

Risk Disclaimer: All Investments in mutual Fund are subject to market risks. The NAV of Units may go down or up based on the market conditions. The investors are advised in their own interest to carefully read the contents of the Offering Document, in particular the Investment Policies mentioned in clause 2, Risk Factors mentioned in clause 2.6, Taxation Policies mentioned in Clause 7 and Warnings in Clause 9 before making any investment decision.

Category of CIS	Risk Profile	Risk of Principal Erosion
Islamic Income	Moderate	Principal at moderate risk

OFFERING DOCUMENT OF

Meezan Daily Income Fund (MDIF)

(Wakalatul Istithmar based Mutual Fund)

(Open end Shariah Compliant Income Scheme)

Duly vetted by Shariah Advisor
namely Dr. Imran Usmani

MANAGED BY

Al Meezan Investment Management Limited

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OFFERING DOCUMENT OF
Meezan Daily Income Fund (MDIF)
Open end Shariah Compliant Money Market Scheme

MANAGED BY

Al Meezan Investment Management Ltd

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

Date of Publication of Offering Document Dated <date of publication>

Initial Offering Period from <start date> to <end date> (both days inclusive)

The **Meezan Daily Income Fund** (the Fund/the Scheme/the Trust/the Unit Trust/MDIF) has been established through a Trust Deed (the Deed) dated **October 26, 2020** under the Trust Act, 1882 entered into and between **Al Meezan Investment Management Limited**, the Management Company, and **Central Depository Company of Pakistan Limited**, the Trustee and is authorized under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the "Rules") and Non-Banking Finance Companies and Notified Entities Regulations, 2008 ("Regulations").

REGULATORY APPROVAL AND CONSENT

Approval of the Securities and Exchange Commission of Pakistan

The Securities and Exchange Commission of Pakistan (SECP) has authorized the offer of Units of **Meezan Daily Income Fund** and has registered **MDIF** as a notified entity under the Non-Banking Finance Companies and Notified Entities Regulations 2008 ("Regulations") vide letter No 59 dated 31st August 2021 SECP has approved this Offering Document, under the Regulations vide No 62 dated 2nd September 2021

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

Offering Document

This Offering Document sets out the arrangements covering the basic structure of the **Meezan Daily Income Fund** (the "Fund", the "Scheme"). It sets forth information about the Fund that a prospective investor should know before investing in any class of Unit of the Fund. The provisions of the Trust Deed, the Rules, the Regulations and the Shariah guidelines, circulars, directives etc. as specified hereafter govern this Offering Document.

If prospective investor has any doubt about the contents of this Offering Document, he/she/it should consult one or more from amongst their Shariah scholars/consultant, investment advisers, legal advisers, bank managers, stockbrokers, or financial advisers to seek independent professional advice.

Investors must recognize that the investments involve varying levels of risk. The portfolio of the Fund consists of investments, listed as well as unlisted (other than equity funds) that are subject to market fluctuations and risks inherent in all such investments. Neither the value of the Units in the Fund nor the dividend declared by the Fund is, or can be, assured. Investors are requested to read

the Risk Disclosure and Warnings statement contained in Clause 2.6 and Clause 9 respectively in this Offering Document.

(All Investments of the Fund shall be in adherence to the Islamic Shariah. It is possible that adherence to the Islamic Shariah will cause the Fund to perform differently from Funds with similar objectives, but that are not subject to the requirements of Islamic Shariah.)

Filing of the Offering Document

The Management Company has filed a copy of the Offering Document signed by the Chief Executive along with the Trust Deed with SECP. Copies of the following documents can be inspected at the registered office of the Management Company or the place of business of the Trustee:

- (1) License No. **AMCW/11/AMIML/AMS/07/2017** dated **April 19, 2017** & License No. **AMCW/10/AMIML/IAS/04/2017** dated **April 19, 2017** granted by SECP to Al Meezan Investment Management Limited to carry out Asset Management Services and Investment Advisor;
- (2) Trust Deed (the Deed) of the Fund;
- (3) SECP's Letter No. 59 dated 31st August 2021 registering the Fund in terms of Regulation 44 of the NBFC and Notified Entities Regulations 2008;
- (4) Letter from **A.F. Ferguson & CO. Chartered Accountants**, Auditors of the Fund, consenting to the issue of statements and reports;
- (5) Letter from **Bawaney & Partners**, Legal Advisers of the Fund, consenting to act as adviser;
- (6) Letter dated **November 23, 2020** from Shariah Adviser of the Fund, consenting to act as Shariah advisers of the Meezan Daily Income Fund and consenting on the contents of the offering document;
- (7) SECP's letter No 62 approving this Offering Document.

1. CONSTITUTION OF THE SCHEME

1.1 Constitution

The Fund is an open-end Fund and has been constituted by a Trust Deed entered into at Karachi on **October 26, 2020** between:

Al Meezan Investment Management Limited, a Non-Banking Finance Company incorporated under the Companies Act 2017 and licensed by SECP to undertake asset management services, with its principal place of business at Ground Floor, Block B, Finance and Trade Centre (FTC), Shahrah-e-Faisal, Karachi, as the Management Company; and

Central Depository Company of Pakistan Limited incorporated in Pakistan under the Companies Act, 2017, and registered by SECP to act as a Trustee of the Collective Investment Scheme, having its registered office at CDC House, 99-B Block 'B' S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, as the Trustee.

1.2 Trust Deed (the “Deed”)

The Deed is subject to and governed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008, Securities and Exchange Ordinance 1969, Companies Act 2017, and all other applicable laws and regulations including Shariah Advisor’s directives and guidelines. The terms and conditions in the Deed and any supplemental deed(s) shall be binding on each Unit Holder. In the event of any conflict between the Offering Document and the Deed the latter shall supersede and prevail over the provisions contained in this Offering Document. In the event of any conflict between the Deed and the Rules or Regulations and Circulars issued by SECP, the latter shall supersede and prevail over the provisions contained in the Deed in so far, the same do not conflict with the Islamic Shariah.

Furthermore, all Investments of the Fund Property shall be in accordance with the Islamic Shariah as advised by the Shariah Advisor. The Fund shall also be subject to the rules and the regulations framed by the State Bank of Pakistan with regard to the foreign investments made by the Fund and investments made in the Fund from outside Pakistan in foreign currency.

1.3 Modification of Trust Deed

The Trustee and the Management Company, acting together and with the approval of SECP and the Shariah Advisor, shall be entitled by supplemental deed(s) to modify, alter or add to the provisions of the Deed to such extent as may be required to ensure compliance with any applicable laws, Rules and Regulations and Shariah guidelines.

Where the Deed has been altered or supplemented, the Management Company shall duly notify to the Unit Holders and posted on their official website.

1.4 Introduction to the Scheme and first Allocation Plan

Meezan Daily Income Fund is an Open Ended Shariah Compliant Income Scheme. The Fund shall have the following features mentioned below:

- The Fund shall be an Open End Shariah Compliant Income Fund with Allocation Plans

The first Allocation Plan under the Scheme shall be called Meezan Daily Income Plan I (MDIP I) and it shall have the following salient features:

- NAV of the plan will be announced on daily basis.
- Dividend on daily basis will be distributed to the unit holder(s).
- Dividend would be distributed to unit holders appearing in the unit holder register within cut-off time as mentioned in this offering document.
- Daily Dividend received by the Unit Holder(s) shall be reinvested.
- The plan will work on forward pricing.

1.5 Duration

The duration of the Fund and the first plan, namely MDIP-I is perpetual. However, SECP or the Management Company may wind it up or revoke, on the occurrence of certain events as specified in the Regulations or Clause **10.4** this document.

1.6 Trust property

The aggregate proceeds of all Units issued from time to time by each of the Allocation Plans, after deducting Duties and Charges, Transactions Costs and any applicable Sales Load, shall constitute part of the Trust Property and includes the Investment and all income, profit and other benefits arising therefrom and all cash, bank balances and other assets and property of every description for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holder(s) pursuant to this Deed but does not include any amount payable to the Unit Holders as distribution. However, any profit earned on the amount payable to the Unit Holders of an Allocation Plan as distribution shall become part of the Trust Property of the pertinent Allocation Plan. For the avoidance of any doubt the trust property comprises of assets of Meezan Daily Income Fund and any other plans launched from time to time through Supplemental Offering document.

1.7 Initial Offer and Initial Period

Initial Offer is made during the Initial Period which will be 3 Business Days and begins at the start of the banking hours on 13th September 2021 and shall end at the close of the banking hours on 15th September 2021. On the first day, the Units shall be issued at the Initial Price of **Rs. 50** per Unit and subsequently at the price calculated and announced by the Management Company for every Dealing Day.

1.8 Transaction in Units after Initial Offering Period

- a) The offer of Units of the Allocation Plan(s) shall be at the prevailing NAV. The Units of the Allocation Plan(s) can then be redeemed at the Redemption Price, which shall be calculated on the basis of Net Asset Value (NAV) of each Allocation Plan. The Units will be available for redemption on each Dealing Day. NAV will be published on the Management Company's and MUFAP's website.
- b) The Management Company may at some future time register the Units of Allocation Plans with a Depository organization, such as the Central Depository Company of Pakistan Limited. Any transactions for de-materialized Units registered with Depository will take place according to the rules and regulations of the depository organization and the constitutive documents of the Fund
- c) The Issue and Redemption of Units of one or more than one Allocation Plans may be suspended or deferred by the Management Company under certain circumstances as detailed in Clause 4.11.

1.9 Offering Document

The provisions of the Trust Deed, the Rules, the Regulations, circulars and the Directive issued by the Commission govern this Offering Document. It sets forth information about the Fund that a prospective investor should know before investing in any Unit. Prospective investors in their own interest are advised to carefully read this Offering Document to understand the Investment Policy, Risk Factors and Warning and Disclaimer and should also consult their legal, financial and/or other professional adviser before investing.

1.10 Modification of Offering Document

This Offering Document will be updated to take account of any relevant material changes relating to the Fund. Such changes shall be subject to prior consent of the Trustee and approval from the Securities and Exchange Commission of Pakistan (SECP) and shall be circulated to all Unit Holders and/ or publicly notified by advertisements in the newspapers

subject to the provisions of the Rules and the Regulations and duly posted on official website of the Management Company.

1.11 Responsibility of the Management Company for information given in this Document

Management Company accepts the responsibility for the information contained in this Offering Document as being accurate at the date of its publication.

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

2.1 Investment Objective

The investment objective of the Meezan Daily Income Fund (MDIF) is to earn potentially high returns through investment as per respective Allocation Plans by investing in Shariah Compliant Fixed Income instruments.

2.1.1 Investment Policy

The allocation plans under this fund shall primarily invest in Islamic Fixed Income instruments as per their respective authorized investible avenues, and as approved by the Shariah Advisor. The allocation plans under this fund shall be subject to such exposure limits as are specified in the Rules, the Regulations and directives issued by SECP from time to time.

The Fund shall initially offer an allocation plan namely “Meezan Daily Income Plan - I (MDIP – I)”

2.2 Investment Objective of Meezan Daily Income Plan - I (MDIP – I)

The “Meezan Daily Income Plan-I (MDIP - I)” is an Allocation Plan under “Meezan Daily Income Fund (MDIF)” with an objective to provide investors with a competitive rate of return, together with daily payout, through investment in Shariah Compliant fixed income instruments.

2.2.1 Investment Policy of Meezan Daily Income Plan - I (MDIP – I)

The allocation plan will be actively allocated between Shariah Compliant authorized investible avenue as mentioned in the authorized investments table. The plan shall be subject to such exposure limits as are specified in the Rules, the Regulations and directives issued by SECP from time to time.

The plan shall make daily payout to the unit holders, which will be reinvested.

2.2.2 Benchmark of Meezan Daily Income Plan - I (MDIP – I)

Six (6) months average deposit rates of three (3) A rated scheduled Islamic Banks or Islamic windows of conventional bank as selected by MUFAP.

2.2.3 Authorized Investments of Meezan Daily Income Plan - I (MDIP – I)

Description	Entity / Instruments Rating	Maximum Exposure	Minimum Exposure
A. Shariah Compliant GOP issued/guaranteed Securities	N/A	75%	0%
B. Cash at Bank (excluding TDRs) with licensed Islamic Banks or Islamic Branches/Windows of Conventional Banks, Shariah Compliant Government Securities including GoP Ijarah Sukuk not exceeding 90 days maturity.	A+	100%	25%
C. Shariah compliant traded/non-traded securities with maturity not exceeding six (6) months, including but not limited to Bank deposits with licensed Islamic banks and/or Islamic branches/windows of Conventional banks, Sukuk and Islamic commercial papers.	AA	75%	0%
D. Shariah compliant non-traded securities with maturity not exceeding six (6) months, including but not limited to placement of funds with Islamic Microfinance Bank, NBFC and Modarabas.	AA	25%	0%
E. Shariah compliant non-traded securities with maturity exceeding six (6) months, including but not limited to Bank deposits with licensed Islamic banks and/or Islamic branches/windows of Conventional Banks and placement of funds with Islamic Financial Institutions	AA	15%	0%
F. Authorized Shariah Compliant Investments outside Pakistan shall be subject to prior approvals and guidelines (if any) of the SECP, SBP and Shariah Advisor	-	As allowed by SECP	0%
G. Any other Shariah Compliant instruments/securities that may be permitted or approved by the SECP and Shariah Advisor of the Scheme from time to time	-	As allowed by SECP	0%

Note:

Considering the moderate risk profile of the Fund, weighted average duration of portfolio of securities shall not exceed 2 years and this condition shall not apply to securities issued by the Federal Government.

Investments shall be made as per the authorized investment limits given above and shall be made according to the following mode of Shariah Transaction such as; principles of Bai'-Mu'ajjal, Bai'-Mussawwama, Bai'-Salam, Istisna'a, Mudaraba, Murabaha and Musharakah or any other structure as approved by the Shariah Advisor from time to time.

The Fund, in light of its investment objective and investment policy, shall exclusively invest in Shariah Compliant investments transacted, traded or listed in Pakistan. Any investment made outside Pakistan shall be subject to prior approval of the State Bank of Pakistan and SECP.

2.2.4 Risk Control in the Investment Process

- a. The Management Company shall ensure that effective risk control measures are in place for the protection of the Unit Holders' interests.
- b. The objective of the risk control process is endeavor to monitor and manage the various types of risks, including market risks, credit risks and operational risks, with a view to achieving the investment objective of the Scheme.

Exposure to the Authorized Investments shall be determined based on the fund manager's outlook on the economy, the Capital / Money market and any other factor considered important by the Management Company towards effective discharge of its duties under the Regulations, the Deed and this Offering Document.

2.3 Management Company Can Alter Investment Mix

The Management Company can from time to time alter the weightings, subject to the specified limits as per Clause 2.2.3 above, between the various types of investments if it is of the view that market conditions so warrant. The Funds not invested in the foregoing avenues shall be placed as deposit with scheduled banks.

2.4 Changes in Investment Policy

The investment policy will be governed by directives of the Shariah Advisor, the Regulations and/or SECP directives. Any Fundamental change in the Investment Policy will be implemented only after obtaining prior approval from SECP and giving 90 days' prior notice to the Unit Holders as specified in the regulation.

2.5 Investment Restrictions

- (a) The Trust Property shall be subject to such exposure limits or other prohibitions as are provided in the Regulations, Trust Deed, this Offering Document of the Fund, circulars and directives and shall also be subject to any exemptions that may be specifically given to the Fund by SECP and are explicitly mentioned under the heading Exceptions to Investment Restriction in this offering document or subsequently in writing. If and so long as the value of the holding in a particular company or sector shall exceed the limit imposed by the Regulations, the Management Company shall not purchase any further Investments in such company or sector. In the event Exposure limits are exceeded due to corporate actions including taking up rights or bonus issue and/or owing to appreciation or

depreciation in value of any Investment, disposal of any Investment or Redemption of Units, the excess exposure shall be regularized in such manner and within such time as specified in the Regulations, circular or notification issued by SECP from time to time.

- (b) The Management Company on behalf of the Scheme shall not:
- i. Make Investments in Non-Shar'iah complained instruments and against the guidelines of Shar'iah Advisor of the Fund.
 - ii. Purchase or sell -
 - a. Bearer securities;
 - b. Securities on margin;
 - c. Real estate, commodities or commodity contracts;
 - d. Securities which result in assumption of unlimited liability (actual or contingent);
 - e. Anything other than Authorized Investments as defined herein;
 - iii. Participate in a joint account with others in any transaction;
 - iv. Take exposure to equities;
 - v. Affect a short sale in a security whether listed or unlisted;
 - vi. Purchase any security in a forward contract;
 - vii. Take Exposure in any other Collective Investment Scheme;
 - viii. Lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person as specified in the Regulation;
 - ix. Make any investment which will vest with the Management Company or its group the management or control of the affairs of the investee company;
 - x. invest in securities of the Management Company;
 - xi. issue a senior security which is either stock or represents indebtedness, without the prior written approval of the Commission;
 - xii. apply for de-listing from stock exchange, unless it has obtained prior written approval of the Commission;
 - xiii. sell or issue Units for consideration other than cash unless permitted by the Commission on the basis of structure and investment policy of the Scheme;
 - xiv. Merge with, acquire or take over any scheme, unless it has obtained the prior approval of the SECP in writing to the scheme of such merger, acquisition or take over;
 - xv. invest the subscription money until the closure of initial offering period;
 - xvi. enter on behalf of the Scheme, into underwriting or sub-underwriting contracts;
 - xvii. subscribe to an issue underwritten, co-underwritten or sub-underwritten by group companies of the Management Company;

- xviii. pledge any of the securities held or beneficially owned by the Scheme except as allowed under the Regulations;
 - xix. accept deposits;
 - xx. make a loan or advance money to any person from the assets of the Scheme;
 - xxi. Take exposure of more than 35% in a single Group and more than 10% of its net assets in listed group companies of Management companies and such exposure shall be taken through secondary market;
 - xxii. The investment in single issue of Shariah compliant debt securities of a company shall not at any time, exceed an amount equal to 15% of total Net Assets of Scheme or 15% of that single issue, whichever is lower;
 - xxiii. The investment in securities of any one sector shall not exceed 35% or index weight whichever is higher, subject to maximum of 40%
 - xxiv. Take exposure of more than 15% of net assets of Scheme to a single entity in case of placements with Banks, DFIs and NBFCs;
 - xxv. Invest in MTS;
 - xxvi. **Weighted average time to maturity** of the net assets shall not exceed 4 years and this condition shall not apply to securities issued by the Federal Government;
- (c) As Asset Management Company, on behalf of each eligible Collective Investment Scheme, shall not place funds (including TDR, PLS Saving deposit, COD, COM, COI, Money Market Placements and other clean placements of the funds), of more than 25% of net assets of that CIS with all microfinance banks, non-banking finance companies and Modarabas
- (d) In case of redemptions requests are pending due to constraint of liquidity in the Fund, for more than the period as stipulated in the Regulations, the Management Company shall not make any fresh investment or rollover of any investment.
- (e) The Management Company on behalf of the allocation plan shall maintain minimum cash and near cash instruments subject to applicable Regulations, Circulars or Directives issued by the Commission. The present limit for the fund is provided in Clause 2.2.3 above.

