

**FIRST SUPPLEMENTAL DEED FOR AMENDMENT
OF TRUST DEED OF FAYSAL MONEY MARKET
FUND (FORMERLY FAYSAL ISLAMIC BALANCED
GROWTH FUND)**

Between

Faysal Asset Management Company Limited

And

Central Depository Company of Pakistan Limited

October 18, 2010

THIS FIRST SUPPLEMENTAL TRUST DEED (“First Supplemental”) of change of scheme name as well as category and Amendmend of Trust Deed is made at Karachi, on this 18 day of October, 2010 by and between:

Faysal Asset Management Limited, an unlisted public limited company incorporated under the Companies Ordinance, 1984 (hereinafter called the Management Company which expression where the context so permits, shall include its successors in interest and assigns) having its registered office at 8th Floor, Tower A (801-806 & 818), Saima Trade Tower, I.I. Chundrigar Road, Karachi, Pakistan, of the **One Part**

AND

Central Depository Company of Pakistan Limited, an unlisted public limited company, incorporated under the Companies Ordinance, 1984, having its registered office at CDC House, 99-B Block ‘B S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, (hereinafter called the “Trustee” which expression where the context so permits, shall include its successors in interest and assigns) of the **Other Part**

Whereas:

1. The Management Company has been authorized by the Commission vide its letter No. SEC/NBFC-II/AD/FIBGF/470/2009 dated April 17th, 2009, to constitute a Trust under the name and title of “Faysal Islamic Balanced Growth Fund” (Hereinafter referred to as “the Scheme”, “Trust”, “Unit Trust” or “the Fund”), and the Trust Deed dated 22nd April 2009 has been executed between the Management Company and the Trustee (the “Trust Deed”) which was registered with Sub Registrar-1 Saddar Town, Karachi.
2. The Management Company thereafter with the approval of Board of Directors has decided to launch “**Faysal Money Market Fund**” instead of Faysal Islamic Balanced Growth Fund and change its category from Shariah Compliant (Islamic) Scheme to **Money Market Scheme**.
3. As per circular 7 of March 6th, 2009 issued by the Commission (“Circular No. 7”), the Commission has specified criteria for categorisation of the collective investment schemes and all open-end schemes are required to be categorised according to the criteria and the Commission has required the Management Company to modify the constitutive documents of the Scheme pursuant to the Circular No. 7
4. As per circular No 11 of March 26th, 2009 issued by the Commission (“Circular No. 11”), the Commission has required the Management Company to modify the constitutive documents of the Scheme pursuant to the Circular No.11;
5. (“Circular No. 7” and “Circular No. 11” are hereinafter referred to as the “Circulars”)
6. In view of the Circulars, the Trust Deed is required to be modified;
7. The Securities & Exchange Commission of Pakistan (“SECP”) vide its letter No. SCD/NBFC-II/DD/FAML-FMMF/737/2010 dated September 27, 2010, appended hereto as Annexure “A” has approved the amendments to the Trust Deed.

NOW THEREFORE THIS SUPPLEMENTAL DEED witnesseth and it is hereby agreed between the parties as follows

Amendment to the Trust Deed

This Trust Deed hereto stands amended in the following respects:

1. Amendment of Clause 1 under the heading of “Name of the Scheme”

- (I) The main heading of “Name of Scheme” under Clause 1 shall be amended to read as follows:

“Name of the Scheme & Category “

- (II) The text of the existing Clause 1 shall stand amended to read as follows:

“Faysal Money Market Fund is an Open-ended Money Market Fund”

2. Deletion of Clause (E) and (F) under the heading witnessh

Existing clause (E) and (F) are deleted.

3. Amendment of Declaration of Trust

The 1st Para shall stand amended as follows:-

It is hereby declared, that an Open-end Scheme in the form of a trust under the Trusts Act, in the name and title of "**FAYSAL Money Market Fund**", is hereby created as a **Money Market Scheme** with the primary investment objective to provide investors competitive returns with minimum risk and enhanced liquidity by investing primarily in short-term government securities, term deposits and money market instruments.

Amendment of clause (B) under the heading of declaration trust, which should be read as follows:

The Management Company shall establish, manage, operate and administer the Scheme in compliance with the terms of the provisions contained and conditions stipulated in this Deed, the Regulations, the Rules, circulars, directives, guidelines, codes, the Regulations, the Offering Document and any conditions which may be imposed by the SECP from time to time;

Amendment of clause C under the heading of Declaration of Trust shall stand amended as follows:-

The Fund Property shall be invested or disinvested from time to time by the Trustee at the direction of the Management Company, strictly in terms of the provisions contained and the conditions stipulated in this Deed, the Rules, the Regulations, the Offering Document, circulars, directives, guidelines, code, notifications and any conditions which may be imposed by the SECP from time to time;

4. Under the Heading “Governing Law”

4.1 Amendment to existing Clause 3

- (I) **Existing Clause 3.1 is replaced by the following text:**

“This Trust Deed shall be subject to and be governed by the laws of Pakistan, including the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008, and all applicable laws, rules and regulations as amended

or substituted from time to time and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed by the Rules and Regulations are incorporated in this Deed as a part and parcel thereof and in the event of any conflict between this Deed and the provisions required to be contained in a trust deed by the Rules or Regulations, the latter shall supersede and prevail over the provisions contained in this Deed. Further, if the Rules or Regulations are amended or any directives are issued or any relaxations or exemptions are allowed thereunder, such amendments, directives, relaxations and exemptions shall deem to have been included in this Trust Deed.”

(II) Existing Clause 3.2 is replaced by the following text:

The Scheme shall also be subject to the rules and regulations framed by the State Bank of Pakistan (SBP) with regard to the foreign Investments made by the Scheme and investment made in the Scheme from outside Pakistan in foreign currency.

5 Amendment of Clause 4.5 under the heading of “Investment objective and investment policy of the Scheme” as follows:

4.5 STATEMENT OF THE INVESTMENT OBJECTIVE & INVESTMENT POLICY OF THE OPEN END SCHEME

4.5.1 Investment Objectives

Aim to generate competitive returns with minimum risk and enhanced liquidity by investing primarily in short-term government securities, term deposits and money market instruments with weighted average time to maturity of Net Assets not exceeding 90 days.

4.5.2 Investment Policy

The corpus of the Fund in line with its Investment Objectives will be investing in a range of liquid money market & fixed Income instruments. Subject to the Governing Law, the investment portfolio will primarily comprise the following asset classes:

- Government of Pakistan Investment Bonds, Federal Investment Bonds, Treasury Bills and other Government Securities;
- Cash in Bank Accounts (excluding TDR)
- Money Market Placements
- Certificates of Musharika (COM);
- Certificate of Deposits
- TDRs
- Commercial Paper
- Reverse Repo.

- Subject to separate prior written approval from SECP and other regulatory approvals the Scheme may seek to invest in foreign securities issued, listed or traded outside Pakistan on such terms, guidelines and directions as well as limits as may be issued by SECP and the State Bank of Pakistan from time to time.

Any other security and / or instruments and / or transactions that may be allowed by SECP or the Regulation from time to time.

Furthermore, the scheme will invest in only those securities that have been assigned at least 'AA' rating by a rating agency in Pakistan.

4.5.3 Benchmark

The benchmark shall be 50% 3 month T-Bills and 50% Average 3 months deposit rate of AA rated and above banks.

4.5.4 Investment Strategy and Exposure Limits

Investments of the Scheme shall follow the following exposure limits expressed as percentage of Net Assets:

Sr.	Description	Entity Rating	Instrument Rating	Maximum Exposure
1.	Deposits with Banks and Financial Institutions of maximum six (6) months maturity*	AA	AA	100%
2.	Certificates of investment, musharakas, modaraba and deposit issued by Financial Institutions of maximum six (6) months maturity*	AA	AA	75%
3.	Money market placements with Banks and Financial Institutions including clean placements of up to (6) months maturity*	AA	AA	75%
4.	Government Securities: Treasury Bills and other short term Government Securities up to six (6) month maturity	-	-	100%
5.	Reverse Repo against Govt. Securities or such securities in accordance with the Regulations as may be allowed from time to time.	-	-	50%
6.	Commercial papers up to six (6) month maturity	AA	-	50%

7.	Money market instruments issued, listed and traded outside Pakistan subject to regulatory approvals from the Commission and the State Bank of Pakistan	AA	AA	30% and are subject to a cap of US\$ 15 million unless some other ceiling is imposed by the SBP and/or SECP.
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- If Financial Institution is an NBFC or Modaraba then the entity / instrument rating should be at least 'AAA'
- Rating of any bank and DFI with which funds are placed should not be lower than AA

6. Additions of new Clause under the heading of “Role of the Management Company”

(I) Addition of new Clause 5.1.8

After existing Clause 5.1.7 the new Clause 5.1.8 shall be added which shall read as follows:

5.1.8 Designation of official points of acceptance for applications

“The Management Company shall designate and disclose the location of its official points for acceptance of applications for issuance, redemption, conversion, etc of units in the Offering Documents of Scheme as well as on their website. The Management Company shall receive the said applications only at such designated points. Offer and redemption prices have to be announced for investor facilitation as per the procedures outlined in Circular 11.

(II) Addition of new Clauses 5.2.29, 5.2.30, 5.2.31, 5.2.32, 5.2.33, 5.2.34, 5.2.35, 5.2.36, 5.2.37:

After the existing Clause 5.2.28 the new Clauses 5.2.29, 5.2.30, 5.2.31, 5.2.32, 5.2.33, 5.2.34, 5.2.35, 5.2.36, 5.2.37 shall be added which shall read as follows:

5.2.29 The Management Company shall ensure that no entry and exit to the Scheme (including redemption and re-issuance of Units to the same Unit holders on different NAVs) shall be allowed other than cash settled transactions based on the formal issuance and redemption requests.

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

- 5.2.31 The Management Company on behalf of the Fund shall not at any time rollover the investments, if in the opinion of Trustee, the Fund would not be able to issue payment instruments for the redemption money to the Unit holders within time period stipulated in the Regulations.
- 5.2.32 The Management Company may offer different Administrative Plans to investors and may market the Unit Trust, Administrative Plans or any other Scheme(s) subject to the prior approval of the SECP.
- 5.2.33 The Management Company shall advise the Trustee of the allocation of the funds between the respective scheme(s) on the basis of the Administrative Plans as determined by the Management Company.
- 5.2.34 The Management Company shall determine from time to time the various class(es) of Units to be issued pursuant to this Deed and the rights and conditions that attach to each class of Units, subject to consent of the Trustee and approval of SECP, including the Front-end Load, Back-end Load or Contingent Load, to be charged to each class as well as the dividends payable in respect to each class.
- 5.2.35 The Management Company in relation to the Fund shall not net-off any transaction (adjustment of assets of the Scheme against the investment of the Unit Holders) within the Scheme.
- 5.2.36 The Management Company shall ensure all valid redemption request are paid based on ranking of the request in a queue.”
- 5.2.37 The Management Company shall not open or close or arrange to open or close any account with Banks without approval of its board. However where the Management Company has obtained approval for opening/arranging to open an account(s) with any particular bank, it may open accounts with any branch of that bank and shall obtain approval of its board in the subsequent meeting.

7. Amendments in Clause 6 Under the Heading of “Change of Management Company”

- 7.1 Insertion of new Clause 6.12
- 7.1.1 After the existing Clause 6.11, a new Clause 6.12 is inserted and reads as follows:
- 6.12 In case of change of management company, the old Management Company shall continue be liable for any default in or non-performance of its duties as the Management Company or for any negligence on its part or on part of its

officer or officials, nominees or agents and for any acts or omissions effectuated prior to and upto the effective date in accordance with the provision of the Trust Deed and Offering Document, the Rules and the Regulations, where after the new Management Company shall be responsible for the same. Further the Old Management Company shall indemnify the new Management Company in respect of any default, non performance or violations of the terms and conditions of the trust deed, offering document, the Rules and / or Regulations that may have taken place, advertently or inadvertently prior to and upto the Effective date and which may come to the notice of the trustee and the new Management Company or the Commission at any time after the effective date.

8. Deletion of existing clause 7

Existing clause 7 is deleted.

9. Amendments in Clause 8 (re-numbered to 7) under the heading of “Role of trustee”

(I) Amendment to existing clause 8.11 (re-numbered to 7.11)

7.11 The Trustee shall carry out the instructions of the Management Company in all matters including the investments, unless such instructions are in conflict with the provisions of this Deed and /or the Offering Document (s) and/or the Regulations or are prohibited by any other applicable law.

(II) Renumbering of existing Clause 8.1 to 8.25

The existing Clauses 8.1 to 8.25 are renumbered as 7.1 to 7.25 respectively.

10. Amendments in Clause 10 (re-numbered to 9) under the heading of “Bank Accounts”

(I) Amendment to existing Clause 10.1, 10.2, and 10.8

In existing Clause 10.1, 10.2, and 10.8 the word “CDC- Trustee Faysal Islamic Balanced Growth Fund” is replaced by “**CDC- Trustee Faysal Money Market Fund**”

(II) Deletion of existing Clause 10.3

The existing Clause 10.3 is deleted.

(III) Amendment to existing Clause 10.7 (re-numbered to 9.6)

The Trustee shall, if requested by the Management Company at its discretion also open a separate account titled “**CDC-Trustee FAML**”

Funds” at bank(s) designated by the Management Company. These account(s) shall be temporary collection accounts, where collections received on account of subscription of units by investors administrative plans that are managed by the Management Company shall be held prior to their being allocated and transferred to pertinent Unit Trusts for investments in accordance with the decisions of the investors. Provided however, in relation to the other Unit Trusts managed by FAML as the Management Company mentioned above, there are similar provisions in the Trust Deeds of such funds and have Trustee as common between them.

11. Amendments in Clause 11 (re-numbered to 10) under the heading of “Investment of the Fund Property and Investment and Borrowing Restrictions”

(I) Amendment to existing Clause 11.1.6 (re-numbered to 10.1.6)

All cash forming part of the Fund Property shall be deposited by the Trustee in a separate account to be opened in the name of the Trustee, as a nominee of the Trust, with a Bank or Financial Institution having at least ‘AA’ rating approved by the Management Company.

(II) Deletion of existing Clause 11.1.3, 11.2, 11.3, 11.4, 11.5.2 and 11.5.3

The existing Clause 11.1.3, 11.2, 11.3, 11.4, 11.5.2 and 11.5.3 are deleted.

(III) Amendment to existing Clause 11.5.1 (re-numbered to 10.2.1)

Clause 11.5.1 (re-numbered to 10.2.1) shall be amended to read as follows:

The Fund may also invest outside Pakistan after seeking necessary approvals from the State Bank of Pakistan and separate prior written approval from the Commission. Investments outside Pakistan will enable the Fund to diversify risk as well as avail opportunities for higher returns in markets. The limit to international Investment will apply at the time of investment and it will not be necessary for 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 change in limit due to increase or decrease in Units, such limit shall be exceeded. In case, due to the relative movement of the value of foreign investment 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.

(IV) Amendment to existing Clause 11.6 (re-numbered to 10.3)

Clause 11.6.1 (re-numbered to 10.3.1) shall be amended to read as follows:

Prior to the close of the Initial Period of Offer the Trustee shall hold funds received from the Core Investors and Pre IPO investors during Pre IPO in a separate account titled "**CDC Trustee Faysal Money Market Fund Pre IPO**" with a scheduled Commercial Bank(s) having at least minimum 'AA' rating as per the criteria laid down by a credit rating agency and approved by the SECP and transferred to the main Bank Account of the Scheme upon the close of the Initial Offer. Income, profit, etc. earned and received on such amount, before the Start of the Initial Offer, shall be paid to such investors on proportionate basis of their Core investments and Pre IPO subscriptions amounts. After the Initial Period of Offer all Fund Property, except in so far as such cash may in the opinion of the Management Company be required for transfer to the Distribution Account, shall be invested by the Trustee from time to time in line with the objective of the Scheme, in such Authorized Investment as may (subject always to the provisions of this Deed, the Offering Document, and the Regulations) be directed by the Management Company.

Clause 11.6.2 (re-numbered to 10.3.2) shall be amended to read as follows:

Management Company either in order to invest the proceeds of sale in other Authorized Investment or to provide cash required for the purpose of any provision of the Trust Deed or in order to retain the proceeds of sale in cash or on deposit as aforesaid or partly one and partly another. Any Investment which ceases to be an Authorized Investment (subject to SECP directive) shall be realized within 3 months and the net proceeds of realization shall be applied in accordance with this clause. It is clarified that the proceeds of any Investments realized as aforesaid shall be kept by the Trustee in the account of the Scheme.

The existing Clause 11.6.3, 11.6.4, 11.6.5 and 11.6.6 are deleted.

(V) Amendment to existing Clause 11.7(re-numbered to 11.4)

The existing Clause 11.7.3, 11.7.4, 11.7.6.1, 11.7.6.9, 11.7.9, 11.7.12 and 11.7.14 are deleted.

Clause 11.7.8.9 (re-numbered to 10.4.7.9) shall be amended to read as follows:

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

reverse repo transactions involving government securities or other debt securities stated as authorized investments in the Offering Document under an agreement shall not be attracted by this clause

Clause 11.7.10 (re-numbered to 10.4.8) shall be amended to read as follows:

The exposure of the Scheme to any single entity shall not, at any time exceed an amount equal to ten percent (10%) of Net Assets of the Scheme

After the existing Clause 11.7.15 (re-numbered to 10.4.12), the following new Clauses 10.4.13, 10.4.14, 10.4.15 and 10.4.16 shall be added which shall read as follows:

10.4.13 Weighted average time to maturity of net assets shall not exceed 90 days.

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

10.4.15 Time to maturity of any asset shall not exceed six months.

10.4.16 Ratings of Entity and Instruments

a) Rating of any security in the portfolio shall not be lower than AA (Double A)

b) Rating of Banks and DFI with which Fund are placed shall not be lower than AA (Double A);

c) Rating of any NBFC and Modaraba with which funds are placed shall not be lower than AAA (Triple A)

(VI) Deletion of existing clause 11.8.4

The existing Clause 11.8.4 is deleted.

(VII) Amendment to existing Clause 11.9(re-numbered to 10.6)

Clause 11.9.1 (re-numbered to 10.6.1) shall be amended to read as follows:

Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Management Company shall arrange finance, with the approval of the Trustee, with Banks or Financial Institutions for the account of the Scheme; provided the financing arrangement shall not be resorted to, except for meeting the redemption requests, and shall be repayable within a period of ninety days or such time as may be prescribed under the Regulations.

Clause 11.9.2 (re-numbered to 10.6.2) shall be amended to read as follows:

The maximum borrowing for the account of the Trust shall not exceed fifteen per cent of the total Net Asset Value of the Scheme or such other limit as may be provided in the Regulations or such other limit as may be specified by the Commission. If subsequent to such borrowing, the Net Assets are reduced as a result of depreciation in the market value of the Fund Property or redemption of Units, the Management Company shall not be under any obligation to reduce such borrowing.

Clause 11.9.3 (re-numbered to 10.6.3) shall be amended to read as follows:

The charges payable to any bank or financial institution against financing on account of the Trust as permissible above shall not be higher than the normal prevailing bank charges or normal rates for similar service and/or facility.

The existing Clause 11.9.4 is deleted.

With the deletion of Clause 11.9.4 the existing Clauses 11.9.5, 11.9.6 and 11.9.7 are renumbered as 10.6.4, 10.6.5 and 10.6.6 respectively.

12. Amendments in Clause 12.2.5 (re-numbered to 11.2.5) under the heading of “Determination of Purchase (Offer) Price”

The Clause after amendment shall be read as follows

The Purchase (Offer) Price so determined shall apply to purchase requests, complete in all respects (including payments in this regard), received by the distributor or the management company during the business hours on following Business Day on which the completely and correctly filled purchase of units application form is received before cut off time (as mentioned in the offering document). Any minor deficiencies in the units application form need to be removed within seven (7) Business Days. Provided that if a Business day is not a subscription day the price so determine shall apply to the purchase request receive on next subscription day.

13. Amendments in Clause 12.3 (re-numbered to 11.3) under the heading of “Determination of Repurchase (Redemption) Price”

(I) Amendment to existing clause 12.3.2 (re-numbered to 11.3.2)

After the Initial Period of Offer, the Redemption (Repurchase) Price shall be equal to the Net Asset Value as of the close of the Business Day as maybe announced by the Management Company from time to time, less:

a) Any Back-end Load;

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

Such amount shall be adjusted to the nearest two decimal places.

(II) After the existing clause 12.3.2 (re-numbered to 11.3.2) the following para shall be added:

The Transaction costs shall not normally be applied in determining Offer and Redemption Prices, however, if the Management Company is of the view that it is in the overall interest of the Holders, it may, in consultation and with the agreement of the Trustee and after seeking prior approval of the Commission, apply such charge either to the Offer or the Redemption Price. The Management Company may, however, apply Transaction Costs while determining Offer or Redemption prices, without consulting the Trustee provided the difference between the Offer Price and the Redemption Prices does not exceed five percent. The element of Transaction Cost taken into account in determining the prices and collected so, shall from a part of the Trust Property.

(I) Amendment to existing clause 12.3.4(re-numbered to 11.3.4)

The Redemption Price so determined shall apply to redemption requests, complete in all respects, received by the Distributor or the Management Company during the business hours on the following Business Day (as announced by the Management Company from time to time) on which a correctly and properly filled redemption application is received before cut off time (as mentioned in the offering document).

14 Deletion of Clause (xvi) of 14.5

The existing Clause (XVI) of 14.5 is deleted.

15 Amendments in Clause 15 (re-numbered to 14) under the heading of "Transactions with Connected Persons"

Clause 15.1 (re-numbered to 14.1) shall be amended to read as follows:

14.1 The Management Company, on behalf of a Collective Investment Scheme shall not without the approval of the Board of Directors in writing and consent of Trustee, purchase from, or sell any securities to any connected person or employee of the Management Company: This Clause shall not apply to the issue, sale or redemption of units or shares or certificates issued by the Collective Investment Scheme.

16 Deletion of Clause 16.16

The existing Clause 16.16 is deleted.

17 Amendments in Clause 25 (re-numbered to 24) under the heading of “Units”

(I) Amendment of existing Clause 25.1 (re-numbered to 24.1)

Clause 25.1 (re-numbered to 24.1) shall be amended to read as follows:

24.1 Units shall be of Par Value of Rs. 100/- (Rupee one hundred only), The Management Company may issue following classes and types of Units:

Classes of Units: Units may be charged with Front-end Load, Back-end Load, Contingent Load and/or any combination of the foregoing from time to time. The Contingent load would be applicable to those classes of units where there is neither a front end load nor the back end load.

