

Risk Disclosure: The Investors are advised in their own interest to carefully read the contents of the Offering Document in particular the risk factors mentioned in Clause 3.6, disclaimer in Clause 3.7 and Warnings in Part XI before making any decision.

Category of CIS	Risk Profile	Risk of Principal Erosion
Islamic Equity	High	Principal at high risk

OFFERING DOCUMENT

MEEZAN ISLAMIC FUND

(MIF)

Under Management of



Al Meezan
Investment Management Ltd

Last updated through Fifth Supplemental dated December 4, 2017

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OFFERING DOCUMENT OF MEEZAN ISLAMIC FUND (MIF)

(Managed by AlMeezan Investment Management Limited registered under the NBFC Rules, 2003).

Dated October 6, 2003

Open to Public Subscription from October 13, 2003

Established in Pakistan by a Trust Deed dated June 16, 2003, under the Trust Act 1882 (II of 1916) between Al Meezan Investment Management Limited, as the Management Company and, Central Depository Company of Pakistan as the Trustee and Authorized under Rule 67 of the Non-Bank Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

PART I - APPROVAL AND CONSENT

1.1 Approval of the Securities & Exchange Commission of Pakistan

The Securities & Exchange Commission of Pakistan (SECP) has authorized the offer of Unit MIF under Rule 67 of the NBFC Rules, 2003 (Rules). The SECP has approved this Offer Document under Rule 70(2) of the Rules.

It must be distinctly understood that in giving the approval, the SECP does not take any responsibility for the financial soundness of MIF nor for the accuracy of any statement made or any opinion expressed in this Offering Document.

Investors may realize that all investments involve risk. It should be clearly understood that portfolio of MIF is subject to market fluctuations and risks inherent in all such investment. The value of the Units in MIF may appreciate as well as depreciate, as well as the level dividend declared by MIF may go down as well as up.

All investments made by MIF will be made in adherence with the principles of Shariah. It is possible that the effect of Shariah screening placed on investments may result in the Fund performing differently to funds with similar objectives, but which are not subject to Shariah screening.

The provisions of the Deed and the Rules govern this Offering Document. It sets forth information about MIF that a prospective investor must know before investing in any Unit. Prospective investors should consult their investment adviser, portfolio manager, legal advisor or any other financial advisor.

1.2 Filing of the Offering Document

The Management Company has filed a copy of this Offering Document signed by the Chief Executive along with the Documents (1) to (11) below with the SECP. Certified copies of the documents can be inspected at the registered office of the Management Company or at registered office and place of business of the Trustee.

(1) Trust Deed of MIF dated 16th June 2003, executed between Al Meezan Investment Management Limited (AMIM) as the Management Company and Central Depository Comp of Pakistan (CDC) as Trustee.

(2) The Transfer Agency Agreement between AMIM and Meezan Bank Limited dated 3 October, 2003.

(3) Technical Collaboration Agreement between AMIM and Meezan Bank Limited dated April 2003, appointing Meezan Bank as Shariah Advisor and Distribution Company a Distribution Agreement between AMIM and The Bank of Khyber.

(4) Meezan Bank's letter dated June 3, 2003 certifying that the provisions of the Trust Deed MIF are Shariah Compliant.

- (5) Meezan Bank's letter dated September 4, 2003 certifying that the provisions of this Offer Document are Shariah Compliant.
- (6) Letter from Auditors of MIF, A. F. Ferguson & Co., Chartered Accountants, consenting to issue of statements and reports appearing in Part XII of this Offering Document.
- (7) SECP's Certificate of registration/License No. NBFC-002/IA & AMC-001/2003 dated 2nd 2003 registering AMIM as a Non-Banking Finance Company.
- (8) SECP's letter no. SC/MF-JD(R)/303/2003 dated June 05, 2003 approving the appointment of CDC Pakistan as Trustee of MIF.
- (9) SECP's letter no. SC/MF-JD(R)/302/2003 dated June 05, 2003 approving the appointment of Meezan Bank as Shariah Advisor.
- (10) SECP's letter no. SC/NBFC-II-ED/362/2003 dated July 22, 2003 authorizing MI
- (11) SECP's letter no. NBFC-II-JD/AMIM-MIF/499 dated October 1, 2003 approving this Offer Document.

As per the requirements of the Rules, Rs. 1,000,000 has been paid to the SECP for authorization the Scheme. The payment was made by D. D. No. 000140 drawn on Meezan Bank Limited, Islam Branch dated 24th June 2003.

PART II - CONSTITUTION, OBJECTIVES AND POLICIES

2.1 Constitution

Meezan Islamic Fund is constituted by a Trust Deed entered into at Karachi on June 16, 2 between:

(1) **Al Meezan Investment Management Limited**, a public limited company incorporated under the Companies Ordinance, 1984 having its Registered Office at 4th Floor, Block "C", Finance & Trade Centre, Shahrah-e-Faisal, Karachi (hereinafter called the "Management Company" which expression where the context so permits shall include its successors in interest or assigns) of the One Part; and

(2) **Central Depository Company of Pakistan Limited**, a public limited company, incorporated under the Companies Ordinance, 1984, having its Registered Office at 8th Floor, Karachi S Exchange Building, Stock Exchange Road, Karachi and registered to act as central depository company under Rule 4(3) of the Central Depository Companies (Establishment & Regulations Rules, 1996, (hereinafter called the "Trustee" which expression where the context so per shall include its successors in interest and assigns) of the Other Part.

2.2 Objectives and Investment Policy

MIF has been formed to enable the Unit Holders to participate in a diversified portfolio security which are Shariah Compliant. The investment objective of MIF is, to optimize total investment returns through prudent investment management, which would consist of combination of capital appreciation and income. All investments will be monitored closely Shariah compatibility by MIF's Shariah Advisor. A detailed investment policy is given in Part III of this Offering Document.

2.3 Trust Deed

The Deed is subject to and governed by the Securities and Exchange Ordinance 1969, NB Rules, 2003, all other applicable laws and regulations and guidelines of Shariah.

The terms and conditions in Deed and any supplemental deed shall be binding on each U Holder.

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

- a) to the extent required to ensure compliance with any applicable laws and regulations or such laws and regulations;
- b) to enable the provisions of the Deed to be more conveniently or economically managed;
- c) to enable the Units to be listed on the Stock Exchange;
- d) otherwise to the benefit of the Unit Holders; or e) To comply with the provisions of Shariah;

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

2.4 Duration

The duration of the MIF is perpetual. However, it can be wound up by SECP or the Management Company on the occurrence of certain events as stated in part XIV of this Offering Document under the heading "Termination of MIF".

2.5 Units

MIF is divided into Units having par value of Rs.50 each. All Units and fractions thereof rank pari passu as to the assets, earnings and receipt of the dividend or distribution, as may be declared by the Management Company. Each Unit Holder has interest in MIF proportionate to the Units held by such Unit Holder. Four types of the Units can be offered under the provisions of the Deed, which are differentiated only on the basis of the Sales Load.

- Type "A" Units do not carry any Sales Load;
- Type "B" Units carry Front-end Load;
- Type "C" Units carry Back-end Load; and
- Type "D" Units carry Contingent Load.

However, the Management Company (while maintaining the integrity of each Unit's pari passu rights) may issue the following classes of Units:

Growth Units which shall be entitled to bonus units in case of any distribution by the Fund. Bonus Units issued to growth Unit holders shall also be the growth Units.

Income Units which shall be entitled to cash dividend in case of any distribution by the Fund.

The Units shall be fully paid-up before they are issued. Notwithstanding that various types of Units will be issued, it is clarified that MIF is one scheme.

The Unit holder may change the classes of Units within each Unit Type.¹

2.6 Open-end Fund

Meezan Islamic Fund (MIF) is an open-end Shariah-compliant (Islamic) Equity scheme.² It shall offer Units to investors on a continuing basis. There is no upper or lower limit set on the Units to be issued to a single Unit Holder or on the total number of Units to be issued to the public. Units may be redeemed for cash by redeeming to MIF. Units are also transferable. Units will be issued in registered, un-certificated form and will be confirmed to investors by means of an account statement issued by the Transfer Agent. Certificate(s) will be issued subject to terms herein at a nominal charge, only if requested by the Unit holder.

2.7 Initial Public Offering

The Initial Public Offering is for Type "A" load-free Units. The initial public offering shall start from commencement of banking hours on 13th October 2003 up to close of banking hours on 17th October 2003. The Units will be issued at the Offer Price applicable on the day cleared funds are received from investors. The Units can be purchased at the Offer Price and redeemed at the Redemption Price, which shall be calculated on the basis of NAV of the previous day. The Management Company shall announce the offer and redemption prices on a daily basis.

2.8 Transactions in Units after Initial Public Offering

After the Initial Public Offering, the public sale of Type "A" Units will be discontinued; Type

¹ Amended through Second Supplemental dated May 06, 2008.

² Amended through Third Supplemental dated October 18, 2011.

"B" Units will be offered for public sale and Type "A" Units will be issued only for reinvestment of dividends into Units. Type "B" Units can be purchased at the Offer Price and redeemed at the Redemption Price, which shall be calculated on the basis of NAV of the previous day. The Offer and Redemption Prices will be announced by the Management Company on a daily basis.

2.9 *Offering Document*

This Offering Document is governed by the provisions of the Trust Deed and the Rules. It sets forth information about MIF that a prospective investor should know before investing in any Unit. Prospective investors should consult their investment adviser, portfolio manager, legal advisor or any other financial advisor.

2.10 *Information given in this Document, Responsibility of the Management Company*

Al Meezan Investment Management Limited accepts the responsibility for the information contained in this Offering Document as being accurate as on the date of its publication.

PART III - INVESTMENT POLICY AND OBJECTIVES

3.1 *Investment Objectives*

The objective of MIF is to provide the maximum total return to the unit holders from investment in "Shariah Compliant" investments for the given level of risk, while abiding by the Non-Banking Finance Companies Rules, 2003 and any other prevailing rules and regulations.

Total return refers to returns from capital gains, realized and unrealized, and dividend income (from investment in secondary and primary equities - Musharika), rental income (from operating leases - Ijara), mark-up (from cost-plus sales - Murabaha), and other Shariah Compliant investments.

3.2 *Investment Policy*

3.2.1 MIF shall invest at least seventy percent (70%) of its Net Assets during the year (based on quarterly average investment calculated on daily basis) in listed equity securities.

The remaining Net Assets of the Fund shall be invested in cash and/or near cash instruments which include cash in bank accounts (excluding TDRs), and Shariah Compliant government securities not exceeding 90% days maturity.

The Fund shall not take exposure in Continuous Funding System (CFS).

The minimum rating of any bank or DFI with which funds are placed should not be lower of than A- (A-minus) or the minimum rating specified for the equity fund category by the Commission from time to time.

Subject to the conditions mentioned above, and present in the constitutive documents, MIF may also invest in other Shariah Compliant instruments as and when they are available for investment. Specifically:

- a) MIF will invest in shares, Participation Term Certificates, Modaraba Certificates, Musharika, Murabaha, Term Finance Certificates and all other asset backed securities;
- b) MIF will also invest in contracts, securities or instruments of companies, organizations, and establishments issued on the principles of Bai'Mu'ajjal, Bai' Salam, Istisna'a, Mudaraba, Murabaha and Musharika.
- c) MIF may also invest in other instruments that may be allowed by the SECP and confirmed as Shariah Compliant by MIF's Shariah Advisor from time to time.

Notwithstanding anything contained in the constitutive documents or mentioned above, the Fund shall invest in only those avenues which are allowed by the Commission from time to time.³

3.2.2 Some modes of investments to be utilized by MIF are given below:

Equities - Shariah Compliant investments in equities would meet the following five criteria which have been researched upon and approved by our Shariah Advisor or latest criteria as updated by the Shariah Advisors from time to time:

³ Amended through Third Supplemental dated October 18, 2011.

1. Business of the Investee company

The basic business of the investee company should be Halal. Accordingly, investment in shares of conventional banks, insurance companies, leasing companies, companies dealing in alcohol, tobacco, pornography, etc. are not permissible.

2. Interest Bearing Debt to total assets

The total interest-bearing debt of the Investee Company should not exceed 37% of the total assets.

3. Illiquid to total assets

The total illiquid assets of the Investee Company as a percentage of the total assets should be at least 20%.⁴

4. Investment in Shariah non-compliant activities and income from Shariah non-compliant investments

The following two conditions will be observed for screening purposes:

- The total investment of the Investee Company in Shariah non-compliant business should not exceed 33% of its total assets.
- The income from Shariah non-compliant investment should not exceed 5% of the gross revenue of the Investee Company. (Gross revenue means net sales plus other income).

5. Net liquid assets vs. share price

The net liquid assets (current assets minus current liabilities) per share should be less than the market price of the share.

The Shariah Compliance criteria represent the minimum acceptable criteria for investment by MIF. After initial screening of the companies on the above criteria, MIF will invest in short-listed companies:

- which provide opportunity to earn regular income in the form of dividends
- which have good growth prospects in terms of future expansion, or
- which is liquid so as to provide the ease of entry and exit

The Fund will adopt a conservative strategy and will try to out-perform the index through market timing and security selection. A part of the portfolio will also be used to take advantage of the short-term trading opportunities that may arise from time to time.

Modaraba - Modarabas are a well-established Shariah Compatible activity that MIF could participate in. The term refers to a form of business contract in which one party brings capital and the other personal effort. The proportionate share in profit is determined by mutual agreement. But the loss, if any, is borne only by the owner of the capital, in which case the entrepreneur gets nothing for his labor. The financier is known as "rab-al-maal" and the entrepreneur as "mudarib". As a financing technique adopted by Islamic institutions, it is a contract in which all the capital is provided by the Islamic institution while the business is managed by the other party. The profit is shared in pre-agreed ratios, and loss,

⁴ Amended through Third Supplemental dated October 18, 2011.

if any, unless caused by negligence or violation of terms of the contract by the "mudarib" is borne by the Islamic institution. The institution passes on this loss to the depositors.

Sale on Cost Plus Profit (Murabaha) - Murabaha is a Shariah compliant activity also known as sale on profit, cost plus profit, sale at stated cost price and mark-up or sale at a specified profit margin. The term is, however, now used to refer to a sale agreement whereby the seller purchases the goods desired by the buyer and sells them at an agreed marked-up price, the payment being settled within an agreed time frame, either in installments or lump sum. The seller/institution undertakes all the management needed for the purchase and also bears the risk for the goods until they have been delivered to the buyer. This has been adopted as a mode of financing by a number of Islamic institutions. As a financing technique, it involves a request by the client to the institution to purchase a certain item for him. The institution does that for a definite profit over the cost, which is settled in advance.

Musharika - The literal meaning of Musharika is sharing. The root of the word "Musharika" in Arabic is Shirkah, which means being a partner. Under Islamic jurisprudence, Musharika means a joint enterprise formed for conducting some business in which all partners share the profit according to a specific ratio while the loss is shared according to the ratio of the contribution. It is an ideal alternative for the interest-based financing with far reaching effects on both production and distribution. Partnership can be in the form of joint ownership of property, called "shirkat-ul-milk" or in the form of partners contributing a certain portion of capital or services, which is called "shirkat-ul-aqd".