Exemption to Investment Restrictions

In order to protect the right of the Unit Holders, the Management Company may take an Exposure in any Shariah Compliant unauthorized investment due to recovery of any default proceeding of any counter party of any Authorized Investment with the approval of the Commission.

2.5.1 Shariah Compliant Financing Arrangements

- (a) Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Management Company may arrange Shariah Compliant financing for account of one or more allocation plans, with the approval of the Trustee, from Islamic Banks, Islamic windows of Conventional Banks, Islamic Financial Institutions, or such other companies as specified by the Commission from time to time

and approved by the Shariah Advisor. The financing, however, shall not be resorted to, except for meeting the redemption requests and shall be repayable within a period of ninety days and such borrowing shall not exceed fifteen (15) percent of the net Assets of pertinent allocation plan or such other limit as specified by the Commission of the scheme at the time of financing.

If subsequent to such financing, the Net Assets are reduced as a result of depreciation in the market value of the Trust Property or redemption of Units, the Management Company shall not be under any obligation to reduce such financing.

- (b) Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such financings from banks, financial institutions and non-banking finance companies. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such financings.
- (c) For the purposes of securing any such financing, the Trustee may on the instruction of the Management Company mortgage, charge or pledge in any manner all or any part of the Trust Property of the allocation plan provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limits provided under the Regulations and/or any law for the time being in force.
- (d) Neither the Trustee nor the Management Company shall incur any liability by reason of any loss to the Trust or any loss that a Unit Holder(s) may suffer by reason of any depletion in the Net Asset Value of Allocation plan(s) that may result from any financing arrangement made hereunder in good faith.

2.5.2 Restriction of Transactions with Connected Persons

- (a) The Management Company in relation to the Scheme shall not invest in any security of a company if any director or officer of the Management Company owns more than five per cent of the total amount of securities issued, or, the directors and officers of the Management Company own more than ten per cent of those securities collectively subject to exemption provided in the Regulations.
- (b) The Management Company on behalf of the Scheme shall not without the approval of its Board of Directors in writing and consent of the Trustee, purchase or sell any security from or to any Connected Person or employee of the Management Company.

Provided that above shall not be applicable on sale or redemptions of Units.

- (c) For the purpose of sub-paragraphs (a) and (b) above the term director, officer and employee shall include spouse, lineal ascendants and descendants, brothers and sisters.
- (d) All transactions carried out by or on behalf of the Scheme with connected person(s) shall be made as provided in the Constitutive Documents, and shall be disclosed in the Scheme's annual reports.

2.6 Risk Disclosure

Investors must realize that all investments in mutual Funds and securities are subject to market risks. Our target return / dividend range cannot be guaranteed and it should be clearly understood that the portfolio of the Allocation plans is subject to market price fluctuations and other risks inherent in all such investments. The risks emanate from various factors that include, but are not limited to:

- (1) **Interest Rate Risk** - A rise or decline in interest rates during the investment term may result in a change in return provided to the investors
- (2) **Government Regulation Risk** - Government policies or regulations are more prevalent in some securities and financial instruments than in others. Funds that invest in such securities may be affected due to change in these regulations or policies, which directly or indirectly affect the structure of the security and/or in extreme cases a governmental or court order could restrain payment of capital, principal or income.
- (3) **Country or Political Risk** - This is the uncertainty of returns caused by the possibility of a major change in the political or economic environment of the country such as break down of law and order, war, natural disasters, etc. and any governmental actions, legislative changes or court orders restraining payment of principal or income
- (4) **Credit Risk** - Credit Risk comprises Default Risk and Credit Spread Risk. Each can have negative impact on the value of the income and money market instruments including Sukuks etc.:
 - **Default Risk** - The risk that the issuer of the security will not be able to pay the obligation, either on time or at all;
 - **Credit Spread Risk** - The risk that there may be an increase in the difference between the return/markup rate of any issuer's security and the return/markup rate of a risk-free security. The difference between this return/mark up rates is called a "credit spread". Credit spreads are based on macroeconomic events in the domestic or global financial markets. An increase in credit spread will decrease the value of income and including money market instruments;
- (5) **Price Risk** - The price risk is defined as when the value of the Fund, due to its holdings in such securities rises and falls as a result of change in interest rates.
- (6) **Liquidity Risk** – Liquidity risk is the possibility of deterioration in the price of a security in the Fund when it is offered for sale in the secondary market.
- (7) **Settlement Risk** – At times, the Fund may encounter settlement risk in purchasing / investing and maturing / selling its investments which may affect the Fund's performance etc.
- (8) **Reinvestment Rate Risk** –In a declining interest/ markup rate economic environment, there is a risk that maturing securities or coupon payments will be reinvested at lower rates, which shall reduce the return of the Fund compared to return earned in the preceding quarters.
- (9) **Sovereign Risk** - Payment of bonds/ notes may be affected by the economic and political events in the country of the relevant issuer. The occurrence of a sovereign risk event could result in the loss of all or a portion of the principal invested, as a result of any economic or political circumstance.
- (10) **Events Risk** - There may be adjustments to the performance of the Fund due to events including but not limited to, natural calamities, market disruptions, mergers, nationalization, insolvency and changes in tax law.
- (11) **Redemption Risk** - There may be special circumstances in which the redemption of Units may be suspended or the redemption payment may not occur within six working days of receiving a request for redemption from the investor.

(12)Distribution Risk - Dividend distribution may also be liable to tax because the distributions are made out of the profits earned by fund and not out of the profits earned by each unitholder. Unitholders who invest in a fund before distribution of dividends may be liable to pay tax even though they may not have earned any gain on their investment as return of capital to investors upon distribution is also taxable.

(13)Shariah non-compliance Risk: The risk associated with employing funds in investments that are not consistent with the Shariah as defined in the glossary section of this offering document.

2.6.1 There may be times when a portion of the investment portfolio of the Scheme is not compliant either with the investment policy or the minimum investment criteria of the assigned 'category'. This 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 Mutual Funds Association of Pakistan (MUFAP) and financial statements of the Scheme are available on the website of the Management Company and can be obtained by calling / writing to the Management Company.

2.7 Disclaimer

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

3. OPERATORS AND PRINCIPALS

3.1 Management Company

3.1.1 Organization

Al Meezan Investment Management Limited ("Al Meezan Investments") is an Asset Management and Investment Advisory Company licensed under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. Al Meezan Investments was formed in 1995 and has a successful track record of two decades of managing mutual funds.

As a Shariah Compliant investment solutions provider, Al Meezan Investments has kept up with expectations. Al Meezan Investments has been able to successfully launch and manage 18 mutual funds including a Pension Fund. The Mutual Funds currently under management include. Al Meezan Mutual Fund (AMMF), Meezan Islamic Fund (MIF), Meezan Balanced Fund (MBF), Meezan Islamic Income Fund (MIIF), Meezan Cash Fund (MCF), Meezan Sovereign Fund (MSF), KSE Meezan Index Fund (KMIF), Meezan Financial Planning Fund of Funds (MFPP), Meezan Gold Fund (MGF), Meezan Asset Allocation Fund (MAAF), Meezan Strategic Allocation Fund (MSAF), Meezan Energy Fund (MEF), Meezan Strategic Allocation Fund-II (MSAF-II), Meezan Dedicated Equity Fund (MDEF), Meezan Rozana Amdani Fund (MRAF), Meezan Strategic Allocation Fund-III (MSAF-III), and Meezan Pakistan Exchange Traded Fund (MP-ETF) while the Pension Fund is Meezan Tahaffuz Pension Fund (MTPF). All these funds are among the best performing funds in their respective categories.

Al Meezan Investments has been assigned Management Quality Rating of AM1 by VIS and PACRA Credit Rating Agencies which denotes 'High Management Quality' rating.

3.1.2 Principle Shareholders

The current shareholding structure of Al Meezan Investments is as follows:

Shareholding of Al Meezan Investments	Shareholding (%)	Paid up capital (Rs Mn)
Meezan Bank Limited	65	325
Pakistan Kuwait Investment Company	30	150
Employees	5	25
Total	100	500

Al Meezan Investments enjoys a strong backing from its group companies i.e. Meezan Bank Limited, the premier Islamic bank of Pakistan, and Pakistan Kuwait Investment Company (Pvt.) Limited.

3.2 Board of Directors of the Management Company

Sr.	Name of Director	Directorship in other Companies
1	Mr. Ariful Islam	None
2	Mr. Mohammad Shoaib, CFA	None
3	Mr. Muhammad Abdullah Ahmed	None
4	Mr. Ijaz Farooq	None
5	Mr. Moin M. Fudda	Pak Suzuki Motor Company, Merit Packaging Limited Central Depository Company of Pakistan Ltd
6	Ms. Saima Shaukat Khan (Kamila)	Pakistan Institute of Corporate Governance
7	Mr. Mohammad Furquan R. Kidwai	Dawaai (Pvt.) Limited, Dawaai Technologies PTE Ltd., Enabling Heal Technologies Ltd. (UK)
8	Mr. Arshad Majeed	None
9	Mr. Naeem Abdul Sattar	National Clearing Company of Pakistan Limited
10	Syed Amir Ali Zaidi	None

Mr. Ariful Islam – Chairman

Mr. Ariful Islam is the Deputy CEO at Meezan Bank Limited, the premier Islamic financial institution in Pakistan with over 34 years of experience with various Banks and in Bahrain and Pakistan. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of England and Wales and a fellow member of the Institute of Chartered Accountants of Pakistan. He has also worked with KPMG (formerly Peat Marwick Mitchell & Co.) prior to his banking career.

He joined Meezan Bank in April 1999 as the Bank's first Chief Operating Officer and was subsequently elevated to the position of Deputy CEO of the Bank. Mr. Arif was also involved with the setting up of the first private sector open-end fund in Pakistan and carries with him valuable asset management experience.

Mr. Mohammad Shoaib, CFA – Chief Executive

Mr. Mohammad Shoaib, CFA is the Chief Executive Officer of Al Meezan Investment Management Limited, the largest Shariah compliant asset management company in Pakistan. He has over 29 years of experience in managing investment portfolios. Currently with Al Meezan Investments he is managing investments of about over 156 Billion (as on September 30, 2020) million under 18 mutual/pension funds and discretionary clients' portfolios, and leading a team of 595 employees of the organization.

He is an MBA from the Institute of Business Administration (IBA), Karachi of 1988 and has also taught in his alma mater, several courses ranging Security Analysis to Finance & Accounting.

He got his CFA charter in 1999 and later founded the CFA Association of Pakistan in May 2002 with 40 members. He was the first President of the CFA Association of Pakistan (CFAAP) and during his leadership CFAAP achieved several milestones including the "Innovation Award" in 2006 and the "Strategic Planning Award" in 2008 from the CFA Institute.

Mr. Muhammad Abdullah Ahmed

Mr. Abdullah currently looks after the Treasury, Correspondent Banking, Financial Institutions, and Home Remittance functions of the Bank. He has over 21 years of banking and treasury dealing experience. He has also previously worked at Bank of America NA, National Bank of Pakistan and KASB Bank before joining Meezan Bank in 2005.

Mr. Abdullah has a Bachelors and Masters in business administration from the Institute of Business Administration, University of Karachi. He is a fellow of the Association Cambiste Internationale (ACI) – The Financial Markets Association, Paris in financial markets trading and a fellow of the Institute of Bankers Pakistan. He is also a certified Financial Risk Manager (FRM) from the Global Association of Risk Professionals (GARP), USA.

Mr. Abdullah is an active member of the local Financial Markets Association of Pakistan (FMAP) and was elected to the executive committee as office bearer in 2000, 2008 and 2009, his last office being the General Secretary of the FMAP for the years 2009-2012. He is currently a member of the Pakistan Banks Association (PBA) sub-committee on Treasury and Capital Markets since 2010 and of the technical committee of the Financial Markets Association of Pakistan since 2012.

Mr. Ijaz Farooq

Mr. Ijaz Farooq is currently associated with Meezan Bank Limited as the Group Head Retail Banking, SME/Commercial & Agriculture Finance. Mr. Farooq is an MBA (Marketing) from University of Punjab. He has an extensive experience of over 43 years in Pakistan's banking industry.

Prior to joining Meezan Bank, Mr. Farooq spent 15 years with Bank Alfalah Limited, where he joined as Area Manager in 1998, and progressed to the position of Group Head-Islamic Banking. The overall planning, establishment and smooth functioning of Islamic Banking Division is to Mr. Farooq's credit. His strategic objective setting and business planning has substantial contribution towards the success of Islamic Banking. As Group Head, he served on several committees including Central Management Committee, Central Credit Committee, Asset & Liability Committee and Human Resource Committee.

He has served at renowned entities such as Allied Bank Limited from where he started his career as Officer. As the Chief Manager for Emirates Bank International, Mr. Ijaz played a pivotal role for increasing profitability and overall result of the bank. This contribution was recognized by virtue of his nomination for Advanced Management Program (AMP) at The Wharton School, University of Pennsylvania, USA.

Mr. Moin M. Fudda

Mr. Moin M. Fudda has over 41 years of rich and unique blend of professional experience which encompasses working for the corporate sector and performing diplomatic duties. He holds MBA (Insurance & Risk Management) from St. Jones University, New York. In his former role as Managing Director of Karachi Stock Exchange (KSE now Pakistan Stock Exchange – PSX), he was elected as Chairman of the Corporate Governance Task Force of Federation of European and Asian Stock Exchanges (FEAS). He has helped in creation of Pakistan Institute of Corporate Governance (PICG). He is a Certified Corporate Governance Trainer by International Finance Corporation (IFC) since 2010 and is a Member of Faculty and has also served on the Board of PICG. He has contributed significantly towards development of Corporate Governance Rules for Public Sector Enterprises and Corporate Governance Guide for Family Owned Businesses.

He is an Independent Director on the Board of Al Meezan Investment Management Limited. Mr. Fudda is also an Independent Director and Chairman of the Board of Central Depository Company of Pakistan since January 2018. He also serves as Independent Director on the Board of Pak Suzuki Motor Company and Merit Packaging as well as is Country Representative for SCOR – A Global Tier 1 Reinsurer. He is also a Member Board of Karachi Council on Foreign Relations and a Member, Executive Committee of English Speaking Union of Pakistan. Moreover, since 2003, he continues to serve as a Chairman/Member of Alternate Dispute Resolution Committees (ADRC) of the Federal Board of Revenue.

Previously Mr. Fudda has also served as Country Chief of New Zealand Insurance and Commercial Union (CU now AVIVA) and founder MD of CU Life (now Jubilee Life). Since 1990, he has been serving as the Honorary Consul General of New Zealand for Pakistan and being its sole representative, his responsibilities include, consular affairs, trade, education & facilitations of visas. Earlier he held positions such as Country Director, Center for International Private Enterprise, an affiliate of US Chamber, Chairman Islamabad Stock Exchange, Presidents of Overseas Investors Chamber of Commerce & Industry and Management Association of Pakistan. He has also served on the Boards of Investment & Privatization Commission, Pakistan Institute of Management and Federation of Pakistan Chamber of Commerce & Industry and National Center for Dispute Resolution.

In 2006 Mr. Fudda was conferred Sitara-e-Imtiaz (S.I.) by the President of Pakistan. In 2002, he was recognized as the Honorary Officer of the New Zealand Order of Merit (ONZM) and in 1990, NZ Commemoration Medal was conferred by the Queen of New Zealand. He has traveled to 120 countries in six Continents.

Ms. Saima Kamila Khan

Ms. Saima Kamila Khan is currently associated with Jazz Pakistan as Chief Legal Officer. Ms. Kamila oversees the Company's legal and communications functions, leveraging her legal expertise and acumen to bring synergy to all functions. Before joining Jazz, she worked for ICI Pakistan Limited, as the General Counsel, Company Secretary & Head of Corporate Communications and Public Affairs.

She has over a decade of diversified experience in the legal field. Throughout her professional career she has performed the legal role at senior management levels within and outside Pakistan in various sectors including oil and gas, pharmaceutical, banking and private equity.

Prior to joining ICI Pakistan Limited, she was Head of Legal & Company Secretary for Samba Bank Limited. Kamila holds an LL.B. from the University of Punjab and an LL.M. from the University of Pennsylvania, U.S.A. She is on various committees of the Overseas Investors Chamber of Commerce and Industry (OICCI) and the Pakistan Business Council (PBC). She is also on the Board of Directors of the Pakistan Institute of Corporate Governance (PICG).

Mr. Mohammad Furquan R. Kidwai

Mr. Furquan R Kidwai is the Founder & CEO of Dawaai (Pvt.) Limited. He is a technology entrepreneur who has built the largest health technology company in Pakistan over the past six years. Prior to this journey, Mr. Kidwai was an investment banker for over eight years in London and New York where, in his last role, was the Head of CEEMEA Financing as well as a senior Vice President in the Fixed Income trading business at the Royal Bank of Scotland. Before joining RBS, Furquan worked as an Associate at Merrill Lynch and Lehman Brothers in their London and New York offices. He has also served as a member of the Board of Imperial College of Science, Technology and Medicine, London.

Mr. Furquan read International Relations for a Master's degree at Cambridge University. He also has an MSc in Financial Mathematics with specialization in Risk Management from Imperial College London and BEng in Computer Systems Engineering from Bristol University.

Mr. Arshad Majeed

Mr. Majeed in his current role is serving Meezan Bank Limited as the Group Head of Consumer Finance, he has been part of the Bank since its inception and has played an instrumental role in its growth by developing the Operations function.

Mr. Majeed's banking career spans over 27 years during which he has held various senior positions in local as well as foreign banks such as Deutsche Bank AG, The Chase Manhattan Bank Ltd, MCB Bank Limited and Mashreq Bank both in Pakistan and abroad. His last assignment before joining Meezan Bank was with Mashreq Bank Head Office, Dubai as Senior Methods Analyst for Operating Policies and Procedures for Local and Overseas Branch Operations & Internal Quality Audit for Head Office Operations-Dubai.

Mr. Majeed has a Master's degree in Business Administration and Graduated in Advanced Mathematics and Law from Karachi University. He is also a certified Internal Quality Auditor from Bureau Veritas Quality International (BVQI), London. Mr. Majeed is a member of various senior-level internal committees of Meezan Bank and as an internal trainer has also conducted numerous country-wide training sessions.

Mr. Naeem Abdul Sattar

Mr. Naeem is a Company Secretary at PKIC. He is Fellow Member of the Institute of Cost and Management Accountant of Pakistan. He has over 16 years of experience in the financial sector. His work experience includes the fields of Accounting, Taxation, Budgeting, and Corporate Secretarial. He has also worked with M/s. A. F. Ferguson & Co – Chartered Accountants.

