
TRUST DEED
OF
MEEZAN CAPITAL PROTECTED FUND - I (MCPF-I)

THIS TRUST DEED is made and entered into at Karachi, on this Monday, February 25, 2008

1 NAME OF THE OPEN-END SCHEME

Meezan Capital Protected Fund 1 (MCPF-I)

2 PARTICIPATING PARTIES

Al Meezan Investment Management Limited, an unlisted public limited company, incorporated under the Companies Ordinance, 1984 (hereinafter called the “Management Company” which expression where the context so permits, shall include its successors in interest and assigns), registered as a Non Banking Finance Company with a license to perform Asset Management, Investment Advisory Services and Investment Finance Services under the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (hereinafter referred to as the “Rules”), having its registered office at Ground Floor, Block B, Finance and Trade Centre (FTC) Shahrah-e-Faisal Karachi, of One Part

AND

Central Depository Company of Pakistan Limited (CDC), an unlisted public limited company, incorporated under the Companies Ordinance, 1984, and registered to act as central depository company under Rule 4(3) of the Central Depository Companies (Establishment & Regulations) Rules, 1996, having its Registered Office at CDC House, 99-B Block 'B' S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, (hereinafter called the “Trustee” which expression where the context so permits, shall include its successors in interest and assigns) of the Other Part.

WHEREAS :

- A. The Management Company has been licensed as an Asset Management Company pursuant to the Rules (License to undertake Asset Management Services attached herewith as Annexure “A”).
- B. The Management Company has been authorized by the Commission vide its letter No. NBFC-II/AD-III/AMIML/186/2008 dated March 17, 2008, attached herewith as Annexure “B” to constitute a Trust under the name and title of “**Meezan Capital Protected Fund 1**” (hereinafter referred to as the “Scheme”, or the “Trust” or the “Unit Trust” or the “Fund” or “MCPF-I”) and to register this Trust Deed, pending authorization for the establishment and operation of the Fund in accordance with the provisions of the Rules, Regulations and this Trust Deed;
- C. The Management Company has nominated and appointed CDC as trustee of the Fund and the Trustee has accepted such appointment upon the terms and conditions herein contained and the tariff structure for trusteeship attached herewith as Annexure “C”;
- D. The Commission has also approved the appointment of the Trustee; vide letter No. NBFC-II/AD/AMIML/99/2008, dated February 22, 2008, attached herewith as Annexure “D”.

- E. All conducts and acts of the Fund shall be Shariah compliant as per the guidelines of the Shariah Advisor of the Fund.
- F. For attaining the aims and objectives, the Management Company shall hand over to the Trustee, an initial sum of Rupees Ten Thousand only (Rs. 10,000/-).

NOW, THEREFORE, THIS DEED WITNESSETH AS FOLLOWS :

3 GOVERNING LAW

This Deed shall be subject to and be governed by the Laws of Pakistan, including the Ordinance, the Rules, the Regulations and all other applicable laws and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed of a unit trust by the Regulations are incorporated in this Deed as part and parcel thereof and in the event of any conflict between this Deed and the provisions required to be contained in a trust deed by the Regulations, the latter shall supersede and prevail over the provisions contained in this Deed. Furthermore, all investments of the Fund Property shall be in accordance with the Islamic Shariah as per the guidelines provided by the Shariah Advisor. The Fund shall also be subject to the rules and regulations framed by the State Bank of Pakistan with regard to the foreign investments made by the Fund and investments made in the Fund from outside Pakistan.

Subject to the Arbitration Clause 38 hereafter, applicable between the Management Company and the Trustee inter se, each party, including the Unit Holders irrevocably submit to the exclusive jurisdiction of the Courts at Karachi.

4 DECLARATION OF TRUST

It is hereby declared unequivocally, that a Unit Trust, in the name and title of Meezan Capital Protected Fund - I is hereby created and the Management Company is hereby appointed to establish, manage, operate and administer that said Unit Trust and the Trustee is hereby nominated, constituted and appointed as the Trustee of the Unit Trust. The Fund shall terminate at the end of Minimum Period as set out in the Offering Document. The Management Company and the Trustee hereby agree to such appointment and further declare that:

- a) The terms and conditions of this Deed, Offering Document and any deed and/ or offering document supplemental hereto shall be binding on each Holder as if he has been a party to it and so to be bound by its provisions and each Holder authorizes and requires the Trustee and the Management Company to do as required of them by the terms of this Deed;
- b) The Management Company shall establish, manage, operate and administer the Trust;
- c) The Trustee shall hold and stand possessed of the Fund Property that may from time to time hereafter be vested in the Trustee upon trust as a single common fund for the benefit of the Unit Holders ranking pari passu inter se, according to the number of Units held by each Unit Holder;
- d) The Fund Property shall be held by the Trustee in trust for the Unit Holders and shall be invested/ disinvested from time to time by the Trustee at the direction of the Management Company strictly in terms of the provisions contained and stipulated in this Deed, the Offering Document, the Rules and Regulations (as amended or replaced from time to time) and the conditions (if any) which may be imposed by SECP from time to time;
- e) A Unit Holder shall not be liable to make any payment after he has paid the purchase price of his Unit(s) and that no further liability can be imposed on him in respect of Unit(s) which he holds except in the case of a Back-end Load which shall be applicable on early redemption, as scheduled in the Offering Document;

- f) The Trustee shall issue a report to the Unit Holders, to be included in the annual report and half yearly report, in accordance with the Regulations;
- g) The Trustee and Management Company may retire in the manner stated in Clauses 9 and 10 of this Deed.

The Trust shall be managed and operated strictly in terms of the provisions contained and stipulated in this Deed, the Offering Document, the Rules and Regulations (as amended or replaced from time to time) and the conditions, if any, which may be imposed by the Commission from time to time.

5 DEFINITIONS

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

- 5.1 “Accounting Date” means 30th June in each year and any interim dates at which the financial statements of the Fund are drawn up. Provided, however, that the Management Company may, with the consent of the Trustee and after intimation to the Commission, change such date to any other date.
- 5.2 “Accounting Period” means a period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the Fund Property is first paid or transferred to the Trustee and (in any other case) from the first day subsequent to the end of the preceding Accounting Period.
- 5.3 “Auditors” means a firm of chartered accountants that is appointed by the Management Company, with the consent of Trustee, as the auditor for the Fund, who shall be from the approved list circulated by the Commission and independent of the auditor of the Management Company and the auditor of the Trustee, as provided under the Rules and Regulations.
- 5.4 “Authorized Branch or Branches” means those branches of the Distributors authorized by the Management Company to perform distribution functions. It also includes offices of the Management Company.
- 5.5 “Authorized Investments” means the instruments in which the Fund will be invested. These will comply with the guidelines of Shariah Advisor of the Fund. These include:
 - (a) Shares of companies listed on the stock exchanges or for whose listing an application has been filed in the stock exchanges.
 - (b) Certificates of Investment based on Shariah compliant structures
 - (c) Bank Deposits in licensed Islamic Banks and licensed Islamic Banking windows of conventional Banks
 - (d) Placement of funds under Mudarabah, Murabaha and Musharikhah arrangements
 - (e) Placement of funds under Istisna’ and Ijarah arrangements
 - (f) Spread Transactions as approved by the Shariah Advisor
 - (g) Secured and listed Shariah compliant securities including sukuks issued by Federal Government, Provincial Government, Local Government and Government Agencies
 - (h) Secured and unlisted Shariah compliant securities including sukuks issued by Federal Government, Provincial Government, Local Government and Government Agencies
 - (i) Secured and listed Shariah compliant securities including sukuks issued by public sector entities
 - (j) Secured and unlisted Shariah compliant securities including sukuks issued by public sector entities
 - (k) Secured and listed Shariah compliant securities including sukuks issued by private sector entities and/ or financial institutions.
 - (l) Secured and unlisted Shariah compliant securities including sukuks issued by private sector entities and/ or financial institutions.
 - (m) Unsecured and listed Shariah compliant securities including sukuks issued by Federal Government, Provincial Government, Local Government and Government Agencies

- (n) Unsecured and unlisted Shariah compliant securities including sukuks issue by Federal Government, Provincial Government, Local Government and Government Agencies
 - (o) Unsecured and listed Shariah compliant securities including sukuks issued by public sector entities
 - (p) Unsecured and unlisted Shariah compliant securities including sukuks issued by public sector entities
 - (q) Unsecured and listed Shariah compliant securities including sukuks issued by private sector entities and/ or financial institutions.
 - (r) Unsecured and unlisted Shariah compliant securities including sukuks issued by private sector entities and/ or financial institutions.
 - (s) Any other Shariah compliant instrument that may be allowed by the Commission from time to time and is as per the guidelines of the Fund's Shariah Advisor.
 - (t) International investments in instruments based on the structures mentioned in sub clauses (a) to (i) subject to the conditions laid down by the State Bank of Pakistan from time to time for such investments and with prior approval of the Commission.
- 5.6** "Back-end Load" means sales charge or commission, not exceeding five (5) percent of the Net Asset Value, deducted from the Net Asset Value in determining the Redemption Price and shall form part of the Fund Property.
- 5.7** "Bank" means any Scheduled Bank, as defined under the State Bank of Pakistan Act, 1956 and licensed to carry on banking business and shall include a bank incorporated outside Pakistan and carrying on banking business in Pakistan as a Scheduled Bank.
- 5.8** "Bank Accounts" means those account(s) opened and maintained for the Fund by the Trustee at the instruction of the Management Company at Banks, the beneficial ownerships in which shall vest in the Unit Holders.
- 5.9** "Business Day/Dealing Day" means any day of the week but does not include any day which is a gazetted Government of Pakistan holiday or on which the Stock Exchanges or banks in Pakistan are closed for business.
- 5.10** "Capital Protected Segment" means that part of the Fund Property which will be invested in such a way that it grows to the level of Principal Investment upon maturity of the Fund.
- 5.11** "Capital Protected Unit" means the type of Units of the Fund that will be eligible for Capital Protection as outlined in clause 13.2 of this Deed.
- 5.12** "Certificate" means the definitive certificate acknowledging the number of Units registered in the name of the Unit Holder(s) issued at the request of the Unit Holder(s) pursuant to the provisions of the Trust Deed.
- 5.13** "Charity" means amount paid by Trustee upon instruction of Management Company out of the income of the Trust to a charitable/welfare organization, in consultation with Shariah Advisor, representing income, which is Haram.
- 5.14** "Commission" means Securities and Exchange Commission of Pakistan.
- 5.15** "Connected Person" shall have the same meaning as assigned in the Rules and Regulations.
- 5.16** "Constitutive Document" means the governing document(s) of Fund and is in accordance with the requirements set out in Schedule VI of the Regulations.
- 5.17** "Core Investors" means such initial investor(s) of the Fund whose subscription shall in aggregate be in compliance of the requirements of Regulation 61(2) (e) of the Regulations. The Core Investors shall be issued with Core Units representing their subscriptions. Particulars of the Core Investors shall be included in the Offering Document that shall be issued for this Fund.
- 5.18** "Core Units" means such Units of the Fund that are issued to Core Investors at the Par Value with the condition that upto Rupees Fifty Million worth of these Units at Par Value are not redeemable for a period of two years from the date of close of the Initial Offer. Such Units are transferable with this condition, but otherwise shall rank pari passu with all other Units, save for this restriction. Any transfer of the Core Units, during the first two years of their issue, shall be affected only on the receipt by the Registrar of a written acceptance of this condition by the transferee.

