

**AMENDED TILL 24<sup>TH</sup> NOVEMBER 2009 THROUGH SUPPLEMENTAL TRUST DEED I**

**DRAFT TRUST DEED**

**OF**

**MEEZAN PAKISTAN SOVEREIGN CASH FUND MEEZAN SOVEREIGN FUND<sup>1</sup>**

THIS TRUST DEED is made and entered into at Karachi, on this \_\_\_\_\_

**1 NAME OF THE OPEN-END SCHEME**

Meezan Sovereign Fund (MSF)<sup>2</sup> ~~Meezan Pakistan Sovereign Cash Fund (MPSCF)~~

**2 CATEGORY OF THE SCHEME**

Meezan Sovereign Fund shall be an open end Shariah Compliant (Islamic) Income Scheme<sup>3</sup> ~~Meezan Pakistan Sovereign Cash Fund shall be an open end Shariah Compliant (Islamic) Money Market Scheme.~~

**3 PARTICIPATING PARTIES**

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

**AND**

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

<sup>1</sup> Amended through STD-1

<sup>2</sup> Amended through STD-1

<sup>3</sup> Amended through STD-1

**WHEREAS:**

- A. The Management Company has been licensed as an Asset Management Company pursuant to the Rules (License to undertake Asset Management Services attached herewith as Annexure “A”).
- B. The Management Company has been authorized by the Commission vide its letter No. NBFC-II/DD/MPSCF/512/2009 dated May 07, 2009, attached herewith as Annexure “B” to constitute a Trust under the name and title of “~~Meezan Pakistan Sovereign Cash Fund~~Meezan Sovereign Fund<sup>4</sup>” (hereinafter referred to as the “Scheme”, or the “Trust” or the “Unit Trust” or the “Fund” or “~~MPSCFMSF~~”) and to register this Trust Deed, pending registration for the establishment, operation and registration as notified entity of the Fund in accordance with the provisions of the Rules, Regulations and this Trust Deed;
- C. The Management Company has nominated and appointed CDC as trustee of the Fund and the Trustee has accepted such appointment upon the terms and conditions herein contained and the tariff structure for trusteeship attached herewith as Annexure “C”;
- D. The Commission has also approved the appointment of the Trustee; vide letter No. NBFC-II/DD/MPSCF/511/2009 dated May 07, 2009, attached herewith as Annexure “D”.
- E. ~~Meezan Pakistan Sovereign Cash Fund~~Meezan Sovereign Fund<sup>5</sup> shall be an open end Shariah Compliant (Islamic) Asset Allocation Scheme
- F. All conducts and acts of the Fund shall be Shariah compliant as per the guidelines of the Shariah Advisor of the Fund.
- G. ~~Meezan Pakistan Sovereign Cash Fund~~Meezan Sovereign Fund<sup>6</sup> shall be managed as per NBFC Rules and Regulations in letter and spirit.
- H. In order to attain the aims and objectives of the Scheme, the Management Company has handed over to the Trustee, an initial sum of Rupees Ten Thousand only (Rs. 10,000/-).
- H.I. “SECP vide letter [ ] dated [ ], 2009 has approved the amendments to the Trust Deed appended hereto as Annexure “\*\*\*”<sup>7</sup>”

**NOW, THEREFORE, THIS DEED WITNESSETH AS FOLLOWS:**

**4 GOVERNING LAW**

<sup>4</sup> Amended through STD-1

<sup>5</sup> Amended through STD-1

<sup>6</sup> Amended through STD-1

<sup>7</sup> Amended through STD-1

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

The Investments made in offshore countries and the Bank Accounts and custodial services accounts that may be opened by the Trustee for the Fund in any offshore countries on the instructions of the Management Company shall also be subject to the laws of such countries.

Subject to the Arbitration Clause 37 hereafter, applicable between the Management Company and the Trustee inter se, each party, including the Unit Holders irrevocably submit to the exclusive jurisdiction of the Courts at Karachi.