Syed Amir Ali Zaidi

Mr. Amir is serving as Senior Vice President in Capital Markets Department of Pak Kuwait Investment Company (Pvt) Limited since May 2006. He has vast experience of over 24 years of in the Capital Markets of the country with leading financial institutions. Prior to his last association with Taurus Securities, he worked with AF Ferguson & Co., Chartered Accountants in the taxation department.

Mr. Zaidi is an MBA from the Institute of Business Management with majors in Human Resources & Finance and also holds an LLB degree.

3.2.1 Profile of the Management

Mr. Mohammad Shoaib, CFA –Chief Executive

Please see background given above in particulars of Directors.

Mr. Muhammad Asad – Chief Investment Officer

Mr. Asad is primarily responsible for active asset allocation and investment strategy for the funds managed by Al Meezan Investments. He has more than 21 years of work experience in the financial sector working with leading local and multinational companies like State Life Insurance Corporation of Pakistan, Metropolitan Bank Limited, ANZ Grindlays Bank, and A.F. Ferguson &

Company. He plays a critical role in the execution of the company's investment strategy. Mr. Asad is required to use his expertise in management of mutual funds managed by Al Meezan Investments, which essentially requires continuous monitoring of investments.

Mr. Asad is an MBA in Finance & Banking from IBA as well as cleared CFA Level II. He is also a Fellow of Life Management, Life Insurance (FLMI). He has also been a visiting faculty member at IBA and Bahria University.

Mr. Asad also served as a nominee director on the board of Al Meezan Mutual Fund Limited while he was also the trustee of Al Meezan Investments' Provident Fund and Gratuity Fund. He is also an active member of Investment Committee.

Syed Owais Wasti – CFO & Company Secretary

Mr. Owais is fellow member of Institute of Cost & Management Accountants of Pakistan (ICMA). Prior to joining Al Meezan Investments, Mr. Wasti also served at JS Investments Limited (formerly JS ABAMCO Limited) as Chief Financial Officer and Company Secretary. He also worked with Jahangir Siddiqui & Co. Limited in Equity Operations. He has an overall experience of over 23 years. At Al Meezan Investments, he is the Chief Financial Officer & Company Secretary.

Syed Hussain A. Naqvi- Head of Special Projects

Mr. Hussain A. Naqvi, carries over 18 years of familiarity with Mutual Fund Industry, where he has imparted his services to the leading Asset Management Companies of Pakistan.

Prior to joining Al Meezan Investment Management Limited as Executive Vice President-Special Projects, he was functional with NBP Fullerton Asset Management Limited as Chief Operating Officer. He also served as Chief Executive Officer of PICIC Asset Management Limited after taking over the same by NIB Bank Limited.

Prior to this, he has been associated with the companies like Atlas Asset Management Limited and National Investment Trust Limited, where he has served on higher management position and was nominated as the director on the board of various listed companies.

Mr. Naqvi also served as Assistant Manager Audit and has been associated with Ernst & Young Chartered Accountants.

Mr. Abdul Rub Khan - Head of Human Resources

Mr. Abdul Rub is responsible for developing and implementing effective HR management strategies. He holds an MBA degree in the field and also possesses a Diploma in Management Sciences from the United Kingdom. He has over 12 years of experience in Human Resource management with leading local and multinational companies.

Syed Khurram Ali Naqvi – Head of Information Technology

Mr. Khurram holds a Masters Degree in Statistics and has earned Claritas Investments Certificate by CFA Institute USA, ITIL V3 Foundation, Certified Information System Auditor (CISA) and Microsoft Certified Systems Engineer (MCSE). He has 15 years' experience of working in the financial sector at Systems Administration and Management levels. His last assignment was at PICIC as IT Auditor and he has also been associated with Meezan Bank and Pak Kuwait Investment Company in the past. At Al Meezan Investments he is responsible for overall management of IT department; he is also responsible for alignment of IT strategy with business direction, providing security architecture to maintain integrity of Al Meezan Investments' data, and responsible for designing of systems of internal control that provide reasonable assurance that any undesired event will be prevented or detected and corrected in a timely manner.

Mr. Talha Anwar - Head of Sales & Marketing

Mr. Talha is our Sales & Marketing Head. He is responsible for developing and implementing the sales and marketing strategies. He has over 15 years of experience in Sales and Marketing Prior to joining Al Meezan Investments, Mr. Talha has worked with leading advertising agencies and other

financial institutions. He holds an MBA (Marketing) along with M. Com and has done certifications like CIBE (Certificate of Islamic Banking & Finance) and CFA Claritas Investment Certificate.

Mr. Salman Muslim

Mr. Salman Muslim is a Chartered Accountant from the Institute of Chartered Accountants of Pakistan with over eleven years of experience in Audit, Regulatory Compliance, Corporate Secretariat, Finance and Risk Management. He presently heads the Internal Audit and Compliance function at Al Meezan Investment Management Limited. Prior to this, he has worked with ORIX Modaraba (previously a Standard Chartered Group entity now acquired by ORIX Leasing Pakistan Limited) as Head of Internal Audit reporting to the Board Audit Committee. Further, he has also been associated with A. F. Ferguson & Co. a member firm of PriceWaterhouseCoopers Network. He is also a member of Pakistan Institute of Public Finance Accountants and a graduate from University of Karachi.

Mr. Muhammad Ali Lawai, CFA

Mr. Lawai is Head of Marketing and Alternate Distribution at Al Meezan and is responsible for the development and implementation of marketing and distribution strategies.

He has an experience of over 17 years in Investments, Products and Marketing. Prior to joining Al Meezan, he had worked with leading global financial institutions both in USA and Canada in various leadership roles which involved products, marketing and managing distribution channels.

He holds a Bachelor of Arts in Economics from Cornell University, Ithaca, USA. He is a Chartered Financial Analyst (CFA) from CFA Institute, USA and a Chartered Alternative Investment Analyst (CAIA) from CAIA Association, USA.

Profile of the Shariah Advisor:

Dr. Mufti Muhammad Imran Ashraf Usmani, son of Justice (Retd.) Mufti Muhammad Taqi Usmani, graduated with specialization in Islamic Fiqh (Islamic jurisprudence) from Jamia Darul-Uloom, Karachi, where he has been teaching Fiqh since 1990. He also holds an LLB and Ph.D. in Islamic Finance. He is a member of the administration board of Jamia Darul-Uloom, Karachi.

Presently Dr. Usmani is the Resident Shariah Board Member at Meezan Bank and is responsible for R&D and Product Development of Islamic banking products, advisory for Shariah-compliant banking and supervision of Shariah Audit & Compliance.

Dr. Usmani has served as an advisor / member of Shariah Boards of several renowned institutions since 1997 including the State Bank of Pakistan, HSBC - Amanah Finance, UBS - Switzerland, Guidance Financial Group USA, Lloyds TSB Bank - UK, Japan Bank for International Cooperation (JABIC), Credit Suisse Switzerland, RBS Global, Old Mutual Albarakah Equity & Balanced Funds South Africa, AIG Takaful, ACR Retakaful Malaysia, Capitas Group USA, Bank of London And Middle East Kuwait, BMI Bank Bahrain, Al Khaliji Bank Qatar, Sarasin Bank Switzerland, DCD group Dubai and other Mutual and Property funds, Takaful Companies and international Sukuk etc. He is also an Executive Committee Member of AAOIFI (Dubai) and member of Shariah Supervisory Board of International Islamic Financial Market (IIFM) Bahrain, Islamic Index Policy Committee, Steering committee for promotion of Islamic Banking by Ministry of Finance, International Center for Education in Islamic Finance (INCEIF) Malaysia, Institute of Business Administration (IBA), Karachi and Center for Islamic Economics (CIE), Karachi. He is also the chairman of Shariah Board of NBP Fullerton Asset Management.

Dr. Usmani is the author of numerous publications related to Islamic finance and other Shariah-related subjects. He has presented papers in numerous national and international seminars and has delivered lectures at academic institutions including Harvard, LSE, LUMS and IBA.

Dr. Usmani is also the director of Hira Foundation School, a project of Jamia Darul Uloom Karachi to provide a high standard education from Montessori level to University level combining conventional modern academics with Islamic teachings. He also serves as a lecturer of different subjects of Shariah and is amongst the administration board of Jamia Darul-Uloom, Karachi. He is a visiting faculty member at Karachi University and IBA. He has also been leading Friday khuthbah and prayer at a Jamia Mosque for 20 years.

3.2.2 Performance of Listed Associated Companies

Meezan Bank Limited

	CY19	CY18	CY17	CY16	CY15	CY14	CY13
Paid-up Capital (PKR Million)	12,861	11,692	10,629	10,027	10,027	10,027	10,027
Equity (PKR Million)	59,015	40,333	35,077	30,474	26,347	23,890	18,913
Total Assets (PKR Million)	1,121,258	937,915	788,808	662,055	535,864	440,149	332,095
Deposits (PKR Million)	932,579	785,477	667,181	559,398	468,281	378,744	288,433
Net Profit (PKR Million)	15,232	8,962	6,313	5,562	5,023	4,570	3,957
Earnings per Share (PKR)	11.84	6.97	5.56	5.45	5.01	4.56	3.95

3.3 Existing Schemes under Management and their performance

Al Meezan Mutual Fund (AMMF)

- AMMF is the first mutual fund that was launched in May 1996 from the platform of Al Meezan Investments as a close ended fund with a paid-up capital of PKR 250 million.
- The Fund was successfully converted from closed end fund to open end fund on August 5th 2011.
- The performance of AMMF for last six periods is summarized as follows:

	FY20	FY19	FY18	FY17	FY 16	FY15
Investment Income (PKR Million)	254	(1,471)	(926)	1,376	866	611
Profit / (Loss) (PKR Million)	110	(1,671)	(1,165)	1,455	741	562
Net Assets (PKR Million)	3,913	4,767	6,864	9,079	5,418	4,007
Total Return on AMMF (%)	3.1	-24.4	-16	23	16	22
Benchmark (%)	1.6	-23.8	-10	19	16	20
Cash Dividend (%)	4.5	-	-	10	8.2	6.8
Stock Dividend (%)	-	-	-	-	-	-

Meezan Islamic Fund (MIF)

- a) MIF is the largest open-end equity fund in the private sector. It is a Shariah compliant equity fund.
- b) MIF was launched with a seed capital of PKR 520 million in August 2003.

The performance of MIF is summarized as follows:

	FY20	FY19	FY18	FY17	FY16	FY15
Investment Income (PKR Million)	1,363	(7,882)	(7,010)	8,572	5,329	3,920
Profit / (Loss) (PKR Million)	550	(8,950)	(8,388)	9,975	4,836	3,879
Net Assets (PKR Million)	24,072	25,740	39,115	54,853	32,554	27,403
Total Return on MIF (%)	2.8	(24)	(17)	23	17	22
Benchmark (%)	1.6	(24)	(10)	19	16	20
Cash Dividend / Bonus Units (%)	5.00	-	-	5.00	5.90	4.40

KSE Meezan Index Fund (KMIF)

- a) KMIF is the only Shariah compliant index tracker fund in Pakistan.
- b) It was started with Pre-IPO capital of PKR 201 million in May 2012 with an offering price of PKR 50 per unit.
- c) KMIF tracks the KSE Meezan Index 30 (KMI 30).

	FY20	FY19	FY18	FY17	FY16	FY15
Investment Income/(Loss) (PKR Million)	58	(450)	(187)	56	118	218
Profit / (Loss) (PKR Million)	25	(480)	(217)	286	105	169
Net Assets (PKR Million)	1,857	1,517	1,687	1,909	881	1,159
Total Return on KMIF (%)	0.9	(25.0)	(11.2)	16.0	13.0	17.10
Benchmark (%)	1.6	(23.8)	(9.6)	18.8	15.5	20.10
Cash Dividend / Bonus Units (%)			-	24	4.70	3.70

Meezan Islamic Income Fund (MIIF)

- a) MIIF was the first Shariah compliant Income fund in Pakistan. The Fund was launched in January 2007.
- b) MIIF was launched with a seed capital of PKR 115 million.
- c) MIIF invests in Sukuks, Islamic bank deposits and other certificates of Islamic investment based on various structures.
- d) MIIF has a fund stability rating of A(f) assigned by VIS Credit Rating Agency.

	FY20	FY19	FY18	FY17	FY16	FY15
Investment Income (PKR Million)	2,658	960	618	748	648	638
Profit / (Loss) (PKR Million)	2,272	805	459	321	321	321
Net Assets (PKR Million)	27,776	9,471	10,166	11,781	9,051	4,263
Total Return on MIIF (%)	11.57	7.92	4.26	5.09	5.76	8.15
Benchmark (%)	6.33	3.69	2.44	2.78	3.49	5.04
Cash Dividend / Bonus Units (%)	11.77	8.09	4.39	5.00	5.00	6.80

Meezan Cash Fund (MCF)

- MCF is the first Shariah compliant Money Market fund in Pakistan. The Fund was launched in June 2009.
- MCF was launched with a seed capital of PKR 100 million
- MCF invests in government securities and double A (AA) and above rated instruments with maximum maturity of 6 months.
- MCF has a fund stability rating of AA (f) assigned by VIS Credit Rating Agency.

	FY20	FY19	FY18	FY17	FY16	FY15
Investment Income (PKR Million)	1,404	1,086	426	285	301	350
Profit / (Loss) (PKR Million)	1,217	902	314	199	102	236
Net Assets (PKR Million)	14,026	8,851	9,921	3,350	3,432	7,618
Total Return on MCF (%)	10.95	7.84	4.27	6.07	4.59	7.46
Benchmark (%)	5.37	3.37	2.58	2.90	4.49	6.24
Cash Dividend / Bonus Units (%)	10.95	7.84	4.33	5.50	4.50	7.4

Meezan Sovereign Fund (MSF)

- MSF is a Shariah Compliant (Islamic) Income Fund. The Fund was launched in February 2010.
- MSF seeks maximum possible preservation of capital and a reasonable rate of return via investing primarily in Government Securities.
- MSF invests in high grade and liquid avenues with minimum 70% investment in government backed /issued AAA securities as well as placement in top rated banks.
- MSF has a fund stability rating of AA- (f) assigned by VIS Credit Rating Agency.

	FY20	FY19	FY18	FY17	FY 16	FY15
Investment Income (PKR Million)	559	160	102	659	610	1,097
Profit / (Loss) (PKR Million)	484	129	59	254	375	559
Net Assets (PKR Million)	9,736	5,705	2,121	4,334	7,945	8,657
Total Return on MSF (%)	11.17	7.02	2.57	6.57	5.12	6.81
Benchmark (%)	7.93	7.15	4.96	4.65	4.49	6.24
Dividend – Bonus Units (%)	-	-	-	-	-	-
Cash Dividend (%)	11.40	7.18	2.48	5.50	4.5	6.8

Meezan Tahafuzz Pension Fund (MTPF)

- a) MTPF is a Shariah Compliant Pension Fund. The Fund was launched in June 2007.
 b) MTPF seeks to provide participants with a regular Halal income stream after retirement/disability when they can no longer earn regular income to support their living.

	FY20	FY19	FY18	FY17	FY16	FY15
Investment Income (PKR Million)	998	-785	(735)	1,207	796	670
Profit / (Loss) (PKR Million)	845	-923	(962)	1,126	731	684
Net Assets (PKR Million)	10,521	9,050	9,257	9,023	6,550	4,477
Total Return on MTPF – Equity (%)	5.97	-23.7	(16.5)	20.4	18.10	26.6
MTPF – Debt (%)	10.99	7.0	2.8	4.9	4.5	6.4
MTPF – MMKT (%)	9.92	7.3	2.9	4.4	4.0	6.9
MTPF – Gold (%)*	21.4	28.4	12.1	-9.4	-	-

*Performance start date of August 04, 2016

Meezan Financial Planning Fund of Funds (MFPP)

- a) MFPP is an open-end Shariah Compliant Fund of Funds. The Fund was launched in April 2013.
 b) MFPP aims to generate return on investment as per the respective allocation plan by investing in Shariah Compliant Fixed Income and Equity Mutual Funds in line with the risk tolerance of the Investor.

	FY20	FY19	FY18	FY17	FY16	FY15
Investment Income (PKR Million)	59	(246)	(263)	1,832	1,068	249
Profit / (Loss) (PKR Million)	55	(252)	(274)	1,564	1,061	239
Net Assets (PKR Million)	863	1,383	2,433	12,436	11,332	5,586
Total Return on MFPP – AGG (%)	6.86	(17.21)	(12)	16.90	13.30	16.50
Total Return on MFPP – CON (%)	10.96	(1.03)	(1.6)	9.70	8.70	10.10
Total Return on MFPP – MOD (%)	10.11	(9.18)	(6.8)	13.30	11.30	13.60
Total Return on MFPP – MAAP I (%)	5.62	(18.53)	(6.1)	18.80	11.70	-
Total Return on MFPP - MAAP II (%)	-	-	-	18.10	14.80	-
Total Return on MFPP - MAAP III (%)	-	-	-	18.00	13.50	-
Total Return on MFPP - MAAP IV (%)	-	-	-	16.90	0.70	-
Bench Mark of MFPP - AGG (%)	5.86	(17.21)	(6.4)	13.50	11.7	15.10
Bench Mark of MFPP – CON (%)	7.60	(3.48)	(0.3)	7.60	6.70	8.60
Bench Mark of MFPP – MOD (%)	7.83	(10.47)	(3.3)	11.50	10.0	12.90
Bench Mark of MFPP - MAAP I (%)	5.58	(16.37)	(4.7)	16.70	14.90	-
Bench Mark of MFPP - MAAP II (%)	-	-	-	16.20	18.30	-
Bench Mark of MFPP - MAAP III (%)	-	-	-	16.00	17.10	-
Bench Mark of MFPP - MAAP IV (%)	-	-	-	14.00	0.20	-
Dividend (cash/Bonus) MFPP - AGG (%)	1.00	-	-	12.00	12.00	-
Dividend (cash/Bonus) MFPP – CON (%)	-	-	-	0.60	12.50	-

Dividend (cash/Bonus) MFPP – MOD (%)	0.60		-	4.00	11.80	-
Dividend (cash/Bonus) MFPP - MAAP I (%)	0.90		-	3.60	3.60	-
Dividend (cash/Bonus) MFPP - MAAP II (%)	-		-	4.50	5.30	-
Dividend (cash/Bonus) MFPP - MAAP III (%)	-		-	3.80	5.40	-
Dividend (cash/Bonus) MFPP - MAAP IV (%)	-		-	4.40	3.90	-

Meezan Balanced Fund (MBF)

- MBF was the leading Islamic closed end balanced scheme, which converted into open ended scheme on July 01, 2013.
- MBF aims to provide investors, RIBA Free, stable and regular income from a diversified portfolio of equity securities and Islamic income instruments.