Bai' Salam - This term refers to advance payment for goods which are to be delivered later. Normally, no sale can be effected unless the goods are in existence at the time of the bargain. But this type of sale forms an exception to the general rule provided the goods are defined and the date of delivery is fixed. The objects of this type of sale are mainly tangible things but exclude gold or silver as these are regarded as monetary values. Barring these, Bai 'Salam covers almost all things which are capable of being definitely described as to quantity, quality and workmanship. It is also applied to a mode of financing adopted by Islamic financial institutions. It is usually applied in the agricultural sector where the institution advances money for various inputs to receive a share in the crop, which the institution sells in the market. This kind of sale (Salam) is also used nowadays as a mode of financing that is also called 'Parallel Salam'

Bai' Muajjal - The term means sale on deferred payment basis or a credit sale. It is a contract in which the seller allows the buyer to pay the price of a commodity at a future date in a lump sum or in installments. The price fixed for the commodity in such a transaction can be the same as the spot price or higher or lower than the spot price.

Disposal of Haram Income

Where some *haram* income accrues to MIF, it will be donated to an approved charity (referred to as "purification" of Fund income). This will be done in consultation with the Shariah Advisor.

3.2.3 Benchmark

The Benchmark for MIF shall be KMI-30.⁵

3.2.4 Offshore Investments

Subject to SECP or other regulatory approvals the scheme may seek to invest in Shariah compliant foreign investment securities subject to the following limits:

- a) Maximum 30% of the Net Assets of the Fund
- b) The above percentage is subject to a cap of US\$ 15 million.⁶

3.3 Investment Restrictions

In addition to compliance with the Shariah, MIF will comply with all the NBFC Rules promulgated by SECP, and its constitutive documents.

⁵ Amended through Third Supplemental dated October 18, 2011.

⁶ Amended through Third Supplemental dated October 18, 2011.

3.3.1

In particular the investment policy of MIF will inter alia contain the following provisions:

- MIF will invest at least 70% of its net assets in listed securities or in securities for the listing of which an application has been approved by a Stock Exchange.
- MIF will not, at any time, invest more than 15% of the Fund's net assets in any one company or more than 15% of the issued capital of the company, whichever is less.
- At any time, the Fund will invest in any one sector as specified by KSE within a limit specified by the Regulations which may be amended from time to time by the Commission.
- The Fund will comply with other restrictions contained in the NBFC Rules, Regulations and Directives issued by the Commission from time to time.

3.3.2

MIF will not at any time:

- a) purchase or sell:
 - i) bearer securities;
 - ii) securities which result in assumption of unlimited liability (actual or contingent);
 - iii) real estate or interest in real estate save and except in securities which are secured by real estate or interests therein or equity securities issued by companies that invest in real estate or interest therein;
- b) participate in a joint account with others in any transaction;
- c) make short sales of any security or maintain a short position.

Clause 3.3.3

The Management Company on behalf of the Fund shall not at any time rollover the investments, if in the opinion of the Trustee, the Fund would not be able to honor the redemption request(s) to the Unit Holders within time period stipulated in the Constitutive Documents or as directed by the Commission from time to time.

Clause 3.3.4

The Management Company on behalf of the Fund shall not at any time net off any investment of the Fund against investment of the Holder(s) in the Fund.⁷

3.4 *Borrowing Restrictions*

3.4.1 *Limit*

At the request of the Management Company, the Trustee may make arrangements with Islamic Banks or financial institutions for arranging finance, which shall not exceed in the aggregate fifteen per cent of the Net Asset of MIF and will be utilized only to meet redemption of Units.

3.4.2 *Exception*

⁷ Amended through Third Supplemental dated October 18, 2011.

The Trustee shall not be obliged to reduce the financing if as result of depreciation in the market values of investment or redemption of Units the Net Asset Value subsequent to borrowing has been reduced and consequently the limit set in paragraph 3.4.1 above is exceeded.

3.4.3 Pledge

The Trustee may with the approval of the Management Company mortgage, charge or pledge in any manner all or part of the Deposited Property, as is required to secure the financings as described above.

3.4.4 Guarantees

Neither the Trustee nor the Management Company shall be required to issue any guarantees or provide security over their own assets for securing such financings from banks and financial institutions. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such loans or advances.

3.4.5 Liability of Trustee and Management Company

The Trustee or the Management Company shall not 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 financing arrangement made hereunder.

3.5 Transaction with Connected Persons

- a) The Deposited Property shall not be invested in any security of a company if director or officer of the Management Company individually owns more than five percent of the total nominal amount of the securities issued or collectively the directors and officers of the Management Company in their individual capacities own more than ten percent of those securities.

- b) MIF shall not purchase from or sell to the Management Company or the Trustee or to any officer director or employee of the Management Company or Trustee or to any person who beneficially owns ten percent or more of the equity or other securities with voting rights, if any, issued by the Management Company or the Trustee, save in the case of such party acting as an intermediary.

For the purpose of sub-paragraphs (a) and (b) above the term director, officer and employee shall include their relatives including the spouse, parents, children, brothers and sisters and other family members.

3.6 Risk

Investors may realize that all investments involve risk. It should be clearly understood that the portfolio of MIF is subject to market fluctuations and risks inherent in all such investments. The value of the Units in MIF may appreciate as well as depreciate, as well as the dividend declared by MIF may go down as well as up. Past performance does not necessarily indicate future performance.

Investments will primarily be in the stock market. Such investments carry a risk that is considered higher than that in fixed income or debt securities. The risk emanates from various factors that include but are not limited to:

- **Change in business cycles affecting the business of the company in which the investment is made.**
- **Change in business circumstances of the company, its business sector, industry and/or economy in general.**
- **Mismanagement of the Investee Company, third party liability whether through class action or otherwise or occurrence of other events such as strikes, fraud, etc. in the company in which investment is made.**
- **Break down of law and order, war, natural disasters, etc.**
- **Senior rights of creditors, over the shareholders in the event of winding up of Investee Company.**
- **Volatility in share prices resulting from their dependence on market sentiment, speculative activity, supply and demand for the shares and the liquidity in the market. The volatility in share prices results in volatility in the NAV based price of the Unit.**
- **The possibility of default by the participants or failure of the stock exchanges, the depositories, the settlement system or the clearing system.**
- **Any governmental or court orders restraining payment of capital or income.**

Investment in MIF is suitable for investors who have the ability to take the risks associated with the stock market investments. Capital invested in the stock market could in extreme circumstances lose its entire value. However, studies show that diversification of the investment into a number of shares and sectors and having a reasonably longer-term investment horizon, reduces the risk associated with investing in the stock market.

All investments made by MIF will be made in adherence with the principles of Shariah. It is possible that the effect of Shariah Guidelines placed on investments may result in MIF performing differently than funds with similar investment objectives, but which are not subject to Shariah compliance.

MIF may also invest in Shariah compatible debt instruments on a profit loss basis, and there is a possibility that the net result from such investments may be a loss.

The portion of the income that accrues to MIF from non-Shariah compliant sources will be distributed to Charity by MIF on identification by the Shariah Advisor. Such distributions shall lower the net amount available for distribution to the Unit Holders as dividends.

There may be times when a portion of investment portfolio of the Scheme is not compliant either with the investment policy or minimum investment criteria of the assigned 'Category'. The non-compliance may be due to various reasons including adverse market conditions, liquidity constraints or investment specific issues. Investors are advised to study the latest Fund Manager Report specially portfolio composition and Financial Statements of the Scheme to determine what percentage of the assets of the Scheme, if any, is not in compliance with the minimum investment criteria of the assigned Category. The latest monthly Fund Manager Report as per the format prescribed by the Mutual Fund Association of Pakistan (MUFAP) is available on the website of the Asset Management Company (AMC) and can be obtained by calling/writing to the AMC.⁸

3.7 *Disclaimer*

The Units of the MIF are not bank deposits and are neither issued by, insured by, obligation of, nor otherwise supported by the SECP, any Government Agency, or any of the shareholders of the Management Company or any of the Core Investors or any other bank or financial institution.

All investments in mutual funds and securities are subject to market risks. Our target return/dividend range cannot be guaranteed. MIF's Unit price is neither guaranteed nor administered/managed. It is based on the NAV that may go up or down depending upon the factors and forces affecting the stock market.

⁸ Amended through Third Supplemental dated October 18, 2011.

PART IV- ORGANIZATION AND MANAGEMENT

4.1 Management Company

Al Meezan Investment Management Limited (AMIM) was incorporated on 27th February 1995. It is registered as a Non-Banking Finance Company with a license to perform Asset Management and Investment Advisory Services under the NBFC Rules, 2003. AMIM is presently managing Al Meezan Mutual Fund (AMMF), a closed end mutual fund, listed on the Karachi Stock Exchange. The total net assets of the Fund are around 500 million rupees.

Shareholders of AMIM are as follows:

□ *Meezan Bank Limited (MBL):*

Meezan Bank owns 70% of AMIM's shareholding. Meezan Bank is the first scheduled Islamic commercial bank in the country. It operates strictly under the principles of Islamic Shariah. The Bank has an in-house Shariah Advisor, a Ph.D. in Islamic Finance, who monitors all transactions to ensure conformity to Islamic Shariah. Meezan Bank is sponsored by leading financial institutions based in Pakistan, Kuwait, Bahrain and Saudi Arabia.

□ *Pak Kuwait Investment Company (PKIC):*

Pakistan Kuwait Investment Company (Private) Limited is a Joint Venture between the Governments of Pakistan and Kuwait. State Bank of Pakistan holds 50 percent shareholding of Pakistan Kuwait Investment Company (Private) Limited on behalf of the Government of Pakistan and the remaining 50 percent is held by Kuwait Investment Authority on behalf of the Government of Kuwait.

The company was established in 1979. Pak-Kuwait is the first financial institution in Pakistan's history to be awarded a AAA rating which it has maintained for the last four consecutive years. PKIC owns 30% of AMIM's shareholding.

4.2 The Board of Directors of the Management Company and their details

NAME, ADDRESS AND OCCUPATION	PARTICULARS OF DIRECTORSHIP IN OTHER COMPANIES
Mr. Irfan Siddiqui – Chairman CEO Meezan Bank Limited 3rd Floor, PNSC Building MT Khan Road, Karachi	Al Meezan Mutual Fund Limited Meezan Bank Limited General Tyres & Rubber Co. of Pakistan Al Meezan Education & Development (Pvt.) Ltd. First Takaful Insurance Company Limited
Mr. Mohammad Shoaib, CFA CEO Al Meezan Investment Management Limited 4th Floor, Block "C" FTC Building, Shahrah-e-Faisal, Karachi	Al Meezan Mutual Fund Limited First Takaful Insurance Company Limited

NAME, ADDRESS AND OCCUPATION	PARTICULARS OF DIRECTORSHIP IN OTHER COMPANIES
<p>Mr. Ariful Islam COO Meezan Bank Limited 3rd Floor, PNSC Building MT Khan Road, Karachi</p>	<p>Al Meezan Mutual Fund Limited Meezan Bank Limited Al Meezan Education and Development (Pvt.) Ltd. Faysal Management Services (Pvt.) Ltd. First Takaful Insurance Company Limited</p>
<p>Ms. Hina Akhlaq Vice President Pak-Kuwait Investment Company (Pvt.) Ltd. 4th Floor, Block "C" FTC Building, Shahrah-e-Faisal, Karachi</p>	<p>Al Meezan Mutual Fund Limited Al Meezan Education & Development (Pvt.) Ltd. National Clearing Co. of Pakistan Ltd.</p>
<p>Mr. Hasan Aziz Bilgrami Head of Asset Management & Divisional Head National Investment (Unit) Trust 6th Floor, National Bank Building I.I. Chundrigar Road, Karachi</p>	<p>First Standard Investment Bank Asian Leasing Corporation Limited Crescent Leasing Corporation Limited Dawood Leasing Co. Limited English Leasing Ltd. K.S.B. Pumps Limited National Refinery Ltd. Mashreqbank Pakistan Pakistan Industrial Credit & Investment Corporation Limited Soneri Bank Ltd. State Petroleum Refining & Petrochemical Corporation (Pvt.) Ltd. (PERAC)</p>
<p>Mr. Ali Ansari CEO AKD Securities (Pvt) Ltd. 6th Floor Continental Trade Centre, Block 8 Clifton Karachi</p>	<p>Lucky Cement Limited TMT Ventures Ltd. TBT (Pvt.) Ltd. Yevolve (Pvt.) Ltd. Applicationxs (Pvt.) Ltd. Post Amazers (Pvt.) Ltd. Anilogix (Pvt.) Ltd.</p>

NAME, ADDRESS AND OCCUPATION	PARTICULARS OF DIRECTORSHIP IN OTHER COMPANIES
Mr. Zaigham Mahmood Rizvi Managing Director Pak-Kuwait Investment Company (Pvt.) Ltd 4th Floor, Block "C" FTC Building, Shahrah-e-Faisal, Karachi	Arabian Sea Country Club Fauji Jordan Fertilizer Company Fauji Fertilizer Company Limited Meezan Bank Ltd. National Commodity Exchange Ltd. General Tyre & Rubber Co. of Pakistan TMT Ventures Ltd. First Takaful Insurance Company Limited National Clearing Co. of Pakistan Limited
Mr. Ather H. Medina Head of Research National Investment Trust 6th Floor, National Bank Building I.I. Chundrigar Road, Karachi	Al-Zamin Leasing Modaraba Asian Stock Fund Limited Atlas Investment Bank Ghandhara Nissan Diesel Ltd. Pakistan Synthetics Ltd. Security Investment Bank Sindh Abadgar Sugar Mills

4.2.1 Particulars of Company Performance over Last Five Years

Pakistan Kuwait Investment Company (Pvt.) Ltd.

Rupees in Million	Dec-02	Dec-01	Dec-00	Dec-99	Dec-98
Shareholder's Equity	5,545.00	4,082.00	3,969.00	3,870.00	3,320.00
Total Assets	14,136.00	10,787.00	9,882.00	11,420.00	21,169.00
Earnings per Share (of Rs.25000 each)	46,239.13	6,826.09	6,478.26	18,181.82	6,545.45
Dividend per Share (of Rs.25000 each)	14,456.52	4,347.83	4,347.83	5,681.82	3,409.09
Stock Dividend	30%	-	-	-	5%

Meezan Bank Limited

Rupees in Million	Dec-02	Dec-01*	Jun-00	Jun-99	Jun-98
Shareholder's Equity	1,585.91	1,203.00	878.00	850.00	760.00
Total Assets	6,971.00	2,053.00	1,314.00	1,180.00	921.00
Earnings per Share	2.32	3.51	1.75	1.26	0.54
Dividend per Share	0.50	1.75	1.50	-	-
Stock Dividend	10%	-	-	-	-

*Figures for 18 months June 2000-Dec 2001

General Tyre & Rubber Company

<i>Rupees in Million</i>	Jun-02	Jun-01	Jun-00	Jun-99	Jun-98
Shareholder's Equity	757.00	667.00	581.00	483.00	441.00
Total Assets	1,444.23	1,546.31	1,511.64	1,505.22	1089.07
Earnings per Share	10.25	11.07	11.71	5.97	4.39
Dividend per Share	5.00	6.00	6.00	3.50	2.00

4.2.2 Particulars of the Directors

Mr. Irfan Siddiqui - Chairman

Mr. Irfan Siddiqui is a Chartered Accountant from Institute of Chartered Accountants in England and Wales. He is currently President & Chief Executive Officer of Meezan Bank Limited, the premier Islamic financial institution in Pakistan. Under his management the bank has shown tremendous growth in a short span of 2 years. Prior to joining MBL, he served as General Manager of Pak Kuwait Investment company. He has held senior management positions at various Middle Eastern organizations, namely, Abu Dhabi Investment Company and Kuwait Investment Authority.