The Management Company shall identify each such type of Units as Class ‘A’, Class ‘B’ and so on and so forth. The characteristics of the classes of Units shall be fully mentioned in the Offering Document.

(II) Amendment to existing Clause 25.2(re-numbered to 24.2)

Clause 25.2 (re-numbered to 24.2) shall be amended to read as follows:

24.2 Units shall be issued in the Initial Period of offer 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. The Core Units issued at Par Value to Core Investors shall not be redeemable for a period of two years from the close of initial offering period. Such units are transferable with this condition and shall rank pari passu with all other Units save from this restriction, any transfer of these Core Units, during first two years of close of initial offering period, shall be affected on the receipt by the 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.

18 Amendments in Clause 26 (re-numbered to 25) under the heading of “Issuance (Offer) of Units”

Clause 26.3 (re-numbered to 25.3) shall be amended to read as follows:

25.3 Application for Purchase of units shall be made by completing the

prescribed application Form and submitting it to the authorized branches of the Distributor or to the Management Company together with the payment by cheque, bank draft, pay order, credit card etc as the case may be in favor of the **CDC-Trustee Faysal Money Market Fund** and crossed "**Account Payee only**" only. Such Forms have to be submitted within the announced business hours on the Business Days. However, in case an applicant desires to split his investment in units of different unit trusts managed by the Management Company, the cheque, bank draft or pay order, as the case may be, shall be made in favor of **CDC-Trustee FAML Funds** and crossed "Account Payee only" For certain Administrative Plans or Investment allocations across funds, provisions for insurance coverage may also be provided.

19 Amendments in Clause 34 (re-numbered to 33) under the heading of "Audit"

Clause 34.1 (re-numbered to 33.1) shall be amended to read as follows:

33.1 The Management Company shall at the establishment of the Scheme and upon any vacancy appoint an Auditor, with the consent of the Trustee, from the approved list of auditors circulated by the Commission from time to time, a firm of chartered accountants, who shall be independent of the Auditor of the Management Company and the Trustee. The Management Company may at any time remove the Auditor and appoint another Auditor in its place. The same firm of chartered accountants cannot be appointed Auditor for more than five consecutive years, unless permitted otherwise by SECP. Thereafter, the Auditors shall only be eligible for appointment after the lapse of one year.

The existing Clause 34.8 is deleted.

20 Amendments in Clause 38 (re-numbered to 37) under the heading of "Definitions"

(I) Amendment to existing Clause 38.4(re-numbered to 37.4)

Clause 38.4 (re-numbered to 37.4) shall be amended to read as follows:

37.4 "**Administrative Plans**" means investment plans offered by the Management Company with the consent of Trustee and approved by SECP, where such plans allow investors a focused investment strategy in any one or a combination of Schemes with same trustee managed by the Management Company in accordance with the conditions specified by SECP."

(II) Amendment to existing Clause 38.6 (re-numbered to 37.6)

37.6 **Auditor**" means the Auditor of the Trust appointed by the Management Company, with the consent of the Trustee, as the auditor for the Scheme,

who shall be independent of the auditor of the Management Company and the auditor of the Trustee, as provided under the Regulations.

(III) Amendment to existing Clause 38.8(re-numbered to 37.8)

Clause 38.8 (re-numbered to 37.8) shall be amended to read as follows:

37.8 “Authorized Investment”

Faysal Money Market Fund is primarily a 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

- Government of Pakistan Investment Bonds, Federal Investment Bonds, Treasury Bills and other Government Securities;
- Cash in Bank Accounts (excluding TDR)
- Money Market Placements
- Certificates of Musharika (COM);
- Certificate of Deposits
- TDRs
- Commercial Paper
- Reverse Repo
- Subject to separate prior written approval from SECP and other regulatory approvals the Scheme may seek to invest in foreign securities issued, listed or traded outside Pakistan on such terms, guidelines and directions as well as limits as may be issued by SECP and the State Bank of Pakistan from time to time.

Any other security and / or instruments and / or transactions that may be allowed by SECP, the Regulation or any other regulatory authority from time to time.

(IV) Deletion of existing Clause 38.10, 38.11, 38.36, 38.38, 38.39, 38.46, 38.47, 38.48, 38.49, 38.50, 38.67, 38.68, 38.69, 38.70, 38.71 and 38.72

The existing Clause 38.10, 38.11, 38.36, 38.38, 38.39, 38.46, 38.47, 38.48, 38.49, 38.50, 38.67, 38.68, 38.69, 38.70, 38.71 and 38.72 are deleted.

(V) Amendment to existing Clause 38.15(re-numbered to 37.13)

Existing Clause 38.15 (re-numbered to 37.13) is amended and now reads as follows

37.13 **“Business Day”** means a day on which Scheduled Banks, Stock exchanges and authorized offices of Distribution Companies or Asset Management Company are open (excluding Saturday) for business in Pakistan

(VI) Amendment to existing Clause 38.23(re-numbered to 37.21)

35.15 **“Contingent Load” “Contingent Load” or “Deferred Sales Load”** means processing charges deductible from the Net Asset Value of the Unit to determine the Redemption Price in case of redemption of Units within a certain period of time or at a decreasing rate for every period the Units are held and shall be charged on class of units where no Front-end or Back-end Load is charged. Such charges shall not exceed five percent (5%) of the Net Asset Value and shall be determined by the Management Company from time to time and disclosed in the Offering Document. Any such charges shall be payable to the Management Company. The Contingent load would be applicable to those classes of units where there is neither a front end load nor the back end load.

(VII) Amendment to existing Clause 38.25(re-numbered to 37.23)

37.23 **"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 Holders shall be transferred. Income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the main Bank Account of the Scheme from time to time as part of the Fund Property for the benefit of the Unit Holders.

(VIII) Insertion of new definition “Force Majeure”

After existing Clause 38.30 (re-numbered to 37.28) a new definition “Force Majeure” is inserted as Clause 37.29 and reads as follows:

37.29 **“Force Majeure”** means any occurrence or circumstance or element which delays or prevents performance of any of the terms and conditions of this Deed or any obligations of the Management Company or the Trustee and shall include but be no limited to any circumstance or element that cannot be reasonably controlled, predicted, avoided or overcome by any Party and which occurs after the execution of this Agreement and makes the performance of the Agreement in whole or in part impossible or impracticable or delays the performance, including but not limited to any situation where performance is impossible without unreasonable expenditure. Such circumstances include but are not limited to floods, fires, droughts, typhoons, earthquakes and other acts of God and other unavoidable or unpredictable elements beyond reasonable control, such as war (declared or undeclared), insurrection, civil war, acts of terrorism, accidents, strikes, riots, turmoil, civil commotion, any act or omission of a governmental authority, failure of communication system, hacking of computer system and transmissions by unscrupulous persons, closure of stock exchanges, banks or financial institutions, freezing of economic activities and other macro-economic factors, etc.

(IX) Amendment to existing Clause 38.51 (renumbered as 37.43)

Existing Clause 38.79 (renumbered to Clause 37.43) is omitted and replaced by the following text:

37.43 **"Net Assets"** in relation to the Trust, means the excess of assets over liabilities of the Trust, and such excess being computed in the manner specified in the Regulations."

(X) Amendment to existing Clause 38.65 (renumbered as 37.57)

Existing Clause 38.65 (renumbered to Clause 37.57) is omitted and replaced by the following text:

37.57 **"Load"** means the Front end load, back end load and Contingent Load. Such load in combination shall not exceed five percent (5%) of the Net Asset Value.

(XI) Insertion of new definition "Trust Property"

After existing Clause 38.79 (re-numbered to 37.66) a new definition "Trust Property" is inserted as Clause 37.66 and reads as follows:

37.66 **"Trust Property"** " means the aggregate proceeds of the sale of all Units at Purchase (Offer) Price and any Transaction Costs recovered in the Purchase (Offer) price and Transaction Costs and Back-end Load recovered in the Redemption(Repurchase) price after deducting there from or providing there against the value of Redemption, Front-end Load, Duties and Charges (if included in the Purchase (Offer) Price or Repurchase (Redemption) Price) applicable to the Purchase or Redemption of Units and any expenses chargeable to the Fund; and includes all Investments and income, profits, securities, deposits, right and bonus securities, cash, bank balances, dividends, fees, Commissions, receivables, claims, contracts and licenses.

21. Replacement of Phrase Sales Load with load

The word "Sales Load" shall replaced with Load in entire document.

"Regulations" mean Non-Banking Finance Companies and Notified Entities Regulation, 2008, as amended or substituted from time to time.

"Rules" mean Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, as amended and substituted from time to time.

IN WITNESS WHEREOF, this First Supplemental Trust Deed has been executed on the day and year first written above.

**For and on behalf of
Faysal Asset Management Limited**

Signed and the Common Seal of Faysal Asset Management Limited has hereunto been fixed in the presence of:

Seal

(1) _____
Salman Haider Sheikh
Chief Executive Officer

(2) _____
Tahir Sohail
Chief Operating Officer

**For and on behalf of
Central Depository Company of Pakistan Limited**

Signed and the Common Seal of Central Depository Company of Pakistan Limited has hereunto been fixed in the presence of:

Seal

1) _____
Atiqur Rehman
Head of Trustee and Custodial
Operations Section-I_

(2) _____
Abdul Samad
Head of Trustee and *Custodial
Operations Section II*

Witnesses:

Mohammad Shahid Ojha
CNIC: 42301-0944975-9
70/1, 7th Street, Khayaban-e-Badban
Phase V, DHA, Karachi

Shehzad Farooq
CNIC: 42201-1997994-9
Flat C-403, Surya Tower, Al Hilal Society
Karachi

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TRUST DEED

of

FAYSAL ISLAMIC BALANCED GROWTH FUND

THIS TRUST DEED is made and entered into at Karachi, on this, the 22nd day of April 2009

1. **NAME OF THE SCHEME AND CATEGORY**
Faysal Islamic Balanced Growth Fund (FIBGF) is an Open-ended Islamic Balanced Fund.
2. **PARTICIPATING PARTIES AND CONSTITUTION OF THE SCHEME**
 - I. **Faysal Asset Management Limited**, an unlisted public limited company incorporated under the Companies Ordinance, 1984 (hereinafter called the Management Company which expression where the context so permits, shall include its successors in interest and assigns), having its registered office at 8th Floor, Tower A (801-806 & 818), Saima Trade Tower, I.I. Chundrigar Road, Karachi, Pakistan, of One Part;

AND

- II. **Central Depository Company of Pakistan Limited**, an unlisted public limited company, incorporated under the Companies Ordinance, 1984, having its Registered Office at CDC House, 99-B Block 'B' S.M.C.H.S, Main Shahrah-e-Faisal, Karachi, (hereinafter called the "Trustee" which expression where the context so permits, shall include its successors in interest and assigns) of the Other Part

1) _____ 2) _____ (FAML)

1) _____ 2) _____ (CDC)

WITNESSETH:

- A. The Management Company is a Non-Banking Finance Company licensed by the Securities & Exchange Commission of Pakistan ("SECP" or "Commission") under the Non-Banking Finance Company (Establishment & Regulation) Rules 2003 ("the Rules") to, inter-alia, carry out asset management services, including Shariah Compliant investment schemes under trust deed. Certificate issued by the Commission is appended hereto as Annexure "A".
- B. The Management Company has been authorised by the SECP vide its letter No. NBFC-II/AD/FIBGF/470/2009 dated April 17, 2009 appended here to as Annexure "B" to constitute the trust under the name and title of "**FAYSAL Islamic Balanced Growth Fund**" as an open-ended unit trust scheme (hereinafter referred to as the "Unit Trust", "Trust", "FIBGF" or "Scheme" or "Fund") and to register this

Trust Deed, pending authorisation for the establishment and operation of the Scheme in accordance with the provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003(hereinafter referred to as the "Rules") the Regulations, circulars, directives, guidelines, codes, notifications by the Shariah Advisor, the Offering Document and this Trust Deed;.

- C. The Management Company has nominated and appointed Trustee, as trustee of the Scheme and the Trustee has accepted such appointment upon the terms and conditions contained in this Trust Deed and the tariff structure for trusteeship as per Annexure "C";
- D. The SECP has approved the appointment of Trustee, vide letter No. NBFC-II/AD/FIBGF/474/2009 dated April 21, 2009 appended hereto as Annexure "D".
- E. The Shariah Advisor has confirmed that the provisions of this Deed are in compliance with Shariah vide a letter dated April 21, 2009, appended hereto as Annexure "E".
- F. All conducts and acts of the Trust shall be Shariah Complaint and any guidelines, as may be specified by the SECP in relation to Shariah compliance shall be fully complied with.

Unless the context requires otherwise, the defined terms, words and expressions shall have the meaning respectively assigned to them in clause 38 of this Deed.

DECLARATION OF TRUST

It is hereby declared, that an Open-end Scheme in the form of a trust under the Trusts Act, in the name and title of "**FAYSAL Islamic Balanced Growth Fund**", is hereby created as a Shariah Compliant Scheme with the primary investment objective to provide investors with attractive income and long-term capital growth, primarily by investing in a diversified portfolio of equity and fixed-income instruments, as permissible under the Regulations.

The Management Company is hereby appointed to establish, manage, operate and administer the Trust and the Trustee is hereby nominated, constituted and appointed as the trustee of the Trust. The Management Company and the Trustee hereby agree to such appointment and subject always to the provisions of this Trust Deed (Deed), the Rules and the Regulations and further declare that:

- a. The Trustee shall hold and stand possessed of the Fund Property that may from time to time hereafter be vested in the Trustee upon Trust as a single common fund for the benefit of the Unit Holders ranking *pari passu* inter se, according to the number of Units held by each Unit Holder(s).
- b. The Management Company shall establish, manage, operate and administer the Scheme in compliance with the Shariah, in terms of the provisions contained and conditions stipulated in this Deed, the

Regulations, the Rules, circulars, directives, guidelines, codes, notifications of the Shariah Adviser, the Regulations, the Offering Document and any conditions which may be imposed by the SECP from time to time;

- c. The Fund Property shall be invested or disinvested from time to time by the Trustee at the direction of the Management Company, strictly in terms of the provisions contained and the conditions stipulated in this Deed, the Rules, the Regulations, the Offering Document, circulars, directives, guidelines, code, notifications and recommendations of the Shariah Adviser and any conditions which may be imposed by the SECP from time to time;
- d. In case the Management Company intends to apply for relaxation of any condition under the Rules and the Regulations applicable to the Scheme, then it must take specific written approval from the Commission for such relaxation.

Where this Trust Deed has been altered or supplemented, the Management Company shall notify the Unit Holders immediately as provided hereunder

3. GOVERNING LAW

- 3.1** This Deed shall be subject to and be governed by the laws of Pakistan, including the Ordinance, Trust Act, the Rules, the Regulations and all applicable laws and regulations amended or replaced from time to time, as well as the Shariah rules and guidelines as advised by the Shariah Advisor of the Fund, and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed of a Shariah compliant scheme by the Regulations, are incorporated in this Trust Deed as part and parcel thereof and in the event of any conflict between this Deed and the provisions required to be contained in a trust deed by the Regulations and/or the Rules, the latter shall supersede and prevail over the provisions contained in this Trust Deed, unless a waiver has been obtained from the SECP. If anything contained herein is contrary to the Offering Document, this Deed shall prevail.
- 3.2** All investments of the Trust Property shall be in accordance with the Shariah as advised by the Shariah Advisor. The Scheme shall also be subject to the rules and regulations framed by the State Bank of Pakistan (SBP) with regard to the foreign Investments made by the Scheme and investment made in the Scheme from outside Pakistan in foreign currency.
- 3.3** Subject to the Arbitration clause 35 hereafter, applicable between the Management Company and the Trustee inter se, each party, including the Unit Holder(s) irrevocably submit to the exclusive jurisdiction of the Courts at Karachi.
- 3.4** The Investments made in offshore countries and the Bank Accounts and

custodial services accounts that may be opened by the Trustee for the Scheme in any offshore countries on the instructions of the Management Company may become subject to the laws of such countries.

4. FOR THE UNIT TRUST

4.1 Deed binding on each Unit Holder

The terms and conditions of this Trust Deed (as may be modified from time to time by any supplemental deeds) shall be binding on each Unit Holder as if he had been a party to it and so to be bound by its provisions and shall further be deemed who have authorized and required the Trustee and the Management Company to do so as required by them by the terms of this Trust Deed, the Rules and the Regulations.

4.2 Unit Holders not liable to make further payments

No Unit Holder shall be liable to make any further payments to the Trustee or the Management Company after he has paid the purchase (offer) price of the units in accordance with clause 12.2 hereafter and no further liability shall be imposed on any Unit Holder in respect of the units held by him except those as covered under this Deed including the Back-end Load in respect of units with Back-end Load structure.

4.3 Units to rank pari passu

4.3.1 The Trustee shall hold and stand possessed of the Fund Property that may from time to time hereafter be vested in the Trustee upon trust as a single common fund. 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 rights of the Unit Holder(s) in the Net Assets, earnings and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in the Trust proportionate to the units held by such Unit Holder and shall have such rights as are set out in this Deed and the Offering Document.

Different classes of units may be offered / issued with different Sales Load and different features as to income and accumulation units as specified in this Deed and to be provided in the Offering Document.

4.3.2 Restricted/Core Units subscribed by the Core Investors shall however be offered and issued at par and shall not be redeemable (but are transferable) for a period of two (2) years from the close of Initial Offer period. Such units are transferable with this condition but otherwise shall rank pari passu with all other units. This restriction and its termination date shall be entered into the Register (shall be noted on any Certificate issued in respect of such units). Any transfer of these Core Units, during the first two years of their issue, shall be affected only on the receipt by the Registrar of a written acceptance of this condition by the transferee.

4.4 Trustee to report to the Unit Holders

- 4.4.1 The Trustee shall report to the Unit Holders on all matters provided in the Regulations and this Deed. In particular, the Trustee shall issue a report to the Unit Holders to be included in the annual report and second quarter report to be sent to the Unit Holders stating whether in the Trustee's opinion, the Management Company has in all material respects managed the Scheme in accordance with the provisions of this Deed, the Rules and the Regulations and if the Management Company has not done so, the respect in which it has not done so and the steps, which the Trustee has taken in respect thereof.
- 4.4.2 The Trustee shall be entitled to require the Auditors to provide such reports as may be agreed between the Trustee and the Management Company that may be considered necessary to facilitate the Trustee in issuing the certification required under the Regulations. The Trustee shall endeavour to provide the certification at the earliest date reasonably possible.

4.5 Investment objective and investment policy of the Scheme

- 4.5.1 The Scheme is a purely Shariah based Unit Trust which shall make Investment only in designated authorized Shariah compliant Investments and shall thus offer Shariah Compliant returns to the investors in the Units of the Scheme. The objective of the Scheme is to grow the value of the Unit holders' investments over the long term in a diversified mix of domestic and international assets comprising Shariah-Compliant equities and Shariah-Compliant fixed income investments while providing consistent income. In line with its objective, the investment policy and strategy of the Fund will be to maintain a balanced portfolio between Shariah-Compliant equities and Shariah-Compliant fixed income investments in the ratio of 70:30. The fixed income portion of the Fund is to provide some capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The investment by the Fund in Shariah-compliant equity securities shall not be less than 30% of the NAV of the Fund and investments in Shariah-compliant income securities and Shariah-based liquid assets shall not exceed 70% of the NAV of the Fund with a minimum rating of "A-" by domestic rating agencies or equivalent rating by Moody's, S&P or Fitch. Hence, no investment of the Fund Property or any portion thereof shall be made in any Investment, which in the opinion of the Shariah Advisor, is opposed to Shariah.

5. ROLE OF THE MANAGEMENT COMPANY

5.1 Management of the Scheme

The Management Company shall manage, operate and administer the Scheme in accordance with the Rules, the Regulations, this Trust Deed and the Offering Document and the principles of Shariah and shall inter alia perform the following primary functions:

5.1.1 Fund Manager and Investment Committee

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

5.1.2 Fund Management

The Management Company has the responsibility to make all investment decisions through an investment committee constituted within the framework of the Regulations and any amendment thereto and the Constitutive Documents.

5.1.3 Investors' Services

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

5.1.4 Investor Records

5.1.4.1 The Management Company has the responsibility to maintain investors' records and for this purpose it may appoint a Registrar, who is responsible for performing Registrar Functions. The Management Company or Registrar (as the case may be) shall carry out the Registrar's Functions including the responsibility of maintaining unit holder(s)' records, issuing statements of accounts, issuing Certificates representing units, processing redemption requests, processing dividend payments and all other related and incidental activities and any other role assigned to the Registrar as per the registrar agreement.

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

5.1.5 Distribution

The Management Company, shall from time to time appoint, remove or replace one or more suitable persons, entities or parties as Distributor(s) for carrying on Distribution Function(s) at one or more location(s). The appointment of Distributor will be done through written distribution agreement(s) defining among other terms and condition for avoidance of frauds and sales based on misleading information. The Management Company shall ensure that where it delegated the function of distribution the Distributors 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). Provided that the Management Company may also itself act as a Distributor for carrying on Distribution Functions. The Distributor(s) shall act as the interface between the investors, the Management Company, the Registrar and the Trustee and perform all other Distribution Function(s), as defined in clause 38.27 hereafter

5.1.6 Investment Facilitation

The Management Company may, at its own responsibility, from time to time appoint Investment Facilitator(s) to assist it in promoting sales of units. Remuneration of the Investment Facilitators shall be paid by the Management Company from the Front End Load and/or from its own sources in terms of clause 12.4.1 below.

5.1.7 Record Keeping

5.1.7.1 The Management Company shall maintain at its principal office, proper accounts and records to enable a complete and accurate view to be formed of (i) the assets and liabilities of the Scheme (ii) the income and expenditure of the Scheme (iii) all other transactions for the account of the Scheme (iv) all amounts received by the Scheme in respect of the issuance of units (v) all amounts paid out by the Scheme on redemption of units and by way of distributions and (vi) pay out at the termination of the Scheme.

5.1.7.2 The Management Company shall maintain a Register of Unit Holders of the Scheme (either in physical or electronic form) and inform the Commission and the Trustee of the address where the Register is kept.