	FY20	FY19	FY18	FY17	FY16	FY15
Investment Income (PKR Million)	519	(681)	(561)	974	638	439
Profit / (Loss) (PKR Million)	372	(888)	(789)	1,232	515	434
Net Assets (PKR Million)	3,916	5,350	7,843	9,516	4,708	3,383
Total Return on MBF (%)	8.14	-12.8%	-9%	15%	12%	16%
Benchmark (%)	5.80	-23.84	-4%	12%	10%	13%
Cash Dividend (%)	8.40	-	-	12.50%	6%	8%
Stock Dividend (%)	-	-	-	-	-	-

Meezan Gold Fund (MGF)

- MGF was launched on August 13, 2015.
- MGF aims to provide maximum exposure to prices of Gold in a Shariah Compliant (Islamic) manner, by investing a significant portion of the Fund's net assets in deliverable gold based contracts available on Pakistan Mercantile Exchange (PMEX).

	FY20	FY19	FY18	FY17	FY16
Investment Income (PKR Million)	108	96	56	(23)	24
Profit / (Loss) (PKR Million)	92	85	44	(37)	26
Net Assets (PKR Million)	548	478	243	457	321
Total Return on MGF (%)	23.8	27.6	12	-7.2	10.5
Benchmark (%)	21.3	30.4	13	-2.9	16.0
Cash Dividend / Bonus Units (%)	-	11.8	-	-	1.4

*Performance start date of August 13, 2015

Meezan Asset Allocation Fund (MAAF)

- MAAF was launched on April 18, 2016.

- b) The objective of MAAF is to earn a potentially high return through asset allocation between Shariah Complaint Equity Instruments, Shariah Complaint Fixed Income Instruments, Shariah Complaint Money Market Instruments and any other Shariah Complaint Instruments as permitted by the SECP and Shariah Advisor.

	FY20	FY19	FY18	FY17	FY16
Investment Income (PKR Million)	168	(480)	(380)	15	11
Profit / (Loss) (PKR Million)	122	(546)	(461)	482	12
Net Assets (PKR Million)	1,339	1,854	2,877	3,251	460
Total Return on MAAF (%)	6.61	(20.4)	(13)	18.10	2.8
Benchmark (%)	6.97	(18.6)	(7)	15.20	5.0
Cash Dividend / Bonus Units (%)	2.36	-	-	19.00	0.64

Performance start date of April 18, 2016

Meezan Energy Fund (MEF)

- a) MEF was launched on November 30, 2016.
- b) The objective of MEF is to seek long term capital appreciation through investments in Shariah compliant equity stocks, primarily from the energy sector / segment / industry, as defined in the constitutive documents.

	FY20	FY19	FY18	FY17
Investment Income (PKR Million)	-32	(311)	22	19
Profit / (Loss) (PKR Million)	-53	(345)	(29)	75
Net Assets (PKR Million)	542	599	1,637	1,139
Total Return on MEF (%)	-10.04	(32.97)	(0.9)	6.96
Benchmark (%)	1.62	(23.84)	(9.6)	9.30
Cash Dividend / Bonus Units (%)	-	-	-	6.50

Performance start date of November 30, 2016

Meezan Strategic Allocation Fund (MSAF)

- a) MSAF is an open-end Shariah Compliant Fund of Funds. The Fund was launched in October 19, 2016.
- b) The objective of MSAF is to earn potentially high returns through investment as per respective Allocation Plans by investing in Shariah Compliant Fixed Income / Money Market and Equity based Collective Investment Schemes.

	FY20	FY19	FY18	FY17
Investment Income (PKR Million)	252	(891)	(970)	21
Profit / (Loss) (PKR Million)	238	(913)	(995)	77
Net Assets (PKR Million)	3,355	5,104	8,210	8,030
Total Return on MSAP- I (%)	7.93	(17.12)	(12.80)	8.90

*

Total Return on MSAP- II (%) **	6.51	(15.94)	(12.80)	(1.20)
Total Return on MSAP- III (%) ***	6.73	(16.10)	(13.10)	(3.30)
Total Return on MSAP- IV (%) ****	6.89	(16.13)	(11.90)	(3.00)
Total Return on MSAP- V (%) *****	6.47	(15.85)	(2.50)	-
Total Return on MCPP- III (%) *****	-0.69	6.09	0.20	-
Bench Mark of MSAP- I (%)	5.99	(16.04)	(7.10)	8.10
Bench Mark of MSAP- II (%)	5.37	(16.13)	(7.20)	(2.80)
Bench Mark of MSAP- III (%)	5.41	(16.09)	(7.00)	(5.00)
Bench Mark of MSAP- IV (%)	5.45	(16.14)	(6.40)	(6.50)
Bench Mark of MSAP- V (%)	5.91	(16.14)	2.70	-
Bench Mark of MCPP- III (%)	-2.41	(0.94)	-0.40	-
Dividend (cash/Bonus) MSAP- I (%)	5.00	-	-	8.00
Dividend (cash/Bonus) MSAP- II (%)	3.50	-	-	-
Dividend (cash/Bonus) MSAP- III (%)	4.00	-	-	-
Dividend (cash/Bonus) MSAP- IV (%)	4.00	-	-	-
Dividend (cash/Bonus) MSAP- V (%)	3.00	-	-	-
Dividend (cash/Bonus) MCPP- III (%)	-	-	-	-

* Performance start date of October 19, 2016

** Performance start date of December 22, 2016

*** Performance start date of February 20, 2017

**** Performance start date of April 24, 2017

***** Performance start date of August 10, 2017

***** Performance start date of December 19, 2017

Meezan Dedicated Equity Fund (MDEF)

- MSAF-II is an open-end Shariah Compliant Fund of Funds. The Fund was launched in October 09, 2017.
- The objective of MDEF is to provide Fund of Funds scheme a dedicated equity platform to seek long term capital appreciation.

	FY20	FY19	FY18
Investment Income (PKR Million)	-78	(540)	(34)
Profit / (Loss) (PKR Million)	-116	(606)	(69)
Net Assets (PKR Million)	619	1,761	1,857
Total Return on MDEF	-2.56	(26.8)	(2.9)
Bench Mark of MDEF (%)	1.62	(23.8)	3.6
Cash Dividend / Bonus Units (%)	0		-

Meezan Strategic Allocation Fund - II (MSAF-II)

- a) MSAF-II is an open-end Shariah Compliant Fund of Funds. The Fund was launched in March 06, 2018.
- b) The objective of MSAF-II is to earn potentially high returns through investment as per respective Allocation Plans by investing in Shariah Compliant Fixed Income / Money Market and Equity based Collective Investment Schemes.

	FY20	FY19	FY18
Investment Income (PKR Million)	71	22	(18)
Profit / (Loss) (PKR Million)	64	11	(20)
Net Assets (PKR Million)	1,742	2,749	2,849
Total Return on MCPP- IV (%)	2.30	0.65	(0.40)
Total Return on MCPP- V (%)	3.12	0.16	0.1
Total Return on MCPP- VI (%)	0.43	(0.08)	-
Total Return on MCPP- VII (%)	0.34	0.08	-
Total Return on MCPP- VIII (%)	0.81	(2.00)	-
Bench Mark of MCPP- IV (%)	-1.43	(2.60)	(1.01)
Bench Mark of MCPP- V (%)	-0.18	(2.83)	0.1
Bench Mark of MCPP- VI (%)	-1.17	(3.83)	-
Bench Mark of MCPP- VII (%)	1.00	(3.61)	-
Bench Mark of MCPP- VIII (%)	-1.21	(2.27)	-
Dividend (cash/Bonus) MCPP- IV (%)	3.20	-	-
Dividend (cash/Bonus) MCPP- V (%)	2.80	-	-
Dividend (cash/Bonus) MCPP- VI (%)	0.08	-	-
Dividend (cash/Bonus) MCPP- VII (%)	2.00	-	-
Dividend (cash/Bonus) MCPP- VIII (%)	0.66	-	-

Meezan Strategic Allocation Fund - III (MSAF-III)

- a) MSAF-III is an open-end Shariah Compliant Fund of Funds. The Fund was launched in May 14, 2019.
- b) The objective of MSAF-III is to earn potentially high returns through investment as per respective Allocation Plans by investing in Shariah Compliant Fixed Income / Money Market and Equity based Collective Investment Schemes.

	FY20	FY19
Investment Income (PKR Million)	6	(0.2240)
Profit / (Loss) (PKR Million)	5	(0.316)
Net Assets (PKR Million)	89	34
Total Return of MCPP- XI (%)	5.45	-3.6
Bench Mark of MCPP –XI (%)	-1.17	-1.97
Dividend (cash/Bonus) MCPP- XI (%)	4.50	-

Meezan Rozana Aamdani Fund (MRAF)

- a) MRAF is a Shariah compliant Money Market fund in Pakistan. The Fund was launched in December 2018.
- b) MRAF invests in government securities and double A (AA) and above rated instruments with maximum maturity of 6 months.

- c) MRAF has a fund stability rating of AA (f) assigned by VIS Credit Rating Agency.

	FY20	FY19
Investment Income (PKR Million)	3,851	502
Profit / (Loss) (PKR Million)	3,538	456
Net Assets (PKR Million)	53,351	16,134
Total Return on MRAF (%)	11.76	9.97
Benchmark (%)	5.37	3.83
Cash Dividend (%)	11.76	9.97

Meezan Pakistan Exchange Traded Fund (MPETF)

- a) MPETF is a Shariah Compliant Exchange Traded Fund. The Fund was launched on October 06, 2020.
- b) The Fund aims to invest in Shariah Compliant basket of securities with a view to track the performance of Meezan Pakistan Index.

3.4 Role and Responsibilities of the Management Company

The Management Company shall manage, operate and administer the Scheme in accordance with the Rules, Regulations directives, circulars and guidelines issued by SECP, Shariah Advisor and this Deed and the Offering Document.

The Fund is based on the Shariah principals of “Wakala”, in which the Management Company shall manage, operate and administer the Scheme and Fund Property in the interest of the Principal (Unit Holders) in good faith, and to the best of its ability.

3.4.1 Administration of the Scheme

The Management Company shall administer the Scheme in accordance with the Rules, the Regulations, the Deed, this Offering Document, directives of the Shariah Advisor and the conditions (if any), which may be imposed by the Commission from time to time.

3.4.2 Management of Fund Property

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

The Management Company shall comply with the provisions of the Regulations, the Deed and this Offering Document of the Scheme for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the

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

3.4.3 Appointment of Distributors

The Management Company, shall from time to time under intimation to the Trustee appoint, remove or replace one or more suitable persons, entities or parties as Distributor(s) for carrying on Distribution Function(s) at one or more location(s) locally or internationally. The Management Company may also itself act as a Distributor for carrying on Distribution Functions and updated list of distributors would be available on official website of the Management Company.

The Management Company shall ensure, where it delegates the Distribution Function, that:

- (a) the Distributors to whom it delegates, have acquired registration with the Mutual Funds Association of Pakistan (MUFAP) as registered service providers and are abiding by the code of conduct prescribed by the Association; and
- (b) the written contract with the Distributors clearly states the terms and conditions for avoidance of frauds and sales based upon misleading information

3.4.4 Appointment of Investment Facilitator

The Management Company may, at its own responsibility & cost, from time to time appoint Investment Facilitators to assist it in promoting sales of Units. An update list of investment facilitators appointed by the Management Company shall be made available at all times on the websites of the Management Company.

The Management Company shall ensure, where it appoints the investment facilitator, that:

- a. the investment facilitator has acquired registration with the Mutual Funds Association of Pakistan (MUFAP) as registered service providers and are abiding by the code of conduct prescribed by the Association; and
- b. the written contract with the Investment facilitator clearly states the terms and conditions for avoidance of frauds and sales based upon misleading information

3.4.5 Maintenance of Accounts and Records

The Management Company shall maintain at its principal office, complete and proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Scheme, all transactions for the account of the Scheme, amounts received by the Scheme in respect of issue of Units, payments made from the Scheme on redemption of the Units and by way of distributions and payments made at the termination of the Scheme. The Management Company shall maintain the books of accounts and other records of the Scheme for a period of not less than ten years.

3.5 Maintenance of Unit Holders Register

- 3.5.1 A Register of Unit Holders may be maintained by the Management Company itself or such other company, as the Management Company may appoint after giving prior notice to the Unit Holders.
- 3.5.2 The office of the Transfer Agent is located at **Meezan House, C-25, Estate Avenue, SITE, Karachi**, where Register of Unit Holder will maintain.
- 3.5.3 Every Unit Holder will have a separate Registration Number. The Management Company shall use such Registration Number for recording Units held by the Unit Holder. Unit Holder's account identified by the registration number will reflect all the transactions in that account held by such Unit Holder.

3.5.4 Disclaimer

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

3.6 Role of the Trustee

- The trustee shall perform its role as specified in the Rules, Regulation and directives issued there under, this Deed and the Offering Document.
- The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holder(s). The Trustee shall not be under any liability on account of anything done or suffered by the Trust, if the Trustee had acted in good faith in performance of its duties under the Trust Deed or in accordance with or pursuant to any request of the Management Company provided it is not in conflict with the provisions of the Trust Deed, this Offering Document or the Rules and Regulations. Whenever pursuant to any provision of the Trust Deed, this Offering Document any instruction, certificate, notice, direction or other communication is required to be given by the Management Company, the Trustee may accept as sufficient evidence thereof:
 - a document signed or purporting to be signed on behalf of the Management Company by any authorized representative(s) whose signature the Trustee is for the time being authorized in writing by the Management Committee to accept; and
 - Any Instructions received online through the software solution adopted by the Management Company/Trustee in consultation with each other shall be deemed to be instructions from the authorized representative(s).
- The Trustee shall not be liable for any loss caused to the Fund or to the value of the Trust Property due to any elements or circumstances of Force Majeure.

- In the event of any loss caused due to any gross negligence or willful act and/or omission, the Trustee shall have an obligation to replace the lost investment forthwith with similar investment of the same class and issue together with all rights and privileges pertaining thereto or compensate the Trust to the extent of such loss. However, the trustee shall not be under any liability thereof or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.

3.6.1 Obligations under Regulations and Constitutive Document

The Trustee shall perform all the obligations entrusted to it under the Regulations, circulars, directives, the Deed and this Offering Document and discharge all its duties in accordance with the Rules, Regulations, the Trust Deed and this Offering Document. Such duties may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee under intimation to the Management Company. Provided that the Trustee shall be responsible for the willful acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Trust for any loss in value of the Fund Property where such loss has been caused by negligence or any reckless willful act or omission of the Trustee or any of its attorney (ies), or agents.

3.6.2 Custody of Assets

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

3.6.3 Investment of Fund Property at direction of Management Company

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

3.6.4 Carrying out instructions of the Management Company

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

3.6.5 Liabilities of the Trustee

The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Rules, the Regulations and/or the Deed, nor shall the Trustee (save as herein otherwise provided) be liable for any act or omission of the Management Company or for anything except for loss caused due to its willful acts or omissions or that of its agents in relation to any custody of assets of investments forming part of the Fund Property. If for any reason it becomes impossible or impracticable to carry out the provisions of the Deed the Trustee shall not be under any liability therefor or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted, to be done in good faith hereunder. The Trustee shall not be liable for

any loss caused to the Trust or to the value of the Fund Property due to any elements or circumstances beyond its reasonable control.

3.6.6 Disclaimer

The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Rules and Regulations and the Deed nor shall the Trustee be liable for any act or omission of the Management Company nor for anything except for loss caused due to its willful acts or omissions or that of its agents in relation to any custody of assets of investments forming part of the Trust Property. If for any reason it becomes impossible or impracticable to carry out the provisions of the Deed the Trustee shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.

3.7 Shariah Advisor

Management Company has appointed Dr. Imran Ashraf Usmani as the Shariah Advisor for the Fund. Profile of the Shariah Advisor is detailed in clause [3.2.1](#) of this Offering Document.

The Shariah Advisor will be appointed under intimation to the Trustee for a period of five years, but may be reappointed on completion of the term. The Management Company may at any time, with prior notice to the Trustee and intimation to the Commission, terminate the Agreement with the Shariah Advisor by giving a notice as per the Agreement with the Shariah Advisor, before the completion of the term, and fill the vacancy under intimation to the Commission and the trustee. Furthermore, the agreement entered into for the appointment of the Shariah Advisor shall be furnished to the commission.

3.7.1 Duties and Responsibilities of Shariah Advisor

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

The Shariah Adviser shall do the research as appropriate on the criteria followed by Islamic Unit Trusts all over the world for the purpose of screening of investments. The Shariah Advisor will then decide as to which screening criteria are relevant to be used in the context of Pakistan's capital markets and the instruments available therein, and which need to be modified/added/deleted.

The Shariah Advisor shall provide technical guidance and support on various aspects of Shariah, so as to enable the Management Company to ensure the Fund is Shariah Compliant.

The Shariah Advisor has certified that Investment Policy of the Trust is compliant with the requirements of Shariah. However, in case there is a requirement for any amendment, based on future research for purposes of increasing the Shariah acceptability of the Investment Policy, permission for necessary amendments of the Deed may be sought from the Commission.

The Management Company shall determine an appropriate percentage of income and cash flows included in the income and cash flow of the companies in which the Unit Trust has invested from activities not in accordance with the principles of the Shariah, and get it approved by the Shariah Advisor. All such sums shall be donated, after approval of Shariah Advisor, subject to the condition that such charity organization is not related to the Shariah Adviser, Management Company or any of their employees.

At the end of each Annual and Semi-Annual Accounting Period or such other interval as the Commission may require, the Shariah Advisor shall issue a certificate to be included in the Annual reports or such other report in respect of the Shariah compliance of the preceding year's or past operations of the Fund.

3.8 Transfer Agent

The Management Company will perform duties has appointed Meezan Bank Limited ("MBL"), having its office at Meezan House, C-25, Estate Avenue, SITE, Karachi as the Transfer Agent of the Fund until any further notice and intimation to the Trustee. The Management Company will be responsible for maintaining the Unit Holder's Register, preparing and issuing account statements, Unit Certificates and dividend warrants/advice and providing related services to the Unit Holders.

3.9 Custodian

Central Depository Company of Pakistan Limited, the trustee will also be performing the functions of the custodian of the Trust Property. The salient features of the custodial function are:

- (a) Segregating all property of the Fund from Custodian's own property and that of its other clients.
- (b) Assuring the smooth inflow/outflow of dematerialized securities and such other instruments as required.
- (c) Ensuring that the benefits due on investments are received and credited to the respective Allocation Plan (s) 's account.

The Trustee may, in consultation with the Management Company, from time to time, appoint, remove or replace one or more Custodian(s) for performing the Custodian Function at one or more locations, on terms and conditions to be agreed between the Custodian and the Trustee and agreed by the Management Company for the safe keeping of any portion of the Trust Property.