## 5 DECLARATION OF TRUST

It is hereby declared unequivocally, that a Unit Trust, in the name and title of ~~Meezan Pakistan Sovereign Cash Fund~~ Meezan Sovereign Fund<sup>8</sup> is hereby created and the Management Company is hereby appointed to establish, manage, operate and administer that said Unit Trust and the Trustee is hereby nominated, constituted and appointed as the Trustee of the Unit Trust. The Management Company and the Trustee hereby agree to such appointment and further declare that:

- a) this Deed and any supplemental hereto is binding on each Unit Holder as if he had been a party to it and so to be bound by its provisions and authorizes and requires the Trustee and the Management Company to do as required of them by the terms of this Deed, the Rules and the Regulations;
- b) the property of the Scheme is held by the Trustee on trust for the Unit Holders *pari passu* according to the number of Units held by each Unit Holder;
- c) a Unit Holder shall not be liable to make any further payments after he had paid the Offer Price of his Unit(s) and that no further liability can be imposed on him in respect of Unit(s) which he holds.
- d) the Trustee shall issue a report to the Unit Holders, to be included in the annual report and second quarter report of the Scheme, in accordance with the Regulations;

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<sup>8</sup> Amended through STD-1

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

## 6 DEFINITIONS

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

- 6.1** “Accounting Date” means 30th June in each year and any interim dates at which the financial statements of the Fund are drawn up. Provided, however, that the Management Company may, with the consent of the Trustee and after approval to the Commission and the Commissioner of Income Tax, change such date to any other date.
- 6.2** “Accounting Period” means a period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the Fund Property is first paid or transferred to the Trustee and (in any other case) from the first day subsequent to the end of the preceding Accounting Period.
- 6.3** “Administrative Arrangement” means any investment plan(s) offered by the Management Company where such plans allow Unit Holders a focused investment strategy in any one or a combination of Collective Investment Schemes managed by the Management Company and for which CDC is appointed as the Trustee
- 6.4** “Annual Accounting Period” or “Financial Year” means the period shall commence on 1st July and shall end on 30th June of the succeeding calendar year.
- 6.5** “Auditors” means a firm of chartered accountants that is appointed by the Management Company from the approved list of auditors circulated by the Commission, with the consent of Trustee, as the Auditor for the Fund, who shall be independent of the auditor of the Management Company and the auditor of the Trustee, as provided under the Regulations.
- 6.6** “Authorized Branch or Branches” means those branches of the Distributors authorized by the Management Company to perform Distribution Functions. It also includes offices of the Management Company.
- 6.6**—
- 6.7** “Authorized Investments” means the following securities/venue of investments which are backed/Guaranteed by Government.
- (a) Shariah compliant fixed income Government Securities (including Sukuks) which include monetary obligations of the Federal Government or a Provincial Government or of a corporation wholly owned or controlled, directly or indirectly, by the Federal Government or a Provincial Government and guaranteed/Backed by the Federal Government and any other

security as the Federal Government may, by notification in the Official Gazette, declare, to the extent determined from time to time, to be Government Securities;

- (b) Any other Shariah compliant fixed income Government Securities subject to SECPs approval
- (c) Bank Deposits in licensed Islamic Banks and licensed Islamic Banking windows of conventional Banks
- (d) Subject to SECP or other regulatory approvals the Scheme may seek to invest in Shariah Compliant securities issued by Federal Government, Provincial Government, Local Government, Government Agencies, Autonomous bodies and public sector entities, listed or otherwise and traded outside Pakistan on such terms, guidelines and directions as may be issued by SECP and the State Bank of Pakistan from time to time. Foreign investment by the Fund is subject to the following limits:
  - (a) Maximum 30% of the Net Assets of the Fund.
  - (b) The above percentage is subject to a cap of US\$ 15 million
- (e) The investment in aforesaid asset classes shall be subject to such exposure limits and minimum ratings as specified in the Offering Document
- (f) The weighted average time to maturity of net assets shall not exceed 4 years and this condition shall not apply to securities issued by the Federal Government.
- (g) There would be no restriction on time to maturity of any single asset in the portfolio or duration of a single security in the portfolio.
- (h) At least 25% of the net assets shall be invested in cash and near cash investments which include cash in bank account (excluding TDRs) not exceeding 90 days maturity.
- (i) All Authorized Investments are subject to rating criteria, Exposure limits and any other conditions prescribed by Regulations and/or SECP directives.<sup>9</sup>

~~6.7 – “Authorized Investments” means the following securities/venue of investments which are backed/protected by Government.~~