5.2 Other Functions and responsibilities of the Management Company

5.2.1 The Management Company shall operate and administer the Scheme and manage the Fund Property in the best interest of the Unit Holders, in good faith and to the best of its ability, without gaining any undue advantage for itself or any of its related parties including the Connected Persons and group companies or its officers, subject to the restrictions and limitations as provided in this Deed and the Regulations and any special exemptions or relaxations that may be granted by the Commission. Any purchase or sale of investments made under any of the provisions of this Deed shall be made by the Trustee according to the instructions of the Management Company in this respect, unless such instructions are in conflict with the provisions of this Deed or the Rules. The Management Company shall not be liable for any loss caused to the Trust or to the value of the Fund Property due to any elements or circumstances beyond its reasonable control.

5.2.2 The Management Company shall comply with the provisions of the Rules, the Regulations, this Deed and the Offering Document (as may be amended from time to time with the approval of the SECP)

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

- 5.2.3** The Management Company shall develop criteria for appointing a diverse panel of brokers and monitoring compliance thereof to avoid undue concentration of business with any single broker.
- 5.2.4** The Management Company may, under intimation to the Trustee, from time to time appoint, remove or replace the Registrar/Transfer agent who is responsible for performing Registrar Functions. The Transfer Agent shall perform the Registrar Functions, including maintaining investors' records, issuing statements of accounts, issuing Certificates representing units, processing redemption requests, processing dividend payments and all other related and incidental activities and any other role assigned to the Transfer Agent as per the transfer agent agreement.
- 5.2.5** The Management Company shall make available or ensure that there is made available to the Trustee such information as the Trustee may reasonably require in respect of any matter relating to the Scheme.
- 5.2.6** The Management Company shall not be under any liability, except such liability as may be expressly assumed by it under the Rules and this Deed, nor shall the Management Company (save as herein otherwise provided) be liable for any act or omission of the Trustee, or for anything except for its own negligence or willful breach of duty. If for any reason it becomes impossible or impracticable to carry out the provisions of Constitutive Documents, the Management Company shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted, to be done in good faith hereunder.
- 5.2.7** The Management Company shall maintain the books of accounts and other records of the Scheme for a period of not less than 10 (ten) years.
- 5.2.8** The Management Company shall within four months of the closing of the Accounting Period transmit to the Unit Holder(s), the Trustee and the SECP and stock exchanges, on which the units of the Scheme are listed the annual report as per the requirements of the Regulations, including (i) copy of 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

as set out in Schedule V of the Regulations.

- 5.2.9** The Management Company shall within one month of the closing of first and third quarter and within two months of the closing of second quarter of each Accounting Period, prepare and transmit to the Unit Holder(s), the Trustee and the SECP and stock exchanges, on which the units of the Scheme are listed, (i) balance sheet as at the end of that quarter (ii) income statement (iii) cash flow statement (iv) statement of changes in 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 together with the value (at carrying and 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 whether audited or otherwise. Provided, where subject to permission being granted by the Commission the Management Company has transmitted the said quarterly accounts on the Management Company's website, printed copies thereof shall be provided to the Unit Holders, free of cost, as and when requested.
- 5.2.10** The Management Company shall with the consent of the Trustee, appoint at the establishment of the Scheme and upon any vacancy, an Auditor, from the approved list of auditors circulated by Commission from time to time, who shall be a chartered accountant or a firm of chartered accountants and independent of the Auditor of the Management Company and the Trustee and such auditor shall not be appointed for more than five consecutive years as specified under the Regulations and the contents of the auditor's report shall be in accordance with the provisions of the Regulations.
- 5.2.11** 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 Scheme. The Management Company shall ensure that the settlement instructions are given promptly after entering into the transactions so as to facilitate the timely settlement and the Trustee, on its side, shall ensure that the settlement is handled in a timely manner in accordance with the dictates of the transaction subject to the Regulations, the Offering Document and terms of this Deed.
- 5.2.12** 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 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.
- 5.2.13** 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 Trust Deed.
- 5.2.14** The Management Company is obliged to obtain a rating of the Scheme, once the Scheme becomes eligible for rating as per the

rating criteria of the rating agency, and such rating shall be updated at least once every financial year and also published in the annual and quarterly reports of the Scheme.

- 5.2.15** The Management Company shall nominate one or more of its officers to act as attorney(s) for interacting with the Trustee.
- 5.2.16** The Management Company shall not apply for delisting from Stock Exchange (if any), unless it has obtained prior approval of the Commission in writing to the scheme of delisting.
- 5.2.17** The Management Company may appoint investment advisors to assist in investing and managing the assets of the Scheme or to invest and manage part or whole of the assets of the Scheme abroad, at its own cost and discretion, provided that the Management Company will be responsible for all acts of such investment advisers.
- 5.2.18** The Management Company may in consultation with the Trustee further appoint advisors and professionals other than mentioned in clause 5.2.17 above in offshore countries for making investments in offshore countries and/or for issuing units to the investors in the offshore countries to determine the legal and regulatory requirements to be fulfilled by the Scheme, the Management Company and the Trustee and their respective obligations in relation thereto.
- 5.2.19** The Management Company has the responsibility to facilitate the investment and disinvestments by investors in the Scheme and to make adequate arrangements for receiving and processing applications in this regard. The Management Company shall designate and disclose the location of its official points for acceptance of applications for issuance, redemption, conversion, etc of units in the offering documents of scheme as well as on their website. The Management Company shall receive the said applications only at such designated points. Offer and redemption prices have to be announced for investor facilitation as per the procedures outlined in Section 12 of this Trust Deed.
- 5.2.20** The Management Company shall ensure that all the designated points for acceptance of application for issuance, redemption, conversion, etc of units of the scheme have appropriate date and time stamping mechanism for timely acknowledgement of the said applications.
- 5.2.21** The Management Company shall clearly specify cut-off timings for acceptance of applications for issuance, redemption, conversion etc. of units of the scheme including approved administrative plans in the constitutive documents, on the website of the Management Company and at the designated points. Such cut-off timings shall uniformly apply on all Units Holders.
- 5.2.22** The Management Company shall process payment instruments immediately on receipt of application.
- 5.2.23** The Management Company shall account to the Trustee for any loss

in value of the assets of the Scheme where such loss has been caused by its negligence, reckless or willful act.

- 5.2.24** The Management Company shall not make any investment or rollover of any investment of the Fund in case borrowing limits have already been exhausted or redemptions are pending for more than six days.
- 5.2.25** The Management Company shall perform any other duties as may be required by the Commission in accordance with the Regulations.
- 5.2.26** The Management Company shall ensure that the conditions under which the Scheme has been registered are complied with.
- 5.2.27** The Management Company shall be obliged to accomplish compliance audit, on monthly basis, by an external auditor (other than by a statutory auditor) to ensure that the methodology and procedures adopted by the Management Company in calculating the value of units are adequate and the pricing and valuation for sale, issue, repurchase, redemption and cancellation are carried out in accordance with the provisions of the Constitutive Documents and Regulations.
- 5.2.28** 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 NAVs without cash settlement).

6. CHANGE OF MANAGEMENT COMPANY

- 6.1** The SECP may either at its own or on the recommendation of the Trustee remove the Management Company by giving at least 90 (ninety) days notice for sub-clause (a) hereunder and immediate notice for sub-clauses (b) (c) and (d) hereunder in writing to the Management Company if any of the following have occurred.
- a. The Management Company has willfully contravened the provisions of this Deed in any material respect and has failed to rectify the contravention within a reasonable period after the contravention has come to its notice;
 - b. The Management Company goes into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for purpose of reconstruction and amalgamation);
 - c. A receiver is appointed over any of the assets of the Management Company; or
 - d. The Management Company becomes ineligible to act as the management company of the Trust under the provisions of the Rules and/or the Regulations or any other law for time being in force.
- 6.2** The Management Company may retire at any time after giving at least 90 days prior notice and with the prior written consent of the SECP and Trustee.

- 6.3 If the SECP has cancelled the registration of the Management Company under the provisions of the Regulations, the SECP shall appoint another asset management company as the management company for the Scheme according to the provisions of this Deed and the Regulations.
- 6.4 Upon a new management company being appointed, the Management Company will take immediate steps to deliver all the documents and records pertaining to the Scheme to the new management company and shall pay all sums due to the Trustee. The Management Company shall have the right to receive its remuneration upto the effective date of removal or retirement.
- 6.5 Upon its appointment, the new management company shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the management company hereunder as fully as though such new management company had originally been a party hereto.
- 6.6 Notwithstanding the removal/resignation of the Management Company and its subsequent discharge from its duties under this Trust Deed and the Regulations, the Management Company shall remain entitled to the benefits under the terms of this Trust Deed without prejudice to the Management Company's responsibility or obligation to liquidate any liability for which the Management Company may have become liable under this Trust Deed and/or the Rules/Regulations.
- 6.7 Furthermore, the Trustee may immediately in case of removal of Management Company 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.
- 6.8 The auditors so appointed shall be other than the existing auditors of the Scheme, the Management Company and the Trustee.
- 6.9 The auditors shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Trustee or SECP.
- 6.10 The report for the audit shall be submitted by the auditors to the Trustee not later than 30 Business Days from their appointment. A copy of the report shall also be provided to SECP, outgoing Management Company and the new Management Company.
- 6.11 The costs of audit shall be shared equally by the outgoing Management Company, the new Management Company and the Scheme.

7. SHARIAH GOVERNANCE/ SHARIAH ADVISORY SERVICES AND SHARIAH COMPLIANCE AUDITOR

7.1 Shariah Governance

All activities of the Unit Trust shall be undertaken in accordance with

the Islamic Shariah as per the guidelines given by Shariah Advisor and the guidelines that may be specified by the Commission under Regulation 37(6) of the Regulations. There are activities that are unlawful in Shariah, which the Fund cannot indulge in. These include, among others:

- (a) Investment in riba based transactions; conventional insurance transactions, intoxicants, gambling, pornography, haram meat
- (b) Taking interest-bearing deposits or raising interest-bearing loan; and
- (c) Any other activity/investment declared restricted/unlawful under Shariah by the Shariah Advisor

7.2 Shariah Advisor/Shariah Advisory Board

- 7.2.1 The Management Company shall designate the Shariah Advisor or Shariah Advisory Board and/or members thereof from time to time, as per the fit and proper criteria, under intimation to the Commission.
- 7.2.2 The Shariah Advisor or members of Shariah Advisory Board will be person(s), who is/are expert on Shariah and have good understanding of finance and economics.
- 7.2.3 The Shariah Advisor/Shariah Advisory Board will be appointed, under intimation to the Trustee, for a period of two years, but may be reappointed on completion of his/their term. The Management Company may with prior notice to Trustee at any time terminate the agreement(s) with the Shariah Advisor/Shariah Advisory Board and/or members thereof giving a notice period as provided in such agreement(s), before the completion of their term(s) and fill the casual vacancy(ies) or appoint a new Shariah Advisor to the Board with prior approval of the SECP and/or as the case be under the relevant rules/regulations. Provided however, before terminating any Agreement with the Shariah Advisor, the Management Company shall obtain a firm commitment from the new Shariah Advisor to be appointed in the place of the outgoing Shariah Advisor.
- 7.2.4 The Shariah Advisor/Shariah Advisory Board will advise the Management Company on matters relating to Shariah compliance and recommend general investment guidelines, consistent with the Shariah, including the guidelines as may be specified by the Commission under the Regulations. Any verdict issued by the Shariah Advisor in respect of any Shariah related matter would be final and acceptable by the Trustee, the Management Company, the Unit Holders and other parties related with that matter. In case of any issue, conflict between the opinions of the Shariah Advisor and Shariah Technical Support Services Provider, the opinion of the Shariah Advisor shall prevail. The responsibilities of the Shariah Advisor will inter alia be as under:
 - i. To co-ordinate with the Management Company in drawing up of this Deed and other related material documents constituting Constitutive

Documents for the formation of the Unit Trust and shall further provide technical guidance and; support on various aspects of Shariah, so as to enable the Management Company to mould the Unit Trust into a riba free and Halal avenue of investment.

- ii. To do the research as appropriate on the criteria followed by Islamic Unit Trusts all over the world for the purpose of screening of investments. The Shariah Advisor will then decide as to which criteria are relevant to be used in the context of Pakistan's capital markets and the instruments available therein, and which need to be modified/added/deleted.
- iii. To certify that all the provisions of the Scheme and proposed Investments to be made on account of the Unit Trust on the instructions of the Management Company are Shariah compliant with the criteria established as per clauses (i) and (ii) above.
- iv. To evaluate and advise upon all new financial instruments as and when introduced for their Shariah permissibility.
- v. To issue at the end of each Accounting Period, a certificate, to be included in the Scheme's financial reports, in respect of Shariah compliance of the preceding year's operations of the Scheme and the Shariah Advisor or Shariah Advisory Board, as the case may be, may at the expense of the Fund, conduct such audits or other investigations as may be necessary for the issuance of the certificate.
- vi. To determine an appropriate percentage of income and cash flows included in the income and cash flow of the companies in which the Unit Trust has invested from activities not in accordance with the principles of the Shariah, and will recommend to the Management Company the criteria for selecting the Charities to whom such sums shall be donated.
- vii. To decide the methodology for calculation of 'Haram income'

7.3 Shariah Technical Services and Support/ Shariah Technical Services and Support Provider

7.3.1 Shariah Technical Services and Support Provider will be a person, group of persons or an organization who is/are expert(s), and possess(es) sufficient experience, in the structuring, product development, training and monitoring of the Shariah Compliant Unit Trust(s).

7.3.2 The Management Company may designate the Shariah Technical Services and Support Provider thereof from time to time to assist the Shariah Advisor and provide the necessary support to efficiently fulfill his responsibilities.

7.3.3 The Shariah Technical Services and Support Provider may be required to provide all or any of the following services as mutually agreed between the Management Company and Shariah Technical

Services and Support Provider:

- i. Recommendation and assistance in the identification and appointment of the Shariah Advisor by the Management Company.
- ii. Assistance in the development of Shariah Compliant Unit Trust, which involves services, related to conceptualization, structuring, documentation and resource mobilization plans for such Unit Trust.
- iii. Providing training on Shariah related matters to employees of the Management Company from time to time.
- iv. Coordinating and assisting Shariah Advisor/Shariah Advisory Board in guiding the Management Company to mould its Unit Trust into a Riba free and Halal avenues of investment.

7.4 Shariah Compliance Auditor

- 7.4.1 The Auditor of the Unit Trust shall also act as Shariah Compliance Auditor, and will complete Shariah Compliance Audit (in addition to statutory audit required under the Regulations), of the Trust for each Accounting Period within 3 (three) months from the relevant Accounting Period, and will issue a Shariah compliance audit report.
- 7.4.2 Subject to the Regulations, the Shariah Compliance Auditor would verify the following aspects of the Unit Trust's activities:
 - i. Necessary approvals have been obtained from the Shariah Advisor, as the case may be, in respect of transactions involving Shariah related matters.
 - ii. Documentation contains all necessary information to make it Shariah compliant.
 - iii. No misuse of Trust funds has been committed
 - iv. Trust funds were placed for investment under Shariah compliant avenues as advised and approved by the Shariah Advisor.
 - v. Costs charged to Trust funds were in accordance with the Shariah permissions and terms of the Trust Deed.
 - vi. Share of the Mudarib in profits from Investments is in accordance with the agreed rates.
 - vii. Distributions for the Unit Holders are in accordance with the terms agreed upon.
 - viii. Any other point affecting the Shariah compliance.
 - ix. The Shariah Compliance Auditor will base his audit on tests usually applied in practice.

- x. Disclosure shall be made in the notes to the financial accounts, of earnings prohibited by Shariah, if any, and how those amounts are disposed of.
- xi. Disclosure shall be made of whether the Zakat payment is the responsibility of the Fund or the responsibility of Unit Holders.

The Fund shall also disclose the Zakat due for each share/unit, if any.

- 7.4.3 The Shariah Compliance Auditor shall be competent to carry out the Shariah Compliance audit, including that the audit firm shall have experience and requisite knowledge of conducting Shariah compliance audits and shall have laid down systems and programs to carry out such audit. The Management Company shall, in consultation with the Shariah Advisor, determine the competence of the Auditor in this regard.
- 7.4.4 The Shariah Advisor shall be entitled to require the Auditors to provide such reports as may be agreed between the Shariah Advisor and the Management Company as may be considered necessary to facilitate the Shariah Advisor in issuing the certification required under this Deed.

8. ROLE OF THE TRUSTEE

- 8.1 The Trustee shall take into its control the Fund Property and hold the same for the benefit of the Unit Holders in accordance with the Rules, the Regulations and the provisions of the Constitutive Documents. The cash and registerable assets shall be registered in the name, or to the order of, the Trustee.
- 8.2 The Trustee has the responsibility, for being the nominal owner, for the safe custody of the assets of the Scheme for the benefit of the beneficial owners (the Unit Holders), within the framework of the Regulations, this Deed and the Offering Document.
- 8.3 The Trustee shall have all the obligations entrusted to it under the Regulations, the Trust's Act this Deed (including any supplemental deeds hereto), and the Offering Document(as may be amended from time to time with the approval of the SECP) and the Administrative Plans as may be approved by the SECP.
- 8.4 The Trustee shall invest the Fund Property from time to time at the direction of the Management Company strictly in terms of the provisions contained and the conditions stipulated in this Deed, the Offering Document(s), the Regulations and the conditions (if any) which may be imposed by the Commission from time to time.
- 8.5 The Trustee shall comply with the provisions of this Deed for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee under intimation to the

Management Company.

Provided that the Trustee shall be responsible for the willful 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 Fund Property where such loss has been caused by willful act and/or omission of the Trustee or any of its attorney(s), or agents.

- 8.6 The Trustee shall nominate one or more of its officers to act as attorney(s) for performing the Trustee's functions and for interacting with the Management Company and the same would be intimated to the Management Company
- 8.7 The Trustee shall in consultation with the Management Company appoint from time to time and remove and replace one or more Custodian(s) for holding and protecting the Fund Property and every part thereof and for generally performing the custodial services at one or more locations and on such terms, as the Trustee and the Management Company may mutually agree and to be incorporated in custodial services agreement(s) to be executed between the Trustee and the Custodian(s). Provided however, the Trustee may also itself provide custodial services for the Scheme at competitive terms as part of its normal line of business.
- 8.8 The Trustee shall be liable for any loss caused due to its willful acts or omissions or that of its agents in relation to any custody of assets or investment forming part of the Fund Property of the Scheme.
- 8.9 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 Scheme, if the Trustee had acted in good faith in accordance with or in pursuance of any request of the Management Company, provided these were not in conflict with the provisions of this Deed, or the Offering Document or the Regulations. Whenever pursuant to any provisions of this Deed, any certificate, notice, direction, instruction or other communication is to be given by the Management Company to the Trustee, the Trustee may accept as sufficient evidence thereof:
- i) A document signed or purporting to be signed on behalf of the Management Company by any person(s), whose signature(s) the Trustee has for the time being authorized in writing by the Management Company to accept.
 - ii) Any instructions received Online through the software solution adopted by the Management Company or the Trustee for managing and keeping records of the Scheme to the satisfaction of the Trustee or the Management Company as case may be.
 - iii) Third party evidence where required like broker contract, expense, bills etc in relation to (i) and (ii) the above; and

- iii) The instructions shall be given electronically to the Trustee based on distinctive user IDs and passwords allocated to authorized person(s) of the Management Company through a computerized system for which both the parties i.e. the Management Company and the Trustee have agreed in writing. In case of any error or omission occurring in electronic system due to system malfunction or any instruction(s) based on such system contain any error or omission due to the above malfunction, the Trustee and the Management Company not knowing the fact will act in the best interests of the Scheme and the Unit Holders.
- 8.10 The Trustee shall not be liable to any loss caused to the Scheme or the value of the Fund Property due to any elements or circumstances beyond its reasonable control.
- 8.11 The Trustee shall carry out the instructions of the Management Company in all matters including the investments, unless such instructions are in conflict with the provisions of this Deed and /or the Offering Document (s) and/or the Regulations or are prohibited by the Shariah and/or any other applicable law. (for which the Trustee shall have the right to consult the Shariah Advisor or Shariah Advisory Board of the Fund in case of doubts).
- 8.12 The Trustee shall make available or ensure that there is made available to the Management Company such information as the Management Company may reasonably require from time to time in respect of the Fund Property and all other matters relating to the Trust.
- 8.13 The Trustee shall, if requested by the Management Company or if it considers necessary for the protection of the Fund Property or safeguarding the interest of Unit Holders institute or defend any suit, proceedings, arbitration or enquiry or any corporate or shareholders' action in respect of the Fund Property or any part thereof, with full powers to sign, swear, verify and submit pleadings and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized person. All costs, charges and expenses (including legal fees) incurred in instituting or defending any such action shall be borne by the Scheme and the Trustee shall be indemnified against all such costs, charges and expenses. Provided that no such indemnity shall be available in respect of any action taken against the Trustee for willful acts or omissions or breach of its duties in connection with the Scheme under this Deed and/or the Regulations and/or the Rules. For the avoidance of doubt it is clarified that notwithstanding any thing contained in this Deed, the Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities whatsoever suffered or incurred by the Scheme 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 or other liabilities shall be borne by the Scheme.

- 8.14 The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Regulations and this Deed, nor shall the Trustee be liable for any act or omission of the Management Company or for anything except its willful breach of duty hereunder. If for any reason it becomes impossible or impracticable to carry out the provisions of this Deed, the Trustee shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted, to be done in good faith hereunder.
- 8.15 The Trustee shall ensure that (a) the sale, purchase, issue, transfer of units affected by the Scheme and repurchase, redemption and cancellation of units are carried out in accordance with the provisions of the Deed, the Offering Document and the Rules, and the Regulations and any other regulatory requirements; and (b) the methodology and procedures adopted by the Management Company in calculating the value of units are adequate and to ensure that pricing and valuation for the sale, issue, repurchase, redemption and cancellation prices are calculated in accordance with the provisions of the Deed, the Offering Document and the Rules and Regulations and any other regulatory requirements. In order to get these comforts the Trustee shall have unhindered access to records and information maintained with the Management Company or its agents.
- 8.16 The Trustee shall ensure that the investment and borrowing limitations set out in the Constitutive Documents and the Regulations and the conditions under which the Scheme was authorized are complied with.
- 8.17 The Trustee shall promptly forward to the Management Company any notices, reports or other documents issued by, the issuers of securities, recipients of any of the Trust funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, intermediary or agent in any transaction or from any court, government, regulator, stock or other exchange or any instruction of the Management Company in all such matters relating to recovery of the Fund Property. For this purpose the Management Company shall provide the Trustee with the summary of investments in the Scheme on regular basis
- 8.18 The Trustee shall ensure that units of Scheme have been issued after realisation of subscription money.
- 8.19 The Trustee shall issue a report to the Unit Holder(s) included in the annual and second quarter report of the Trust to be sent to Unit Holders whether in its opinion, the Management Company has in all material respects managed the Fund Property in accordance with the provisions of the Regulations, the Offering Document and this Deed and if the Management Company has not done so, the respect in which it has not done so and the steps that the Trustee has taken in respect thereof.

