

## TABLE OF CONTENTS

CLAUSE	PAGE NO.
<b>1. CONSTITUTION OF THE SCHEME</b>	
1.1 Constitution	2
1.2 Registered Address, Place and Date of Creation	2
1.3 Trust Deed	2
1.4 Modification of Trust Deed	3
1.5 Duration	3
1.6 Units	3
1.7 Open-ended Fund	4
1.8 Initial Offer	4
1.9 Transaction in Units after Initial Offering Period	5
<b>2. INVESTMENT OBJECTIVES, INVESTMENT POLICY, RESTRICTIONS, RISK DISCLOSURE AND DISCLAIMER</b>	
2.1 Investment Objectives	5
2.2 Changes in Investment Policy	7
2.3 Investment Restrictions and Exposure Limits	7
2.4 Risk Disclosure	9
2.5 Disclaimer	11
<b>3. OPERATORS AND PRINCIPALS</b>	
3.1 Management Company	11
3.2 Board of Directors of the Management Company	13
3.3 Trustee	18
3.4 Core Investors	18
3.5 Registrar	19
3.6 Custodian	19
3.7 Distributors/Investment Advisors/ Facilitators/Sales Agent	19
3.8 Auditors	20
3.9 Legal Advisors	20
3.10 Bankers	20
<b>4. CHARACTERISTICS OF UNITS</b>	
4.1 Types of Units	21
4.2 Purchase and Redemption of Units	23
4.3 Procedure for Purchase of Units	24
4.4 Procedure for Redemption of Units	27
4.5 Procedure for Requesting Change in Unit Holder Particulars	28
4.6 Procedure for Pledge / Lien / Charge of Units	29
4.7 Suspension of Dealing, Queue System and Winding Up	30
4.8 Issue and Redemption of Units in Extraordinary Circumstances	31
4.9 Frequency of Valuation, Dealing and Mode of the Price Announcement	31
4.10 Purchase (Offer) and Redemption (Repurchase) of Units Outside Pakistan	32
<b>5. DISTRIBUTION POLICY</b>	
5.1 Distribution Policy	32
5.2 Declaration of Dividend	32
5.3 Determination of Distributable Income	33
5.4 Reinvestment of Dividend	33
5.5 Bonus Units	33
5.6 Payment of Dividend	33
5.7 Dispatch of Dividend Warrants/Advice	34
5.8 Closure of Register	34

<b>6.</b>	<b>FEE AND CHARGES</b>	
6.1	Fees and Charges Payable by an Investor	34
6.2	Fees and Charges Payable by <b>FAYSAL SAVINGS GROWTH FUND</b>	35
6.3	Expenses of the Management Company and the Trustee	36
<b>7.</b>	<b>TAXATION</b>	
7.1	Taxation on the Income of the Fund	36
7.2	Taxation on Unit Holders	36
7.3	Dividends	37
7.4	Disclaimer	38
<b>8.</b>	<b>REPORTS AND ACCOUNTS</b>	
8.1	Financial Year of <b>FAYSAL SAVINGS GROWTH FUND</b>	38
8.2	Financial Reporting	38
<b>9.</b>	<b>SERVICE TO UNIT HOLDERS</b>	
9.1	Availability of Forms	38
9.2	Register of Unit Holders	38
9.3	Information in the Register	39
9.4	Account Statement	39
9.5	Certificates	40
9.6	Replacement of Certificates	40
9.7	Pledge/Lien of Units/Charge	40
9.8	Nomination	40
<b>10.</b>	<b>FINANCIAL INFORMATION</b>	
10.1	Auditors Certificate on Core Investors' Investment in the Units of the Fund	41
10.2	Auditors Certificate on the Net Asset Value of the Fund	42
10.3	Formation Cost	43
<b>11.</b>	<b>WARNING</b>	
11.1	Offering Document	43
11.2	Fluctuation in Price and Income	43
11.3	Disclaimer	43
<b>12.</b>	<b>GENERAL INFORMATION</b>	
12.1	Inspection of Constitutive Documents	43
12.2	Date of Publication of Offering Document	43
<b>13.</b>	<b>TERMINATION OF FAYSAL SAVINGS GROWTH FUND</b>	
13.1	By the Management Company	43
13.2	By the Securities and Exchange Commission of Pakistan	44
13.3	Winding up	44
<b>14.</b>	<b>GLOSSARY</b>	<b>44</b>
<b>15.</b>	<b>ARBITRATION</b>	<b>49</b>
	<b>ANNEXURE A</b>	
	<b>ANNEXURE B</b>	
	<b>ANNEXURE C</b>	
	<b>ANNEXURE D</b>	
	<b>ANNEXURE E</b>	

OFFERING DOCUMENT OF  
**FAYSAL SAVINGS GROWTH FUND**

Managed by  
**Faysal Asset Management Limited**

[An Asset Management Company Registered under the Non-Banking Finance Companies  
(Establishment and Regulation) Rules, 2003]

Date of Publication of Offering Document APRIL 20, 2007

Initial Offering Period: MAY 7 to 11, 2007 (both days inclusive)

**FAYSAL SAVINGS GROWTH FUND** (the Fund/the Scheme/the Trust/the Unit Trust) has been established through a Trust Deed, entered into between Faysal Asset Management Limited, the Management Company and Central Depository Company of Pakistan Limited, the Trustee and is authorized under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules).

The Asset Management Company accepts responsibility to the information contained in the Offering Document as being accurate at the date of publication.

#### **REGULATORY APPROVAL AND CONSENT**

Approval of the Securities and Exchange Commission of Pakistan

The Securities and Exchange Commission of Pakistan (SECP) has authorized the offer of Units of **FAYSAL SAVINGS GROWTH FUND** (the Fund) under Rule 67 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules).

The SECP has approved this Offering Document, under Rule 70 of the Rules.

It must be clearly understood that in giving this approval, the SECP does not take any responsibility for the financial soundness of the Fund nor for the accuracy of any statement made or any opinion expressed in this Offering Document. The provisions of the Trust Deed govern this Offering Document. It sets forth information about the Fund that a prospective investor should know before investing in the Fund. Prospective investors should consult one or more from amongst their legal adviser, stock broker, bank manager or other financial adviser.

**Investors must recognize that all investments involve varying levels of risk. The portfolio of the Fund consists of market based investments, listed as well as unlisted, that are subject to market fluctuations and risks inherent in all such investments. Neither the value of the Units in the Fund nor the dividends declared by the Fund is or can be assured. Investors are requested to read the Risk Disclosure and Warnings statement contained in Clause 2.4 and Clause 11 respectively in this Offering Document.**

#### **Filing of the Offering Document**

The Management Company has filed a copy of the Offering Document signed by the Chief Executive along with the Trust Deed with the SECP. Certified copies of these documents along with documents 2 to 6 below can be inspected at the registered office of the Management Company or the place of business of the Trustee:

1. The SECP's letter No. SEC/NBFC-AD/Jam/FAML/21/2007 dated January 12, 2007 granting license to FAML to carry out Asset Management Services together with the copy of the license;
2. Trust Deed (Deed) of **FAYSAL SAVINGS GROWTH FUND** dated December 28, 2006 between Faysal Asset Management Limited (FAML) as the establisher and the Management Company and Central Depository Company of Pakistan Limited (CDC), as the Trustee;
3. SECP letter No. SEC/NBFC-II/JD I/FSGF/173/2007 dated February 27, 2007 authorizing **FAYSAL SAVINGS GROWTH FUND**;
4. SECP letter No. SEC/NBFC-II/AD-Jam/FSGF/892/2006 dated December 12, 2006, approving the appointment of CDC as the Trustee of **FAYSAL SAVINGS GROWTH FUND**;
5. Letter from **Ford Rhodes Sidat Hyder & Co.**, Chartered Accountants, Auditors of **FAYSAL SAVINGS GROWTH FUND**, consenting to the issue of statements and reports;
6. The SECP's letter No. SEC/NBFC-II/JD/I dated April 12, 2007, approving this Offering Document.

## **1. CONSTITUTION OF THE SCHEME**

### **1.1 Constitution**

The Fund is an open-ended fund and has been constituted by a Trust Deed entered into at Karachi on December 28, 2006 between:

Faysal Asset Management Limited (FAML), an unlisted public limited company incorporated under the Companies Ordinance 1984, and licensed by SECP to undertake asset management services with its registered office at Third Floor, Faysal House, Shakra-e-Faisal, Karachi, as the establisher of the Fund and the Management Company; and Central Depository Company of Pakistan Limited (CDC), an unlisted public limited company incorporated under the Companies Ordinance 1984, with its registered office at CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi, Pakistan as the Trustee.

### **1.2 Registered Address, Place and Date of Creation**

The registered address of the Faysal Asset Management Limited is Third Floor, Faysal House, Shakra-e-Faisal Karachi. The Trust was created on December 28, 2006. The official web site address of Faysal Asset Management Limited is [www.faysalfunds.com](http://www.faysalfunds.com)

### **1.3 Trust Deed**

The Deed is subject to and governed by the Non-Banking Finance Companies (Establishment & Regulation) Rules 2003, Securities and Exchange Ordinance 1969 and all other applicable laws and regulations. The terms and conditions in the Deed and any supplemental deed(s) shall be binding on each Unit Holder.

#### **1.4 Modification of Trust Deed**

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

- 1) To such extent as may be required to ensure compliance with any applicable laws and regulations or any amendment of such laws and regulations;
- 2) To enable the provisions of the Deed to be more conveniently and efficiently implemented;
- 3) To enable the Units to be listed on a Stock Exchange or any other Exchange; or
- 4) Otherwise to the benefit of the Unit Holders.

Provided that in case of (2), (3) and (4) above, such alteration or addition shall not prejudice the interest of the Unit Holders; and that in any event, it shall not release the Trustee or the Management Company of their responsibilities.

Where the Deed has been altered or supplemented, the Management Company shall notify to the Unit Holders at their respective registered addresses and the dispatch of such notices to the Unit Holders will be announced in two daily newspapers having its primary circulation in Pakistan. However, if the Commission (SECP) modifies the Rules to allow any relaxations or exemptions, these will be deemed to have been included in the Constitutive Documents without requiring any modification as such.

#### **1.5 Duration**

The duration of the Fund is perpetual. However, the SECP or the Management Company may, on the occurrence of certain events, wind it up as stated in clause 13 of this Offering Document under the heading "Termination of **FAYSAL SAVINGS GROWTH FUND**".

#### **1.6 Units**

- 1.6.1** The Fund is divided into Units having an initial Offer price of Rs. 100/- (Rupees Hundred only) each. This price is applicable to such Units that are issued before any of the assets of **FAYSAL SAVINGS GROWTH FUND** are invested other than bank deposits, whether or not earning interest/mark-up. Thereafter, the Units shall be issued on the basis of the Net Asset Value (NAV) of **FAYSAL SAVINGS GROWTH FUND**, which shall form the base for determining the Offer and Repurchase Prices.

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 **FAYSAL SAVINGS GROWTH FUND** proportionate to the Units held by such Unit Holder. For the convenience of investors, the Management Company may issue Units with different options for different arrangements as chosen by the investor from time to time. Consequently, the Units issued with differing arrangements may have differing respective applicable quantum of the Front-end Load added to the NAV for determining the Offering Price thereof and differing respective applicable quantum of Back-end load deducted from the NAV for determining the Repurchase Price.

##### **1.6.2 Types of Units**

The Management Company may issue the following Types of Units:

- (i) Type 'A' Units: The Unit value grows in line with the growth in the NAV and the Unit Holders are entitled for bonus units at the time of distribution.

- (ii) Type 'B' Units: The Unit Holders, based on their own consent & instructions and with prior intimation to the Management Company, exercise the option of redeeming a certain number of Units for fulfilling their requirement of a certain cash amount at Regular Intervals (i.e. monthly, quarterly, semi-annually and annually). Such instructions shall be given in writing at the beginning of each regular interval or at the time of purchase of Units. Depending upon the instructions given by the Type 'B' Unit Holders, the Type 'B' Units are further classified into two types:
- (a) Flexible Type 'B' Units - The Flexible Type 'B' Unit Holders at the time of purchase or beginning of an interval authorize the Management Company to decide the quantum of part redemption of their unit holdings at the end of every regular interval based on the performance (NAV growth) of the Scheme during that regular interval.
  - (b) Fixed Type 'B' Units - The Fixed Type 'B' Unit Holders at the time of purchase or beginning of an interval specify a fixed cash amount required by them at regular intervals, and authorize the Management Company to redeem (at the prevailing NAV) such number of units from their holding that in rupee terms is equivalent to the specified fixed amount required at the end of every regular interval.

The Management Company shall, on the last working day of the month, calculate the redemption value to be paid to the Type 'B' Holder(s) based on the Redemption Price of that day.

### **1.7 Open-ended Fund**

It shall offer and redeem Units on a continuing basis subject to terms contained herein and to the Rules. There is no upper limit set on the Units to be issued to a single Unit Holder or on the total number of Units to be issued to the public. However, the Management Company may impose, from time to time, certain amounts of minimum monetary investment limits to facilitate economical and efficient management of investors' accounts. The maximum investment allowed per Unit Holder for purchasing / holding Units of FAYSAL SAVINGS GROWTH FUND is at the discretion of the Management Company. The Management Company can decline to accept investments from any applicant, if it is of the opinion that it will not be possible to invest substantial inflow of funds or to meet any regulatory requirement or result in concentration of units of FAYSAL SAVINGS GROWTH FUND with a single unit holder to the possible disadvantage of other unit holders. Fractional Units will be issued to enhance economical and efficient handling. Units are also transferable. Units will be issued in registered, un-certificated form and will be confirmed to investors by means of an account statement issued by the Transfer Agent. Certificates representing the Progressive Units will be issued 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 Rs. 25/- per certificate plus any duties and charges as Management Company thinks fit of any denomination, subject to revision of this fee from time to time by the Management Company.

### **1.8 Initial Offer**

Initial Offer is made during the Initial Period, which will be five Business Days and commence at the start of the banking hours on May 7, 2007 and shall end at the close of the banking hours on May 11, 2007. This price is applicable to such Units that are issued before any of the assets of the Scheme are invested other than deposits, whether or not earning mark-up/profit. During the Initial Period, units will be offered at the Initial Price of Rs. 100 per unit and will not include any Sales Load. During the Initial Offering Period Units will not be redeemed.

## **1.9 Transaction in Units after Initial Offering Period**

Subsequent to the Initial Offer, the public sale of Units at Initial Price will be discontinued. The Units can be purchased at their respective Offer Price and redeemed at their respective Redemption Price. The Management Company will fix the Offer (Purchase) and Redemption (Repurchase) Prices daily on the basis of the Net Asset Value (NAV) of the Units after the close of the Stock Exchange(s) / Financial Market(s) business day. In the event there are closed days, for any reason, following that business day, the NAV so determined shall be adjusted for the accrual of income or losses, if any, for such closed day(s). The NAV based price per unit shall be fixed after adjusting for the Front-end Load or the Back-end Load as the case may be and any Transaction Costs that may be applicable save under circumstances elaborated in clause 4.7 mentioned herein, such prices shall be applicable to Purchase and Redemption requests, complete in all respects, received during the business hours on the following business day.

## **2. INVESTMENT OBJECTIVES, INVESTMENT POLICY, RESTRICTIONS, RISK DISCLOSURE AND DISCLAIMER**

### **2.1 Investment Objectives**

To seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in money market & debt securities having good credit rating and liquidity.

#### **2.1.1 Investment Policy**

The corpus of the Fund in line with its Investment Objectives will be investing in a range of liquid money market & debt 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;
- Debentures and Certificates of Musharika (COM);
- Long, Medium and Short term bank deposits with banks or Trustee (if it is a bank) including deposit in currencies other than the Pakistani Rupee;
- Units/Certificates in any other income / money market Scheme if permitted;
- Secured and unsecured listed or privately placed debt securities issued by local governments, government agencies, statutory bodies, private or public sector entities and/or financial institutions having a minimum investment grade rating. if the entity issuing the debt securities is not rated then the instrument would have a minimum investment grade rating by a credit agency registered with the SECP;
- Convertible debt securities by corporate /financial institutions. In case Faysal Savings Growth Fund is required to convert the debt securities into share, it would offload the shares within a period of three months of the shares being issued,
- Convertible and Non-Convertible preferred shares. In case Faysal Savings Growth Fund is required to convert the preference shares into ordinary shares in would offload the ordinary shares with a period of three months of the ordinary shares being issued.
- Certificates of Investments/ Deposits issued by financial institutions having a minimum investment grade rating by a credit agency registered with the SECP.
- Asset Backed and Mortgage Backed Debt Securities.

- Repurchase transaction (REPOs) in money market instruments only and in accordance with the Rules and reverse REPOs against eligible securities.
  - Commercial Papers and any other money market debt security that may or may not be listed on the stock exchanges but does not include bearer security or any other security that would involve assumption of unlimited liability.
  - Continuous Funding System (CFS); Investment in CFS shall be restricted up to a maximum of 50% of Net Assets of the Fund, with not more than 20% of CFS amount in any one scrip at the time of investment.
  - Spread Transactions. Faysal Savings Growth Fund will enter into transaction aimed at earning spread in the price of securities resulting from the timing difference between ready and future settlement market. Both the transactions will be carried out simultaneously so as to avoid risk emanating from the movement in the prices underlying securities.
  - Warrants, Options, Derivatives subject to the prior approval of SECP, Investment in this asset class, would be for hedging purpose only and subject to such terms and conditions approved by SECP from time to time; and
  - Subject to 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 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 Rules or any other regulatory authority from time to time.

## **INVESTMENT PROCESS**

The Fund Investment Process will be based on fundamental credit analysis of a Securities or transaction that may be deemed suitable to be held either in their own right or integrated with various yield curve / sector strategies and hence acquire a priority and place in the investment structure. Specifically, the Investment Process will consider the following key broad parameters:

- a) Sponsor of the issue: Investments will be made keeping in mind the market reputation and past track record of the issuing entity and its main sponsors.
- b) Strength of financials and ability to repay: The strength and stability of the issuing company's earnings will be taken into consideration and special focus will be made on its cash flows and the resultant ability to repay the debt.
- c) Rate of return offered: Attempt will be made to invest in those securities that offer competitive returns vis-à-vis other similar investments in the market.
- d) Industry fundamentals and future outlook: Industry outlook and its future potential will also be looked into at the time of investing in any company's debt and fixed income instruments. The Fund will seek to invest in those debt, fixed income instruments and Securities that offer attractive market returns and are issued by sponsors with good credit rating, strong financials and ability to repay. For Continuous Funding System (CFS) investments the Fund will seek to identify the CFS eligible stocks / scripts that offer attractive returns, and invest with only those brokerage houses, which have strong sponsors and financials.

### **2.1.2 Risk Control in the Investment Process**

Investment process requires disciplined risk management. FAML would incorporate adequate safeguards for controlling risks in the portfolio construction process. The risk control process involves reducing risks through optimal portfolio diversification. FAML believes that this diversification would help achieve the desired level of consistency in returns.