- 5.19** “Custodian” means a banking company as defined in the Banking Companies Ordinance, 1962 (LVII of 1962), or a trust company which is a subsidiary of such bank or a central depository company approved by the Commission or an NBFC carrying out investment finance services provided it has been approved by the Commission to act as a custodian or such other company as may be approved by Commission to act as custodian.
- 5.20** “Cut-off time” means any time as may be determined by the Management Company and communicated to the Trustee and the Unit Holders before which unit transactions on a Dealing Day will be allowed.
- 5.21** “Deed” means this Trust Deed and any supplemental hereto, which is the principal document governing the formation, management or/ and operation of the Fund.
- 5.22** “Distribution Account” means the account (which may be a current or PLS deposit account) maintained by the Trustee with a Scheduled Islamic Bank or a licensed Islamic branch of a Scheduled Commercial Bank, or a current account with a Scheduled Commercial Bank as directed by the Management Company in which the amount required for distribution of income to the Unit Holders shall be transferred. Income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the main account of the Fund from time to time, as part of the Fund Property for the benefit of the Unit Holders.
- 5.23** “Distributor(s)” means Company (ies), Firm(s), or Bank(s) appointed by the Management Company under intimation to the Trustee for performing any or all of the Distribution Functions and shall include the Management Company itself, if it performs the Distribution Functions.
- 5.24** “Distribution Functions” means the functions with regard to:
- (a) Receiving applications for issue of Units together with aggregate Offer Price for Units applied for by the applicants;
 - (b) Interfacing with and providing services to the Unit Holders including receiving Redemption, Transfer and Pledge applications and applications for change of address or issue of duplicate Certificates for immediate transmission to the Management Company or the Registrar as appropriate;
 - (c) Acknowledging receipt by delivering customer copy in respect of (a) and (b) above; and
 - (d) Accounting to the Management Company for (i) monies received from the applicants when they purchase Units; (ii) payments made to the Unit Holders on Redemption of Units; and (iii) expenses incurred in relation to the Distribution Functions.
- 5.25** “Duties and Charges” means in relation to any particular transaction or dealing, bank charges, brokerage, registration fee, all stamp and other duties, taxes, Government charges, transfer fees, registration fee and other duties and charges in connection with the Issue, Sale, Transfer, Redemption or Purchase of Units or in respect of the issue, sale, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but do not include the remuneration payable to the Distributor or any Front-end or Back-end Load or commission payable to agents on Sale and Redemption of Units or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.
- 5.26** “Financial Institution” means a Bank, development finance institution, Non Banking Finance Company or Modaraba companies.
- 5.27** “Formation Cost” means all preliminary and floatation expenses of the Fund subject to the limits prescribed in the Regulations including expenses in connection with authorization of the Scheme and its application fee payable to the Commission, execution and registration of the Trust Deed, issue, legal costs, printing, circulation and publication of the Offering Document, announcements describing the Fund and inviting investment therein for the Initial Offer and all expenses incurred during the period leading up to the Initial Offer.
- 5.28** “Front-end Load” means the sales charge or commission, not exceeding five percent (5%) of the NAV payable to the Management Company, which are included in the Offer Price of Units.
- 5.29** “Fund” means Meezan Capital Protected Fund - I or “Scheme”, “Trust” or “Unit Trust.” or “MCPF-I” constituted by this Deed.

- 5.30** “Fund Property” means the aggregate proceeds of the sale of all Units at Purchase (Offer) Price and any Transaction Costs recovered in the Purchase (Offer) or Repurchase (Redemption) Price after deducting there from or providing there against the value of Redemption, Front-end Load, Duties and Charges (if included in the Purchase (Offer) Price or Repurchase (Redemption) Price applicable to the Purchase or Redemption of Units) and any expenses chargeable to the Fund; and includes the Investment and all income, profits, shares, securities, deposits, right and bonus shares, cash, bank balances, dividends, fees, commissions, receivables, claims, contracts, licenses, privileges and other benefits arising there from and all cash and other movable and other assets and properties of every description, whether accrued or accruing, for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holders pursuant to the Trust Deed and shall include the income, profit etc earned on the amount credited to the Distribution Account, but shall not include the amount standing to the credit to the Distribution Account (except income or profit earned thereon). Any early redemption charges in the form of Back-end Load, shall constitute part of the Fund Property.
- 5.31** “Haram” means anything prohibited by the Shariah as advised by the Shariah Advisor.
- 5.32** “Holder(s)” or “Unit Holder(s)” means the investor(s) for the time being entered in the Register as owner(s) of Unit(s) or fraction(s) thereof including investor(s) jointly so registered pursuant to the provisions of this Deed and supplemental hereto.
- 5.33** “Ijarah” means the usufructs of assets and properties or 'to transfer the usufruct of a particular property to another person in exchange for a rent claimed from him.'
- 5.34** “Initial Offer” means the issuance of Units during the Initial Period of Offer.
- 5.35** “Initial Offer Price” or “Initial Price” means the price of Rs. 50 per Unit during the Initial Offering Period.
- 5.36** “Initial Period of Offer” means the same as "Initial Offering Period" and "Initial Public Offer" which means the period during which first offer of Units shall be made, which shall be indicated in the Offering Document. This period shall not exceed a period of ten days (provided that this period may be extended with the prior approval of the Commission and the Trustee).
- 5.37** "Investment" means any Authorized Investment forming part of the Fund Property.
- 5.38** "Investment Facilitator" or “Facilitator” means an Individual, Firm, Corporate or other Entity appointed by the Management Company, at its sole responsibility, to identify solicit and assist investors in investing in the Scheme.
- 5.39** “Investment Policy” means the investment policy outlined in Clause 13 of this Deed.
- 5.40** “Investment Segment” means the portion of Fund Property that will be invested in high risk assets in order to generate high returns to the Unit Holders.
- 5.41** "Istisna" means a contractual agreement for manufacturing goods and commodities, allowing cash payment in advance and future delivery or a future payment and future delivery.
- 5.42** “MCPF-I” means Meezan Capital Protected Fund - I.
- 5.43** “Minimum Period” means the remaining period from the date of issue of Units till the end of life of the Fund as per the terms in the Offering Document.
- 5.44** "Mudarabah" means a form of partnership where one partner provides funds, while other provides expertise and management.
- 5.45** "Murabaha" means a sale on mutually agreed profit. Technically it is a contract of sale in which the seller declares his cost and profit. As a financing technique, it involves a request by the client to the financier to purchase certain item for him, which is then sold to the client at a mutually agreed price.
- 5.46** "Musharikah" means a relationship established under a contract by the mutual consent of the parties for sharing of profits and losses arising from a joint enterprise or venture. All providers of capital are entitled to participate in management, but not necessarily required to do so. The profit is distributed among the partners in pre-agreed ratios, while the loss is borne by each partner strictly in proportion to respective capital contributions.
- 5.47** "Net Assets" means the excess of assets over liabilities of the Fund, such excess being computed in the manner as specified under the Rules and Regulations.

- 5.48** "Net Asset Value" or "NAV" means per Unit Value of the Fund arrived at by dividing the Net Assets by the number of Units outstanding.
- 5.49** "Net Realizable Value" means the proceeds to the Unit Holder at the time of redemption which is net of all charges.
- 5.50** "Offer Price" or "Purchase Price" means the sum to be paid by the investor for the purchase of one Unit, such price to be determined pursuant to the Offering Document and this Deed.
- 5.51** "Offering Document" means a published document(s) containing information of the Fund to invite the public for purchase Units of the Fund. Any supplemental offering document will also constitute part of Offering Document.
- 5.52** "Ordinance" means Companies Ordinance 1984.
- 5.53** "Par Value" means the First Offer Price of a Unit that shall be fifty Rupees.
- 5.54** "Pre-IPO Investors" mean such initial investors in the Fund that invest prior to the Initial Public Offer of the Fund. These include but are not limited to the Core Investors of the Fund.
- 5.55** "Principal Investment" means amount determined by multiplying the Par Value of the Unit with the number of Capital Protected Units purchased by the Unit Holder.
- 5.56** "Redemption Price" or "Repurchase Price" means the amount to be paid to the relevant Holder of a Unit upon Redemption of that Unit, such amount to be determined pursuant to Clause 15.3 of this Trust Deed and to be stated in the Offering Document.
- 5.57** "Register" means the Register of the Unit Holders kept and maintained pursuant to the Rules, Regulations and this Trust Deed.
- 5.58** "Registrar" means an organization that the Management Company may appoint for performing the Registrar Functions and may include a department of the Management Company. The term and definition of "Transfer Agent" is also covered within the definition of a Registrar.
- 5.59** "Registrar Functions" means the functions with regard to:
- (a) Maintaining the Register;
 - (b) Processing requests for Purchase (Offer), Repurchase (Redemption), Transfer, Switching, Conversion, Transmission of Units and requests for recording of lien or for recording of changes in data with regard to the Unit Holder(s);
 - (c) Issuing Account Statements to the Unit Holders;
 - (d) Issuing Certificates to the Unit Holders if required;
 - (e) Dispatching income distribution advice and/or bank transfer intimations;
 - (f) Canceling old Certificates on Redemption or Replacement; and
 - (g) Other functions to be performed as per Transfer Agent Agreement.
- 5.60** "Regulations" mean the Non-Banking Finance Companies and Notified Entities Regulations, 2007
- 5.61** "Rules" mean the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, as amended from time to time.
- 5.62** "Sales Load" means the sales charge or commission (excluding Duties and Charges) not exceeding five percent (5%) of the Net Asset Value. The Management Company may, at its discretion, charge different levels of the load to different investors from time to time.
- 5.63** "Shariah" means divine guidance as given by the Holy Qur'an and the Sunnah of Prophet Muhammad (PBUH) and embodies all aspects of the Islamic faith, including beliefs, practices, rules and principles.
- 5.64** "Shariah Advisor" means Meezan Bank Limited or any other Institution or a body of Islamic scholars, appointed in its place by the Management Company with the approval of the Commission, having knowledge of Islamic finance, to supervise and monitor the activities of the Fund to ensure that all its activities comply with Shariah.
- 5.65** "Shariah Compliant" means any activity that is in accordance with the Islamic Shariah.
- 5.66** "Stock Exchange" means Karachi Stock Exchange, Lahore Stock Exchange or Islamabad Stock Exchange or any other stock exchange registered under the Securities and Exchange Ordinance 1969 and shall also include a Stock exchange in an offshore country.
- 5.67** "Service Request Form" means the prescribed form, which is to be stated in the Offering Document.
- 5.68** "Sukuk" means a type of Islamic bond that is backed by assets of the issuer that earn profit or rent.

- 5.69** "Transaction Costs" means the costs incurred or estimated by the Management Company to cover the costs (such as, but not restricted to, Brokerage, Trustee charges, Taxes or Levies on transactions, etc.) related to the investing or disinvesting activity of the Fund's portfolio, necessitated by creation or cancellation of Units. Such costs may be added to the NAV for determining the Purchase (Offer) Price of Units or be deducted from the NAV in determining the Repurchase (Redemption) Price. The Transaction Costs may not normally be applied in determining these prices; however, if the Management Company is of the view that it is in the overall interest of the Unit Holders, it may with intimation to the Trustee in writing and to the Unit Holders through website, apply such charge either to the Offer or the Redemption Price.
- 5.70** "Trustee" means Central Depository Company of Pakistan Limited (CDC) or any other company appointed with approval of the Commission from time to time.
- 5.71** "Trusts Act" means Trusts Act 1882.
- 5.72** "Unit" means one undivided share in the Scheme and where the context so indicates a fraction thereof.
- 5.73** "Zakat" has the same meaning as in Zakat and Ushr Ordinance (XVIII of 1980), 1980.

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

6 ROLE AND RESPONSIBILITIES OF MANAGEMENT COMPANY

6.1 Compliance with Rules, Regulations and this Deed

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

6.2 Management of Fund Property

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

6.3 Appointment of Distributors

The Management Company under intimation to the Trustee shall from time to time appoint, remove or replace one or more Distributor(s) for carrying out the Distribution Functions at one or more locations, on terms and conditions to be incorporated in the distribution agreement to be entered into between the Distributor(s) and the Management Company. Provided that the Management Company may also itself act as a Distributor for carrying on Distribution Functions.

6.4 Appointment of Investment Facilitators

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

6.5 Appointment of Registrar/Transfer Agent

The Management Company may from time to time under intimation to the Trustee, appoint, remove or replace the Registrar/Transfer Agent who is responsible for performing Registrar Functions. The Transfer Agent shall perform the Registrar Functions, including maintaining investors' records, issuing statements of accounts, issuing Certificates representing Units, processing redemption requests, processing dividend payments and all other related and incidental activities and any other role assigned to the Transfer Agent as per the transfer agent agreement.

6.6 Record Keeping

- 6.6.1 The Management Company shall maintain at its principal office, proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Scheme, and all other transactions for the account of the Scheme.
- 6.6.2 The Management Company shall maintain a Register of Unit Holders of the Scheme and inform the Commission of the address where the Register is kept.

6.7 Submission of Accounts

The Management Company shall within one month of the close of the first and third quarter, within two months of second quarter and within three months of end of Accounting Year prepare and transmit to the Unit Holders (physically or through electronic means or on the web subject to approval of the Commission), the Trustee and the Commission (physically or through electronic means), balance sheet as at the end of that period, income statement, cash flow statement, a statement of movement in Unit Holders' Fund, Directors' Report, Trustee's Report (if applicable) and the Auditors' Report (if applicable) for that period as per Rules and Regulations.

The Unit Holders give their consent to the Management Company to place the quarterly and half yearly accounts of the Fund on its website. Hence copies of quarterly and half yearly accounts will not be transmitted to the Unit Holders by post. However, the Management Company shall provide to the Unit Holders hard copies of quarterly and half yearly accounts on demand, at their registered address, free of cost, within one week of such demand.

6.8 Appointment of Auditors

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

6.9 Submission of information to the Commission

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

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

6.10 Submission of information to Trustee

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

6.11 Liabilities of the Management Company

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

6.12 Instructions to Trustee

The Management Company shall, from time to time, advise the Trustee of the instructions relating to any transaction entered into by it on behalf of the Trust. The Trustee shall carry out the instructions in accordance with the dictates of the specific transactions provided they are in consonance with the provisions of this deed, the Rules and Regulations.

6.13 Performance of Duties as per Rules and Regulations

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

6.14 Protection of Unit Holders' interest

The Management Company shall if it considers necessary request the Trustee, for 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.