- 8.20 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/or may be considered necessary to facilitate the Trustee in issuing the certification required under the Regulations. The Trustee shall endeavour to provide the certification at the earliest date reasonably possible.
- 8.21 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.
- 8.22 The Trustee shall ensure that the Management Company has specified criteria in writing to provide for a diverse panel of brokers at the time of offering of the Scheme or for any subsequent change and shall also ensure that the Management Company has been diligent in appointing brokers to avoid undue concentration with any broker.
- 8.23 The Trustee shall promptly provide proxies or other forms of powers of attorney to the order of the Management Company with regard to any voting rights attached to any investment.
- 8.24 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 comply with the directions of the Commission given in the interest of the Unit Holders.
- 8.25 The Trustee shall not invest in units of funds

9. RETIREMENT AND CHANGE OF TRUSTEE

Manner in which Trustee may retire

- 9.1 The Trustee may, subject to prior approval of the Commission, retire from his office on appointment of a new trustee and the retirement shall take effect at the same time as the new trustee is appointed with the approval of the Commission or from the date of assumption of assets of the Scheme by the newly appointed trustee, whichever is later. Such voluntary retirement shall be conditional upon the Trustee providing three (3) months prior written notice to the Management Company and after obtaining prior written consent of the Commission. In the event of the Trustee desiring to retire, the Management Company, within a period of three months after receiving a notice to that effect from the Trustee and with the prior written approval of the Commission, may by a deed supplemental hereto under the seal of the Management Company appoint a new trustee under the provisions of the Rules and Regulations in place of the retiring Trustee and also provide in such deed for the automatic vesting of all the assets of the Scheme in the name of the new trustee. Provided that the obligations of the Trustee shall

- continue and the Trustee shall also receive its remuneration until the new trustee is appointed. In case the Trustee decides to retire voluntarily, as above, it shall endeavor its best to suggest the name(s) of alternate Company(ies) or institution(s) qualified for being appointed as trustee of the Unit Trust to the Management Company and the Commission for appointment as the Trustee, in place of the Trustee.
- 9.2 If the Trustee goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction on terms previously agreed to with the Management Company for purpose of reconstruction and amalgamation) or ceases to carry on business or a receiver of its undertaking is appointed or it becomes ineligible to act as a Trustee of the Scheme under the provisions of the Regulations, the Management Company shall with the approval of the Commission, by an instrument in writing, remove the Trustee from its appointment under this Deed and shall by the same or some other instrument in writing simultaneously appoint as Trustee some other company or corporation according to the provisions of the Regulations and this Deed as the new Trustee.
- 9.3 In circumstances where the Commission is of the opinion that the Trustee has been in violation of the Regulations or the provisions of this Trust Deed or is found guilty of misconduct or has failed to discharge its obligation under the Regulations, the Commission may remove the Trustee after giving the Trustee an opportunity of being heard.
- 9.4 The Management Company may apply to the Commission, by giving cogent reasons in writing for change of Trustee by simultaneously proposing the appointment of a new Trustee. The Commission, if satisfied with the circumstances and reasons for the change applied for may accord approval for appointment of a new Trustee after providing an opportunity of hearing to the Trustee.
- 9.5 Upon the appointment of a new Trustee, the Trustee shall immediately deliver all the documents and records to the new Trustee and shall transfer all the Fund Property and any amount held in any Distribution Account to the new Trustee and make payments to the new Trustee of all sum due from the Trustee. The Trustee shall have the right to receive its remuneration up to the effective date of removal or retirement.
- 9.6 The new Trustee shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Trustee hereunder as fully as though such new trustee had originally been a party hereto.
- 9.7 Notwithstanding the removal/resignation of the Trustee and its subsequent discharge from its duties under this Deed, the Regulations and the Rules, the Trustee shall remain entitled to the benefit of the terms of this Trust Deed without prejudice to the Trustee's responsibility or obligation to liquidate any liability for which the Trustee may have become liable under this Deed and/or

the Regulations and / or the Rules

- 9.8 Furthermore the Management Company may immediately upon the removal of Trustee appoint Auditors with the consent of SECP from amongst the panel of auditors designated as "A" category by State Bank of Pakistan for the audit of Financial Institutions.
- 9.9 The Auditors so appointed shall be other than the existing Auditors of the Scheme, the Management Company and the Trustee.
- 9.10 The Auditors shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Management Company or SECP.
- 9.11 The report for the audit shall be submitted by the Auditors to the Management Company not later than 30 Business Days from their appointment. A copy of the report shall also be provided to SECP, out going Trustee and the new trustee.
- 9.12 The costs of audit shall be shared equally by the outgoing Trustee, the new Trustee and the Scheme.

10. BANK ACCOUNTS

- 10.1 The Trustee shall open Bank Accounts titled "**CDC-Trustee Faysal Islamic Balanced Growth Fund**" for Scheme at such branches of Banks and at such locations (including outside Pakistan, subject to applicable regulations and after obtaining all necessary approvals from the relevant regulatory authority in Pakistan) as may be requested by the Management Company from time to time for collection, investment, redemption or any other use of the Trust's Fund.
- 10.2 The Trustee shall also open additional Bank account(s) titled "**CDC-Trustee Faysal Islamic Balanced Growth Fund**" at various branches of such other Bank(s) as requested by the Management Company. These accounts shall be temporary collection accounts for investment in the Unit Trust and the Administrative Plans thereof, where collection shall be held prior to their being transferred to the main Bank Account of the Trust on a daily basis. There shall be standing instructions for all such collection accounts to promptly transfer the funds collected therein to the main account for the Scheme titled "**CDC -Trustee Faysal Islamic Balanced Growth Fund**".
- 10.3 The Management Company may require the Trustee to open separate collection accounts titled "**CDC-Trustee FAML Funds**" for the Unit Trust to facilitate the receipt, tracking and reconciliation of income or other receipts relating to the investments.
- 10.4 The Management Company may also require the Trustee to open separate Bank Account as Distribution Account(s) for each dividend distribution of the Scheme. Notwithstanding anything in this Deed the beneficial ownership of the balances in the accounts shall vest in the Unit Holder(s).

- 10.5 All income or profit, etc. earned in the Distribution Account(s), if any, including those accruing on unclaimed dividends, shall form part of the Fund Property for the benefit of the Unit Holders and shall be transferred periodically from the Distribution Account(s) to the main Bank Account of the Trust.
- 10.6 All bank charges for opening and maintaining Bank Account for the Trust shall be charged to the Scheme.
- 10.7 The Trustee shall, if requested by the Management Company at its discretion also open a separate account titled "**CDC-Trustee FAML Funds**" at bank(s) designated by the Management Company. These account(s) shall be temporary collection accounts, where collections received on account of subscription of units by investors of various Unit Trusts and the administrative plans that are managed by the Management Company shall be held prior to their being allocated and transferred to pertinent Unit Trusts for investments in accordance with the decisions of the investors. Such account(s) may also be used for temporary parking of redemption proceeds which the Unit Holders may wish to reinvest at a later stage in the same fund or other funds which may be managed by the Management Company. Provided however, in relation to the other Unit Trusts managed by FAML as the Management Company mentioned above, there are similar provisions in the Trust Deeds of such funds and have Trustee as common between them.
- 10.8 The Trustee shall, if requested by the Management Company open Bank Accounts titled "**CDC-Trustee Faysal Islamic Balanced Growth Fund**" in offshore countries where the Investments are made on account of the Scheme, if such Investments necessitate opening and operation of Bank Accounts by the Trustee. For this purpose, the Trustee shall be deemed to be authorized to sign and submit the prescribed account opening forms of such Banks, including custodial/sub-custodial services accounts and brokerage accounts with such Banks, custodians, sub-custodians, and brokers, as may be required to be appointed for offshore Investments of the Scheme. The opening, operation and maintenance of such Bank Accounts, custodial/sub-custodial and brokerage services accounts in offshore countries shall always be subject to the approval of the State Bank of Pakistan and the exchange control regulations, as well as any directives of the State Bank of Pakistan and/or the Commission.
- 10.9 The Management Company, while exercising due caution and diligence in appointing and arranging of such Bank, brokerage houses and custodian/sub-custodian in offshore countries. The Management Company and the Trustee shall not incur any personal liability for any consequences that may arise in the opening and operation of such Bank Accounts, brokerage accounts and/or custodial/sub-custodial services accounts. The Management Company and the Trustee shall be indemnified out of the Trust Property for any losses, costs and expenses that may be suffered, sustained or incurred by the Management Company/Trustee and against all consequences arising from and out of (1) the execution

by the Management Company/Trustee of the account opening forms/ documents with all particulars as may be required by such Bank(s), Financial Institution(s), custodian(s)/sub-custodian(s) and brokerage house(s), (2) the opening of such account(s) with the offshore Bank(s), Financial Institution(s), custodian(s)/sub-custodian(s) and brokerage house(s), (3) the Investments made in offshore countries on account of the Scheme, (4) the appointment of Bank(s), Financial Institution(s), broker(s) and/or custodian(s)/sub-custodian(s) for the Schemes' Investments, securities and other assets internationally and (5) all other related or incidental activities of the Management Company/Trustee in relation to the above.

Provided that such indemnity shall not be available to the Management Company and/or the Trustee, if such loss, cost or expense is sustained or incurred due to willful default or negligence on their respective part. For the purpose of making arrangements in offshore countries, the Management Company may in consultation with Trustee retain the services of advisors and professionals to ensure legal and regulatory compliances on part of the Management Company and the Trustee.

11. INVESTMENT OF THE FUND PROPERTY AND INVESTMENT AND BORROWING RESTRICTIONS

11.1 Fund Property

- 11.1.1 The Fund Property shall initially be constituted out of the proceeds of the units issued to the Core Investors & Pre-IPO investors and other units issued during the Initial Period of Offer after deducting any applicable Duties and Charges and there-from.
- 11.1.2 The aggregate proceeds of all Units issued from time to time after deducting Duties and Charges and after deducting there from or providing there against any applicable Front-end Load shall constitute part of the Fund Property and the Distributors shall remit such proceeds to the Trustee in accordance with the instructions given by the Management Company from time to time.
- 11.1.3 The Fund may be marketed in conjunction with Shariah complaint group life insurance or any other Shariah compliant insurance scheme and the Trustee on the instruction of the Management Company is authorized to deduct any insurance premiums from the payments and deposit them with the relevant insurance company.
- 11.1.4 If proceeds of the units are paid in a currency other than Pakistani Rupees the currency will either be converted into Pakistani Rupees using an Authorized Dealer or, at the option of the Management Company, the foreign currency itself will become Fund Property and units will be issued in Pakistani Rupees based on the exchange rate quoted by the Authorized Dealer (for buying of the relevant currency) on the issue date of the units. Cost of conversion into Pakistani Rupees (where applicable) will be borne by the Unit Holder and units will be issued net of such costs.

- 11.1.5 The Trustee shall take the Fund Property under its control, either directly or through the Custodian and hold it in trust for the benefit of the Unit Holders in accordance with the provisions of the Regulations, the Rules and this Deed. The Fund Property shall always be kept as separate property and shall not be applied to any purpose unconnected with the Fund. All registerable Investments shall be registered in the name of the Trustee and shall remain so registered until disposed off pursuant to the provisions of this Deed. All expenses incurred by the Trustee in effecting such registration shall be payable out of the Fund Property.
- 11.1.6 All cash forming part of the Fund Property shall be deposited by the Trustee in a separate account to be opened in the name of the Trustee, as a nominee of the Trust, with a Bank or Financial Institution of good standing approved by the Management Company. Such Bank or Financial Institution shall be required to allow profit thereon, based on Shariah, in accordance with the rules prescribed by such Bank or the Financial Institution for sharing of profits on deposits maintained in such Shariah based account or under any other arrangement approved by the Management Company that is not in violation of the principles of Shariah.
- 11.1.7 Save as herein expressly provided, the Fund Property shall always be kept as separate property free from any mortgages, charges, liens, or any other encumbrances whatsoever and the Trustee, the Management Company, or the Custodian shall not, except for the purpose of the Fund and as permissible under the Rules, create or purport to create any mortgages, charges, liens or any other encumbrances, whatsoever, to secure any loan, guarantee, or any other obligation, actual or contingent, on the Fund Property.
- 11.1.8 The Trustee shall have the sole responsibility for the safekeeping of the Fund Property. In the event of any loss, caused through negligence on the part of the Trustee, the Trustee shall have an obligation to replace the loss forthwith with similar investment of the same class and issue together with all rights and privileges pertaining thereto or compensate the Trust to the extent of such loss.

11.2 Investment Objective

The Scheme is a purely Shariah based Unit Trust which shall make Investment only in designated authorised Shariah compliant Investments and shall thus offer Shariah Compliant returns to the investors in the Units of the Scheme. The objective of the scheme is to provide the investor:

- Opportunity to earn consistent Income and Long-term capital appreciation by investing in high growth companies along with the liquidity of an open-ended scheme through investments primarily in Shariah Compliant equities and the balance in Shariah Compliant debt and money market instruments.

The fixed income portion of the Fund is to provide some capital stability to the Fund whilst the equity portion will provide the added return in a rising market.

11.3 Investment Strategy

Funds collected under the scheme shall generally be invested, consistent with the objective of the Scheme as mentioned above. Hence, no Investments of the Fund Property or any portion thereof shall be made in any security or instrument, or deposited in any account, that is inconsistent with Islamic Shariah as advised by the Shariah Board. The investment pattern of the scheme will be as follows:

Instrument	% of portfolio
Shariah Compliant Equity and related instruments	Maximum 70% * Investment in listed equity securities shall not be lower than 30% at any time.
Shariah Compliant Debt instruments	Minimum 30%
Securitized Debt	Not more than 10% of investments in Islamic debt instruments
Shariah Compliant Money market instruments*	Balance
Total	100%

* Shariah Compliant Money Market Instruments will include Commercial Paper, Certificates of Deposit, Treasury Bills, Repos, short-term bank deposits, short-term Government securities (of maturities less than 1 year) and any other such short-term instruments or investment options as may be allowed under the Islamic shariah regulations prevailing from time to time.

However, the above investment pattern may be changed at the discretion of Fund Manager in the interest of the investors provided such changes do not result in a change in the fundamental attributes / investment profile of the scheme and are short term changes on defensive consideration.

Investment in equities would be through primary as well as secondary market, private placement, preferential/firm allotments etc.

Investment in Shariah Compliant debentures and corporate bonds shall not have a rating of lower than A- (A Minus). Investments in short term instruments will also be restricted to instruments with a rating of A- and above.

The rating of any bank and DFI with which funds are placed shall not be lower than A- (A Minus). Funds placed in NBFCs and Modarabas shall be restricted to instruments with a rating of AA (Double A) or higher.

The weighted average of the time to maturity of non-equity assets shall not exceed 2 years.

The Fund may invest in foreign equities and may use any hedging technique that are permissible or in future may become permissible under the Rules and the Regulations. Such investments carry the risk of fluctuations in foreign exchange rates.

11.4 Classification of Investment Avenues

The Fund may be invested in the following types of investments, including but not limited to:-

- a) Equity including depositary receipts such as Global Depositary Receipts and American Depositary Receipts.
- b) Unlisted securities including securities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the fund by the issuer;
- c) Shariah Compliant Participation Term Certificates;
- d) Certificates of Investment based on Shariah Compliant structures, with a rating of A-(A Minus) or higher;
- e) Bank Deposits of various tenors in licensed Islamic Banks and licensed Islamic Banking windows of conventional Banks with a rating no lower than A- (A Minus).
- f) Placement of funds under Mudarabah, Murabaha and Musharikhah Istisna'a, and Ijara arrangements with banks and DFIs rated A- (A Minus) or higher. In the case of NBFCs and Modarabas with which funds are placed, the rating shall not be lower than AA (Double A).
- g) Spread Transactions (Ready-Future) as approved by the Shariah Advisor in eligible securities as declared by the Stock Exchanges and the Commission. However, exposure in Spread Transactions shall not exceed 25% of the net assets;
- h) Secured (listed and/or privately placed) Shariah Compliant income instruments/securities including Sukuks issued by local governments, government agencies, statutory bodies, private and or public sector entities and/or Financial Institutions
- i) Unsecured (listed and/or privately placed) Shariah Compliant income instruments/securities including Sukuks issued by local governments, government agencies, statutory bodies, private and or public sector entities and/or Financial Institutions.
- j) Certificates, contracts, securities, instruments issued by companies, organizations, and establishments issued on the principles of Bai'Mu'ajjal, Bai'Salam, Istisna'a, Modaraba, Murabaha, and Musharika.;
- k) Any other securities or instruments that may be permitted by the Commission and the Shariah Council. The above and other Shariah-Compliant investments available outside Pakistan.

Weighted average time to maturity of non-equity assets shall not exceed 2 years.

11.5 Investments Outside Pakistan

11.5.1 The Fund may also invest outside Pakistan after seeking necessary approvals from the State Bank of Pakistan and the Commission. Investments outside Pakistan will enable the Fund to diversify risk as well as avail opportunities for higher returns in markets. The limit to international Investment will apply at the time of investment and it will not be necessary for 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 change in limit due to increase or decrease in Units, such limit shall be exceeded. In case, due to the relative movement of the value of foreign investment 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.

11.5.2 The Fund Property can be invested in international Shariah Compliant Investments including the following:

- international Shariah Compliant equities;
- international Shariah Compliant profit-bearing securities;
- international Shariah money market instruments;
- international Shariah Compliant debt instruments
- foreign currency Shariah Compliant bank deposits & certificates of investments;
- international Islamic Mutual Funds;
- structured deposits notes;
- interest rate/ cross currency swap and arbitrage products;
- options, derivatives, index linked structures subject to prior written approval of SECP;
- any other securities or instruments that may be permitted or approved by the SECP and the Shariah Advisory Board from time to time.

11.5.3 While investing internationally, Fund Property will not be placed in any investment that has the effect of leveraging the Fund and if any such instrument/security is used, it must be supported by investment in spot or money market such that the effect of leverage is cancelled out.

11.6 Investment of Fund Property

11.6.1 Prior to the close of the Initial Period of Offer the Trustee shall hold funds received from the Core Investors and Pre IPO investors during Pre IPO in a separate Shariah Compliant account titled "**CDC-Trustee Faysal Islamic Balanced Growth Fund Pre IPO**" with a scheduled Commercial Bank(s) having atleast minimum investment grade rating as per the criteria laid down by a credit rating agency and approved by the SECP and transferred to the main Bank Account of the Scheme upon the close of the Initial Offer. Income, profit, etc. earned and received on such amount, before the close of the Initial Offer, shall be paid to such investors on proportionate

basis of their Core investments and Pre IPO subscriptions amounts. After the Initial Period of Offer all Fund Property, except in so far as such cash may in the opinion of the Management Company be required for transfer to the Distribution Account, shall be invested by the Trustee from time to time in line with the objective of the Scheme, in such Authorised Investment as may (subject always to the provisions of this Deed, the Offering Document, the Regulations and the Islamic Shariah as advised by the Shariah Advisory Board) be directed by the Management Company.

- 11.6.2 Investment may at any time be realised at the discretion of the Management Company either in order to invest the proceeds of sale in other Authorized Investment or to provide cash required for the purpose of any provision of the Trust Deed or in order to retain the proceeds of sale in cash or on deposit as aforesaid or partly one and partly another. Any Investment which ceases to be an Authorized Investment or Shariah Compliant Investment (subject to SECP directive or Shariah Advisory Board's decision) shall be realized within 3 months and the net proceeds of realization shall be applied in accordance with this clause. It is clarified that the proceeds of any Investments realized as aforesaid shall be kept by the Trustee in the account of the Scheme.
- 11.6.3 The purchase or sale of any Investment in listed securities for the account of the Scheme shall be made on the stock Exchange through a Broker, who must be a member of the Stock Exchange, unless the Management Company is satisfied that it is possible, to make such purchase or sale more advantageously in some other manner. The broker shall be appointed, from time to time, by the Management Company under intimation to the Trustee.
- 11.6.4 The Fund may engage in sale/repurchase transactions involving government securities and listed securities which are regulated by a Stock Exchange provided that at the risk management parameters for such have been disclosed in the Offering Document and as per the clause 58 of the Regulations.
- 11.6.5 The sale, redemption and transfer of units and any other dealing in the units may be carried out online to the extent permitted by the SECP and the State Bank of Pakistan and in accordance with the applicable law, the Rules and the Regulations and after intimation to the Trustee.
- 11.6.6 The Management Company may use derivatives only to the hedge existing exposure of the Fund in foreign currencies, provided they are cleared by the Shariah Board. The derivatives used may also hedge the US Dollar, however, the Management Company will attempt to hedge, in all cases where hedging is desirable, to the base currency if cost-effective and practical. No other use of derivatives is permissible and only currency derivatives will be used and only up to the limit of the Fund's exposure to foreign currency.

11.7 Investment Restrictions

- 11.7.1 The Management Company in managing the Scheme shall abide by

all the provisions of the Rules, the Regulations, this Trust Deed and the Offering Document.