3.10 Distributors/Facilitators

- 3.10.1 Parties detailed in **Annexure C** of this Offering Document have each been appointed as Distributors to perform the Distribution Functions at their Authorized Branches. The addresses of these branches are given in **Annexure C** of this Offering Document; these branches may be increased or decreased by the Management Company from time to time. The Management Company may, from time to time, appoint additional Distributors (if they fulfill the requirement of regulations) or terminate the arrangement with any Distributor and intimate the Trustee and Commission accordingly. The Management Company may itself perform the functions of a Distributor either directly or through sub-distributors.
- 3.10.2 The Distributors will be responsible for receiving applications for Purchase, Redemption, Conversion or Transfer of Units etc. They will be interfacing with and providing services to Unit Holders, including receiving applications for change of address or other particulars

or applications for issuance of duplicate certificates, requests for income tax exemption or Zakat exemption, etc. for immediate transmission to the Management Company or Transfer Agent as appropriate for further action. The Management Company shall remunerate the Distributors out of its resources and/or from Sales Load.

- 3.10.3 The Management Company may, at its sole discretion, from time to time, appoint Investment Facilitators (Facilitators). The Facilitators' function is to identify, solicit and assist investors in investing in the Fund. The Management Company shall remunerate the Facilitators out of its resources and/or from Front-end Load.

3.11 Auditors -

A.F. Ferguson & Co.
Chartered Accountants
State Life Building # 1-C, I.I Chundrigar Road, Karachi - 74000

- 3.11.1 They will hold office until the transmission of the reports and accounts, which will cover the period from commencement of the Trust up to the end of the Accounting Period and will, afterwards, be eligible for reappointment by the Management Company with the concurrence of the Trustee. However, an auditor may be reappointed for such terms as stipulated by the Regulations and/or the Ordinance, as amended from time to time. The appointment of Auditor and contents of the Auditor's report shall be in accordance with the provisions of the Rules and Regulations.
- 3.11.2 The Auditors shall have access to the books, papers, accounts and vouchers of the Trust, whether kept at the office of the Management Company, Trustee, Custodian, Transfer Agent or elsewhere and shall be entitled to require from the Management Company, Trustee and their Directors, Officers and Agents such information and explanations as considered necessary for the performance of audit.
- 3.11.3 The Trustee shall be entitled to require the Auditors to provide such further reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Regulations.
- 3.11.4 The Auditors shall prepare a written report to the Unit Holders on the accounts and books of accounts of the Trust and the balance sheet, profit and loss account, cash flow statement and statement of movement in Unit Holders' Funds and on every other document forming part of the balance sheet and profit and loss account, including notes, statements or schedules appended thereto.
- 3.11.5 The contents of the Auditors report shall be as mentioned in the Regulations.

3.12 Legal Advisors

Bawaney & Partners, 3rd & 4th Floor, 68-C, Lane -13, Bukhari Commercial Area,
Phase VI, DHA, Karachi

3.13 Bankers

1. Meezan Bank Limited
2. Al-Baraka Islamic Bank
3. Bank Islami Pakistan Limited
4. Dubai Islamic Bank
5. Askari Commercial Bank Ltd. (IBD)

6. Bank Al-Habib (IBD)
7. Bank Al-Falah Ltd. (IBD)
8. Bank of Khyber (IBD)
9. Faysal Bank- Barkat (IBD)
10. Habib Bank Ltd. (IBD)
11. Habib Metropolitan Bank (IBD)
12. MCB Bank Ltd. (IBD)
13. National Bank of Pakistan (IBD)
14. Silk Bank – Emaan (IBD)
15. UBL – Ameen (IBD)
16. Summit Bank Limited (IBD)
17. Soneri Bank Ltd.
18. Bank of Punjab

* List of Bankers to the Fund may change from time to time as per the discretion of the Management Company

3.13.1 Bank Accounts

- (a) The Trustee, at the request of the Management Company, shall open Bank Account(s) titled “**CDC Trustee – Meezan Daily Income Fund**”, “**CDC Trustee – Meezan Daily Income Fund – MDIP - I**” or any other account as deemed necessary, with abbreviated/facilitated titles for the Unit Trust at designated Bank(s) inside or outside Pakistan, subject to the relevant laws, Trust Deed, Rules and Regulations, for collection, investment, redemption or any other use of the Trust’s Funds.
- (b) The Management Company may also require the Trustee to open Shariah Compliant Bank Account(s) as Distribution Account(s) for dividend distribution out of the Unit Trust. Notwithstanding anything in the Deed, the beneficial ownership of the balances in the Accounts shall vest in the Unit Holders.
- (c) All bank charges for opening and maintaining Bank Accounts for the Trust shall be charged to the Allocation Plan (s).
- (d) All income, profit etc. earned in the Distribution Account(s), including those accruing on unclaimed dividends, shall form part of the Trust Property for the benefit of the Unit Holders and shall be transferred periodically from the Distribution Account(s) to the main Bank Account of the Trust.
- (e) The amounts received from the Investors before the Initial Period shall be deposited in a Bank Account of the Allocation plan and any income, profit etc. earned and/or accrued on the investments of that amount up to and including the day before the opening of Initial Period shall not form part of the Trust Property and shall be paid by the Management Company or the Trustee to those Investors participated before the Offering Period, either in cash or in additional Units as selected by those Investors, in proportion of their investments.
- (f) The Trustee shall, if requested by the Management Company at its discretion also open a separate Account designated by the Management Company. These account(s) may be used for the purpose of collection of sale proceeds, where collections received on account of subscription of Units by investors of various unit trusts and the administrative plans that are managed by the Management Company shall be held prior to their being allocated and transferred to pertinent unit trust(s). Such account(s) may also be used for temporary parking for the purpose of redemption. Provided however, in relation to the other unit trusts managed by the Management Company mentioned above, there are similar

provisions in the trust deeds of such Funds and have Trustee as common between them. such accounts shall be in the title of “**CDC Trustee – Meezan Daily Income Fund – MDIP - I**”.

3.14 Rating of the Scheme

The Management Company will be obliged to obtain a rating of the Scheme, once the Scheme becomes eligible for rating as per the criteria of the rating agency, and such rating shall be updated at least once every Financial Year and also published in the annual and quarterly reports of the Scheme as well as on the Management Company’s website.

3.15 Minimum Fund Size

The minimum size of an open-end scheme shall be one hundred million rupees at all times during the life of the scheme. In case of after the initial public offering or subsequently at any time if the size of open end scheme falls below that minimum size of one hundred million rupees, the asset management company shall ensure compliance with the minimum fund size within three (3) months of its breach and if the fund size remains below the minimum fund size limit for conservative ninety (90) days the asset management company shall immediately intimate the grounds to the commission upon which it believes that the scheme is still commercially viable and its objective can still be achieved.

4. CHARACTERISTICS OF UNITS

4.1 Units

All Units and fractions thereof represent an undivided share in the Allocation plan and rank pari passu as to their rights in the net assets, earnings, and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in the Allocation plan proportionate to the Units held by such Unit Holder. For the convenience of investors, the Management Company may issue Units with different options for different arrangements as chosen by the investor from time to time, after seeking prior approval of the Commission and amending the Offering document.

4.2 Classes of Units

- (a) **Class "A" (Pre-IPO Units)**, shall be issued to the Pre-IPO Investors and may be charged a Front-end Load, at the discretion of the Management Company
- (b) **Class "B" Units** shall be issued to investors at the Offer Price, during the Initial Offering Period. Class "B" Units may also be offered after the Initial Offering Period, at the discretion of the Management Company and as per the terms and conditions of this Offering Document. It will also include the unit issued against the reinvestment of daily dividends net of any applicable taxes.
- (c) **Class “S” Units** shall be issued to investors who have chosen the periodic income plan mentioned in clause 4.3.2 below.

The Management may introduce additional type/class of Units from time to time, subject to SECP’s prior approval.

4.3 Administrative Plan

4.3.1 The Management Company may offer any Administrative arrangement over MDIF which shall be governed by the Rules, the Regulations, the Deed and this Offering Document or any supplemental Deed or supplemental Offering Document.

4.3.2 Periodic Income Plan

4.3.2.1 Investors of the Fund may opt for an Administrative Plan over the Fund at any time to attain a regular periodic income to support their liquidity requirements.

4.3.2.2 Unit Holders can receive monthly payments against their investment in MDIF through an 'Auto' Redemption Feature. To opt for this feature, investors shall need to select unit plan category with title "S".

4.3.2.3 On 25th of each month, all the units credited on account of daily dividend in unit holder's account since last date of auto redemption / submission of form shall be redeemed automatically and payment will be made to the unit holder accordingly – 'Auto' Redemption Feature. (If 25th is not a business day, the payment shall be processed on the next business day).

4.3.2.4 Units credited on account of daily dividend before opting this facility will not be redeemed automatically.

4.3.2.5 This auto redemption feature will be available for existing as well as for new investors.

4.3.2.6 The maximum interval between date of NAV applied for auto redemption and the issuance of payment instrument to the Unit Holder shall not exceed six (6) Business Days.

4.3.3 Details of any other Administrative arrangement launched over this Fund shall after prior consent of the Trustee, approval of Shariah Advisor, and approval of the Commission shall be disclosed through a supplementary offering document

4.4 Purchase and Redemption of Units

- (a) Units are purchased at the Offer Price and redeemed at the Redemption Price at any of the Authorized Distribution Offices during Business Hours on any Dealing Day in accordance with the procedure set out in of this Offering Document.
- (b) Units of the Scheme shall be allocated on the basis of Purchase (Offer) Price applicable on the date of realization of subscription money into the bank account of the plan. Whereas the Units of the plan shall be redeemed on the basis of Redemption Price applicable on receipt of Redemption application during Business Hours on any Dealing Day. Unit holders will not be entitled to the Dividend of the Day the units are allocated and shall be entitled to dividends from the next business day. If all units' redemption is made, the redemption proceeds shall also include the dividend amount of that particular business day on which the redemption has been filed.

- (c) During the period the register is closed, the sale, redemption and conversion of Units will be suspended.
- (d) The Management Company may decline an applicant for issue of units if it is of the opinion that it will not be possible to invest the substantial inflow of Funds or to meet any regulatory requirements.

4.5 Procedure for Purchase of Units

4.5.1 Who Can Apply?

Any investor or any related group of investors qualified or authorized to purchase the Units may make applications for the Purchase of Units of Allocation plan (s) under the Fund. Application may be made pursuant to the procedures described in paragraph 4.4.2 below by any qualified or authorized investor(s) including, but not limited to, the following:

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

How can Units be purchased?

4.5.2 Account Opening Procedure

The procedure given below is designed for paper-based transactions. The Management Company at a later date after seeking approval of the Commission may introduce electronic/Internet based options for the transactions.

- (a) Before purchasing Units of the Allocation plan(s) under the Fund an investor must open an account with Management Company using the Account Opening Form (Form 01) attached to this Offering Document.
- (b) In case of individuals, a photocopy of the Computerized National Identity Card (CNIC), NICOP or Passport etc. of the applicant or any other form of identification acceptable to the Management Company needs to be furnished
- (c) In case of a body corporate or a registered society or a trust the following documents would be required,
 - (i) Duly certified copy of the memorandum and articles of association/ Charter/ Byelaws or rules and regulations;
 - (ii) Duly certified copy of power of attorney and/or relevant resolution of the board of directors delegating any of its officers to invest the Funds and/ or to realize the Investment and;
 - (iii) Duly certified copy of the Computerized National Identity Card (CNIC) of the officer to whom the authority has been delegated.
- (d) In case of existing Unit Holders, if any of the documents (in a-c above) have previously been submitted with the Management Company and/or Transfer Agent, fresh submission of documents will not be required provided that submitted documents are acceptable to Management Company. However, the account number must be provided to facilitate linking.

Any change of name or address of any unit holder as entered in the Register shall forthwith notified in writing by relevant unit holder to the distributor company or transfer agent.
- (e) The Distribution Company and/or Management Company will be entitled to verify the particulars given in the Account Opening Form. In case of any incorrect information, the application may be rejected if the applicant fails to rectify the discrepancy.
- (f) If subsequent to receipt of the application by the Distributor, but prior to issue of the Units, the application is found by the Registrar or the Distributor to be incomplete or incorrect in any material manner, the Registrar or the Distributor will advise the applicant in writing to remove the discrepancy, in the meanwhile the application will be held in abeyance for fifteen days and in the event the discrepancy is not removed in the said fifteen days, the amount will be refunded without any interest or mark-up. However, in the event Units have been issued and a material discrepancy is discovered subsequent to that, the Registrar or the Distributor will advise the applicant in writing to remove the discrepancy within fifteen days and if the investor, in the opinion of the Registrar, 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.
- (g) The Investor Account Opening Form can be lodged with any Distributor or directly lodged with the Management Company. No other person (including Investment Facilitators) is authorized to accept the forms or payment.
- (h) The Management Company will make arrangements, from time to time, for receiving Account Opening Forms from outside Pakistan and will disclose these arrangements through its website and its Distributors and agents outside Pakistan.

4.5.3 Joint Application

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

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

4.5.4 Purchase of Units

- (a) After opening an account an account holder may purchase Units of the Allocation Plans under the Fund using the Investment Application Form attached to this Offering Document. Payment for the Units must accompany the form.
- (b) Application for Purchase of Units shall be made by completing the prescribed Investment Application Form and submitting it to the authorized branches of the Distributor or to the Management Company together with the payment by cheque, bank draft, pay order or online transfer as the case may be in favor of Trustee Bank Account and crossed "Account Payee only" as specified below;
 - Demand draft or Pay order in favor of **CDC Trustee – Meezan Daily Income Fund – MDIP - I**
 - Online transfer to Bank Account(s) of **CDC Trustee – Meezan Daily Income Fund – MDIP - I**
 - Cheque (account payee only marked in favor of **CDC Trustee – Meezan Daily Income Fund – MDIP - I**
- (c) The Management Company may also notify, from time to time, arrangements or other forms of payment within such limits and restrictions considered fit by it with the prior approval of Commission.
- (d) Applicants must indicate their account number in the Investment Application Form except in cases where the Investor Account Opening Form is sent with the Investment Application Form.
- (e) 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. Acknowledgement for applications and payment instruments can only be validly issued by Distributors.

- (f) The Distribution Company and/or Management Company will be entitled to verify the detail given in the Investment Form. In case of any incorrect information, the application may be rejected if the applicant fails to rectify the discrepancy (except for discrepancy in payment instrument, in which case application will be rejected immediately).
- (g) The Management Company will decide, from time to time, for receiving Investment Request Forms and payments from outside Pakistan and will disclose these arrangements through its website and its Distributors and agents outside Pakistan.

4.5.5 Minimum Amount of Investment

- (a) Initially Units shall be issued at Par Value of **Rs.50/-** with a minimum investment size of **Rs. 200,000/-** (Rupees Two Hundred Thousand only) and thereafter the minimum amount for investment would be of **Rs. 200,000/-** (Rupees Two Hundred Thousand only) per transaction, at applicable NAV or purchase price, other than reinvestment of Dividend and Bonus Units. The Management Company reserves the right to alter the minimum amounts stated hereinabove after giving thirty days' prior notice to the Unit Holders. However, enhancement in current minimum monetary investments shall not take effect retrospectively.

4.5.6 Determination of Purchase (Public Offer) Price

- (b) Units of Allocation Plan offered during the Initial period will be as specified in **clause 1.7**.
- (c) After the Initial Period, the Purchase (Offer) Price for the Unit offered through Public Offering, shall be determined from time to time pursuant to the **Sub clause (c)** hereafter and shall be announced by the Fund for Dealing Days during the period when the relevant allocation plan is open for subscription.
- (d) The Purchase (Offer) Price shall be equal to the sum of:
 - (i) The Net Asset Value as of the close of the Business Day;
 - (ii) Any Front-end Load as disclosed in this Offering Document.
 - (iii) Such amount as the Management Company may consider an appropriate provision for Duties and Charges; and
 - (iv) Such amount as the Management Company may consider an appropriate provision for Transaction Costs.
 - (v) Such sum shall be adjusted upward to the nearest paisa.

If such price exceeds or falls short of the current value of the underlying assets by more than five percent based on information available, the assets Management Company shall defer dealing and calculate a new price and this new price would be applicable for dealing of units.

- (e) The Purchase (Offer) Price so determined shall apply to purchase requests, received by the Distributor or the Management Company during the Business Hours on the Dealing Day on which the completely and correctly filled purchase of Units application form is received.
- (f) The Purchase (Offer) Price determined by the Management Company shall be made available to the public at the office and branches of the Distributors and will also be published daily on the Management Company's and MUFAP's website.

4.5.7 Allocation/ Issue of Units

- (a) The Purchase Price determined shall apply to all Investment Request Forms, complete in all respects, received by the Management Company at its registered address or by the Distributor at its Authorized Branch(s) during Business Hours on that Dealing Day. Any Investment Request Forms received after Business Hours will be transferred to the next Dealing Day.
- (b) Units of the Scheme shall be allocated on the basis of Purchase (Offer) Price (as determined in Clause 4.6.6 above) applicable on the date of realization of subscription money into the bank account of the plan.
- (c) The Transfer Agent shall send an account statement or report to the Unit Holder each time there is an activity in the account. Such statements or report shall be sent by electronic means or ordinary mail to the Unit Holder's address recorded in the Register of Unit Holders.
- (d) In case the Management Company announces a suspension of further issue of Units of Fund, it may allow existing Unit Holder to continue acquiring Units out of any dividend declared on the Units held.

4.5.8 Issuance of Physical Certificates

- (a) Unit Certificates will be issued only if requested by the Unit Holder.
- (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 as may be 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.
- (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) A Unit or any fraction thereof shall not be represented by more than one Certificate at any one time.

4.5.9 Replacement of Certificates

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

4.5.10 Issuance of Units in Book Entry form in CDS

Unit Holder may obtain Units of Allocation plan(s) in Book Entry form in CDS. The Issuance of Units in CDS shall be made in accordance with the procedure laid down in CDCPL Regulations.

4.6 Procedure for Redemption of Units

4.6.1 Who Can Apply?

All Unit Holders shall be eligible for redemption after the closure of the Initial Period.