FAML's investment team aims to identify securities following proper credit evaluation of the securities proposed to be invested in. FAML will be guided by the ratings of Rating Agencies such as Pakistan Credit Rating Agency or JCR-VIS Credit Rating Company Limited or any other rating agencies that may be registered with SECP from time to time or any other reputed international credit rating agencies. In case a debt instrument is not rated, necessary clearance of the Investment Committee will be obtained for such an investment.

### **2.1.3 Management Company Can Alter Investment Mix**

The Management Company can from time to time alter the weightages between the various types of investments if it is of the view that market conditions so warrant. The funds not invested in the foregoing avenues shall be placed as deposit with banks or term deposits with financial institutions.

### **2.1.4 Investment in Securities Listed or Traded Outside Pakistan**

The Management Company may, with such regulatory permission that may be required, invest in debt and money market instruments that are issued, traded and or listed outside Pakistan.

### **2.1.5 Investment in Derivatives**

Subject to regulatory permission from the SECP or other agencies that may be required and subject to the restrictions stated in Clause 2.3 herein below, the Management Company may seek to enhance the return on the Fund or to protect its value through derivatives. The investment in this class shall be for hedging purposes and subject to such term and conditions that may be specified by SECP from time to time.

## **2.2 Changes in Investment Policy**

The investment policy will be governed by the Rules (subject to any exemptions provided to the Fund specifically by SECP). Any fundamental change in the Investment Policy will be implemented only after obtaining prior approval from SECP and giving proper notice to the Unit Holders to the satisfaction of the Trustee.

## **2.3 Investment Restrictions and Exposure Limits**

The Fund shall follow the investment restrictions and exposure limits imposed by the Rules. In the event of any changes in the investment restrictions in the Rules, restrictions applicable to FAYSAL SAVINGS GROWTH FUND shall automatically be applied. The present exposure limits and restrictions are given hereunder:

- a) Investments in CFS shall be restricted upto a maximum limit of 50% of the Net Assets of the Fund, with not more than 20% of CFS amount in any one script at the time of investment.
- b) The Fund shall not at any time:
  1. Purchase or sell:
    - Bearer securities;
    - Securities on margin;
    - Securities which result in assumption of unlimited liability (actual or contingent);
    - Real estate or interest in real estate save and except that the Management Company may invest in securities secured by real estate or interest therein or equity securities issued by companies that invest in real estate or interest therein;

- Invest in anything other than Authorized Investments as defined herein;
  - Participate in a joint account with others in any transaction
  - Make short sale of any security or maintain a short position;
2. In accordance with diversification policy prescribed under the Rules, an investment Scheme is required not to invest more than twenty-five per cent of its Net Asset Value in securities of any one sector as per classification of stock exchanges. The investments in securities other than Government securities shall be restricted to not more than ten per cent of the total net asset value of the scheme at the time of investment or ten percent of the Issued Capital of the issuer.
  3. The purchase or acquisition of Units in one open-ended scheme shall not exceed ten (10) percent of the Net Asset Value immediately after such investment has been made.

### **2.3.1 Exception to the Investment Restrictions**

In the event, the weightages of the securities or the sectors exceed the limits laid down in this offering document or the Rules as a result of the relative movement in the market prices of the investments or through any disinvestment, the Management Company shall bring the exposure within the prescribed limits within three months of the event.

### **2.3.2 Borrowing and Borrowing Restrictions**

1. Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Trustee may at any time at the request of the Management Company concur with the Management Company in making and varying arrangements with Banks or Financial Institutions for borrowing by the Trustee for the account of the Scheme; provided that the borrowing shall not be resorted to, except for meeting the redemption requests and shall be repayable in 90 days or in such time period as prescribed in the NBFC Rules.
2. The charges payable to any Bank or Financial Institution against borrowings on account of the Fund shall not be higher than the normal prevailing bank charges or normal market rates.
3. The maximum borrowing for the account of the Trust shall not exceed fifteen percent (15%) of the total Net Assets Value of the Scheme or such other limit as may be provided in the Rules. 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.
4. Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such borrowings from Banks and Financial Institutions. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such loans or advances.
5. For the purposes of securing any such borrowing the Trustee may with the approval of the Management Company mortgage, charge or pledge in any manner all or any part of the Fund Property provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limits provided under the Rules and/or any law for the time being in force.
6. Neither the Trustee nor the Management Company shall incur any liability by reason of any loss to the Trust or any loss that Unit Holders may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangement made hereunder in good faith.

### **2.3.3 Restriction of Transactions with Connected Persons**

- i. The Fund Property shall not be invested in any security of a company if any Director or Officer of the Management Company individually owns more than five percent (5%) of the total nominal amount of the securities issued or collectively the Directors and Officers of the Management Company in their individual capacities own more than ten percent (10%) of those securities.
- ii. The Fund shall not purchase from or sell any security to the Management Company or the Trustee or to any Director, Officer or Employee of the Management Company or Trustee or to any person who beneficially owns ten percent (10%) or more of the equity of the Management Company or the Trustee, or the major shareholders of the Trustee Company, save in the case of such party acting as an intermediary.
- iii. For the purpose of sub-paragraphs (i) and (ii) above the term Director, Officer and Employee shall include spouse, lineal ascendants and descendants, brothers and sisters.

### **2.4 Risk Disclosure**

Investors into **FAYSAL SAVINGS GROWTH FUND** must realize that all investments in mutual funds and securities are subject to market risks. Our target return / dividend range cannot be guaranteed and it should be clearly understood that the portfolio of **FAYSAL SAVINGS GROWTH FUND** is subject to interest rates and money market fluctuations and other risks inherent in all such investments. The risk emanates from various factors that include, but are not limited to:

#### **I. Credit Risk**

Credit risk is comprised of default risk, credit spread risk and downgrade risk. Each can have a negative impact on the value of a fixed-income security including money market instruments.

- a) Default risk is the risk that the issuer will not be able to pay the obligation, either on time or at all.
- b) Credit spread risk is the risk that there will be an increase in the difference between the return/mark-up rate of an issuer's bond and the return/mark-up rate of a bond that is considered to have little associated risk (such as a government guaranteed bond or treasury bill). The difference between this return/mark-up rates is called a "credit spread". Credit spreads are based on macroeconomic events in the domestic or global financial markets. An increase in credit spread will decrease the value of fixed income securities including money market instruments.
- c) Downgrade risk is the risk that a credit rating agency, such as PACRA or JCR-VIS or any other reputed international credit rating agency will reduce the credit rating of an issuer's securities. Downgrades in credit rating will decrease the value of those fixed income securities including money market instruments.

#### **II. Currency Risk**

The Fund may be affected favorably or unfavorably by changes in currencies and exchange control regulations. The income earned by FAYSAL SAVINGS GROWTH FUND may also be affected by fluctuations in foreign exchange rates.

### **III. Derivative Risk**

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

- a) The hedging strategy may not be effective.
- b) There is no guarantee that a market will exist when a Fund wants to buy or sell the derivative contract.
- c) A large percentage of the assets of a Fund may be placed on deposit with one or more counter parties, which exposes the Fund to the credit risk of those counterparties.
- d) There is no guarantee that an acceptable counterpart will be willing to enter into the derivative contract.
- e) The counter-party to the derivative contract may not be able to meet its obligations.
- f) The Exchanges on which the derivative contracts are traded may set daily trading limits, preventing a Fund from closing out a particular contract.
- g) If an Exchange halts trading in any particular derivative contract, a Fund may not be able to close out its position in that contract.
- h) The price of a derivative may not accurately reflect the value of the underlying security or index.

### **IV. Interest Rate Risk**

Debt securities including money market instruments generally pay a fixed rate of coupon/mark-up. The value of the fund, due to its holdings in debt securities including money market instruments, will rise and fall as market interest rates change. For example, when interest rates fall, the value of an existing bond will rise because the coupon rate on that bond is greater than prevailing return/mark-up rates and vice versa.

### **V. Government Regulation Risk**

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

### **VI. Voluminous Purchase/Redemption of Fund Units Risk**

Any significant transaction made by any investor could significantly impact a Fund's cash flow. If the third party buys large amounts of Units of a Fund, the Fund could temporarily have a high cash balance. Conversely, if the third party redeems large amounts of Units of a Fund, the Fund may be required to fund the redemption by selling securities at an inopportune time. This unexpected sale may have a negative impact on the performance of the investment.

## VII. Counterparty Risk

The risks with repo / reverse repo / money market placement transactions are that the other party may default under the agreement or go bankrupt. In a reverse repurchase transaction, the Fund may be left holding the security and may not be able to sell it at the same price it paid for it, plus return/mark-up, if the market value of the security has dropped. In the case of a repurchase transaction, the Fund could incur a loss if the value of the security sold has increased more than the value of the cash or collateral held.

## VIII. Depletion Risk - Fixed Income Units

**For Fixed Type 'B' Unit Holders, investment value may deplete over the period if the earnings on the investment is below the desired fixed income that they require.**

## IX. Other Risks Involved:

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

2.4.1 Prices of Units of the Fund and income from them may go up or down.

2.4.2 Under exceptional (extraordinary) circumstances, the Management Company may declare suspension of redemptions, invoke a queue system or announce winding-up. In such events the investor will probably have to wait for payment beyond the normal period and the redemption amount so determined may be lower than the price at the time the redemption request is lodged. Investors are advised to read the relevant clauses of the Fund's Trust Deed for more detailed information regarding this clause.

### 2.5 Disclaimer

**The Units of the Trust are not bank deposits and are neither issued by, insured by, obligations of, nor otherwise supported by the SECP, any Government agency, the Trustee (except to the extent specifically stated in this document and the Trust Deed) or any of the shareholders of the Management Company or any of the Core Investors or any other bank or financial institution.**

## 3. OPERATORS AND PRINCIPALS

### 3.1 Management Company

#### 3.1.1 Organization

Faysal Asset Management Limited (FAML) is a Non-Banking Finance Company with a license to perform Asset Management Services as per the NBFC Rules, 2003. The main sponsors of FAML are IICG, Faysal Bank Limited and AKD Securities. FAML's main area of business is Investment Management; more specifically floating and managing mutual funds. FAML's vision is to establish itself as a premier Asset Management Company that capitalizes on the technical and institutional strength of its promoters to consistently offer creative and pioneering domestic and international products to meet varying needs of investors. Its mission is to rank in the top quartile in performance of FAML mutual funds and portfolios relative to the competition, and to consistently offer superior risk-adjusted returns to investors. The paid-up capital of FAML is Rs. 50 million, held by:

<b>Name</b>	<b>Number of Shares</b>	<b>Amount in Rupees</b>
I. Islamic Investment Company of the Gulf (Bahamas) Limited (IICG); 50%	2,500,000	25,000,000
II. Faysal Bank Limited (FBL); 30%	1,500,000	15,000,000
III. AKD Securities (Pvt) Limited (AKD); 19.98%	999,000	9,990,000
IV. Mr. Feroz Rizvi; 0.01%	500	5,000
V. Mr. Iqbal Alimohamed; 0.01%	500	5,000
<b>TOTAL</b>	<b>5,000,000</b>	<b>50,000,000</b>

### **3.1.2 Islamic Investment Company of Gulf (Bahamas) Ltd.**

Islamic Investment Company of the Gulf (Bahamas) Limited (IICG) was incorporated in the Commonwealth of the Bahamas on 23 November 1989. IICG is the principal shareholder with 50% equity ownership in the Management Company. Its activities are principally to act as a manager, on a trustee basis, of a series of investment funds in accordance with the Sharia'. IICG offers its investment funds (Modarabas) to the public through a network of sales offices located in countries within the Arabian Peninsula and Egypt. IICG has successfully floated over 20 Special Purpose Modaraba Funds in the real estate sector alone. These investment funds comprise both open-ended unrestricted Modarabas and closed-ended restricted Modarabas catering to a wide range of client investment needs and totaled US\$ 1.7 billion at 30 December 2005.

### **3.1.3 Faysal Bank Limited**

Faysal Bank Limited (FBL) is one of the leading commercial banks in Pakistan, with 30% equity ownership in Faysal Assets Management Company. FBL has a dominating presence in the local market with top tier brand recognition in capital markets, investment banking and commercial banking. Together with its normal Banking Business, FBL is an active player in the stock market and manages a large trading portfolio with proven track record of successfully market management.

It had an equity base of PKR 2.137 billion in 1998, which has grown to PKR 9.319 billion (excluding revaluation reserves of Rs.4.28 billion) by June 30, 2006. FBL's vigorous participation in pre IPO issues, their underwriting capabilities, corporate advisories and active roles as arrangers to various issues have also helped in the growth of its equity base and the total assets. The bank has expanded its branch network to over 70 branches all over the major cities of Pakistan to access larger retail business & clientele.

### **3.1.4 Aqeel Karim Dhedhi Securities (Private) Limited**

Aqeel Karim Dhedhi Securities (Pvt.) Limited (AKD) has taken up 19.98% of the equity. It is one of the leading security firms of Pakistan providing financial services to a large and diversified group of foreign and local institutional clients as well as individual clients. AKD has been a leading force for innovation in Pakistan's capital markets. It has not only been a pioneer in introducing venture capital to Pakistan through its subsidiary TMT-PKIC, but is also known for Pakistan's first ever securitization, the largest TFC issue and the biggest mergers & acquisition transaction.

### 3.2 Board of Directors of the Management Company

Name of Director	Position	Other Directorships	Occupation	Address
Mr. Farook Bengali	Chairman & Director	<p>President &amp; C.E.O, - Faysal Bank Limited, Pakistan</p> <p>Chairman &amp; Director, - Faysal Management Services (Pvt.) Limited.</p>	Banker	Faysal Bank Limited 4th Floor, Faysal House, Shahrah-e-Faisal, Karachi.
Mr. Hassan Mohamed Mahmood	Director	<p>- General Manager, Islamic Investment Company of the Gulf (Bahamas) Limited</p> <p>- Director, Faisal Finance, Morocco</p> <p>- Director, 10th Ramadan for Pharmaceuticals &amp; Diagnostics Company, Egypt</p> <p>- Director, Fine Spinning Mills, Sudan</p> <p>- Director, Egyptian Investment Company, Egypt</p>	Investment Banking	<p>Islamic Investment Company of the Gulf(Bahamas)Ltd. Jeddah 21423 Kingdom of Saudi Arabia</p> <p>Tamlik Towers 2nd &amp; 3rd Floor Crown Prince Street Jeddah 21423 Kingdom of Saudi Arabia</p>
Mr. Aqeel Karim Dhedhi	Director	<p>- Chairman, AKD Securities (Pvt.) Limited</p> <p>- Chairman, AKD Securities &amp; Safe Deposit Company Limited</p>	Securities Trading & Brokerage	AKD Securities (Pvt) Limited 6th Floor, Continental Trade Centre, Block 8, Clifton, Karachi.
Mr. Mohammad Iqbal	Director	<p>- Nominee Director, Chanda Oil &amp; Gas Securitization Company Limited</p> <p>- Nominee Director, Prime Electronics Securitization Company Limited</p>	Banker	Faysal Bank Limited 3rd Floor, Faysal House, Shahrah-e-Faisal Karachi
Mr. Shahid Waqar Mahmood	Director	<p>- Country Risk Manage, Faysal Bank Limited</p>	Banker	Faysal Bank Limited 3rd Floor, Faysal House, Shahrah-e-Faisal Karachi

### 3.2.1 Profile of Directors

#### **Mr. Farook Bengali – Chairman**

Mr. Farook Bengali has over 40 years of experience in Banking & Financial market and has been with the group for 11 years serving as President & CEO of Al Faysal Investment Bank before his current position of President & CEO of Faysal Bank Limited. His prior appointments include Chief Executive Officer, Pakistan, for Standard Chartered Bank where his responsibilities included planning, directing and controlling the operations of the Bank in Pakistan. Other senior management experience includes Managing Director, Standard Chartered Mercantile Leasing Co. Limited.

#### **Mr. Hassan Mohamed Mahmood**

Mr. Mahmood is a former Associate Manager of Price Waterhouse Cooper in Bahrain. He is currently the General Manager of the Islamic Investment Company of the Gulf (Bahamas) Limited (IICG), managing various funds in the international market. Mr. Mahmood has 38 years of extensive and diversified experience in auditing, accounting, offshore investments and banking.

#### **Mr. Aqeel Karim Dhedhi**

Mr. Aqeel Karim Dhedhi is a prominent member of the financial community and has been a member of the Karachi Stock Exchange since 1986. He has over 34 years of equity broking experience and is chairman of AKD Securities (Pvt.) Limited, the leading brokerage firm in Pakistan. Mr. Dhedhi also holds the membership of Islamabad stock exchange and corporate member of Lahore Stock Exchange.

#### **Mr. Iqbal Alimohamed**

Mr. Alimohamed is a fellow member of the Institute of Chartered Accountants (England & Wales). He is one of the leading industrialists of the country and also the pioneer of modern day management in Pakistan. He has over twenty-four years of extensive industry experience, including 17 years with Gul Ahmed Textile Mills Limited where he served as Managing Director. He is currently holding the office of Chief Executive in Gul Ahmed Energy Limited. He is also the Chairman of MyBank formerly Bolan Bank. Mr. Iqbal Alimohamed has also served as APTMA Chief Sindh, thus assisting and contributing to Government policies through participation and interaction at different forums.

#### **Mr. Feroz Rizvi**

Mr. Rizvi qualified as a Chartered Accountant from England and Wales. He is Director Finance in ICI Pakistan Limited. His responsibilities include long-term financial planning, investor relations, risk management, corporate governance, succession planning of senior finance staff, medium and long-term financial and corporate strategies and acting as a liaison with the company's principal shareholder, ICI Plc UK. He possesses over 27 years of extensive experience at various senior management capacities both locally and at international levels. He is a Chairman/Member on the panel of Alternate Dispute Resolution under Section 47-A of The Sales Tax Act 1990.

#### **Mr. Mohammad Iqbal**

Mr. Mohammad Iqbal is a qualified Chartered Accountant. He has been associated with Faysal Group for the last 14 years and is working as Chief Financial Officer of Faysal Bank Limited. He possesses over 21 years post qualification experience in both Banking and Industry. Previously, he remained associated with groups like Adamjee and Dawood.

#### **Mr. Shahid Waqar Mahmood**

Mr. Shahid Waqar is affiliated with Faysal bank for the last 3 years as Country Risk Manager. He has over 28 years of banking experience, and was associated with UBL, Deutsche Bank, Saudi British Bank in the past years. He enjoys a diversified banking experience. He also holds an MBA with distinction from IBA with majors in Finance. He also attended various courses on Asset Liability Management, Foreign Exchange and Interest Rate, and Rate Risk Management.



### **3.2.1 Profile of Management**

#### **Mr. Salman Haider Sheikh – Chief Executive Officer**

Mr. Salman Haider Sheikh has over 11 years of international experience of asset management and investment banking. He holds an MBA from Rutgers University with concentration in finance. He has held securities licenses of series 7 (General Securities representative) & 63 (Uniform Securities agent State Law) issued by the National Association of Securities Dealers, (NASD) New York. He has also completed course of series 3 (Futures & Commodities) & Series 24 (General Securities Principal). He was a part of team managing large equity portfolio and investment syndications in venture capital and investment banking worth over \$1 billion. Mr. Sheikh has worked for organizations like Merrill Lynch, Janney Montgomery & Scott and Wachovia Bank.

