an opportunity of being heard to the Management Company in such manner and within such time as may be specified by the Commission.
- 21.6 Where the Commission grants approval under Regulation or cancels the registration of the Scheme or orders the revocation of the Scheme, all issuance and redemption of units of the Scheme shall stand suspended immediately.
- 21.7 In case of revocation of the Scheme all unit holders shall be treated *pari passu*.

## **22. DISTRIBUTION ON REVOCATION OF THE SCHEME**

- 22.1 Upon the Trust being terminated the Management Company shall suspend the Sale and Redemption of Units forthwith and proceed to sell all Investments then remaining in the hands of the Trustee as part of the Trust Property and shall repay any borrowing effected by the Trust together with any mark-up remaining unpaid. Provided that the Trustee shall not be liable for any shortfall.
- 22.2 The Trustee on the recommendation of the Management Company shall from time to time distribute to the Unit Holder(s) pro rata to the number of Units held by them

respectively all net cash proceeds derived from the realization of the Trust Property after making payment as mentioned in Clause 22.1 above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands. In case there is any deficit, the Management Company or the Trustee shall not be liable therefore and in case there is any surplus remaining in the hands of the Trustee, the same shall be distributed amongst the Unit Holders pro rata to the number of Units held by them.

## **23. TRUST PROPERTY**

- 23.1 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 and includes the investment and all income, profit and other benefits arising there from and all cash, bank balances and other assets and property of every description for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holder(s) pursuant to this Deed but does not include any amount available for distribution in the Distribution Account. The Distribution Company shall remit such proceeds to the Trustee in accordance with instructions given by the Management Company from time to time.
- 23.2 The Trust Property shall initially be constituted out of the proceeds of the Units issued to the Core Investors and other Units issued during the Initial Offer after deducting any applicable Duties and Charges and loads there from, as provided by the Offering Document.
- 23.3 The Trustee shall hold the Trust Property in trust for the benefit of the Unit Holder(s) ranking *pari passu* inter se, according to the number of Units held by each Unit Holder(s) and in accordance with the provisions of the 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 such as to make a loan or advance except in connection with the normal business of the Trust as permissible under the Regulations. All registerable Investment shall be registered in the name of the Trustee and shall remain so registered until disposed of pursuant to the provisions of this Trust Deed. All expenses incurred by the Trustee in effecting such registration shall be payable out of the Trust Property.
- 23.4 Except as specifically provided in this Trust Deed, the Trust Property shall always be kept as separate property free from any mortgages, charges, liens or any other encumbrances whatsoever and the Trustee shall not, except for the purpose of the Scheme, create or purport to create any mortgages, charges, liens or any other encumbrance whatsoever to secure any loan, guarantee or any other obligation actual or contingent incurred assumed or undertaken by the Trustee or any other person.
- 23.5 The Trustee shall have the sole responsibility for safekeeping and maintaining the Trust Property in its own name. In the event of any loss caused due to any negligence or willful act and/or omission, the Trustee shall have an obligation to replace the lost investment forthwith with similar investment of the same class and issue together with all rights and privileges pertaining thereto or compensate the Trust to the extent of any loss. However the trustee shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.
- 23.6 All cash forming part of the Trust Property shall be deposited by the Trustee in a separate bank account to be mutually agreed with the Management Company in the name of the Trustee, as a nominee of the Trust, 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.

## **24. TRANSACTIONS RELATING TO INVESTORS (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 Trust.
- 24.2 The Management Company shall also 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 accounts of the Trust by way of transfer of the appropriate amounts to the designated bank accounts of the Unit

Holder(s) or through any other mode(s) of payment and such payment shall be subject to the Regulations or by dispatch of 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.

- 24.3 The Management Company may make arrangements through branches of banks or sales offices of its distributors to facilitate issuance and Redemption of Units of the Trust or may appoint Investment Facilitators for this purpose. A request for purchase of Units may also be made through the use of electronic means subject to the satisfaction of Trustee, such as Internet or ATM facilities or Credit Card facilities.
- 24.4 The Management Company shall, from time to time, advise the Trustee of the dividend distribution for the Trust. The Trustee shall establish a separate Bank Account for dividend distribution and transfer the amount payable as cash dividend to such Account after deducting such Taxes and Zakat as may be required under the law. The Trustee may rely on the amount certified by the Auditors as the dividend payable in cash after adjusting for dividend being distributed in the form of Units of the Trust.
- 24.5 The Management Company may advise the Trustee of the allocation of funds (received in the main collection account) between two or more open ended schemes managed by the Management Company on a regular basis, provided Trustee is same for all such schemes. Based on such advice, the Trustee shall transfer the funds to the accounts of the respective schemes.
- 24.6 The Trustee shall pay to the Management Company's order such sums out of the sale proceeds of Units as are representative of Front-end or charges or other recoveries that are specified in the Offering Document or Supplemental Offering Document, if any, as being payable out of the Issue Prices.