Mr. Mohammad Shoaib, CFA - Chief Executive

Mr. Mohammad Shoaib, CFA, Chief Executive Officer of Al Meezan Mutual Fund Limited and Al Meezan Investment Management Limited is responsible for overall management of both these companies. Mr. Mohammad Shoaib has been associated with these two companies since their inception. In fact, he has been instrumental in setting up these two companies. He brings to this position extensive experience in fund management business in Pakistan and has an overall experience of 13 years in capital markets of the country.

Prior to this, Mr. Mohammad Shoaib was Senior Vice President and Head of Department for Capital Markets Division at Pakistan Kuwait Investment Company. He joined the company in 1990 as Deputy Manager and was instrumental in expanding Pak Kuwait's equity portfolio from Rs.60 million to over Rs.3,000 million when he was deputed to Al Meezan in 1995.

Mr. Shoaib completed his BBA (Honors) and MBA from the well reputed Institute of Business Administration of Karachi with flying colors. He later completed his Diploma in Banking from Institute of Bankers in Pakistan securing second position. In 1999, he successfully completed CFA Program and acquired the right to use the CFA (Chartered Financial Analyst) designation which is a benchmark designation in the investment management profession. CFA charter holders are required to comply with Code of Ethics and Standards of Professional Conduct of AIMR.

Mr. Shoaib also has to his credit being the founder and first President of Pakistan Chapter of Investment Professionals (PCIP), which is the representative body of CFA charter holders in Pakistan. PCIP is one of the 127-member chapters of AIMR, which represent AIMR globally. The Chapter's main objective is to promote the professional competence in the area of portfolio management and practice of highest ethical standards in capital markets of the country.

Mr. Shoaib is also a member of the Asia Pacific Advocacy Committee of AIMR, which is charged with representing the views of financial analysts, portfolio managers, and other investment decision makers, and includes members of AIMR Member Societies and Chapters across Asia Pacific. It reviews and responds to major new regulatory, legislative, and other developments in the Asia Pacific Region.

Mr. Shoaib also holds the distinction of being a non-member nominee director of SECP on the Board of Karachi Stock Exchange for the year 2002. He has also attended various courses, seminars and workshops related to investment management in Asia, Australia and North America.

Mr. Zaigham Mahmood Rizvi

Mr. Zaigham Mahmood Rizvi is currently the Managing Director of Pak-Kuwait Investment Company. Mr. Rizvi has a diversified blend of academic qualifications holding a Master's Degree in Business Administration from USA, a Master's Degree in Economics and Chemical Engineering, and Banking Diploma from Institute of Bankers Pakistan. Mr. Rizvi has overall professional experience of 28 years spread over diversified fields of Manufacturing, Academics, Development and Investment Banking, both in Pakistan and overseas. Prior to joining Pak- Kuwait, he has served as MD of Pak-Libya Holding Co. He has also served in senior positions at Oman Development Bank, Industrial Development Bank of Pakistan, Pak-Oman Investment Company and Saudi-Pak Industrial & Agricultural Investment Company. Mr. Rizvi is currently the Chairman of Mutual Funds Association of Pakistan (MUFAP).

Mr. Ariful Islam

Mr. Ariful Islam is the Chief Operating Officer at Meezan Bank Limited, the premier Islamic financial institution in Pakistan. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of England and Wales. He is also a fellow member of the Institute of Chartered Accountants of Pakistan. Mr. Islam has held very senior positions prior to joining MBL. He was Executive Vice President and Head of Southern Region, Faysal Bank and Senior Executive Vice President - Head of Investment Banking Group, Muslim Commercial Bank. Before returning to Pakistan in 1985 he worked in the London office of KPMG where he had worked on special banking sector assignments.

Mr. Islam was involved with the setting up of the first private sector open-end fund in Pakistan and carries with him valuable asset management experience. He is also Chief Executive of Al Meezan Education & Development (Private) Limited.

Mr. Ali Ansari

Ali Ansari is the CEO of AKD Securities since June 2000. Before that he was Chief Operating Officer (Europe, Middle East & Africa) of Credit Lyonnais Securities (CLS). He has also worked as Investment Manager at World invest/Bank of America managing international equity portfolios of over One billion US dollars. Mr. Ansari completed his BA (Hon), Business Administration

& Economics majoring in Finance, from Richmond College in 1985, and received Investment Management Program Certification from London Business School in 1988.

Mr. Hasan Bilgrami

Mr. Hasan Bilgrami is an Associate from Institute of Cost and Management Accountant of Pakistan (ACMA). Mr. Bilgrami is working as Head of Asset Management at National Investment Trust Limited (NITL). Prior to joining NITL Mr. Bilgrami has worked with Gulf Commercial Bank as Country Manager - Consumer Banking and Corporate Business. He has also worked for ORIX Investment Bank as General Manager - Corporate Finance, and Khalid Majid Husain Rehman as Director - Corporate Finance

Mr. Ather Medina

Mr. Ather Medina is currently working as Head of Research and Corporate Fund Manager at National Investment Trust. He has a diversified work experience with various banks as well as brokerage houses. Mr. Ather Medina is an MBA from IBA and holds a BCS from FAST.

Ms. Hina Akhlaq

Ms. Hina Akhlaq is currently Vice President-Capital Markets at Pak-Kuwait Investment Company. She has worked with ABN Amro Securities, ING Barings and KASB mainly in trading capacities. However, as a senior member of the team at all these organizations, she has been actively involved with system implementation, HR decisions, and training and educational work.

4.3 Company Secretary

Mazhar Sharif

Mr. Mazhar Sharif is a qualified Chartered Accountant and an Associate Member of the Institute of Chartered Accountants of Pakistan. He is currently working as Senior Vice President - Accounts at Pak Kuwait Investment Company. Prior to joining Pak-Kuwait in 1998, he was at A. F. Ferguson & Co. in the audit section and was working in the capacity of Assistant Manager when he left.

4.4 Funds Under Management

AMIM's flagship product is a closed-end mutual fund Al Meezan Mutual Fund Limited (AMMF). AMMF started operations in May 1996 with a paid-up capital of Rs. 250 million. Over the past 7 years, the Fund has achieved phenomenal growth and demonstrated excellent performance. Salient features of the Fund's performance under AMIM's management are as follows:

- Since inception, the Fund has provided an average annual compounded rate of return of 20.4%* on the Fund, as against 10.4%* on the KSE-100 index, an out-performance of 10%.
- The average annual compounded return of AMMF over the last five years has been 35.2%* as against KSE-100 index return of 31%*.
- Over the last 3 years, the average annual compounded return of AMMF has been 33.9%* as against 30.8%* on the KSE-100 index.
- The company has paid out a total cash dividend of Rs.154.5 million to its shareholders since inception. Further, another Rs.50 million is being paid as cash dividend to the shareholders for the year ended June 30, 2003.

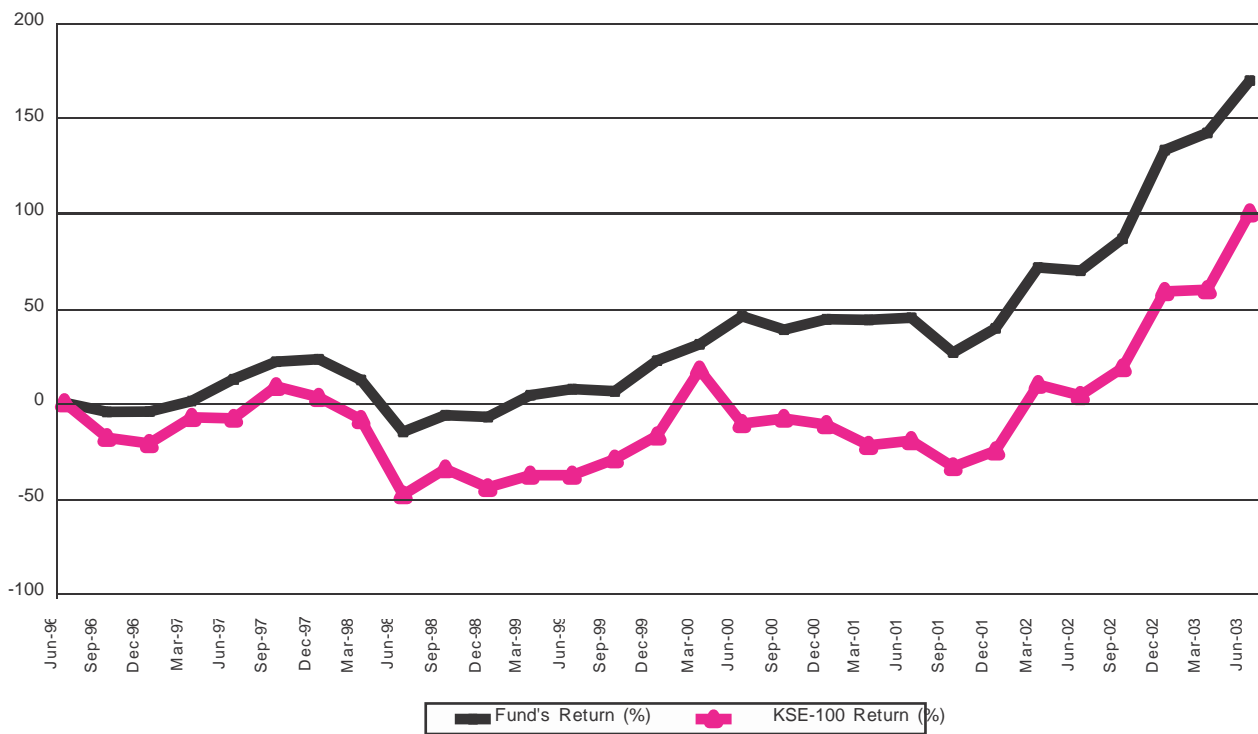
The year-on-year performance of the Fund vis-à-vis the KSE-100 is hereunder:

Annual Comparison of Total Returns vs. KSE 100 Index

	June 30 1997	June 30 1998	June 30 1999	June 30 2000	June 30 2001	June 30 2002	June 30 2003
KSE 100 Index	1565.73	879.62	1054.67	1520.74	1366.44	1770.12	3402.48
KSE-100 Index Return (%)	(8.08)	(43.82)	19.90	44.19	(10.15)	29.54	92.22
NAV (Rs. Per share)	10.00	7.24	8.22	10.55	9.84	10.68	18.63
Dividend (Rs. Per Share)	1.18	-	0.64	2.10	0.66	1.60	2.00
Total Return of the Fund (%)	12.36	(27.60)	22.38	53.90	(0.47)	24.80	93.16
Out-performance/(under-performance) of the Fund (%)	20.44	16.22	2.48	9.82	9.58	(4.74)	0.95

* These returns have been calculated on the basis of geometric return.

NAV vs KSE-100
Graphical Comparison of Total Returns since Inception



4.5 *Duties and Responsibilities of Management Company*

- (i) The responsibilities of the Management Company are to promote the sale of Units in MIF, invest and manage the assets of MIF according to the provisions of the Deed and the Rules, in good faith, to the best of its ability and without gaining any undue advantage for itself or any Connected Persons.
- (ii) The Management Company shall maintain proper accounts and records of MIF to enable a complete view of assets and liabilities, income and expenditure and amounts received in respect of Units and paid out on redemption of Units and by way of distribution.
- (iii) The Management Company shall maintain a Register of Unit Holders of the Scheme and inform the SECP of the address where the Register is kept.
- (iv) The Management Company shall prepare and transmit to Unit Holders and SECP the annual report together with balance sheet and income and expenditure account and auditor's report. The Management Company shall within one month of the close of the first and third quarter and within two months of second quarter prepare and transmit (physically or through electronic means subject to SECP approval) to the Unit Holders, the Trustee and the Commission, the quarterly accounts, including the balance sheet as at end of that Accounting Period, profit and loss account, cash flow statement, trustee report (only in the second quarter) and a statement of movement in unit holders' fund for that Accounting Period, whether audited or otherwise. The printed copy of the quarterly accounts of CIS shall be supplied to the Unit Holders, if requested at their registered address within seven (7) working days of such request free of charge. The annual accounts shall be transmitted to the Unit Holders physically and free of charge at the Unit Holders registered address within seven (7) working days of such request free of charge, as per guidelines of the Commission issued from time to time.
Provided that the Commission, subject to any conditions it may impose, may allow the Management Company to transmit the said Annual Accounts to the Unit Holders by placing them on the Management Company's website (www.almeezangroup.com). However, if the investor requests the financials shall be provided to them within seven business days free of charge.⁹
- (v) The Management Company shall make available or ensure that there is made available to the Trustee all information relating to the Trust. The Management Company shall account to Trustee for any loss in value of the assets of MIF caused by its negligence.
- (vi) The Management Company shall be responsible for all acts and omissions of all persons or agents to whom it may delegate the performance of its duties, as if these were its own acts and omissions.
- (vii) The Management Company shall instruct the Trustee about purchase of investments, placement of cash and sale of investments.
- (viii) The Management Company shall, if it considers necessary, request the Trustee in writing, for the protection of Deposited 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 Deposited Property or any part thereof.
- (ix) The Management Company shall not be under any liability except such liability as may be expressly assumed under the Rules and the Deed nor shall the Management Company (save as otherwise provided) be liable for any act or omission of the Trustee nor for anything except its own negligence or willful breach of duty.
- (x) The Management Company has the primary responsibility for all record keeping, regular determination and announcement of Unit's prices and for producing financial reports from time to time as provided in the Rules and the Trust Deed.

⁹ Amended through Fourth Supplemental dated July 19, 2013. (Previously amended through Third Supplemental dated October 18, 2011)

- (xi) The Management Company shall appoint a Shariah Advisor, with the approval of SECP and work in coordination with the Shariah Advisor to ensure that all the acts of the MIF are in compliance with Shariah.
- (xii) The Management Company shall ensure that all the necessary approvals have been obtained from the Shariah Advisor in respect of transactions involving Shariah related matters and that the above-mentioned approvals are properly documented.
- (xiii) The Management Company shall ensure that no entry and exit to the scheme (including redemption and reissuance of Units to the same Unit Holders on different NAVs) shall be allowed other than cash settled transactions based on the formal issuance and redemption request, unless permitted otherwise by the Commission.¹⁰

4.6 Duties and Responsibilities of Trustee

- i) The Trustee will take into custody and under its control all the property of MIF and hold it in trust for the Unit Holders and the cash and registerable assets shall be registered in the name of, or to the order of the Trustee.
- ii) The Trustee will carry out the instructions of the Management Company in all matters including investment and disposition of the Deposited Property, unless they are in conflict with the Trust Deed and the Offering Document or applicable laws.
- iii) The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holders.

¹⁰ Amended through Third Supplemental dated October 18, 2011.

- iv) The Trustee shall ensure that all issues and cancellation of Units of MIF and the method adopted by the Management Company in valuing Units for the purposes of determining the Offer and Redemption Prices are carried out in accordance with the provisions of the Deed.
- v) The Trustee shall issue a report to the Unit Holders to be included in the annual report, whether in its opinion, the Management Company has in all material respect managed the Deposited Property in accordance with the provisions of the Rules and the Trust Deed and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof.
- vi) The Trustee shall institute or defend any suit proceedings, arbitration or inquiry or any corporate or shareholders action in respect of the Deposited Property or any part thereof if so requested by the Management Company in writing.
- vii) The Trustee shall be responsible for all acts and omissions of all persons or agents to whom it may delegate the performance of its duties, as if these were its own acts and omissions.
- viii) The Trustee shall account for any loss in value of the Deposited Property where such loss has been caused by negligence of any of its directors, officers, nominees or agents.
- ix) The Trustee shall not be under any liability on account of anything done or suffered by MIF in good faith in accordance with or in pursuance of any request of the Management Company provided they are not in conflict with the provisions of the Trust Deed or the Rules.
- x) The Trustee shall make available or ensure that there is made available to the Management Company such information as the Management Company may require from time to time in respect of the Deposited Property and all other matters relating to the Trust.
- xi) The Trustee shall forward to the Management Company within two Business Days or forthwith if the situation so warrants, 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. The Trustee shall promptly act on any instruction by the Management Company in all such matters relating to recovery of the Deposited Property.
- xii) The Trustee shall promptly provide proxies or other forms of powers of attorney to the order of the Management Company with regard to any voting rights attached to any investment.
- xiii) The Trustee shall not invest in the Fund.