- 11.7.2 The Fund Property shall be subject to such exposure limits as are provided in the Regulations (subject to any exemptions that may be specifically given to the Fund by the Commission).
Provided that it shall not be necessary for the Trustee to sell any Investment merely because any limit was exceeded owing to appreciation or depreciation of any Investment or disposal of any Investments or redemption of units. The Management Company will have three (3) months to comply with the exposure limits in case such limits are exceeded.
- 11.7.3 The purchase or acquisition of units in other Shariah Compliant, open-end and closed-end income funds shall be made in accordance with applicable Rules and Regulations.
- 11.7.4 If and so long as the value of the holding in a particular security shall exceed the limit imposed by the Rules, the Management Company shall not purchase any further Investments in such security. However this restriction on purchase shall not apply to any offer of right shares or any other offering, if the Management Company is satisfied that accepting such offer is in the interest of the Trust. The Management Company will have three (3) months to comply with the exposure limits in case such limits are exceeded.
- 11.7.5 The Management Company shall not without prior approval of the Commission in writing, purchase from or sell to any connected person or employee of the Management Company
- 11.7.6 The Management Company shall not:
- 11.7.6.1 Invest in anything that is not authorized by Shariah Advisor.
- 11.7.6.2 Acquire the management of a collective Investment Scheme, unless it has obtained the prior approval of the Commission in writing to do so;
- 11.7.6.3 Pledge any of the securities held or beneficially owned by the Scheme except as allowed by the Regulations;
- 11.7.6.4 Accept deposits from a collective Investment Scheme;
- 11.7.6.5 Make a loan or advance money to any person from the assets of the Scheme;
- 11.7.6.6 Participate in a joint account with others in any transaction on behalf of the Scheme, except for collection account of the Scheme;
- 11.7.6.7 Apply any part of the Scheme to real estate;
- 11.7.6.8 Make any Investment of the Scheme which will vest with the Management Company or its group the management or control of the affairs of the investee company;

- 11.7.6.9 Enter, on behalf of the Scheme, into transactions with any broker exceeding 30% of the commission paid by the Scheme in any accounting period;
- 11.7.6.10 Undertake any brokerage services on stock exchanges or in the money market;
- 11.7.6.11 Enter, on behalf of the Scheme, into underwriting or sub-underwriting contracts;
- 11.7.6.12 Maintain its own equity portfolio except for investments made by the Management Company into investment schemes or pension funds managed by it or its subsidiaries licensed as NBFCs under the Rules or as allowed under Rule 7 (2) (h) of the Rules or as allowed by the Commission from time to time;
- 11.7.6.13 Buy more than twenty five percent of the outstanding shares or certificates of Closed End Fund managed by it;
- 11.7.6.14 Open or close or arrange to open or close any account with a Bank, broker or depository for the Scheme without the approval of its board.
- 11.7.7 The Management Company on behalf of the Scheme shall not take exposure of more than: (i) thirty five percent 35% of net assets of the Scheme in any single group; and (ii) ten percent (10%) of net assets of the Scheme in listed group companies of the Asset Management Company and such exposure shall only be made through secondary market. The term "group" means persons having at least thirty percent (30%) common directors or thirty percent (30%) or more shareholding in any other company as per publicly disclosed information.
- 11.7.8 The Management Company on behalf of the Scheme shall not:
 - 11.7.8.1 effect short sales of any security whether listed or unlisted;
 - 11.7.8.2 purchase any security in a forward contract;
 - 11.7.8.3 purchase any security on margin;
 - 11.7.8.4 invest in securities of the Management Company;
 - 11.7.8.5 apply any part of its assets to real estate, commodities or commodity contracts;
 - 11.7.8.6 issue at any time without prior approval of the Commission in writing, a senior security which is either stock or represents indebtedness;
 - 11.7.8.7 apply for delisting from stock exchange, unless it has obtained prior approval of the Commission in writing to the scheme for de-listing;
 - 11.7.8.8 invest in any security of a company if (i) any director of the Management Company owns more than five percent (5%) of the

total amount of securities issued by that company or (ii) the directors and officers collectively own more than ten percent (10%) of those securities;

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

Shariah Compliant reverse repo transactions involving Sukuks or other Shariah Compliant debt securities stated as authorized investments in the Offering Document under an agreement and spread transaction through ready buy and future sale or CFS or replacement thereof which are protected by the clearing company and stock exchanges shall not be attracted by this clause

- 11.7.8.10 In any form borrow, except with the approval of the Trustee, for meeting redemption request and such borrowing shall not exceed fifteen percent (15%) or such other limit as prescribed by the Commission of the total Net Asset Value of the Scheme at the time of borrowing and shall be repayable within a period of ninety (90) days;

- 11.7.8.11 sell units or issue shares or certificates for consideration other than cash unless permitted by the Commission on the basis of structure and investment policy of the Collective Investment Scheme;

- 11.7.8.12 without obtaining prior approval of the Commission merge Collective Investment Schemes or acquire or take over any other Collective Investment Scheme;

- 11.7.8.13 invest the subscription money until the closure of public offer of shares or certificates;

- 11.7.8.14 take Exposure in any other Collective Investment Scheme, except for Fund of Funds or overseas investment

- 11.7.9 The Scheme shall not invest in unlisted securities unless an application for listing of such securities has been accepted by the stock exchange. Provided that the Scheme may make total investments in a preinitial public offering (Pre-IPO) upto fifteen percent (15%) of the Net Assets, subject to investment limits prescribed under the Regulations

- 11.7.10 The exposure of the Scheme to any single entity in respect of investment in equity securities shall not, at any time exceed an amount equal to fifteen percent (15%) of Net Assets of the Scheme or fifteen percent (15%) of issued securities of that company, whichever is lower and in case of investment in debt securities, the exposure of the Scheme to any single entity in respect shall not, at any time exceed an amount equal to fifteen percent (15%) of Net Assets of the Scheme or fifteen percent (15%) of single issue of that company, which ever is lower. Provided that where the exposure of the Scheme exceeds the

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

- 11.7.11 The Management Company shall not acquire twenty five percent (25%) or more of the voting rights or control of a company on behalf of the Scheme.
- 11.7.12 The Management Company shall not invest more than thirty per cent (30%) of total Net Assets of the Scheme in securities of any one sector as per classification of the stock exchange.
- 11.7.13 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.
- 11.7.14 Subject to the Regulations, clearance from Shariah Advisory Board of the Fund and any other applicable law, the Management Company may, on behalf of the Fund, write call options/derivatives provided there is a satisfactory market based exit mechanism from options so written. The Management Company may also on behalf of the Fund, if and when the law so allows, buy put options equivalent to any securities held in the portfolio. Provided however, under no circumstances, the Management Company shall buy or sell such options on behalf of the Fund in excess of 10% of NAV that result in an exposure beyond the number of underlying Shariah Compliant fixed income, Shariah Compliant money market or other securities held in the portfolio of the Fund.
- 11.7.15 The Management Company shall not net off any transaction (adjustment of assets of the Scheme against the investment of the Unit Holders) within the Scheme.

11.8 Exception to Investment Restrictions

- 11.8.1 In the event, the weightages of securities exceeds the limits laid down in this Trust Deed, Offering Document or the Regulations, as a result of the relative movement in the market prices of the investments or through any disinvestments or through subscription to right/bonus/other offerings or decrease in Net Assets of the Scheme due to redemptions, the Management Company shall bring the exposure within the prescribed limits within three months of the event. But, in any case, the Management Company shall not invest further in such securities or sectors while the deviation exists. However, this restriction on further investment shall not apply to any offer of right shares and bonus shares.
- 11.8.2 The Fund may invest in other closed-end and open-end mutual

funds outside Pakistan.

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

11.9 Borrowing Restrictions

- 11.9.1 Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Management Company shall arrange finance, with the approval of the Trustee, with Islamic Banks or Islamic divisions of Conventional Banks or Islamic Financial Institutions for the account of the Scheme; provided the financing arrangement shall not be resorted to, except for meeting the redemption requests, and shall be repayable within a period of ninety days or such time as may be prescribed under the Regulations.
- 11.9.2 The maximum Shariah Compliant borrowing for the account of the Trust shall not exceed fifteen per cent of the total Net Asset Value of the Scheme or such other limit as may be provided in the Regulations or such other limit as may be specified by the Commission. If subsequent to such borrowing, the Net Assets are reduced as a result of depreciation in the market value of the Fund Property or redemption of Units, the Management Company shall not be under any obligation to reduce such borrowing.
- 11.9.3 The charges payable to any Islamic bank or financial institution against financing on account of the Trust as permissible above shall not be higher than the normal prevailing bank charges or normal rates for similar service and/or facility.
- 11.9.4 Such financing arrangement shall be in strict conformity with the rules of Islamic Shariah, as advised by the Shariah Advisor or Shariah Advisory Board, as the case may be of the Fund.
- 11.9.5 Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such financings from Banks and Financial Institutions. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such finances, loans or advances.
- 11.9.6 For the purpose of securing any such financing the Trustee may on the instructions of the Management Company mortgage, charge or pledge in any manner all or any part of the Fund Property. Provided that the aggregate amount of financing availed by such mortgage, charge or pledge shall not exceed the limits provided under the

Rules and / or Regulations,

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

12. THE SCHEME'S ASSETS AND DETERMINATION OF NET ASSET VALUE (NAV)

The valuation and pricing of the Fund Property will be in accordance with the Rules and Regulations. The Management Company shall announce Net Assets Value (NAV) of the scheme latest by 18:30 hours daily on their own as well as on MUFAP's website

12.1 Valuation of Assets

- 12.1.1 A security listed on a stock exchange, local or foreign as the case may be, shall be valued at its last sale price on such exchange on the date as of which it is valued or, if such exchange is not open on such date, then at its last sale price on the next preceding date on which such exchange was open and, if no sale is reported for such date, the security shall be valued at an amount not higher than the closing asked price or lower than the closing bid price.
- 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 The value of any dividends, bonus shares or rights, which may have been declared on securities in the portfolio but not received by the Fund as of the close of business on the valuation date, shall be included as assets of the Fund if the security, upon which such dividends, bonuses or rights were declared, is included in the assets and is valued ex-dividend, ex-bonus or ex-rights, as the case may be;
- 12.1.5 Profit accrued on any profit-bearing security in the portfolio shall be included as an asset of the fund if such accrued profit is not otherwise included in the valuation of the security.
- 12.1.6 Any other income accrued up to the date on which computation was made, shall also be included in the assets;
- 12.1.7 All liabilities, expenses, taxes and other charges, due or accrued up to the date of computation, which are chargeable under this Trust Deed and the Regulations, shall be deducted from the value of the assets;
- 12.1.8 The valuation methods prescribed in the Regulations will be used unless the Regulations are amended or a different valuation method is prescribed by the Commission. For any asset class, where no specific methods or valuation is prescribed in the Regulations, the

guidance from the SECP shall be obtained and valuation shall be done accordingly;

- 12.1.9 A debt security listed but not traded regularly on a Stock Exchange shall be valued in the manner specified by the Commission;
- 12.1.10 The remuneration accrued up to the date of computation payable to the Management Company, as the case may be, for providing management and other services shall be included as an expense;
- 12.1.11 A security not listed or quoted on a Stock Exchange, other than a Government Securities or debt security, shall be valued at investment price or its break up value as per last audited accounts, whichever is lower;
- 12.1.12 Government security not listed on a Stock Exchange and traded in the interbank market shall be valued at the average rate quoted on a widely used electronic quotation system and such average rate shall be based on the remaining tenor of the security.
- 12.1.13 An unlisted Shariah Compliant debt security and a debt security listed but not traded regularly on a Stock Exchange shall be valued in the manner prescribed by the Commission.

12.2 Determination of Purchase (Offer) Price

- 12.2.1 Units offered and issued before and during the Initial Offer shall be issued at Par Value of Rs.100/- each. The offer and issuance of Units during the Initial Offer shall remain open during the period specified in the Offering Document.
- 12.2.2 After the Initial Offer the Purchase (Offer) Price for the Unit shall be determined from time to time pursuant to clause 12.2.3 hereafter and subject to Regulation 57 of the Regulations and any applicable provisions of the Regulations and shall be calculated and announced by the Management Company on each Business Day.
- 12.2.3 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;
 - c) Such amount as the Management Company may consider an appropriate provision for Duties and Charges;
 - d) Such amount as the Management Company may consider an appropriate provision for Transaction Costs;
 - e) Such sum shall be adjusted upwards to the nearest two decimal places.
- 12.2.4 The Management Company may announce different plans under different administrative arrangements with differing levels of Front-end Load, at Management Company's sole discretion. Consequently,

the Offer Price may differ for units issued under differing administrative arrangements and for different investors.

- 12.2.5 The Purchase (Offer) Price so determined shall apply to purchase requests, complete in all respects (including payments in this regard), received by the distributor or the management company during the business hours on following Business Day on which the completely and correctly filled purchase of units application form is received. Any minor deficiencies in the units application form need to be removed within seven (7) Business Days. 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.
- 12.2.6 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 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 Fund Property).
- 12.2.8 In the event that the amount paid as provision for payment of Duties and Charges exceeds the relevant amount of Duties and Charges, the Registrar shall issue additional Units or fractions thereof to the Unit Holders based on the price applicable to the Units issued against the relevant application.
- 12.2.9 The Purchase (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 any newspaper circulated in Pakistan and may also be made available at its website.

12.3 Determination of Repurchase (Redemption) Price

- 12.3.1 During the Initial Period of Offer, the Units shall not be redeemed.
- 12.3.2 After the Initial Period of Offer, the Redemption (Repurchase) Price shall be equal to the Net Asset Value as of the close of the Business Day on which a correctly and properly filled redemption of Units forms is received within business hours as may be announced by the Management Company from time to time, less:
- a) Any Back-end Load;
 - b) Any taxes imposed by the Government;

- c) Such amount as the Management Company may consider an appropriate provision for Duties and Charges; and
- d) Such amount as the Management Company may consider an appropriate provision for Transaction Costs;

Such amount shall be adjusted to the nearest two decimal places.

- 12.3.3 The Management Company may announce different plans under different administrative arrangements with differing levels of Back-end Load. Consequently, the Redemption Price may differ for Units issued under differing administrative arrangements and different investors.
- 12.3.4 The Redemption Price so determined shall apply to redemption requests, complete in all respects, received by the Distributor or the Management Company during the business hours on the following Business Day (as announced by the Management Company from time to time) on which a correctly and properly filled redemption application is received. Provided that if the Business Day is not a Subscription Day the Redemption Price calculated on the next Subscription Day shall apply.
- 12.3.5 In the event that the amount paid as provision for payment of Duties and Charges is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retrospective effect after the date of payment in which case such excess shall be recovered from the Fund Property).
- 12.3.6 In the event that the provision for payment of Duties and Charges exceeds the relevant amount of Duties and Charges, the Trustee shall refund such excess amount to the relevant Unit Holders.
- 12.3.7 The Redemption Price determined by the Management Company shall be made available to the public at the office and branches of the Distributors and at the discretion of the Management Company may also be published in at least one daily newspaper circulating in Pakistan and made it available at its website.
- 12.3.8 In the event the units are redeemed by any major Unit Holder in such period of time that the Management Company believes, may adversely affect the interest of other Unit Holder(s), it may charge Contingent Load on such redemption.
- 12.3.9 The Management Company shall ensure all redemption requests are paid based on ranking of the request in a queue.

12.4 Allocation of Sales Load

- 12.4.1 The remuneration of Distributors and Investment Facilitators for the sale of Units with front-end load shall be paid exclusively from any front-end load received by the Trustee and/or may be paid by the Management Company when the Trustee pays the front-end load to

the Management Company for onward distribution to the Distributors and Investment Facilitators and no charges shall be made against the Fund Property or the Distribution Account in this respect. The Trustee shall pay the remainder of any Front-end Load after such disbursement to the Management Company as additional remuneration for their management services for the Scheme. If the Front-end Load received by the Trustee is insufficient to pay the remuneration of the Distributors and Investment Facilitators, the Management Company shall pay the amount necessary to pay in full such remuneration.

- 12.4.2 The remuneration of Distributors and Investment Facilitators on sales of Units with Back-end Load shall be paid out of the management fee accruing to the FAML and shall be recovered exclusively from the Back-end Load received. The excess of Back-end Load (after deduction of distributor / Investment Facilitator remuneration) shall be made to Fund Property. If the Back-end Load received is insufficient to pay the remuneration of the distributors, the Management Company shall bear the amount necessary to pay in full such remuneration.
- 12.4.3 Payments of Front-end Load may be made to the Management Company by the Trustee on the instructions of the Management Company normally on monthly basis in arrears within thirty days of the end calendar month or in some other frequency on mutually agreed basis.
- 12.4.4 A Distributor or Investment Facilitator located outside Pakistan may, if so authorized by the Trustee and the Management Company, retain such portion of the Front-end Load as is authorized by the Management Company and transfer the net amount to the Trustee, subject to the law for the time being in force.

13. DEALING, SUSPENSION AND DEFERRAL OF DEALING (OF UNITS)

13.1 Change in method of dealing of Units

A permanent change in the method of dealing shall be made after one month's notice to the Unit Holders with the approval of Trustee. Under the exceptional circumstances (having regard to the interests of unit holders), if the possibility of change and circumstances in which it can be made have been fully disclosed in the Offering Documents, the Management Company may also request the Trustee to approve a temporary change in the method of dealing in units. Such approval shall not be unreasonably withheld. The Management Company may, at any stage, suspend the issue (sale) of units and for such periods it may so decide.

The Management Company shall provide all redemption requests, duly timed and date stamped, to the Trustee within 24 hours of the receipt of such requests following the queue system.

- 13.2 Suspension of redemption of units
- 13.2.1 The board of the Management Company may upon information to

the Trustee and the Commission and subject to the Regulations suspend redemption of units, at any time during:

- (a) Closure of one or more Stock Exchanges on which any of the securities invested in by the Scheme are listed; Extraordinary circumstances including closure of one or more Banks, in which the Fund's Bank Accounts are maintained;
- (b) 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 interests of the Scheme or of the Unit Holders;
- (c) Break down in the means of communication normally employed in determining the price of any Investment; or
- (d) When remittance of money cannot be carried out in reasonable time and if the Management Company is of the view that it would be detrimental to the remaining Unit Holders to redeem Units at a price so determined in accordance with the Net Asset Value (NAV); or.
- (e) War (declared or otherwise), natural disasters, a major break down in law and order, breakdown of the communication system, closure of the banking system, computer breakdown or strikes or other events that render the Management Company unable to function

13.2.2 The Management Company may announce a suspension or deferral of redemption and such a measure shall be taken to protect the interest of the Unit Holders in the event of extraordinary circumstances or in the event redemption requests accumulate in excess of ten (10) per cent of the Units in issue or ten (10) per cent of Funds NAV. In the event of a large number of redemption requests accumulating, the requests may be processed in a Queue System and under extreme circumstances the Management Company may decide to wind up the Fund.

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

13.3 Suspension of fresh issue of Units

13.3.1 The Management Company may at any time, subject to the Regulations and under circumstances specified in the Offering

Document, as may be modified from time to time, suspend issue of fresh units for reasons to be recorded in writing by the Management Company. 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 cash dividend or bonus units as a result of dividend distribution or the option to receive dividends in the form of additional units. The Management Company shall announce the details of exemptions at the time a suspension of fresh issue of units is announced. The Management Company shall immediately notify the Commission and the Trustee if dealing in units is suspended and shall also have the fact published, immediately following such decision, in the newspaper in which the prices of the Scheme are normally published.

- 13.3.2 The Management Company shall ensure that in case of suspension of redemption of units of the scheme due to extraordinary circumstances in terms of provisions of this deed and Non Banking Finance Companies and Notified Entities Regulation 2008 (as amended or replaced), the issuance of fresh units shall also be kept suspended until and unless redemption of units is resumed.

13.4 Queue system

In the event redemption requests on any Business Day exceed ten percent (10%) of the total number of 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 (10%) of the units in issue. The Management Company shall proceed to sell adequate assets of the Scheme and/or arrange borrowing as it deems fit in the best interest of the Unit Holders and shall determine the Redemption Price to be applied to the redemption requests based on such action. Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same Business Day, such requests shall be processed on a proportional basis proportionate to the size of the requests. The requests in excess of the ten-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 percent of the Units in issue, these shall once again be treated on first-come-first-served basis and the process for generating liquidity and determining the Redemption Price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten percent of the units then in issue.

13.5 Winding up in view of major redemption

In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Scheme being run down to an unmanageable level or it is of the view that the sell-off of assets is likely to result in a significant loss in value

for the Unit Holders who are not redeeming, it may announce winding up of the Scheme as per the Regulations. In such an event, the queue system, if already invoked, shall cease to apply and all Unit Holders shall be paid after selling the assets and determining the final Redemption Price. However, interim distributions of the proceeds may be made if the Management Company finds it feasible.

13.6 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 such case the Management Company may accept certain requests for fresh issue of units and may defer part or all of the other requests for fresh issue of units and issue only a limited number of fresh units. The units that are issued on a deferred basis, some time after the request for fresh issue of units has been received, will be issued at the Offer Price prevailing on the date of such issue.

13.7 Others

The maximum interval between the receipt of a properly documented request of Redemption of Units and the issue of payment instrument of aggregate Repurchase (Redemption) Price to such Unit Holders(s) shall be six Business Days unless redemption has been suspended.

14. FEES AND CHARGES

14.1 Remuneration of the Management Company

14.1.1 The Management Company shall be entitled to receive a remuneration of an amount not exceeding three percent (3%) of the average annual net assets of the Scheme that has been verified by the Trustee during the first five years of the Scheme and thereafter two percent (2%) of such assets or such other amount as specified by the Commission.

14.1.2 The remuneration shall begin to accrue from the close of the Initial Period of Offer. 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 within thirty days after the close of each month.

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 Scheme. The Management Company shall not make any charge

against the Unit Holders or against the Fund Property or against the Distribution Account for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the Regulations and this Deed to be payable out of Fund 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 provision of this Deed.

14.2 Remuneration of the Trustee

14.2.1 The Trustee shall be entitled to a monthly remuneration out of the Fund Property based on an annual tariff of charges annexed hereto (Annexure 'C'), which shall be applied to the average daily Net Assets during such calendar month. This may be amended from time to time.

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

14.2.3 Such remuneration shall be paid to the Trustee in arrears within thirty days after the end of each calendar month.

14.2.4 In consideration of the foregoing and save as aforesaid and the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with its duties as Trustee of the Scheme. The Trustee shall not make any charge against the Unit Holders or against the Fund Property or against the Distribution Account for its services nor for its expenses or fees, except such expenses or fees as are expressly authorized under the provisions of the Regulations and the Deed to be payable out of Fund Property.

14.2.5 The Trustee shall bear all expenditures in respect of its secretarial and office space and professional management services including all accounting and administrative services provided in accordance with the provisions of this Deed.