## **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 respective Trust. The Trustee shall carry out the settlements in accordance with the dictates of the specific transactions. 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.
- 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 within two (2) Business Days forward to the Management Company any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust Funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government, regulator, stock or other exchange or any other party having any connection with the transaction.
- 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 Trust. Such action shall include legal action if called for and the Trustee shall be entitled to recover any legal costs reasonably incurred from the Trust.
- 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. The cost of such proxies and powers of attorney shall be charged to the Fund.

## **26. OTHER MATTERS RELATING TO THE TRUST**

### **26.1 Declaration of Net Asset Value based prices**

The Management Company shall, at such frequencies as are prescribed in the relevant Offering Document, 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.

### **26.2 Purchase (Offer) and Redemption (Repurchase) of Units**

The Registrar/Transfer Agent 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/Transfer Agent shall determine the number of Units to be issued or redeemed.

## **27. VOTING RIGHTS ON TRUST PROPERTY**

27.1 All rights of voting attached to any Trust Property shall be exercisable by the Management Company on behalf of the Trustee and it shall be entitled to exercise the said rights in what it may consider to be in the best interest of the Holders and may refrain at its own discretion from the exercise of any voting rights and the Trustee or the Holders shall not have any right to interfere or complain.

27.2 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 favour 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 as provided under the Ordinance. The Management Company shall keep a record stating the reasons for casting votes in favour of or against any resolutions.

27.3 The Management Company shall keep records stating reasons for casting vote in favor or against any resolution for a period of 10 years.

27.4 Not later than one (1) Business Day of receipt, the Trustee shall forward to the Management Company all notice of meetings and all reports and circulars received by the Trustee as the holder of any investment.

## **28. UNITS**

28.1 The Management Company may issue different classes or types of Units with different features to the investments as may be specified in the Offering Document or Supplementary Offering Documents.

28.2 Units shall be issued in the Initial Period for the Initial Price to the first subscribers of such Units and to the extent of an amount determined by the Management Company and intimated to the Trustee, subject to the provisions of the Regulations. The Core Units issued at Par Value to Core Investors shall not be redeemable for a period of two years from the date of such subscription. Such Units are transferable with this condition and shall rank *pari passu* with all other Units save for this restriction. Any transfer of these restricted class Core Units, during the first two years of their issue, shall be affected only on the receipt by the Registrar/Transfer Agent 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 Documents to be issued for this Trust.



- 28.3 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.
- 28.4 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 Documents. The liability of the Holders shall be limited to the Offer Price paid for Units.
- 28.5 The Units issued with differing classes may, as specified in the Offering Document, have differing quantum of the Front-end load added to the Net Asset Value to determine the Offer Price and differing level of Back-end load deducted for determining the Redemption Price.
- 28.6 After the Initial Offer, the Units issued at the Offer Price shall be determined from time to time pursuant to sub-clause 12.2 of this Trust Deed and the Regulations.
- 28.7 By a trust 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 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.
- 28.8 The Management Company may issue Units with loads. Irrespective of the different loads under which Units may be 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. All Units will in all other respects rank *pari passu* inter se.

## 29. ISSUE OF UNITS

- 29.1 The Management Company shall be responsible for obtaining all requisite consents and approvals for the offer and issue of Units and for the issue, publication or circulation of the Offering Documents.
- 29.2 Except as provided herein the Units shall be offered at the authorised offices or branches of the Distribution Company and Management Company's authorised sales offices on all Subscription Days.
- 29.3 Application for issuance of Units shall be made by completing the prescribed application form and submitting it at the authorised branch or office of any Distribution Company together with the payment by cheque, bank draft, pay order, credit card etc. as the case may be in favour of "CDC Trustee ABL Cash Fund" and crossed "**Account Payee Only**". The application for issuance of the Units and the specimen signature of each Holder shall be retained by the relevant Distribution Company with copies supplied to the Transfer Agent, if so required by the Management Company. The Distribution Company shall verify the particulars given in the application for issuance of Units and the documents submitted therewith.
- 29.4 Each Unit Holder(s) 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, 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. The Units shall be issued only against receipt of full payment.
- 29.5 The Management Company may impose processing charges for issuance of Units in such manner as it shall think fit and reasonable.
- 29.6 An application for purchase of Units shall deem to have been made in accordance with the provisions of the Offering Document, if such document prescribes automatic issuance of Units under certain circumstances.
- 29.7 No Units shall be issued until full payment of the Offer Price has been received by the Trustee