4.7 Shariah Advisor

MIF has appointed Meezan Bank Limited as the first Shariah Advisor. The Bank is the First Islamic Scheduled Bank in the country and draws Shariah expertise from world-renowned scholars through its Shariah Board. The Shariah Board comprises of the following scholars:

1. Justice Muhammad Taqi Usmani
2. Dr. Abdul Sattar Abu Ghuddah
3. Sheikh Essam M. Ishaq
4. Dr. Muhammad Imran Ashraf Usmani

Justice Muhammad Taqi Usmani is a renowned figure in the field of Shariah, particularly in Islamic Finance. Currently he holds advisory positions in a number of financial institutions practicing Islamic Banking and Finance.

Justice Muhammad Taqi Usmani has vast experience in Islamic Shariah. He has been teaching various subjects on Islam for 39 years. He also holds the position of Judge in the Shariah Appellate Bench, Supreme Court of Pakistan since 1982. He also edits the magazine Albalagh in English and Urdu, and contributes articles in leading Pakistani newspapers.

Born in Pakistan, Justice Muhammad Taqi Usmani holds an LL.B. from Karachi University. He graduated from Punjab University in 1970. Prior to that, he completed Takhassus course i.e. the specialization course of Islamic Fiqh and Fatwa (Islamic Jurisprudence) from Jamia Darulloom Karachi.

Other positions currently held:

Permanent Member International Islamic Fiqh Academy, Jeddah
Vice President, Darul Uloom Karachi
Chairman, Shariah Council AAOIFI, Bahrain
Member, Islamic Fiqh Academy of Rabita-al-Alam-e-Islami, Makkah
Member, European Council of Fatwa and Research, Dublin, Ireland
Chairman, Center for Islamic Economics Pakistan since 1991
Chairman, Shariah Board Dow Jones Islamic Market Index, New York
Chairman, Shariah Board, Bahrain Monetary Agency, Bahrain
Chairman, Shariah Board, Amana Investments Limited, Sri Lanka
Chairman, Shariah Board Abu Dhabi Islamic Bank, UAE
Chairman, Shariah Board Islamic House of Britain plc, UK
Member, Shariah Board, First Islamic Investment Bank, Bahrain
Member Shariah Board, Islamic Corporation for Development of the Private Sector, (ICD) an organ of IDB, Jeddah
Member Shariah Board, Guidance Financial Group, USA

Dr. Abdul Sattar Abu Ghuddah holds positions of Shariah Advisor and Director, Department of Financial Instruments at Al-Baraka Investment Co. of Saudi Arabia. He holds a Ph.D. in Islamic Law from Al Azhar University Cairo, Egypt. He is an active member of Islamic Fiqh Academy and the Accounting & Auditing Standards Board of Islamic Financial Institutions.

Dr. Abdul Sattar teaches Fiqh, Islamic studies and Arabic in Riyadh and has done a valuable task of researching and compiling information for the Fiqh Encyclopedia in the Ministry of Awqaf and Islamic Affairs in Kuwait. He was a member of the Fatwa Board in the Ministry from 1982 to 1990.

Other positions currently held:

Member Shariah Board, Dow Jones Islamic Market Indexes
Member Shariah Board, Guidance Financial Group, USA
Member Shariah Board, UBS, Switzerland
Member Shariah Board, Saudi American Bank
Member Shariah Supervisory Board, First Islamic Investment Bank

Sheikh Essam M. Ishaq graduated in Political Science from McGill University, Montreal, Canada. Currently he is teaching Fiqh and Aqeeda courses in UAE and Bahrain. He holds the position of Shariah Advisor at Discover Islam Bahrain. He holds position of Director in a number of business and educational institutions in Bahrain, which include:

Al Baraka Islamic Bank
Bahrain Development Bank
Discover Islam
Middle East Traders
Zawaya Property Development
AlIman Islamic School
Muslim Educational Society

Dr. Muhammad Imran Ashraf Usmani is an M. Phil, Ph.D. in Islamic Economics and graduated as scholar from Jamia Darul-Uloom, Karachi and did specialization course in Islamic Jurisprudence. He is also involved in conducting training sessions for Meezan Bank staff in Islamic finance and Shariah issues. Dr. Usmani has been teaching at several branches of Islamic learning since 1998 at Jamia Darul-Uloom, Karachi. He is also an adjunct faculty member of Institute of Business Administration (IBA), Karachi.

Other positions currently held:

Shariah Advisor, UBS, Switzerland
Shariah Advisor, Mashreqbank PSC, Dubai, UAE
Shariah Advisor, Ihilal.com, Dubai, UAE
Member, Shariah Supervisory Board, Guidance Financial Group, USA
Shariah Advisor, Future Growth Equity Fund, South Africa

4.8 Duties and responsibilities of Shariah Advisor

The Shariah Advisor will advise the Management Company on matters relating to Shariah compliance and recommend general investment guidelines, consistent with the Shariah. Any verdict issued by the Shariah Advisor in respect of any Shariah related matter would be final and acceptable by the Trustee, the Management Company, the Unit Holders and other parties related with that matter. Its responsibilities will be as under:

- i. Advising the Management Company as to which criteria for selection of securities are relevant to be used in the context of Pakistan's capital markets and the instruments available therein.
- ii. Certifying that all the provisions of the Scheme and proposed investments to be made on account of MIF by the Management Company are Shariah compliant with the criteria established as per Clause (i) above.
- iii. Evaluating and advising upon all new financial instruments as and when introduced for their Shariah-permissibility.
- iv. Issuing a certificate at the end of each Accounting Year, to be included in MIF's financial reports, in respect of Shariah compliance of the preceding year's operations of the Scheme.
- v. Establishing principles for determining an appropriate percentage of income and cash flows, included in the income and cash flow of the companies in which MIF has invested, from activities not in accordance with the principles of the Shariah, and recommending to the Management Company the criteria for selecting the Charities to whom such sums shall be donated, subject to the Rules.

4.9 Core Investors

The Core investors of MIF are the following, who have subscribed the amount as stated against their names:

NAME OF INVESTORS	NO. OF UNITS	RUPEES
Al Meezan Investment Management Limited	206,000	10,300,000
Al Zamin Leasing Modaraba	200,000	10,000,000
Arif Habib Securities Limited	200,000	10,000,000
Central Depository Company of Pakistan Limited - Employees Gratuity Fund	20,000	1,000,000
Central Depository Company of Pakistan Limited - Employees Provident Fund	10,000	500,000
Dr. Muhammad Imran Usmani	20,000	1,000,000
Engro Chemical Pakistan Limited - Provident Fund	400,000	20,000,000
FFC Jordan Fertilizer Company Limited - Provident Fund Trust	80,000	4,000,000
Habib Bank Limited	300,000	15,000,000
International General Insurance Company of Pakistan Limited	40,000	2,000,000
Justice (Retd.) Muhammad Taqi Usmani, Esquire	20,000	1,000,000
Meezan Bank Limited	2,500,000	125,000,000
Meezan Bank Limited - Provident Fund	30,000	1,500,000
Mr. Ariful Islam	20,000	1,000,000
Mr. Khalil Ashraf Usmani	20,000	1,000,000
Mr. Mohammad Shoaib	40,000	2,000,000
Ms. Nausheen Mohammad Shoaib	120,000	6,000,000
Muslim Commercial Bank Limited	1,000,000	50,000,000
National Insurance Company Limited	1,000,000	50,000,000
Novartis Pharma (Pakistan) Limited - Senior Provident Fund	120,000	6,000,000
Orix Leasing Pakistan Limited - Employees Provident Fund	20,000	1,000,000
Pakistan Industrial Credit & Investment Corporation Limited	500,000	25,000,000
Pakistan Kuwait Investment Company (Private) Limited	2,500,000	125,000,000
PERAC - Managerial and Supervisory Staff Pension Fund Trust	100,000	5,000,000
Security Leasing Corporation Limited	200,000	10,000,000
Shirazee Investments (Private) Limited	200,000	10,000,000
Soneri Bank Limited	200,000	10,000,000
Soneri Bank Limited - Employees Provident Fund Scheme	60,000	3,000,000
Syed Imtiaz Ali, Esquire	20,000	1,000,000
The Bank of Khyber	200,000	10,000,000
The General Tyre and Rubber Company of Pakistan Limited - Employees Provident Fund	50,000	2,500,000
	10,396,000	519,800,000

The Core Investors have agreed to hold their investment for a minimum period of two years from the date of payment in full of such Units. The Units can be transferred, subject to the condition that these will not be redeemed during the remaining period of two years.

¹¹

4.10 Transfer Agent

The Management Company has appointed Meezan Bank Limited, having its registered office at 3rd Floor, PNSC Building, MT Khan Road, Karachi, as the Transfer Agent. They will be responsible for maintaining the Unit Holders' Register, preparing and issuing Account Statements, Unit Certificate(s) and dividend warrants, and providing related services to the Unit Holders. Meezan Bank has the facilities to provide efficient service as a transfer agent to MIF.

¹¹ Deleted through Third Supplemental dated October 18, 2011.

4.11 Distribution Companies

Distributor or Distribution Company or Authorized Distributor means company(ies), firm(s), depository company(ies), Bank(s), individual(s) or any other legal or natural person appointed by the Management Company at its own expense 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. Such Distributors shall have proper date and time stamping facility.

a) Meezan Bank Limited, having its Head Office, Meezan House, C-25 Estate Avenue, SITE, Karachi, has been appointed as Distribution Company to perform the Distribution Functions at their Branches. The Management Company may with the approval of Trustee, from time to time, appoint additional distribution companies or terminate the arrangement with any distribution company. AMIM will also perform the Distribution function itself from its head office and Branches, addresses of which are provided in Annexure "A".

b) The Distribution Companies will be responsible for performing following Distribution Functions:

I. Receiving applications for issue of Units together with aggregate Offer Price for Units applied for by the applicants;

II. Interfacing with and providing services to the Unit Holders including receiving Redemption, Transfer and Pledge of Units applications and applications for change of address or issue of duplicate Certificates for immediate transmission to the Management Company or the Registrar as appropriate;

III. Acknowledging receipt by delivering customer copy in respect of (a) and (b) above; and

IV. Accounting to the Management Company for (i) payment instruments received from the applicants when they purchase Units; (ii) payments instruments delivered to the Unit Holders on Redemption of Units; and (iii) expenses incurred in relation to the Distribution Functions

The branches have been equipped with the necessary support staff, computer hardware and software to provide service to the investors and have established an efficient communication link with the Trustee, Management Company and the Transfer Agent.¹²

4.12 Auditors

The Auditors of MIF are:

A. F. Ferguson & Co.
Chartered Accountants
State Life Building No. 1
I. I. Chundrigar Road
Karachi

4.13.1 They will hold the office until the transmission of the reports and accounts, which will cover the period from commencement of MIF to 30th June 2004 and will be eligible for re-appointment by the Management Company, as provided in the Rules.

¹² Amended through Third Supplemental dated October 18, 2011.

- 4.13.2 The Auditors shall have access to the books, papers, accounts and vouchers of the Trust, whether kept at the office of the Management Company, Trustee, Custodian, Transfer Agent, Distribution Company or elsewhere and shall be entitled to require from the Management Company, Trustee and their directors, officers and agents such information and explanation as considered necessary for the performance of audit.
- 4.13.3 The Auditors shall prepare a written report to the Unit Holders on the Account and books of accounts of the Trust and the balance sheet and income and expenditure account and on every other document forming part of the balance sheet and income and expenditure account, including notes, statement or schedule appended thereto.
- 4.13.4 The contents of the Auditors report shall be as required in the Rules.

4.13 Legal Advisors

The legal advisors of MIF are:

Bawaney & Partners
205-208, Imperial Hotel Building
q.r. 5, Queens Road, Karachi - 74200.

4.14 Bankers

4.14.1 The Trustee, at the instruction of the Management Company, shall open Bank Accounts titled **“CDC-Trustee Meezan Islamic Fund” or “CDC-Trustee Meezan Funds”** at designated Bank(s) in Pakistan, with rating as per Rules, Regulations and directives issued by the Commission after obtaining all necessary approvals from relevant regulatory authorities and the Board of Directors of the Management Company.

4.14.2 The Management Company may also require the Trustee to open Bank Accounts as Distribution Account(s) for dividend distribution out of the Fund.

4.14.3 The Trustee shall if requested by the Management Company open Bank Accounts titled "CDC - Trustee Meezan Islamic Fund" or "CDC-Trustee Meezan Funds" in offshore countries where the Investments are made on account of the Fund, if such investments necessitate opening and operation of Bank Accounts by the Trustee. For this purpose, the Trustee shall be deemed to be authorized to sign if required and submit the prescribed account opening forms of such Banks, including custodial/sub-custodial services accounts and brokerage accounts with such Banks, custodians, sub-custodians, and brokers, as may be required to be appointed for offshore Investments of the Fund. The opening, operation and maintenance of such Bank Accounts, custodial/sub-custodial and brokerage services accounts in offshore countries shall always be subject to the approval of the State Bank of Pakistan and the exchange control regulations, as well as any directives of the State Bank of Pakistan and/or the SECP.

4.14.4 For the purpose of making investments in offshore countries and for opening, maintaining and operating accounts mentioned in clause 4.15.3, the Management Company may in consultation with the Trustee retain the services of legal, financial and other advisors and professionals to ensure legal and regulatory compliances on part of the Management Company and the Trustee, as provided in Clause 4.15.3

4.14.5 All income, markup, 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 existing Unit Holders and shall be transferred periodically from the Distribution Account(s) to the main Bank Account of the Trust.

4.14.6 Notwithstanding anything in the Deed the beneficial ownership of the balances in the Accounts vests in the Unit Holders of the Fund.

4.14.7 The Management Company while exercising due caution and diligence in appointing and arranging of such Bank, brokerage houses and custodian/sub-custodian in offshore countries. The Management Company and the Trustee shall not incur any personal liability for any consequences that may arise in the opening and operation of such Bank Accounts, brokerage accounts and/or custodial/sub-custodial services accounts. The Management Company and the Trustee shall be indemnified out of the Fund Property for any losses, costs and expenses that may be suffered, sustained or incurred by the Management Company/Trustee and against all consequences arising from and out of (1) the execution by the Management company/Trustee of the account opening forms/documents with all particulars as maybe required by such Bank(s), Financial Institution(s), Custodian(s)/Sub-custodian(s) and Brokerage House(s), (2) the opening of such account(s) with the offshore bank(s), Financial Institution(s), Custodian(s)/Sub-custodian(s) and Brokerage House(s), (3) the investments made in offshore countries on account of the Trust, (4) the appointment of Bank(s), Financial Institution(s), Broker(s) and/or Custodian(s)/Sub-Custodian(s) for the Funds' Investments, securities and other assets internationally and (5) all other related or incidental activities of the Management Company and Trustee in relation to the above. Provided that such indemnity shall not be available to the Management Company and/or the Trustee, if such loss, cost or expense is sustained or incurred due to willful or negligence on their respective part. For the purpose of making arrangements in offshore countries, the Management Company may in consultation with the Trustee retain the services of advisors and professionals to ensure legal and regulatory compliances on part of the Management Company and the Trustee

All the opening and closing of Bank Accounts would require an approval from the Board of Management Company.¹³

¹³ Amended through Third Supplemental dated October 18, 2011.