14.2.6 Any increase in the remuneration of the Trustee agreed to by the Management Company shall require the approval of the SECP and would be mentioned in the Offering Document.

14.3 Remuneration of the Custodian

14.3.1 The Custodian will be remunerated on the basis of inflow and outflow of securities as per the tariff structure which is agreed upon by the Management Company. For the time being, CDC will be performing the functions of the Custodian and the remuneration of this function is included in the tariff structure mentioned in Annexure 'C'.

14.4 Formation Cost to be amortized against the Property of the Scheme

- 14.4.1 Formation Cost shall be charged to the Scheme which are estimated at and shall not exceed one (1%) percent of Pre-IPO Investment or amount of five million which ever is lower.
- 14.4.2 Formation Cost shall be borne by the Management Company and reimbursable by the Fund subject to the audit of expenses.
- 14.4.3 Formation Cost will be amortized over a period not less than five years.

14.5 Fees and charges Payable out of the property of the Scheme

The following fees and charges will be payable from the Scheme:

- (i) Remuneration of the Management Company;
- (ii) Remuneration of Trustee or Custodian
- (iii) Listing fee payable to the stock exchange including renewals;
- (iv) Charges and levies of stock exchange, national clearing and central depository company;
- (v) Rating fee for Scheme payable to approved rating agency;
- (vi) Auditors fees and out of pocket expenses as billed by them;
- (vii) Any fees payable to the Commission;
- (viii) Formation cost not exceeding one per cent of the pre-initial public offering capital or amount of five million which ever is lower;
- (ix) Brokerage and transaction costs related to investing and disinvesting of the assets of the Scheme;
- (x) expenses incurred by Trustee in effecting registration of all registerable assets in the name of the Trustee;
- (xi) Legal and related costs incurred in protecting the interests of the Unit Holders ;
- (xii) Bank charges and borrowing/financial costs; provided that the charges payable to any Bank or Financial Institution against Shariah Compliant borrowings on account of the Trust as permissible under clause 11.9, shall not be higher than the normal prevailing bank charges or normal market rates;
- (xiii) Hedging costs including forward cover, forward purchase or option purchase costs;
- (xiv) Any printing costs and related expenses for issuing quarterly, half yearly and annual reports etc of the Scheme;

- (xv) Taxes, fees, duties and other charges applicable to the Scheme on its income or its properties, including taxes, fees, duties and other charges levied by foreign jurisdiction on investments outside Pakistan;
- (xvi) Any amount which the Shariah Advisor may declare to be Haram and to be paid to Charity in accordance with the decision of the Shariah Advisor.
- (xvii) Any other expense or charge as may be permitted by the Commission.

Except as otherwise provided such expenses shall be paid to the Management Company at actual within thirty days of incurring of such expense.

14.6 Annual Fee of the Commission

The Management Company shall within three months of the close of the Accounting Period pay the Commission an annual fee which is such percentage of average annual net assets of the Scheme as provided in the Regulations. Provided that, the annual fee shall be chargeable by the Management Company to the Scheme.

15. TRANSACTIONS WITH CONNECTED PERSONS

- 15.1 The Management Company shall not without prior approval of the Commission in writing, purchase from, or sell any securities to any Connected Person or employee of the of the Management Company. This clause shall not apply to the issue, sale or redemption of units or shares or certificates issued by the Scheme.
- 15.2 Where cash forming part of the Scheme's assets is deposited with the Trustee or the Custodian, which is a banking company or an NBFC, a return shall be paid on the deposit by such Trustee or custodian at a rate that is not lower than the rate offered by the said banking company or NBFC to its other depositors on deposits of similar amount and maturity.
- 15.3 All transaction carried out by or on behalf of the Scheme with connected person(s) shall be made as provided in the Constitutive Documents, and shall be disclosed in the Scheme's annual reports.

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

- 16.1 The Management Company shall decide as soon as possible but not later than forty-five days after the Accounting Date whether to distribute among Unit Holders, profits, either in form of bonus units or cash dividend or combination of both, if any, available for the distribution at the end of the Accounting Period or such other interim period as decided by the Management Company, and shall advise the Trustee of the amount of such distribution per unit. The Fund will comply with regulatory and taxation requirements and the distribution policy may be amended accordingly.

- Provided that, dividend to the Unit Holders shall not be less than ninety percent of the accounting income of the Scheme received or derived from the sources other than unrealized capital gains as reduced by such expenses as are chargeable to the scheme under the regulations.
- 16.2 The amount available for distribution in respect of any Accounting Period shall be determined by the Management Company and shall be the sum total of:
- a) The total income earned on the Fund Property during such Accounting Period including all amounts received in respect of dividend, profit and fee and any other income, etc;
 - b) Net realised appreciation as set out in sub-clause 16.3 of this Trust Deed, from which shall be deducted expenses as set out in sub-clause 16.4 of this Trust Deed, and such other adjustment as the Management Company may determine in consultation with the Auditors and Shariah Advisor, subject to the Regulations and the provisions of the Income Tax Ordinance and the Rules there under.
- 16.3 All receipts deemed by the Management Company to be in the nature of capital accruing from Investments shall not be regarded as available for distribution but shall be retained as part of the Fund 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 and unrealized appreciation may be distributable to the Unit Holders by the Trustee upon instructions of the Management Company and shall thereafter cease to form part of the Fund Property once transferred to the Distribution Account.
- 16.4 The income qualifying for distribution in respect of the relevant period shall be ascertained by deducting all such expenses and costs as mentioned in clause 14 above.
- 16.5 The income qualifying for distribution in respect of the relevant period shall be adjusted as under:
- a. Remuneration of the Management Company for the relevant period;
 - b. Remuneration of the Trustee for the relevant period;
 - c. Brokerage and transaction costs related to investing and disinvesting of the Fund Property;
 - d. Legal and related costs incurred in protecting or enhancing the interests of the Fund or the collective interest of the Unit Holders;
 - e. Bank charges and borrowing/financial costs;
 - f. Audit Fees and charges;
 - g. Rating Fee;
 - h. Formation costs amortized over a period not exceeding five years;
 - i. Taxes applicable to the Fund on its income, turnover, assets or otherwise;
 - j. Annual fee payable to the Commission;
 - k. All expenses incurred by the Trustee in effecting the registration of

- all registerable fund property in the name of the Scheme;
- l. Any other expenses incurred in relation to management of the Fund Property subject to the Rules and the Regulations;
 - m. Any other costs as mentioned in Clause 14.5 above; and
 - n. Any amount which the Shariah Advisor may declare to be Haram and to be paid to Charity in accordance with the decision of the Shariah Advisor.
- 16.6 In case of cash distribution on each distribution date, the Management Company shall instruct the Trustee to transfer such amount of cash as required to effect such distribution to the Distribution Account. The amount standing to the credit of the Distribution Account shall not for any purposes of this Deed be treated as part of the Fund Property but shall be held by the Trustee upon trust to distribute the same as herein provided. However, any amount standing to the credit of the Distribution Account being profit would be treated as Fund Property and would be transferred to the Trusts Bank Account.
- 16.7 After the fixation of the rate of distribution per unit, distribution payments shall be made by the Trustee through transfer to the Unit Holders' designated bank accounts or in the case of joint Unit Holders to designated Bank Account of the joint Unit Holder, first named on the Register or by dispatch of any banking instrument in the name of Unit Holder at his / her address as provided. The receipt of funds by such designated bankers or dispatch of instrument shall be a good discharge therefore.
- 16.8 Before making any distribution payment (such as bonus units, cash dividend, etc.) in respect of a unit the Trustee or the Management Company may make such deductions as may be required by law in respect of any Zakat, income or other taxes, charges or assessments whatsoever and issue to the Unit Holders the Certificate in respect of such deduction in the prescribed form or in a form approved by the concerned authorities.
- 16.9 The Management Company may offer the Unit Holder the option to receive new units under reinvestment option instead of cash dividend. The Unit Holders shall be entitled to change such option.
- 16.10 New Units under reinvestment option shall be issued at the Net Assets Value of the effective date of distribution after appropriation of the distribution but without any charge of the Front-end Load.
- 16.11 In case of distribution in the form of bonus Units, on each distribution date the Management Company shall determine the amount available for distribution as bonus Units and inform the Trustee of the same.
- 16.12 After the fixation of the rate of bonus entitlement per unit, the Management Company shall instruct the registrar to credit the respective Unit Holders' accounts with the designated number of units calculated on the basis of rate of distribution determined above against the number of units held by them on the date of closure of the Register.

- 16.13 The Management Company may give the Unit Holder(s) the option at the time of opening of Unit Holder's account of encashment of bonus units. In this case, whenever the Fund declares any bonus units, then such units will be redeemed at the Net Asset Value as announced by the Management Company for the next business Day after the end of the book closure period. The Unit Holders shall be entitled to change such option. In case of encashment, the bonus units will be redeemed at the ex-dividend NAV as calculated on the Business Day immediately following the first day after the book closure announced for such purpose and proceeds shall be credited in accordance with the normal procedure already detailed below for Redemption of units.
- 16.14 Details of change of options will be given in the Offering Document.
- 16.15 Where Units are placed under pledge/lien the payment of dividend shall be made in accordance with clause 33 of this Trust Deed.
- 16.16 The Management Company in consultation with Shariah Advisor, shall decide what portion of the income of the Fund is not Shariah Compliant, if any, and shall inform Unit Holders about the proportion of Haram and Halal income of the Scheme so that they become aware of the amount of the Haram income which will not be available for distribution. The Trustee in such case is authorized to pay the Haram income, as per instruction of the Management Company, to charities and no Haram income or any portion thereof shall be distributed by way of dividends or bonus units. The list of charities to which the Management Company will pay the Haram income will be decided by the Management Company in consultation with the Shariah Advisor.

17. ANNUAL ACCOUNTING PERIOD

- 17.1 The annual Accounting Period shall commence on first day of July of a calendar year and shall end on thirtieth day of June of the succeeding calendar year.
- 17.2 Accounting Date shall be the thirtieth day of June in each year and any interim dates at which the financial statements of the Scheme are drawn up. Provided, however, the Management Company may, with the consent of the Trustee and after obtaining approval of the Commission and complying with other applicable laws, change such date to any other date.
- 17.3 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 Fund Property is first paid or transferred to the Trustee and in any other case, from the first day subsequent to the end of the preceding Accounting Period.

18. 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.

19. MODIFICATION OF THE CONSTITUTIVE DOCUMENTS

- 19.1 The Trustee and the Management Company acting together shall be entitled by deed supplemental hereto to modify, alter or add to the provisions of this Deed in such manner and to such extent as they may consider expedient for any purpose, subject 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 Regulations and/or the Rules or to ensure compliance with any fiscal or statutory requirement or to enable the provisions of this Deed to be more efficiently, conveniently or economically managed or to enable the Units to be dealt in or quoted on Stock Exchange or 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).
- 19.2 Where this Deed has been altered or supplemented the Management Company shall notify the Unit Holders regarding such alteration immediately through two widely circulated newspapers in Pakistan one in English and one in Urdu.
- 19.3 The Management Company may, from time to time, with the consent of the Trustee frame rules or regulations for conducting the business of the Trust or in respect of any other matter incidental thereto; provided such rules or regulations are not inconsistent with the provisions of this Deed or Offering Document or the Regulations or the Rules.
- 19.4 If the Commission modifies or substitutes the Regulations or the Rules, or through any other circular or notification allow any relaxations or exemptions, these will deemed to have been included in this Trust Deed without requiring any modification as such.

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

- 20.1 The Management Company may terminate the Trust, if the Net Assets at any time fall below Rupees fifty million. The Management Company may terminate the Fund by giving three month notice in writing to the Holders and the Trustee and shall disclose the grounds for its decision. Subject to the Regulations, the Management Company may announce winding-up of the Trust without notice to the Unit Holders but under intimation to Trustee and SECP if redemptions of Units of unmanageable level would jeopardize the interests of the remaining Unit Holders and that it would be in the best interest of all the Unit Holders that the Trust is wound up.
- 20.2 The Scheme may also be terminated by the Commission on the grounds given in the Regulations.

- 20.3 This Deed may be terminated in accordance with the conditions specified in the Regulations, if there is any material breach of the provisions of this Deed or any other agreement or arrangement entered into between the Trustee and the Management Company regarding the Scheme. The Trustee and Management Company shall act in a manner that causes the least degree of inconvenience to the Unit Holders and is the most cost efficient for the Scheme and the Management Company and Trustee.
- 20.4 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 being run down to an unmanageable level or it is of the view that the sell-off of assets is likely to result in a significant loss in value for the Unit Holder(s) who are not redeeming, it may announce winding up of the Trust without notice.
- 20.5 Upon representation to the Commission, by three fourth in value of the total Unit Holders, or if the Commission considers that further continuation of the registration of the Scheme will be detrimental to the interest of the Unit Holders or the market generally, the Commission may give three months notice to the Trustee, the Management Company and the Unit Holders about the Commission's intention to cancel the registration of the Trust. Provided that the registration shall not be cancelled without providing an opportunity of being heard to the Management Company or the Unit Holders. In case of cancellation of registration for such reason, the Management Company shall be required to wind up the Trust and refund the net proceeds to the Unit Holders in such manner and within such time as may be specified by the Commission.
- 20.6 In the event of termination of the Trust, other than due reasons mentioned in Clauses 20.4 above, the Management Company shall notify the Unit Holders by issuing a public notice in at least two newspapers, one in English and one in Urdu, each having wide circulation in Pakistan.
- 20.7 In the event of amendments in Regulations with respect to termination and liquidation of the Trust, the amended Regulations shall prevail.
- 21. TRANSACTIONS RELATING TO INVESTORS (UNIT HOLDER/S)**
- 21.1 The Trustee shall provide the Management Company daily statements of all the Bank Accounts being operated by the Trustee for the Unit Trust.
- 21.2 The Management Company shall advise the Trustee of the allocation of the funds (received in the main collection account) between the respective Schemes on a regular basis. Based on such advice, the Trustee shall transfer the funds to the accounts of the respective Schemes provided that the Management Company is the management company and the Trustee is the trustee of all such unit trusts.

- 21.3 The Management Company shall also advise the Trustee on a daily basis of the details of amounts to be paid to respective Unit Holders against redemption requests, if any. Such payments shall be effected by the Trustee out of the respective accounts of the Schemes by way of transfer of the required amounts to the designated bank accounts of the Unit Holder(s) or as authorised by the Unit Holder(s) or by transfer to the temporary parking account or by dispatch of payment instrument to the Unit Holders by registered post at their respective addresses. Such dispatch shall constitute discharge of the Management Company and the Trustee in respect of such payment.
- 21.4 The Management Company shall advise the Trustee on regular basis of the conversion of Units between the schemes under the management of the Management Company. The Trustee shall transfer the funds so required from the account of the Scheme to the other. In case the conversion of Units is from the Scheme to the scheme under the trust of other trustee, the Management Company shall advise the Trustee of such transfer against the conversion to the trustee of other scheme.
- 21.5 The Management Company may make arrangements through branches of Banks to facilitate issuance and Redemption of Units of the Scheme or may appoint Investment Facilitators for this purpose. A request for issuance of Units may also be made through the use of electronic means such as internet or ATM facilities or Debit/Credit Card facilities or direct bank debit/credit system. A request for redemption of Units may also be made through the ATM facility only when the relevant Bank/branches have been instructed by the Management Company to accept Unit Holders' request to redeem the Units of the concerned Scheme. The Trustee shall agree to such arrangements after satisfying itself in respect of all appropriate safeguards having been taken, without incurring any liability for additional risks involved.
- 21.6 The Management Company shall, from time to time, advise the Trustee of the dividend distribution for the Scheme. The Trustee shall establish separate Bank Accounts for each dividend distribution and transfer the amount payable as cash dividend to such accounts after deducting taxes and Zakat as may be required under the law and after adjustment of such amount being re-invested in the Units of the Scheme. Payments to the Unit Holders shall be effected by the Trustee out of such accounts of the Schemes by way of transfer of the appropriate amounts to the designated bank accounts of the Unit Holders or as authorised by the Unit Holders 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.
- 21.7 The Trustee shall pay to the Management Company's order such sums out of the sale proceeds of Units of the Scheme or the sums

retained out of the redemption amounts as are representative of Front-end or Back-end Loads or Charges or other recoveries in accordance with this Deed or the Regulations, as being payable out of the Issue or Redemption Prices.

- 21.8 Without prejudice to the foregoing, and subject to any law for the time being in force, the Trustee shall endeavor to ensure and employ prudent practices to ensure that information pertaining to Trust Property, such as, but not restricted to, Investments made, list of Unit Holder(s) etc., is not compromised, dispersed or provided to any third party without express consent of the Management Company.
- 21.9 The Management Company may at some future time register the Units with a depository organization, such as the Central Depository Company of Pakistan. Any issue, redemption, transfer or transmittal of de-materialized Units registered with the depository shall take place according to the rules and regulations of the depository organization and the Management Company may frame its own rule and regulations to deal with such situations.

22. TRANSACTION RELATING TO INVESTMENT ACTIVITY / PORTFOLIO MANAGEMENT

- 22.1 The Management Company shall, from time to time, advise the Trustee of the settlement instructions relating to any investment/disinvestment transactions entered into by it on behalf of the Scheme. The Trustee shall carry out the settlements in accordance with the dictates of the specific transactions subject to the Regulations, the Offering Document and the terms of this Deed. The Management Company shall ensure the settlement instructions are given promptly after entering into the transaction so as to facilitate timely settlement and the Trustee, on its side, shall ensure that the settlement is handled in a timely manner in accordance with dictates of the transaction provided they are in consonance with the provisions of the Regulations and the Offering Document and the terms of this Deed.
- 22.2 The Trustee shall ensure that, where applicable, payments against Investments are made against delivery and vice versa.
- 22.3 The Trustee shall promptly forward to the Management Company any notices, reports or other documents issued by the issuers of securities, recipients of any of the 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.
- 22.4 The Trustee shall also, if so required by the nature of such notices or documents mentioned in the clause 22.3 above, act on the instruction of the Management Company in a manner that is in the best interest of the Scheme. Such action shall include legal action if

called for and the Trustee shall be entitled to recover any legal costs reasonably incurred from the Scheme.

- 22.5 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. The Trustee shall report back to the Management Company any such amounts or warrants that are received on such accounts from time to time.
- 22.6 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.

23. OTHER MATTERS RELATING TO THE SCHEME

23.1 Declaration of Net Asset Value based prices

The Management Company shall, at such frequencies as are prescribed in the Offering Document, determine and announce the Net Asset Value based prices. Under certain circumstances as provided in the Trust Deed, the Management Company may suspend the announcement of the prices.

23.2 Issuance (Offer) and Redemption (Repurchase) of Units

The Registrar shall process Issuance and Redemption applications as well as conversion/switching, pledge and transfer application in accordance with the Offering Document. Based on the prices applicable to the relevant Issuance or Redemption, the Registrar shall determine the number of units to be issued or redeemed. Under certain circumstances as provided in the Trust Deed, the Management Company may suspend the issuance and/or Redemption of units.

24. VOTING RIGHTS ON FUND PROPERTY

- 24.1 All rights of voting attached to any Fund Property shall be exercisable by the Management Company on behalf of the Scheme and it shall be entitled to exercise the said rights in what it may consider to be the best interests of the Unit Holders and may refrain at its own discretion from the exercise of any voting rights and the Trustee or the Unit Holders shall not have any right to interfere or complain.
- 24.2 The Trustee shall upon written request by the Management Company, at the expense of the Scheme, 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 Management Company shall keep a record of using such authorization and justification for the same.
- 24.3 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 or any other right as provided under the Ordinance.

- 24.4 Not later than two (2) Business Day of receipt, the Trustee shall forward to the Management Company all notices of meetings and all reports and circulars received by the Trustee as the holder of any Investment.

25. UNITS

- 25.1 The Management Company may issue the following types of units.

- a.. **"Core Units/Restricted Units"** to Core Investors (seed capital investors) without Sales Load. The restricted units cannot be redeemed for a period of two (2) years from the date of the closure of the Initial Period of Offer. However, Core Units are transferable with the same condition.
- b. **"Class-A Units"** offered during the private placement and Initial Period of Offer with no Sales Load. Thereafter, these units will be offered with a flat Front-end Load (which is currently set at 2.25% as disclosed in Annexure 'A' of the Offering Document).
- c. **"Class A/1"** Units offered with a flat Front-end Load (which is currently set at 2.25% as disclosed in the Offering Document).and shall be eligible for cash dividend or bonus units.
- d. **"Class B"** Units which shall carry a stepped down Back-end Load deductible upon redemption of units (current structure to be disclosed in the Offering Document). These units will be offered subsequent to the Initial Period of Offer on a continuous basis.

In addition to above, the Management Company may also issue different classes of units from time to time in consultation with the Trustee

- 25.2 Units shall be of Par Value of Rs.100/- (Rupees one hundred only), Core units to be subscribed by the Core Investor shall be Class "A" (Restricted) units, which shall be offered and issued at the price of Rs. 100/- per unit. Units offered during private placement and Initial Period of Offer shall also be at Par Value of Rs. 100 (Rupees One Hundred). The Management Company may issue units with Sales Load at its discretion
- 25.3 Regardless of the Types and Classes of units, all units and fractions thereof represent an undivided share in the Fund and rank pari passu as to their rights in the Net Assets, earnings and the receipt of the dividends and distributions. Each unit Holder has a beneficial interest in Scheme, proportionate to the units held by such Unit Holder.

- 25.4 All units and fractions thereof represent an undivided share in the Fund and rank pari-passu as to their rights in the Net Assets, earnings, and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in the Scheme, proportionate to the units held by such Unit Holder.
- 25.5 After the Initial Offer, the Offer Price shall be determined from time to time pursuant to sub clause 12.2 of this Deed and the Regulations.
- 25.6 By a deed supplemental to this Deed the Management Company may at any time with the approval of the Trustee on giving not less than twenty-one days previous notice in writing to each Unit Holder sub divide or consolidate the whole or any part of the units and the Unit Holders 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 up his Certificates for endorsement or enfacement with the number of units to be represented thereby as a result of such subdivision or consolidation; provided that any delay or failure to deliver up the Certificates shall not delay or otherwise affect any such subdivision or consolidation.
- 25.7 Different types of units may be issued by the Trust as mentioned in the Offering Document or may be decided by the Management Company from time to time in consultation with the Trustee.