### **30. CLASSES AND TYPES OF UNITS**

- 30.1 Units may be charged with or without Front-end Load, Back-end Load and or any combination of the foregoing from time to time as per the terms of Offering Document. The Management Company shall identify each such Units in such manner as it thinks fit as Class 'A', Class 'B' and so on and so forth.
- 30.2 The types of Unit(s) shall consist of Growth Unit(s) and Income Unit(s). Details regarding each type of Units will be given in the Offering Documents and Supplementary Offering Documents.
- 30.3 Core Units subscribed by the Core Investors for an aggregate amount of not less than the amount prescribed under the Regulations shall be offered and issued at the Initial Price and shall not be redeemable for a period of two years from the date of such subscription. 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. Core Units will however be transferable on the same terms and conditions as applicable to the Core Investors. Further the Management Company will notify to the Trustee on each transfer prior to the expiry of the period of two years.
- 30.4 By a deed supplemental to this Deed the Management Company may at any time with the approval of the Trustee and the Commission, on giving not less than twenty-one days previous notice in writing to each Unit Holder, sub-divide or consolidate the whole or any part of the Units of the same class and the Unit Holder shall be bound accordingly. The Management Company shall require in such notice that each Unit Holder to whom Certificates have been issued (who shall be bound accordingly) deliver 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 the Certificates shall not delay or otherwise affect any such sub-division or consolidation.

### **31. ISSUE OF UNITS OUTSIDE PAKISTAN**

- 31.1 Subject to foreign exchange control and other applicable laws, rules and regulations, in the event of arrangements being made by the Management Company for the issuance of Units to person(s) not resident in Pakistan or for delivery in any country outside Pakistan the price at which such Units may be issued may at the discretion of the Management Company include in addition to the Offer Price as herein before provided, a further amount sufficient to cover any currency exchange fluctuation, transaction costs, bank charges, any additional stamp duty or taxation whether national, municipal or otherwise leviable in that country in respect of such issue or of the delivery or issue of Certificates in connection therewith or the remittance of money to Pakistan.
- 31.2 In the event that the Redemption Price for Units is paid in any country outside Pakistan, the price at which such Units may be redeemed may, at the discretion of the Management Company, include as a deduction to the Redemption Price as hereinbefore provided a future amount sufficient to cover any currency exchange fluctuation, bank charges, additional transaction costs and any additional stamp duty or taxation whether national, municipal or otherwise leviable in that country in respect of such payment or redemption.
- 31.3 The currency of transaction of the Trust is the Pakistani Rupee and the Management Company, Trustee or any Distributor are not obliged to transact the Purchase or Redemption of the Units in any other currency and shall not be held liable, save as may be specifically undertaken by the Management Company, for receipt or payment in any other currency or for any obligations arising there from.
- 31.4 Neither the Trustee, nor the Management Company shall be responsible for arranging remittances of funds from the offshore countries to Pakistan and from Pakistan to offshore countries or for payment of any bank charges and other levies, if any in relation to issue and redemption of Units outside Pakistan.

### **32. REGISTER OF UNIT HOLDER(S)**

- 32.1 The Register shall be maintained by the Registrar/Transfer Agent at such a place as is agreed by the Management Company. The Management Company shall ensure that Registrar/Transfer Agent shall comply with all relevant provisions of the Constitutive Documents and the Regulations and inform the Commission and the Trustee of the address where the Register is kept.

- 32.2 The Management Company shall ensure that the Registrar/Transfer Agent shall at all reasonable times during business hours give the Trustee and its representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without charge but neither the Trustee nor its representatives shall be entitled to remove the Register or to make any entries therein or alterations thereto, except when the Register is closed in accordance with the provisions of this Trust Deed, the Register shall during business hours (subject to such restrictions as may be mentioned in the Offering Document and for a period of at least two (2) hours in each Business Day) be open in legible form to the inspection of any Holder without charge.
- 32.3 The Register shall contain the following information in respect of each class and type of Units:
- (a) Full names, father's/husband's name and addresses of each Holder and joint Unit Holder(s);
  - (b) Computerized National Identity Card Number (CNIC) (in respect of Pakistani nationals)/ )/Computerized National Identity Card for Overseas Pakistanis (CNICOP) or Pakistan Origin Card number (in respect of overseas Pakistanis)/passport numbers or other identifying numbers (in respect of overseas Pakistanis and Foreign Nationals);
  - (c) Nationality;
  - (d) Number of Certificate held and the distinctive numbers of Certificate, if any;
  - (e) The date on which the name of every Unit Holder was entered in respect of the Units standing in his name;
  - (f) The date on which any transfer or redemption is registered with Certificate number, if any;
  - (g) Information about lien, pledge or charge of Units;
  - (h) Information about verification of redemption/ transfer Forms;
  - (i) Tax and Zakat status of Holder, including National Tax Number, if any;
  - (j) Information about nominees (for individuals only);
  - (k) Record of signature of Holder;
  - (l) Such other information as the Management Company may require.
- 32.4 The Register shall be conclusive evidence as to the Units held by each Holder.
- 32.5 The Registrar/Transfer Agent shall within two (2) working days of receiving a written request from any Unit Holder, post (or send by courier or through electronic means) to such Unit Holder's details of such Unit Holder's account in the Register. Such service shall be provided free of charge to any Unit Holder requesting so once in any financial year. The Management Company may prescribe reasonable charges for servicing of any additional requests.
- 32.6 Any change of name or address of any Holder shall forthwith be notified in writing to the Distribution Company who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name the surrender of any Certificate previously issued to such Holder and the payment of the fee) shall forward the particulars to the Registrar/Transfer Agent who on being satisfied with the compliance of formalities shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall issue where necessary a new Certificate to such Holder.
- 32.7 The Registrar/Transfer Agent shall not register more than four (4) joint Holders for a Unit. In case of the death of any one of the joint Holders the survivor or survivors shall be the only persons recognized by the Trustee as having any title to or interest in the Units held by the joint Holders. Provided however, the Registrar/Transfer Agent or the Management Company or the Trustee may at their discretion request the survivors to provide succession certificates or other such mandate from a court or lawful authority, if any consider necessary.
- 32.8 A body corporate may be registered as a Holder or as one of the joint Holders.
- 32.9 The Register may be closed in consultation with the Trustee for such period as the Management Company may from time to time determine and after giving at least seven (7) calendar days notice to Holders, provided that it is not closed for more than forty-five (45) days in any calendar year, not exceeding six (6) days at a time for any single purpose.