#### **Shakeel Musani - Chief Financial Officer**

Mr. Shakeel Musani is a qualified Chartered Accountant. Previously, Mr. Musani held the position of Assistant Manager in A. F. Ferguson & Co. Chartered Accountants a member firm of PricewaterhouseCoopers. His responsibilities included strategic audit planning, system evaluation, documentation and risk management, corporate business and financial reporting of various national and multinational organizations. His responsibilities also included representing major companies of oil & gas and financial sectors before the Income Tax and Sales Tax assessing and appellate authorities. He was also responsible for advising to national and multinational clients on local and international taxation. He was member of the team making recommendations to the Central Board of Revenue on the Income Tax Ordinance, 2001.

#### **Tahir Sohail – Chief Operating Officer**

Mr. Tahir Sohail is a senior banker with over 22 years of broad base banking experience with leading multinational banks like Citibank and Deutsche Bank. He has worked in increasingly responsible position within corporate, consumer and private banking businesses both within and outside Pakistan and was instrumental in implementing a credit scoring model for credit cards acquisition in Pakistan during his Citibank tenor. In Deutsche Bank, Tahir was actively involved in developing wealth management products at Asia Pacific regional level.

#### **Mr. M. Siddique Memon - Company Secretary**

Mr. Memon is M.A., L.L.B. and a Corporate Lawyer registered with the Sindh Bar Council since 1978. He possesses more than 20 years experience as Corporate Lawyer & Company Secretary including 12 years as General Manager (Legal and Corporate Affairs) with Lakson Group of Companies and more than 5 years with Faysal Bank Limited as Company Secretary and Legal Advisor.

#### **Mr. Mohammad Taha Hamdani - Head of Finance & Operations**

Mr. Mohammad Taha Hamdani has qualified his Chartered Accountancy in July 2001 and was associated with Ford Rhodes Sidat Hyder, Chartered Accountants.

Mr. Hamdani enjoys a diversified exposure. He was associated with PTCL, the largest telecommunication network in the country as Deputy Director. He also carries the experience of working as Group Internal Auditor for one of the leading Five Star International Hotels in Pakistan, and as a Group Finance Manager for an international trading & manufacturing group based in Saudi Arabia.

### **FUNDS UNDER MANAGEMENT**

FAML is currently managing two open-ended mutual funds, Faysal Balanced Growth Fund (FBGF) and Faysal Income and Growth Fund (FIGF).

### **Faysal Balanced Growth Fund (FBGF)**

The Net Assets of FBGF are Rs. 1.5 billion as at December 31, 2006. The units of FBGF are listed on the Karachi Stock Exchange and were initially offered to the public on April 19, 2004, through an Offering Document. FBGF continuously offers new units to investors for subscription and the units are open for redemption.

FBGF's investment philosophy is to provide stable returns through a balanced portfolio of equities and fixed income instruments. FBGF invests in a diversified portfolio of equity and fixed income securities and can invest a maximum 70% in equities and a minimum 30% in fixed income securities. The annualized yield of the FBGF since inception is 39.78% as at December 31, 2006.

### **Faysal Income & Growth Fund (FIGF)**

The Net Assets of FIGF are Rs. 1.3 billion as at December 31, 2006. The units of FIGF are listed on the Karachi Stock Exchange and were initially offered to the public on October 10, 2005, through an Offering Document. FIGF continuously offers new units to investors for subscription and the units are open for redemption.

FIGF's investment philosophy is to provide superior long-term risk adjusted returns by investing in a diverse pool of fixed income securities, including money market instruments. FIGF can invest a minimum 90% in fixed income securities of which not less than 63% shall be Government Securities and deposits with rated banks and a maximum 10% in equity instruments. The annualized yield of the FIGF is 12.62% for the Half Year ended December 31, 2006.

### **3.2.3 Duties and Responsibilities of the Management Company**

The responsibilities of the Management Company are to promote the sale of Units of the Fund, invest and manage the assets of the Fund according to the provisions of the Deed and the Rules, in good faith, to the best of its ability and without gaining any undue advantage for itself or any Connected Persons or its Officers. The Management Company shall maintain proper accounts and records of the Fund to enable a complete and accurate view of assets and liabilities, income and expenditure and amounts received in respect of Units and paid out on Redemption of Units and by way of distribution of profits, as required under the Rules. The Management Company shall prepare and transmit physically to Unit Holders (or through electronic means or on the web subject to SECP approval), the SECP and the Trustee, annual report together with balance sheet and income and expenditure account of the Fund and auditors report thereon. The Management Company shall also prepare and transmit physically (or through electronic means or on the web subject to SECP approval) to Unit Holders, the SECP and the Trustee, the balance sheet and income and expenditure account of the Fund on quarterly basis, in accordance with the Rules. In the unlikely event of its occurrence, the Management Company shall account to Trustee for any loss in value of the assets of the Fund caused by its negligence, reckless or willful acts or omissions of all persons or agents to whom it may delegate the performance of its functions as a manager as if they were its own acts or omissions. The Management Company shall not be under any liability except such liability as may be expressly assumed under the Rules and the Deed, nor shall the Management Company (save as otherwise provided) be liable for any act or omission of the Trustee nor for anything else except its own negligence or willful breach of duty. The Management Company shall if it considers necessary request the Trustee in writing, for the protection of Fund Property or safeguarding the interest of the Unit Holders, to institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Fund Property or any part thereof.

### 3.3 Trustee

Central Depository Company of Pakistan Limited (CDC), a company incorporated under the Companies Ordinance 1984, with its registered office at CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi, Pakistan has been appointed as the Trustee for the Fund. The Trustee has considerable amount of experience of trusteeship of open-ended Schemes which are successfully functioning in the country.

#### Basic Role of the Trustee

The Trustee will take into custody and/or hold under its control all the property of the Fund in trust for the Unit Holders. The cash and registerable assets shall be deposited or registered in the name of or to the order of the Trustee. The Trustee will carry out the instructions of the Management Company in all matters including investment and disposition of the Fund Property, unless they are in conflict with the Deed, the Rules and the Offering Document or applicable laws. The Trustee shall also ensure that all issues and cancellations of Units of the Fund and the method adopted by the Management Company in valuing Units for the purposes of determining the Purchase and Redemption Prices are carried out in accordance with the provisions of the Deed and the Rules. The Trustee shall issue a report to the Unit Holders to be included in the annual report, as to whether in its opinion, the Management Company has in all material respects managed the Fund Property in accordance with the provisions of the Rules and the Deed and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof. 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 the Unit Holders, institute or defend any suit, proceedings, arbitration or inquiry or any corporate or shareholders action in respect of the Fund Property or any part thereof if so requested in writing by the Management Company. It is clarified that the Trustee shall be entitled to be reimbursed, out of the Fund Property, for all reasonable costs and expenses incurred in taking the aforesaid action(s). The Trustee shall be responsible for all acts and omissions of all persons or agents to whom it may delegate the performance of its duties, as if these were its own acts and omissions and shall account for any loss in value of the Fund Property where such loss has been caused by gross negligence or breach of its duties in connection with the Trust under the Trust Deed or the Rules or any reckless or willful act and/or omission of the Trustee or any of its Directors, Officers, Nominees or Agents. The Trustee shall, however, not be under any liability on account of anything done in good faith in accordance with or in pursuance of any request of the Management Company provided they are not in conflict with the provisions of the Deed or the Rules.

### 3.4 Core Investors

Names	Number of Units	Rupees
Faysal Bank Limited	2,500,000	250,000,000

The above core investors have subscribed an aggregate sum of Rs. 250,000,000 towards the purchase of 2,500,000 Core Units of Rs.100 each. These Core Units are not redeemable for a period of first two years from the date of the closure Initial Offer Period. However, these Units are transferable with the condition the Units may not be redeemable before the expiry of the period of first two years mentioned herein. The Transfer Agent will mark the Unit as such. Any transfer of these Core Units, during the first two years of their issue, shall be affected only on the receipt by the Transfer Agent of a written acceptance of this condition by the transferee.

### **Pre-IPO Investors**

Pre-IPO investors have committed an amount of Rs. 310,000,000 in the **FAYSAL SAVINGS GROWTH FUND**.

Names of the major Investors are provided below:

The Bank of Punjab	Rs. 200,000,000
Allied Bank Limited	Rs. 100,000,000
First Women Bank Limited	Rs. 10,000,000

The above Core Investors plus the Pre-IPO Investors will be eligible to any bank interest / mark-up earned on their investment from the date the funds are credited in the Fund Account till the close of the Initial Period. The purpose of this is to ensure that all Unit Holders (Core Investors, Pre-IPO Investors and IPO investors) are treated at par as far as their investment into the Fund is concerned.

## **3.5 Registrar**

### **3.5.1 Gangjees Registrar Services (Pvt.) Limited**

By a separate agreement, the Management Company has appointed Gangjees Registrar Services (Pvt.) Limited as its agent to perform duties as the Registrar of the Fund. Gangjees Registrar Services (Pvt.) Limited will be responsible for maintaining the Unitholder's Register, preparing and issuing accounts statements, Unit Certificates and dividend warrants/ advice, and providing related services to the Unitholders.

3.5.2 Gangjees Registrar Services (Pvt.) Limited has the necessary human resource, experience, computer hardware and software, which is designed to provide an efficient service to the Unitholders.

## **3.6 Custodian**

The Central Depository Company of Pakistan Limited (CDC) will also be performing the functions of the custodian of the Fund property. The salient features of the custodial function are:

- i. Segregating all property of the Fund from Custodian's own property and that of its other clients.
- ii. Assuring the smooth inflow/outflow of dematerialized securities and such other instruments as required.
- iii. Ensuring that the benefits due on investments are received and credited to the Fund's account.

The Trustee may, if it considers necessary, appoint additional custodians with the approval of the Management Company and at such terms and conditions approved by the Management Company, for the safekeeping of any portion of the Fund Property.

## **3.7 Distributors/Investment Advisors/ Facilitators/Sales Agent**

3.7.1 Parties detailed in Annexure C of this Offering Document have each been appointed as Distributors to perform the Distribution Functions at their Authorized Branches. The addresses of these branches are given in Annexure "C" of this Offering Document; these branches may be increased or decreased by the Management Company from time to time. The Management Company may from time to time, appoint additional Distributors or terminate the arrangement with any Distributor and intimate the Trustee accordingly. The Management Company may itself perform the functions of a Distributor either directly or through sub-distributors.

- 3.7.2 The Distributors will be responsible for receiving applications for Purchase of Units and Redemption/Transfer applications. They will be interfacing with and providing service to Unit Holders, including receiving applications for change of address and other particulars or application for issuance of duplicate certificates, requests for income tax exemption/Zakat exemption, etc. for immediate transmission to the Management Company or Transfer Agent as appropriate for further action.
- 3.7.3 The Management Company may, at its sole responsibility, from time to time, appoint Investment Facilitators (Facilitators). The Facilitators' function is to identify, solicit and assist investors in investing in the Fund. The Management Company shall remunerate the Facilitators out of its resources.

### **3.8 Auditors**

#### **Ford Rhodes Sidat Hyder & Co.**

Chartered Accountants  
Progressive Plaza  
Beaumont Road,  
P.O. Box 15541  
Karachi, 75530 Pakistan

- 3.8.1 They will hold office until the transmission of the reports and accounts, which will cover the period from commencement of the Trust up to Accounting Period and will be eligible for reappointment by the Management Company with the concurrence of the Trustee. However, an auditor may be reappointed for up-to three consecutive terms. Thereafter, that auditor may only be appointed after a break in appointment.
- 3.8.2 The Auditors shall have access to the books, papers, accounts and vouchers of the Trust, whether kept at the office of the Management Company, Trustee, Custodian, Transfer Agent or elsewhere and shall be entitled to require from the Management Company, Trustee and their Directors, Officers and Agents such information and explanations as considered necessary for the performance of audit.
- 3.8.3 The Trustee shall be entitled to require the Auditors to provide such further reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Rules.
- 3.8.4 The Auditors shall prepare a written report to the Unit Holders on the accounts 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 thereto.
- 3.8.5 The contents of the Auditors report shall be as mentioned in the Rules.

### **3.9 Legal Advisors**

Mohsin Tayebaly & Co.  
Barristers & Advocates, Corporate Legal Consultants  
Room No. 404, 4<sup>th</sup> Floor  
Beaumont Plaza, Beaumont Road  
Karachi, Pakistan

### **3.10 Bankers**

The Bankers to the Fund are Faysal Bank Limited and Bank Of Punjab Limited. In addition, the Management Company may appoint any other Bank. The Trustee shall operate the account on instruction from the Management Company.

### 3.10.1 Bank Accounts

1. The Trustee, at the request of the Management Company, shall open Bank Account(s) titled “**CDC-Trustee Faysal Savings Growth Fund**” for the Unit Trust at designated Bank(s) at Karachi and other specified cities for collection, investment, redemption or any other use of the Trust’s funds.
2. The Trustee shall also open additional Bank Account(s) titled “**CDC-Trustee Faysal Savings Growth Fund**” at various branches of such other Bank(s) as requested by the Management Company. These accounts shall be temporary collection accounts where collections shall be held prior to their being transferred to the main Bank Account of the Trust on a daily basis.
3. The Trustee shall open additional Bank Account(s) titled “**CDC-Trustee Faysal Savings Growth Fund**” 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 reasonably required by the Management Company from time to time. Such accounts shall be used as collection and redemption accounts. There shall be instructions for all such collection and redemption accounts to promptly transfer the funds collected therein to the main Bank Account and/or transfer the funds to the relevant bank accounts of the Unit Holder for redemption purposes.
4. The Management Company may require the Trustee to open separate Bank Accounts for the Unit Trust to facilitate investments on account of the Trust and the receipt, tracking and reconciliation of income or other receipts relating to the investments. This account may also be used to facilitate redemptions and other Trust related (ancillary) transactions.
5. The Management Company may also require the Trustee to open a separate Bank Account for each dividend distribution out of the Unit Trust. Notwithstanding anything in this Deed, the beneficial ownership of the balances in the Accounts shall vest in the Unit Holders.
6. All bank charges for opening and maintaining Bank Accounts for the Trust shall be charged to the Fund.
7. All interest, income, profit etc. earned in the Distribution Account(s), 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.
8. The amounts received from the Core Investors (Seed Capital) and Private Placement Investors (Pre-IPO) shall be deposited in a separate Bank Account and transferred to the main Bank Account of the Fund upon the beginning of the Initial Period. Income, profit, interest etc. earned on the investments by the Core Investors and Private Placement Investors upto the beginning of the Initial Period, shall be paid to the Core Investors and Private Placement Investors and shall not form part of the Fund Property.

## 4. CHARACTERISTICS OF UNITS

### 4.1 Types of Units

- 4.1.1 An investor at the time of opening an account shall select the type(s) of Unit(s) in which investor wishes to invest in, namely Type ‘A’ Unit and/or Type ‘B’ Unit.



- 4.1.2 The Management Company may from time to time amend the minimum amount of initial investment that is required to open and maintain an account with the Transfer Agent. At the initial offer and later on, the minimum amount of investment to open and maintain an account is Rs. 5,000 for Type 'A' Units and Rs. 50,000 for Type 'B' Units and for each subsequent investment Rs. 1,000 for Type 'A' Units and Rs. 5,000 for Type 'B' Units. The Management Company reserves the right to alter the minimum amounts stated hereinabove. In the event the investment in any investor's account falls below the minimum level as a result of revised limits, changes in valuation, redemption, transfer or transmission, the Management Company may instruct the Transfer Agent to close such account by redeeming the Units in such accounts at the close of any accounting period at the price applicable to redemptions on such date. For Type 'B' Units, in case the amount falls below Rs. 50,000, funds may be transferred to Type 'A' Units. The maximum investment allowed per Unit Holder for purchasing / holding Units of FAYSAL SAVINGS GROWTH FUND is at the discretion of the Management Company. The Management Company can decline to accept investments from any applicant, if it is of the opinion that it will not be possible to invest substantial inflow of funds or to meet any regulatory requirement or result in concentration of units of FAYSAL SAVINGS GROWTH FUND with a single unit holder to the possible disadvantage of other unit holders.

Units of **FAYSAL SAVINGS GROWTH FUND** (including fraction thereof) shall be issued against the amount received from the Unit Holders in accordance with the procedure laid down in this Offering Document. The Management Company may alter the minimum amount required for opening, maintaining or adding to the account. Provided an upward change for maintaining the account or adding funds the Management Company shall give seven days notice to Unit Holders.

- (i) **Type 'A' Units:** The Unit value grows in line with the growth in the NAV, and the Unit Holders are entitled to bonus units at the time of distribution.
- (ii) **Type 'B' Units:** The Unit Holders, based on their own consent & instructions and with prior intimation to the Management Company, exercise the option of redeeming a certain number of Units for fulfilling their requirement of a certain cash amount at Regular Intervals (i.e. monthly, quarterly, semi-annually and annually). Such instructions shall be given in writing at the beginning of each regular interval or at the time of purchase of Units.
- 4.1.3 The Management Company shall, on the last working day of the month, calculate the redemption value to be paid to the Type 'B' Unit Holder(s) based on the Redemption Price applicable for that day.
- 4.1.4 Depending upon the instructions given by the Type 'B' Unit Holders, the Type 'B' Units are further classified into two types:
- (a) **Flexible Type 'B' Units** - The Flexible Type 'B' Unit Holders at the time of purchase or beginning of an interval authorize the Management Company to decide the quantum of part redemption of their unit holdings at the end of every regular interval based on the performance (NAV growth) of the Fund during that regular interval. The amount of redemption value so derived shall be transferred to designated bank account by way of transfer of funds to the designated bankers within six (6) working days of the redemption without recovering any Back End Load. The Unit Holders may request change of the regular income interval (i.e. monthly, quarterly, semi annually, annually), which is subject to prior written intimation of 30 days to the Management Company.
- (b) **Fixed Type 'B' Units** - The Fixed Type 'B' Unit Holders at the time of purchase or beginning of an interval specify a fixed cash amount required by them at regular intervals, and authorize the Management Company to redeem (at the prevailing NAV) such number of units from their holding that in rupee terms is equivalent to the specified fixed amount required at the end of every regular interval. The amount of redemption value so derived shall be transferred to designated bank account by way of transfer of funds to the designated bankers within six (6) working days of the redemption. As a result of operation of this Clause, the capital invested may deplete in case sufficient returns are not earned to cover the amount of Relevant Interval payment required by the Unit Holder. The Unit Holders may request change of the regular income interval (i.e. monthly, quarterly, semi annually, annually), which is subject to prior written intimation of 30 days to the Management Company.