- ~~(a) Bank Deposits in licensed Islamic Banks and licensed Islamic Banking windows of conventional Banks~~
- ~~(b) Secured and listed Shariah compliant fixed income securities including sukuku issued by Federal Government, Provincial Government, Local Government and Government Agencies, public sector entities and Autonomous bodies~~
- ~~(c) Secured and unlisted Shariah compliant fixed income securities including sukuku issued by Federal Government, Provincial Government, Local Government and Government Agencies, Public Sector Entities and Autonomous bodies~~
- ~~(d) Unsecured and listed Shariah compliant fixed income securities including sukuku issued by Federal Government, Provincial Government, Local Government, Government Agencies, Public Sector Entities and Autonomous bodies~~
- ~~(e) Unsecured and unlisted Shariah compliant fixed income securities including sukuku issued by Federal Government, Provincial Government, Local Government, Government Agencies, Public Sector Entities and Autonomous bodies~~
- ~~(f) Any other Shariah compliant instrument issued by Federal Government, Provincial Government, Local Government, Government Agencies Autonomous bodies and public sector entities as per the guidelines of the Fund’s Shariah Advisor.~~
- ~~(g) Any other Shariah Compliant sovereign security that meets the SLR eligibility requirements.~~
- ~~(h) Subject to SECP or other regulatory approvals the Scheme may seek to invest in Shariah Compliant securities issued by Federal Government, Provincial Government, Local Government, Government Agencies, Autonomous bodies and public sector entities, listed or otherwise and traded outside Pakistan on such terms, guidelines and directions as may be issued by SECP and the State Bank of Pakistan from time to time. Foreign investment by the Fund is subject to the following limits:~~

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<sup>9</sup> Amended through STD-1

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~~(a) Maximum 30% of the Net Assets of the Fund.~~

~~(b) The above percentage is subject to a cap of US\$ 15 million~~

~~The investment in aforesaid asset classes shall be subject to such exposure limits and minimum ratings as specified in the Offering Document~~

- 6.8** “Autonomous Bodies” means an independent body set up by the government, ministries and/or government departments under an ordinance or act.
- 6.9** “Back-end Load” means Load, not exceeding five percent of the Net Assets Value, deducted by the Management Company from the Net Asset Value in determining the Redemption Price. Back-end load shall constitute part of Fund Property.
- 6.10** “Bank” means any Scheduled Bank, as defined under the Banking Companies Ordinance 1962 and licensed to carry on banking business and shall include a bank incorporated outside Pakistan and carrying on banking business in Pakistan as a Scheduled Bank.
- 6.11** “Bank Accounts” means those account(s) opened and maintained for the Fund by the Trustee at the instruction of the Management Company at Banks, the beneficial ownerships in which shall vest in the Unit Holders.
- 6.12** “Business Day/Dealing Day” means any day of the week but does not include any day which is a gazetted Government of Pakistan holiday or on which banks in Pakistan are closed for business.
- 6.13** “Business Hours” means the day time for dealing in Units which will be specified in Offering Document of the Fund.
- 6.14** "Certificate" means the definitive certificate acknowledging the number of Units registered in the name of the Unit Holder(s) issued at the request of the Unit Holder(s) pursuant to the provisions of this Trust Deed.
- 6.15** "Charity" means amount paid by Trustee upon instruction of Management Company out of the Haram income of the Trust to charitable/welfare organizations which is neither related to nor a Connected Person of the Shariah Advisor, Management Company, board of the Management Company or any of their employees, in consultation with Shariah Advisor, representing income, which is Haram. The list of charitable/welfare organizations to whom charity amount in excess of threshold level is paid shall be disclosed in the annual report. Threshold level for charity amount shall be specified in the Offering Document.
- 6.16** “Commission” or “SECP” means Securities and Exchange Commission of Pakistan.
- 6.17** “Connected Person” shall have the same meaning as assigned in the Rules.
- 6.18** “Constitutive Document(s)” means this Trust Deed, Offering Document and other principal documents governing the formation of the Scheme, including all related material agreements.
- 6.19** “Core Investors” means such initial investor(s) of the Fund whose subscription shall in aggregate be in compliance of the requirements of the Regulations. The Core Investors shall be issued with Core Units representing their subscriptions. Particulars of the Core Investors shall be included in the Offering Document that shall be issued for this Fund.