- 32.10 The Holder shall be the only person to be recognised 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 recognise 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. However, the Management Company may authorize the Registrar/Transfer Agent to record a pledge/ lien on any or all Certificates held by a Unit Holder in favour of a third party at the request of such Unit Holder or Joint Unit Holders, as the case may be.
- 32.11 The executors or administrators or succession certificate holders of deceased Holder (not being one of several joint Holders) shall be the only persons recognised by the Trustee and the Management Company as having right, title or interest in or to the Units represented thereby.
- 32.12 Any person becoming entitled to a Unit in consequence of the death or bankruptcy/ insolvency of any sole Holder or of the survivor of joint Holders may subject to as hereinafter provided upon producing such evidence as to his title as the Trustee shall think sufficient either be registered himself as Holder of such Unit upon giving the Trustee/ Distribution Company such notice in writing of his desire or transfer such Unit to some other person. All the limitations, restrictions and provisions of this Trust Deed relating to transfer shall be applicable to any such notice or transfer as if the death or bankruptcy/ insolvency had not occurred and such notice or transfer was a transfer executed by the Holder. Provided however, the Management Company or the Trustee may at their discretion request the survivors to provide succession certificates or other such mandate from a court or lawful authority, if they consider necessary.
- 32.13 The Trustee shall retain any moneys payable in respect of any Unit of which any person is, under the provisions as to the transmission of Units hereinbefore 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.

### **33. ISSUANCE OF CERTIFICATES**

- 33.1 Upon being satisfied, that the proceeds for each Unit or fraction thereof has been received in full from the applicant, the Management Company shall intimate the Registrar/Transfer Agent who shall issue an account statement that will constitute evidence of the number of Units registered in the name of the Holder.
- 33.2 Certificates shall be issued only if so requested by the Holder at the time of application or at any later stage and upon payment of a fee not exceeding Rs. 50/- (Rupees Fifty only) per Certificate of any denomination, subject to revision of fee from time to time by the Management Company. The proceeds of such fee will accrue to the Management Company.
- 33.3 Certificates shall only be issued for Units that have been fully paid, in such denomination as may be required by the Holder. Separate Certificates shall be issued for each class of Units.
- 33.4 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 or his duly authorised nominee at his own risk by registered post, by courier service or may be collected by the Holder from the Distribution Company
- 33.5 In the case of Units held jointly, the Registrar/Transfer Agent shall not issue more than one Certificate for the Units held by such joint Holders and delivery of such Certificate to the Holders named first therein shall constitute sufficient delivery to all joint Holders.
- 33.6 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 and serial number and shall specify the number of Units represented thereby and the name and address of the Holder as appearing in the Register.
- 33.7 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 authorised officer of the Trustee and on behalf of the Management Company by a duly authorised officer of the Management Company and

by a duly authorised officer of the Registrar/Transfer Agent. Every such signature shall be autographic unless there shall be for the time being in force an arrangement authorised 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 authorised representative of the Registrar/Transfer Agent, which shall always be autographic. No Certificate shall be of any force or effect until signed as herein above mentioned. Certificate so signed shall be valid and binding notwithstanding that before the date of delivery thereof the Trustee or the Management Company or the Registrar/Transfer Agent or any person whose signature appears thereon as a duly authorised signatory may have ceased to be the Trustee, the Management Company, Registrar/Transfer Agent or any authorised signatory.

#### **34. REPLACEMENT OF CERTIFICATES**

34.1 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 of such denominations as he may require representing the same aggregate number of Units.