4.6.2 Redemption Application Procedure

- 4.6.3 Request for Redemption of Units shall be made by completing the prescribed redemption form and the same is received at the Authorized Branch or office of the Distributor on a Dealing Day during the Business Hours as may be announced by the Management Company from time to time. The Distributor may retain a copy of the Redemption Form and a copy may also be supplied to the Registrar, if so required by the Management Company.
- 4.6.4 The Management Company may redeem only part of the Units comprised in a Certificate and reissue a new Certificate for the remaining Units, however, in the case where Certificate is not issued any number of Units may be redeemed by the Unit Holder thereof. The relevant Certificate shall accompany the application for Redemption of Units, if issued. At the discretion of the Management Company certificate charges may apply for the reissued Certificate.
- 4.6.5 The Registrar with the consent of the Trustee may dispense with the production of any Certificate that shall have become lost, stolen or destroyed upon compliance by the Unit Holder(s) with the like requirements to those arising in the case of an application by him for the replacement thereof.
- 4.6.6 In case of application for redemption by joint Unit Holders, unless otherwise specified by the joint holders, such application should be signed by all the joint Holders as per their specimen signatures provided at the time of opening of the account within the Unit Holder Register, through the investor account opening Form.
- 4.6.7 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 Management Company or 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.
- 4.6.8 The Unit Holder will receive a note confirming the receipt of the application for redemption from the relevant Distribution Office.
- 4.6.9 If subsequent to receipt of the redemption application by the Distributor, but prior to the redemption of the Units, the application is found by the Management Company or the Registrar or the Distributor to be incomplete or incorrect in any material manner, the Management Company or Registrar or the Distributor will advise the applicant to remove the discrepancy. In the meanwhile, the application will be held in abeyance for fifteen days. In the event the discrepancy is not removed in the said fifteen days, the application for redemption will be cancelled treating the same as null and void. The Unit Holder will then have to submit a fresh application for Redemption of Units.
- 4.6.10 The Management Company shall ensure all valid redemption request are paid based on ranking of the request in a queue.
- 4.6.11 The amount payable on redemption shall be paid to the Unit Holder or first named joint Unit Holder by dispatching a cheque/ bank draft/ pay order for the amount to the registered address of the Unit Holder or may be paid to the Unit Holder through Electronic Bank transfer to the Unit Holder's designated bank account as mentioned in the Investor Account Opening Form or Redemption form within six Business Days from the date of presentation of the duly completed Redemption form, electronic or otherwise, at the Authorized Branch or office of the Distributor or the Management Company.

The amount can also be paid to the third party upon instruction of the Unit Holder through Electronic Bank transfer to the Unit Holder's designated bank account as mentioned in the Investor Account Opening Form or Redemption form.

- 4.6.12 No Money shall be paid to any intermediary except the Unit Holder or his authorized representative.
- 4.6.13 The Management Company may decide through branches of banks to facilitate redemption of Units of the Unit Trust. A request for redemption of Units may also be made through the use of electronic means such as Internet or ATM facilities under prior arrangement with the Trustee and seeking prior approval of the Commission.
- 4.6.14 The receipt of the Unit Holders for any amount payable in respect of the Units shall be a good discharge to the Trustee and the Management Company. In case of joint Unit Holders any one of them may give effectual receipt for any such moneys.
- 4.6.15 Application for Redemption of Units will be received at the authorized offices or branches of the Distributor on all Dealing Days. Where redemption requests on any one Dealing Day exceed ten (10) percent of either the total number of Units outstanding, such redemption requests in excess of ten (10) percent may be deferred in accordance with the procedure elaborated in the **Clause 4.11.4**.
- 4.6.16 On the occurrence of any circumstance specified in the Regulation or the Deed that may require the Fund should be suspended, the Management Company shall suspend the Sale and Redemption of Units and the intimation of suspension shall be made to the Unit Holders, the Trustee and the Commission according to the procedure laid down in the Regulation.
- 4.6.17 The Management Company shall ensure that no entry and exit from the Scheme (including redemption and re-issuance of Units to the same Unit Holders on different NAVs) shall be allowed other than the following manners, unless permitted otherwise by the Commission under the Regulations:
- (a) cash settled transaction based on the formal issuance and redemption requests
 - (b) net off issuance and redemption transaction at same net asset value when redemption request is ready to disburse and rank at the top in the list of pending redemption requests (if any).
- 4.6.17 The Management Company shall clearly specify Cut-Off Timings (for acceptance of application forms of issuance, redemption, and conversion of Units of the Scheme) in this Offering Document, on its web site and at designated points. Such Cut-Off Timing shall uniformly apply on all Unit Holders.
- 4.6.17 The Management Company shall ensure all valid redemption request are paid based on ranking of the request in a queue

4.6.17 Redemption of Units in Book Entry form in CDS

Unit Holder may redeem their Units held in Book Entry form in CDS. The Redemption of Units in CDS shall be made in accordance with the procedure laid down in CDCPL Regulations.

4.7 Purchase (Public Offer) and Redemption (Repurchase) of Units outside Pakistan

- 4.7.1 Subject to exchange control, SECP prior approval and other applicable laws, Rules and Regulations, in the event of arrangements being made by the Management Company for the Purchase (Public Offer) of Units to persons not residing in Pakistan or for delivery in any country outside Pakistan, the price at which such Units may be issued may include in addition to the Purchase (Public Offer) Price as hereinbefore provided a further amount sufficient to cover any exchange risk insurance, any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such issue or of the delivery or issue of Certificates, or any additional costs relating to the delivery of certificates or the remittance of money to Pakistan or any other cost in general incurred in providing this facility.
- 4.7.2 In the event that the Redemption Price for Units shall be paid in any country outside Pakistan, the price at which such Units may be redeemed may include as a deduction to the Redemption Price as hereinbefore provided a further amount sufficient to cover any exchange risk insurance and any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such payment or redemption or any bank or other charges incurred in arranging the payment or any other cost in general incurred in providing this facility. Provided however, neither the Management Company, nor the Trustee give any assurance or make any representation that remittance would be allowed by the State Bank of Pakistan at the relevant time
- 4.7.3 The currency of transaction of the Trust is the Pakistan Rupee and the Management Company, Trustee or any Distributor are not obliged to transact the purchase or redemption of the Units in any other currency and shall not be held liable, save as may be specifically undertaken by the Management Company, for receipt or payment in any other currency or for any obligations arising therefrom.

4.8 Determination of Redemption (Repurchase) Price

- 4.8.1 The Redemption (Repurchase) Price of units of any Allocation plan shall be equal to the Net Asset Value as of the close of Business Day (forward pricing) less:
- (a) Any Back-end Load as per the details in this Offering Document; and;
 - (b) Such amount as the Management Company may consider an appropriate provision for Duties and Charges and other levies etc.; and
 - (c) Such amount as the Management Company may consider an appropriate provision for Transaction Costs;
 - (d) Such sum shall be adjusted downward to the nearest paisa

Level of all back-end loads shall be disclosed in the Offering Document. An increase in Back End load will require 90 days' prior notice to the Unit Holder or any other period as specified in the Regulations.

- 4.8.2 The Repurchase (Redemption) Price so determined shall apply to redemption requests, complete in all respects, received by the Distributor or the Management Company during the Business Hours on the Dealing Day on which a correctly and properly filled redemption application is received. If all units' redemption is made, the redemption proceeds shall also include the dividend amount of that particular business day on which the redemption has been filed.
- 4.8.3 The Redemption Price determined by the Management Company shall be made available for every Dealing day to the public at the office and branches of the Distributors and at the

discretion of the Management Company may also be published in any daily newspaper widely circulated in Pakistan and will be published at Management Company's and MUFAP's website.

4.9 Procedure for Requesting Change in Unit Holder Particulars

4.9.1 Who Can Request Change?

- (a) All Unit Holders are eligible to change their Unit Holder details if they so desire. For such change in particulars, a request shall be made via the Special Instructions Form (Form 07). These Forms may be obtained from Distributors or Investment Facilitators or from the Management Company or through its website. However, if Units are held in CDS account then request should be made through CDS Participant or the Investor Account Service (IAS) with which the account is maintained, according to the procedure laid down in CDC Regulations.

4.9.2 Application Procedure for Change in Particulars

- (b) Some of the key information which the Unit Holder can change is as follows:
 - i. Change in address
 - ii. Nominee detail
 - iii. Change in Bank Account details
 - iv. Account Operating instructions
 - v. Frequency of profit payments
 - vi. Systemic Conversion Option

Change will not be allowed in Title of account, CNIC and Joint holders details.

- (c) Fully completed Special Instructions Form has to be submitted by both Individuals and/or Institutional Investor(s). This Form should be delivered to any of the Authorized Branches of the Distribution Companies or may be submitted to the Management Company through an Investment Facilitator within Business Hours on a Dealing Day.
- (d) The applicant must obtain a copy of the Special Instructions Form signed and duly verified by an Authorized Officer of the Distributor or Management Company.
- (e) The Distribution Company and /or Management Company will be entitled to verify the particulars given in the Special Instructions Form. In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.
- (f) The Unit Holder will be liable for any taxes, charges or duties that may be levied on any of the above changes. These taxes, charges or duties may either be recovered by redemption of Unit Holder's equivalent units at the time of the service request or the Management Company may require separate payment for such services.
- (g) Unless the Joint Unit Holder(s) of Units have specified otherwise, all the Joint Unit Holder(s) shall sign the Special Instructions Form for such Units.

4.9.3 Transfer, Nomination, Transmission and Systemic Conversion Procedure

- 4.9.4 Unit Holder may, subject to the law, transfer any Units held by them to any other person. The transfer shall be carried out after the Management Company/Transfer Agent has been

satisfied that all the requisite formalities including the payment of any taxes and duties have been complied with.

- 4.9.5 Both the transferor and the transferee must sign every instrument of transfer and the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the register. Every instrument of transfer must be duly completed in all respects including affixation of transfer stamps of the requisite value.
- 4.9.6 Where Certificates have been issued, the Management Company / Transfer Agent with the consent of the Trustee may dispense with the production of any Certificate that shall have become lost, stolen or destroyed upon compliance by the Unit Holder(s) with the like requirements to those arising in the case of an application by him for the replacement thereof as provided in this Offering Document. The Management Company or the Transfer Agent shall retain all instruments of transfer.
- 4.9.7 The Transfer Agent shall, with the prior approval of the Management Company or the Management Company itself be entitled to destroy all instruments of transfer or the copies thereof, as the case may be, which have been registered at any time after the expiration of twelve years from the date of registration thereof and all the Certificates which have been cancelled at any time after the expiration of ten years from the date of cancellation thereof and all registers, statements and other records and documents relating to the Trust at any time after the expiration of ten years from transmission to the Trust. The Trustee or the Management Company or the Transfer Agent shall be under no liability, whatsoever, in consequence thereof and it shall conclusively be presumed in favor of the Trustee or the Management Company or the Transfer Agent that every Unit of Transfer so destroyed was a valid and effective instrument duly and properly registered by the Trustee or the Management Company or the Transfer Agent and that every Certificate so destroyed was a valid Certificate duly and properly cancelled, provided that (i) this provision shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant; (ii) nothing in this sub-clause shall impose upon the Trustee or the Management Company or the Transfer Agent any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of provision (i) above are not fulfilled. Reference herein to the destruction of any document includes reference to the disposal thereof in any manner. Complete list of unclaimed dividends will be maintained by AMCs and shall not be destroyed. Unit Holder may nominate any successor/ nominee for transmission, subject to all legal requirements, in case of the decease of Unit Holder.
- 4.9.8 Transmission of Units to successors in case of inheritance or distribution of the estate of a deceased Unit Holder shall be processed by the Transfer Agent or the Management Company itself as Registrar after satisfying as to all legal requirements such as intimation of death of deceased Unit Holder along-with certified copy of death certificate, indemnity from nominee along-with copy of CNIC of nominee and deceased Unit Holder, original unit certificate (in case of physical certificate) etc. The legal costs and taxes, if any, shall be borne and paid by the transferees. However, the processing fee shall not be payable by successors or the beneficiaries of the estate in the case of transmission. The Management Company shall pay the relevant processing fee to the Transfer Agent.
- 4.9.9 A Unit Holder may convert the Units in a Unit Trust Scheme managed by the Management Company into Units of another Unit Trust Scheme managed by the Management Company by redeeming the Units of first Scheme and issuance of Units of later Scheme(s) at the relevant price applicable for the day. The Transfer Agent or Management Company itself shall carry out the conversion after satisfying that all the requisite formalities have been fulfilled and payment of the applicable taxes, fees and/or load, if any, has been received.

The Management Company may impose a time limit before which conversion may not be allowed.

- 4.9.10 A Unit Holder may merge the Units which he/she has invested with two folio/registration numbers into one folio/ registration number. The Transfer Agent shall carry out the merger after satisfying that all the requisite formalities have been completed and payment of applicable taxes and fee, if any, has been received.

4.9.11 Partial Transfer

Partial transfer of Units covered by a single Certificate is permitted provided that in case of physical certificates issued, the Unit Holder must apply for splitting of the unit certificate representing the partial amount and then the new certificate shall be applied for transfer.

4.9.12 Conversion

Conversion of Units of the allocation plan to Units of any other Fund/Plan of any other Scheme managed by the Management Company can be carried out by submitting the duly filled Conversion Application Form, or any other Form as designated by the Management Company for the purpose of conversion from time to time, to the Authorized Branch of the Management Company together with any certificate / document required. Physical Certificates, if issued, must accompany the form. In case of conversion, unit holders will not be entitled to the Dividend of the Day when NAV is allocated and unit holder shall be entitled to dividend from next business day.

4.10 Procedure for Pledge / Lien / Charge of Units

4.10.1 Who Can Apply?

- (a) All Unit Holders are eligible to apply for pledge / lien / charge of Units if they so desire. Such Pledge / Lien / Charge can be made via the Pledge of Units Form as available on the Management Company's website www.almeezangroup.com. These forms may be obtained from Distributors or Investment Facilitators or from the Management Company or through its website. However, if Units are held in CDS account then request should be made to the CDS Participant or the Investor Account Service (IAS) with which the account is maintained, according to the procedure laid down in CDC Regulations.
- (b) Any Unit Holder either singly or with Joint Unit Holder(s) (where required) may request the Management Company or Transfer Agent to record a pledge / lien of all or any of his / her/ their Units in favor of any third party legally entitled to invest in such Units in its own right. The Management Company or Transfer Agent shall register a lien on any Unit in favor of any third party with the consent of the Management Company. However, the lien shall be valid only if evidenced by an account statement or letter issued by the Management Company or Transfer Agent with the Units marked in favor of the Pledgee. The onus for due process having been followed in registering a lien shall lie with the party claiming the lien.
- (c) The lien once registered shall be removed by the authority of the party in whose favor the lien has been registered or through an order of a competent court. Neither the Trustee, nor the Management Company, nor the Transfer Agent, shall be liable for ensuring the validity of any such pledge / charge / lien. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge/charge/lien by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company and the Transfer Agent shall take any responsibility in this matter.

- (d) Payments of cash dividends or the issue of bonus Units and redemption proceeds of the Units or any benefits arising from the said Units that are kept under lien / charge / pledge shall be paid to the order of the lien / charge / pledge holder's bank account or posted to the registered address of Pledgee mentioned in the Pledge Form and/or Investor Account Opening Form submitted. In case of Units are pledged through Central Depository System, payments of cash dividends or the issuance of bonus Units goes to the Pledger as per Central Depositories Act.
- (e) The Distribution Company and / or Management Company will be entitled to verify the particulars given in the Pledge Form. In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.
- (f) Fully completed Pledge of Units Form has to be submitted by both Individuals and/or non-individuals Unit Holders. This Form should be delivered to any of the Authorized Branches of the Distribution Companies or may be submitted to the Management Company directly or through an Investment Facilitator within Business Hours on a Dealing Day.
- (g) All risks and rewards, including the right to redeem such Units and operate such account, shall vest with the pledge / lien / charge holder. This will remain the case until such time as the pledge / lien / charge holder in writing to the Management Company instructs otherwise.

4.11 Temporary Change in Method of Dealing, Suspension of Dealing and Queue System

4.11.1 Temporary Change in the Method of Dealing

Under the circumstances mentioned in Clause 4.11.2 & 4.11.3, Subject to compliance with Regulation (having regard to the interests of Unit Holders), the Management Company may request the Trustee to approve a temporary change in the method of dealing in Units. A permanent change in the method of dealing shall be made after expiry of at least one month's notice to Unit Holders and with the approval of Trustee.

4.11.2 Suspension of Fresh Issue of Units

The Management Company may, under the following circumstances, suspend issue of fresh Units.

- The situation of Force Majeure as defined in this Offering Document;
- A situation in which it is not possible to invest the amount received against issuance of fresh Units or
- Any other situation in which issuance of fresh Units is, in Management Company's opinion, against the interests of the existing/remaining Unit Holders.

Such suspension may however not affect existing Unit Holders for the issue of bonus Units as a result of profit distribution. The Management Company shall announce the details of circumstances at the time a suspension of fresh issue is announced. The Management Company shall immediately notify SECP and Trustee if issuance of Units is suspended and shall also have the fact published, immediately following such decision, in the newspapers in which the Fund's prices are normally published.

In case of suspension of redemption of Units due to extraordinary circumstances the issuance of Units shall also be kept suspended until and unless redemption of Units is resumed

Investment application form received on the day of suspension will not be processed and the amount received shall be returned to the investor.

4.11.3 Suspension of Redemption of Units

The Redemption of Units may be suspended during extraordinary circumstances/ Force Majeure.

Redemption requests received on the day of the suspension shall be rejected.

4.11.4 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 (10%) of the Units in issue. The Management Company shall proceed to sell adequate assets of the Fund and / or arrange borrowing as it deems fit in the best interest of all Unit Holders and shall determine the redemption price to be applied to the redemption requests based on such action. Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same Dealing Day, such requests shall be processed on basis proportionate to the size of the requests. The Management Company shall provide all redemption requests duly timed and date stamped to the Trustee within 24 hours of receipt of any such request following the queue system. The requests in excess of ten percent (10%) shall be treated as redemption requests qualifying for being processed on the next Dealing Day at the price to be determined for such redemption requests. However, if the carried over requests and the fresh requests received on the next Dealing Day still exceed ten percent (10%) of the Units in issue, these shall once again be treated on first come first served basis and the process for generating liquidity and determining the redemption price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten percent (10%) of the Units then in issue.

4.11.5 Winding up in view of Major Redemptions

In the event the Management Company is of the view that the quantum of redemption requests that have built up are likely to result in the Fund being run down to an unsustainable level or it is of the view that the selloff of assets is likely to result in a significant loss in value for the Unit Holders who are not redeeming, it may announce winding up of the Fund. In such an event, the Queue System, if already invoked, shall cease to apply and all Unit Holders shall be paid after selling the assets and determining the final Redemption Price. However, interim distributions of the proceeds may be made if the Management Company finds it feasible. In case of shortfall, neither the Trustee nor the Management Company shall be liable to pay the same.

5. DISTRIBUTION POLICY

5.1 Declaration of Dividend

The Management Company on behalf of the Scheme shall, for every accounting year, distribute by way of dividend to the Unit Holders, not less than ninety per cent of the

accounting income of the allocation plan of the Collective Investment Scheme received or derived from sources other than unrealized capital gains as reduced by such expenses as are chargeable to a Collective Investment Scheme under the Regulations.

For the purpose of this Clause the expression “accounting income” means income calculated in accordance with the requirements of International Accounting Standards (IAS) as are notified under the Companies Act, 2017, the Regulations and the directives issued by SECP. Wherever the requirement of Regulations or the directives issued by SECP differs with the requirement of IAS, the Regulations and the said directives shall prevail.

Provided that for the purpose of determining distribution of at least ninety percent of accounting income, the income distributed through bonus units shall not be taken into accounts.