PART V - PRINCIPAL FEATURES

Please read the entire document for complete understanding of the features.

5.1 *Minimum Amount of Investment*

The Management Company may from time to time amend the minimum amount of initial investment that is required to open an Investment Account (Account) with the Transfer Agent. Presently, the minimum amount of investment to open an Account for purchasing the Units of MIF is Rs. 5000 and the minimum amount for adding to an existing Account is Rs. 1000 per transaction. The Management Company reserves the right to alter the minimum amounts stated hereinabove. In the event the investment in any investor's Account falls below the minimum level as a result of revised limits, changes in valuation, redemption, conversion, transfer or transmission, the Management Company may instruct the Transfer Agent to close such Account by redeeming the Units in such accounts at the close of any accounting period at the price applicable to redemptions on such date.

5.2 *Various Types of Units to be offered and their Features*

- (a) Type "A" Units have been offered to core investors. These Units carry no Load. The Units are non-redeemable for a period of two years commencing from the date of such subscription, however, they will be fully transferable after the initial public offering.

After the IPO, there will be no public sale of Type "A" Units. However, Unit Holders will have the option to convert their dividend amount into Type "A" Units.

After the IPO, Type "B", "C" and "D" Units may be offered.

- (b) Type "B" Units will carry a Front-end Load up to 2% which will be included in the Offer Price. However, where transactions are done online or through a website, sales load would be maximum of 1.5% or as Commission may direct from time to time.¹⁴
- (c) Type "C" Units will carry a Back-end Load calculated at 2% of the NAV which will be deducted from the Redemption Price at the time of redemption.
- (d) Type "D" Units will carry a Contingent Load applicable on the NAV according to the following schedule, and will be deducted from the Redemption price at the time of redemption of the Units:

Time of Redemption	Contingent Load Applicable
Within 2 years of purchase	2%
Between 2 – 5 years	1%
Beyond 5 years of purchase	0%

Sales Load is intended to cover the cost of providing distribution, transfer and redemption related services to the Unit Holders.

The Management Company shall offer following two classes of Units within the Types of Units mentioned above to the investors:

Growth Units which shall be entitled to bonus Units in case of any distribution by the Fund. Bonus Units issued to Growth Unit Holders shall also be the Growth Units.

Income Units which shall be entitled to cash dividend in case of any distribution by the Fund.

¹⁴ Amended through Fifth Supplemental dated December 04, 2017.

Sales load shall be charged on these Unit classes depending upon the types of Units in which they are issued. The investor shall specify the class of Units in which he wants to invest at the time of investment. He can also invest in both classes of Units.

The Unit Holders shall be allowed to switch from one class of Units to the other class of Units in the same Unit Type without any fee.

All the Units issued up to June 30 , 2008 shall be the Growth Units however the existing Unit Holders shall have the option to switch to the Income Units by applying to the Management Company.

The Management Company may offer different Classes of Units, within the above detailed Unit Types, as per the provisions of the Trust Deed and with prior approval of the Commission.

Units shall be accounted for in fractions up to four decimal places, with the fifth decimal place being rounded up if it has a value of five or higher, or rounded down if it has a value below five.¹⁵

5.3 Purchase and Redemption of Units

- a) Units can be purchased at the Offer Price and redeemed at the Redemption Price at any of the Authorized Branches of the Distribution Company or the Management Company on any Subscription Day/Business Day during, Business Hours in accordance with the procedure set out in clauses 5.5 and 5.6 of this Offering Document.¹⁶
- b) During the period the Register is closed as mentioned in paragraph 5.7.4 of this Offering Document, the sale and redemption will be suspended.
- c) The Management Company may decline to issue Units to any applicant, if it is of the opinion that it will not be possible to invest substantial inflow of funds or to meet any regulatory requirement.

5.4 Frequency of Valuation and Dealing and Mode of the Unit Price Announcement

- a) For the Offer and Redemption Prices during the initial public offering, please refer to paragraph 2.7 of this Document.
- b) After the initial public offering, the Management Company in consultation with the Trustee will announce the Offer and Redemption Prices on a daily basis from Monday to Friday based on the NAV as of the close of the immediately preceding Business Day. In the event there are closed days, for any reason, following that business day, the NAV so determined shall be adjusted for the accrual of income or losses if any for such closed days.
- c) The Offer Price shall be equal to the sum of the Net Asset Value (NAV) as of the close of the Business Day immediately preceding the day of the announcement, any Front-end Load (in case of Type "B" Units), and such amount as the Management Company may consider to be an appropriate provision for Duties and Charges and such sum to be adjusted upwards to the nearest five paisa.
- d) The Redemption Price shall be equal to the NAV as of the close of the Business Day immediately preceding the day of the announcement, less any back-end load (in case of Type "C" Units) or contingent load (in case of Type "D" Units), less such amount as the Management Company may consider to be an appropriate provision for Duties and Charges and such sum to be adjusted downwards to the nearest five paisa.

¹⁵ Amended through Second Supplemental dated May 06, 2008.

¹⁶ Amended through Third Supplemental dated October 18, 2011.

- e) In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 5.4 (c) and (d) 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 retroactive effect after the date of payment in which case such excess shall be recovered from the Deposited Property).
- f) In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 5.4 (c) and (d) exceeds the relevant amount of Duties and Charges the Transfer Agent may issue additional Units or fractions thereof to the Unit Holder based on the price applicable to the Units issued against the relevant application or the Trustee may refund such excess amount to the relevant Unit Holders.
- g) If the variation of the Net Asset Value at any time exceeds two percent of the Net Asset Value calculated under sub-clause 5.4 (c) for the current Offer Price or under 5.4 (d) for the current Redemption Price, the Management Company shall suspend any issuance and redemption of Units and shall calculate forthwith a new Offer and Redemption Price. The Management Company shall also inform the SECP of the suspension of issuance and redemption of Units along with the new Offer and Redemption price and publish the same in the newspaper in which the Scheme's prices are normally published.
- h) Subject to the Regulations, after the Initial Period, the Offer Price and Redemption Price shall be calculated and announced by the Management Company on a daily basis within the stipulated time as directed by the Commission from time to time. The Offer Price and Redemption Price would be published on the Company's website namely, www.almeezangroup.com and MUFAP's Website www.mufap.com.pk.¹⁷

5.5 Procedure for Purchase/Subscription of Units

5.5.1 Who can apply

Applications for the issue of Units in MIF may be made by any investor or any related group of investors qualified or authorized to purchase the Units including but not limited to:

- a) All Citizens of Pakistan; However, in respect of minors below 18 years of age applications should be made by their guardians.
- b) Companies, Corporate Bodies, Financial institutions, banks, partners of a firm and societies incorporated in Pakistan so long as such investment is permitted under their respective memorandum and articles of association and/or bye-laws.
- c) Foreign nationals and companies incorporated outside Pakistan can apply for Units subject to the regulations of State Bank of Pakistan and the Ministry of Finance.
- d) Provident Funds constituted by companies registered under the Companies Ordinance, 1984 subject to conditions as laid down in Employees Provident Fund Rules (Investment in Listed Securities), 1996, as amended by SRO 26(1)/2002 dated 10 May 2002, to the extent of 20% of the Provident Fund, as amended from time to time.
- e) Provident, Pension and Gratuity Funds constituted by organizations other than companies under section 20(h) of the Trusts Act of 1882.
- f) Insurance companies under the Insurance Ordinance, 2000.
- g) Non-profit institutions, funds, trusts, societies or other organizations, established in Pakistan

¹⁷ Amended through Third Supplemental dated October 18, 2011.

for religious or charitable purposes under Section 213(1)(I) of Income Tax Rules, 2002.

5.5.2 Application Procedure

The procedure herein below is designed for paper-based transactions. 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 the Trustee from time to time followed by the approval of the Commission.

- a) Fully completed application form for the purchase of Units, accompanied by the full amount of purchaser's payment, as specified in paragraph 5.5.3 below and copies of the documents mentioned in paragraph (b), (c) and (d) should be delivered at any of the Authorized Branches of the Distribution Companies. **Only Authorized Branches of Distribution Companies are authorized to collect application and payment for issue of Units, as laid down in paragraph 5.5.3 of this Offering Document.**
- b) Applications shall be accepted only if the investor designates a bank account with one of MIF's designated bankers. Such account of the investor shall be used for transferring any dividends and redemption proceeds. The investor may at any subsequent stage change the account to another account with any of MIF's designated bankers.
- c) In case of individual applicants, a photocopy of the National Identity Card of the applicant or any other form of identification acceptable to the Management Company shall be submitted.
- d) In case of body corporate or registered society or a trust the following shall be submitted along with the application:

- Copy of the Memorandum or Articles of Association/ Charter / bye - laws or rules and regulations;
 - Copy of the certificate of incorporation/registration;
 - Copy of the relevant resolution of the board of directors approving the investment;
 - Copy of power of attorney and/or relevant resolution of the board of directors delegating any of its offer to invest the funds and/ or to realize the investment; and
 - Copy of the National Identity Card of the officer to whom the authority has been delegated.
- e) In case of existing Unit Holders, if any of the documents have previously been deposited, fresh submission of document will not be required provided that the deposited documents are acceptable to the Management Company. However, the account number must be provided to facilitate linking.
- f) The applicant must obtain a copy of the application signed and stamped by an authorized officer of the Distributor acknowledging the receipt of the application, copies of other documents prescribed herein and the demand-draft, pay-order, cheque or deposit slip as the case may be. Payment in the form of cheque, pay order or banker's draft can only be deposited in a bank account titled "CDC Trustee-Meezan Islamic Fund" or "CDC Trustee- Meezan Funds" maintained with designated banks. Acknowledgement for applications and payment instruments can only be validly issued by Distribution companies. Notwithstanding the above, nothing contained herein shall be construed as limiting or otherwise restricting AMIM's liability under Regulation 38 of the Regulation.¹⁸
- g) If the application is incomplete or incorrect in any way, the Distribution Company will advise the applicant in writing to remove the discrepancy within a period of fifteen days, failing which the application will be rejected and the amount will be refunded without any mark-up. However, in the event the Units have been issued and a material discrepancy has been discovered subsequent to that, the Transfer Agent or the Distribution Company will advise the applicant in writing to remove the discrepancy within 15 days and if the investor, in the opinion of the Transfer Agent, fails to remove the discrepancy without good cause, the Units shall be redeemed at the Redemption Price, fixed on the date the Units are so redeemed. The Unit Holder shall not be entitled to any payment beyond the redemption value so determined.
- h) In the event payment has been accepted by cheque, the Units shall be allocated on the day the cleared funds are received from investors. However, the Management Company may impose such limits as it deems fit to the bank branch on which it is drawn and as to the monetary limits on the cheques, which may vary for different class of investors, and in the event a cheque is returned unpaid, the Management Company may instruct the Transfer Agent to redeem the Units so allocated at the then prevailing redemption price but not exceeding the redemption price fixed on the day the Units were allocated. In the event the Management Company instructs the Transfer Agent to redeem the Units, the investor may be prosecuted for recovery of the shortfall in the issue and redemption price and/or other punitive action for presenting a cheque that is returned unpaid.

5.5.3 Payment

Payment for Units can be made by cheque, pay order or banker's draft drawn on a bank operating in the city of the pertinent Authorized Branch of the Distribution Company, made payable to "CDC Trustee - Meezan Islamic Fund" or "CDC Trustee - Meezan Funds" ¹⁹ and crossed "Account Payee only". Payment for Units in the form

¹⁸ Amended through Third Supplemental dated October 18, 2011.

¹⁹ Amended through Third Supplemental dated October 18, 2011.

of cash or any bearer instrument will not be accepted. It is reiterated that only Authorized Branches of Distribution Companies are authorized to collect application and payment for issue of Units.

5.5.4 Joint Application

- a) Joint application can be made by up to four applicants. Such persons shall be deemed to hold Units on first holder basis, however, each person must sign the application form and submit a copy of National Identity Card
- b) The first named Unit Holder shall receive all notices and correspondence with respect to the account, as well as proceeds of any redemption requests, or dividend or fractional payments. His receipt shall be considered as a valid discharge by the Trustee of its obligation.
- c) In the event of the death of the first Unit Holder, the person first in the order of survivor(s) as stated in the application form, shall be the only person recognized by the Trustee to receive all notices and correspondences with regards to the accounts, as well as proceeds of any redemption requests or dividend or fractional payments. His receipt shall be considered as the valid discharge by the Trustee of its obligations. Provided however that the Management Company and/or the Trustee shall have the right to request for obtaining the succession certificate or such other mandate from an appropriate court or a lawful authority, at their discretion, in case of doubts or disputes.
- d) Where names are registered in the name of the Joint Unit Holders and subsequently additional Units are purchased by the same Joint Unit Holders but the application is made in different order, such additional Units will be registered under a different account.

5.5.5 Allotment (Issue) of Units

The Offer Price determined at the end of the Subscription Day for Units of the Fund shall apply to all Investment Request Forms, complete in all respects including payment, received at any of the Authorized Branch of the Distribution Companies during business hours (as announced by the Management Company from time to time) on that Subscription Day. Any Investment Request Forms received after business hours will be transferred to the next Subscription Day. However, the investor will be provided the account statement only after the full amount against Units purchased has been credited to the Fund's account.²⁰

5.6 Procedure for Redemption of Units

5.6.1 Application procedure

The procedure herein below is designed for paper-based transactions. A request for redemption of Units may also be made through the use of electronic means such as Internet or ATM facilities or IVR (interactive voice response) or other means upon satisfaction of the Trustee followed by the approval of the Commission.²¹

5.6.2 Payment of Redemption Proceeds

- a) Unless otherwise instructed, payment of redemption proceeds will be made by a crossed cheque, in favor of the Unit Holder's registered name, or in favor of the first named Joint Unit Holder in the event of Joint Unit Holders, and will be sent at the Unit Holder's or first name Joint Unit Holder's address, as prescribed within six working days after the receipt of a properly documented request for redemption of Units, provided that redemption is not suspended

²⁰ Amended through First Supplemental dated March 20, 2008.

²¹ Amended through Third Supplemental dated October 18, 2011.

- b) However, if so instructed by the Unit Holder, payment of the redemption proceeds will be made by transfer to the bank account number of the Unit Holder or first named Joint Unit Holder, in the event of Joint Unit Holders, within six business days after the receipt of properly documented request for redemption of Units, provided that the redemption is not suspended.
- c) In case of redemption through ATM services, where the investor receives redemption proceeds immediately upon processing the redemption request, the Trustee will release the redemption proceeds in favor of the Management Company.²²

5.6.3 Joint Unit Holder

Unless the Joint Unit Holders of Units have specified otherwise, requests for redemption of such Units shall be signed by the first named Joint Unit Holder.

5.6.4 Partial Redemption

Partial redemption of Units covered by a single Certificate is not permitted. However, Unit Holders may apply for splitting of the Certificate before applying for redemption.

5.6.5 Verification of Redemption Application Form

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.²³

5.6.6 Redemption Requests in Excess of 10% of Units in Issue

If redemption request on any one single day exceeds 10% of the total number of Units in Issue, the normal redemption process will not apply in so much as it is in conflict with the process prescribed in Clause 5.8 of this Offering Document in which case the process described therein takes over.