- 4.1.5 The Transfer Agent shall send an account statement to the Unit Holder each time there is an activity in the account. Such statements or report shall be sent by electronic means or ordinary mail to the Unit Holder's address recorded in the register.
- 4.1.6 In case the Management Company announces a suspension of further issue of Units of FAYSAL SAVINGS GROWTH FUND, it may allow existing Unit Holder to continue acquiring Units out of any dividend declared on Units held under this option.
- 4.1.7 The Unit Holder may withdraw funds from the option at any stage by filling out and lodging the prescribed form to the Distributor/Investment Facilitator. However, in the event the principal value of the account goes below the prescribed amount as a result of loss in valuation or as a result of application of Clauses 4.1.4(a) & 4.1.4(b) above, the minimum value requirement as stated herein above shall not apply to that extent. In such an event, the Unit Holder is free to discontinue the option or convert the remaining Units into Type 'A' Units.
- 4.1.8 In the event of winding up of **FAYSAL SAVINGS GROWTH FUND**, the Units standing to the credit of Subscriber shall be dealt with the same manner as the rest of the Units in **FAYSAL SAVINGS GROWTH FUND**.
- 4.1.9 **Certificates representing Units purchased under the Type 'B' Units shall not be issued.** However, the Transfer Agent shall send directly to each Unit Holder an account statement each time there is a transaction in the account.
- 4.1.10 All Units and fractions thereof (up to four or more decimal places) represent an undivided share in the Scheme 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 **FAYSAL SAVINGS GROWTH FUND** proportionate to the Units held by such Unit Holder. However, while maintaining the integrity of each Unit's pari passu rights, for the convenience of investors, the Management Company may issue Units with different options for different arrangements as chosen by the investor from time to time. Consequently, the Units issued with differing arrangements may have differing respective applicable quantum of the Front-end Load added to the NAV for determining the Offering Price thereof and differing respective applicable quantum of Back-end load deducted from the NAV for determining the Repurchase Price.
- 4.1.11 Unit Holders may obtain certificates representing the Type 'A' Units they hold by paying a nominal fee of Rs. 25/- per certificate plus any duties and charges as Management Company thinks fit, subject to revision from time to time by the Management Company. Requests for redemption, transfer or transmission of Units shall be processed only on the production of the certificate(s), if issued earlier. In the event of loss or defacing of certificates, the process shall be carried out subject to appropriate safeguards to the satisfaction of the Management Company / Trustee / Transfer Agent and the associated cost if any will be borne by the Unit Holder.
- 4.1.12 **Registration of Pledge / Lien** - The Transfer Agent may register a pledge / lien on any Units in favor of any third party with the specific authority of the Management Company. However, the pledge / lien shall be valid only if evidenced by a statement or letter issued by the Transfer Agent indicating the Units marked in favor of the Pledgee. The onus for due process having been followed in registering a lien shall lie with the party claiming the lien. (Please see Clause 4.6 for details).
- 4.2 Purchase and Redemption of Units**
- (a) Units are purchased at the Offer Price and redeemed at the Redemption Price at any of the Authorized Distribution Offices on any Business Day, which will be from Monday to Friday (excluding holidays and days when banks are closed for public dealings) of each week in accordance with the procedure set out in Clauses 4.3 and 4.4 of this Offering Document.



- (b) During the period the register is closed, as mentioned in Clauses 4.8 and 5.8 of this Offering Document, the sale and redemption of Units will be suspended.
- (c) The Management Company may decline to issue of Units to any applicant, if it is of the opinion that it will not be possible to invest substantial inflow of fund or to meet any regulatory requirements.

### **4.3 Procedure for Purchase of Units**

#### **4.3.1 Who Can Apply?**

Any investor or any related group of investors qualified or authorized to purchase the Units may make applications for the Purchase of Units in the Fund. The onus for being so qualified lies with the investor and neither the Management Company, nor the Trustee, nor the Transfer Agent nor the Distributors nor the Investment Facilitators accept any responsibility in this regard. Application may be made in pursuant to the procedures described in paragraph 4.3.2 below including but not limited to:

- Citizens of Pakistan resident in Pakistan: In respect of minors below 18 years of age applications may only be made by their guardians.
- Companies, corporate bodies, financial institutions, banks, partners of a firm and societies incorporated in Pakistan provided such investment is permitted under their respective memorandum and articles of association and / or bye-laws.
- Pakistanis resident abroad, foreign nationals and companies incorporated outside Pakistan can apply for Units subject to the regulations of the State Bank of Pakistan and the Government of Pakistan and any such regulations and laws that may apply to their place of residence, domicile and citizenship. The payment of dividends and redemption proceeds to such investors shall be subject to the relevant taxation and exchange regulations / laws. Any person making an application for the Purchase of Units in the Fund shall warrant that he is duly authorized to purchase such Units.
- Provident Funds constituted by companies registered under the Companies Ordinance, 1984, subject to conditions and investment limits as laid down in Employees Provident Fund (Investment in Listed Securities) Rules, 1996, as amended from time to time, including by SROs.
- Provident, Pension and Gratuity Funds constituted by organizations other than companies under Section 20(h) of the Trusts Act 1882, (11 of 1882).
- Insurance companies under the Insurance Ordinance, 2000.
- Non Profit Organization under Section 213 (i) of the Income Tax Rules, 2002.

The management reserves the right to reject any investment.

#### **4.3.2 Account Opening Application Procedure**

- A. Fully completed application form for purchase of Units, accompanied with the full amount for the investment and copies of the documents mentioned in the subparagraphs below should be delivered at any of the Authorized Branches of the Distribution Companies or may be submitted to the Management Company through an Investment Facilitator during the business hours on each business day as announced by the Management Company from time to time. Currently only the Authorized Branches of the Distribution Companies as mentioned in Annexure "C" of this Offering Document are authorized to collect application and payment for the issue of Units as laid down in Clause 4.3.4 of this Offering Document.



- 
- B. In case of individuals, a photocopy of the Computerized National Identity Card (CNIC) of the applicant or any other form of identification acceptable to the Management Company, need to be furnished.
- C. In case of body corporate or a registered society, institutions, corporates, trusts attested copies of the following documents may be submitted:
- i. Investor's name
  - ii. List of Authorized Signatories along with copies of CNIC and their specimen signatures.
  - iii. Instructions for Redemption.
  - iv. Bank details.
  - v. Instructions for Dividend mandate, Zakat and Tax status.
  - vi. Memorandum and Articles/ charter / bye-laws or rules and regulation.
  - vii. Power of attorney and / or relevant resolutions of the board of directors delegating any of its officers to invest in the fund and / or to realize the investments and
  - viii. Other relevant documents as may be required by the Transfer Agent.
- D. In case of existing Unit Holders, if any of the documents have previously been deposited with the Management Company and /or Transfer Agent., fresh submission of documents will not be required, provided that deposited documents are acceptable to Management Company. However, the account number must be provided to facilitate linking.
- E. Once the Investor Account has been opened, the Investor will be allotted a specific Registration/ Folio Number which can be used for all future transactions to facilitate reference and linking.
- F. The applicant will receive a note confirming the receipt of the application form from Authorized Officer of the Distributor or Management Company. Payment of Units can be made by cheque, pay order, demand draft as so desired.
- G. The Distribution Company and /or Management Company will be entitled to verify the particulars given in the application form. In case of any incorrect information the application may be rejected if the applicant fails to rectify the discrepancy.
- H. If subsequent to receipt of the application by the Distributor, but prior to issue of the Units, the application is found by the Transfer Agent or the Distributor to be incomplete or incorrect in any material manner, the Transfer Agent or the Distributor will advise the applicant to remove the discrepancy; in the mean while the application will be held in abeyance for fifteen days. In the event the discrepancy is not removed in the said fifteen days, the amount will be refunded without any markup.
- I. However, in the event Units have been issued and a material discrepancy is discovered subsequent to that, the Transfer Agent or the Distributor will advise the applicant in writing to remove the discrepancy within fifteen days. If the investor, in the opinion of the Transfer Agent, fails to remove the discrepancy without good cause, the Units shall be redeemed at the Redemption Price fixed on the date the Units are so redeemed. The Unit Holder shall not be entitled to any payment beyond the redemption value so determined.
- J. Investors will be allotted Units based on the Offer (Purchase) Price of the Fund, as announced by the Management Company, for the day on which correctly filled Investment Form is submitted to the Distributor (please refer to Clause 3.7 above) and / or Management Company within the business hours on the business day as may be prescribed by the Management Company from time to time. However, the Investor will be provided the account statement within seven (7) business days after the said purchase amount of the Units purchased have been credited to the Fund Account.

In the event a cheque is returned unpaid, the Management Company will assume the application for subscription to be regarded as void. The investor will be asked to submit fresh payment for the said Units which will then be allotted Units based on the Offer (Purchase) Price announced by the Management Company on the day the said new Investment Form together with the payment is received by the Distributor and / or Management Company on the business day within the business hours as may be prescribed by the Management Company from time to time.

#### **4.3.3 Joint Application**

- A. Joint application can be made by up to four applicants. Such persons shall be deemed to hold Units on first holder basis; however, each person must sign the application form and submit a copy of their Computerized National Identity Card or other identification document.
- B. The first named Holder shall receive all notices and correspondence with respect to the account, as well as proceeds of any redemption, or dividend payments. Such person's receipt or payment into the person's designated bank account shall be considered as a valid discharge by the Trustee of its obligation.
- C. In the event of death of the first Holder, the person first in the order of survivor(s) as stated in the application form shall be the only person recognized by the Trustee to receive all notices and correspondences with regards to the accounts, as well as proceeds of any redemption requests or dividend. Such person's acknowledgement of receipt of proceeds shall be considered as the valid discharge by the Trustee of its obligations.

Provided however the Trustee and/or the Management Company may at their discretion request the production of a Succession Certificate from an appropriate Court before releasing of redemption requests or dividends in cases of doubts or disputes among the Joint Unit Holders and/or the legal heirs or legal representatives of the deceased.

#### **4.3.4 Purchase of Units**

An application for purchase of Units may be lodged with any authorized Distributor or presented to the Management Company or through an Investment Facilitator. The application shall be in the form prescribed by the Management Company. Application forms are available with Distributors or Investment Facilitators or may be obtained from the Management Company or its web site. Units shall be issued based on the Purchase (Offer) Price that is determined as per Clause 4.9.3.

Payment for the Fund Units can be made in the form of:

- Demand draft or Pay order in favor of CDC-Trustee **FAYSAL SAVINGS GROWTH FUND**
- Online transfer of money
- Cheque (account payee only marked in favor of CDC-Trustee **FAYSAL SAVINGS GROWTH FUND**)

The Management Company may also notify from time to time, arrangements or other forms of payment within such limits and restrictions considered fit by it.

The aforesaid payments must be handed over to a Distributor and / or Investment Facilitator who will acknowledge the receipt on the Investment Form. Such payments must only be deposited in the bank account of the Fund titled "CDC - Trustee **FAYSAL SAVINGS GROWTH FUND**" maintained with the designated banks and their branches.

Notwithstanding the above, nothing contained herein shall be construed as limiting or otherwise restricting the Management Company's liability under Rule 65 of the Rules.

#### 4.4 Procedure for Redemption of Units

##### 4.4.1 Who Can Apply?

All Unit Holders, other than Core Investors are eligible to redeem the said Units. Core Investors will be eligible for redemption after the expiry of the period of two years from the date of the closure of the Initial Period; however such units are eligible for transfer subject to the condition that the new transferee of such unit(s) agrees to the same for the balance period, if any.

##### 4.4.2 Redemption Application Procedure

- A. Request for redemption can be made by completing the prescribed application form and endorsing the relevant Certificate, if issued and submitting the same to any of the Authorized Branches of the Distribution Companies or to the Management Company or through an Investment Facilitator within business hours on the business day as announced by the Management Company from time to time. In case the Certificate is not issued, the applicant has only to complete the prescribed application form. The request for redemption would be honored after verifying the signature and other particulars of the Unit Holder from the Register.
- B. The Unit Holder will receive a note confirming the receipt of the application for redemption from the relevant Distribution Office.
- C. The Distribution Company and /or Management Company will be entitled to verify the particulars given in the application form. In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.
- D. If subsequent to receipt of the application by the Distributor, but prior to the Redemption of the Units, the application is found by the Transfer Agent or the Distributor to be incomplete or incorrect in any material manner, the Transfer Agent or the Distributor will advise the applicant to remove the discrepancy; in the meanwhile the application will be held in abeyance for fifteen days. In the event the discrepancy is not removed in the said fifteen days, the application for redemption will be cancelled treating the same as null and void. The Unit Holder will then have to submit a fresh application for Redemption of Units.
- E. Units will be redeemed on the basis of daily Net Asset Value (NAV) applicable for the business day on which a correctly filled Redemption Form is submitted within business hours as announced by the Management Company from time to time.
- F. Unless otherwise instructed, payment of the redemption proceeds will be made by a cross cheque, in favor of Unit Holder's registered name or first name joint Holder in the event of Joint Holders, and will be sent to registered address of the Unit Holder or first name joint Holder, or if so authorized by all the joint holders, at the address of the Joint Holder who has signed the redemption form as provided, within six (6) business days of the receipt of a properly documented request for redemption of Units. However, if so authorized by the Unit Holder, payment of redemption proceeds will be made by transfer to the bank account number of the Unit Holder or first- named joint holder in the event of joint Holder. No money shall be paid to any intermediary except the Unit Holder /joint Holder or his /their authorized representatives.
- G. Redemption of Fund Units may be suspended or put in queue due to exceptional circumstances. For detailed information about this please refer to Clause 4.7.2 and Clause 4.7.3 below.
- H. Partial Redemption of Units covered by a single Certificate is not permitted. However, Fund Unit Holders may apply for a splitting of the Certificate before applying for redemption.
- I. 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.

#### 4.4.3 Joint Unit Holder(s)

Unless the Joint Unit Holder(s) of Units have specified otherwise, all the Joint Unit Holder(s) shall sign the Redemption Form for such Units.

#### 4.5 Procedure for Requesting Change in Unit Holder Particulars

##### 4.5.1 Who Can Request Change?

All existing Unit Holders or those who have purchased Fund Units as per Clause 4.3 above are eligible to change their Unit Holder details if they so desire. Such change in particulars and requests can be made via the Service Request Forms. These Forms may be obtained from Distributors or Investment Facilitators or from the Management Company or through its web site.

##### 4.5.2 Application Procedure for Change in Particulars

- A. The information submitted at the time of purchase of Units can be changed through the Service Request Form.
- B. Some of the key information which the Unit Holder can change is as follows:
  - i. Change in address
  - ii. Joint Holder details
  - iii. Nominee details
- C. The Unit Holder can also issue the following instructions:
  - i. Change in bank account details
  - ii. Account operating instructions
  - ii. Frequency of profit payments
- D. Fully completed service request form has to be submitted by both Individuals and / or by Institutional Investor(s).

This Form should be delivered to any of the Authorized Branches of the Distribution Companies or may be submitted to the Management Company through an Investment Facilitator within business hours on the business day as announced by the Management Company from time to time.

- E. The applicant must obtain a copy of the service request form signed and duly verified by an Authorized Officer of the Distributor or Management Company if the Form is given to an Investment Facilitator. Notwithstanding the above, nothing contained herein shall be construed as limiting or otherwise restricting the Management Company's liability under Rule 65 of the Rules.
- F. The Distribution Company and /or Management Company will be entitled to verify the particulars given in the application form. In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.
- G. The Unit Holder will be liable for any taxes, charges or duties that may be levied on any of the above changes that the Unit Holder may request via the Service Request Form. These taxes, charges or duties may either be recovered by redemption of Unit Holder equivalent Units at the time of the service request or the Management Company may require separate payment for such services.

#### **4.5.3 Joint Unit Holder(s)**

Unless the Joint Unit Holder(s) of Units have specified otherwise, all the Joint Unit Holder(s) shall sign the Service Request Form for such Units.

#### **4.5.4 Partial Transfer**

Partial transfer of Units covered by a single Certificate is permitted. Provided that the Unit Holder must apply for splitting of the unit certificate representing the partial amount and then the new certificate shall be applied for transfer.

### **4.6 Procedure for Pledge / Lien / Charge of Units**

#### **4.6.1 Who Can Apply?**

All existing Unit Holders or those who have purchased Fund Units as per Clause 4.3 above are eligible to apply for pledge / lien / charge of Units if they so desire. Such Pledge / Lien / Charge can be made via the Pledge of Units Form as attached in Annexure "D" of this Offering Document. These forms may be obtained from Distributors or Investment Facilitators or from the Management Company or through its web site ([www.faysalfunds.com](http://www.faysalfunds.com)).

- 4.6.2 Any Unit Holder and / or Joint Unit Holder(s) may request the Transfer Agent to record a pledge / lien of all or any of his / their Units in favor of any third party legally entitled to invest in such Units in its own right. The Transfer Agent shall register a lien on any Units in favor of any third party with the consent of the Management Company. However, the lien shall be valid only if evidenced by a lien letter issued in the form attached hereto as Annexure E, which shall bear a special series sequential number and shall be signed by the Registrar and countersigned by two officers of the Management Company specifically authorized by its Board of Directors for signing letters of lien. The onus for due process having been followed in registering a lien shall lie with the party claiming the lien.
- 4.6.3 The lien once registered shall be removed by the authority of the party in whose favor the lien has been registered or through an order of a competent court. Neither the Trustee, nor the Management Company, nor the Transfer Agent, shall be liable for ensuring the validity of any such pledge / charge / lien. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge/charge/lien by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company and the Transfer Agent shall take any responsibility in this matter.
- 4.6.4 Payments of dividends or the issue of bonus Units and redemption proceeds of the Units or any benefits arising from the said Units that are kept under pledge/ charge / lien shall be paid to the order of the pledge/ charge / lien holder's bank account or posted to the registered mentioned in the pledge/ lien application form submitted.
- 4.6.5 The Distribution Company and /or Management Company will be entitled to verify the particulars given in the application form. In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.
- 4.6.6 Fully completed Pledge of Units Form has to be submitted by both Individuals and/or by Institutional Unit Holders. This Form should be delivered to any of the Authorized Branches of the Distribution Companies or may be submitted to the Management Company through an Investment Facilitator within business hours on the business day as announced by the Management Company from time to time.
- 4.6.7 All risks and rewards, including the right to redeem such units and operate such account, shall vest with the pledge / lien / charge holder. This will remain the case until such time as the pledge / lien / charge holder in writing to the Management Company instructs otherwise.

#### **4.7 Suspension of Dealing, Queue System and Winding Up**

Under the circumstances mentioned in Clause 4.8 below, the Management Company may request the Trustee to approve a temporary change in the method of dealing in Units. Such approval shall not be unreasonably withheld.

##### **4.7.1 Suspension of Fresh Issue of Units**

The Management Company may suspend issue of fresh Units in the event of extra ordinary circumstances as mentioned in clause 4.8 of this Offering Document. The Management Company shall announce the details of exemptions at the time a suspension of fresh issue of units is announced. Such suspension may however not affect existing Unit Holders, the issue of bonus Units as a result of profit distribution or the option to receive dividends in the form of additional Units. The Management Company shall immediately notify the SECP if fresh issue of Units is suspended and shall also have the fact published, immediately following such decision, in the newspapers in which the Fund's prices are normally published.

##### **4.7.2 Suspension of Redemption of Units**

In the event of extraordinary circumstances as mentioned in Clause 4.8 of this Offering Document, the Management Company may suspend or defer Redemption of Units. The circumstances under which the Management Company may suspend redemption shall be the event of war (declared or otherwise), natural disasters, a major break down in law and order, breakdown of the communication system, terrorist threat and / or activities, closure of the capital markets and /or the banking system or strikes or other events that render the Management Company, Transfer Agent, Trustee or the Distributors unable to function or any other conditions mentioned in the Rules.