26. ISSUANCE (OFFER) OF UNITS

- 26.1 The Management Company shall be responsible for obtaining all requisite consents and approval(s) for the purchase (offer) and issue of units and for the issue, publication or circulation of the Offering Document.
- 26.2 Except as provided herein the units shall be offered through the authorized offices or branches of the Distributors on all Business Days.
- 26.3 Application for Purchase of units shall be made by completing the prescribed Purchase of units on prescribed application Form and submitting it to the authorized branches of the Distributor or to the Management Company together with the payment by cheque, bank draft, pay order, credit card etc as the case may be in favor of the **Funds** and crossed "**Account Payee only**" only or in cash up to approved limit. Such Forms have to be submitted within the announced business hours on the Business Days. However, in case an applicant desires to split his investment in units of different unit trusts managed by the Management Company, the cheque, bank draft or pay order, as the case may be, shall be made in favor of **CDC-Trustee FAML Funds** and crossed "Account Payee only" For certain Administrative Plans or Investment allocations across funds, provisions for insurance coverage may also be provided.

- 26.4 A request for purchase of units may also be made through the use of electronic means such as Internet or ATM facilities or Credit Card facilities, the arrangements for which would be decided amongst the Management Company and Trustee from time to time.
- 26.5 Each Unit Holder shall be liable to pay the aggregate Purchase (Offer) Price of the units subscribed by him together with a sum sufficient in the opinion of the Management Company to cover any Duties and Charges, levies etc payable in connection with the purchase of such units and no further liability shall be imposed on him in respect of any units held by him except those covered under this Deed and the Offering Document. The units shall be issued in fractions up to four places not places, only against receipt of full payment.
- 26.6 An application for purchase of units shall deemed to have been made in accordance with the provisions of the Offering Document(s), if such document(s) prescribes automatic issuance of units under certain circumstances.
- 26.7 Payment for units in cash will not be accepted, except, by those Bank(s) who are also Distributors of the Fund. In such case the money can be deposited through a specifically designed paying-in form into an account in the name of the Fund.
- 26.8 The Management Company may announce special conditions regarding issue of units in dematerialized form registered with a recognized depository company.

27. REDEMPTION OF UNITS

- 27.1 The Trustee shall at any time during the life of the Trust on the instructions of the Management Company authorize redemption of units out of the Fund Property through duly authorized Distributors and/or Investment Facilitators and directly through the Management Company.
- 27.2 An application for Redemption of units shall be made by completing the prescribed Redemption of units form and the same is received at the Authorized Branch or office of the Distributor and/or Investment Facilitator on a Business Day during the business hours as may be announced by the Management Company from time to time. The Distributor may retain a copy of Redemption of units form and a copy may also be supplied to the Registrar, if so required by the Management Company. No person shall be entitled to redeem only part of the units comprised in a Certificate; provided however in case where a Certificate is not issued any number of units may be redeemed by the Unit Holders thereof. The relevant Certificate shall accompany the application for Redemption of units, if issued. In case of application for redemption by joint Unit Holders, such application should be signed by any joint Holders (if he is so authorized by all joint Holders) as per their specimen signatures provided at the time of opening of the account within the Unit Holder Register, through the Account Opening Form. The Management

- Company may make arrangements to accept redemption requests through electronic, IVR (Interactive Voice Response) or other means subject to the satisfaction of the Trustee.
- 27.3 The Trustee may at its discretion dispense with the production of any Certificate(s) that may have been lost, stolen or destroyed upon compliance by the Unit Holders with the like requirements to those arising in the case of an application by him for the replacement thereof. Provided however, in cases of doubts the Trustee and/or the Management Company may at their discretion require the production of any mandate or order from the court before redeeming such units.
- 27.4 The Management Company shall announce the Redemption Price on each business day. The Redemption Price at which units shall be redeemed shall be the price fixed by the Management Company under the terms of this Deed less any duties, charges, levies payable by the Unit Holder in the opinion of the Management Company for the redemption of such units, (if any).
- 27.5 The amount payable on redemption may be paid to the Unit Holders by transfer to the Unit Holders designated banker as mentioned in the Account Opening Form and any other mode(s) of payment and such payment(s) shall be subject to the Regulations.
- 27.6 The Management Company may make arrangements through branches of banks to facilitate redemption of units of the Unit Trust or may appoint Investment Facilitators for this purpose. A request for redemption of units may also be made through the use of electronic means such as Internet or ATM facilities or Credit Card facilities, under prior arrangement with the Trustee.
- 27.7 The receipt of the Unit Holders for any moneys payable in respect of the units shall be a good discharge to the Trustee. In case of joint Unit Holders, the receipt of payment by the first Holder shall be a good discharge from all the joint Holders.
- 27.8 Application for Redemption of units will be received at the authorized offices or branches of the Distributor and/or Investment Facilitator on all Business Days. Where redemption requests on any one Business Day exceed ten (10) percent of the total number of Units in issue of the Fund, such redemption requests in excess of ten (10) percent may be deferred in accordance with the procedure elaborated in the clause 13.4.
- 27.9 The Registrar shall verify the particulars given in the application for redemption of units.
- 27.10 A redemption request shall deem to have been made in accordance with the provisions of the Offering Document, if such document prescribes automatic redemption under certain circumstances.
- 27.11 The maximum interval between the receipt of a properly documented request of Redemption of units and payment of Redemption Price to such Unit Holders(s) shall be six Business Days.

28. PURCHASE (OFFER) AND REDEMPTION OF UNITS OUTSIDE PAKISTAN

- 28.1 Subject to exchange control and other applicable laws, rules and regulations, in the event of arrangements being made by the Management Company for the purchase (offer) of units to persons not resident in Pakistan or for delivery in any country outside Pakistan, the price at which such units may be issued may, at the discretion of the Management Company, include in addition to the Purchase (Offer) Price as hereinbefore provided a further amount sufficient to cover any exchange risk insurance, any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such issue or of the delivery or issue of Certificates, or any additional costs relating to the delivery of certificates or the remittance of money to Pakistan or any other cost in general incurred in providing this facility.
- 28.2 In the event that the Redemption Price for Units shall be paid in any country outside Pakistan, the price at which such units may be redeemed may at the discretion of the Management Company include as a deduction to the Redemption Price as hereinbefore provided a further amount sufficient to cover any currency exchange fluctuation or exchange risk insurance and any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such payment or redemption or any bank or other charges incurred in arranging the payment or any other cost in general incurred in providing this facility. Provided however, neither the Management Company, nor the Trustee give any assurance or make any representation that remittance would be allowed by the State Bank of Pakistan at the relevant time.
- 28.3 The currency of transaction of the Scheme is the Pakistan Rupee and the Management Company, Trustee or any Distributor are not obliged to transact the issuance or redemption of the units in any other currency and shall not be held liable, save as may be specifically undertaken by the Management Company, for receipt or payment in any other currency or for any obligations arising there from.
- 28.4 The Management Company shall appoint one or more scheduled bank(s) as the Authorized Dealer(s) to manage the Offer and Redemption of units from outside Pakistan in foreign currency under the provisions of the Foreign Exchange Regulation.
- 28.5 Payments made in foreign currency for purchase of units shall be converted into Pakistani Rupees through the Authorized Dealer using his quoted rates prevailing on the Business Day of the receipt of the Fund from abroad through normal banking channels or from foreign currency account maintained locally in accordance with the Foreign Exchange law and any conversion cost, Duties and charges and Front-end Load shall be deducted from the payment before units are issued. The units issued will be denominated in Pakistani Rupees using the conversion rates quoted by the Authorized Dealer at the issue date of the units (buying rate for the relevant currency).

- 28.6 Payments to be made in foreign currency on redemption of units shall be converted from Pakistani Rupees on the Business Day of Payment through the Authorized Dealer using his quoted rates (selling rate for the relevant currency) and any conversion cost, Duties and Charges, and Back-end Load shall be deducted from the payment to be made. Payment will be made in the local foreign currency account of such Unit Holder, if any. In case such Unit Holder does not hold the foreign currency account in Pakistan, the Unit Holder shall be liable to arrange for remittances through his own local custodian or Authorized Dealer and neither the Management Company, nor the Trustee or the Registrar or the Distribution Company shall be responsible for arranging the remittances of encashment proceeds of any units.
- 28.7 The Management Company will make arrangements from time to time for receiving account opening forms, investment request forms and payments from outside Pakistan and will disclose these arrangements through its website, Distributors and Investment Facilitators outside Pakistan.

29. REGISTRATION OF UNIT HOLDERS

- 29.1 A Register shall be maintained by the Registrar at such place as is agreed by the Management Company. The Management Company shall ensure that the Registrar shall comply with all relevant provisions of this Deed and the Regulations and the Rules.
- 29.2 The Management Company shall ensure that the Registrar shall at all reasonable times during business hours give the Trustee and its representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without charge but neither the Trustee, nor its representatives shall be entitled to remove the Register or to make any entries therein or alterations thereto.
- 29.3 The Registrar shall, within seven Business Days of receiving a written request from any Unit Holder, post (or send by courier or through electronic means) to such Unit Holder 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.
- 29.4 The Register shall contain the following information:
- a) Full names, father's/husband's name and addresses of each Unit Holder and joint Unit Holders together with the copy of the CNIC number and/or copy of passport (if applicable);
 - b) The number of the units held and the distinctive numbers of Certificate(s), if any
 - c) The date on which the name of every Unit Holder was entered in respect of the units standing in his name;

- d) The date on which any transfer or redemption is registered;
- e) Information about lien, pledge or charge of units;
- f) Tax and Zakat status of the Unit Holder(s);
- g) Record of the signature(s) of the Unit Holder(s);
- h) Nominee(s) of the Unit Holder(s); and
- i) NTN no (for non-individuals)

Such other information as Management Company may require.

- 29.5 The Register shall be conclusive evidence as to the units held by each Unit Holder.
- 29.6 Any change of name or address of any Unit Holder shall forthwith be notified in writing to the Registrar, who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name the surrender of any Certificate(s) previously issued to such Unit Holder and the payment of the fee) shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall, if requested, issue new Certificate(s) to such Unit Holder(s), subject to payment of applicable fees for such issuance (if any).
- 29.7 The Registrar shall not register more than four joint holders for a unit. In case of the death of any one of the joint holders the survivor or survivors shall be the only persons recognized by the Trustee as having any title to or interest in the units held by the joint holders. Provided however, the Registrar or the Trustee or the Management Company may at their discretion request the survivors to provide succession certificate(s) or other such mandate(s) from court(s) or lawful authority(ies), if they consider necessary.
- 29.8 A body corporate may be registered as a Unit Holder or as one of joint Unit Holders provided that any undertaking provided by such body confirming its eligibility to make such investment shall be considered as sufficient proof of its eligibility to make such investment.
- 29.9 The Register may be closed with intimation to the Trustee, , in no case, the time period for closure of Register for dividend declaration shall exceed six(6) working days at a time and whole forty five days in a year.
- 29.10 The Unit Holder shall be the only person to be recognized by the Trustee, the Management Company and the Registrar as having any right; title or interest in or to such units and the Trustee, the Management Company and the Registrar may recognize the Unit Holder as the absolute owner thereof and shall not be bound by any notice to the contrary and shall not be bound to take notice of or to

see to the execution of any trust except where required by any court of competent jurisdiction. However, the Management Company may authorize the Registrar to record a lien on any or all units 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.

- 29.11 The executor(s) or administrator(s) or succession certificate holder(s) of a deceased Unit Holder (not being one of several joint Unit Holders) shall be the only persons recognized by the Trustee and the Management Company as having title to the units represented thereby. However, in case of joint Unit Holder, the operation of the account of the joint Unit Holders within the Register will continue as per the mandate and authority given at the time of the opening of account through the investor account opening form or through any subsequent change therein.
- 29.12 Any person becoming entitled to a unit in consequence of death or bankruptcy of any sole Unit Holder or of the survivor of joint Unit Holders may subject as hereinafter provided upon producing such evidence as to his title as the Trustee shall think sufficient either be registered himself as Unit Holder of such Unit(s) upon giving the Trustee / the Registrar such notice in writing of his desire or transfer such Unit(s) to some other person upon compliance with all applicable formalities. All the limitations, restrictions and provisions of this Deed relating to transfer shall be applicable to any such notice or transfer as if death or bankruptcy had not occurred and such notice or transfer was a transfer executed by the Unit Holder. Provided however, the Management Company/Registrar or the Trustee may at their discretion request the survivors to provide succession certificates or other such mandate from a court or lawful authority, if they consider necessary.
- 29.13 The Trustee shall retain any monies payable in respect of any unit of which any person is, under the provisions as to the transmission of units hereinbefore contained, entitled to be registered as the Unit Holder or which any person under those provisions is entitled to transfer, until such person shall be registered as the Holder of such unit or shall duly transfer the same.
- 29.14 The Registrar shall, subject to any law in force, ensure at all times and shall endeavour to implement prudent practices to ensure that the Register or the information contained therein of all or any particular Unit Holder(s) is not provided to any third party without expressed permission from the Management Company or the Trustee or the Unit Holder(s) himself, unless any disclosure is required in compliance with any applicable laws, rules and regulations or where such disclosure is required by an appropriate court or competent authority.

30. ISSUANCE OF CERTIFICATES

- 30.1 Upon being satisfied that the Offer Price for each unit or fraction thereof has been received in full from the applicant, the Registrar

- shall issue an account statement that will constitute evidence of the number of Units registered in the name of the Unit Holder.
- 30.2 Certificates shall be issued on the specimen approved by Trustee only if so requested by the Unit Holder at the time of application or at any later stage and upon payment of a fee not exceeding hundred (100) Rupees per Certificate of any denomination, subject to revision of fee from time to time by the Management Company together with the sum sufficient in the opinion of the Management Company to cover any Duties and Charges payable in connection with the issue of such certificate. The proceeds of such fee will accrue to the Management Company.
- 30.3 Certificates shall only be issued for Units that have been fully paid.
- 30.4 Certificates where requested shall be issued as herein provided not later than twenty-one Business Days after the date of such request. The Certificate may be sent to the Unit Holder or his duly authorized nominee at his own risk by registered post or by courier service or may be collected from the Registrar.
- 30.5 In the case of units held jointly the Registrar shall not issue more than one Certificate for the Units held by such joint Unit Holders and delivery of such Certificate to the Unit Holder named first therein shall constitute sufficient delivery to all joint Unit Holders.
- 30.6 Certificates shall be issued in such form as may from time to time be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the name of the Scheme, the name and address of the Management Company and the Trustee, distinctive serial number and shall specify the number of units represented thereby and the name and address of the Unit Holder as appearing in the Register.
- 30.7 Certificates may be engraved or lithographed or printed as the Management Company may determine from time to time with the mutual agreement of the Trustee and shall be signed on behalf of the Trustee by duly authorized officer(s) of the Trustee and on behalf of the Management Company by duly authorized officer(s) of the Management Company. Every such signature(s) shall be autographic unless there shall be for the time being in force an arrangement authorized by the Trustee adopting some lithographic or other mechanical method of signature(s) in which event all or any of such signature(s) may be effected by the method so adopted. The Certificates shall also bear the signature of the authorized representative of the Registrar (or a Distributor if so specifically authorized by the Management Company), which shall always be autographic. No Certificate shall be of any force or effect until signed as herein above mentioned. Certificate so signed shall be valid and binding notwithstanding that before the date of delivery thereof the Trustee or the Management Company or the Registrar or any person whose signature appears thereon as a duly authorized signatory

may have ceased to be the Trustee, Management Company, Registrar, Distributor or an authorized signatory.

31. REPLACEMENT OF CERTIFICATES

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

Neither the Management Company nor the Trustee nor the Registrar, nor the Distributor shall incur any liability for any action that they may take in good faith under the provisions of this sub-clause. Provided further that the Trustee and /or the Management Company may also require issuance of public notices in newspapers at the cost of the pertinent Unit Holders before issuing any duplicate certificates.

- 31.3 Before the issuing of any Certificate under the provisions of this sub-clause the Registrar may require from the applicant for the Certificate the payment to it of a fee not exceeding (Rs. 100/-) one hundred Rupees for each Certificate, subject to revision of fee from time to time by the Management Company together with a sum sufficient in the opinion of the Management Company to cover any Duties and Charges payable in connection with the issue of such Certificate.
- 31.4 Upon completion of all formalities and notice period i.e. twenty one (21) days and if no objection/claim has been received on issuance of the certificates, the Registrar shall issue certificates within seven business days.

32. TRANSFER OF UNITS AND RETENTION PERIOD OF RECORDS

- 32.1 Every Unit Holder(s) shall be entitled to transfer the units held by him by an instrument in such form as the Management Company may prescribe from time to time with the approval of the Trustee.
- 32.2 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.
- 32.3 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 have been lost, stolen or destroyed subject to compliance by the transferor with the like requirements to those arising in the case of an application by him for the replacement thereof as provided in this Deed.
- 32.4 All instruments of transfer shall be retained by the Registrar.
- 32.5 The Registrar with the prior approval of the Management Company and the Trustee shall be entitled to destroy all instruments of transfer or the copies thereof as the case may be which have been registered at any time after the expiration of 10 (ten) years from the date of registration thereof and all Certificates which have been cancelled at any time after the expiration of three years from the date of cancellation thereof and all registers, statements and other records and documents relating to the Trust at any time after the expiration of six years from termination of the Trust. The Trustee or the Management Company or the Distributors or the Registrar 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 Distributors or the Registrar that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered by the Trustee or the Management Company or the Distributors or the Registrar and that every Certificate so destroyed was a valid Certificate duly and properly cancelled. Provided always that:
- a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant;
 - b) nothing in this sub-clause shall be construed as imposing upon the Trustee or the Management Company or the Registrar any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of provision (a) above are not fulfilled; and
 - c) reference herein to the destruction of any document includes reference to the disposal thereof in any manner.

33. PLEDGE / LIEN OF UNITS

- 33.1 Any Unit Holder/or all joint Unit Holders may request the Registrar to record a pledge/lien of all or any of his/their units in favour of any third party legally entitled to invest in such units in its own right. The Registrar shall register a lien on any units in favour of any third party with the consent of the Management Company. Any charges, duties, levies etc applicable on such pledge/lien will be borne by the Pledgor.
- 33.2 The pledge/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 a competent court. Neither the Trustee, nor the Management Company, nor the Registrar, shall be liable for ensuring the validity of any such pledge/charge/lien. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge/charge/lien by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company nor the Registrar takes any responsibility in this matter.
- 33.3 Payments of dividends or the issue of bonus units, and redemption proceeds or any other benefits of the units under pledge/lien of the units under lien/charge/pledge shall be made to the Unit Holder, unless the Unit Holder notifies the Registrar and the Management Company to pay/issue the same to or in favor of the pledge/lien holder.
- 33.4 The lien on the pledged units shall continue till such time it is released by the lien holder in writing.

34. AUDIT

- 34.1 The Management Company shall at the establishment of the Scheme and upon any vacancy appoint an Auditor, with the consent of the Trustee, from the approved list of auditors circulated by the Commission from time to time, a firm of chartered accountants, having additional reasonable expertise in Islamic Shariah, who shall be independent of the Auditor of the Management Company and the Trustee. The Management Company may at any time remove the Auditor and appoint another Auditor in its place. The same firm of chartered accountants cannot be appointed Auditor for more than five consecutive years, unless permitted otherwise by SECP. Thereafter, the Auditors shall only be eligible for appointment after the lapse of one year.
- 34.2 The Auditor shall hold office until transmission of the annual report and accounts but may be re-appointed as per the Rules and the Regulations.
- 34.3 The persons not qualified to be the auditor of a public company under the Companies Ordinance shall not be qualified to be the Auditor.
- 34.4 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.

- 34.5 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, Custodian, Transfer Agent or elsewhere and shall be entitled to require from the Management Company, Trustee, Custodian, Transfer Agent and their officers and agents such information and explanations as considered necessary for the performance of audit.
- 34.6 The Auditor shall prepare a written report to the Unit Holders on the account and books of accounts of the Trust and the balance sheet and income and expenditure account and on every other document forming part of the balance sheet and income and expenditure account, including notes, statements or schedules appended hereto.
- 34.7 The contents of the Auditors report shall be as required in the Rules and the Regulations.
- 34.8 The Auditors shall also act as Shariah Compliance Auditors, and will complete a Shariah Compliance Audit of the Scheme for each Accounting Period within three (3) months from the relevant Accounting Data becoming available and shall issue a Shariah Compliance audit report. The report shall assess the compliance of the Scheme with the investment guidelines issued by the Shariah Advisor.

35. ARBITRATION

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

36. CONFIDENTIALITY

The Trustee, the Management Company and every director or officer

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

37. MISCELLANEOUS

- 37.1 Any notice required to be served upon the Unit Holders shall be deemed to have been duly given if sent by post or courier service 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. Service of a notice or document on any one of several joint Unit Holders shall be deemed effective service on the other joint Unit Holders.
- 37.2 Any notice or document sent by post or courier service to or left at the registered address of a Unit Holder shall notwithstanding that such Unit Holder be then dead or bankrupt and whether or not the Trustee or the Management Company have notice of his death or bankruptcy be deemed to have been duly served and such service shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under him) in the Units concerned.
- 37.3 The Management Company may advertise any such notice in two leading daily newspapers in Pakistan having their wide circulation in the country and this will be a good discharge of requirements of service of notice provided hereinabove.
- 37.4 If at any time, any clause of this Trust Deed is or becomes in whole or in part illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, the legality, validity and enforceability of the remaining clauses of this Trust Deed hereof, shall not in any way be effected or impaired thereby.
- 37.5 A copy of this Deed and of any such supplemental deed shall be made available for inspection at the respective Head Offices of the Trustee and of the Management Company at all times during usual business hours and shall be supplied by the Management Company to any person on application at a charge not exceeding (Rs. 100/-) one hundred Rupees per copy or at such rate as determined from time to time by the Management Company.