- 6.20** “Core Units” means such Units of the Fund that are issued to Core Investors at the Par Value with the condition that upto Rupees Fifty Million worth of these Units are not redeemable for a period of two years from the date of close of the Initial Offer. Such Units are transferable with this condition, but otherwise shall rank pari passu with all other Units, save for this restriction. Any transfer of the Core Units, during the first two years of their issue, shall be affected only on the receipt by the Registrar of a written acceptance of this condition by the transferee.
- 6.21** “Custodian” means a banking company as defined in the Banking Companies Ordinance, 1962 (LVII of 1962), or a trust company which is a subsidiary of such bank or a central depository company approved by the Commission or an NBFC carrying out investment finance services provided it has been approved by the Commission to act as a custodian or such other company as may be approved by Commission to act as custodian.
- 6.22** “Cut-off time” means any time as may be determined and informed through the Offering Document by the Management Company and communicated to the Trustee and the Unit Holders before which unit transactions on a Dealing Day will be allowed.
- 6.23** “Deed” or “Trust Deed” means this Trust Deed and any supplemental hereto, which is the principal document governing the formation, management or/ and operation of the Fund.
- 6.24** “Distribution Account” means the account(s) (which may be a current or PLS deposit account) maintained by the Trustee with a Scheduled Islamic Bank or a licensed Islamic branch of a Scheduled Commercial Bank, or a current account with a Scheduled Commercial Bank as directed by the Management Company in which the amount required for distribution of income to the Unit Holders shall be transferred. Income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the main account of the Fund from time to time, as part of the Fund Property for the benefit of the Unit Holders.
- 6.25** “Distributor(s)” means Company (ies), Firm(s), or Bank(s) appointed by the Management Company at its own expense under intimation to the Trustee for performing any or all of the Distribution Functions and shall include the Management Company itself, if it performs the Distribution Functions.
- 6.26** “Distribution Functions” means the functions with regard to:
- (a) Receiving applications for issue of Units together with aggregate Offer Price for Units applied for by the applicants;
  - (b) Interfacing with and providing services to the Unit Holders including receiving Redemption, Transfer and Pledge applications and applications for change of address or issue of duplicate Certificates for immediate transmission to the Management Company or the Registrar as appropriate;
  - (c) Acknowledging receipt by delivering customer copy in respect of (a) and (b) above; and
  - (d) Accounting to the Management Company for (i) monies received from the applicants when they purchase Units; (ii) payments made to the Unit Holders on Redemption of Units; and (iii) expenses incurred in relation to the Distribution Functions.
- 6.27** “Duties and Charges” means in relation to any particular transaction or dealing, bank charges, brokerage, registration fee, all stamp and other duties, taxes, Government charges, transfer fees, registration fee and other duties and charges in connection with the Issue, sale, Transfer, Redemption or Purchase of Units or in respect of the issue, sale, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but do not include the remuneration payable to the Distributor or any Front-end or commission payable to agents on sale of Units or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.
- 6.28** “Exposure” shall have same meanings as provided in the Regulations.