##### **4.7.3 Queue System**

In the event redemption requests on any day exceed ten percent (10%) of the Units in issue, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for upto ten percent (10%) of the Units in issue. The Management Company shall proceed to sell adequate assets of the Fund and / or arrange borrowing as it deems fit in the best interest of all 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 basis proportionate to the size of the requests. The requests in excess of ten percent (10%) shall be treated as redemption requests qualifying for being processed on the next business day at the price to be determined for such redemption requests. However, if the carried over requests and the fresh requests received on the next business day still exceed ten percent (10%) 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 (10%) of the Units then in issue.

##### **4.7.4 Winding up in view of Major Redemptions**

In the event the Management Company is of the view that the quantum of redemption requests that have built up are likely to result in the Fund being run down to an unsustainable level or it is of the view that the sell off of assets is likely to result in a significant loss in value for the Unit Holders who are not redeeming, it may announce winding up of the Fund as per NBFC Rules. 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.

#### **4.8 Issue and Redemption of Units in Extraordinary Circumstances**

The Management Company may, at any stage, suspend the issue (sale) of Units and for such periods as it may so decide. The Issue and Redemption of Units may be suspended during extraordinary circumstances including closure of one or more Stock Exchange(s) on which any of the Securities invested in by the Fund are listed, the existence of a state of affairs, which in the opinion of the Management Company, constitutes an emergency as a result of which disposal of any investment would not be reasonably practicable or might seriously prejudice the interest of the Fund or of the Unit Holders, or a break down in the means of communication normally employed in determining the price of any investment, or when remittance of money 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 determined in accordance with the Net Asset Value. The Management Company may announce a suspension or deferral of redemption. Such a measure shall be taken to protect the interest of the Unit Holders in the event of extraordinary circumstances or in the event redemption requests accumulate in excess of ten percent (10%) of the Units in issue. In the event of a large number of redemption requests accumulating, the requests may be processed in a Queue System and under extreme circumstances the Management Company may decide to wind up the Fund. Details of the procedure are given in Clause 4.7 herein above. Such suspension or queue system shall end on the day following the first Business Day on which the conditions giving rise to the suspension or queue system, shall in the opinion of the Management Company, have ceased to exist and no other condition under which suspension or queue system is authorized under the Deed exists. In case of suspension and invoking of a queue system and end of suspension and queue system, the Management Company shall immediately notify the SECP and publish the same in the newspaper in which the Fund's prices are normally published.

#### **4.9 Frequency of Valuation, Dealing and Mode of the Price Announcement**

- 4.9.1 For the Classes of Units and the Initial Period (Purchase) Prices, please refer to Clause 1.6.2 and Clause 1.8 of this Document.
- 4.9.2 Subsequent to the Initial Period, the Management Company shall announce the Purchase (Offer) and Redemption (Repurchase) Prices daily, calculated on the basis of the NAV and adjusted for such load, transaction costs, charges and duties as are described herein. The method of calculation shall be cleared to the Trustee's satisfaction that such method is adequate for ensuring accurate calculation of the prices.
- 4.9.3 The Purchase (Offer) Price shall be equal to the sum of the Net Asset Value (NAV) as of the close of the Business Day (in the event there are closed days, for any reason, following that Business Days, the NAV so determined shall be adjusted for the accrual of income or losses if any for such closed days), Transaction Cost, any Front-End Sales Load (Load) not exceeding 5% of the Purchase (Offer) Price (Please refer to Annexure "B" for the current level of load) and such amount as the Management Company may consider appropriate provision for Duties and Charges. The Purchase (Offer) Price so determined shall apply to purchase requests, complete in all respects, received by the Distributor and / or Management Company during the business hours on the succeeding Business Day on which the Investment Form has been received.
- 4.9.4 The Redemption Price shall be equal to the sum of the Net Asset Value (NAV) as of the close of the Business Day (in the event there are closed days, for any reason, following that Business Days, the NAV so determined shall be adjusted for the accrual of income or losses if any for such closed days) less Transaction Cost, if any, a Back-End Sales Load (Load) not exceeding 5% of the Redemption Price (Please refer to Annexure "B" for the current level of load) and such amount as the Management Company may consider appropriate provision for Duties and Charges (0.3% of NAV will be charged as transaction fee in case redemption is requested within 15 calendar days of purchase of Units). The Redemption Price so determined shall apply to redemption requests, complete in all respects, received by the Distributor and / or Management Company during the business hours on the succeeding Business Day on which the Redemption Form has been received. However, the Back-End Load may not be deducted from the NAV for such units that are being converted in another scheme being run by the Management Company.



- 4.9.5 The Management Company shall, at such frequencies as may be prescribed in this Offering Document or under the Rules, determine and announce the Net Asset Value based prices of the Units.
- 4.9.6 The Management Company shall publish the Purchase (Offer) and Redemption (Repurchase) Prices in at least one daily newspaper widely circulated in Pakistan.
- 4.9.7 The prices determined, as described hereinabove shall be subject to adjustment for any taxes payable in the jurisdiction of the transaction.

#### **4.10 Purchase (Offer) and Redemption (Repurchase) of Units outside Pakistan**

- A. Subject to prior separate written approval from SECP, State Bank of Pakistan, 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 by 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.
- B. 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 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.
- C. The currency of transaction of the Trust is the Pakistan Rupee and the Management Company, Trustee or any Distributor are not obliged to transact the purchase or redemption of the Units in any other currency and shall not be held liable, save as may be specifically undertaken by the Management Company, for receipt or payment in any other currency or for any obligations arising there from.

### **5. DISTRIBUTION POLICY**

#### **5.1 Distribution Policy**

The net amount available for distribution at the end of the financial year (or such interim period as may be decided by the Management Company), shall comprise of the revenues earned by the Fund including the net impact of the revenue collected and paid out in the NAV calculation through Purchase (Offer) and Redemption (Repurchase) of Units, less all expenses incurred or accrued attributable to the Fund.

The Fund may distribute 90% of the amount available for distribution or any other payout ratio as bonus Units or cash dividends in order to avail tax exemption or any other benefits in the interest of the Unit Holder.

#### **5.2 Declaration of Dividend**

The Management Company shall decide from time to time the Relevant Period, for the declaration of dividend but not later than 45 days from close of Accounting Period, and whether to distribute among Holders, profits (if any) and shall advise the Trustee accordingly. Such profits may be distributed in cash, additional units, or a combination of both as the Management Company may determine.

### **5.3 Determination of Distributable Income**

The amount available for distribution in respect of any Relevant 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, mark-up, profit, etc.;
- b) The proceeds of sales of rights and all other receipts deemed by the Management Company to be in the nature of capital accruing from Investments shall not be regarded as available for distribution but shall be retained as part of the Fund Property, provided that such amounts out of the sale proceeds of the Investments and out of the sale proceeds of the rights, bonus shares and all other receipts as deemed by the Management Company to be in the nature of the net realized appreciation may be distributable to the Unit Holders by the Trustee upon instructions of the Management Company and shall thereafter cease to form part of the Fund Property once transferred to the Distribution Account.
- c) Net realized appreciation as set out in (b) above from which shall be deducted expenses as set out in Clause 6.2 below and such other adjustments as the Management Company may determine in consultation with the Auditors, subject to the Rules and the provisions of the Income Tax Ordinance and the Rules thereunder.

### **5.4 Reinvestment of Dividend**

Dividends shall be automatically reinvested in additional Units. However, a Unit Holder may instruct the Management Company in writing by completing the prescribed form not to re-invest the future dividends to which he will be entitled. In such an event future dividends shall be paid by way of transfer to his designated bank account. The issue price shall be determined on the basis of the NAV of June 30 or relevant date after appropriation of income of that year/ relevant period, but without any charge of the Front-End Load. The issuance of the bonus Units shall be made, net of any taxes, charges and duties that the Management Company or the Trustee is obliged to recover from the Unit Holder.

### **5.5 Bonus Units**

The Management Company may decide to distribute, wholly or in part the distributable income in the form of stock dividend if it is in the interest of Unit Holders, which would comprise of the Bonus Units of the Trust. The Bonus Unit would rank *pari passu* as to their rights in the Net Assets, earnings and receipt of dividend and distribution with the existing Units from the date of issue of these Bonus Units. The account statement or Unit Certificate shall be dispatched to the Unit Holder within fifteen (15) days of the issue of Bonus Units. The Unit Holder(s) have the option to en-cash the Bonus Units at ex-dividend Net Asset Value as on June 30 of the relevant period.

### **5.6 Payment of Dividend**

All payments for dividend shall be made by transfer of funds to the Unit Holder(s) designated bank account or through any other mode(s) of payment and such payment shall be subject to NBFC Rules (or the charge- holder's designated bank account in case of lien / pledge of Units as the case may be).

### **5.7 Dispatch of Dividend Warrants/Advice**

Dividend warrants/advice and or Account Statement as the case may be shall be dispatched to the Unit Holder's or the charge-holder's registered address as per the Rules.

### **5.8 Closure of Register**

The Management Company may close the Register by giving at least seven (7) days notice to Unit Holders and for period not exceeding forty-five (45) days in a calendar year. During the period, the Register is closed, the sale and redemption of units, including transfer applications, will be suspended.

## **6. FEE AND CHARGES**

### **6.1 Fees and Charges Payable by an Investor**

#### **6.1.1 Sales and Processing Charges (Front-end Load)**

The Unit Purchase Price includes front-end load of a maximum of five percent (5%) of the Purchase (Offer) Price (The current level of Front End Load is Nil as indicated in Annexure "B"). The issue price applicable to bonus Units issued by way of dividend distribution or issue of Units in lieu of cash distribution shall not include any Front-End Load. Transfer of Units from one owner to another shall be subject to a processing charge of an amount not exceeding one percent (1%) of the Net Asset Value at the date the request is lodged within business hours on the business day to the Authorized Distributor, or Transfer Agent or Management Company, which shall be recovered from the transferee. These taxes, charges or duties may be recovered by redemption of Unit Holder equivalent Units at the time of the transfer or may be charged separately. However, the processing charge shall not be payable by successors in the case of inheritance or distribution of the estate of a deceased Unit Holder.

#### **6.1.2 Remuneration of Distribution Company / Investment Advisor / Investment Facilitator**

- A. The Distribution Company or any Investment Facilitator/Investment Advisor/Sales Agents employed by the Management Company will be entitled to a remuneration payable by the Management Company (out of its own resources) on terms to be agreed between the Management Company and the Distribution Company/ Advisor/ Facilitator/ Sales Agent.
- B. The remuneration of the Distribution Company shall be paid by the Trustee and/ or Management Company and shall not be charged to the Trust Property. The remuneration due to the Distribution Company shall be paid within thirty (30) calendar days of the end of the calendar months.
- C. In the event that Distribution Function is to be performed by more than one Distribution Company, the remuneration shall be distributed amongst the Distribution Companies in proportion to the Units sold during the relevant period.
- D. Distributor/Investment Facilitators or Advisors located outside Pakistan may if so authorized by Trustee and the Management Company will be entitled to a remuneration (from its own resources) in terms to be agreed between the Management Company and the Distributor located outside Pakistan, subject to the law for the time being in force.

#### **6.1.3 Redemption Processing Charge (Back-end Load)**

The Unit Redemption Price is calculated after deducting a processing charge not exceeding 5% percent from the Net Asset Value of the Unit (The current level of Back-end Load is NIL as indicated in Annexure "B"). 0.3% of NAV will be charged as transaction fee in case redemption is requested within 15 days of purchase of Units.

## **6.2 Fees and Charges Payable by FAYSAL SAVINGS GROWTH FUND**

The following expenses will be borne by the Fund:

### **6.2.1 Remuneration of the Management Company**

The Management Company shall be entitled to receive:

A remuneration of an amount not exceeding three percent (3.0%) per annum of the average annual Net Assets for the first five years of the scheme and there after of an amount equal to two percent (2.0%) per annum of the average annual Net Assets.

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

The Management Company shall be entitled to draw advance remuneration on a monthly basis from the Trust Property out of its accrued remuneration.

### **6.2.2 Remuneration of the Trustee**

The Trustee shall be entitled to a monthly remuneration out of the Fund Property based on an annual tariff of charges annexed hereto (Annexure A), which shall be applied to the average daily Net Asset Value during such calendar month. The remuneration shall begin to accrue from the close of the Initial 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. Any costs incurred by the Trustee such as legal and related costs incurred in protecting or enhancing the interests of the Fund or the collective interest of the Unit Holders, are reimbursable at actual, out of the Fund's properties. All expenses incurred by Trustee affecting the registration of all registerable property in Trustee's name for the benefit of the Fund, are reimbursable at actual, out of the Fund's properties.

- 6.2.3 Formation Cost, estimated at but shall not exceed one (1%) percent of Core Investment or if Pre-IPO investment exceeds Rupees One billion then a maximum amount of Rs. Four million, will be amortized over a period not exceeding five years.
- 6.2.4 Brokerage and Transaction Costs related to investing and disinvesting of the Fund Property.
- 6.2.5 Legal and related costs incurred in protecting or enhancing the interests of the Scheme or the collective interest of the Unit Holders, including tax consultancy charges incurred specifically to the Fund.
- 6.2.6 Bank charges and borrowing/financial costs; provided that the charges payable to any bank or financial institution against borrowings on account of the Trust as permissible under Clause 6 above, shall not be higher than the normal prevailing bank charges or normal market rates
- 6.2.7 Auditors' Fees and expenses; and
- 6.2.8 Listing Fee payable to the Stock Exchange(s) on which Units may be listed.
- 6.2.9 Annual fee payable to the SECP under Rule 79 of the Rules or substitute thereof.
- 6.2.10 Taxes, if any, applicable to the Trust and its income and/or its properties.
- 6.2.11 Rating fee and other expenses directly related to or arising out of the activities of the Fund.
- 6.2.12 Marketing expenses specifically related to the Fund.

6.2.13 Charges and levies of stock exchange(s), SECP charges, National Clearing and Settlement Company, CDC, CVT, Laga, Fund Dividend/Redemption of units transfer charges as payable to bank at time of transfer of funds to Unit Holder and other levies and charges.

6.2.14 Any other expenses, charges and taxes permissible under the Rules

Such expenses shall be reimbursed to the Management Company at actual, if these are paid by Management Company on behalf of the Fund, within 30 days.

### **6.3 Expenses of the Management Company and the Trustee**

The Management Company and Trustee shall bear all expenditures in respect of their respective secretarial and office space and professional management including all accounting and administrative services provided in accordance with the provisions of the Deed. Neither the Management Company nor the Trustee shall make any charge against the Unit Holders nor against the Fund Property nor against the Distribution Account for their services nor for expenses, except such expenses or fees as are expressly authorized under the provisions of the Rules and the Deed to be payable out of Fund Property.

## **7. TAXATION**

### **7.1 Taxation on the Income of the Fund**

#### **7.1.1 Liability for Income Tax**

Under the Tax Law in Pakistan, the definition of a public company includes a Unit Trust whose units are widely available to the public and any other Trust as defined in the Trust Act, 1882. The Fund will be regarded as a public company liable to a tax rate applicable to a public company.

The income of the Fund will accordingly be taxed at the following rates:

- Dividend income received from a company shall be taxed at an income tax rate of 5%.
- Capital gain arising on sale of securities listed on any Stock Exchange(s) in Pakistan is exempt from tax upto tax year 2008.
- Income from Term Finance Certificates or Corporate Paper(s), Government Securities, return on deposits / certificates of investment/deposit with banks / financial institutions, money market transactions, profit and loss sharing accounts with banks or any other income not mentioned above is taxable at the rate applicable to a public company (as per Income Tax law).

Notwithstanding the tax rates given above, the income from the Fund will be exempted from tax if 90% or more of the income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the Unit Holders as dividend. Further under the provisions of Clause 47(B) of Part (IV) of the Second Schedule to the Income Tax Ordinance 2001 the Fund's income from dividend, profit on debt, brokerage and commission is exempt from withholding tax under relevant provision of Law.

#### **7.1.2 Zakat**

The Fund is Sahib-e-Nisab under Zakat and Ushr Ordinance, 1980.

### **7.2 Taxation on Unit Holders**

**Disclaimer: The information set forth below is included for general information purposes only. In view of individual nature of tax consequences, each investor is advised to consult with his tax advisor with respect to the specific tax consequences to him of investing in the Fund.**

7.2.1 Unit Holders of the Fund will be subject to Income Tax on dividend income (excluding the amount of dividend paid out of capital gains, if the Fund is taxed on the said capital gains) as under:

- Resident Companies 5%
- Others 10%

The rate of tax so specified will be the final tax and the payer (Trustee) will be required to withhold the amount of tax at source.

Unit Holders who are exempt from income tax may obtain exemption certificate from the Commissioner of Income Tax and provide the same to the Management Company and / or Transfer Agent and on the basis of Exemption Certificate income tax will not be withheld.

Every banking company or non-banking finance company shall be chargeable to tax under the head "Income from Business" on the portion of profit on debt, if any, included in Dividend, distributed by FAYSAL SAVINGS GROWTH FUND, out of its income.

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

#### **7.2.2 Capital Gains**

Capital Gains in disposition of Units in the Fund will be subject to capital gains tax at the applicable tax rate. The Units of the Fund will be listed on the Stock Exchange(s). Consequently, subject to such listing, the Capital Gain on disposal of the Units shall be exempt from tax upto Tax Year ending on 30th day of June 2007.

#### **7.2.3 Tax Credit**

Unit Holders other than a company shall be entitled to a tax credit under Section 62 of the Income Tax Ordinance, 2001, on purchase of new Units. The amount on which tax credit will be allowed shall be lower of (a) amount invested in purchase of new Units, (b) 10% of the taxable income of the Unit Holder, and (c) Rupees Two hundred thousand, and will be calculated by applying the average rate of tax of the Unit Holder for the tax year. If the Units so acquired are disposed within 12 months, the amount of tax payable for the tax year in which the Units are disposed shall be increased by the amount of tax credit, if claimed earlier.

#### **7.2.4 Zakat**

Units held by resident Pakistani shareholders (individuals only) shall be subject to Zakat at 2.5% of the Par value of the Units under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted under the said Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds.

#### **7.3 Dividends**

The Fund may distribute 90% of the amount available for distribution or any other payout ratio as bonus Units or cash dividends in order to avail Tax Exemption or any other benefits in the interest of the Unit Holder(s).

#### **7.4 Disclaimer**

The tax and zakat information given in clause 7 is based on the Management Company's interpretation of the law, which to the best of the Management Company's understanding is correct but Investors are expected to seek independent advice so as to determine the taxability arising from their investment in the Units of the fund. Furthermore, tax and zakat laws, including rates of taxation and of withholding tax are subject to amendments from time to time. Any such amendments in future shall be deemed to have been incorporated herein.

The entire information in Clause 7 is based on the current taxation status. The exemptions and rates of taxation are subject to change from time to time.

### **8. REPORTS AND ACCOUNTS**

#### **8.1 Financial Year of FAYSAL SAVINGS GROWTH FUND**

The Accounting Period will commence from the date of registration of the Fund for the first year to June 30, and from July 01 to June 30 for all the following years.