5.7 Procedure for Transfer of Units

5.7.1 Application Procedure

The procedure herein below is designed for paper-based transactions. A request for transfer of Units may also be made through the use of electronic means such as Internet or ATM facilities or IVR (interactive voice response) or other means upon satisfaction of the Trustee followed by the approval of the Commission.²⁴

5.7.2 Partial Transfer

Partial transfer of the Units covered by a single Certificate is not permitted. However, Unit Holders may apply for the splitting of the Certificate before applying for transfer.

²² Amended through Third Supplemental dated October 18, 2011.

²³ Amended through Third Supplemental dated October 18, 2011.

²⁴ Amended through Third Supplemental dated October 18, 2011.

5.7.3 Verification of the Transfer Application Form

At the request of the Unit Holder, the Transfer Agent will verify (1) the holding stated on the Transfer Application Form and (2) signature of the Unit Holder.

5.7.4 Closure of the Register

The Management Company may close the Register by giving at least seven days' notice to Unit Holders and for period not exceeding forty-five days in a financial year and not exceeding Six (6) working days at a time. During the period the Register is closed, transfer applications will not be received.²⁵

5.8 *Suspension of Dealing, Queue System and Winding Up*

Under the extraordinary circumstances mentioned in paragraph 5.9 of this Offering Document, the Management Company may announce a change in the method of dealing in Units.

- (i) **Queue System** - In the event redemption requests on any day exceed ten percent (10%) of the Units in issue, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for up to ten percent of the Units in issue. The Management Company shall proceed to sell adequate assets of MIF and/or arrange Shariah based financing as it deems fit in the best interest of the Unit Holders and shall determine the Redemption Price to be applied to the redemption requests based on such action. Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same Business Day, such requests shall be processed on a proportional basis proportionate to the size of the requests. The redemption requests in excess of ten percent (10%) of the Units in issue will be carried over to the next Business Day. However, if the carried over requests and the fresh requests received on the next Subscription Day still exceeds ten percent (10%) of the Units in issue, these shall once again be treated on first-come-first-served basis and the process for generating liquidity and determining the Redemption Price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten percent of the Units then in issue. If the Trustee has announced a book closure or suspended redemption subsequent to redemption application, the remaining redemption requests will be carried to the next Business Day, even if it is not a Subscription Day. Part redemption will be allowed, if necessary.

The Management Company shall ensure all valid redemption requests are paid based on ranking of the request in a queue.²⁶

- (ii) **Winding up in view of major redemption** - In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Deposited Property being run down to an unmanageable level or is of the view that the sell-off of the assets is likely to result in a significant loss in the value for the Unit Holders who are not redeeming, it may announce winding up of MIF. 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. Interim distributions of the proceeds may be made if the Management Company finds it feasible.

5.9 *Issuance and Redemption of Units and Extraordinary Circumstances*

The Management Company may at any stage suspend the issue (sale) of Units and for such periods it may so decide. Such suspension may however, not affect existing subscribers, in terms of the issue of bonus units as a result of dividend distribution, or the option to receive dividends

²⁵ Amended through Third Supplemental dated October 18, 2011.

²⁶ Amended through Third Supplemental dated October 18, 2011.

in the form of additional Units or in any other respect as may be announced by the Management Company. The Management Company shall announce the details of exemptions at the time a suspension of fresh issue is announced either through publication in a newspaper in which the Scheme's prices are normally published or by sending notice by registered post to the Unit Holders.

The Management Company may suspend redemption of Units (including payment of surrendered units) at any time:

- (a) During 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 dealing in such Investment are restricted or suspended;
- (b) During the existence of any state of affairs which in the opinion of the Management Company constitutes 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 Trust or the Unit Holders;
- (c) During 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) During 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.

Such suspension shall take effect forthwith upon the declaration thereof by the Management Company and shall terminate on the day following the first Business Day on which 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 Trust Deed exists. In case of suspension and termination of suspension the Management Company shall immediately notify it to the SECP and shall publish the same in at least one English newspaper circulating in Karachi, Lahore and Islamabad in which unit prices are normally published.

- (f) The Management Company shall ensure that in case of suspension of redemption of Units of scheme due to extra ordinary circumstances as per the provisions of the Constitutive Documents and Non-Banking Finance Companies and Notified Entities, Regulations, 2008 (as amended or replaced) ("the Regulations"), the issuance of fresh Units shall also be kept suspended until and unless redemption of Units is resumed.²⁷

²⁷ Amended through Third Supplemental dated October 18, 2011.

PART VI - INCOME DISTRIBUTION POLICY

6.1 Accounting Period

The Accounting Period will commence from the date of the registration of MIF for the first year to 30th June 2004 and from July 1st to June 30th for all the following years.

6.2 Declaration of Dividend

The Management Company shall decide not later than forty-five days after the end of the Accounting Period whether to distribute profits if any, available for distribution in the form of dividends/bonus to the Unit Holders. The balance of the net income will be retained for reinvestment in MIF. The Management Company may at its discretion, pay the Unit Holders interim dividends, if it considers that the income for the relevant Accounting Period would justify such distribution.

In case of any distribution by the Management Company, the Growth Unit Holders shall be paid the dividend in the form of bonus Units and the Income Unit Holders shall be paid the dividend in the form of cash. The Scheme shall comply with regulatory and taxation requirements and the distribution policy may be amended accordingly.²⁸

6.3 Determination of Distributable Income

The amount available for distribution in respect of any Accounting Period shall be the sum of all receipts of the nature of income and net realized appreciation, from which shall be deducted (1) the expenses as stated in paragraph 7.2 of this Offering Document and (2) any taxes on MIF. The income qualifying for distribution shall be adjusted as under.

- a) By addition of a sum representing amount included in the Price of Units for income accrued prior to the date of issue;
- b) By deduction of a sum representing all participation in income distributed upon redemption of Units; and
- c) By deduction of a sum representing diminution in the value of the Deposited Property.
- d) By deduction of a sum representing income derived from activities (if any) not in accordance with Shariah.

6.4 Charity

MIF will invest in securities and instruments which are approved by the Shariah Advisor as Shariah-compliant investments. Nevertheless, there is a possibility that MIF may receive on its investments, income that is haram, e.g. Interest income earned by the investee company, which is included in the dividend of the investee company. Such income will be segregated and paid to charities identified by the Shariah Advisor.

6.5 Reinvestment of Dividend

- a) In case of Income Units, a Unit Holder may in writing at the time of purchase of Units or at a later date instruct the Management Company to reinvest the future cash dividends to which he shall be entitled into Units of the Scheme. The Offer Price for the Units to be issued shall be the ex-dividend Net Asset Value specified by the Management Company for the relevant Distribution Period.

In case of Growth Units, bonus Units issued would rank pari passu as to their rights in the Net Assets, earnings, and receipt of dividend and distribution with the existing Units from the

²⁸ Amended through Second Supplemental dated May 06, 2008.

date of issue of these bonus Units. The account statement or Unit Certificate (if required by the Unit Holder) shall be dispatched to the Unit Holder within fifteen (15) days of the issue of Bonus Units. The Unit Holder(s) have the option to en-cash the Bonus Units at the ex-dividend Net Asset Value specified by the Management Company for the relevant Distribution Period.²⁹

- b) The Units purchased under one account folio cannot be split for receiving part cash dividend and part reinvestment of dividend. The applicants are advised to maintain two account folios under these circumstances. Such request will remain effective until it is countermanded in writing.
- c) The Offer Price for the Units to be issued under paragraph 6.5 (a) above will be the NAV for the close of the period for which the dividend is being distributed, as certified by the Auditors, after appropriation of income of that year.

²⁹ Amended through Second Supplemental dated May 06, 2008.

6.6 *Encashment of Bonus Units*

In the event a dividend is declared in the form of bonus Units, such Units shall be added to the holding of the Unit Holders. A Unit Holder of Growth Units may elect to receive the cash value of the bonus Units provided such Unit Holder opts for such an arrangement at the time of applying for the Units or requests the Transfer Agent in writing prior to the book closure for any relevant period.³⁰

6.7 *Payment of Dividend*

Payment for cash dividend shall be made by cheque by the Trustee in favor of the Unit Holder or to the first named Joint Unit Holder and sent through the registered post at his/her registered address. Every cheque shall be made payable to the order of the person to whom it is delivered.

6.8 *Payment of Dividend/ Redemption Proceeds through Bank*

Where an instruction has been received in such form as by the Management Company shall consider sufficient, payment of dividend of the total number of Units held by the Unit Holder can be arranged to the banker. The Units purchased under one Account folio cannot be split for part only payment of dividend through bank. The applicants are advised to maintain two Account folios under these circumstances. For payment of redemption proceeds through bank account, instruction to this effect shall be given at the time of redemption application by indicating in the application for Redemption Form.

6.9 *Dispatch of Dividend Warrant*

Dividend Warrant shall be dispatched within thirty days after the declaration of dividend.

³⁰ Amended through Second Supplemental dated May 06, 2008.

PART VII - FEES AND CHARGES

7.1 *Fees and Charges Payable by an Investor*

A complete discussion of fees and charges is given in Clause 5.2 of this Offering Document.

7.2 *Fees and Charges Payable by Meezan Islamic Fund*

- a) The following expenses will be borne by MIF:
- 1) Any remuneration of the Management Company
 - 2) Any remuneration of the Trustee;
 - 3) Any remuneration/fee payable to the Shariah Advisor
 - 4) Any repayment of principal and payment of all profit and other financial costs;
 - 5) Bank charges
 - 6) Brokerage and transaction costs relating to investing/disinvesting of the Deposited Property;
 - 7) All expenses incurred by Trustee effecting the registration of all registerable property in Trustee's name;
 - 8) Legal and related costs as may be incurred in protecting or enhancing the interests of the Trust or the collective interests of the Unit Holders;
 - 9) Auditor's fees;
 - 10) Legal counsel fee;
 - 11) Loan documentation fee;
 - 12) Listing fee payable to Stock Exchange;
 - 13) Formation cost that will not exceed 1% of the amount of seed capital and will be amortized over a period not exceeding five years;
 - 14) Any payment to Charity;
 - 15) Taxes, if any, applicable to the Trust.
 - 16) Annual fees to the SECP.

b) The Remuneration of the Trustee, the Management Company and the Shariah Advisor
Trustee

Reimbursement of actual custodial expenses/charges plus the following tariff:

NETASSETS	TARIFF
Up to Rs. 250 million	0.4% p.a.
On amount exceeding Rs. 250 million up to Rs. 500 million	Rs. 1,000,000 plus 0.35% p.a. on amount exceeding Rs. 250 million
On amount exceeding Rs. 500 million up to Rs. 1000 million	Rs. 1,875,000 plus 0.25% p.a. on amount exceeding Rs. 500 million
On amount exceeding Rs. 1000 million	Rs. 3,125,000 plus 0.1% p.a. on amount exceeding Rs. 1000 million

Management Company

Annual remuneration not exceeding 3% per annum of average monthly net Assets of MIF during the first five years starting from the date of payment in full of Units subscribed by the Core investors of MIF and 2% per annum thereafter.

Shariah Advisor

Annual fee of Rs. 500,000, which can be revised subject to mutual agreement between the Management Company and Shariah Advisor, subject to approval of Trustee.

Annual Fee payable to the SECP

0.1% of the NAV, or such other amount as may be prescribed by the SECP from time to time, will be paid per annum.

PART VIII - TAXATION

8.1 Taxation

a) Taxation on the income of

MIF Liability for Income Tax

Under the Tax Law in Pakistan, the definition of a public company includes a trust formed under any law for the time being in force. MIF will be regarded as a public company liable to a tax rate applicable to a public company.

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

- Dividend: Nil
- Profit from the sale of securities: Nil
- Income from redeemable capital listed on any Stock Exchange in Pakistan : 35%
- Any other income: 35%

Notwithstanding the tax rate given above, the income from MIF will be exempted from tax if not less than 90% of the income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the Unit Holders as dividend.

For achieving the tax efficiency, MIF will strive to distribute 90% of income for the year as reduced by capital gains whether realized or unrealized.

Withholding Tax

All income, namely, dividend from Shariah compliant term finance certificates, return on Riba-free deposits with banks/financial institutions, return from contracts, securities or instruments of companies, organizations and establishments issued on the principles of Bai' Mu'ajjal, Bai' Salam, Istisna'a, Modaraba, Morabaha and Musharika of MIF will not be subject to any withholding tax.

Zakat

MIF is Sahab-e-Nisab under Zakat and Ushr Ordinance, 1980. The balance in the credit of Savings Bank Account or similar account with a Bank standing on 1st day of Ramazan-ul-Mubarak will be subject to deduction of 2.5% Zakat.

b) Taxation on Unit Holders and liability of Zakat

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

Ø Withholding tax on Dividend: Unless exempt from such taxation by applicable law or international agreement, the withholding tax on profit distribution by MIF will be as under:

- | | |
|--|-----|
| • Public Companies & insurance companies | 5% |
| • Others | 10% |

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

- Ø Capital Gains: Capital Gains in disposition of Units in the MIF will be subject to capital gains tax at the applicable tax. The Units of MIF are listed on the stock exchange; consequently, subject to such listing, the profit on disposal of the Units shall be exempt from capital gains tax up to Tax Year 2005.
- Ø Tax Credit: Unit Holders other than a company shall be entitled to a tax credit under section 62(1) and (2) of the Income Tax Ordinance 2001 on the purchase of new units. The amount on which tax credit will be allowed shall be lower of (a) amount invested; (b) fifteen percent of the total income of the Unit Holder or (c) Rupees five Hundred Thousand and will be calculated by applying the rate of tax of the Unit Holder determined by dividing the amount of tax assessed to the Unit Holder for the tax year before allowance of any tax credit under Chapter III Part X of the Income Tax Ordinance with the Unit Holder's taxable income for the tax year. If the Units so acquired are disposed within thirty-six months, the amount of tax payable for the tax year shall be increased by the amount of credit allowed.³¹
- Ø Zakat: Units held by resident Pakistani shareholders (individuals only) shall be subject to Zakat at 2.5% of the Par value of the Units under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted under the said Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds, if Units are redeemed during the Zakat year before payment of dividend.

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

8.2 *Dividends*

At least 90% of the income for the year as reduced by capital gains whether realized or unrealized received by MIF will be distributed annually as dividend and the balance of MIF's income will be retained for re-investment.

All units shall have the same right with respect to dividend. The Unit Holders may request the Management Company to re-invest the dividends due to them for purchase of additional type "A" Units (refer to paragraph 6.5).

³¹ Amended through Third Supplemental dated October 18, 2011.

PART IX - SERVICE TO UNIT HOLDERS

9.1 *Availability of Form*

All the Forms included and/or mentioned in this Offering Document will be available at all Authorized Branches of all Distribution Companies and the head office of the Management Company.

9.2 *Transfer of Accounts*

- a) Once a Unit Holder has purchased a Unit from Authorized Branch of the Distribution Company, all his forms/ records will be kept and maintained at that Authorized Branch. However, for the convenience of the Unit Holder, the Account may be transferred to any Authorized Branch or another Distribution Company on application by Unit Holder for the transfer of account. In case the relevant Distribution Company does not continue as the Distribution Company, the Management Company and the Trustee will make arrangements for the Unit Holder's account to be transferred to another Distribution Company's Authorized Branch at the nearest location.
- b) Notwithstanding the provisions in sub-paragraph 9.2(a), any Unit Holder may submit the application for redemption or transfer or any other requests for any change in Register at any Authorized Branch of the relevant Distribution Company and the requests will be processed.