34.2 In case any Certificate shall be lost, mutilated, defaced or destroyed, the Registrar/Transfer Agent with the approval of the Management Company may issue to the person entitled a new certificate in lieu thereof. No such new Certificate shall be issued unless the applicant shall previously have: (i) returned the mutilated or defaced Certificate or furnished to the Distribution Company/ Registrar/Transfer agent evidence satisfactory to the Management Company of the loss, theft or destruction of the original Certificate; (ii) paid as expenses incurred in connection with the investigation of the facts; (iii) in the case of joint Holders obtained the written consent of the joint Holders for issuance of such new certificates; and (iv) furnished such indemnity as the Management Company and the Trustee may reasonably require. Neither the Management Company, nor the Trustee nor the Distribution Company/Registrar/Transfer Agent shall incur any liability for any action that they may take in good faith under the provisions of this sub-clause. Provided further the Trustee and /or the Management Company may also require issuance of public notices in newspapers at the cost of the pertinent Unit Holders before issuing any duplicate certificates.

34.3 Before the issuing of any Certificate under the provisions of this sub-clause, the Distribution Company/Registrar/Transfer Agent may require from the applicant for the Certificate the payment to it of a fee of Rs. 50/- (Rupees Fifty only) 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.

#### **35. TRANSFER OF UNITS**

35.1 Every Holder shall be entitled to transfer, pledge or otherwise encumber the Units held by her/him by an instrument in such form as the Management Company may prescribe from time to time with the approval of the Trustee.

35.2 A Certificate shall be transferable only in its entirety.

35.3 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.

35.4 Every instrument of transfer must be duly completed in all respects including affixation of transfer stamps of the requisite value. Where Certificates have been issued the Trustee may dispense with the production of any Certificate where the Certificate 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.

35.5 All instruments of transfer shall be retained by the Distribution Company and a copy supplied to the Registrar/Transfer Agent if required by the Management Company.

35.6 The Distribution Company/ Registrar/Transfer Agent 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 Trust at any time after the expiration of six (6) years from termination of the Trust. The Trustee or the Management Company or the Distribution Company/ Registrar/Transfer Agent shall be under no liability whatsoever in consequence thereof and it shall conclusively be presumed in favour of the Trustee or the Management Company or the Distribution Company/ Registrar/Transfer Agent that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered by the Trustee or the Management Company or the Distribution Company/ Registrar/Transfer Agent and that every Certificate so destroyed was a valid Certificate duly and properly registered by the Trustee or the Management Company or the Distribution Company/ Registrar/Transfer Agent and that every Certificate so destroyed was a valid Certificate duly and properly cancelled; provided always that: (i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereof) to which the document may be relevant; (ii) nothing in this sub-clause shall be construed as imposing upon the Trustee or the Management Company or the Distribution Company/ Registrar/Transfer Agent any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of proviso (i) above are not fulfilled; and (ii) reference herein to the destruction of any document includes reference to the disposal thereof in any manner.

- 35.7 The sale, redemption and transfer of Units and any other dealings in the Units may be carried out On-line and/ or electronically, 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.

## **36. PLEDGE/ LIEN OF UNITS**

- 36.1 Any Unit Holder or all the joint Holders of a Unit or types of Units may request the Registrar/Transfer Agent to record pledge or lien all or any of her/ his/ their Units in favour of third party legally entitled to invest in such units in its own rights. The Registrar/Transfer Agent 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/Transfer Agent 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.
- 36.2 The lien once registered shall be removed by the authority of the party in whose favour the pledge/ lien has been registered or through an order of the competent court. Neither the Trustee nor the Management Company nor the Registrar/Transfer Agent 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/Transfer Agent take any responsibility in this matter.
- 36.3 Save any legal bar or court order requiring otherwise, any dividends that are declared on the pledged Units shall be made to the order of the pledge/lien/charge holder. Furthermore, 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 lien/ pledge/ charge shall be made to the lien/ charge/ pledge holder.
- 36.4 The lien on the pledge Units shall continue till such time it is released by the pledge/lien/charge holder in writing.

## **37. ARBITRATION**

In the event of any disputes arising out of this Trust Deed or the Offering Document between the Management Company on the one part and the Trustee on the other part, including as to the respective rights and obligations of the parties hereto, as well as those relating to the interpretation of the terms and conditions of this Trust Deed and the Offering Document relating to Trust, the same shall be referred to arbitration by two arbitrators, one to be appointed by the Management Company and the other to be appointed by the Trustee. In the event of lack of consensus between the two arbitrators, the matter shall be referred to an umpire, to be selected by the two arbitrators before

commencement of the reference. The unanimous decision of both the arbitrators, or the decision of the umpire, as the case may be, shall be final and binding upon both the parties hereto. The arbitrators and the umpire shall be selected from amongst, senior partners of renowned firms of chartered accountants, or senior partners of renowned law firms, or senior bankers or senior members of the Karachi Stock Exchange (Guarantee) Limited. The venue of the arbitration shall be Karachi. The arbitration shall be conducted in accordance with the Arbitration Act, 1940.