#### **8.2 Financial Reporting**

The following reports will be sent to the Unit Holders:

- a) Audited financial statements, together with the auditors report, report by the Management Company (Director's Report) and the report by the Trustee within four months of the close of each Accounting Period.
- b) Un-audited financial statements (subject to limited scope review by auditors), together with the report by the Management Company within two months of the close of the second quarter of the Accounting Period, as per the Rules.
- c) Un-audited financial statements, together with the report by the Management Company within one month of the close of the first and third quarter of each Accounting Period or such period as prescribed by SECP or the Rules.
- d) The Trustee shall issue a report to the Unit Holders to be included in the annual report, or at such times as directed by the SECP, in accordance with the Law, whether in its opinion, the Management Company has in all material respects managed the Fund Property in accordance with the provisions of the Rules and the Deed and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof. The regularity of reporting will change if so required by the SECP or under the Rules and the Ordinance.

### **9. SERVICE TO UNIT HOLDERS**

#### **9.1 Availability of Forms**

All the Forms mentioned and/or included in this Offering Document will be available at the Authorized Branches of the Distribution Companies as well as from the Management Company or on its web site at [www.faysalfunds.com](http://www.faysalfunds.com).

#### **9.2 Register of Unit Holders**

- A Register of Unitholders shall be maintained by Gangjees Registrar Services (Pvt) Limited, in their capacity as the Registrar, presently having its office at 516, Clifton Centre, Khayaban-e-Roomi, Block 5, Clifton, Karachi-75600, or such other company, as the Management Company may appoint after giving prior notice to the Unitholders.

- Every Unit Holder will have a separate Registration/Folio Number. The Management Company shall use such Registration/Folio Number for recording Units held by the Unit Holder. Unit Holder's account identified by the Registration/Folio number will reflect all the transactions in that account held by such Unit Holder.
- The Holder will be entitled to ask for copies of his account statement thereof on any Business Day within business hours by applying to the Transfer Agent in writing and providing such fee that the Management Company may notify from time to time.
- The Register shall be conclusive evidence as to the Units held by each Unit Holder.

### **9.3 Information in the Register**

The Register will normally contain the following major information:

#### **9.3.1. About Unit Holders**

- a) Name of Unit Holder / Joint Unit Holders;
- b) Address of Unit Holder / first named Joint Holder;
- c) National Identification Number(s) of Unit Holder/ Joint Unit Holders and or identification number of passport, if applicable;
- d) Father's or Husband's name of Unit Holder in case of individual;
- e) Tax status of the Unit Holder;
- f) Bank details;
- g) Zakat status of the Unit Holder(s);
- h) Record of signature of Unit Holder/ Joint Holders;
- i) Particulars of Nominee(s);

#### **9.3.2. About Units**

- a) Type and Class;
- b) Certificate number, if applicable;
- c) Dates of purchase / redemption / transfer;
- d) Number of Units held by the Unit Holder; and
- e) Information about lien / pledge / charge on Units.

#### **9.3.3 Instructions**

- a) Instruction about reinvestment or payment of dividend or the encashment of bonus Units;
- b) Instructions for redemption application;
- c) Information and instruction about Pledge of Units / lien;
- d) Information and instruction about Nominee(s) in case of death of Unit Holder;
- e) Bank details for Redemption / Dividend mandate.

#### **9.3.4 Request for Changes**

All existing Unit Holders or those who have purchased Fund Units as per Clause 4.3 above are eligible to change their Unit Holder details if they so desire. Such change in particulars and requests can be made via Special Instruction Form, as attached in Annexure "D" of this Offering Document. These Forms may be obtained from Distributors or Investment Facilitators or from the Management Company or through our web site. The Transfer Agent, who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name the surrender of any Certificate previously issued to such Holder and the payment of the fee) shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall issue a new Certificate if required to such Holder.

### **9.4 Account Statement**

The Transfer Agent may send directly to each Unit Holder an account statement each time there is a transaction in the account.



## **9.5 Certificates**

- 9.5.1 Unit Certificates will be issued only to Type 'A' Unit Holder(s) if requested.
- 9.5.2 Unit Certificate(s) will be issued only if requested by Unit Holder(s) together with a fee at the rate of Rs. 25/- per Certificate or any other amount as determined by the Management Company from time to time.
- 9.5.3 The issued Certificate would be sent through postal or courier service at the applicant's risk within Twenty one (21) Business Days after the request for the Certificate has been made, to the address of the Unit Holder or to the address of the first named Joint Holder / Principal Account Holder, if the relevant Unit or Units are jointly held.
- 9.5.4 Certificate(s) will not be issued for Type 'B' Units.
- 9.5.5 In the case of Units held jointly the Transfer Agent shall not issue more than one Certificate for the Units held by such Joint Holder(s) and delivery of such Certificate to the first named Joint Holder/Principal Account Holder named first therein shall constitute sufficient delivery to all Joint Holders. All payments required under this document (i.e. redemption and dividend) will be made to first name Joint Holder/Principal Account Holder.
- 9.5.6 Certificates shall be issued in such form as may from time to time be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the name and address of the Management Company and the Trustee, shall bear a serial number and shall specify the number of Units represented thereby and the name and address of the Holder as appearing in the Register.

## **9.6 Replacement of Certificates**

- 9.6.1 The Transfer Agent or Management Company may replace Certificates, which are defaced, mutilated, lost or destroyed on application received by them from the Unit Holder on the prescribed form on the payment of all costs and on such terms as to evidence, indemnity and security as may be required. Any defaced or mutilated Certificate must be surrendered before a new Certificate is issued.
- 9.6.2 The Unit Holder shall on application on prescribed form be entitled to consolidate the entire holding in the Fund into one (01) Certificate upon surrender of existing Certificates.
- 9.6.3 Each new issue of Certificates will require payment of Rs.25/- per Certificate, subject to revisions of fee from time to time by the Management Company.

## **9.7 Pledge/Lien of Units/Charge**

For details about Pledge / Lien of Units / Charge please refer to Clause 4.6 above.

## **9.8 Nomination**

Subject to any Personal Laws that may be applicable to a Unit Holder, a single Unit Holder can nominate a successor to receive the Units upon his death by filling in the relevant portion of the Investment Form (or may request a nomination or change in nomination through the Special Instruction Form). Nominee(s) can be nominated only by single Unit Holder when there are no Joint Holders. The maximum number of Nominee(s) can be two (02) in number with their respective shares mentioned in percentage against their respective names. Such nomination shall however not restrict the Management Company or the Trustee or the Transfer Agent from demanding succession certificate from appropriate court of law and they shall not be liable in any manner in case of any disputes among the legal heirs of the deceased.

### **10.3 Formation Cost**

All preliminary expenses relating to regulatory and registration fees of the Scheme, including flotation expenses of the Scheme, expenses relating to authorization of the scheme, execution and registration of the Constitutive Documents, legal costs, printing, circulation and publication of the Offering Document, announcements describing the scheme and all other expenses incurred until the end of the initial period shall be borne by the Fund and amortized over a period of not more than five years. Provided that the formation costs will not exceed 1% of the Core Investment or if Pre-IPO investment exceeds Rupees One billion then a maximum amount of Rupees Four million.

## **11. WARNING**

### **11.1 Offering Document**

The provisions of the Trust Deed & the Rules govern this Offering Document. This Offering Document sets out the arrangements covering the basis of the Fund Units. It sets forth information about the Fund that a prospective investor should know before investing in any Unit of the Fund. Prospective investors should consult one or more from amongst their legal adviser, stockbroker, bank manager, or other financial adviser.

### **11.2 Fluctuation in Price and Income**

Prices of Units and income from them may go up or down.

### **11.3 Disclaimer**

**The investor must recognize that all investments involve varying level of risk. Neither the value of Units in the Fund nor the dividend declared by the Fund can be assured. The historical performance of this Fund, the financial market or that any one security or transaction included in the Fund's portfolio does not necessarily indicate future performance. Investors are advised to read risk disclosure as mentioned in this document in Clause 2.4 and Clause 2.5 above for more information concerning risk.**

## **12. GENERAL INFORMATION**

### **12.1 Inspection of Constitutive Documents**

The copies of constitutive documents, such as Trust Deed and Offering Document, can be inspected free of charge at the addresses given below:

**Faysal Asset Management Limited**

3<sup>rd</sup> Floor, Faysal House,  
Shahra-e-Faisal, Karachi  
Pakistan.

**Central Depository Company of Pakistan Limited**

CDC House, 99-B, Block 'B'  
S.M.C.H.S., Main Shahra-e-Faisal,  
Karachi, Pakistan.

### **12.2 Date of Publication of Offering Document**

The Offering Document has been published on April 20, 2007. The Management Company accepts responsibility for the information contained in the Offering Document as being accurate at the date of publication.

## **13. TERMINATION OF FAYSAL SAVINGS GROWTH FUND**

### **13.1 By the Management Company**

The Fund may be terminated by the Management Company by giving three (3) months notice in writing to the Unit Holders on the grounds given in the Trust Deed and Clause 4.7.4 and 4.8 of this Offering Document. The grounds on which termination is made shall be mentioned in the notice to the Unit Holders.

### **13.2 By the Securities and Exchange Commission of Pakistan**

If the SECP considers that further continuation of the authorization of the Fund will not be in the interest of Unit Holders, it will give a three months notice to the Unit Holders about its intention not to maintain such authorization, provided that no notice shall be served without offering an opportunity of hearing to the Management Company.

### **13.3 Winding up**

The Management Company may terminate the fund, if the Net Assets at any time fall below Rupees Fifty Million. In case of the termination of the Fund, the Management Company shall be required to wind-up the Fund and refund the proceeds to the Unit Holders in such a manner and within such time as may be specified by the SECP.

## **14. GLOSSARY**

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

- 14.1 "Accounting Date" means the thirtieth day of June in each year, provided that the Management Company, with the written consent of the Trustee may change such date to any other date and such change shall be intimated to the Commission.
- 14.2 "Accounting Period" means a period ending on and including an Accounting Date and commencing in case of the first such period on the date of commencement of the Initial Period and in any other case from the end of the preceding Accounting Period.
- 14.3 "Act" is defined in the preamble.
- 14.4 "Auditor" means the Auditor of the Fund appointed by the Management Company with the consent of the Trustee as per the Rules.
- 14.5 "Authorized Investment"
- Faysal Savings Growth Fund is primarily a Money Market Fund and its "Authorized Investments" include all transacted, issued, traded, listed and un-listed investments, inside or outside Pakistan and may include the following:
- Government of Pakistan Investment Bonds, Federal Investment Bonds, Treasury Bills and other Government Securities;
  - Debentures and Certificates of Musharika (COM);
  - Long, Medium and Short term bank deposits with banks or Trustee (if it is a bank) including deposit in currencies other than the Pakistani Rupee;
  - Units/Certificates in any other income / money market Scheme if permitted;
  - Secured and unsecured listed or privately placed debt securities issued by local governments, government agencies, statutory bodies, private or public sector entities and/or financial institutions having a minimum investment grade rating. If the entity issuing the debt securities is not rated then the instrument would have a minimum investment grade rating by a credit agency registered with the SECP;
  - Convertible debt securities by corporate /financial institutions. In case Faysal Savings Growth Fund is required to convert the debt securities into share, it would offload the shares within a period of three months of the shares being issued,
  - Convertible and Non-Convertible preferred shares. In case Faysal Savings Growth Fund is required to convert the preference shares into ordinary shares it would offload the ordinary shares with a period of three months of the ordinary shares being issued.

- Certificates of Investments/ Deposits issued by financial institutions having a minimum investment grade rating by a credit agency registered with the SECP.
- Asset Backed and Mortgage Backed Debt Securities.
- Repurchase transaction (REPOs) in money market instruments only and in accordance with the Rules and reverse REPOs against eligible securities.
- Commercial Papers and any other money market debt security that may or may not be listed on the stock exchanges but does not include bearer security or any other security that would involve assumption of unlimited liability.
- Continuous Funding System (CFS); Investment in CFS shall be restricted up to a maximum of 50% of Net Assets of the Fund, with not more than 20% of CFS amount in any one scrip at the time of investment.
- Spread Transactions. Faysal Savings Growth Fund will enter into transaction aimed at earning spread in the price of securities resulting from the timing difference between ready and future settlement market. Both the transactions will be carried out simultaneously so as to avoid risk emanating from the movement in the prices underlying securities.
- Warrants, Options, Derivatives subject to the prior approval of SECP, Investment in this asset class, would be for hedging purpose only and subject to such terms and conditions approved by SECP from time to time and
- Subject to 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 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 Rules or any other regulatory authority from time to time.

- 14.6 “Back-end Load” means the charge or commission (excluding Duties and Charges) not exceeding 5% of the Net Asset Value, deducted from the Net Asset Value in determining the Redemption Price; provided however that different levels of Back-end Load may be applied to different classes of units
- 14.7 “Bank” means any Schedule 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 business in Pakistan as a Schedule Bank.
- 14.8 “Bank Accounts” means those account(s) opened and maintained for the Scheme by the Trustee at Banks, the beneficial ownership in which shall vest in the Unit Holders.
- 14.9 “Business Day” means a day on which offices of the Management Company are open for business in Pakistan. The dealing of the units of the FSGF will be done on daily basis Monday through Friday (excluding holidays and days when banks are closed for public dealings).
- 14.10 “Certificate” means the definitive certificate acknowledging the number of Units registered in the name of the Holder issued at the request of the holder pursuant to the provisions of the Trust Deed.
- 14.11 “Connected Person” shall have the same meaning as assigned in the Rules.
- 14.12 “Constitutive Documents” means the Trust Deed that is the principal document governing the formation, management or operation of the Trust, the Offering Document and all material agreements in relation to the Trust.
- 14.13 “Contingent Load” means Sales Load payable not exceeding 5% of the Net Asset Value, if Units are redeemed by any major Unit Holder in such period of time that the Management Company believes, may adversely affect the interest of other Unit Holders. Any Contingent Load received will form part of the Trust Property.

- 
- 14.14 “Continuous Funding System (CFS)” is a form of financing transacted through the Stock Exchange. It consist of two simultaneous transactions, the first for purchase of an underlying security (shares) on the next settlement date and the second for selling back the security at a higher price for a subsequent settlement date.
- 14.15 “Core Investors” of the Scheme shall be such initial investors whose subscription shall in aggregate be in compliance of the requirements of Clause 67(2) (f) of the Rules. The Core Investors shall be issued Core Units representing their subscriptions. Particulars of the Core Investors are included in this Offering Document.
- 14.16 “Core Units” shall mean such Units of the Trust that are issued to Core Investors with the condition that these are not redeemable for a period of two years from the close of the First Offer Period. 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 as mentioned herein, shall be affected only on the receipt by the Registrar of a written acceptance of this condition by the transferee.
- 14.17 “Custodian” means a Bank(s) or Central Depository Company or any other Depository Company which may be appointed by the Trustee with the approval of the Management Company to hold and protect the Trust Property or any part thereof as custodian on behalf of the Trustee; and/or the Trustee, with the approval of the Management Company, to hold and protect the Trust Property or any part thereof as custodian.
- 14.18 “Discount Rate” means the rate at which the State Bank of Pakistan makes funds available to banks for short periods against the collateral of government bonds; and if no longer published then the substitute thereof.
- 14.19 “Distribution Account” means the account(s) (which may be a current, saving or deposit account) maintained by the Trustee with Bank(s) approved by the Management Company in which the amount required for the distribution of income to the Holders shall be transferred.
- 14.20 “Distributor / Distribution Company” means a Company(ies) or firm or a Bank or any other Financial Institution appointed by the Management Company in consultation with the Trustee for performing any or all off the Distribution Functions and shall also include the Management Company itself, if it performs the Distribution Function.
- 14.21 “Distribution Function” mean the functions with regard to:
- a) Receiving applications for issue of Units together with the aggregate Offer Price for Units applied for by the applicants;
  - b) Issuing receipts in respect of (a) above;
  - c) Interfacing with and providing services to the Unit Holders including receiving Redemption/transfer applications, conversion notices and applications for change of address or issue of duplicate Certificates for immediate transmission to the Management Company or the Transfer Agent as appropriate;
  - d) Accounting to the Trustee for all: (i) money received from the applicants for issuance of Units; (ii) payments made to the Holders on redemption of Units; and (iii) expenses incurred in relation to the Distribution Function;
  - e) The above functions may be performed electronically, if appropriate systems are in place.
- 14.22 “Duties and Charges” means in relation to any particular transaction or dealing all stamp and other duties, taxes, zakat, Government charges, brokerage, bank charges, transfer fees, registration fees and other duties and charges in connection with the increase or decrease of the Trust Property or the creation, issue, sale, transfer, redemption or purchase of Units or the sale or purchase of Investment or in respect of the issue, transfer, cancellation or replacement of a Certificate or otherwise which may

have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable, but do not include the remuneration payable to the Distribution Company or any commission payable to agents on sales and redemption of Units or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.

- 14.23 “Federal Government” means the Federal Government of Islamic Republic of Pakistan.
- 14.24 “Formation Cost” means all preliminary expenses relating to regulatory and registration fees of the Scheme, including flotation expenses of the Scheme, expenses relating to authorization of the scheme, execution and registration of the Constitutive Documents, legal costs, printing, circulation and publication of the Offering Document, announcements describing the scheme and all other expenses incurred until the end of the initial period shall be borne by the Fund and amortized over a period of not more than five years. Provided that the formation costs will not exceed 1% of the Core Investment or if Pre-IPO investment exceeds Rupees One billion then a maximum amount of Rupees Four million.
- 14.25 “Front-end Load” means the sales and processing charges or commission (excluding Duties and Charges) not exceeding 5% of the Net Asset Value which may be included in the Offer Price of the Units; provided however that different levels of Front – End Load may be applied to different classes of units
- 14.26 “Government Securities” means securities and other instruments issued and to be issued by any Federal and/or Provincial Government of the Islamic Republic of Pakistan and/or the State Bank of Pakistan, including but not limited to Federal Investment Bonds, Pakistan Investment Bonds and any securities/instruments replacing or substituting the foregoing from time to time.
- 14.27 “Holder or Unit Holder” means the investor for the time being entered in the Register as owner of a Unit including investors jointly so registered pursuant to the provisions of this Trust Deed.
- 14.28 “Initial Period” means a period determined by the Management Company not exceeding thirty (30) days during which Units will be offered at the Initial Price in terms of the Offering Document, inclusive of the offering to the Core Investors.
- 14.29 “Initial Price” means the price per Unit during the Initial Period determined by the Management Company.
- 14.30 “Investment” means any Authorized Investment forming part of the Trust Property.
- 14.31 “Investment Facilitators/Advisors/Sales Agents” means an individual, firm, corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Scheme. The Management Company shall compensate the Investment Facilitators/Sales Agents out of the Sales Load collected by it in the Offer Price and /or Management Fee.
- 14.32 “Management Company” is defined in the preamble hereto;
- 14.33 “Net Assets” means the excess of assets over liabilities of the Fund, such excess being computed in the manner as specified under the NBFC Rules.
- 14.34 “Net Assets Value” means per Unit value of the Trust arrived at by dividing the Net Assets by the number of Units outstanding.
- 14.35 “Offer Price” means the sum to be paid to the Trustee for the benefit of the Trust for issuance of one Unit, such price to be determined pursuant to this document.
- 14.36 “Offering Document” means the prospectus, advertisement or other document (approved by the Commission) which contains the investments and distribution policy, unit structure(s) and all other information in respect of the Unit Trust, as required by the Rules and is circulated to invite offers by the public to invest in the Scheme.