38. DEFINITIONS

Unless the context requires otherwise the following words or

expressions used in this Trust Deed shall have the meanings respectively assigned to them:

- 38.1 **"Accounting Date"** means the thirtieth day of June in each year and any interim dates at which the financial statements of the Scheme are drawn up. Provided, however, that the Management Company may with the consent of the Trustee and after obtaining approval of the SECP and the Commissioner of Income Tax, and complying with other applicable laws, change such date to any other date.
- 38.2 **"Accounting Period", "Accounting Year"** 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 Fund Property is first paid or transferred to the Trustee and in any other case, from the first day subsequent to the end of the preceding Accounting Period.
- 38.3 **"Account Statement"** means statement of transaction in Units in the folio of the Unit Holder.
- 38.4 **"Administrative Plans"** means, investment plans offered by the Management Company, where such plans allow investors a focused investment strategy in any one or a combination of Unit Trust Schemes managed on Shariah compliant basis by the Management Company and for which a common Trustee is appointed.
- 38.5 **"Audit Date"** means the date on which the Auditor issues its report in respect of the scheme's balance sheet and income and expenditure account for the corresponding Accounting Period.
- 38.6 **"Auditor" or Shariah Auditor"** means the Auditor of the Trust appointed by the Management Company, with the consent of the Trustee, as the auditor for the Scheme, who shall be independent of the auditor of the Management Company and the auditor of the Trustee, as provided under the Regulations.
- 38.7 **"Authorized Branch (es)"** means those branches of the Distributors which are authorized to perform the Distribution Functions by the Management Company.
- 38.8 **"Authorized Investment"** means investments transacted, issued, traded or listed in Pakistan and abroad as defined in Sections 11.4 and 11.5 of this Deed.
- 38.9 **"Back-end Load"** means sales charge or commission, not exceeding five (5) percent of the Redemption (Repurchase) Price, deducted by the Management Company from the Net Asset Value in determining the Redemption Price. Back end load shall be part of Trust Property.
- 38.10 **"Bai Mu'ajjal"** means a contract in which the seller earns a profit margin on his purchase price and allows the buyer to pay the price at a future date in lump sum or in installments.

- 38.11 **"Bai' Salam"** means a contract in which advance payment is made for certain defined goods (other than gold, silver and currencies) to be delivered later on a fixed date.
- 38.12 **"Bank"** means any Scheduled Bank, as defined under the State Bank of Pakistan Act, 1956 and licensed to carry on banking business and shall include a bank incorporated outside Pakistan and carrying on banking business in Pakistan as a Scheduled Bank.
- 38.13 **"Bank Accounts"** means those accounts open and maintained for the Scheme by the Trustees at Banks, the beneficial ownership in which shall rest in the Unit Holder.
- 38.14 **"Broker"** means any person licensed by the SECP as a broker for effecting transactions in securities for the account of others.
- 38.15 **"Business/Dealing Day"** means a day when banks are open for business in Pakistan and such hours for which Management Company is open for business.
- 38.16 **"Certificate"** means the definitive certificate acknowledging the number of units registered in the name of a Holder(s) issued at the request of the Unit Holder(s) pursuant to the provisions of the Deed.
- 38.17 **"Charity"** means amount paid out of the income of the Trust to a charitable/welfare organization, in consultation with the Shariah Advisory Board, representing income, which is Haram
- 38.18 **"Connected Person"** shall have the same meaning as assigned to it in the Rules.
- 38.19 **"Commission or SECP"** means Securities and Exchange Commission of Pakistan.
- 38.20 **"Constitutive Documents"** means the Trust Deed, Offering Document and other principal documents governing the formation, management and the operation of an open-ended Scheme and all related material agreements.
- 38.21 **"Core Investors"** means the initial investors, who shall be required to subscribe to and to hold number of Units of par value and whose subscription shall, in aggregate, be in compliance of the requirements of the Regulations for a minimum period of two years from the date of payment in full of the respective Core Units/ Restricted Units. Details of the Core Investors shall be included in the Offering Document that shall be issued for this Trust.
- 38.22 **"Core Units" or "Restricted Units"** shall mean such units of the Scheme that are issued to Core Investors with the condition that these are not redeemable for a period of two years from the date of issue. Such units are transferable with this condition but otherwise shall rank pari passu with all other units, save for this restriction. Any transfer of the Core Units, during the first two years of their issue, shall be affected only on the receipt by the Registrar of a written

- acceptance of this condition by the transferee.
- 38.23 **"Contingent Load"** means Sales Load payable not exceeding 5% of the Net Asset Value, if units are redeemed by any major Unit Holder in such period of time, as mentioned in the Offering Document, that the Management Company believes may adversely affect the interest of other Unit Holders(s). Any Contingent Load received will form part of the Trust Property.
- 38.24 **"Custodian"** includes a bank licensed under the Banking Companies Ordinance, 1962 (LVII of 1962) or a trust company which is a subsidiary of such a bank or a Central Depository Company approved by the SECP or an NBFC carrying out Investment Finance services provided it has been approved by the SECP to act as custodian or such other company as may be approved by the SECP to act as custodian, to hold and protect the assets of the Trust or any part thereof as custodian on behalf of the Trustee and shall also include the Trustee itself if it provides custodial services for the Fund.
- 38.25 **"Distribution Account"** means the account (which may be a current, saving or deposit account) maintained by the Trustee with an Islamic Bank or a licensed Islamic branch of a Bank as directed by the Management Company in which the amount required for distribution of income to the Unit Holders shall be transferred. Income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the main Bank Account of the Scheme from time to time as part of the Fund Property for the benefit of the Unit Holders.
- 38.26 **"Distributor(s) and Distribution Company"** means company (ies) or firm(s) or sole proprietorship concerns, individuals or bank(s) or any other financial institution(s) or central depository company appointed by the Management Company for performing any or all of the Distribution Functions and shall also include the Management Company if it performs any or all of the Distribution Functions.
- 38.27 **"Distribution Functions"** means the functions with regard to:
- 38.27.1 Receiving applications for purchase of units together with the aggregate Offer Price for Units applied for by the applicants;
- 38.27.2 Interfacing with and providing services to the Unit Holders including receiving redemption, transfer and pledge applications, conversion notices, trading applications and applications for change of address or issue of duplicate Certificates for immediate transmission to the Management Company or the Registrar as appropriate; and
- 38.27.3 Acknowledging receipts by delivering consumer copy in respect 38.27.1 and 38.27.2 above; and
- 38.27.4 Accounting to the Trustee and Management Company for (i) monies received from the applicants when they purchase Fund Units (ii)

payments made to the Unit Holders on Redemption of Units; and (iii) expenses incurred in relation to the Distribution Functions.

- 38.27.5 The above functions may be performed electronically, if appropriate systems are in place.
- 38.28 "**Duties and Charges**" means in relation to any particular transaction or dealing, all stamp and other duties, taxes, zakat, Government charges, bank charges, brokerage fees, 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 investments or in respect of the issue, sale, transfer, redemption or purchase of units 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 remuneration payable to the Distributor or any Front-end Load or any Back-end Load, Contingent Load or any commission payable to agents on sales and redemption of units or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.
- 38.29 "**Exposure**" shall have the same meaning as assigned to it in the Regulations.
- 38.30 "**Financial Institution**" shall have the same meaning as assigned to it in the Ordinance.
- 38.31 "**Formation Cost**" means all preliminary and floatation expenses of the scheme including expenses in connection with authorization of the Scheme and its application fee payable to SECP, execution and registration of the Constitutive Document, issue, legal costs, printing, circulation and publication of the Offering Document, marketing and announcements describing the Scheme inviting investment therein for the Initial Offer and all expenses incurred during the period leading up to the Initial Offer. Formation Cost shall not exceed one (1%) percent of the pre-IPO capital or five million rupees whichever is lower.
- 38.32 "**Front-end Load**" means the sales and processing charges commission (excluding duties and charges) not exceeding five percent (5%) of the NAV payable to the Management Company, which may be included in the Offer Price of certain classes of units.
- 38.33 "**Fund**" means Faysal Islamic Balanced Growth Fund or "Scheme" or "Trust" or "Unit Trust." Or "FIBGF" constituted by this Deed.
- 38.34 "**Fund's Auditors**" mean the Auditors.
- 38.35 "**Funds of Funds**" shall have the same meaning as assigned to it in the Regulations.

- 38.36 **"Fund Property"** means the aggregate proceeds of the sale of all units at Purchase (Offer) Price and any Transaction Costs recovered in the Purchase (Offer) or Repurchase (Redemption) price after deducting there from or providing there against the value of Redemption, Front-end Load, Duties and Charges (if included in the Purchase (Offer) Price or Repurchase (Redemption) Price) applicable to the Purchase or Redemption of units and any expenses chargeable to the Fund; and includes the Investment and all income, profits, back-end load, 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 and other 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 Holders pursuant to the Trust Deed and shall include the income, profit etc earned on the amount credited to the Distribution Account, but shall not include the amount standing to the credit to the Distribution Account (except income or profit earned thereon).
- 38.37 **"Government Securities"** includes monetary obligations of the Federal Government or Provincial Government or of a Corporation wholly owned or controlled, directly or indirectly, by the Federal Government or a Provincial Government and guaranteed by the Federal Government and any other security as the Federal Government may, by notification in the Official Gazette, declare, to the extent determined from time to time, to be Government Securities
- 38.38 **"Halal"** means anything permitted by the Shariah
- 38.39 **"Haram"** means anything prohibited by the Shariah
- 38.40 **"Holder(s)" or "Unit Holder(s)"** means the investor(s) for the time being entered in the Register as owner(s) of a unit(s) or a fraction(s) thereof including ,investor(s) jointly so registered pursuant to the provisions of this Deed.
- 38.41 **"Initial Offer"** means the issuance of units during the Initial Period of Offering.
- 38.42 **"Initial Offer Price"** means the price of Rs.100 per unit during the Initial Offering Period determined by the Management Company.
- 38.43 **"Initial Period of Offer"** means the same as "Initial Offering Period" and "Initial Public Offer" which means the period during which first offer of units shall be made, which shall be indicated in the Offering Document. This period shall not exceed a period of ten days (provided that this period may be extended with the prior approval of the Commission and the Trustee).
- 38.44 **"Investments"** means any Authorized Investment forming part of the Fund Property.
- 38.45 **"Investment Facilitator"** (Facilitator) means an individual, firm,

corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Scheme.

- 38.46 **"Islamic Bank"** means a Bank having license as Scheduled Islamic Commercial Bank from State Bank of Pakistan or a Bank, which accepts deposits on profit and loss basis and will include all Banks or financial institutions, approved by Shariah Advisor for the purpose of banking by the Trust.
- 38.47 **"Istisna"** means a contractual agreement for manufacturing goods and commodities, allowing cash payment in advance and future delivery or a future payment and future delivery.
- 38.48 **"Mudarabah"** means a form of partnership where one partner provides funds, while other provides skill, expertise and management.
- 38.49 **"Murabaha"** means a sale on mutually agreed profit. Technically it is a contract of sale in which the seller declares his cost and profit. As a financing technique, it involves a request by the client to the financier to purchase certain item for him, which is then sold to the client at a mutually agreed price.
- 38.50 **"Musharikah"** means a relationship established under a contract by the mutual consent of the parties for sharing of profits and losses arising from a joint enterprise or venture. All providers of capital are entitled to participate in management, but not necessarily required to do so. The profit is distributed among the partners in pre-agreed ratios, while the loss is borne by each partner strictly in proportion to respective capital contributions.
- 38.51 **"Net Assets"** shall have the same meaning as in the Rules.
- 38.52 **"Net Assets Value" or "NAV"** means per unit value of the Fund arrived at by dividing the Net Assets by the number of units outstanding
- 38.53 **"Offer Price or Purchase Price"** means the sum to be paid by the investor for the purchase of one unit, such price to be determined pursuant to the Offering Document and this deed.
- 38.54 **"Offering Document"** means the prospectus, advertisement or other document (approved by the Commission), which contain the investment and distribution policy and all other information in respect of the Scheme, as required by the Regulations and is circulated to invite offers by the public to invest in the Scheme.
- 38.55 **"Online"** means transactions through electronic data-interchange whether real time transactions or otherwise, which may be through the internet, intranet networks and the like.
- 38.56 **"Ordinance"** means the Companies Ordinance, 1984, as amended from time to time.

- 38.57 **"Par Value"** means the face value of unit that shall be One Hundred Rupees or such other amount as may be determined by the Management Company in consultation with the Trustee from time to time.
- 38.58 **"Pre IPO"** means period during which the investors have subscribed to the scheme before the Initial Public Offer.
- 38.59 **"Redemption Price" or "Repurchase Price"** means the amount to be paid to the relevant Holder of a Unit upon Redemption of that Unit, such amount to be determined pursuant to Clause 12.3 of this Trust Deed and to be stated in the Offering Document.
- 38.60 **"Register"** means the Register of the Holders kept pursuant to the Regulations and this Trust Deed.
- 38.61 **"Registrar or Transfer Agent"** means an organization that the Management Company may appoint for performing the Registrar Function and may include a department of the Management Company.
The term and definition of "Transfer Agent" is also covered within the definition of a Registrar.
- 38.62 **"Registrar Functions"** means the functions with regard to:
- a. Maintaining the Register;
 - b. Receiving applications for redemption and transfer/transmission of units directly from Unit Holders or legal representatives or through Distributors;
 - c. Processing requests for issue, redemption, transfer and transmission of units and requests for recording of pledges and lien or for recording of changes in data with regard to the Unit Holders;
 - d. Issuing account statement to the Holders;
 - e. Issuing and dispatching of Certificates;
 - f. Dispatching income distribution warrants and bank transfer intimations or any other instrument;
 - g. Issuing Certificates including Certificates in lieu of undistributed income to Unit Holders;
 - h. Canceling old Certificates on redemption or replacement.
 - i. Maintaining record of lien/pledge/charge;
 - j. Keeping record of change of addresses/other particulars of the Unit Holders; and
 - k. Allocating units to the Unit Holders for re-investments.

- 38.63 **"Regulations"** mean the Non-Banking Finance Companies and Notified Entities Regulations, 2008, as amended or substituted from time to time.
- 38.64 **"Rules"** mean the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, as amended or substituted from time to time.
- 38.65 **"Sales Load"** means the sales and processing charge or commission (excluding Duties and Charge) which is either charged at the time of purchase or at the time of redemption of units (depending on the type). Subject to the maximum load limit of 5% of NAV, the Management Company may, at its discretion, charge different levels of the load to different Investors from time to time and may also apply different levels of Sales load for different Plans under the Scheme.
- 38.66 **"SECP"** means the Securities and Exchange Commission of Pakistan
- 38.67 **"Shariah"** or **"Islamic Shariah"** means divine guidance as given by the Holy Quran and the Sunnah of Prophet Muhammad (Peace be upon him) and embodies all aspects of the Islamic faith, including beliefs, practices, rules and principles.
- 38.68 **"Shariah Advisor"** means an expert in Islamic Shariah appointed the Management Company either in an individual capacity or as a member of the Shariah Advisory Board of the Fund.
- 38.69 **"Shariah Advisory Board"** means a board of Shariah Advisors acting collectively on all matters pertaining to the Scheme.
- 38.70 **"Shariah Compliant"** shall mean any activity that is approved by the Shariah Advisor or Shariah Advisory Board to be in accordance with the Islamic Shariah.
- 38.71 **"Shariah Technical Services and Support"** mean the technical guidance, support services, investment guidelines, advices in relation to the investments, transactions and other activities of the Fund as provided in clause 7.3 of this Deed to be in consonance with the principles of Islamic Shariah.
- 38.72 **"Shariah Technical Services and Support Provider"** means the service provider appointed by the Management Company to provide Shariah Technical Service and Support.
- 38.73 **"Stock Exchange"** mean Stock Exchanges, registered under the Securities and Exchange Ordinance, 1969.
- 38.74 **"Subscription Day"** means every Business Day provided that the Management Company may with the prior written consent of the Trustee and upon giving not less than seven days notices in the two widely circulated English & Urdu newspapers declare any particular Business Day or days not to be a subscription Day.

- 38.75 "**Sukuk**" means a type of Islamic bond that is backed by assets of the issuer that earn profit or rent.
- 39.76 "**Transaction Costs**" means the costs incurred or estimated by the Management Company to cover the costs (such as, but not restricted to, brokerage, Trustee charges, taxes or levies on transactions, etc.) related to the investing or disinvesting activity of the Scheme's portfolio, necessitated by creation or cancellation of Units. Such costs may be added to the NAV for determining the Offer Price of Units or be deducted from the NAV in determining the Redemption Price. The Transaction Costs may not normally be applied in determining these prices, however, if the Management Company is of the view that it is in the overall interest of the Unit Holders, it may, in consultation with the Trustee, apply such charges either to the Offer and / or the Redemption Price. The Management Company may, however, apply Transaction Costs while determining Offer or Redemption prices, without consulting the Trustee provided the difference between the Offer Price and the Redemption Price does not exceed five percent. The element of Transaction Costs taken into account in determining the prices and collected so, shall form a part of the Fund Property.
- 38.77 "**Trustee**" means Central Depository Company of Pakistan Limited (CDC) or any other company appointed with approval of the Commission from time to time.
- 38.78 "**Trusts Act**" means Trusts Act 1882.
- 38.79 "**Trust Deed**" or "**Deed**" means this deed executed between the Management Company and the Trustee along with all exhibits appended hereto (if any).
- 38.80 "**Unit**" means one undivided share in the Fund and where the context so requires a fraction thereof.
- 38.81 "**Zakat**" has the same meaning as in Zakat and Ushr ordinance (XVIII of 1980)

Words and expressions used but not defined herein shall have the meanings assigned to them in the Ordinance and 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. The headings and table of contents are for convenience only and shall not affect the construction of this Trust Deed.

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

For FAYSAL ASSET MANAGEMENT LIMITED



Common Seal

1.

Salman Haider Sheikh
Chief Executive Officer

2.

Tahir Sohail
Chief Operating Officer

For CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED



Common Seal

1.

Atiqur Rehman
Head of Trustee & Custodial Operations

2.

Adbul Samad
Head of Share Registrar Services &
Back-Office Operations

1)

Muhammad Shahid Ojha
CNIC:42301-0944975-9
70/1, 7th Street, Khayban-e-Badban,
Phase V, DHA, Karachi

WITNESSES

2)

Syed Qamar Abbas
CNIC: 422011952691-5
C/20 Sadat Colony
Shah Faisal Colony, Karachi



Securities and Exchange Commission of Pakistan
Specialized Companies Division
NBFC Department

License No. NBFC-II/03 /FAML/AMS/ 02 /2009

February 10 ,2009

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

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

- (i) **Faysal Asset Management Limited** shall comply with the Companies Ordinance, 1984, the Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2007 and any directives, circulars, codes, notifications and guidelines issued by the Commission to regulate the business of investment advisory services;
- (ii) **Faysal Asset Management Limited** shall submit an annual report, together with a copy of the balance sheet and income and expenditure account and the auditors' report within three months of the close of its year of account and a half yearly report, together with a copy of the balance sheet and income and expenditure account with limited scope review by the statutory auditors within two months of the close of its half year; and
- (iii) The license is valid for a period of one year **w.e.f November 18, 2008** and shall be renewable annually as specified in the Rules.

(Salman Ali Shaikh)
Commissioner (SCD)



Securities and Exchange Commission of Pakistan
Specialized Companies Division
NBFC Department

No. NBFC-II/ AD / FIBGF / 470 / 2009

April 17 ,2009

Mr. Tahir Sohail

Chief Operating Officer,
Faysal Asset Management Limited
A-801- A 806 & A-818, Saima Trade Tower,
I.I. Chundrigar Road,
Karachi.

Subject: **Approval of Trust Deed of Proposed Faysal Islamic Balance Growth Fund**

Dear Mr. Sohail,

I am directed to refer to your letter dated April 03, 2009 whereby you have submitted the revised/amended Trust Deed of Faysal Islamic Balance Growth Fund ("Fund") proposed to be executed between Faysal Asset Management Limited (FAML) (the "Management Company") and Central Depository Company of Pakistan Limited (CDC) (the "Trustee") for approval.

In this regard, the Securities and Exchange Commission of Pakistan has no objection to the registration of latest version of the Trust Deed of the proposed Fund under the Trusts Act, 1882.

The clearance of the draft trust deed is without prejudice to the consequences of verifying compliance to the conditions stipulated in the license issued in favor of Faysal Asset Management Limited, the requirements stipulated in the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified entities Regulations 2008. Further action will be taken on receipt of duly registered copy of the Trust Deed.

Yours truly,

Mirza Shoaib Baig
(Assistant Director)

NIC Building, Jinnah Avenue, Blue Area, Islamabad.
PABX: 9207091-4, Fax. No. 9218590, E-mail: mirza.shoaib@secp.gov.pk

Remuneration of the Trustee

NET ASSETS	REMUNERATION
On amount up to Rs. 1,000 million	Rs. 0.7 million or 0.20% p.a. of NAV, whichever is higher.
On amount exceeding Rs. 1,000 million	Rs. 2.0 million plus 0.10% p.a. of NAV exceeding Rs. 1,000 million.



Securities and Exchange Commission of Pakistan
Specialized Companies Division
NBFC Department

No. NBFC-II/ AD / FIBGF / 474 / 2009

April 21 ,2009

Mr. Tahir Sohail
Chief Operating Officer,
Faysal Asset Management Limited
A-801- A 806 & A-818, Saima Trade Tower,
I.I. Chundrigar Road,
Karachi.

Subject: **Appointment of Central Depository Company of Pakistan Limited
as Trustee of Proposed Faysal Islamic Balance Growth Fund**

Dear Mr. Sohail,

I am directed to refer to your letter dated April 21, 2009 from Mr. Syed Qamar Abbas, Head of Research, Faysal Asset Management Limited on the captioned subject and convey the approval of Securities and Exchange Commission of Pakistan for the appointment of Central Depository Company of Pakistan Limited as Trustee of Proposed Faysal Islamic Balance Growth Fund under Regulation 39 of Non-Banking Finance Companies and Notified Entities Regulations 2008.

Yours truly,

Mirza Shoaib Baig
(Assistant Director)

Date: 21/04/2009

Assalmu alaikum

Brother Salman Hiader Shaikh

This is with reference to the two revised trust deeds named as, "**Faysal Islamic Balanced Growth Fund**" & "**Faysal Islamic Saving Growth Fund**" respectively which have been submitted to my office for review and comments, I have reviewed both of the trust deeds thoroughly. According to the best of my knowledge & belief, call clauses of both of the trust deeds i.e. "**Faysal Islamic Balanced Growth Fund**" & "**Faysal Islamic Saving Growth Fund**" are as per Shariah rulings.

was slam

Muhammad Abu Bakar Siddiq
Abubakar Shariah Advisor
Islamic Banking Division
Faysal Bank Limited
Head Office Karachi

Mufti Muhammad Abubaker
Shariah Advisor & VP
FBL - Head Office
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