The plan on a daily basis shall distribute all net profit (after deducting all expenses of the plan) as dividend and that dividend shall be re-invested after deducting applicable taxes. By distributing dividend on a daily basis, the Management Company shall ensure that total distribution in an Accounting period accumulates to an amount that is required under the tax laws and other regulations in force to be distributed and that may be beneficial for its Unit Holders. The Fund will comply with regulatory and taxation requirements and the distribution policy may be amended accordingly after intimation to Trustee and SECP.

In case during the financial year, NAV falls below the par value, the dividend distribution shall be stopped immediately till the NAV reaches the par value. However, in case where the NAV at the end of Financial Year is below the par; the Fund shall treat below par value as a par value for next financial year.

Dividend will be distributed to the Unit Holder(s) appearing in the register within cutoff timing as mentioned in this offering document on a daily basis. Unit Holder(s) having discrepancies of any type will not be eligible for dividend distribution purposes unless all the discrepancies are removed.

5.2 Determination of Distributable Income

The Management Company on behalf of the scheme shall, for every accounting year, distribute by way of dividend to the Unit Holders, not less than ninety percent of the accounting income of the Scheme received or derived from sources other than capital gains as reduced by such expenses as are chargeable to the Scheme.

The amount available for distribution in respect of any Accounting Period shall be determined by the Management Company and shall be the sum total of:

- (a) The total income earned on the Fund Property during such Accounting Period including all amounts received in respect of dividend, mark up, profit and fee
- (b) Whole or part of the realized and/or unrealized appreciation of Investment Assets, at the option of the Management Company.
- (c) From the above amounts shall be deducted expenses and such other adjustment as the Management Company may determine

Payment of Dividend

All unit holders appearing in the register of Unit Holders will be entitled for dividend and the amount of dividend shall be reinvested at the ex-dividend NAV after deduction of all applicable taxes and Charges, if any.

5.3 Reinvestment of Dividend

Any cash dividend entitled to the unit holder shall be reinvested at the ex-dividend NAV after deduction of all applicable taxes and charges, if any.

5.4 Bonus Units

The Management Company may decide to distribute, wholly or in part, the distributable income in the form of stock dividend (which would comprise of the Bonus Units of the Trust) if it is in the interest of Unit Holders. After the fixing of the rate of bonus distribution per Unit, in case of distribution in the form of Bonus Units, the Management Company shall, under intimation to the Trustee, issue additional Units issued in the name of the Unit Holders as per the bonus ratio. The Bonus Units would rank pari passu as to their rights in the Net Assets, earnings and receipt of dividend and distribution with the existing Units from the date of issue of these Bonus Units. The account statement or Unit Certificate shall be dispatched to the Unit Holder as per the regulatory requirement.

5.5 Encashment of Bonus Units

The Management Company shall give the Unit Holder(s) the option at the time of opening of Unit Holder Account (via the Investor Account Opening Form) within the Unit Holder Register to encash bonus Units. In such case the bonus Units issued to the credit of such Unit Holder(s) shall be redeemed at the ex-dividend NAV as calculated on the Business Day immediately preceding the first day of the book closure announced for such purpose and proceeds shall be credited in accordance with the normal procedure already detailed above for Redemption of Units.

5.6 Closure of Register

The Management Company may close the Register by giving at least seven (7) days' notice to Unit Holder provided that the time period for closure of register shall not exceed six (6) working days at a time and whole forty-five days in a Financial Year. During the closure period, the sale, redemption, conversion of Units or transfer of Units will be suspended. Notice for closure of register should be published in two newspapers (Urdu and English language) having circulated all over Pakistan.

6. FEE AND CHARGES

6.1 Fees and Charges Payable by an Investor

The following fees and charges shall be borne by the Investor:

6.1.1 Front-end Load

Front end Load is a part of Sales Load which may be included in the offer price of the Units. The remuneration of Distributors shall be paid from such Load and if the Front-end Load is insufficient to pay the remuneration of the Distributors, the Management Company shall pay the amount necessary to pay in full such remuneration and no charges shall be made against the Fund Property or the Distribution Account in this respect. Such payments may be made to the Distributors by the Management Company upon the receipt from the Trustee.

The Management Company may at its discretion charge different levels of Load as per Annexure A. Any change in Front-end Load shall be done through an addendum to the Offering Document after seeking prior approval of the Commission.

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

The issue price applicable to Bonus Units issued by way of dividend distribution or issue of Units in lieu of cash distribution shall not include any sales or processing charge.

6.1.2 Back-end Load

Back end Load deducted from the Net Asset Value in determining the Redemption Price; provided however that different levels of Back-end Load may be applied to different classes of Units, but Unit Holders within a class shall be charged same level of back end load. Management Company may change the current level of Back-end Load after giving 90 days' prior notice to the Unit Holder through newspaper (either Urdu or English Newspaper) and via post and the unit holders shall be given an option to exit at the applicable NAV without charge of back end load as specified in the Regulation.

The current level of Back-end Load is indicated in Annexure B.

6.1.3 Other Charges

Transfer of Units from one owner to another may be subject to a Processing charge of an amount not exceeding 1% percent of the Net Asset Value at the date the request is lodged, which shall be recovered from the transferee. However, the processing charge shall not be payable by successors in the case of inheritance or distribution of the estate of a deceased Unit Holder.

Units issued to an Account holder through conversion from another scheme run by the Management Company shall be issued at a price based on the Net Asset Value on that date.

6.1.4 Expenses borne by the Management Company and the Trustee

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

6.1.5 Remuneration of Distribution Company / Investment Agent / Investment Facilitator

The Distribution Company employed by the Management Company will be entitled to a remuneration payable by the Management Company out of its own resources and/or from Front End Load on terms to be agreed between the Management Company and the Distribution Company. The Investment Facilitator/Investment Adviser/Sales Agent employed by the Management Company will be entitled to a remuneration payable by the Management Company out of its own resources.

Distributors located outside Pakistan may, if so authorized by Trustee and the Management Company, be entitled to remuneration (from Management Company's own resources) on terms to be agreed between them and the Management Company, subject to the law for the time being in force.

6.2 Fees and Charges Payable by the Fund

The following expenses shall be borne by the Fund:

6.2.1 Remuneration of the Management Company

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

Current level Management Fee is disclosed in **Annexure "B"**. Any increase in the current level of Management Fee, provided it is within the maximum limit prescribed in the Regulations shall be subject to giving a ninety (90) days prior notice to the unit holders and the unit holders shall be given an option to exit at the applicable NAV without charge of any exit load.

6.2.2 Remuneration of the Trustee

The Trustee shall be entitled to a monthly remuneration out of the Trust Property determined in accordance with Annexure "A".

The remuneration shall begin to accrue following the expiry of the Initial Period. For any period, other than an Annual Accounting Period such remuneration will be prorated on the basis of the actual number of days for which such remuneration has accrued in proportion to the total number of days in an Annual Accounting Period concerned. Any upward change in the remuneration of trustee from the existing level shall require prior approval of the Commission. However, any subsequent downward revision in the remuneration of the trustee shall not require approval of the Commission and will be applicable without the need to amend the constitutive documents.

6.3 Formation Costs

All preliminary and floatation expenses of the Fund including expenses incurred in connection with the establishment and authorization of the Fund, including execution and registration of the Constitutive Documents, issue, legal costs, printing, circulation and publication of the Offering Document, and all expenses incurred during and up to the Initial Offering Period subject to a maximum of one and a half per cent (1.5%) of initial public offering (IPO) of the Fund or Rupees ten million, whichever is lower, shall be borne by the Fund subject to the audit of expenses and amortized over a period of not less than five years or within the maturity of the Fund whichever is lower. This cost shall be reimbursable by a collective investment scheme to an AMC subject to the audit of expenses. The Formation Cost shall be reported by the Management Company to the Commission and the Trustee giving their break-up under separate heads, as soon as the distribution of the securities is completed

6.4 Other costs and expenses

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

- (i) Custody, Brokerage, Transaction Costs of investing and disinvesting of the Fund Property.
- (ii) All expenses incurred by the Trustee in effecting the registration of all registerable property in the Trustee's name.
- (iii) Legal and related costs incurred in protecting or enhancing the interests of the Unit Holders.
- (iv) Bank charges, borrowing and financial costs;
- (v) Auditors' Fees and out of pocket expenses.
- (vi) printing costs and related expenses for issuing Fund's quarterly, half yearly and annual reports
- (vii) Fund rating fee payable to approved rating agency.
- (viii) Listing Fee including renewals payable to the Stock Exchange(s) on which Units may be listed
- (ix) fee pertaining to the Fund payable to the Commission.
- (x) Taxes, fees, duties if any, applicable to the Fund and on its income, turnover and/or its properties including the Sales Tax levied on Services offered by Asset Management Company (for management of Fund).
- (xi) Charges and levies of stock exchanges, national clearing and settlement company, CDC charges.
- (xii) Any amount which the Shariah Advisor may declare to be Haram and to be paid to Charity.
- (xiii) Shariah Advisory fee.
- (xiv) Any other expenses as permissible under the Rules and Regulations from time to time and / or permitted by the Commission.

As stipulated in the NBFC regulations, the total expense ratio of the fund shall be capped at 2.5% or (any other limit as decided by the Commission from time to time). For this purpose, the costs incurred in relation to any government levy on funds such as sales tax, Worker's Welfare Fund or SECP fee etc. shall be excluded while calculating Total Expense Ratio.

7. TAXATION

7.1 Taxation on the Income of the Fund

7.1.1 Liability for Income Tax

The following is a brief description of the Income Tax Ordinance, 2001, applicable in respect of the Fund. This section is for advice only and potential investors should consult their tax experts for their liability with respect to taxation on income from investment in the Fund. This part does not cover tax liability of non-Pakistani resident investors with respect to taxes in their own jurisdiction.

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. The Fund will be regarded as a public company liable to a tax rate applicable to a public company.

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

- (i) Dividend income as under the relevant law
- (ii) Capital Gains Tax as applicable according to the relevant law
- (iii) Return from all other sources / instruments are taxable at the rate applicable to a public company.

7.1.2 Liability for Income Tax if Ninety Percent of Income is distributed

Notwithstanding the tax rate given above, the income from the Fund 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. The Fund will distribute not less than 90% of its income received or derived from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

7.2 Withholding tax

Under the provision of Clouse 47(B) of part (IV) of second schedule of the income Tax Ordinance 2001, the Fund's income from dividend from (Shariah compliant) term finance certificates, Sukuks, return on (Riba free) deposits with banks/financial institutions, return from contracts, securities or instruments of companies, organizations and establishments will not be subject to any withholding tax.

7.3 Zakat on Fund

The Fund is Saheb-e-Nisab under the Zakat and Ushr Ordinance, 1980. The balance in the credit of savings bank account, or similar account with a bank standing on the first day of Ramzan-ul-Mubarak will be subjected to Zakat deduction @ 2.5%.

7.4 Taxation and Zakat on Unit Holders

7.4.1 Taxation on Income from the Fund of the Unit Holder

The following is a brief description of the Income Tax Ordinance, 2001, applicable in respect of Unit Holders of the Fund. This section is for advice only and potential investors should consult their tax experts for their liability with respect to taxation on income from investment in the Fund. This part does not cover tax liability of non-Pakistani resident investors with respect to taxes in their own jurisdiction.

7.4.2 Unit holders of the fund will be subject to Income Tax at the applicable rate on dividend income distributed by the Fund.

The tax deducted on dividend will be the final tax (except for companies) and the payer will be required to withhold the amount of tax at source from payment of dividend except payment to the banking companies.

7.4.3 Capital gain arising from sale/redemption of Units of the Fund will be subject to tax at the applicable tax rate as mentioned in the Income Tax Ordinance 2001.

7.4.4 Unit Holders may be liable to pay tax even though they may not have earned any gain on their investment as return of capital through distribution to investors is also taxable as per Income Tax Ordinance, 2001.

7.4.5 Tax Credit to Unit Holders

Unit Holders other than a company shall be entitled to a tax credit under Section 62 of the Income Tax Ordinance, 2001, on purchase of new Units. However, Tax credit benefit to the unitholders (other than company) of this fund / scheme may not be available until the Fund / scheme is listed at Pakistan Stock Exchange (PSX).

7.4.6 Zakat

Units held by resident Pakistani Unit Holders shall be subject to Zakat at 2.5% of the 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 redemption proceeds. Above deduction will not be made if Unit Holder provides declaration in due course of time to the Management Company.

7.5 Disclaimer

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

8. REPORTS TO UNIT HOLDERS

8.1 Account Statement

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

The Management Company/Transfer Agent shall provide account balance and/or account activities through electronic mode to Unit Holder, who opted for such service.

The Unit Holder will be entitled to ask for copies of his account statement on any Dealing Day within Business Hours by applying to the Management Company/Transfer Agent in writing and providing such fee that the Management Company may notify from time to time.

8.2 Financial Reporting

- (a) The Management Company shall prepare and transmit the annual report physically in such form and manner as set out in Regulations as amended or substituted from time to time.
- (b) The Management Company shall prepare and transmit quarterly reports physically (or through electronic means or on the web subject to SECP approval) in such form and manner as set out in Regulations as amended or substituted from time to time.

8.3 Trustee Report

The Trustee shall report to the Unit Holder, to be included in the annual and second quarter Financial Reports issued by the Management Company to the Unit Holders, as to whether in its opinion the Management Company has in all material respects managed the Fund in accordance with the provisions of the Regulations, the Constitutive Documents and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof.

8.4 Fund Manager Report

The Management Company shall prepare Fund Manager Report each month as per guideline issued by MUFAP and transmit the same to the Unit Holders and also make available at their web site.

9. WARNING AND DISCLAIMER

9.1 Warning

- 9.1.1 If you are in any doubt about the contents of this Offering Document, you should consult your Shariah scholar/consultant, bank manager, Legal advisor, or other financial advisor. The price of the Units of this Fund and the income of this Fund (from which distributions to Unit Holders is made) may increase or decrease.
- 9.1.2 Investment in this Fund is suitable for investors who have the ability to take the risks associated with financial market investments. Capital invested in the financial markets could in extreme circumstances lose its entire value. The historical performance of this Fund, other Funds managed by the Management Company, the financial markets, or that of any one security or transaction included in the Fund's portfolio will not necessarily indicate future performance.

9.2 Disclaimer

- 9.2.1 The Units of the Fund are not bank deposits and are neither issued by, insured by, obligation of, nor otherwise supported by SECP, any Government Agency, Trustee (except to the extent specifically stated in this document and the Trust Deed) or any of the shareholders of the Management Company or any of the Pre-IPO Investors or any other bank or financial institution. The portfolio of the Fund is subject to market risks and risks inherent in all such investments.
- 9.2.2 Fund's target return/ dividend range cannot be guaranteed. Fund'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 capital markets and interest rates.

10. GENERAL INFORMATION

10.1 Accounting Period / Financial Year of the Fund

Accounting Period means a period ending on and including an accounting date and commencing (in case of the first such period) on the date on which the Trust Property is first paid or transferred to the Trustee and (in any other case) from the next day of the preceding accounting period.

Annual Accounting Period means the period commence on 1st July and shall end on 30th June of the succeeding calendar year.

10.2 Inspection of Constitutive Documents

The copies of constitutive documents, such as the Deed and the Offering Document, can be inspected free of charge at the addresses given below, however such documents shall also be available on the web site of the Management Company:

Ground Floor, Block B, Finance and Trade Centre (FTC), Shahrah-e-Faisal, Karachi

10.3 Transfer of Management Rights of the Fund

The management rights of the Fund may be transferred to another Management Company upon the occurrence of any of the following events in accordance with the procedure laid down in the Regulation, the Deed and the Directive issued by the Commission; -

- (i) the Management Company goes into liquidation, becomes bankrupt or has a liquidator appointed over its assets, or its license has been cancelled or does not hold valid license;
- (ii) where the Management Company is unable to remove the suspension of redemption of Units of the Fund within the fifteen business days of suspension and the Unit Holders representing at least three fourth in value of total outstanding Units of the concerned scheme pass a resolution or have given consent in writing that the scheme be transferred to another Management Company;
- (iii) if in the opinion of the Commission further management of the Fund by the existing Management Company is detrimental to the interest of the Unit Holders, the Commission may direct the Trustee to transfer the Fund to another Management Company.
- (iv) If the Management Company may retire voluntarily with the prior written consent of the Commission.

10.4 Extinguishment/Revocation of the Fund

The Fund may be extinguished by the occurrence of any of the following events in accordance with the procedure laid down in the Regulation, the Deed and the Directive issued by the Commission; -

- (i) where the Management Company is unable to remove the suspension of redemption of Units of the Fund within the fifteen business days of suspension and the Unit Holders representing at least three fourth in value of total outstanding Units of the concerned scheme pass a resolution or have given consent in writing that the scheme be revoked;
- (ii) where the Management Company goes into liquidation, becomes bankrupt or has a liquidator appointed over its assets, or its license has been cancelled or does not hold valid license;
- (iii) in the opinion of the Management Company the scheme is not commercially viable or purpose of the scheme cannot be accomplished subject to the consent of Trustee;
- (iv) The Management Company subject to regulatory approval, may announce winding up of the Trust in the event redemption requests build up to a level where the Management Company is of the view that the disposal of the Trust Property to meet such redemptions would jeopardize the interests of the remaining Unit Holder(s) and that it would be in the best interest of all the Unit Holder(s) that the Trust be wound up.
- (v) on occurrence of any event or circumstances which, in the opinion of the Trustee, requires the Fund to be revoked; and
- (vi) where the Commission deems it necessary to revoke the Fund so directs either Trustee or the Management Company in the interest of Unit Holders;

10.5 Procedure and manner of Revocation of the Fund

Revocation of the Fund shall be done in accordance with the procedures and in the manner as mentioned in the Regulations or through circulars / guidelines issued by the SECP from time to time.

10.6 Distribution of proceeds on Revocation

In case of Revocation of the Fund the Trustee shall according to the procedure laid down in Regulations refund the net proceeds to the Unit Holders in proportion to the number of units held by them.

11. GLOSSARY

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

“Accounting Date” means the thirtieth day of June in each year and any interim date on which the financial statements of the Trust are drawn up. Provided that the Management Company may, with the written consent of the Trustee and after obtaining approval from the Commission and the Commissioner of Income Tax may change such date to any other date and such change shall be intimated to the Commission.

“Account Opening / Investment Account Opening Form” means standardized form prescribed by the Management Company to be duly filled by the investors at the time of opening an account with the Fund.

“Accounting Period” means a period ending on and including an accounting date and commencing (in case of the first such period) on the date on which the Trust Property is first paid or transferred to the Trustee and (in any other case) from the next day of the preceding accounting period.

“Administrative Plans” means investment plans offered by the Management Company and approved by the Commission, where such plans allow investors a specific investment strategy in any one or a combination of Schemes managed by the Management Company in accordance with the conditions specified by SECP.

“Annual Accounting Period” or “Financial Year” means the period commence on 1st July and shall end on 30th June of the succeeding calendar year.