- 
- 14.37 “On-line” means transactions through electronic data-interchange whether real time transactions or otherwise, which may be through the internet, intranet networks and the like.
- 14.38 “Ordinance” means Companies Ordinance 1984
- 14.39 “Pakistan Origin Investments” includes securities or instruments that are issued, traded or listed outside Pakistan as long as they are of Pakistani Origin.
- 14.40 “Par Value” means the face value of a Unit as defined in the Offering Documents.
- 14.41 “Personal Law” means the law of inheritance and succession as applicable to the individual Unit Holder.
- 14.42 “Redemption Price” means the amount to be paid to the relevant Holder upon redemption of that Unit, such amount to be determined pursuant to this document.
- 14.43 “Register” means the Register of the Unit Holders kept pursuant to the Rules and the Trust Deed.
- 14.44 “Regular Interval” means monthly, quarterly, half year or annual periods.
- 14.45 “Relevant Date” means the date on which the Management Company decides to distribute the profits (if any).
- 14.46 “Relevant Period” means the period in respect of which distribution of profits are proposed to be made by the Management Company.
- 14.47 “Rules” means the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, as amended from time to time.
- 14.48 “Sales Load” means the Front-end Load, Back-end Load and the Contingent Load.
- 14.49 “SECP” means Securities and Exchange Commission of Pakistan
- 14.50 “Stock Exchange” means the Karachi Stock Exchanges, Lahore Stock Exchange, Islamabad Stock Exchange or any other stock exchange registered under the Securities and Exchange Ordinance, 1969.
- 14.51 “Subscription Day” means every Business Day excluding public holiday provided that the Management Company may with the prior written consent of the Trustee and upon giving not less than seven days notice in the newspapers declare any particular Business Day or days not to be a Subscription Day.
- 14.52 “Transaction Costs” means the costs incurred or estimated by the Management Company to cover the costs ( such as, but not restricted to, brokerage, Trustee charges, taxes or levies on transactions, etc. ) related to the investing or disinvesting activity of the Trust’s portfolio, inter alia, necessitated by creation or cancellation of Units, which costs may be added to the NAV for determining the Offer Price of Units or to be deducted from the NAV in determining the Redemption Price.
- 14.53 “Transfer Agent” means a company including a Bank that the Management Company shall appoint for performing the Transfer Agent Functions. The Management Company may itself perform the Transfer Agent Function.
- 14.54 “Transfer Agent Functions” means the functions with regard to:
- a) Maintaining the Register, including keeping a record of change of addresses/other particulars of the Holders;
  - b) Issuing account statements to the Holders;
  - c) Issuing Certificate, including Certificates in lieu of undistributed income to Holders;
  - d) Cancelling old Certificates on redemption or replacement thereof;



- e) Processing of applications for issue, redemption, transfer and transmission of Units, recording of pledges, liens and changes in the data with regard to the Holders;
  - f) Issuing and dispatching of Certificates;
  - g) Dispatching income distribution warrants, and bank transfer intimation and distributing bonus Units or partly both and allocating Units to Holders on re-investment of dividends.
  - h) Receiving applications for redemption and transfer/transmission of Units directly from Holder or legal representatives or through Distributor.
  - i) Maintaining record of lien/pledge/charge; and
  - j) Keeping record of change of addresses/other particulars of the Holders.
- 14.55 "Trust Deed" means this trust deed executed between the Management Company and the Trustee along with all the exhibits appended thereto.
- 14.56 "Trust Property" shall consist of:
- i. The aggregate proceeds of all Units issued from time to time after deducting the sum of: (a) Duties and Charges; and (b) applicable Sales Load;
  - ii. All Investment and all income, profit (including accrued profits) and other benefits arising there from and all cash and other assets movable or immovable and property of every description (including present and future actionable claims) for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Holders pursuant to this Trust Deed; and
  - iii. Amounts standing to the credit of the Redemption Account, including profits accruing therein, until, from time to time, such amounts (or part thereof) are actually paid to Holders upon receipt of a request by such Holders to redeem their Units in accordance with the provisions of this Trust Deed, it being clarified that Trust Property does not include any amount standing to the credit of the Distribution Account.
- 14.57 "Trust" or "Unit Trust" or "Fund" or "**FAYSAL SAVINGS GROWTH FUND**" or "Scheme" means the Unit Trust constituted by the Trust Deed for continuous offers for sale of Units.
- 14.58 "Unit" (Type 'A' or Type 'B' Unit) means one undivided share in the Trust, and where the context so indicates, a fraction thereof.

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

## 15. ARBITRATION

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

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





**ANNEXURE A**

**Central Depository Company of Pakistan Limited  
Tariff Structure for Trusteeship of Open-ended Mutual Funds (Unit Trusts)**

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

<b>Net Assets</b>	<b>Tariff</b>
Upto 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

**ANNEXURE B**

**Current Level of Front-end and Back-end Loads  
Effective from Close of Initial Period**

**Front End Load: NIL**  
**Back End Load: NIL\***

\* 0.3% of NAV will be charged as transaction fee in case redemption is requested within 15 calendar days of purchase of Units.

**Management fee**

- A remuneration of an amount not exceeding three percent (3.0%) per annum of the average daily Net Assets for the first five years of the scheme and there after of an amount equal to two percent (2.0%) per annum of the average daily Net Assets.
- Provided that the remuneration so calculated shall not exceed the maximum remuneration allowed under The Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.

Any change in the load and fee structure, provided it is within the maximum limit disclosed in Section 4.10 and Section 6, shall be notified through an addendum to this annexure.

**ANNEXURE C**

**LIST OF DISTRIBUTION OFFICES**

**FAYSAL ASSET MANAGEMENT LIMITED**

Head Office  
Faysal House, 3<sup>rd</sup> Floor  
St-2, Commercial Lane  
Main Shahrah-e-Faisal, Karachi

**BRANCHES OF FAYSAL BANK LIMITED – AUTHORIZED AS DISTRIBUTION COMPANIES**

<b>South Region</b>		
<b>BRANCH NAME</b>	<b>BRANCH ADDRESS</b>	<b>PABX NOS.</b>
MAIN BRANCH	FAYSAL HOUSE, ST-02, SHAHRA-E-FAISAL	021-111-747-747 021-2795200
CLIFTON	QUALITY HEIGHTS KDA SCHEME 5, CLIFTON	021-5863771-3
GULSHAN	B-35 BLOCK 13A MAIN UNIVERSITY ROAD, GULSHAN-E- IQBAL	021-4994261-3
JODIA BAZAAR	G2, P # MR -6/52/1, ISMAIL TRADE CENTRE, RAM BHARTI STREET, JODIA BAZAR	021-2443795 / 2444073
DHA	23/C KHAYABAN E SHAHBAZ PHASE VI, DHA	5856053- 4 / 5857762- 3
SHAHEED E MILLAT KARACHI	IQBAL ARCADE PLOT #6 BLOCK 3/7 D.M.C.H.S, SHAHEED-E-MILLAT ROAD.	021-4388103-4
NORTH NAZIMABAD KARACHI	PLOT #D/6, BLOCK D, K.D.A SCHEME #2, NORTH NAZIMABAD	021-6625517 / 6670090 / 6670050
SHAHRAH E FAISAL KARACHI	26-A, BUSINESS AVENUE, BLOCK # 6, PECHS, MAIN SHAHRAH-E-FAISAL	021-4315634-6
CLOTH MARKET	BR-2, 1/1, BANDER QUARTERS, NEW NEHAM ROAD, KHARADAR	021-2434226/2437825/ 2439021-2
SITE BRANCH	PLOT NO. B-17, ESTATE AVENUE, SITE	021-2585921-3
MACHS BRANCH	PLOT # 2F(COMM.), M.A.C.H.S.	021-4390511-5
KORANGI ROAD BRANCH	SPEEDY TOWERS, 129/ I & II, MAIN KORANGI ROAD, PHASE 1, DHA	021-5391345-7
NEW CHALLI BRANCH	ABID CHAMBERS, PLOT NO. SR.6 / 9, SHAHRAH-E-LIAQAT	021-2214903-5



<b>BRANCH NAME</b>	<b>BRANCH ADDRESS</b>	<b>PABX NOS.</b>
NORTH KARACHI BRANCH	SA-2, STREET 1/1, SECTOR 12-B, NORTH KARACHI INDUSTRIAL AREA, NORTH KARACHI TOWNSHIP	021-6957155
GULSHAN CHOWRANGI BRANCH	SHOP NO.1-4 GROUND FLOOR, SANA ARCADE, PL-NO.ZC-6, BLOCK NO.7, KDA-SCHEME 24.	021-4975502 / 4815308
KORANGI INDUSTRIAL AREA BRANCH	PLOT NO. 51/9, SECTOR - 15, MAIN ROAD, KORANGI INDUSTRIAL AREA.	021-5077192-4
TIMBER MARKET	PLOT 6/2, OLD HAJI CAMP, SIDDIQUE WAHAB RD, LEE QUARTERS,	021-2745890-95-99
CLIFTON BLOCK-II	B-3 & B-4, PLOT NO. FLI, BLOCK-II, CLIFTON	021-5877921-5
I.I. CHUNDRIGARH	11/13, TRADE CENTRE, I.I. CHUNDRIGAR ROAD	021-2638011 - 20
DHA - KHAYABAN-E-MUJAHID	43-C, STADIUM LANE 2, KHAYABAN-E-MUJAHID, DHA PHASE V	021-5349109-13
DHA - KHAYABAN-E-TANZEEM	14-C KHY-E-TANZEEM TAUHEED COMMERCIAL, DHA PHASE-V	021-5877908 - 10
GULISTAN-E-JAUHAR	SHOP NO.29 & 30, RUFU LAKE DRIVE,BLOCK-18, KDA SCHEME 36, GULISTAN-E-JAUHAR	021-4026856-57
DHA - PHASE-IV BRANCH	14-C SUNSET COMMERCIAL STREET NO.2, PH - IV, DHA, KARACHI	021-5802422
DHORAJI BRANCH	4, LUBNA PLAZA, PLOT NO. 448, BLOCK 7/8, C.P & BERAR COOP HOUSING SOCIETY	021-4860851-3
<b>QUETTA</b> FATIMA JINNAH ROAD BRANCH	FATIMA JINNAH ROAD, QUETTA	081-2824807, 2824973
<b>HYDERABAD</b> SADDAR BRANCH	PLOT #.339, MAIN BOHRA BAZAR, SADDAR	022-2728356-9



<b>Central Region</b>		
<b>BRANCH NAME</b>	<b>BRANCH ADDRESS</b>	<b>PABX NOS.</b>
FAISALABAD BRANCH	BILAL ROAD, CIVIL LINES	041-2644481-4 / 041-2644711-4
<b>LAHORE</b> MALL BRANCH	43- SHAHRAH-E-QUAID-E-AZAM, THE MALL	042-7236014-7 / 7314051-3 / 7352808-9 / 7314447
GULBERG BRANCH	95, B-II, M.M. ALAM ROAD, GULBERG-III, LAHORE	042-5755190-4
HAIDER ROAD BRANCH	32, HAIDER ROAD, RAWALPINDI CANTT. RAWALPINDI	051-5525871-4
BOSAN ROAD	I / A-2, OFFICERS COLONY, BOSAN ROAD, MULTAN	061-6214902-13
SIALKOT BRANCH	PLOT NO. B1-16S-98B, 17, PARIS ROAD, OPP. CC & I, SIALKOT	052-4292501-3
DHA LAHORE BRANCH	136 / 1, BLOCK H, PHASE 1, DHA, LAHORE CANTT.	042-5897712-7
GUJRANWALA BRANCH	ZIA PLAZA, G.T. ROAD, GUJRANWALA.	055-3730301-3
GARDEN TOWN BRANCH	4-AIBAK BLOCK, NEW GARDEN TOWN	042-5889810-24
CIRCULAR ROAD BRANCH	51, BABER CENTRE, CIRCULAR ROAD, LAHORE	042-7673001-6
OLD BAHAWALPUR ROAD	129 / 1, OLD BAHAWALPUR ROAD, MULTAN	061-4784491-4
SHALIMAR GARDEN BRANCH	CHOWK SHALIMAR BAGH, BAGHBANPURA	042-6844712-14 / 042-6844741-3
DHA Z-BLOCK-LHR.	10TH, Z-BLOCK, PHASE-III, DHA, LAHORE.	042-5743741-43
LIAQUAT ROAD BRANCH	3, LIAQAT ROAD, FAISALABAD	041-2617403-8
ALLAMA IQBAL TOWN BRANCH	18TH HUNZA BLOCK, MAIN ROAD, ALLAMA IQBAL TOWN-LAHORE.	042-5437006-10
UPPER MALL LAHORE	309 - A, UPPER MALL	042-5715393-95, 5714844
MAIN BOULEVARD GULBERG BRANCH	59-A, MAIN BOULEVARD, GULBERG	042-5872811-14
BHAWALPUR BRANCH	2-REHMAN SOCIETY, NOOR MAHAL ROAD, BHAWALPUR	062-2730691-5
MODEL TOWN BRANCH	SHOP NO. 13, BANK SQUARE MARKET, MODEL TOWN, LAHORE	042-8449781-5
BADAMI BAGH BRANCH	1 - TAJ CHAMBER, BADAMI BAGH, LAHORE	042-7705536-43



<b>BRANCH NAME</b>	<b>BRANCH ADDRESS</b>	<b>PABX NOS.</b>
<b>VEHARI BRANCH</b>	47 - A, KARKHANA BAZAR, VEHARI	067-3366123
<b>OKARA</b>	B-1.6.S / 1, MANDI ROAD OKARA	044-2552171 / 044-2551771 / 551772
<b>RAHIMYARKHAN</b>	27- TOWN HALL, OPP. CITY PARK, RAHIMYAR KHAN.	068-5889413-15
FAISAL TOWN BRANCH	25-D, MAIN BOULEVARD, FAISAL TOWN, LAHORE	042-5201992-7
<b>SARGODHA BRANCH</b>	KHAYAM CHOWK, SHAHEEN PLAZA, OPP.MOBILINK OFF., RAILWAY ROAD	048-9230794-6
<b>JHANG</b>	KATCHERY ROAD, NEAR SESSION CHOWK, SADDAR, JHANG.	047-7650650
<b>FSD - GHULAM MOHD ABAD</b>	39-B, USMAN PLAZA, SADDAR BAZAR, GHULAM MUHAMMAD ABAD	041-2691262/9162/ 1375/2575
D GROUND	447 - D, PEOPLES COLONY, FAISALABAD	041-8730443 / 8730403
LHR - SHADMAN	11-A, SHADMAN 1, JAIL ROAD, LAHORE	042-7599242
SHAH ALAM MARKET BRANCH	41, ALAMGIR MARKET, SHAH ALAM MARKET, LAHORE.	042-7675503-04, 7675619
URDU BAZAR BRANCH	S-38, R-205 / A, CATTLE STREET, CIRCULAR ROAD, OUTSIDE MORI GATE, URDU BAZAR	042-7314616-20
BEDIAN ROAD BRANCH	NEAR DHA PHASE-VI, BEDIAN ROAD, LAHORE CANTT.	042-8480400 / 8449782
JOHAR TOWN BRANCH	435-G-I, JOHAR TOWN, LAHORE	042-5301392-93
<b>North Region</b>		
<b>ISLAMABAD MAIN BRANCH</b>	15-WEST, JINNAH AVENUE, BLUE AREA	051-2275096-7
<b>PESHAWAR BRANCH</b>	SUPER MARKET, SADDAR ROAD, PESHAWAR CANTT.	091-5270176-77
<b>MIRPUR BRANCH</b>	MIAN MUHAMMAD ROAD, OPP. QUAID-E-AZAM STADIUM, MIRPUR, AZAD KASHMIR	058610-45100-3
HAIDER ROAD BRANCH	32, HAIDER ROAD, RAWALPINDI CANTT. RAWALPINDI	051-5525871-4
F-10 BRANCH	2-G, CAPITAL BUSINEES CENTER, F-10 MARKAZ	051-2104456-7
SATELLITE TOWN BRANCH	5TH ROAD, CITY SHOPPING CENTRE, COMMERCIAL MARKET, SATELLITE TOWN	051-4424969-72



<b>Name of Director</b>	<b>Position</b>	<b>Other Directorships</b>	<b>Occupation</b>	<b>Address</b>
Mr. Iqbal Alimohamed	Director	<ul style="list-style-type: none"> <li>- Chief Executive Officer, Gul Ahmed Energy Limited</li> <li>- Chairman &amp; Director, Excel Insurance Limited</li> <li>- Chairman, My Bank Limited</li> <li>- Director, Swift Textile Mills Limited</li> <li>- Director, Gul Ahmed CBMC Glass Company Limited</li> </ul>	Businessman	B-84/1-A, K.D.A. Scheme No. 1, (Extension), Karachi
Mr. Feroz Rizvi	Director-	<ul style="list-style-type: none"> <li>- Chief Financial Officer, ICI Pakistan Limited</li> <li>- Director, ICI Pakistan Power Gen Limited</li> <li>- Alternate Director, ICI Pakistan Limited</li> </ul>	Corporate Executive	96/II, 23rd Street, Off Khayaban-e-Rahat, Phase VI, DHA, Karachi
Mr. Salman Haider Sheikh	Chief Executive Officer	None	Corporate Executive	Faysal Asset Management Ltd. Faysal House, 3rd Floor, Shahrah-e-Faisal, Karachi.



ANNEXURE D

Specimen of Letter of Pledge/Lien  
Letter of Acknowledgement  
Sequential Number \_\_\_\_\_  
To,

Date \_\_\_\_\_

Dear Sir/s

**Re: Registration of Pledge/Lien  
Against Units of Investment held in  
Name of Account \_\_\_\_\_  
Account Number \_\_\_\_\_**

We hereby acknowledge having registered a pledge/lien in your favour on the following Units (hereinafter referred to as the Pledged Units), held in the investment account of the above named party (hereinafter referred to as the Party):

**Name of Fund/Unit Trust  
No. of Units placed under Pledge/Lien  
Certificate No.**

You have been allotted Registration Number: \_\_\_\_\_. Please quote this number for any correspondence or enquiries in this regard.

The Pledged Units have been issued pursuant to the Trust Deed and the Offering Document and are governed by the terms and conditions thereof, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the laws prevailing in Pakistan.

The registration of this pledge/lien places a responsibility on us to ensure that all the benefits accruing on the Pledged Units are held or paid to your order. Save any legal bar or court order requiring otherwise, any dividends that are declared on the Pledged Units shall be paid to your order, any bonus Units that the Pledged Units are entitled to shall automatically be marked under your pledge/lien and in the event the Pledged Units are redeemed for any reason whatsoever, the proceeds shall be paid to your order.

We do not however, accept any responsibility for the validity of the Party's act of placing the Units under pledge/lien nor for any obligations or commitments undertaken by the Party in respect thereof. The lien on the Pledged Units shall continue till such time it is released by you in writing.