Subject to Arbitration Clause above applicable between the Management Company and the trustee inter se each party, including Unit Holders, irrevocable submit to the exclusive jurisdiction of the courts at Karachi.

### **38. CONFIDENTIALITY**

The Trustee, the Management Company, the Registrar/Transfer Agent, the Custodians, the Distributors, the Investment Facilitators, the Auditor and every director or officer of the Trustee and the Management Company who are in any way engaged in the business of the Trust and all persons employed or engaged by the Trustee or the Management Company in connection with the business of the Trust shall observe strict confidentiality in respect of all transactions of the Trust, its Holders and all matters relating thereto and shall not disclose any information or document which may come to 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.

### **39. MISCELLANEOUS**

39.1 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.

- (a) The Management Company shall advertise any such notice in two (2) leading daily newspapers in Pakistan in which prices of Units are published having wide circulation in the country.
- (b) Service of a notice or document on any one of several joint Holders shall be deemed effective service on the other joint Holders.
- (c) Any notice or document sent by post to or left at the registered address of a Holder shall notwithstanding that such Holder be then dead or bankrupt/insolvent and whether or not the Trustee or the Management Company have notice of his death or bankruptcy be deemed to have been duly served and such service shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under him) in the Units concerned.

39.2 A copy of this Trust Deed and of any such supplemental trust deed shall be made available for inspection at the respective Head Offices of the Trustee and the Management Company at all times during usual business hours and shall be supplied by the Management Company to any person on application at a charge of Rs. 100/- (Rupees one hundred only) per copy or at such rate as determined from time to time by the Management Company.

39.3 If at any time, any Clause of this Trust Deed is or becomes 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.

### **40. DEFINITIONS**

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

40.1 “**Accounting Date**” means the 30<sup>th</sup> day of June in each year, provided that the Management Company, with the written consent of the Trustee and after obtaining approval of the Commissioner of Income Tax and under intimation to the Commission may change such date to any other date.

40.2 “**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.

40.3 **“ABL Cash Fund” or “ABL-CF” or “Trust” or “Unit Trust” or “Fund” or “Scheme”** means the Unit Trust constituted by this Trust Deed for continuous offers for sale of Units.

40.4 **“Auditor”** means a firm of Chartered Accountants that is appointed by the Management Company with the consent of Trustee, as the auditor for the Fund who shall be independent of the auditor of the Management Company and Auditor of the Trustee in accordance with the Regulations.

40.5 **“Authorised Branch and Branches”** means those branches of the Distributors authorised by the Management Company to perform the Distribution Function.

40.6 **“Authorised Investment”**

ABL-CF is Money Market Fund and its “Authorized Investments” include all transacted, issued, traded, listed and unlisted investments, inside or outside Pakistan and may include the following:

- Musharika Certificates;
- Government of Pakistan Investment Bonds, Treasury Bills and other Federal Government Securities;
- Deposits with Commercial banks;
- Deposits in foreign Currencies with Commercial banks after prior approval of the applicable regulatory authorities;
- Certificates of Investment/Deposits issued by financial institutions;
- Letter of Placements issued by financial institutions;
- Reverse REPOs transactions against Authorized Investments;
- Commercial Papers;
- The Fund may also hold assets in the form of cash deposits, with Banks;
- 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;
- Authorized Investments in overseas markets to the extent of 30% of the Net Assets, subject to a cap of US\$15 million or such cap as may be defined in the Rules from time to time. Overseas investments would be subject to prior approvals / guidelines of the Commission and the State Bank of Pakistan;
- Any other security and/or instruments that may be allowed by the Commission, the Regulations or any other regulatory authority from time to time;
- All other permissible investments.

The investment in asset classes mentioned above will be subject to such Exposure limits and minimum ratings as specified in the Offering Document of ABL Cash Fund.

40.7 **“Back-end Load”** means the charge or commission (excluding Duties and Charge) not exceeding 5% 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 per the Offering Document. Back-end load shall form part of the Trust Property.

40.8 **“Bank”** means a banking company licensed under the Banking Companies Ordinance, 1962 or any other regulation for the time being in force and shall include a bank incorporated outside Pakistan and carrying on banking business in Pakistan as a scheduled bank.

40.9 **“Bank Accounts”** means those account(s) opened and maintained for the Trust by the Trustee at Banks, the beneficial ownerships in which shall vest in the Unit Holder(s).

40.10 **“Broker”** means any person licensed by the Commission and engaged in the business of effecting transactions in securities for the account of others.

40.11 **“Business Day”** means a day on which banks are open for business.