9.3 *Register of Unit Holders*

- a) A register of Unit Holders shall be maintained by Meezan Bank Limited in their capacity as the Transfer Agent, at their registered office, which is currently located at 3rd Floor, PNSC Building, MT Khan Road, Karachi.
- b) Every Unit Holder will have a separate account identification number. Such account shall be used for recording various types of Units held by the Unit Holder. Such account will reflect all the transactions in that account held by such Unit Holder. However, the management company may allocate a separate account number to the same Unit Holder for different types of Units in certain circumstances.
- c) The Management Company shall ensure that the Transfer Agent shall at all reasonable times during business hours give the Trustee and its representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without charge but neither the Trustee nor its representatives shall be entitled to remove the Register or to make any entries therein or alterations thereto and except when the Register is closed in accordance with the provisions of the Deed, the Register shall, subject to such restrictions as may be notified by management company from time to time, be open for a period of at least two hours in each Business Day to the inspection of any Unit Holder without charge. Unit Holder will be entitled to ask for copies of his folio from the Register on any Business Day by applying to the Management Company/Transfer Agent in writing. The Management Company/ Transfer Agent shall send an account statement or report to the Unit Holder each time there is an activity in the account, i.e., Units are (1) issued/subscribed, (2) redeemed (3) transferred in favor of third person (4) transferred from third person in favor of Unit Holder (5) consolidated / split (6) additional Units are issued against reinvestment of dividend and (7) Conversion Such statements or report shall be sent by electronic means or ordinary mail to the Unit Holder's address recorded in the Register of Unit Holders within 07 Business Days of the receipt of the request.³²
- d) The Registrar shall, within seven Business Days of receiving a written request from

³² Amended through Fourth Supplemental dated July 19, 2013.

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.³³

9.4 Information in the Register

The Register will contain the following information:

About Unit Holder

- a) Name of the Unit Holder / Joint Unit Holders;
- b) Address of Unit Holder / first named Joint Unit Holder;
- c) National Identity Card Number(s) or Passport No.(s) of Unit Holder / Joint Unit Holders;

³³ Amended through Third Supplemental dated October 18, 2011.

- d) Father's / Husband's name of Unit Holder / Joint Unit Holders;
- e) Taxability code;
- f) Bank details;
- g) Occupation of Unit Holder / Joint Unit Holders; and
- h) Whether Zakat deductible or not;
- i) Record of signature of Unit Holder / Joint Unit Holder;
- j) Nominee in case of single individual Unit Holder.

About Units

- a) Type;
- b) Distinctive numbers;
- c) Certificate number, if applicable;
- d) Date of purchase / redemption / transfer and the reference number if any;
- e) Number of Units held; and
- f) Record of verification of transfer forms/Redemption

Instructions

- a) Instruction about payment or reinvestment of dividend in Type "A" Units or the encashment of bonus Units;
- b) Instructions if redemption application is to be signed by first named Joint Unit Holder only;
- c) Information and instruction about pledge of Units; and
- d) Information and instruction about nominees in case of death of Unit Holder.

The Unit Holder may write to any Authorized Branch of relevant Distribution Company if any change is desired in his particulars or instructions.

9.5 Account Statement

The Management Company/ Transfer Agent will send directly to each Unit Holder a nontransferable electronic account statement or report each time there is transaction in the folio, i.e., Units are (1) issued/subscribed, (2) redeemed (3) transferred in favor of third person (4) transferred from third person in favor of Unit Holder (5) consolidated / split (6) additional Units are issued against reinvestment of dividend and (7) Conversion. Such statements or report shall be sent by electronic means or ordinary mail to the Unit Holder's address recorded in the Register of Unit Holders within 07 Business Days of the transaction.³⁴

9.6 Certificates

- a) Unit Certificates will be issued only if requested by the Unit Holder. Separate Certificates shall be issued for each class and type of Units.³⁵
- b) Unit Holder can apply for the issue of Certificate by completing the prescribed application form and submitting it to the relevant Distribution Company together with a fee at the rate of Rs. 25 per Certificate or any other amount as determined by the Management Company from time to time.
- c) The Certificate will be posted at the applicant's risk within 21 Business Days after the request for the Certificate has been made to the address of the Unit Holder or to the address of the first named Joint Unit Holder, if the relevant Unit or Units are jointly held.

³⁴ Amended through Fourth Supplemental dated July 19, 2013. (Previously amended through Third Supplemental dated October 18, 2011)

³⁵ Amended through Second Supplemental dated May 06, 2008.

- d) The Certificate will be available in such denomination as Management Company and the Trustee decide from time to time. Unless, the Unit Holder has instructed to the contrary, the minimum number of Certificates will be issued.
- e) Each Unit or any fraction thereof shall not be represented by more than one Certificate at any one time.

9.7 Replacement of the Certificates

- a) Certificates which are defaced, mutilated, lost or destroyed may be replaced by the Management Company on application to the relevant Distribution Company and on payment of all costs, and on such terms as to evidence, indemnity security and issuance of public notice, as may be required by the Trustee, Management Company or the relevant Distribution Company. Any defaced or mutilated Certificate must be surrendered before a new Certificate is issued.
- b) The Unit Holder on application on prescribed form is entitled to exchange upon surrender of existing Certificates, new Certificates of different denomination, subject to the availability of such denominations of Certificates.
- c) Each new issue of Certificate will require payment of Rs. 50 per Certificate.

9.8 Pledge of Units

9.8.1 Any Unit Holder/or all joint holders 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 specific authority of the Management Company. However, the lien shall be valid only if evidenced by a lien letter issued in the prescribed form which shall bear a special series sequential number and shall be signed by the Registrar and countersigned by two officers of the Management Company specifically authorized by its Board of Directors for signing letters of lien. The onus for due process having been followed in registering a lien shall lie with the party claiming the lien.

9.8.2 The lien letter shall record particulars of the bank account of the party obtaining the lien.

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

9.8.4 Payments of dividends or the issue of bonus Units and redemption proceeds of the Units under lien/charge/pledge shall be made to the lien/charge/pledge holder for the account of the Unit holder.

9.9 Nomination

Subject to any personal laws that may be applicable to a Unit Holder, a single Unit Holder can nominate a successor to receive the Units upon his death by completing the prescribed nomination form and submitting the same to the Authorized Branch of the relevant Distribution Company.

9.10 Financial Reporting

The following reports will be sent to the Unit Holder.

- a) Audited financial statement together with the balance sheet, income and expenditure accounts, Auditors report and Trustee's Report within four months of the close of each Accounting Period.

- b) The Management Company shall be responsible for sending the Trustee's report along with other reports. However, in the event the Trustee's report is not available for dispatch within the prescribed time period, the Management Company shall inform the Unit Holder of the fact in writing.
- c) Un-audited financial statement, together with the balance sheet, profit and loss account, cash flow statement and a statement of changes in equity within a month of the close of first, second and third quarters of each Accounting Period.

The regularity of reporting will change if so required by the SECP or under the Rules and the Ordinance.

PART X - FINANCIAL INFORMATION

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

The Chief Executive
AlMeezan Investment Management Limited
4th Floor, Block C
Finance and Trade Centre
Shahrah-e-Faisal
Karachi

August 25, 2003

A 0346

Dear Sir

CERTIFICATE ON CORE INVESTORS' INVESTMENT IN MEEZAN ISLAMIC FUND

We thank you for your company's letter dated August 22, 2003 and as requested we have verified from the books of accounts and records of Meezan Islamic Fund (MIF) managed by the company, that a sum of Rs 519,800 million has been received as subscription from the investors as stated in the annexure to this letter against the proposed issue of 10,396,000 units (the 'core units') and credited to bank account titled CDC-Trustee Meezan Islamic Fund (account number PLS10513-0085-015) maintained with Meezan Bank Limited P.N.S.C Branch, Karachi which is operated by the Central Depository Company of Pakistan Limited as trustee. According to clause 14.5 of the trust deed dated June 16, 2003 (the trust deed) the 'core units' shall not be redeemable for a period of two years from the date of such subscription.

According to the trust deed of MIF the 'initial period' has been defined as a period determined by the management company not exceeding seven calendar days during which the 'core units' will be offered at the initial price (i.e. par value plus any applicable duties and charges). We have noted that the initial period determined by the management company was from August 2 to 8, 2003, however, subscriptions aggregating Rs 379,000 million were received by MIF before August 2, 2003 against the 'core units'.

This certificate is being issued only for submission to the Securities and Exchange Commission of Pakistan and for submission as part of MIF's offering document.

Yours truly

-sd-

A. F. Ferguson & Co.
Chartered Accountants

encls

Subscriptions received by Meezan Islamic Fund against proposed issue of 'core units'

Annexure 'A' to our letter A 0346 dated August 25, 2003

Name of investors	NO. OF UNITS	RUPEES
Al Meezan Investment Management Limited	206,000	10,300,000
Al Zamin Leasing Modaraba	200,000	10,000,000
Arif Habib Securities Limited	200,000	10,000,000
Central Depository Company of Pakistan Limited - Employees Gratuity Fund	20,000	1,000,000
Central Depository Company of Pakistan Limited - Employees Provident Fund	10,000	500,000
Dr. Muhammad Imran Usmani	20,000	1,000,000
Engro Chemical Pakistan Limited - Provident Fund	400,000	20,000,000
FFC Jordan Fertilizer Company Limited - Provident Fund Trust	80,000	4,000,000
Habib Bank Limited	300,000	15,000,000
International General Insurance Company of Pakistan Limited	40,000	2,000,000
Justice (Retd.) Muhammad Taqi Usmani, Esquire	20,000	1,000,000
Meezan Bank Limited	2,500,000	125,000,000
Meezan Bank Limited - Provident Fund	30,000	1,500,000
Mr. Ariful Islam	20,000	1,000,000
Mr. Khalil Ashraf Usmani	20,000	1,000,000
Mr. Mohammad Shoaib	40,000	2,000,000
Ms. Nausheen Mohammad Shoaib	120,000	6,000,000
Muslim Commercial Bank Limited	1,000,000	50,000,000
National Insurance Company Limited	1,000,000	50,000,000
Novartis Pharma (Pakistan) Limited - Senior Provident Fund	120,000	6,000,000
Orix Leasing Pakistan Limited - Employees Provident Fund	20,000	1,000,000
Pakistan Industrial Credit & Investment Corporation Limited	500,000	25,000,000
Pakistan Kuwait Investment Company (Private) Limited	2,500,000	125,000,000
PERAC - Managerial and Supervisory Staff Pension Fund Trust	100,000	5,000,000
Security Leasing Corporation Limited	200,000	10,000,000
Shirazee Investments (Private) Limited	200,000	10,000,000
Soneri Bank Limited	200,000	10,000,000
Soneri Bank Limited - Employees Provident Fund Scheme	60,000	3,000,000
Syed Imtiaz Ali, Esquire	20,000	1,000,000
The Bank of Khyber	200,000	10,000,000
The General Tyre and Rubber Company of Pakistan Limited - Employees Provident Fund	50,000	2,500,000
	10,396,000	519,800,000

Certified that the above amount aggregating Rs 519.800 million has been received against the proposed issue of 10,396,000 units (the 'core units') and credited to a bank account titled 'CDC-Trustee Meezan Islamic Fund' (account number PLS 10513-0085-015) maintained with Meezan Bank Limited, PNSC Branch, Karachi during the period July 29 to August 8, 2003. The initial period determined by the management company was from August 2 to 8, 2003, however, subscriptions aggregating Rs 379.000 million were received by Meezan Islamic Fund before August 2, 2003. According to clause 14.5 of the trust deed the 'core units' shall not be redeemable for a period of two years from the date of such subscription.

-sd-

AUTHORISED SIGNATORY
AlMeezan Investment Management Limited
Karachi, August 25, 2003

As referred to in our letter A 0346 dated August 25, 2003

-sd-

A. F. Ferguson & Co.
Chartered Accountants
Karachi, August 25, 2003

10.2 Auditors' Certificate on Net Assets Value of Units of MIF

Mr. Muhammad Shoaib
Chief Executive
AlMeezan Investment Management Limited
4th Floor, Block C
Finance and Trade Centre
Shahrah-e-Faisal
Karachi

October 3, 2003

A 0702

Dear Sir

**NET ASSETS VALUE (UNAUDITED) OF EACH
UNIT OF MEEZAN ISLAMIC FUND**

We thank you for your company's letter MIF/04/1160 dated October 3, 2003 and as requested we have ascertained from the unaudited books of accounts and records of Meezan Islamic Fund (MIF) that the net assets value of each of its units proposed to be issued as at September 30, 2003 was Rs 50.54 which has been computed as follows:

Rs '000

Total assets	568,479
Less: Total liabilities	43,077
Net assets	<u>525,402</u>
Number of units (core units) proposed to be issued as of September 30, 2003,	<u><u>10,396,000</u></u>
Net assets value of each unit	Rs <u><u>50.54</u></u>

This letter is being issued only for submission to Securities and Exchange Commission of Pakistan and Stock Exchanges in Pakistan as a part of MIF's offering document.

Yours truly

-sd-

A. F. Ferguson & Co.
Chartered Accountants

10.3 Formation Cost

All preliminary and floatation expenses of the Trust including expenses incurred in connection with the authorization of the Scheme, execution and registration of the Constitutive Document, issue, legal costs, printing, circulation and publication of the Offering Document, announcements describing MIF inviting investment therein and all expenses incurred during the Initial Period, shall be borne by MIF and amortized over a period of not more than five years. The cost will not exceed 1% of seed capital.

PART XI - ARBITRATION

In the event of any dispute 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 the conditions of this Trust Deed, Offering Document and/or the Supplementary Offering Documents, relating to the Unit Trust, the same shall be referred to arbitration by two arbitrators, one to be appointed by the Management Company and the other to be appointed by the Trustee. In the event of lack of consensus between the two arbitrators, the matter shall be referred to an umpire, to be selected by the two arbitrators before the 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 umpires shall be selected from amongst, senior partners of renowned firms of chartered accountants, or senior partners or renowned law firms, CFA charter holders in good standing, 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.

PART XII - WARNING

Refer to Clause 1.1 of this Offering Document.

PART XIII - GENERAL INFORMATION

13.1 List of Constitutive Documents

Please refer to Clause 1.2 of this Offering Document for a list of constitutive documents and the address where they can be inspected free of charge.

13.2 Date of Publication of Offering Document

The Offering Document has been published on October 6, 2003.

The asset management company accepts responsibility for the information contained in the Offering Document as being accurate at the date of publication.

PART XIV - TERMINATION OF MIF

14.1 By the Management Company

MIF may be terminated by the Management Company by giving appropriate notice in writing to the Unit Holders on the grounds given in clause 5.8(ii) of this Offering Document.

14.2 By the Securities & Exchange Commission of Pakistan (SECP)

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

14.3 Winding Up

In case of the termination of MIF, the Management Company shall be required to wind-up MIF and refund the proceeds to the Unit Holders in such a manner and within such time as may be specified by the SECP.