“Asset Management Company” means an asset Management Company as defined in the Rules and Regulations.

“Auditor” means the Auditor of the Trust appointed by the Management Company, with the consent of the Trustee, as per the Regulations.

“Authorized Branches” means those Branches of Distributors or Distribution Companies which are allowed by the Management Company to deal in Units of the Funds managed by the Management Company.

“Authorized Broker” means those Brokers which are authorized to deal in Government Securities.

“Authorized Investments”

Authorized Investments are those as defined in the clause 2.2.3 of this Offering Document

“Back-end Load” means the charge deducted from the Net Asset Value in determining the Redemption Price; provided however that different levels of Back-end Load may be applied to different classes of Units, as specified in this document.

“Bank” means institution(s) providing banking services under the Banking Companies Ordinance, 1962, or any other regulation in force for the time being in Pakistan, or if operating outside Pakistan, under the banking laws of the jurisdiction of its operation outside Pakistan.

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

“Broker” means any person engaged in the business of effecting transactions in securities for the account of others.

“Business Day” means any day on which scheduled banks are open for business in Pakistan.

“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.

“Connected Person” shall have the same meaning as assigned in the Rules and Regulations.

“Constitutive Documents” means the Trust Deed or such other documents as defined in the Regulations.

“Custodian” means a Bank, a Depository or an Investment Finance Company licensed under the Regulations, which may be appointed by the Trustee in consultation with the Management Company to hold and protect the Trust Property or any part thereof as custodian on behalf of the Trustee, and shall also include the Trustee itself if it provides custodial services for the Fund.

“Cut-Off Time” / “Business Hours” means the day time for dealing in Units of the Fund. The current Cut-Off Timing/Business Hours are mentioned in Annexure “B” of this Offering Document.

“Dealing Day” means every Business Day from Monday to Friday of every week. Units will be available for dealing (purchase, redemption, transfer, switching etc.) on Dealing Days during Cut-off Time. Provided that the Management Company may with the prior written consent of the Trustee and upon giving not less than seven days’ notice in two widely circulated English or Urdu newspapers in Pakistan declare any particular Business Day(s) not to be a Dealing Day(s).

“DFI” means Development Financial Institution and includes the Pakistan Industrial Credit and Investment Corporation (PICIC), the Saudi Pak Industrial and Agricultural Investment Company Limited, the Pak Kuwait Investment Company Limited, the Pak Libya Holding Company Limited, the Pak Oman Investment Company (Pvt.) Limited, Investment Corporation of Pakistan, House Building Finance Corporation, Pak Brunei Investment Company Limited, Pak-Iran Joint Investment Company Limited, Pak-China Investment Company Limited, and any other financial institution notified under Section 3-A of the Banking Companies Ordinance, 1962.

“Distribution Account” means the Bank Account (which may be a current, saving or deposit account) maintained by the Trustee with a Bank as directed by the Management Company in which the amount required for distribution of income to the Unit Holder(s) shall be transferred. Interest, income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the main account of the Fund from time to time, as part of the Trust Property for the benefit of the Unit Holder(s).

“Distributor / Distribution Company” means Company(ies), Firm(s), Sole Proprietorship concern(s), individual(s), Banks or any other Financial Institution appointed by the Management Company under intimation to the Trustee for performing any or all of the

Distribution Functions and who are registered with MUFAP as Registered Service Providers. The Management Company may itself also performs the Distribution Function.

“Distribution Function” means the functions with regard to:

- a. receiving applications for issue of Units together with the aggregate Offer Price for Units applied for by the applicants;
- b. issuing receipts in respect of (a) above;
- c. interfacing with and providing services to the Holders including receiving redemption/transfer applications, conversion notices and applications for change of address or issue of duplicate Certificates for immediate transmission to the Management Company or the Transfer Agent as appropriate;
- d. accounting to the Management Company for all: (i) payment instruments received from the applicants for issuance of Units; (ii) payments instruments to the Holders on redemption of Units; and (iii) expenses incurred in relation to the Distribution Function.
- e. the above functions may be performed electronically, if appropriate systems are in place.

“Duties and Charges” means in relation to any particular transaction or dealing all stamp and other duties, taxes, Government charges, bank charges, transfer fees, registration fees and other duties and charges in connection with the increase or decrease of the Trust Property or the creation, issue, sale, transfer, redemption or purchase of Units or the sale or purchase of Investment or in respect of the issue, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable, but do not include the remuneration payable to the Distribution Company or any Commission payable to agents on sales and redemption of Units or any Commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.

“Exposure” shall have same meanings as provided in the Regulations.

“Federal Government” means the Federal Government of Islamic Republic of Pakistan.

“Financial Institution” means a Bank, Development Finance Institution, Non-Banking Finance Company, Modaraba or an institution registered under relevant laws to provide financial services within or outside Pakistan.

“Financial Sector” shall comprise of the savings and term deposits / certificates/ securities/ instruments issued by the entities of Banking Sector, Financial Services Sector, Life Insurance Sector and Non- Life Insurance Sector as classified by Karachi Stock Exchange and DFIs.

“Force Majeure” means any occurrence or circumstance or element which delays or prevents performance of any of the terms and conditions of this Deed or any obligations of the Management Company or the Trustee and shall include but not limited to any circumstance or element that cannot be reasonably controlled, predicted, avoided or overcome by any party hereto and which occurs after the execution of this Deed and makes the performance of the Deed in whole or in part impossible or impracticable or delays the performance, including but not limited to any situation where performance is impossible without unreasonable expenditure. Such circumstances include but are not limited to floods, fires, droughts, typhoons, earthquakes and other acts of God and other unavoidable or unpredictable elements beyond reasonable control, such as war (declared or undeclared),

insurrection, civil war, acts of terrorism, accidents, strikes, riots, turmoil, civil commotion, any act or omission of a governmental authority, failure of communication system, hacking of computer system and transmissions by unscrupulous persons, closure of stock exchanges, banks or financial institutions, freezing of economic activities and other macro-economic factors, etc.

“Formation Cost” means preliminary expenses relating to regulatory and registration fees of the Scheme, flotation expenses of the Scheme, expenses relating to authorization of the Scheme, execution and registration of the Constitutive Documents, legal costs, printing, circulation and publication of this Offering Document, announcements describing the Scheme and all other expenses incurred until the end of the Initial Period.

“Front-end Load” means the Sales load which may be included in the offering price of the Units; provided however that different levels of Front-end Load may be applied to different investors, as determined by the Management Company. However, aggregate of Front-end Load and Back-end Load should not exceed 5% of Net Asset Value.

“Government Securities” includes monetary obligations of the Government or a Provincial Government or a corporation wholly owned or controlled, directly or indirectly, by the Federal Government or a Provincial Government and guaranteed by the Federal Government and any other security as the Federal Government may, by notification in the official Gazette, declare, to the extent determined from time to time, to be a Government Security.

“Holder or Unit Holder” means the investor for the time being entered in the Register as owner of a Unit including investors jointly so registered pursuant to the provisions of the Trust Deed.

“Initial Period” or “Initial Offering Period” will start from _____ (mention date here). means a period determined by the Management Company during which Units will be offered as mentioned in clause 1.7 of this Offering Document.

“Initial Price” or “Initial Offer” means the price per Unit on the first day of the Initial Period determined by the Management Company.

“Investment” means any Authorized Investment forming part of the Trust Property.

“Investment Facilitators/Advisors” means an individual, firm, corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Scheme. The investment facilitator/advisor is not authorized to perform the Distribution Functions. The Management Company shall compensate the Investment Facilitators.

“Investment Form” means a standardized form prescribed by the Management Company to be duly filled by the investor to purchase Units and will be stated in this Offering Document.

“Local Governments” mean all the local / city governments in Pakistan.

“Management Company” is defined in the preamble hereto;

“Net Assets”, in relation to the Trust, means, the excess of assets over liabilities of the Scheme as calculated in accordance with the Regulations.

“Net Asset Value” or “NAV” means per Unit value of the Trust arrived at by dividing the Net Assets by the number of Units outstanding.

“Offer Price or Purchase (Public Offer) Price” means the sum to be paid by the investor for purchase of one Unit, such price to be determined pursuant to this document.

“Offering Document” means the prospectus or other document (issued by the Management Company with written consent of the Trustee and approved by the Commission) which contains the investments and distribution policy, unit structure(s) and all other information in respect of the Unit Trust, as required by the Rules and Regulations and is circulated to invite offers by the public to invest in the Scheme.

“Online” means transactions through electronic data-interchange whether real time transactions or otherwise, which may be through the internet, intranet networks and the like.

“Ordinance” means the Companies Ordinance, 1984.

“Par Value” means the face value of **Rs. 50** for a Unit of the Fund.

“Personal Law” means the law of inheritance and succession as applicable to the individual Unit Holder.

“Pledge Form” means a standardized form prescribed by the Management Company to be duly filled by the investor to Pledge his/her Units and will be stated in this Offering Document.

“Profit Distribution Date” means the date on which the Management Company decides to distribute the profits (if any).

“Provincial Governments” mean the Provincial Governments of all four provinces of Pakistan.

“Redemption Form” means a standardized form prescribed by the Management Company to be duly filled by the investor to redeem Units and will be stated in this Offering Document.

“Redemption Price or Repurchase Price” means the amount to be paid to the relevant Holder upon redemption of that Unit, such amount to be determined pursuant to this document.

“Register Function” means the functions with regard to:

- a. Maintaining the Register, including keeping a record of change of addresses/other particulars of the Holders;
- b. Issuing account statements to the Holders;
- c. Issuing Certificate, including Certificates in lieu of undistributed income to Holders;
- d. Cancelling old Certificates on redemption or replacement thereof;
- e. Processing of applications for issue, redemption, transfer and transmission of Units, recording of pledges, liens and changes in the data with regard to the Holders;
- f. Issuing and dispatching of Certificates;
- g. Dispatching income distribution warrants, and bank transfer intimation and distributing bonus Units or partly both and allocating Units to Holders on re-investment of dividends;
- h. Receiving applications for redemption and transfer/transmission of Units directly from Holder or legal representatives or through Distributor;
- i. Maintaining record of lien/pledge/charge; and
- j. Keeping record of change of addresses/other particulars of the Holders.

“Regular Interval” means monthly, quarterly, half yearly or annual periods.

“Rules” mean Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 as amended from time to time.

“Regulations” mean Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the Schedules and Forms attached to it as amended/replaced from time to time.

“Sales Load” means Front end load and Back end load and any processing charges or Commission (excluding Duties and Charges) not exceeding five percent of NAV or as may be allowed under the Regulations, which may be included in the offer price of all or certain class of Units or deducted from the NAV in order to determine the Redemption Price of certain classes of Units.

“SECP” or “Commission” means Securities and Exchange Commission of Pakistan established under Securities and Exchange Commission of Pakistan Act, 1997 and shall include its successor.

“Shariah” means divine guidance as given by the Holy Qur’an and the Sunnah of Holy Prophet Muhammad (PBUH) and embodies all aspects of the Islamic faith, including beliefs, practices, rules and principles as per the interpretation of the Shariah Advisor of the fund.

“Special Instruction Form” means a standardized form prescribed by the Management Company to be duly filled by the investor to change his/her particulars and will be stated in this Offering Document.

“Stock Exchange” means Stock Exchanges registered under the Securities and Exchange Ordinance, 1969.

“Sukuk” means a type of Islamic bond that is backed by assets of the issuer that earn profit or rent.

“Transaction Costs” means the costs incurred or estimated by the Management Company to cover the costs (such as, but not restricted to, brokerage, Trustee charges, taxes or levies on transactions, etc.) related to the investing or disinvesting activity of the Trust’s portfolio, *inter alia*, necessitated by creation or cancellation of Units, which costs may be added to the NAV for determining the Offer Price of Units or to be deducted from the NAV in determining the Redemption Price.

“Transfer Agent” means a company including a Bank that the Management Company shall appoint for performing the Registrar Functions. The Management Company may itself perform the Registrar Function.

“Transfer Form” means a standardized form prescribed by the Management Company to be duly filed by the investor to transfer Units and will be stated in this Offering Document.

“Trust Deed” or “Deed” means the Trust Deed of the Fund executed between the Management Company and the Trustee along with all the exhibits appended hereto.

“Trust” or “Unit Trust” or “Fund” or “Scheme” means the Unit Trust constituted by the Trust Deed for continuous offers for sale of Units.

Words and expressions used but not defined herein shall have the meanings assigned to them in the Act and Rules and Regulations, words importing persons include corporations, words importing the masculine gender include the feminine gender, words importing singular include plural and words “written” or “in writing” include printing, engraving lithography, or other means of visible reproduction. The headings and table of contents are for convenience only and shall not affect the construction of the Trust Deed.

ANNEXURE 'A'

REMUNERATION OF TRUSTEE AND ITS AGENT

REMUNERATION OF TRUSTEE AND ITS AGENT

The trustee remuneration shall consist of reimbursement of actual custodial expenses / charges plus the following tariff;

TARIFF
0.075% p.a. of Net Assets

REMUNERATION OF TRUSTEE AND ITS AGENT

Trustee Fee subject to review by either party. However, any upward revision shall require prior approval of SECP.

ANNEXURE ‘B’

Current Level of Front-end, Back-end Load and Management Fee

A maximum of 3% of NAV can be charged as Front-end Load plus Back-end Load.
Current level of Front-end and Back-end Load as decided by the Management Company is as follows:

Class of Unit	Front- End Load	Back-End Load
Class “A” Units (Pre-IPO Units)	0 – 1.5%	0%
Class “B” Units	0 – 1.5%	0%
Class “S” Units	0 – 1.5%	0%

Current Fee Structure:

The Management Company shall charge a fee at the rate of up to 5% of the gross earnings of the Scheme, calculated on a daily basis, subject to a minimum of 0.10% of the average daily net assets of the Scheme.

Gross earnings of the Scheme would be calculated by adding up the following:

- 1) Realized and unrealized gains on Shariah Compliant securities;
- 2) Income from bank deposits; and
- 3) Any other income earned by the Scheme

While calculating Gross earnings of the Scheme, no deduction would be made whatsoever on account of any expense chargeable to the Scheme.

The actual rate of management fee on the basis of Net Assets shall be disclosed in the FMR and in the Financial Statements.

Cut-Off Timing:

I. Current Cut-off Timing & Business Hours for dealing in Units:

Every Dealing Day – 9:00 am to 3:00 p.m.

II. Current Cut-off Time for dissemination and announcement of NAV:

Latest by 6:30 p.m. on the Dealing Day.

Note: Any change in the Cut-Off Timings/Business Hours including for the month of Ramadan shall be notified to investors/Unit-Holders via the Company’s website.

Any change in the management fee shall be notified after prior approval of the Commission through an addendum to this annexure and by publication in a widely circulated newspaper and/or as and how the SECP may direct.

ANNEXURE 'C'

Designated Distribution Outlets

Following are the branches of Al Meezan for investors to execute mutual fund transactions. In addition to these, investors may use any branch of Meezan Bank through Online Transactions-Member Services Area or through MBL's Internet Banking facility for the execution of their transactions.

1. FTC Branch, Karachi

Ground Floor, Finance and Trade Centre, Shahrah-e-Faisal, Karachi

Tel: (92-21) 111-633-926, 35630722-26

2. Sales Hub, Karachi

Banglow # 43-5-E/2, Shah Abdul Latif Road, PECHS Block 6, Karachi.

Tel: (92-21) 34559262-5

3. North Nazimabad Branch, Karachi

Shop # G-1, G-2, Ground Floor, Ajwa Residency, B-1, Block-L, North Nazimabad, Karachi

Tel: (92-21) 36641491-4

4. Bahadurabad Branch, Karachi

Shop # 4, Ground floor, Adam Arcade, B.M.C.H Society, Shaheed-e-Millat Road, Block #3, Karachi

Tel: (92-21) 34923112-6

5. DHA Branch, Karachi

Shop # 01 Ground Floor, Sunset Commercial St-02, Khayaban e Jami, Near Baitussalam Masjid, Phase IV, D.H.A Karachi.

Tel: (92-21) 35802411-4

6. Gulshan-e-Iqbal Branch, Karachi

Shop # 02, Ground Floor, Shelozon Center, Block 15, Gulshan-e-Iqbal Karachi.

Tel: (92-21) 34990491-4

7. Site Area Branch, Karachi

Shop # 05, plot # B/9-D, Main Estate Avenue, Site Area Karachi.

Tel: (92-21) 32570051-4

8. DHA, Badar Commercial Branch, Karachi

Plot # 8C, Shop # 03, Street # 10, Badar Commercial, DHA phase V, Karachi.

Tel: (92-21) 35171381-4, 021-37131680-1, 021-37131683-4

9. Gulistan-e-Jauhar Branch, Karachi:

Plot # B11, Shop # 06, Ground Floor, Alam Shah Bukhari Apartment (Right Opposite Hilltop Banquet Hall), Block -19, Gulistan-e-Jauhar, Karachi.

Tel: (92-21) 34187181-84

10. Gulberg Branch, Lahore

Ground Floor, Leeds Centre, Gulberg III, Main Boulevard, Lahore

Tel: (92-42) 111-633-926, 042-35783608-12, 042-32560548

11. DHA Branch, Lahore

1st Floor, Meezan Bank T Block Branch, Plot No. 7, CCA-2, T Block, Phase II, DHA Lahore.

Tel: (92-42) 35747060-3, 042-32560125

12. Faisalabad Branch

First Floor, Taj Plaza, Kotwali Road, Faisalabad

Tel: (92-41) 32412371-4

13. Islamabad Branch

Office No 7 Ground Floor, Buland Markaz Jinnah Avenue Blue Area, Islamabad.

Tel: (92-51) 2801471-73

14. Peshawar Branch

Office No 6-D, Ground Floor, 6 Saddar Road, Peshawar Cantt, Peshawar.

Tel: (92-91) 5271911-14

15. Multan Branch

1st Floor, Meezan Bank Rasheedabad Chowk Branch, Aneesa Plaza Rasheedabad Chowk,
Khanewal Road Multan.

Tel: (92- 61) 6305911-5

16. Abbottabad Branch

Office No 2, 3rd Floor Zaman Plaza, Near Ayub Medical Complex, Mansehra Road, Abbottabad.

Tel: (92-992) 384133-4

17. Rawalpindi Branch

Plot # 17, Zubair Plaza, 1st Floor, Chaklala Scheme III, Main Commercial Area Rawalpindi Cantt,
Rawalpindi.

Tel: (92-51) 5766364-6

18. Gujranwala Branch

Ground Floor, 387-A, Model Town, Gujranwala

Tel: (92-55) 842205-8

19. Swat Branch

Mezzanine Floor, Sultan e Room Plaza, Main G.T Road, Mingora Swat

Tel: (92-946) 714023-6

20. Sialkot Branch

Second floor Meezan Bank, Qayum plaza, Aziz Shaheed Road, Sialkot Cantonment, Sialkot

Tel: (92-52) 4290460-2