40.12 **“Certificate”** means the definitive certificate acknowledging the number of Units registered in the name of the Holder issued at the request of the Unit Holder pursuant to the provisions of this Trust Deed.



- 40.13 **“Commission”** is the Securities and Exchange Commission of Pakistan.
- 40.14 **“Connected Person”** shall have the same meaning as in the Regulations.
- 40.15 **“Constitutive Documents”** means this trust deed that is the principal document governing the formation, management or operation of the trust, the offering document and all material agreements in relation to the Trust.
- 40.16 **“Core Units”** mean such Units of the Scheme that are issued to Core Investors at Par Value with the condition that these are not redeemable for a period of two years from the date of issue. However, such restricted Units are transferable with this condition and shall rank *pari passu* with all other Units save for this restriction. Any transfer of these Core Units, during the first two years of their issue, shall be affected only on the receipt by the Registrar/Transfer Agent of a written acceptance of this condition by the transferee. Particulars of the Core Units shall be included in the Offering Document that shall be issued for this Trust.
- 40.17 **“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 Trust.
- 40.18 **“Custodian”** means: (a) Bank(s), the Central Depository Company of Pakistan Limited, or any other Depository for the time being which may be appointed by the Trustee with the approval of the Management Company to hold and protect the Trust Property or any part thereof as custodian on behalf of the Trustee; and/ or (b) the Trustee, if performing custodian functions with the approval of the Management Company.
- 40.19 **“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 in which the amount required for distribution of income to the Unit Holder(s) shall be transferred. Interest, income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the main account of the Fund from time to time, as part of the Trust Property for the benefit of the Unit Holder(s).
- 40.20 **“Distributor / Distribution Company”, “Distribution Companies”** means a Company or companies or firm or a Bank 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. Distributor should acquire the associate membership of the Association constituted in consultation with the Commission and shall abide by the code of conduct prescribed by the Association(s).
- 40.21 **“Distribution Date”** means the date on which the Management Company decides to distribute the profits (if any).
- 40.22 **“Distribution Function”** mean the functions with regard to:
- a. receiving applications for issue of Units together with the aggregate Offer Price for Units applied for by the applicants;
  - b. issuing receipts in respect of (a) above;
  - c. interfacing with and providing services to the Holders including receiving redemption/ transfer applications, conversion notices and applications for change of address or issue of duplicate Certificates for immediate transmission to the Management Company or the Registrar/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 Function.
  - e. the above functions may be performed electronically, if appropriate systems are in place.
- 40.23 **“Duties and Charges”** means in relation to any particular transaction or dealing all stamp and other duties, 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.

- 40.24 **“Exposure** shall have the same meaning as in the Regulations
- 40.25 **“Federal Government”** means the Federal Government of Islamic Republic of Pakistan.
- 40.26 **“Financial Institution”** means a development finance institution, non banking finance company, modaraba or an institution registered under relevant laws to provide financial services within or outside Pakistan
- 40.27 **“Formation Cost”** means preliminary expenses relating to regulatory and registration fees of the Scheme, including floatation 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, inviting investment therein and all other expenses incurred until the end of the Initial Period.
- 40.28 **“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 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 classes of units as per details given in Offering Document.
- 40.29 **“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, including but not limited to Federal Investment Bonds, Pakistan Investment Bonds and any securities/instruments replacing or substituting the foregoing from time to time.
- 40.30 **“Holder” or “Unit Holder”** means the investor for the time being entered in the Register as owner of a Unit including investors jointly so registered pursuant to the provisions of this Trust Deed.
- 40.31 **“Initial Period”** means a period determined by the Management Company not exceeding ninety (90) days during which Units will be offered at the Initial Price in terms of the Offering Document, inclusive of the offering to the Core Investors.
- 40.32 **“Initial Price”** means the price of Rs.10/- (Rupees Ten) per Unit during the Initial Period determined by the Management Company.
- 40.33 **“Investment”** means any Authorised Investment forming part of the Trust Property
- 40.34 **“Investment Facilitators/ Advisors/ Sales Agents”** means an individual, firm, corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Scheme. The Management Company shall compensate the Investment Facilitators/ Advisors/ Sales Agents out of the Front-end Load collected by it in the Offer Price and /or from Management Fee.
- 40.35 **“Net Assets”** means the excess of assets over liabilities of the Fund, such excess being computed in the manner specified in the Regulations.
- 40.36 **“Net Asset Value” or “NAV”** means per Unit value of the Trust arrived at by dividing the Net Assets by the number of Units outstanding.
- 40.37 **“Offer Price”** means the sum to be paid to the Trustee for the benefit of the Trust for issuance of one Unit, such price to be determined pursuant to Clause 12.2 of this Trust Deed.
- 40.38 **“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 Trust, as required by the Regulations and is circulated to invite offers by the public to invest in the Scheme and shall include Supplementary Offering Document(s) published or circulated by the Management Company with the approval of the Commission.
- 40.39 **“On-line”** means transactions through electronic data-interchange whether real time transactions or otherwise, which may be through the internet, intranet networks and the like.