7 SHARIAH GOVERNANCE / SHARIAH ADVISORY SERVICES

7.1 Shariah Governance

All activities of the Fund shall be undertaken in accordance with the Islamic Shariah as per the guidelines given by Shariah Advisor.

7.2 Shariah Advisor

- 7.2.1 The Management Company shall appoint a Shariah Advisor from time to time that shall advise the Management Company regarding Shariah.
- 7.2.2 Meezan Bank Limited has been appointed the Shariah Advisor of the Fund. At present the Shariah Supervisory Board of Meezan Bank consists of Justice (Retd) Muhammad Taqi Usmani, Dr. Abdul Sattar Abu Ghuddah, Sheikh Essam M. Ishaq and Dr. Muhammad Imran Ashraf Usmani.
- 7.2.3 The Management Company may, with prior notice to the Trustee, terminate its agreement with the Shariah Advisor(s) and appoint a new Shariah Advisor to the Fund with the approval of the Commission and under intimation to the Trustee.
- 7.2.4 The Shariah Advisor shall advise the Management Company on matters relating to Shariah compliance and recommend general investment guidelines consistent with Shariah. Any verdict issued by the Shariah Advisor in respect of any Shariah related matter would be final and acceptable to the Trustee, the Management Company, the Unit Holders and other parties related with the matter.
- 7.2.5 The Shariah Advisor shall provide technical guidance and support on various aspects of Shariah, so as to enable the Management Company to mould the Unit Trust into a Shariah Compliant Investment.

- 7.2.6 The Shariah Advisor vide its letter dated January 24, 2008 has certified that the Trust Deed is compliant with the requirements of Shariah. However, in case there is a requirement for any amendment, based on future research for purposes of increasing the Shariah acceptability of the Trust Deed, permission for necessary amendments of the Deed may be sought from the Commission.
- 7.2.7 At the end of each Accounting Year, the Shariah Advisor shall issue a certificate to be included in the financial reports in respect of the Shariah compliance of the preceding year's operations of the Fund. Cost of any special investigations conducted by the Shariah Advisor would be borne by the Management Company. For avoidance of any doubt, the cost of services of the Shariah Advisor as defined in clauses 7.2.4, 7.2.5 and 7.2.6 would be charged to the Fund.

8 ROLE AND RESPONSIBILITIES OF TRUSTEE

8.1 Investment of Fund Property at direction of Management Company

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

8.2 Custody of Assets

The Trustee has the responsibility for being the nominal owner and for the safe custody of the assets of the Fund on behalf of the beneficial owners (the Unit Holders), within the framework of the Rules, Regulations, the Trust Deed and Offering Document issued for the Fund.

8.3 Obligations under Rules, Regulations and Constitutive Document

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

8.4 Nomination of Attorney

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

8.5 Appointment of Sub-Custodian

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

8.6 Compliance with this Deed

The Trustee shall comply with the provisions of this Deed for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee under intimation to the Management Company. Provided that the Trustee shall be responsible for the acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Trust for any loss in value of the Fund Property where such loss

has been caused by gross negligence or any reckless act and/or omission of the Trustee or any of its attorney (ies), or agents.

8.7 Protection of Unit Holders' interest

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

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

8.8 Actions to protect Unit Holders' interest

The Trustee shall, if requested by Management Company or if it considers necessary for the protection of Fund property or safeguarding the interest of Unit Holders, institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Fund Property or any part thereof, with full powers to sign, swear, verify and submit pleadings and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized directors and officers. All costs, charges and expenses (including legal fees) incurred in instituting or defending any such action shall be borne by the Trust and the Trustee shall be indemnified against all such costs, charges and expenses. Provided that no such indemnity shall be available in respect of any action taken against the Trustee for gross negligence or breach of its duties in connection with the Trust under this Deed or the Rules, Regulations. For the avoidance of doubt, it is clarified that notwithstanding anything contained in the Constitutive Documents, the Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities whatsoever suffered or incurred by the Trust arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or shareholders' action or otherwise howsoever and (save as herein otherwise provided), all such losses, claims, damages and other liabilities shall be borne by the Trust.

8.9 Carrying out instructions of the Management Company

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

8.10 Availability of information to Management Company

The Trustee shall make available or ensure that there is made available to the Management Company such information and/ or reports as the Management Company may reasonably require from time to time in respect of the Fund Property and all other matters relating to the Fund. The Trustee shall arrange to make available to the Management Company daily statements of all the Bank Accounts being operated by the Trustee for the Fund.

8.11 Trustee’s Report to the Unit Holders

The Trustee shall report to the Unit Holders in accordance with the Regulations, including a report to be included in the annual and second quarter report as to whether in its opinion, the Management Company has in all material respects managed the Scheme in accordance with the provisions of the Rules and the Regulations, this Deed and the Offering Document and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof.

8.12 Entitlement to require the Auditors to provide reports

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

8.13 Consent of Trustee for transaction with Connected Person

Any transaction between the Trust and the Management Company or any of their respective Connected Persons as principal shall require the prior consent of the trustee and shall only be made as permissible under the Rules, Regulations and this Deed.

8.14 Liabilities of the Trustee

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

8.15 Performance parameters

8.15.1 The Trustee shall be required to adhere to performance standards, as mutually agreed upon between the Management Company and the Trustee, from time to time.

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

8.16 Other Responsibilities of the Trustee

8.16.1 The Trustee shall ensure that (a) the sale, issue, repurchase, redemption and cancellation of Units are carried out in accordance with the provisions of this Deed, the Offering Document and supplemental thereto and the revised Regulations and (b) the methods adopted by the Management Company in calculating the value of the Units are adequate.

8.16.2 The Trustee shall ensure that the Management Company has specified the criteria in writing to provide for a diverse panel of brokers at the time of offering of Scheme and shall also ensure that

the Management Company has been diligent in appointing the brokers to avoid undue concentration with any broker.

8.16.3 The Trustee shall ensure that the investment and borrowing limitations set out under this Deed and the Regulations and the conditions under which the Scheme was authorized are complied with

9 CHANGE OF MANAGEMENT COMPANY

9.1 The Commission may on its own or on the recommendation of the Trustee remove the Management Company by giving at least ninety Business Days notice for sub clause (a) hereunder and with immediate notice for sub clause (b) & (c) hereunder in writing to the Management Company if any of the following have occurred:

- (a) The Management Company has willfully contravened the provisions of this Deed in any material respect and has failed to rectify the contravention within a reasonable period after the contravention has come to its notice;
- (b) The Management Company goes into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for purpose of reconstruction and amalgamation); receiver is appointed over any of the assets of the Management Company.
- (c) If Management Company becomes ineligible to act as a management company of the Trust under the provisions of the Rules, or any other law for the time being enforced.

9.2 The Management Company may retire at any time with the prior written consent of the Commission.

9.3 The removal or retirement of Management Company and appointment of a new management company shall always require the prior approval of the Commission and the intimation of the same to the Trustee.

9.4 If the Commission has cancelled the registration of the Management Company under the provisions of the Rules, the Commission shall appoint another asset management company as the management company for the Scheme according to the provisions of this Deed and the Rules.

9.5 Upon a new management company being appointed the Management Company will take immediate steps to deliver all the documents and records pertaining to the Fund to the new management company and shall pay all sums due to the Trustee.

9.6 Upon its appointment the new management company shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the management company hereunder as fully as though such new management company had originally been a party hereto.

9.7 Furthermore, the Trustee may immediately upon the issuance of notice of removal of Management Company appoint auditors with the consent of Commission from amongst the panel of auditors designated as "A" category by State Bank of Pakistan for the audit of Financial Institutions.

9.8 The auditors so appointed shall be other than the existing auditors of the Fund, the Management Company and the Trustee.

9.9 The auditors shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Trustee or Commission.

9.10 The report for the audit shall be submitted by the auditors to the Trustee not later than thirty (30) Business Days from their appointment. A copy of the report shall also be provided to Commission, outgoing Management Company and the new management company.

- 9.11** The costs of audit shall be borne equally by the Management Company and the new management company.
- 9.12** Upon Retirement or removal, the Management Company shall be paid its accrued remuneration upto the date of retirement or removal.

10 CHANGE OF TRUSTEE

- 10.1** The Trustee may, subject to prior approval of the Commission, retire from his office on appointment of a new trustee and the retirement shall take effect at the same time as the new trustee is appointed with the approval of the Commission or from the date of assumption of assets of the Fund by the newly appointed trustee, whichever is later.
- 10.2** In circumstances where the Commission is of the opinion that Trustee has been in violation of the Regulations or this Deed or found guilty of misconduct or failed to discharge its obligations under the Regulations, it may remove the Trustee after giving an opportunity of being heard.
- 10.3** The Management Company may, giving cogent reasons, apply to the Commission for change of the Trustee by simultaneously proposing appointment of a new trustee.
- 10.4** The Commission if satisfied with the circumstances and reasons for the change applied for in clause 10.3 may accord approval for appointment of a new trustee.
- 10.5** In the event of the Trustee desiring to retire, the Management Company, with the prior written approval of the Commission, may by a deed supplemental hereto under the seal of the Management Company appoint a new trustee under the provisions of the Regulations in place of the retiring Trustee and also provide in such deed for the automatic vesting of all the assets of the Scheme in the name of the new trustee. Provided that the obligations of the Trustee shall continue and the Trustee shall also receive its remuneration until the new trustee is appointed.
- 10.6** If the Trustee goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction on terms previously agreed to with the Management Company for purpose of reconstruction and amalgamation) or ceases to carry on business or a receiver of its undertaking is appointed or it becomes ineligible to act as a trustee of the Fund under the provisions of the Rules and the Regulations, the Management Company shall with the approval of the Commission, by an instrument in writing, remove the Trustee from its appointment under this Deed and shall by the same or some other instrument in writing simultaneously appoint as trustee some other company or corporation according to the provisions of the Rules and this Deed as the new trustee.
- 10.7** Upon the appointment of a new trustee, the Trustee shall immediately deliver all the documents and records to the new trustee and shall transfer all the Fund Property and any amount deposited in any Distribution Account to the new trustee and make payments to the new trustee of all sums due from the Trustee.
- 10.8** Upon retirement or removal, the Trustee shall be paid its accrued remuneration upto the date of retirement or removal.
- 10.9** The new trustee shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Trustee hereunder as fully as though such new trustee had originally been a party hereto.

- 10.10** Notwithstanding, removal/ resignation of the Trustee and its subsequent discharge from its duties under this Deed and the Rules, the Trustee shall remain entitled to the benefit under the terms of this Deed till the removal/ resignation of the Trustee is effective without prejudice to the Trustee's responsibility or obligation to liquidate any liability for which the Trustee may have become liable under this Deed and / or the Rules.
- 10.11** The Management Company may immediately in case of retirement or removal of Trustee appoint auditors with the consent of the Commission from amongst the panel of auditors designated as "A" Category by State Bank of Pakistan for the audit of financial institutions. The Management Company shall ensure that accounts of the Fund till the day of the appointment of the new trustee are audited by such auditor.
- 10.12** The auditors so appointed shall be other than the existing auditors of the Fund, The Management Company and the Trustee.
- 10.13** The auditors shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Management Company or Commission.
- 10.14** The audit report for the audit shall be submitted by the auditors to the Management Company not later than thirty (30) business days from their appointment. A copy of the report shall also be provided to the Commission, Trustee and the new trustee.
- 10.15** The costs of audit shall be shared equally by the outgoing Trustee, the new trustee and the Fund.

11 FUND PROPERTY

- 11.1** The aggregate proceeds of all Units issued from time to time after deducting Duties and Charges and after deducting therefrom or providing thereout any applicable Front-end Load and adding thereto any early redemption charges in the form of Back-end Load, shall constitute part of the Fund Property and the Distributor shall remit such proceeds, unless exempted under this Deed or applicable law, the Sales Load and the Duties and Charges to the Trustee in accordance with the instructions given by the Management Company from time to time.
- 11.2** The Fund Property shall initially be constituted out of the proceeds of the Units issued to the Core Investors, Pre-IPO Investors and other Units issued during the Initial Period of Offer after deducting any applicable Duties and Charges therefrom or any Front end Load.
- 11.3** The Trustee shall take the Fund Property into its custody or under its control either directly or through the Custodian and hold it in trust for the benefit of the Unit Holders in accordance with the provisions of the Rules and this Deed. The Fund Property shall always be kept as a separate property and shall not be applied to make a loan or advance except in connection with the normal business of the Fund. All registerable Investment shall be registered in the name of the Trustee and shall remain so registered until disposed of pursuant to the provisions of this Deed.
- 11.4** Save as herein expressly provided the Fund Property shall always be kept as separate property free from any mortgages, charges, liens or any other encumbrances whatsoever and the Trustee or the Custodian shall not except as allowed under the Rules create any mortgages, charges, liens of any other encumbrances whatsoever to secure any loan, guarantee, or any other obligation actual or contingent incurred, assumed or undertaken by the Trustee, the Custodian or any other person except for securing finances obtained from Banks or institutions upon the direction of the Management Company and subject to the limitations contained in the Rules.