PART XV - GLOSSARY

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

- 15.1 **"Accounting Date"** means the thirtieth day of June in each year and any interim date(s) at which financial statements of the Trust are drawn up. Provided that the Management Company may, with the written consent of the Trustee and after obtaining the necessary approvals, change such date to any other date and such change shall be intimated to the SECP.
- 15.2 **"Account Statement"** means statement of transaction in Units in the folio of the Unit Holder.
- 15.3 **"Accounting Period"** means a period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the Deposited Property is first paid or transferred to the Trustee and (in any other case) from the end of the preceding Accounting Period.
- 15.4 **"Administrative Plans"** means, investment plans offered by Management Company, where such plans allow investors a focused investment strategy in any one or a combination of unit trust schemes managed on Shariah-compliant basis by the Management Company and for which Trustee is appointed as the trustee.
- 15.5 **"Auditor"** means the Auditor of the Trust appointed by the Management Company in accordance with the Rules.
- 15.6 **"Authorized Branch"** means those branches of the Distribution Companies authorized by the Management Company
- 15.7 **"Authorized Investment"** means any Shariah Compliant investments such securities, shares, stocks, bonds, debentures, participation term certificates, Modaraba certificates, Musharika certificates, deposits, term finance certificates and other debt based, equity based, Unit Trust based, asset backed and mortgage backed securities, or any other Shariah Compliant investments, as may be determined by Shariah Advisor and permissible under the Rules.
- 15.8 **"Back-end Load"** means load deducted from the Net Asset Value in determining the Redemption Price. Such load, not exceeding five percent (5%) of the Net Asset Value, shall be determined by the Management Company from time to time and disclosed in the annexure to the Offering Document. Any such charges shall be treated as part of the Deposited Property provided that different levels of Back-end Load may be applied to different classes of Units ³⁶
- 15.9 **"Bai Mu'ajjal"** means a contract in which the seller earns a profit margin on his purchase price and allows the buyer to pay the price at a future date in lump sum or in installments.
- 15.10 **"Bai' Salam"** means a contract in which advance payment is made for certain defined goods (other than gold, silver and currencies) to be delivered later on a fixed date.
- 15.11 **"Bank"** means a banking company licensed under the Banking Companies Ordinance, 1962.
- 15.12 **"Bank Accounts"** means accounts maintained with a Bank, the beneficial ownership of which rests in the Unit Holders.
- 15.13 **"Business Day"** means any day of the week but does not include any day which is a gazetted Government of Pakistan holiday or on which banks in Pakistan or KSE are closed for business."
- "Business Hours" or "Cut-off Time"** means the day time on a Business Day for dealing in Units from 9:00 AM till 3:00 PM or any other time interval

³⁶ Amended through Third Supplemental dated October 18, 2011.

specified by the Management Company from time to time.³⁷

- 15.14 "*Certificate*" means the definitive certificate acknowledging the number of Units registered in the name of the Unit Holder issued at the request of the Unit Holder pursuant to the provisions of the Trust Deed.
- 15.15 "*Charity*" means amount paid by Management Company out of the income of the Trust to a charitable/welfare organization, in consultation with Shariah Advisor, representing income, which is Haram.

³⁷ Amended through Third Supplemental dated October 18, 2011.

- 15.16 **"Companies Ordinance"** means the Companies Ordinance, 1984, as amended from time to time.
- 15.17 **"Connected Person"** shall have the same meaning as in the Rules.
- 15.18 **"Constitutive Document"** means the Trust Deed that is the principal document governing the formation, management or operation of the Trust and any related material agreement envisaged under the Rules.
- 15.19 **"Contingent Load"** means Sales Load payable on redemption of Units within a certain number of years from the date of purchase and/or a rate declining for every year Units are held.
- 15.20 **"Core Investors"** means the initial investors, who shall be required to subscribe to and to hold number of Units of par value of not less than the aggregate amount prescribed under the Rules for a minimum two years from the date of payment in full of respective Core Units.
- 15.21 **"Core Units"** shall mean such Units of the Trust that are issued to Core Investors with the condition that these are not redeemable for a period of two years from the date of issue. However, such Units are transferable with this condition and shall rank pari passu with all other Units save for this restriction. Any transfer of these Core Units, during the first two years of their issue, shall be affected only on the receipt by the Transfer Agent of a written acceptance of this condition by the transferee.
- 15.22 **"Custodian"** means a Bank, the Central Depository Company, or any other Depository for the time being appointed by the Trustee with the approval of the Management Company to hold and protect the Deposited Property or any part thereof as custodian on behalf of the Trustee; the Trustee may also itself provide custodial services for MIF with the approval of the Management Company at competitive terms, as part of the normal line of its business.
- 15.23 **"Deposited Property"** means the aggregate proceeds of the sale of all Units at Offer Price after deducting therefrom or providing thereout any applicable Sales Load and Duties and Charges and includes the Investment and all income, profit and other benefits arising therefrom and all cash and other assets movable or immovable and property of every description for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holders pursuant to this Deed, including but not limited to shares, securities, deposits, right shares and bonus shares, bank balances, profits, dividends, fees, commissions, all receivables, claims, contracts, licenses, privileges, whether accrued or accruing or contingent, but does not include any amount standing to the credit of the Distribution Account.
- 15.24 **"Distribution Account"** means the Bank Account(s) (which may be a current or PLS 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.³⁸
- 15.25 **"Distribution Companies"**
Distributor or Distribution Company or Authorized Distributor means company(ies), firm(s), depository company(ies), Bank(s), individual(s) or any other legal or natural person appointed by Management Company at its own expense 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. Such Distributors shall have proper date and time stamping facility on each of their branch.³⁹

³⁸ Amended through Third Supplemental dated October 18, 2011.

³⁹ Amended through Third Supplemental dated October 18, 2011.

15.26 "*Distribution Function*" means the functions with regard to:

I. Receiving applications for issue of Units together with aggregate Offer Price for Units applied for by the applicants;

II. Interfacing with and providing services to the Unit Holders including receiving Redemption, Transfer and Pledge of Units applications and applications for change of address or issue of duplicate Certificates for immediate transmission to the Management Company or the Registrar as appropriate;

III. Acknowledging receipt by delivering customer copy in respect of I and II above: and

IV. Accounting to the Management Company for (i) payment instruments received from the applicants when they purchase Units; (ii) payments instruments delivered to the Unit Holders on Redemption of Units; and (iii) expenses incurred in relation to the Distribution Functions. ⁴⁰

⁴⁰ Amended through Third Supplemental dated October 18, 2011.

- accounting to the trustee for all (1) moneys received from the applicants for issuance of Units; (2) payments made to the Unit Holders on redemption of Units; and (3) expenses incurred in relation to the Distribution Function.
- 15.27 **"Duties and Charges"** means in relation to any particular transaction or dealing, all stamp and other duties, taxes, Government charges, brokerage, bank charges, transfer fees, registration fees and other duties and charges whether in connection with the constitution of the Deposited Property or the increase and decrease of the Deposited Property or the creation, issue, sale, transfer, redemption or purchase of Units or the sale or purchase of Investments or in respect of the issue, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of, or prior to, or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but do not include the remuneration payable to the distribution company or any commission payable to agents on sales and redemption of Units or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.
- 15.28 **"Formation Cost"** means all preliminary and floatation expenses of the Trust including expenses in connection with authorization of the Scheme and its applications fee payable to the SECP, execution and registration of the Constitutive Document, issue, circulation and publication of the Offering Document and all expenses incurred during and up to the Initial Period. Provided that the formation costs will not exceed 1% of the seed capital.
- 15.29 ⁴¹ **"Front-end Load/Sales load"** means the sales and processing charges (excluding Duties and Charges) that is received by the Management Company and/ or its Distributors that may be included in the Initial Price or Offer Price of the Units. The details of Front-end Load are specified in clause 5.2 of this Offering Document (Supplemental-II).
- 15.30 **"Halal"** means anything permitted by the Shariah.
- 15.31 **"Haram"** means anything prohibited by the Shariah.
- 15.32 **"Initial Period"** means a period determined by the Management Company not exceeding seven calendar days during which the "Core Units" will be offered at the Initial Price.
- 15.33 **"Initial Price"** means an Offer Price that is equal to the sum of the Par Value and any applicable Duties and Charges as determined by the Management Company.
- 15.34 **"Initial Public Offering (IPO)"** means the period from 13th October to 17th October, during which Type "A" units will be offered to the public at the NAV
- 15.35 **"Investment"** means any Authorized Investment forming part of the Deposited Property.
- 15.36 **"Investment Facilitator"** (sales agent) means an individual, firm, corporate or other entity appointed by the Management Company, at its own costs on the terms and conditions to be mutually agreed, to identify, solicit and assist investors in investing in the Scheme.
- 15.37 **"Islamic Bank"** means a Bank having license as Scheduled Islamic Commercial Bank from State Bank of Pakistan or a Bank, which accepts deposits on profit and loss basis and will include all Banks or financial institutions, approved by Shariah Advisor for the purpose of banking by the Trust.
- 15.38 **"Istisna'a"** means a contractual agreement for manufacturing goods and commodities, allowing cash payment in advance and future delivery or a future payment and future delivery.
- 15.39 **"Management Company"** means AlMeezan Investment Management Limited.

⁴¹ Amended through Fifth Supplemental dated December 04, 2017. (Previously amended through Third Supplemental dated October 18, 2011)

15.40 "*MIF*" means Meezan Islamic Fund.

15.41 "*Mudarabah*" means a form of partnership where one partner provides funds, while other provides expertise and management.

- 15.42 **"Mudharib/Mudarib"** means a working partner, who provides entrepreneurship, skill and management under a Mudarabah agreement as distinct from the Rub-ul-Mal who provides the finance.
- 15.43 **"Murabahah"** 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.
- 15.44 **"Musharakah"** 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.
- 15.45 **"Net Assets"** shall have the same meaning as in the Rules.
- 15.46 **"Net Assets Value"** means per Unit value of the Trust arrived at by dividing the Net Assets by the number of Units outstanding.
- 15.47 **"No Load"** means no Sales Load payable on sale or redemption of Units.
- 15.48 **"Offer Price"** means the sum to be paid to the Trustee for issuance of one Unit, such price to be determined pursuant to Clause 16 of the Trust Deed and Clause 5.4 (c) of this Offering Document.
- 15.49 **"Ordinance"** means the Securities and Exchange Ordinance, 1969 (XVII of 1969), as amended from time to time.
- 15.50 **"Par Value"** means the face value of a Unit that shall be fifty Rupees or such other amount as may be determined by the Management Company in consultation with the Trustee from time to time.
- 15.51 **"Personal Law"** means the law of inheritance and succession as applicable to the individual Unit Holder.
- 15.52 **"Redemption Price"** means the amount to be paid to the relevant Unit Holder of a Unit upon redemption of that Unit, such amount to be determined pursuant to Clause 19 of the Trust Deed and Clause 5.4 (d) of this Offering Document.
- 15.53 **"Register"** means the Register of the Unit Holders kept pursuant to the Rules and this Deed.
- 15.54 **"Registrar"** or **"Transfer Agent"** means Meezan Bank Limited or any other organization, including a Bank that the Management Company shall appoint for performing the Registrar or Transfer Agent Functions, as defined hereafter.
- 15.55 **"Registrar or Transfer Agent Functions"** means the function with regard to:
- Maintaining the Register;
 - Receiving application for redemption and transfer/ transmission of Units directly from Unit Holder or legal representatives or through Distributor;

⁴² Deleted Through Third Supplemental dated October 18, 2011

- Processing requests for issue, redemption, transfer and transmission of Units and requests for recording of pledge or for recording of changes in information/particulars/data with regard to the Unit Holders;
 - Issuing Account Statements to the Unit Holders;
 - Issuing Certificates including Certificates in lieu of undistributed income to Unit Holders;
 - Dispatching income distribution warrants; and allocating Units to Unit Holders on re-investment of dividends as per Clause 30.4 of the Deed;
 - Canceling old Certificates on redemption or replacement;
 - Maintaining record of lien/pledge/charge; and
 - Keeping record of change of addresses/other particulars of the Unit Holders
- 15.56 **"Reporting or base currency"** means Pakistani Rupee in which financial statements are reported.
- 15.57 **"Rules"** means the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, as amended or replaced from time to time.
- ⁴³
- 15.59 **"SECP"** or means the Securities and Exchange Commission of Pakistan, established under Section 3 of the Securities and Exchange Commission of Pakistan Act, 1997, and its legal successor.
- 15.60 **"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, practice, rules and principles.
- 15.61 **"Shariah Advisor"** means Meezan Bank Limited or any other Islamic financial institution or a body of Islamic scholars, appointed in its place by the Management Company with the approval of the SECP, having knowledge of Islamic finance, to supervise and monitor the activities of the Scheme to ensure that all its activities comply with Shariah.
- 15.62 **"Stock Exchange"** means Karachi Stock Exchange, Lahore Stock Exchange, Islamabad Stock Exchange or any other physical or electronic stock exchange registered under the Ordinance.
- 15.63 **"Subscription Day"** means every Business Day provided that the Management Company may with the prior written consent of the Trustee and upon giving not less than seven day's notice in the newspapers declare, any particular Business Day not to be a Subscription Day.
- 15.64 **"Supplementary Offering Document"** means a document issued by the Management Company, in consultation with the Trustee, after seeking approval of the SECP, describing the special features of an administrative plan offering investment in the Shariah Compliant Fund or a combination of the Shariah Compliant Fund and other schemes managed by the Management Company, or any amendments made to this Offering Document.
- 15.65 **"Term Finance Certificates"** means redeemable equity instruments issued on profit and loss sharing basis.

⁴³ Deleted through Fifth Supplemental dated December 04, 2017.

- 15.66 **"Transaction Costs"** means the costs incurred or estimated by the Management Company to cover the costs (such as, but not restricted to brokerage, Trustee charges, taxes or levies on transactions, etc.) related to the investing or disinvesting activity of the Trust's portfolio, necessitated by the creation or cancellation of Units. The Management Company may, if it is of the view that it is in the overall interest of the Unit holders, with the agreement of the Trustee, apply Transaction Costs while determining Offer or Redemption prices. The Management Company may however, apply transaction costs while determining Offer and Redemption prices, without consulting the Trustee, provided the difference between the Offer Price and the Redemption Price does not exceed five percent.
- 15.67 **"Trust", "Unit Trust" or "Scheme"** means MIF as constituted by the Trust Deed..
- 15.68 **"Trust Deed"** means the Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited as Trustee, to constitute MIF.
- 15.69 **"Unit"** means one undivided share in the Trust.
- 15.70 **"Unit Holder"** means the investor for the time being entered in the Register as owner of a Unit including investors jointly so registered pursuant to the provisions of the Trust Deed.
- 15.71 **"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 and the Rules, words importing persons include corporations, words importing the masculine gender include the feminine gender, words importing singular include plural and words "written" or "in writing" include printing, engraving, lithography, or other means of visible reproduction. The headings and table of contents are for convenience only and shall not affect the construction of this Deed.

DECLARATION BY DIRECTORS

We, the Directors of Al Meezan Investment Management Limited do hereby solemnly declare that we are aware of all the contents and information disclosed in the Offering Document of Meezan Islamic Fund made available to the public under Rule 70(2) of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, and verify that the information contained in the Offering Document is true and correct to the best of our knowledge and belief and nothing has been concealed.

Irfan Siddiqui, Chairman -sd-

Zaigham Mahmood Rizvi -sd-

Ali Ansari -sd-

Ariful Islam -sd-

Hasan Bilgrami -sd-

Ather Medina -sd-

Hina Akhlaq -sd-

Mohammad Shoaib -sd-

ANNEXURE “A”

HEAD OFFICE OF THE MANAGEMENT COMPANY

HEAD OFFICE OF THE MANAGEMENT COMPANY

Ground Floor, Block B, Finance & Trade Centre
Shahrah-e-Faisal, Karachi - 74400
Phone: (92-21) 35630722 26, Fax: (92-21) 35676143

All branches of the management company across Pakistan. Updated contact details and addresses of branches may be obtained from Toll free number 0800 - HALAL (42525) or www.ameezangroup.com
All branches of Meezan Bank Limited across Pakistan are authorized as Distribution Company. Updated contact details and addresses of the branches may be obtained from (021) 111-331-331 or www.meezanbank.com⁴⁴

⁴⁴ Amended through Third Supplemental dated October 18, 2011.