- 40.40 **“Ordinance”** means the Companies Ordinance, 1984.
- 40.41 **“Par Value”** means the face value of a Unit as defined in the Offering Documents.
- 40.42 **“Pre IPO”** means the period preceding the Initial Period during which investments are made in the Scheme by the Pre-IPO Investors.
- 40.43 **“Pre IPO Investor(s)”** mean(s) the investors who make investments in the Scheme before the Initial Period.
- 40.44 **“Redemption Account”** means the account(s) (which may be a current, saving or deposit account(s)) maintained by the Trustee with any bank having an investment grade rating and approved by the Management Company in which the amount required for redemption of Units to the Holders may be transferred.
- 40.45 **“Redemption Price”** means the amount to be paid to the relevant Unit Holder(s) upon redemption of that Unit, such amount to be determined pursuant to Clause 12.4 of this Trust Deed.
- 40.46 **“Register”** means the Register of the Unit Holder(s) kept pursuant to the Regulations and this Trust Deed.
- 40.47 **“Registrar/Transfer Agent”** means a company including a Bank that the Management Company shall appoint for performing the Registrar Functions. The Management Company may itself perform the Registrar Function.
- 40.48 **“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 Holders on re-investment of dividends;
  - h) receiving applications for redemption and transfer/ transmission of Units directly from Holder or legal representatives or through Distributor;
  - i) maintaining record of lien/ pledge/ charge.
  - j) keeping record of change of addresses/other particulars of the Holders.
- 40.49 **“Regulations”** mean Non-Banking Finance Companies and Notified Entities Regulations, 2008, as amended or substituted from time to time and inclusive of any specific or general relaxations in respect of applicability of such Regulations granted or to be granted by the Commission.
- 40.50 **“Rules”** mean Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 as amended or substituted from time to time.
- 40.51 **“SBP”** means the State Bank of Pakistan.
- 40.52 **“Stock Exchange”** means Stock Exchanges registered under the Securities & Exchange Ordinance, 1969.
- 40.53 **“Subscription Day”** means every Business Day provided that the Management Company may with the prior written consent of the Trustee and upon giving not less than seven (7) days notice in the two (2) widely circulated English and Urdu newspapers declare any particular Business Day or days not to be a Subscription Day.
- 40.54 **“Transaction Costs”** means the costs incurred or estimated by the Management Company to cover the costs (such as, but not restricted to, brokerage, Trustee charges, taxes or levies on transactions, etc.) related to the investing or disinvesting activity of the Trust’s portfolio, *inter alia*, necessitated by creation or cancellation of Units, which costs may be added to the NAV for determining the Offer Price of Units or to be deducted from the NAV in determining the Redemption Price. The element of Transaction Costs taken

into account in determining the prices and collected so, shall form a part of the Trust Property.

40.55 **“Trust Property”** means the aggregate proceeds of the sale of all Units at Offer Price and any Transaction Costs recovered in the Offer or Redemption price, any Back-End load recovered in the Redemption Price after deducting there from or providing there against the value of Redemption, Front-end (as provided in the Offering Document), Duties and Charges 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 the Trust Deed and shall include the income, profit, interest etc earned on the amount credited to the Distribution Account but shall not include any amount standing to the credit of the Distribution Account and the income earned on the investments of the Core Investors (seed capital) and Pre-IPO Investors upto the date of the close of the Initial Period which shall not form part of the Trust Property.

40.56 **“Unit”** means one undivided share in the Trust, and where the context so indicates, a fraction thereof.

40.57 **“Zakat”** has the same meaning as in the Zakat and Ushr Ordinance, 1980.

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

For  
**ABL Asset Management  
Company Limited**

For  
**Central Depository Company  
of Pakistan Limited**

1. Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
CNIC No: \_\_\_\_\_

1. Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
CNIC No: \_\_\_\_\_

2. Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
CNIC No: \_\_\_\_\_

2. Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
CNIC No: \_\_\_\_\_

**WITNESSES:**

1. Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
CNIC No: \_\_\_\_\_

1. Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
CNIC No: \_\_\_\_\_

2. Signature: \_\_\_\_\_

2. Signature: \_\_\_\_\_

Name: \_\_\_\_\_

CNIC No: \_\_\_\_\_

Name: \_\_\_\_\_

CNIC No: \_\_\_\_\_

**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:

<b>Net Assets (Rupees in millions)</b>		<b>TARIFF</b>
<b>FROM</b>	<b>TO</b>	
<b>1</b>	<b>1,000</b>	<b>Rs.0.7 million or 0.20% p.a. of NAV which ever is higher</b>
<b>1,000</b>	<b>&amp; Above</b>	<b>Rs.2.0 million plus 0.10% p.a. of NAV exceeding Rs.1,000 million</b>