- 11.5** The Trustee shall have the sole responsibility for the safe keeping of the Fund Property. Subject to the provisions of this Deed in the event of any loss due to negligence or breach of fiduciary duties on part of the Trustee, the Trustee shall have an obligation to replace the lost Investment forthwith with similar investment of the same class and issue together with all rights and privileges pertaining thereto or compensate the Fund to the extent of any such loss.
- 11.6** All cash forming part of the Fund Property shall be deposited by the Trustee in one or more separate Bank Account(s) on the instructions of the Management Company, in the name of the Trustee.
- 11.7** Remuneration of the Management Company and the Trustee, brokerage and transaction costs relating to investing and disinvesting of the Fund Property; all expenses as mentioned in clause 17 and any other expenses permissible under the Rules shall be payable out of the Fund Property in accordance with the Rules.
- 11.8** All 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 Fund as per the instruction of Management Company.

12 BANK ACCOUNTS

- 12.1** The Trustee shall open Bank accounts titled “CDC -Trustee Meezan Capital Protected Fund - I” 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 authorities in Pakistan) as is required by the Management Company from time to time.
- 12.2** The Management Company may also require the Trustee to open separate accounts for temporary parking of redemption funds that the Unit Holders wish to reinvest at a later stage.
- 12.3** The Management Company may also require the Trustee to open separate Bank Accounts for each dividend distribution out of the Fund.
- 12.4** Notwithstanding any thing in this Deed the beneficial ownership of the balances in the Accounts vests in the Unit Holders of the Fund.

12.5 Investment of Seed Capital and Pre-IPO Funds

The amounts received from the Core Investors and other Pre-IPO Investors would be deposited in a separate Bank Account titled “CDC - Trustee Meezan Capital Protected Fund - I - Pre-IPO”. The Management Company may deposit/ invest this amount in bank account of an A- rated Scheduled Islamic Commercial Bank or Islamic window of a Scheduled Commercial Bank

Income, profit etc. earned on the investments by the Core Investors and other Pre-IPO Investors upto the close of the Initial Period of Offer, shall after deducting all expenses that may be incurred by the Management Company, be paid to the Core Investors and other Pre-IPO Investors in proportion to their respective investments in form of a stock dividend or a cash dividend. The remaining amount, after payment of Income, Profit etc. to Core Investors and other Pre-IPO Investors, will be transferred to the main Bank Account of the Fund upon the close of the Initial Period of Offer.

13 INVESTMENT OBJECTIVE, INVESTMENT POLICY AND INVESTMENT RESTRICTIONS

13.1 Investment Objective

- 13.1.1 MCPF-I is a capital protected fund and has an objective to pay investors, with certain conditions, their Principal Investment over the term of its life in form of dividend or return of capital on its termination in a Shariah compliant manner.
- 13.1.2 The capital protection will be secured by placing assets of the Fund in a Murabaha placement with a Scheduled Islamic Bank having at least 'A' rating at the time of placement. This investment will be made through the Capital Protection Segment of the Fund. The Management Company will allocate an appropriate amount to the Capital Protection Segment depending upon the returns available.
- 13.1.3 The remaining assets of the Fund will be allocated to the Investment Segment and may be invested in high risk assets that have the potential to give a high return to investors.
- 13.1.4 The capital protection structure (including percentage of amount that will be invested to ensure capital protection) and the investment limits for various asset classes of authorized investments for the Investment Segment will be disclosed in detail in the Offering Document of the Fund

13.2 Capital Protection

- 13.2.1 Capital protection is provided through the investment structure of the Fund as detailed in the Offering Document and not through an undertaking or guarantee by the Management Company or the Trustee;
- 13.2.2 Capital protection means that the Net Realizable Value of investment at the maturity of the Fund should not fall below the Principal Investment subject to clause 13.2.1 and if the investment is held for a minimum period as per the contractual terms laid down in the Offering Document.
- 13.2.3 Capital protection will not be valid if units of the Fund are redeemed before the minimum period and a back end load may be charged as per details in clause 15.3 of this Trust Deed.
- 13.2.4 The Fund shall be closed from time to time and re-opened as and when determined by the Board of Directors of the Management Company, with prior approval of the Commission under intimation to the Trustee and by providing notice to investors in order to protect the interests of the Unit Holders of the Fund. The Management Company shall comply with the terms of approval specified by the Commission, to protect the interest of Unit Holders.
- 13.2.5 The capital of the Fund is protected only in terms of the base currency i.e. the Pakistani Rupee. In addition, the capital protection is only valid in terms of the current tax and legal environment of Pakistan and is subject to force majeure factors such as bankruptcy of an investment grade rated institution.

13.3 General Investment Policy

- 13.3.1 After the registration of the Trust Deed of the Scheme, the Trustee may on the recommendation of the Management Company enter into contracts with relevant parties to purchase/enter into Murabaha placements or such investments for the Capital Protection Segment so as to fulfill the requirements of clause 13.2 above. Details of such investments/ placements may be disclosed in the Offering Document.
- 13.3.2 All Investments of the Fund would be as per the guidelines of the Shariah Advisor of the Fund and will be in strict conformity with the rules of Shariah.
- 13.3.3 The Management Company may invest the Fund Property in Authorized Investments as per the Investment Policy described in clauses 13.4 and 13.5 below

13.4 Investment Policy for Capital Protection Segment

- 13.4.1 For the purpose of Capital Protection, the assets of the Fund may be placed in a Murabaha placement with a Scheduled Islamic Bank having minimum investment grade rating such that it fulfills the requirement of capital protection as outlined in this Deed and the Offering Document.
- 13.4.2 In case of maturity of Murabaha placement prior to the termination of the Fund, the Capital Protection Segment may again be placed in similar Murabaha structures or in bank accounts of Scheduled Islamic Banks or Islamic windows of Scheduled Commercial Banks only if such placement will, in the opinion of the Management Company, maintain the capital protection of the Fund.
- 13.4.3 In case the rating of the financial institution with which Murabaha placement has been made is reduced from investment grade or institution is placed on watch list, Management Company may at that time realize the investment at its discretion but only to reasonably protect the interest of the Unit Holders.
- 13.4.4 If the investments in a Capital Protection Segment are realized on a date close to but before the termination of the Fund, the funds so realized will be invested in short term instruments such as bank account with a Scheduled Islamic Banks or Islamic windows of Scheduled Commercial Banks having minimum “A” grade rating.

13.5 Investment Policy of Investment Segment

- 13.5.1 Investment Segment will generally invest in high return/high risk investments with an objective of providing Unit Holders a higher return than the minimum protection provided by the Capital Protection Segment.
- 13.5.2 Investment avenues shall include fixed, floating, and hybrid investment instruments. The Fund would invest in the following instruments:
- (a) Shares of companies listed on the stock exchanges or for whose listing an application has been filed in the stock exchanges.
 - (b) Certificates of Investment based on Shariah compliant structures
 - (c) Bank Deposits in licensed Islamic Banks and licensed Islamic Banking windows of conventional Banks
 - (d) Placement of funds under Mudarabah, Murabaha and Musharikhah arrangements
 - (e) Placement of funds under Istisna' and Ijarah arrangements
 - (f) Spread Transactions as approved by the Shariah Advisor
 - (g) Secured and listed Shariah compliant securities including sukuks issued by Federal Government, Provincial Government, Local Government and Government Agencies
 - (h) Secured and unlisted Shariah compliant securities including sukuks issued by Federal Government, Provincial Government, Local Government and Government Agencies
 - (i) Secured and listed Shariah compliant securities including sukuks issued by public sector entities
 - (j) Secured and unlisted Shariah compliant securities including sukuks issued by public sector entities
 - (k) Secured and listed Shariah compliant securities including sukuks issued by private sector entities and/ or financial institutions.
 - (l) Secured and unlisted Shariah compliant securities including sukuks issued by private sector entities and/ or financial institutions.
 - (m) Unsecured and listed Shariah compliant securities including sukuks issued by Federal Government, Provincial Government, Local Government and Government Agencies
 - (n) Unsecured and unlisted Shariah compliant securities including sukuks issued by Federal Government, Provincial Government, Local Government and Government Agencies

- (o) Unsecured and listed Shariah compliant securities including sukuks issued by public sector entities
- (p) Unsecured and unlisted Shariah compliant securities including sukuks issued by public sector entities
- (q) Unsecured and listed Shariah compliant securities including sukuks issued by private sector entities and/ or financial institutions.
- (r) Unsecured and unlisted Shariah compliant securities including sukuks issued by private sector entities and/ or financial institutions.
- (s) Any other Shariah compliant instrument that may be allowed by the Commission from time to time and is as per the guidelines of the Fund's Shariah Advisor.
- (t) International investments in instruments based on the structures mentioned in sub clauses (a) to (i) subject to the conditions laid down by the State Bank of Pakistan from time to time for such investments and with prior approval of the Commission.

13.6 Investment Restrictions

13.6.1 The Management Company in managing the Fund shall abide by all the provisions of this Deed, Rules and Regulations.

13.6.2 The Fund Property shall be subject to such exposure limits as are provided in this Deed, the Rules and the Regulations (subject to any exemptions that may be specifically given to the Fund by the Commission). In the event, the exposure limits exceeds due to the relative movement in the market prices of the investments or any corporate actions (including bonus shares or right shares) or through any disinvestment or decrease in Net Assets of the Scheme due to redemptions, the Management Company will have three (3) months to comply with the exposure limits in case such limits are exceeded.

13.6.3 If and so long as the value of the holding in a particular security shall exceed the limit imposed by the Rules, the Management Company shall not purchase any further Investments in such security. However this restriction on purchase shall not apply to any offer of right shares or any other offering, if the Management Company is satisfied that accepting such offer is in the interest of the Fund.

13.6.4 The Fund will not at any time:

- (a) Effect a short sales in a security whether listed or unlisted;
- (b) Purchase any security in a forward contract;
- (c) Purchase any security on margin;
- (d) Apply any part of its asset to real estate, commodities or commodity contracts;
- (e) Acquire any security of which another asset management company managing a collective investment scheme is the issuer;
- (f) Issue at any time, without the prior approval of the Commission in writing, a senior security which is either stock or represents indebtedness;
- (g) Invest in any security of a company if any director or officer of the Management Company owns more than five per cent of the total amount of securities issued, or, the directors and officers of the Management Company own more than ten per cent of those securities collectively;
- (h) Lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person;
- (i) Borrow except with the approval of the Trustee for meeting redemption request and such borrowing shall not exceed fifteen per cent of the total net asset value of the Fund at the time of borrowing and shall be repayable within a period of ninety days.

13.7 Exemptions to Investment Restrictions

13.7.1 The Management Company subject to the approval of the Commission may invest the Capital Protection Segment in a single security or instrument that is sufficient to fulfill the capital protection provided in the Offering Document.

13.7.2 The Management Company subject to the approval of the Commission may invest the Investment Segment in a single security or instrument internationally. This investment would be further subject to the conditions laid down by the State Bank of Pakistan for such investments.

14 BORROWING RESTRICTIONS

14.1 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 institutions, both financial and non financial, for borrowing by the Trustee for the account of the Fund; provided that the borrowing shall not be resorted to, except for meeting the redemption requests.

14.2 The charges payable to any Bank or institution against borrowings on account of the Fund as permissible above shall not be higher than the normal prevailing bank charges or normal market rates for similar service and/or facility.

14.3 The maximum borrowing for the account of the Fund shall not exceed fifteen per cent of the total Net Asset Value of the Fund at the time of the borrowing or such other limit as may be provided in the Rules and Regulations.

14.4 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.

14.5 For the purposes of securing any such borrowing the Trustee may upon instruction 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.

14.6 Neither the Trustee nor the Management Company shall incur any liability by reason of any loss to the Trust or any loss that a Unit Holder may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangement made hereunder.

15 VALUATION OF PROPERTY AND PRICING

15.1 Determination of Purchase (Offer) Price

15.1.1 Units offered and issued during the Initial Offer shall be issued at par. The offer and issuance of Units during the Initial Offer shall remain open during the period specified in the Offering Document.

15.1.2 After the Initial Offer, the Purchase (Offer) Price for the Unit Holder shall be determined from time to time pursuant to the Clause 15.1.3 hereafter and shall be calculated and announced by the Fund on days when the Fund is open for subscription.

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

- (a) The Net Asset Value as of the Business Day of announcement (Forward pricing);
- (b) Any Front-end Load at the discretion of the Management Company but not exceeding five percent of the Net Asset Value;
- (c) Such amount as the Management Company may consider an appropriate provision for Duties and Charges as defined in this Deed and other levies, taxes etc; and
- (d) Such amount as the Management Company may consider an appropriate provision for Transaction Costs.

Such sum may be adjusted upward to the nearest paisa.