Yours faithfully,

**For and on behalf of  
Faysal Asset Management Ltd  
Management Company**

**For and on behalf of  
Ganjees Registrar Services (Pvt.) Ltd  
Registrars**

Authorized Signatory

Authorized Signatory

Authorized Signatory







Faysal Asset Management Limited  
**FAYSAL Savings GROWTH FUND**  
**Investor's Account Opening Form - FSGF - 01**

**Guidelines for Completing the Application for Account Opening**

This Form is a one-time requirement for both Individual and Institutional Customers, and is required to be filled when the account is opened for the first time or if there are any changes in investors' particulars.

Please complete the application form in Block letters and write with a ball pen.

**INFORMATION ABOUT PRINCIPAL ACCOUNT HOLDER**

- 1) Information about the Principal Account Holder is recorded under this section.
- 2) Please make sure that information i.e. name, address, telephone number provided in this section is correct.
- 3) In case of an Individual, if the client chooses "NO" for Zakat Deduction, the Zakat declaration would be required (in case of joint holder declaration from all holders will be required).
- 4) In case of Institutional Clients, ensure that type of institution and Registration/Incorporation number and the NTN number is filled in under the "For Institutional Client" section. All non-resident companies need to tick in the box assigned for the purpose.

**DETAILS OF BANK ACCOUNT OF PRINCIPAL HOLDER**

- 5) Please make sure to provide correct details of bank account of Principal Account Holder. Any error in filling this information may cause delay in transfer of funds to the account holder.

**DETAILS OF JOINT HOLDER(S) IF ANY**

- 6) If there are any Joint Holders, their name(s) need to be specified along with their CNIC # and signature (Joint signatories for institution).
- 7) Please "Tick" how the account shall be operated.

**DEATH OF UNIT HOLDER**

- 8) In the case of FAML receiving notice of the demise of an investor, FAML shall not be obliged to allow the transfer of title, redemption or pay out any dividends with-out the production of evidence of title or right to the units which FAML considers sufficient.

**OPTIONAL INFORMATION**

- 9) The account holder is encouraged to fill in the Optional Information. Knowledge about the customers would help us serve them more efficiently.

**CHECK LIST**

- 10) In case of Individual Client Attested copies of CNIC's\*, Zakat Declaration (if exemption claimed) will be required.
- 11) In case of Institutional Client attested copies of;
  - a) CNIC's\* (authorized officers)
  - b) Power of Attorney (s) (or any other document authorizing officer to operate the account)
  - c) Board Resolution (authorizing investment)
  - d) Memorandum and Articles of Association/Trust Deed/Bye Laws
  - e) Certificate of Incorporation/Registration

\*Note; In the absence of CNIC, to better facilitate our clients, **ATTESTED** copies of the old NICs **ALONG WITH** proof of application (NADRA receipt) for the new CNICs, can also be accepted.

**OTHER INSTRUCTIONS**

- 12) **Minimum investment for class A units is 5,000/-Rs and for class B units is Rs. 50,000/-**
- 13) Principal Account Holder must sign in the space meant for the purpose. Without signature of the Principal Account Holder, the officer at Distributor Office will not accept the form.
- 14) In case the account holder is illiterate and cannot sign, then he/she must be required to submit either a clear copy of CNIC with photo or one recent passport size photograph authenticated by his/her banker.
- 15) The account holder should either mark all empty spaces in the form "Void" or cross (X) them out.
- 16) In case of an Application form being filled in by the guardian, on behalf of a minor(s), the name of the minor(s) as well as the guardian should be written clearly on the Form and the guardian's signature should be recorded.
- 17) **Cash shall not be accepted.**
- 18) It shall be the responsibility of the applicant to pay all stamp and other duties, taxes and processing charges in relation to the units acquired by him/her.
- 19) If an acknowledgement of the investment is not received within 10 working days, the investor should contact Faysal Asset Management Limited.

**If you have any questions or need additional information, please call:  
(92) (21) 111-329-725 (111 FAYSAL)**

-----  
**If you have any questions or need additional information, please call:  
(92) (21) 111-329-725 (111 FAYSAL)**

Or contact the **Management Company** at;  
3<sup>rd</sup> Floor, Faysal House,  
Opp. Regent Plaza Hotel,  
Main Shahrah-e-Faisal, Karachi  
Faysal Asset Management Limited  
Please complete the application form in Block letters and write with a ball pen.



■ Ford Rhodes Sidat Hyder & Co.  
Chartered Accountants  
Progressive Plaza, Beaumont Road  
P.O. Box 15541  
Karachi 75530  
Pakistan

■ Phone:(92-21) 565 0007-11  
Fax:(92-21) 568 1965  
Email: frsh.khi@pk.ey.com  
Offices at: Lahore & Islamabad  
www:

## 10.2 Auditors Certificate on Net Asset Value of Units in the Fund

AF/421/2007  
March 29, 2007

The Board of Directors  
Faysal Asset Management Limited (the Company)  
Faysal House, 1st Floor,  
St-2, Commercial Lane  
Main Shahrah-e-Faisal  
Karachi.

### **AUDITORS' CERTIFICATE ON NET ASSET VALUE OF UNITS IN FAYSAL SAVINGS GROWTH FUND (THE FUND)**

As desired, we have varified from the books of account and records of the Fund managed by the Company that the Net Assets of the Fund as at the close of business on March 26, 2007 was Rs. 249,999,800/- (Rupees Two hundred and Forty Nine Million Nine Hundred Ninety Nine Thousand and Eight Hundred). The Net Assets Value of each Unit is woked out to Rs. 100 which was arrived at by dividing the Net Assets of the Fund by the number of Units as at theat date.

We would like to draw your attention to paragraph 10.3 of the offering doucment which speciefies that that Company has estimated the formation costs of the Fund expected to be incurred during the period leading to the First offer of Units. The Net Assets of the Fund as at the colose of business on March 26, 2007 specified above specified above has been determined before writing off these formation costs.

Yours faithfully

Faysal Asset Management Limited  
**FAYSAL Savings GROWTH FUND**  
Investment Application Form - FSGF – 02

## Guidelines for Completing the Investment Application Form

This Form is common for both Individual and Institutional Customers, and is designed to make investments in Faysal Savings Growth Fund.

Please complete the application form in Block letters and write with a ball pen.

### INFORMATION ABOUT PRINCIPAL ACCOUNT HOLDER

- 1) Information about the Principal Account Holder is recorded under this section
- 2) Please make sure that information i.e. name and registration number (if issued) provided in this section are correct.

### INVESTMENT DETAILS

- 3) **Minimum investment for class A units is 5,000/-Rs and for class B units is Rs. 50,000/-**
- 4) **Cash shall not be accepted.**
- 5) Payments in the form of cheques/draft/payorder/ telegraphic transfer should be made in favor “**CDC - Trustee FAYSAL SAVINGS GROWTH FUND**” and crossed “**Payee Account only**”.
- 6) If the cheque is returned unpaid the application will be rejected.
- 7) The Account Statement will be dispatched at the Registered Address of the Principal Account Holder within 10 days of submission of properly documented Application Form.
- 8) If acknowledgment of investment is not received within 10 working days the investor should contact Faysal Asset Management Limited.

### OTHER INSTRUCTIONS

- 9) Principal Account Holder must sign in the space meant for the purpose.
- 10) Without signature of the Principal Account Holder, the officer at Distributor Office will not accept the form.
- 11) In case the account holder is illiterate and cannot sign, then he/she must be required to submit either a clear copy of CNIC with photo or one recent passport size photograph authenticated by his/her banker. His/her form would also need to be signed by a witness.
- 12) The account holder should either mark all empty spaces in the form "Void" or cross (X) them out.
- 13) In case of an Application form being filled in by the guardian, on behalf of a minor(s), the name of the minor(s) as well as the guardian should be written clearly on the Form and the guardian's signature should be recorded.
- 14) It shall be the responsibility of the applicant to pay all stamp and other duties, taxes and processing charges in relation to the units acquired by him/her.
- 15) For change in the Unit Holder's Register, such as address, unit holders may please complete Form 01, as applicable.

**If you have any questions or need additional information, please call:  
(92) (21) 111-329-725 (111 FAYSAL)**

-----  
If you have any questions or need additional information, please call:

**(92) (21) 111-329-725 (111 FAYSAL)**  
or contact the **Management Company** at;  
3rd Floor, Faysal House,  
Opp. Regent Plaza Hotel,  
Main Shahrah-e-Faisal, Karachi.



- Ford Rhodes Sidat Hyder & Co.  
Chartered Accountants  
Progressive Plaza, Beaumont Road  
P.O. Box 15541  
Karachi 75530  
Pakistan
- Phone:(92-21) 565 0007-11  
Fax:(92-21) 568 1965  
Email: frsh.khi@pk.ey.com  
Offices at: Lahore & Islamabad  
www:

## 10. FINANCIAL INFORMATION

### 10.1 Auditors Certificate on Core Investors' Investment in the Units of the Fund

AF/421/2007  
March 29, 2007

The Board of Directors  
Faysal Asset Management Limited (the Company)  
Faysal House, 1st Floor,  
St-2, Commercial Lane  
Main Shahrah-e-Faisal  
Karachi.

#### **AUDITORS' CERTIFICATE FOR RECEIPT OF SUBSCRIPTION TOWARDS SEED CAPITAL OF FAYSAL SAVINGS GROWTH FUND (THE FUND)**

This has reference to your letter dated March 26, 2007 on the captioned subject. As desired, we have verified from the books of account and records of the Fund managed by the Company that a sum of Rs. 249,999,800/- Rupees Two hundred & forty nine Million Nine hundred Ninety nine thousand & eight hundred) has been received upto March 26, 2007 in the Fund's bank account towards subscription of seed capital from Faysal Bank Limited.

Yours faithfully

Faysal Asset Management Limited  
**FAYSAL Savings GROWTH FUND**  
**Redemption Application Form - FSGF - 03**

**Guidelines for Completing Redemption Application Form**

This form would be used for disinvestment of funds from Faysal Savings Growth Fund for both Individual and Institutional Customers. Please complete the application form in Block letters and write with a ball pen.

**INFORMATION ABOUT PRINCIPAL ACCOUNT HOLDER**

- 1) The Account Holder would need to state his/her name and most importantly the Registration number.
- 2) The Account Holder needs to specify whether he had taken physical possession of the certificates against his/her investment. If the account holder ticks in the box provided against '**yes**' option the certificates would need to be attached with the redemption form.

**DISINVESTMENT INFORMATION**

- 3) In this section the Account Holder may choose to specify the disinvestment in terms of Rupees or Units, as per convenience.
- 4) In case the redemption is likely to result in the balance of the account to fall below the required minimum balance then the Account Holder would need to specify if he/she wishes to close the account or only redeem to an extent of funds in excess of the required minimum limit.
- 5) In the section '**Instructions regarding Certificates**' the Account Holder would need to identify if he/she wishes to '**Cancel**', '**Split**' and '**Reissue Certificates**' or would not want the 'Issue of New Certificates.'

**INSTRUCTIONS REGARDING INVESTMENT PROCEEDS**

- 6) Payment of redemption proceeds will be made by the Trustee within six Business days after the receipt of a properly documented request for Redemption of Units by relevant Distribution Company.
- 7) If redemption requests on any single day exceeds 10% of the total number of Units in issue, the Trustee shall redeem only 10% on a first-come-first-serve-basis and defer the remaining redemption requests to the next Business Day.

**INFORMATION ABOUT JOINT HOLDERS**

- 8) All Joint Holders as specified in the Account Opening Form (FSGF-01) under the section '**Instructions to Operate the Account**' will need to sign this form, and specify their Names.

**OTHER INSTRUCTIONS**

- 9) In case the applicant is illiterate and cannot sign, then he/she must be required to submit either a clear copy of CNIC with photo or one recent passport size photograph authenticated by his/her banker. His/her form would also need to be signed by a witness. In the said case, redemption proceeds will be credited to the designated bank account; no proceeds will be sent to the registered address.
- 10) The Account Holder should either mark all empty spaces in the form 'void' or cross (X) them out.
- 11) In case of an Application form being filled in by the guardian, on behalf of a minor(s), the name of the minor(s) as well as of the guardian should be written clearly on the Form and the guardian's signature should be recorded.

**If you have any questions or need additional information, please call:  
(92) (21) 111-329-725 (FAYSAL)**

-----  
If you have any questions or need additional information, please call:  
**(92) (21) 111-329-725 (FAYSAL)**

or contact the **Management Company** at;  
3rd Floor, Faysal House,  
Opp. Regent Plaza Hotel,  
Main Shahrah-e-Faisal, Karachi.





Faysal Asset Management Limited  
**FAYSAL Savings GROWTH FUND**  
Application Form for Pledge/Lien of Units - FSGF - 04

## Guidelines for completing the Application Form for Pledge / Lien

Please complete the application form in Block letters and write with a ball pen.

- 1) The Unit holder/ Pledger must indicate the name and account number along with the particulars of the pledgee/ lien holder for the record of the Registrar.
- 2) In case of verification, the verified pledge/ lien form will be the only instrument recognized by the Registrar for recording pledge/ lien of units. If the pledge/ lien form is lost or destroyed or mutilated a new verified pledge/ lien form will be issued on application by the Unitholder/ lien-holder and on payment of such cost and on such terms as to evidence, indemnity and security, including publication of the fact in newspapers.
- 3) The Distribution Company will verify the signature(s) on the Pledge/ Lien Application Form along with the copy's of the original documents or request for attested copies.  
Copies of the following documents are required to be submitted by the pledgee/ lien holder with the Pledge/ Lien

Application Form;

- a) Individuals: Computerized National Identity Card(s)\*
- b) For Corporate/ Statutory bodies:
  - Memorandum and Articles of Association/ Bye Laws/ Trust Deed
  - Power of Attorney or other documents authorizing the officer signing the Application Form.
  - Computerized National Identity Card\* of the officer(s) - signing on company's behalf
  - Board Resolution authorizing pledge.
- 4) For change in Unitholder's and pledge/ lien holder's Register, such as address, unit holders/ lien holders may please complete Form 01, as applicable.

\*Note; In the absence of CNIC, to better facilitate our clients, **ATTESTED** copies of the old NICs **ALONG WITH** proof of application (NADRA receipt) for the new CNICs, can also be accepted.

**If you have any questions or need additional information, please call:  
(92) (21) 111 329 725 (111 FAYSAL)**

-----  
If you have any questions or need additional information, please call:  
**(92) (21) 111-329-725 (111 FAYSAL)**

Or contact the **Management Company** at;  
3rd Floor, Faysal House,  
Opp. Regent Plaza Hotel,  
Main Shahrah-e-Faisal, Karachi.



<b>BRANCH NAME</b>	<b>BRANCH ADDRESS</b>	<b>PABX NOS.</b>
GUJAR KHAN BRANCH	B-111, 215-D, WARD 5, G.T. ROAD, GUJAR KHAN	051-3514607
GUJRAT BRANCH	NOBLE FURNITURE PLAZA, G.T. ROAD, GUJRAT.	053-3523174-5 / 053-3533755/ 0433-533855
HAYATABAD BRANCH	SH. NO 1-7, ROYAL PLAZA, INDUSTRIAL AREA, PESHAWAR	091-5811395 / 5810638
KHARIAN BRANCH	RIZWAN PLAZA, FIRST FLOOR, GT ROAD, NEAR CITY HOSPITAL	0537-536068-70
ISLAMABAD F-7 BRANCH	SHOP 1, PLOT 12 D, JINNAH SUPERMARKET, F-7 MARKAZ	051-2652386 / 051-2652591
PESHAWAR CITY BRANCH	TARIQ MARKET, NEW RAMPURA GATE, ASHRAFI ROAD, PESHAWAR CITY	091-2591876 / 091-2593827
RWP - RAJA BAZAR BRANCH	U-I, IQBAL ROAD, FAWARA CHOWK, RAJA BAZAR, RAWALPINDI.	051-5530661 (BM Dir. 051-5530670)
ISB - I 10	3-G, MONAWWAR PLAZA, MARKAZ I-10, ISLAMABAD	051-4102105-8
WESTRIDGE BRANCH	RV ARCADE, 1193-1196, PESHAWAR ROAD, RAWALPINDI	051-5468734-36
QUETTA BRANCH	SHAHRA-E-ADALAT	081-2836451-2

Please note that the above branches may change from time to time as per the discretion of the Management Company.

Faysal Asset Management Limited  
**FAYSAL Savings GROWTH FUND**  
Application Form for Transfer of Units - FSGF - 05

**Guidelines for completing the Application Form for Transfer**

Please complete the application form in Block letters and write with a ball pen.

- 1) This Application form is divided into two parts.
  - a. "Part A" is your application for transfer of Units. This portion has to be filled by the transferor and the transferee. If the transferee is already a Unitholder the Registration Number should be stated.
  - b. "Part B" is particulars of transferee for the record of the Registrar.
    - If the transferee is not already a Unitholder, then he will be required to submit Form 01 along with all appropriate documents.
    - If the transferee is already a Unitholder and has indicated the existing Registration Number in Part A, submission of Form 01 is not required. However, if there is any change in the particulars, he will have to submit Form 01 for changes/ amendments.
- 2) At the request of the Unitholder, the Registrar will verify the holding and relevant details on the Transfer Application form and signature of the Unitholder. In case of verification the verified Transfer Application Form will be the only instrument recognized by the Registrar for transfer. If the verified Transfer form is lost, destroyed or mutilated a new verified Transfer Form will be issued on application by the Unit holder and on payment of such costs and on such terms as to evidence, indemnity and security, including publication in newspapers. In case of redemption of Units, the verified Transfer Application form will have to be surrendered.
- 3) The Distribution Company will verify the signature (s) on Transfer Application Form along with the copy's of the original documents or request for attested copies.  
All the requirements as set forth in Form 01 will have to be fulfilled including for the Transferee to submit copies of the following documents with the Application for Transfer of Units:
  - a) Individuals (new Applicants only) Computerized National Identity Card\*.
  - b) For Corporate/ Statutory bodies (new applicants only and if there is any amendment in these documents):
    - Memorandum and Articles of Association/ Bye Laws/ Trust Deed
    - Power of Attorney or other documents authorizing the officer signing the Application Form
    - Computerized National Identity Card\* in respect of the officer signing on behalf of the Institutional Investors.
    - Board Resolution authorizing investment / disinvestments.
- 4) Account Statement/ Unit Certificate (if any) will be dispatched at the registered address within 10 business days after the submission of a properly documented Application Form for Transfer.  
  
\*Note: In the absence of CNIC, to better facilitate our clients, **ATTESTED** copies of the old NICs **ALONG WITH** proof of application (NADRA receipt) for the new CNICs, can also be accepted.
- 5) If an acknowledgement of the transfer is not received within 10 working days, the investor should contact Faysal Asset Management Limited.

**If you have any questions or need additional information, please call:  
(92) (21) 111 329 725 (111 FAYSAL)**

-----  
If you have any questions or need additional information, please call:  
**(92) (21) 111-329-725 (111 FAYSAL)**

Or contact the **Management Company** at;  
3rd Floor, Faysal House,  
Opp. Regent Plaza Hotel,  
Main Shahrah-e-Faisal, Karachi.