Unit Purchase requests, complete in all respects, shall be priced at the Purchase (Offer) Price so determined at the close of the Business day when funds from the purchase payments are realized or subsequent Business Day if the day is not a Business Day.

- 15.1.4 The Purchase (Offer) Price so determined shall apply to purchase requests, received by the Distributor or the Management Company during the business hours on the Business Day on which the completely and correctly filled purchase of Units application form is received. Any minor deficiencies in the Units application form need to be removed within seven (7) Business Days.
- 15.1.5 In the event that the amount paid as provision for payment of Duties and Charges pursuant to 15.1.3 (c) is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retrospective effect after the date of payment in which case such excess shall be recovered from the Fund Property).
- 15.1.6 In the event that the amount paid as provision for payment of Duties and Charges pursuant to 15.1.3 (c) exceeds the relevant amount of Duties and Charges, the Registrar shall issue additional Units or fractions thereof to the Unit Holders based on the price applicable to the Units issued against the relevant application
- 15.1.7 The Purchase (Offer) Price determined by the Management Company shall be made available to the public at the office and branches of the Distributors and at the discretion of the Management Company may also be published in any one daily newspaper widely circulated in Pakistan.

15.2 Allocation of Sales Load

- 15.2.1 The remuneration of Distributors and Investment Facilitators shall be paid from any Front-end Load and/or Back-end Load received by the Trustee. If the Front-end Load received by the Trustee is insufficient to pay the remuneration of the Distributors and Investment Facilitators, the Management Company shall pay the amount necessary to pay in full such remuneration and no charges shall be made against the Fund Property or the Distribution Account in this respect
- 15.2.2 Such payments may be made to the Distributors and Investment Facilitators by the Management Company upon the receipt from the Trustee or may be made by the Trustee directly on the instructions of the Management Company on monthly basis in arrears within thirty days of the end of the calendar month.
- 15.2.3 The Management Company may at its discretion charge different levels of Sales Load on different kinds of Units. In such an instance the Management Company may instruct the Trustee to refund a portion of the Sales Load to the Unit Holder or instruct the Registrar to issue additional Units or fractions thereof to the Unit Holder based on the price applicable to the Units issued against the

relevant application. The Management Company may also at its discretion instruct the Trustee to receive the purchase amount on the basis of the reduced Sales Load. However, the Trustee will not accept any amount which is less than the amount based on the Net Asset Value for the day.

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

15.3 Determination of Repurchase (Redemption) Price

- 15.3.1 During the Initial Offer the Units shall not be redeemed.
- 15.3.2 After the Initial Offer the Repurchase (Redemption) Price shall be equal to the Net Asset Value as of the Business Day of announcement, less:
- (a) Any Back-end Load as per the details in the Offering Document but not exceeding five percent of the Net Asset Value, and;
 - (b) Any amount applicable in respect of Zakat/ taxes imposed by the Government; and
 - (c) Such amount as the Management Company may consider an appropriate provision for Duties and Charges and other levies etc; and
 - (d) Such amount as the Management Company may consider an appropriate provision for Transaction Costs;
- Such sum may be adjusted downward to the nearest paisa
- 15.3.3 The Repurchase (Redemption) Price so determined shall apply to redemption requests, complete in all respects, received by the Distributor or the Management Company during the business hours (as announced by the Management Company from time to time) on the Business Day on which a correctly and properly filled redemption application is received.
- 15.3.4 In the event that the amount paid as provision for payment of Duties and Charges is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retrospective effect after the date of payment in which case such excess shall be recovered from the Fund Property).
- 15.3.5 In the event that the provision for payment of Duties and Charges exceeds the relevant amount of Duties and Charges, the excess amount will form part of Fund Property.
- 15.3.6 The Redemption Price determined by the Management Company shall be made available to the public at the office and branches of the Distributors and at the discretion of the Management Company may also be published in any daily newspaper widely circulated in Pakistan.

15.4 Redemption of Units

- 15.4.1 The Trustee shall at any time during the life of the Fund, on the instructions of the Management Company, authorize redemption of Units out of the Fund Property through duly authorized Distributors.
- 15.4.2 In the event of redemption of Capital Protected Units before the Minimum Period, a Back-end Load, as per the Offering Document, shall be charged to the Unit Holders before determination of the Redemption Price.
- 15.4.3 An application for Redemption of Units shall be made by completing the prescribed Redemption Form and the same is received at the Authorized Branch or office of the Distributor on a Business

- Day during the business hours as may be announced by the Management Company from time to time. The Distributor may retain a copy of the Redemption Form and a copy may also be supplied to the Registrar, if so required by the Management Company. The Management Company may make arrangements to accept redemption requests through electronic, IVR (interactive voice response) or other means. The Management Company shall not redeem part of the Units comprised in a Certificate. Units in a Certificate can only be redeemed after surrendering the Certificate. In case of partial redemption, Units requested for redemption will be redeemed after surrendering of Certificate and a new Certificate for balance units may be issued, In the case where Certificate is not issued any number of Units may be redeemed by the Unit Holder thereof. The relevant Certificate shall accompany the application for Redemption of Units, if issued. At the discretion of the Management Company certificate charges may apply for the reissued Certificate. In case of application for redemption by joint Unit Holders, unless otherwise specified by the joint holders, such application should be signed by all the joint Holders as per their specimen signatures provided at the time of opening of the account within the Unit Holder Register, through the Investor Account Opening Form
- 15.4.4 The Trustee may at its discretion dispense with the production of any Certificate that shall have become lost, stolen or destroyed upon compliance by the Unit Holder(s) with the like requirements to those arising in the case of an application by him for the replacement thereof.
- 15.4.5 The Management Company shall announce the Offer and Redemption Price on a daily basis on all Subscription Days. The Redemption Price at which Units shall be redeemed shall be the price fixed by the Management Company under the terms of this Deed. However, if the event in Clause 16.3 or Clause 16.4 hereunder comes into application, the redemption value shall be determined in accordance with the procedure laid out in these clauses.
- 15.4.6 The amount payable on redemption shall be paid to the Unit Holders or first named joint Unit Holder by dispatching a cheque/ bank draft for the amount to the registered address of the Unit Holder or may be paid to the Unit Holder by transfer to the Unit Holder's designated bank account as mentioned in the Investor Account Opening Form within six Business Days from the date of presentation of the duly completed redemption application, electronic or otherwise, at the Authorized Branch or office of the Distributor or Registrar.
- 15.4.7 The Management Company may make arrangements through branches of banks to facilitate redemption of Units of the Unit Trust. A request for redemption of Units may also be made through the use of electronic means such as Internet or ATM facilities or Credit Card facilities, under prior arrangement with the Trustee.
- 15.4.8 The receipt of the Unit Holders for any moneys payable in respect of the Units shall be a good discharge to the Trustee and the Management Company and in case of joint Unit Holders any one of them may give effectual receipt for any such moneys.
- 15.4.9 Application for Redemption of Units will be received at the authorized offices or branches of the Distributor on all Business Days. Where redemption requests on any one Business Day exceed ten (10) percent of either the total number of Units outstanding or Net Assets of the Fund, such redemption requests in excess of ten (10) percent may be deferred in accordance with the procedure elaborated in the Clause 16.3.
- 15.4.10 The Distribution Company or the Registrar shall verify the particulars given in the application for Redemption of Units. The signature of any Unit Holder or joint Unit Holder on any document required to be signed by him under or in connection with the application for redemption of Units may be verified by the Registrar or otherwise authenticated to their reasonable satisfaction. In case

of submission of electronic on-line redemptions the Unit Holder's user ID and password will authenticate his identity.

15.4.11 A redemption request shall deem to have been made in accordance with the provisions of the Offering Document if such documents prescribe automatic redemption under certain circumstances.

15.4.12 Where lien/ pledge/ charge is recorded in the Register, the Management Company and Trustee may concur to make payment to the pledgee, if a request is received from the pledgee or through an order of a competent court and on receipt of such indemnification as Management Company or Trustee may require.

16 DEALING, SUSPENSION, AND DEFERRAL OF DEALING

16.1 Change in the method of dealing

Subject to compliance with Regulation and under the circumstances mentioned in the Offering Document (having regard to the interests of unit holders), the Management Company may request the Trustee to approve a temporary change in the method of dealing in Units. Such approval shall not be unreasonably withheld. The Management Company may, at any stage, suspend the dealing of Units and for such periods it may so decide.

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

16.2 Suspension of Issue or Redemption of Units

16.2.1 The Fund shall be closed from time to time and re-opened as and when determined by the Board of Directors of the Management Company, with prior approval of the Commission under intimation to the Trustee and by providing notice to investors in order to protect the interests of the Unit Holders of the Fund. The Management Company shall comply with the terms of approval specified by the Commission, to protect the interest of Unit Holders.

16.2.2 The Management Company may suspend the issue of Units at any time for an indefinite period with prior approval of the Commission and intimation to the Trustee:

- (a) If the Net Asset Value of the Fund falls below the Par Value of Units in Issue
- (b) Any other reason deemed appropriate by the Management Company.

16.2.3 In exceptional circumstances, redemption or sale in Units may be suspended in order to protect the interests of Unit Holders. In such a case, the Management Company shall immediately notify the Commission and Trustee and it shall also publish a notice in this regard immediately following such decision in the newspaper in which the Scheme's Offer and Redemption Prices are normally published. The exceptional circumstances may include:

- (a) Any period when the Stock Exchange on which any of the Investment for the time being is listed or dealt in is closed or when dealings in such Investment are restricted or suspended;
- (b) The existence of any state of affairs or force majeure which in the opinion of the Management Company constitute an emergency as a result of which disposal of any of the Investment would not be reasonably practicable or might seriously prejudice the interest of the Fund or the Unit Holders;

- (c) Any breakdown in the means of communication normally employed in determining the price of any Investment or the current price thereof on any Stock Exchange or when for any reason the price of any such Investment cannot be promptly and accurately ascertained;
 - (d) Any period when remittance of money which will or may be involved in the realization of such Investment or in the payment for such Investment cannot in the opinion of the Management Company be carried out in reasonable time;
 - (e) If the Management Company is of the view that it would be detrimental to the remaining Unit Holders to redeem or continue to redeem Units at a price ascertained on the basis of the Net Asset Value;
 - (f) If the Management Company is of the view that investment of inflow of substantial fund will be difficult, it may decline the application in full or in part for issue of Units at its discretion from investors;
 - (g) Extraordinary circumstances including closure of one or more Banks, in which the Fund's Bank Accounts are maintained.
- 16.2.4 Suspension of Issue of Units may however not affect existing subscribers, the issue of bonus units as a result of dividend distribution or the option to receive dividends in the form of additional Units. The Management Company shall announce the details of exemptions at the time a suspension of fresh issue is announced. The Management Company shall immediately notify the Commission and the Trustee if dealing in Units is suspended and shall also have the fact published, immediately following such decision, in any one of the newspapers in which the Fund's prices are normally published.
- 16.2.5 Such suspensions in Issue or Redemption of Units shall end on the day following the first Business Day on which the conditions giving rise to the suspension shall in the opinion of the Management Company have ceased to exist and no other condition under which suspension is authorized under the Deed exists. In case of suspension and end of suspension, the Management Company shall immediately notify the Commission and the Trustee and publish the same in news paper in which prices of the Fund are normally published.

16.3 Queue System

- 16.3.1 In the event redemption requests on any Business Day exceed ten (10) percent of the Units outstanding, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for up to ten (10) percent of the Units outstanding.
- 16.3.2 The Management Company shall proceed to sell adequate assets of the Fund and/ or arrange borrowing as it deems fit in the best interest of the Unit Holders and shall determine the Redemption Price to be applied to the redemption requests based on such action.
- 16.3.3 Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same Business Day, such requests shall be processed on a proportional basis proportionate to the size of the requests.
- 16.3.4 The requests in excess of the ten (10) percent shall be treated as redemption requests qualifying for being processed on the next Business Day at the price to be determined for such redemption requests.
- 16.3.5 If the carried over requests and the fresh requests received on the next Business Day still exceed ten (10) percent of the Units outstanding, these shall once again be treated on first-come-first served basis and the process for generating liquidity and determining the Redemption Price shall be

repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten (10) percent of the Units then outstanding.

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

17 FEES AND CHARGES

17.1 Sales Load

17.1.1 The Management Company may, at its discretion, charge different levels of the Sales Load to different investors from time to time. However, Sales Load shall not exceed five percent (5%) of Net Asset Value.

17.1.2 Any change in the maximum limit for Sales Load will be communicated at least fifteen (15) Business Days prior to the application of that decision subject to approval from the Commission under intimation of the Trustee.

17.2 Remuneration of the Management Company

17.2.1 The Management Company shall be entitled to be paid monthly in arrears of the accrued remuneration of an amount equal to 3% of the average annual net assets (calculated on a monthly basis) of the Investment Segment of the total investment and an amount equal to 1% of the average annual net assets (calculated on a monthly basis) of the Capital Protected Segment.

17.2.2 The remuneration due to the Management Company shall be paid within thirty (30) Business Days after the close of each month,

17.2.3 Management Company shall be responsible for the payment of all expenses incurred by it from time to time in connection with its responsibilities as the asset management company to the Fund. The Management Company shall not make any charge against the Unit Holders or against the Fund Property or against the Distribution Account for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the Rules and the Trust Deed to be payable out of Fund Property.

17.2.4 The Management Company shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provision of the Trust Deed.

17.2.5 The remuneration shall begin to accrue from the first day subsequent to the close of Initial Offer. In respect of any period other than a full calendar year, such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued in the accounting year concerned.

17.3 Remuneration of the Trustee

- 17.3.1 The Trustee shall be entitled to a monthly remuneration out of the Fund Property based on an annual tariff of charges annexed hereto (Annexure "C"), which shall be applied to the average daily Net Assets during such calendar month. This may be amended from time to time.
- 17.3.2 The remuneration shall begin to accrue from the first day subsequent to the close of Initial Offer. For any period other than a full calendar month such remuneration will be prorated on the basis of the actual number of days for which such remuneration has accrued for the total number of days in the calendar month concerned.
- 17.3.3 Such remuneration shall be paid to the Trustee in arrears within thirty Business Days after the end of each calendar month.
- 17.3.4 The Trustee shall bear all expenditures in respect of its secretarial and office space and professional management, provided in accordance with the provisions of this Deed.
- 17.3.5 Any increase in the remuneration of the Trustee agreed to by the Management Company shall require the approval of the Commission.
- 17.3.6 The Trustee shall however not make any further material charge against the Unit Holders nor against the Fund Property nor against the Distribution Account for its services nor for expenses, except such expenses or fees as are expressly authorized under the provisions of the Rules and the Deed to be payable out of Fund Property.

17.4 Amortization of Formation Costs

- 17.4.1 All preliminary and floatation expenses of the Fund including expenses incurred in connection with the establishment and authorization of the Fund, including execution and registration of the Constitutive Documents, issue, legal costs, printing, circulation and publication of the Offering Document, announcements describing the Fund and all expenses incurred during and up to the Initial Offering Period subject to a maximum of one per cent of pre-IPO capital of the Fund or Rupees five million, whichever is lower, shall be borne by the Management Company and shall be reimbursable by the Fund subject to the audit of expenses and amortized over a period of not less than five years or within the maturity of the Fund whichever is lower.

17.5 Other Fees and Charges Payable out of the Property of the Fund

The following charges shall also be payable out of the Fund Property

- (a) Custody, Brokerage, Transaction Costs of investing and disinvesting of the Fund Property.
- (b) All expenses incurred by the Trustee in effecting the registration of all registerable property in the Trustee's name.
- (c) Legal and related costs incurred in protecting or enhancing the interests of the Fund or the collective interest of the Unit Holders.
- (d) Bank charges and borrowing/financial costs;
- (e) Auditors' Fees and related expenses.
- (f) Any printing costs and related expenses for issuing Fund's quarterly, half yearly and annual reports etc.
- (g) Fund rating fee payable to approved rating agency.
- (h) Listing Fee including renewals payable to the Stock Exchange(s) on which Units may be listed
- (i) Any fee payable to the Commission.

- (j) Taxes, fees, cess, duties if any, applicable to the Fund and on its income, turnover and/or its properties.
- (k) Charges and levies of stock exchanges, national clearing and settlement company, Commission charges, CDC charges, CVT and Fund dividend/redemption of Units transfer charges as payable to Bank at time of transfer of funds to Unit Holders and such other levies and charges.
- (l) Any amount which the Shariah Advisor may declare to be Haram and to be paid to Charity in accordance with the decision of the Shariah Advisor.
- (m) Any other expenses as permissible under the Rules and Regulations from time to time and / or permitted by the Commission

18 TRANSACTIONS WITH CONNECTED PERSONS

18.1 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 per cent (5%) of the total amount of securities issued, or, the directors and officers of the Management Company own more than ten per cent (10%) of those securities collectively.

18.2 The Fund shall not without the prior approval of the Commission in writing, purchase from, or sell to, any connected person or employee of the Management Company or another collective investment scheme managed by the Management Company or a person who beneficially owns ten per cent or more of the equity securities of the Fund or the Management Company.

Provided however, the above clause would not be applicable to transactions related to Murabaha placement with the Scheduled Islamic Bank for the purpose of Capital Protection as mentioned in clause 13.4. The Commission vide its letter no NBFC-II/AD/AMIML/98/2008 dated February 22, 2008, has granted an exemption for such transaction.

18.3 For the purpose of Clause 18.2 above, the terms director, officer and employee shall include spouse, lineal ascendants and descendants, brothers and sisters.

18.4 Cash forming part of the property of the Scheme shall be placed as deposits with the Trustee or an institution licensed to accept deposits.

18.5 Money shall be borrowed from the Financial Institutions provided that the charges are not higher than the normal bank charges.

18.6 Subject to the Rules, any transaction between the Trust and the Management Company or any of their respective Connected Persons (as defined in Regulations) as principal shall only be made with the prior written consent of the Trustee.

19 DISTRIBUTION POLICY, DETERMINATION OF DISTRIBUTABLE INCOME AND DATE OF DISTRIBUTION

19.1 The Management Company shall decide as soon as possible but not later than forty-five days after the Accounting Date whether to distribute among Unit Holders, profits, if any, available for the distribution at the end of the Accounting Period, and shall advise the Trustee of the rate of such distribution per Unit.

19.2 The amount available for distribution in respect of any Accounting Period shall be determined by the Management Company after consulting the Auditors 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 and fee;
- (b) Whole or part of the net realized appreciation, at the option of the Management Company.
- (c) From the above amounts shall be deducted expenses and such other adjustment as the Management Company may determine in consultation with the Auditors.

19.3 The proceeds of sales of rights and all other receipts deemed by the Management Company after consulting the Auditors to be in the nature of capital accruing from Investments shall not be regarded as available for distribution but shall be retained as part of the 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 after consulting the Auditors to be in the nature of the net realized appreciation may be distributable to the Unit Holders by the Trustee and shall thereafter cease to form part of the Fund Property once transferred to the Distribution Account.

19.4 The income qualifying for distribution in respect of the relevant period shall be ascertained by deducting all such expenses and costs as mentioned in Clause 17 above.

19.5 The income qualifying for distribution in respect of the relevant period may be adjusted as under:

- (a) deduction of a sum by way of adjustment to allow for effect of purchase of shares or any of the Investments cum dividend, interest, profit or mark-up;
- (b) adjustment if considered necessary by the Management Company to reflect the diminution in value of Fund Property in consultation with the Trustee.
- (c) Addition of a sum representing amounts included in the price of Units for income accrued prior to the date of issue and deduction of a sum representing all participation in income distributed upon redemption of Units upon a reduction of the Fund during the relevant period.

19.6 The Management Company may, from time to time, pay to the Unit Holders such interim dividends as in their judgment position of the Fund justifies. Bonus Units issued to Unit Holders will not qualify for Capital Protection. If Bonus Units are redeemed before the Minimum Period, they will be charged with a Back-end Load.

19.7 Distribution Policy and Date of Distribution

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

19.7.2 In case of cash dividend, on each distribution date the Management Company shall instruct the Trustee to transfer such amount of cash as required to effect such distribution to the Distribution Account. The amount standing to the credit of the Distribution Account shall not for any purposes of this Deed be treated as part of the Fund Property but shall be held by the Trustee upon trust to distribute the same as herein provided. However, any amount standing to the credit of the Distribution Account being profit would be treated as Fund Property and would be transferred to the Fund's Bank Account.

- 19.7.3 After the fixation of the rate of distribution per Unit, distribution payments shall be made by the Trustee through transfer to the Unit Holders' designated bank accounts as mentioned in the Investor Account Opening Form to be prescribed in the Offering Document or through any other mode(s) of payment and such payment shall be subject to the Rules.
- 19.7.4 Before making any distribution payment (such as bonus units, cash dividend etc.) in respect of a Unit the Trustee or the Management Company may make such deductions as may be required by law in respect of any Zakat, income or other taxes, charges or assessments whatsoever and issue to the Unit Holders the certificate/ advice in respect of such deductions in the prescribed form or in a form approved by the concerned authorities.
- 19.7.5 The Management Company shall give the Unit Holders the option at the time of opening of Unit Holder Account (via the Investor Account Opening Form) within the Unit Holder Register to receive new Units instead of cash dividend. The Unit Holders shall be entitled to change such option.
- 19.7.6 In case of distribution in the form of bonus Units on each distribution date the Management Company shall determine the amount available for distribution as bonus Units and inform the Trustee of the same.
- 19.7.7 After the fixation of rate of bonus entitlement per Unit, the Management Company shall instruct the Registrar to credit the respective Unit Holders' accounts with the designated number of Units calculated on the basis of the rate of distribution determined above against the number of Units held by them on the date of Register Closure.
- 19.7.8 The Management Company shall give the Unit Holder(s) the option at the time of opening of Unit Holder Account (via the Investor Account Opening Form) within the Unit Holder Register to encash bonus Units. In such case the bonus Units issued to the credit of such Unit Holder(s) shall be redeemed at the ex-dividend NAV as calculated on the Business Day immediately preceding the first day of the book closure announced for such purpose and proceeds shall be credited in accordance with the normal procedure already detailed above for Redemption of Units.
- 19.7.9 The Unit Holders shall be entitled to change such options. Details are given in the Offering Document.
- 19.7.10 Where Units are placed under pledge/ lien the payment of dividends will be made in accordance with Clause 36 of this Deed.

20 ANNUAL ACCOUNTING PERIOD

- 20.1** The Annual Accounting Period shall commence on 1st July and shall end on 30th June of the succeeding calendar year.
- 20.2** Accounting Date shall be the 30th day of June in each year and any interim dates at which the financial statements of the Fund are drawn up. Provided, however, that the Management Company may, with the consent of the Trustee and under intimation to the Commission, change such date to any other date.
- 20.3** Accounting Period shall be the period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the any amount is first transferred to the Fund Property and in any other case from the next day of the end of the preceding Accounting Period.

21 BASE CURRENCY

21.1 The base currency of the Fund shall be Pakistani Rupee; it being clarified, however, that the Authorized Investments may be denominated in Pakistani Rupee or (subject to applicable law) any other foreign currency.

22 MODIFICATION OF THE CONSTITUTIVE DOCUMENTS

22.1 The Trustee and the Management Company acting together shall be entitled by deed supplemental hereto to modify, alter or add to the provisions of this Deed in such manner and to such extent as they may consider expedient for any purpose, subject only to the approval of the Commission. Provided that, the Trustee and the Management Company shall certify in writing that, in their opinion such modification, alteration or addition is required pursuant to any amendment in the Rules or to ensure compliance with any fiscal or statutory requirement or to enable the provisions of this Deed to be more efficiently, conveniently or economically managed or to enable the Units to be dealt in or quoted on Stock Exchange or otherwise for the benefit of the Unit Holder(s) and that it does not prejudice the interests of the Unit Holder(s) or any of them or operate to release the Trustee or the Management Company from any responsibility to the Unit Holder(s).

22.2 Where this Deed has been altered or supplemented, the Management Company shall notify the Unit Holders within ten (10) Business Days of such alteration.

22.3 The Management Company may, from time to time, with the consent of the Trustee frame rules or regulations for conducting the business of the Trust or in respect of any other matter incidental thereto; provided such rules or regulations are not inconsistent with the provisions of the Rules, this Deed or the Offering Document.

22.4 If the Commission modifies the Rules or Regulations to allow any relaxations or exemptions, these will deemed to have been included in this Trust Deed without requiring any modification as such.

22.5 If at any time, any Clause of this Deed is and / or becomes in whole or in part, illegal, invalid or unenforceable under the laws of any applicable jurisdiction, neither the legality, validity and enforceability of the remaining Clauses of this Deed hereof, nor the legality, validity or enforceability of such Clause under the law of any other jurisdiction shall in any way be affected or impaired thereby.

23 TERMINATION OF THE TRUST

23.1 The Management Company may terminate the Fund by giving three months notice in writing to the Unit Holders and shall disclose the grounds of its decision. Subject to the Regulations, the Management Company may announce winding up of the Trust without notice in the event redemption requests build up to a level where the Management Company is of the view that the disposal of the Fund Property to meet such redemptions would jeopardize the interests of the remaining Unit Holders and that it would be in the best interest of all the Unit Holders that the Trust be wound up.

23.2 The Trust may also be terminated by the Commission on the grounds given in the Rules.

23.3 This Deed may be terminated in accordance with the conditions specified in the Rules if there is a material breach of the provisions of this Deed or other agreement or arrangement entered into between the Trustee and Management Company regarding the Fund.

24 TERMINATION AND LIQUIDATION OF TRUST AT END OF MINIMUM PERIOD

- 24.1** The Fund shall stand automatically dissolved after the Minimum Period. Upon the Trust being dissolved the Management Company may suspend issue and redemption of units forthwith and proceed to liquidate/sell all investments as part of Fund Property and shall repay all borrowing effected by the Trust together with any markup remaining unpaid.
- 24.2** All Units shall automatically stand redeemed within thirty (30) working days of the close of the Minimum Period at the redemption price which shall be determined by the Management Company after completion of the liquidation of all investments.
- 24.3** The redemption price so determined by the Management Company shall not fall below the Principal Investment value upon maturity subject to Clause 13.2.

25 DISTRIBUTION OF LIQUIDATION PROCEEDS

- 25.1** Upon the Trust being terminated the Management Company shall suspend the Sale and Redemption of Units forthwith and proceed to sell all Investments then remaining in the hands of the Trustee as part of the Fund Property and shall repay any borrowing affected by the Trust together with any markup or profit remaining unpaid. The Trustee shall however not be liable if the sale proceeds of the Investments fall short of the amount(s) borrowed on account of the Fund and/or any profit or markup thereon.
- 25.2** The Trustee on the recommendation of the Management Company shall from time to time distribute to the Unit Holders pro rata to the number of Units held by them respectively all net cash proceeds derived from the realization of the Fund Property after making payments as mentioned in Clause 25.1 above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands. In case of any deficit, the Trustee shall not be liable to contribute towards the same. However, if there is any surplus out of the sum so retained by the Trustee, the same shall be distributed ratably amongst the Unit Holders.

26 TRANSACTIONS RELATING TO INVESTORS (UNIT HOLDERS)

- 26.1** The Management Company shall advise the Trustee on a daily basis of the details of amounts to be paid to respective Unit Holders against redemption requests and/ or dividend payments, if any. Such payments shall be effected by the Trustee out of the accounts of the Fund by way of transfer of the appropriate amounts to the designated Bank Accounts of the Unit Holders or by dispatch of Instruments/ dividend cheque / warrants / advice to the Unit Holders by registered post/ courier at their respective addresses. Such dispatch shall constitute discharge of the Management Company and the Trustee in respect of such payment.
- 26.2** The Management Company may make arrangements through branches of banks to facilitate issuance and redemption of Units of the Unit Trust. A request for purchase of Units may also be made through the use of electronic means such as Internet or ATM facilities or Credit Card facilities.
- 26.3** The Management Company shall, from time to time, advise the Trustee of the dividend distribution for the Unit Trust. The Trustee shall establish a separate Bank Account for dividend distribution and transfer the amount payable as cash dividend to such Account after deducting such Taxes and Zakat as may be required under the law on the instruction of Management Company. The Trustee may rely

on the amount certified by the Auditors as the dividend payable in cash after adjusting for dividend being distributed in the form of Units of the Unit Trust.

26.4 The Trustee shall pay to the Management Company's sums out of the sale proceeds of Units as are representative of Front-end Load or charges or other recoveries that are specified in the Trust Deed or Offering Document, as being payable out of the Issue Price.

26.5 Without prejudice to the foregoing, and subject to any law for the time being in force, the Trustee shall endeavor to ensure and employ prudent practices to ensure that information pertaining to Fund Property, such as, but not restricted to, Investments made, list of Unit Holders etc., is not compromised, disclosed or provided to any third party without express consent of the Management Company or otherwise if required by any court or by the Commission or any other regulatory authority.

26.6 Where any loss is caused to the Fund Property or to the Management Company due to Trustee's failure to comply with terms of this Deed, owing to its gross negligence, the Trustee shall make good that loss by depositing a sum equivalent to the loss in the Fund Property or making payment to the Management Company, as the case may be.

26.7 Where any loss is caused to the Fund Property or to the Trustee due to Management Company's failure to comply with terms of this Deed, owing to its gross negligence, the Management Company shall make good that loss by depositing a sum equivalent to the loss in the Fund Property or making payment to the Trustee, as the case may be.

27 TRANSACTIONS RELATING TO INVESTMENT ACTIVITY/PORTFOLIO MANAGEMENT

27.1 The Trustee shall ensure that where applicable, payments for investments are made against delivery and vice versa, unless specified otherwise.

27.2 The Trustee shall promptly forward to the Management Company any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust Funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government, regulator, stock or other exchange or any other party having any connection with the transaction.

27.3 The Trustee shall also, if so required by the nature of such notices or documents mentioned in the foregoing clause, act, with the consent of the Management Company in a manner that is in the best interest of the Unit Trust. Such action shall include legal action if called for and the Trustee shall be entitled to recover any legal costs and expenses (including reasonable legal fees) incurred from the Unit Trust, as provided in clause 8.8 above.

27.4 The Management Company shall intimate the Trustee with regard to dividends, other forms of income or inflows, and any rights or warrants relating to the Investments that are due to be received. Further, the Trustee shall also report back to the Management Company any such amounts or warrants that are received on such accounts from time to time.

27.5 The Trustee shall provide proxies or other forms of powers of attorney to the order of the Management Company with regard to any voting rights attaching to any investment.

28 UNITS

- 28.1** 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 Fund, proportionate to the Units held by such Unit Holder.
- 28.2** The Management Company may issue any of the following classes of Units:
- (a) Class A Units that shall be Capital Protected Units which shall be charged with a Front-end Load, if any and also subject to Back-end Load if any, in case of redemption before the Minimum Period.
 - (b) Class B Units that shall be Capital Protected Units which shall be charged with a Front-end Load that is less than Class A Units (subject to Clause 15.2.3) and also be subject to Back-end Load, if any, in case of redemption before the Minimum Period.
 - (c) Class C Units are the Bonus Units that may be issued to the Unit Holders in case of stock dividend announced from time to time; such units shall not have any Capital Protection and will also be subject to Back-end Load if any, in case of redemption before the Minimum Period.
- 28.3** The Management Company may also issue Units with no Sales Load. These include Units issued to the Core Investors, Pre-IPO investors, the IPO investors and any Units issued as a result of reinvestment of distributable income pursuant to this Deed and/ or the Offering Document.
- 28.4** Irrespective of the different classes of Units as set out in this Clause, all Units issued from time to time shall rank pari passu inter se and shall have such rights as are set out in this Deed and the Offering Document, subject to the Capital Protection related characteristics mentioned in clause 29.2 above.
- 28.5** Core Units subscribed by the Core Investors shall be offered and issued at the Par Value. Rupees Fifty Million from that shall not be redeemable for a period of two years from the date of issue. However, for Capital Protection to hold Minimum Period requirement would apply for these Core Investors and a Back-end Load as per the Offering Document would be applicable in case of early redemption. A mention of such restriction and its termination date shall be entered into the Register and shall be noted on any Account Statement, Certificates or transfer instrument issued in respect of such Units.
- 28.6** Units offered and issued during the Initial Period of Offer shall be issued at the Initial Price. The offer and issue of Units during the Initial Period of Offer shall remain open during the period specified in the Offering Document.
- 28.7** After the Initial Offer, the Offer Price shall be determined from time to time pursuant to Clause 15.1 of this Deed.
- 28.8** The Management Company may at any time with the approval of the Trustee and the Commission on giving not less than twenty-one days notice in writing to each Unit Holder subdivide or consolidate the whole or any part of the Units and the Unit Holder shall be bound accordingly. The Management Company shall require in such notice that each Unit Holder to whom Certificates have been issued, (who shall be bound accordingly) deliver up his Certificates for endorsement or enfacement with the number of Units to be represented thereby as a result of such sub-division or consolidation; provided that any delay or failure to deliver up the Certificates shall not delay or otherwise affect any such sub-division or consolidation. Such information shall be published in at least two daily newspapers having wide circulation in the country.

29 PURCHASE (OFFER) OF UNITS

- 29.1** The Management Company shall be responsible for obtaining all requisite consents and approval(s) for the purchase (offer) and issue of Units and for the issue, publication or circulation of the Offering Document.
- 29.2** Except as provided herein the Units shall be offered through the authorized offices or branches of the Distributors on all Business Days.
- 29.3** Application for Purchase of Units shall be made by completing the prescribed Purchase of units application Form and submitting it to the authorized branches of the Distributor or to the Management Company together with the payment by cheque, bank draft, pay order, debit card, credit card etc as the case may be in favor of the “CDC-Trustee Meezan Capital Protected Fund - I” and crossed "Account Payee only" up to the approved limit. Such Forms have to be submitted within the announced business hours on the Business Days.
- 29.4** A request for purchase of Units may also be made through the use of electronic means such as Internet or ATM facilities or Debit Card or Credit Card facilities, the arrangements for which would be decided amongst the Management Company and Trustee from time to time.
- 29.5** Each Unit Holder shall be liable to pay the aggregate Purchase (Offer) Price of the Units subscribed by him together with a sum sufficient in the opinion of the Management Company to cover any Duties and Charges, levies etc payable in connection with the purchase of such Units and no further liability shall be imposed on him in respect of any Units held by him. The Units shall be issued in fractions up to four decimal points, only against receipt of full payment.
- 29.6** An application for purchase of Units shall be deemed to have been made in accordance with the provisions of the Offering Document, if such document prescribes automatic issuance of Units under certain circumstances.

30 PURCHASE (OFFER) AND REPURCHASE (REDEMPTION) OF UNITS OUTSIDE PAKISTAN

- 30.1** Subject to exchange control and other applicable laws, rules and regulations, in the event of arrangements being made by the Management Company for the purchase (offer) of Units to person(s) not resident in Pakistan or for delivery in any country outside Pakistan, the price at which such Units may be issued may, at the discretion of the Management Company, include in addition to the 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. However the addition would be disclosed to the Unit Holders through website and to the Trustee in writing.
- 30.2** In the event that the Repurchase 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. Provided however, neither the Management Company, nor the Trustee give any assurance or make any representation that remittance would be allowed by the State Bank of Pakistan at the relevant time. However the addition would be disclosed to the Unit Holders through website and to the Trustee in writing.

30.3 The currency of transaction of the Units of the Trust is Pakistani Rupee and the Management Company, Trustee or any Distributor are not obliged to transact the Purchase or Redemption of the Units in any other currency and shall not be held liable, save as may be specifically undertaken by the Management Company, for receipt or payment in any other currency or for any obligations arising there from.

31 REGISTER OF UNIT HOLDERS

31.1 A Register shall be maintained by the Registrar at such a place as is agreed by the Management Company. The Management Company shall ensure that the Registrar shall comply with all relevant provisions of this Deed and the Rules.

31.2 The Management Company shall ensure that the Registrar shall at all reasonable times during business hours give the Trustee and its representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without charge but neither the Trustee nor its representatives shall be entitled to remove the Register or to make any entries therein or alterations thereto.

31.3 The Registrar shall, within seven Business Days of receiving a written request from any Unit Holder(s), post (or send by courier or through electronic or any other means) to such Unit Holder(s) details of such Unit Holder's account in the Register. The Management Company may prescribe reasonable charges for servicing of any additional requests.

31.4 The Register shall contain the following information:

- (a) Full name, father's/husband's name and addresses of Unit Holder(s) and joint Unit Holder(s)
- (b) Computerized National Identity Card Number and/or passport number (if applicable)
- (c) The number and type of the Units held and the distinctive numbers of Certificate(s), if any
- (d) The date on which the name of every Unit Holder was entered in respect of the Units standing in his name
- (e) The date on which any Transfer or Redemption is registered
- (f) Information about lien, Pledge or charge on Units
- (g) Tax and Zakat status of the Unit Holder(s)
- (h) Record of the signature of the Unit Holder(s)
- (i) Nominees of the Unit Holder(s) and
- (j) Such other information as Management Company may require

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

31.6 Any change of name or address of any Unit Holder shall forthwith be notified in writing to the Registrar, who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name, the surrender of any Certificate(s) previously issued to such Unit Holder(s) and the payment of the fee) shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall, if requested, issue new Certificate(s) to such Unit Holder(s).

31.7 The Registrar shall not register more than four (4) joint Holders for a Unit. In case of the death of any one of the Joint Holders the survivor or survivors shall be the only person(s) recognized by the Trustee as having any title to or interest in the Units held by the joint Holders. Provided however, the Registrar or the Trustee may at their discretion request the survivors to provide succession certificates or other such mandate from a court or lawful authority, if they consider necessary.

31.8 A body corporate may be registered as a Unit Holder or as one of joint Unit Holders.

- 31.9** The Register may be closed with intimation to the Trustee for such period as the Management Company may from time to time determine and after giving at least seven days notice to Unit Holder(s), provided that it is not closed for more than forty-five days in any calendar year.
- 31.10** The Unit Holder shall be the only person to be recognized by the Trustee, the Management Company and the Registrar as having any right, title or interest in or to such Units and the Trustee, the Management Company and the Registrar may recognize the Unit Holders as the absolute owner thereof and shall not be bound by any notice to the contrary and shall not be bound to take notice of or to see to the execution of any trust except where required by any court of competent jurisdiction. However, the Management Company may authorize the Registrar to record a lien on any or all Units held by Unit Holders in favor of a third party at the request of such Unit Holders or joint Unit Holders as the case may be.
- 31.11** The executor or administrator or succession certificate holder of deceased Unit Holder (not being one of several Joint Unit Holders) shall be the only person recognized by the Trustee and the Management Company as having title to the Units represented thereby. However, the operation of the account within the Unit Holder Register of the Unit Holder will continue as per the mandate and authority given at the time of opening of the account through the Investor Account Opening Form.
- 31.12** Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Unit Holder(s) or of the survivor of Joint Unit Holders may subject as hereinafter provided upon producing such evidence as to his title as the Trustee shall think sufficient either be registered himself as Holder of such Unit upon giving the Trustee/Distributor such notice in writing of his desire or transfer such Unit to some other person. All the limitations, restrictions and provisions of this Deed relating to transfer shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer was a transfer executed by the Unit Holders. Provided however, the Management Company or the Trustee may at their discretion request the survivors to provide succession certificates or other such mandate from a court or lawful authority, if they consider necessary.
- 31.13** The Trustee shall retain any money payable in respect of any Unit of which any person is, under the provisions as to the transmission of Units hereinbefore contained, entitled to be registered as the Unit Holder(s) or which any person under those provisions is entitled to transfer, until such person shall be registered as the Holder of such Unit or shall duly transfer the same.

32 ISSUANCE OF ACCOUNT STATEMENT AND CERTIFICATES

- 32.1** Upon being satisfied that the Offer Price for each Unit or fraction thereof has been received in full from the applicant, the Registrar shall issue an account statement that will constitute evidence of the number of Units registered in the name of the Unit Holder(s).
- 32.2** Certificates shall be issued only if so requested by the Unit Holders at the time of application or at any later stage and upon payment of a fee of Rupees Fifty (50) per Certificate of any denomination, subject to revision of fee from time to time by the Management Company together with a sum sufficient in the opinion of the Management Company to cover any Duties and Charges payable in connection with the issue of such Certificate. The proceeds of such fee will accrue to the Management Company.
- 32.3** Certificates shall only be issued for Units that have been fully paid.

- 32.4** Certificates where requested shall be issued as herein provided not later than twenty-one Business Days after the date of such request. The Certificate may be sent to the principal account holder named first or his duly authorized nominee at his own risk by registered post or by courier service or may be collected by the Unit Holder(s) from the Distributor.
- 32.5** In the case of Units held jointly the Registrar shall not issue more than one Certificate for the Units held by such joint Unit Holders and delivery of such Certificate to the principal Account Holder named first therein shall constitute sufficient delivery to all joint Unit Holders. All payments required under this Deed (i.e. redemption and dividend) will be made to the first named joint Unit Holder.
- 32.6** Certificates shall be issued in such form as may from time to time be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the name of Fund, name and address of the Management Company and the name of the Trustee, shall bear a distinctive serial number and shall specify the number of Units represented thereby and the name and address of the Unit Holders as appearing in the Register.
- 32.7** Certificates may be engraved or lithographed or printed as the Management Company may determine from time to time with the mutual agreement of the Trustee and shall be signed on behalf of the Trustee by duly authorized officer(s) of the Trustee and on behalf of the Management Company by duly authorized officer(s) of the Management Company. Every such signature shall be autographic unless there shall be for the time being in force an arrangement authorized by the Trustee adopting some lithographic or other mechanical method of signature in which event all or any of such signatures may be effected by the method so adopted. The Certificates shall also bear the signature of the authorized representative(s) of the Registrar, which shall always be autographic. No Certificate shall be of any force or effect until signed as herein above mentioned. Certificate so signed shall be valid and binding notwithstanding that before the date of delivery thereof the Trustee or the Management Company or the Registrar or any person whose signature appears thereon as a duly authorized signatory may have ceased to be the Trustee, Management Company, Registrar, Distributor or an authorized signatory.

33 REPLACEMENT OF CERTIFICATES

- 33.1** Subject to the provisions of this Deed and in particular to the limitations of the denominations of Certificates as may be fixed by the Management Company and subject to any regulations from time to time made by the Trustee with the approval of the Management Company every Unit Holder shall be entitled to exchange upon surrender of the existing Certificate any or all of his Certificates for one or more Certificates of such denominations as he may require which shall not be in excess of the aggregate number of units held by the investor.
- 33.2** In case any Certificate shall be lost, stolen, mutilated, defaced or destroyed, the Registrar with the approval of the Management Company may issue to the person entitled new Certificate in lieu thereof. No such new Certificate shall be issued unless the applicant shall previously have:
- (a) Returned the mutilated or defaced Certificate or furnished to the Distributor/ Registrar evidence satisfactory to the Management Company of the loss, theft or destruction of the original Certificate;
 - (b) Paid all expenses incurred in connection with the investigation of the facts and any notice to be issued in newspapers inviting any claim (if any) against the lost Certificate to be notified to the Management Company, Trustee or the Registrar; and
 - (c) Furnished such indemnity as the Management Company and the Trustee may require. Neither the Management Company, nor the Trustee or the Distributor the Registrar shall incur any liability for any action that they may take in good faith under the provision of this sub-clause. Provided

further that the Trustee and/or the Management Company may also require issuance of public notices in newspapers at the cost of the pertinent Unit Holder before issuing any new Certificate.

33.3 Before the issuing of any Certificate under the provision of sub-clause above, the Distributor/Registrar may require from the applicant for the Certificate the payment to it of a fee of fifty (50) Rupees for each Certificate, subject to revision of fee from time to time by the Management Company together with a sum sufficient in the opinion of the Management Company to cover any Duties and Charges payable in connection with the issue of such Certificate.

34 TRANSFER OF UNITS

34.1 Every Unit Holder(s) shall be entitled to transfer the Units held by him by an instrument, i.e. the Service Request Form, in such form as the Management Company may prescribe from time to time.

34.2 Every instrument of transfer must be signed by both the transferor and the transferee and the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof. The Management Company may make arrangements to accept transfer requests through electronic means provided the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof.

34.3 A Certificate shall be transferable only in its entirety.

34.4 In case of transfer of Capital Protected Units, the lock-in period as specified in the Offering Document or the pertinent Supplementary Offering Document shall continue to be in force.

34.5 Every instrument of transfer, must be duly completed in all respects including affixation of transfer stamps of the requisite value, if applicable. Where Certificates have been issued the Trustee may dispense with the production of any Certificate where the Certificate shall have become lost, stolen or destroyed subject to compliance by the transferor with the like requirements to those arising in the case of an application by him for the replacement thereof as provided in this Deed or as required by the Registrar.

34.6 All instruments of transfer shall be retained by the Registrar subject to the following sub-clause.

34.7 The Registrar/Transfer Agent with the prior approval of the Management Company and the Trustee shall be entitled to destroy all instruments of transfer or the copies thereof as the case may be which have been registered at any time after the expiration of ten years from the date of registration thereof and all Certificates which have been cancelled at any time after the expiration of three years from the date of cancellation thereof and all registers, statements and other records and documents relating to the Trust at any time after the expiration of six years from termination of the Trust. The Trustee or the Management Company or the Distributors or Registrar shall be under no liability whatsoever in consequence thereof and it shall conclusively be presumed in favor of the Trustee or the Management Company or the Distributors or Registrar that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered by the Trustee or the Management Company or the Distributor or Registrar and that every Certificate so destroyed was a valid Certificate duly and properly cancelled, provided always that:

- (a) The provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant;
- (b) Nothing in this sub-clause shall be construed as imposing upon the Trustee or the Management Company or the Distributor or Registrar any liability in respect of the destruction of any

document earlier than as aforesaid or in any case where the conditions of provision (a) above are not fulfilled; and

- (c) Reference herein to the destruction of any document includes reference to the disposal thereof in any manner.

35 PLEDGE/LIEN OF UNITS

35.1 Any Unit Holder as per the Pledge Form to be prescribed in the Offering Document may request the Registrar 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 Registrar shall register a lien on any Units in favor of any third party with the consent of the Management Company. Any charges, duties, levies etc applicable on such Pledge/Lien will be borne by the Pledgor.

35.2 The Pledge/Lien once registered shall be removed by the authority of the party in whose favor the Pledge/Lien has been registered or through an order of a competent court. Neither the Trustee, nor the Management Company, nor the Registrar, shall be liable for ensuring the validity of any such Pledge/Lien. The disbursement of any loan or undertaking of any obligation against the constitution of such Pledge/Lien by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company nor the Registrar takes any responsibility in this matter.

35.3 Payments of dividends or the issue of bonus Units and Redemption proceeds or any other benefits of the Units under Pledge/Lien shall be made to the Pledge/Lien Holder for the Account of the Unit Holder.

36 AUDIT

36.1 The Management Company shall at the establishment of the Fund and with the consent of the Trustee, appoint as auditor, a firm of chartered accountants from the approved list of Auditors circulated by the Commission from time to time who shall be independent of the auditor of the Management Company and the Trustee and such auditor shall not be appointed for more than five consecutive years. The Management Company may at any time, with the concurrence of the Trustee, remove the Auditors and appoint another auditor in its place.

36.2 The Auditors shall have access to the books, papers, accounts and vouchers of the Fund, whether kept at the office of the Management Company, Trustee, Custodian, Registrar or elsewhere and shall be entitled to require from the Management Company, Trustee, Custodian, Registrar and their officers and agents such information and explanations as considered necessary for the performance of audit.

36.3 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.

36.4 The Auditors shall prepare a written report to the Unit Holders on the books of accounts of the Fund and the balance sheet and income and expenditure account and on every other document forming part of the balance sheet and income and expenditure account, including notes, statement or schedule appended thereto.

36.5 The contents of the Auditors report shall be as required in the Rules and the Regulations.

37 ARBITRATION

In the event of any disputes arising out of this Trust Deed or Offering Document between the Management Company on the one part and the Trustee on the other part, including as to the respective

rights and obligations of the Parties hereto, as well as those relating to the interpretation of the terms and conditions of this Trust Deed and/or the Offering Document and/ or the Supplemental Offering Document relating to the Fund, 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 businessmen or senior executives. The venue of the arbitration shall be Karachi. The arbitration shall be conducted in accordance with the Arbitration Act, 1940.

38 CONFIDENTIALITY

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

39 MISCELLANEOUS

- 39.1** Any notice required to be served upon the Unit Holders shall be deemed to have been duly given if sent by post or courier service to or left at his address as appearing in the Register. Any notice so served by post shall be deemed to have been served on the day following that on which the letter containing the same is posted, and in proving such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted.
- 39.2** The Management Company shall publish any such notice in two leading daily newspapers in Pakistan having wide circulation in the country, the cost of which shall be charged to the Fund.
- 39.3** Service of a notice or document to principal Account Holder shall be deemed effective service on all the other Joint Unit Holders.
- 39.4** Any notice or document sent by post or courier service to or left at the registered address of a Unit Holder shall notwithstanding that such Unit Holder be then dead or bankrupt and whether or not the Trustee or the Management Company have notice of his death or bankruptcy be deemed to have been duly served and such service shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under him) in the Units concerned.
- 39.5** If at any time, any Clause of this Deed is or becomes in whole or in part illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, the legality, validity and enforceability of the remaining Clauses of this Deed hereof, shall not in any way be effected or impaired thereby.
- 39.6** A copy of this Deed and of any such supplemental deed shall be made available for inspection at the respective Head Offices of the Trustee and of the Management Company at all times during usual business hours and shall be supplied by the Management Company to any person on application at a charge of Hundred (100) Pakistani Rupees per copy or at such rate as determined from time to time by the Management Company.

IN WITNESS WHEREOF THIS DEED has been executed on the day and year first above written.
The common seal of **Al Meezan Investment Management Limited** was hereunto affixed in the presence of;

Seal

- 1) _____
Chief Executive

The common seal of **Central Depository Company of Pakistan Limited** was hereunto affixed in the presence of;

Seal

- 1) _____
Chief Executive

Witnesses:

- 1) Name: _____
NIC: _____
Signature: _____
- 2) Name: _____
NIC: _____
Signature: _____

ANNEXURE

ANNEXURE A

Al Meezan Investment Management Limited's license to
carry out Asset Management Services

ANNEXURE B
Authorization of Meezan Capital Protected Fund - I by
Securities & Exchange Commission of Pakistan

ANNEXURE C
Tariff structure of the Trustee

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

Net Assets (Rs. Million)		
From	To	Tariff
1	1,000	Rs. 0.7 million or 0.20% p.a. of NAV, whichever is higher
>1,000	& above	Rs. 2.0 million plus 0.10% p.a. of NAV exceeding Rs. 1,000 million

ANNEXURE D

Securities & Exchange Commission of Pakistan's approval for appointment of Central Depository Company of Pakistan as the Trustee for Meezan Capital Protected Fund - I

ANNEXURE E

Securities & Exchange Commission of Pakistan's approval for appointment of Meezan Bank Limited as the Shariah Advisor of Meezan Capital Protected Fund - I