- 6.29 “Financial Institution” means a company or an institution whether established under any special enactment and operating within or outside Pakistan which transacts the business of banking or any associated or ancillary business through its branches.
- 6.30 “Formation Cost” means all preliminary and floatation expenses of the Fund subject to the limits prescribed in the Regulations including expenses in connection with registration of the Scheme and its application fee payable to the Commission, execution and registration of the Trust Deed, issue, legal costs, printing, circulation and publication of the Offering Document and all expenses incurred during the period leading up to the Initial Offer which shall not exceed one percent of the pre-Initial Public Offering capital of the Scheme. Marketing expenses shall not be charged to the Fund, however one time advertisement cost for launching of Fund may be charged to Fund.~~“Formation Cost” means all preliminary and floatation expenses of the Fund subject to the limits prescribed in the Regulations including expenses in connection with registration of the Scheme and its application fee payable to the Commission, execution and registration of the Trust Deed, issue, legal costs, printing, circulation and publication of the Offering Document and all expenses incurred during the period leading up to the Initial Offer which shall not exceed one percent of the pre-Initial Public Offering capital of the Scheme. Marketing expense shall not be charged to the Fund.~~<sup>10</sup>
- 6.31 “Front-end Load” means Sales Load, which may be included in the Offer Price, provided however that different levels of Front-end Load may be applied to different investors, different levels of loads shall be disclosed in the Fund’s Offering Document.
- 6.32 “Fund” means ~~Meezan Pakistan Sovereign Cash Fund~~Meezan Sovereign Fund<sup>11</sup> or “Scheme”, “Trust” or “Unit Trust.” or “MPSCFMSF” constituted by this Deed.
- 6.33 “Fund Property” The aggregate proceeds of all Units issued from time to time after deducting Duties and Charges, and after deducting there from any applicable Front-end 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 available for distribution in the Distribution Account.
- 6.34 “Haram” means anything prohibited by the Shariah as advised by the Shariah Advisor.
- 6.35 “Holder(s)” or “Unit Holder(s)” means the investor(s) for the time being entered in the Register as owner(s) of Unit(s) or fraction(s) thereof including investor(s) jointly so registered pursuant to the provisions of this Deed and supplemental hereto.
- 6.36 “Ijarah” means the usufructs of assets and properties or to transfer the usufruct of a particular property to another person in exchange for a rent claimed from him.
- 6.37 “Initial Offer” means the issuance of Units during the Initial Period of Offer.
- 6.38 “Initial Offer Price” or “Initial Price” means the Par Value plus Front End Load if any during the Initial Offering Period.
- 6.39 “Initial Period of Offer” means the same as "Initial Offering Period" and "Initial Public Offer" which means the period during which first offer of Units shall be made, which shall be indicated in the Offering Document. This period shall not exceed a period of ten days (provided that this period may be extended with the prior approval of the Commission and the Trustee).
- 6.40 "Investment" means any Authorized Investment forming part of the Fund Property.
- 6.41 "Investment Facilitator" or “Facilitator” means an Individual, Firm, Corporate or other Entity appointed by the Management Company, at its sole responsibility, to identify solicit and assist investors in investing in the Scheme.
- 6.42 “Investment Policy” means the investment policy outlined in Clause 14 of this Deed.
- 6.43 "Istisna" means a contractual agreement for manufacturing goods and commodities, allowing cash payment in advance and future delivery or a future payment and future delivery.
- 6.44 "Mudarabah" means a form of partnership where one partner provides funds, while other provides expertise and management.
- 6.45 "Murabaha" means a sale on mutually agreed profit. Technically it is a contract of sale in which the seller declares his cost and profit. As a financing technique, it involves a request by the client to the financier to purchase certain item for him, which is then sold to the client at a mutually agreed price.
- 6.46 "Musharikhah" means a relationship established under a contract by the mutual consent of the parties for sharing of profits and losses arising from a joint enterprise or venture. All providers of capital are entitled to participate in management, but not necessarily required to do so. The profit is distributed among the partners in pre-agreed ratios, while the loss is borne by each partner strictly in proportion to respective capital contributions.
- 6.47 "Net Assets" means the excess of assets over liabilities of the Fund, such excess being computed in the manner as specified under the Regulations.
- 6.48 "Net Asset Value" or “NAV” means per Unit Value of the Fund arrived at by dividing the Net Assets by the number of Units outstanding, as specified under the Regulations.

<sup>10</sup> Amended through STD-1

<sup>11</sup> Amended through STD-1



- 6.49** “Offer Price” or “Purchase Price” means the sum to be paid by the investor for the purchase of one Unit, such price to be determined pursuant to the clause 16.1 of this Deed and to be stated in the Offering Document.
- 6.50** "Offering Document" means a published document(s) containing information of the Fund to invite the public for purchase Units of the Fund. Any supplemental offering document will also constitute part of Offering Document.
- 6.51** "Ordinance" means Companies Ordinance 1984.
- 6.52** "Par Value" means the face value of a Unit that shall be Rupees Fifty.
- 6.53** “Pre-IPO Investors” mean such initial investors in the Fund that invest prior to the Initial Public Offer of the Fund. These include but are not limited to the Core Investors of the Fund.
- 6.54** “Redemption Price” or “Repurchase Price” means the amount to be paid to the relevant Holder of a Unit upon Redemption of that Unit, such amount to be determined pursuant to Clause 16.3 of this Trust Deed and to be stated in the Offering Document.
- 6.55** "Register" means the Register of the Unit Holders kept and maintained pursuant to the Regulations and this Trust Deed.
- 6.56** "Registrar" means an organization that the Management Company may appoint for performing the Registrar Functions and may include a department of the Management Company. The term and definition of "Transfer Agent" is also covered within the definition of a Registrar.
- 6.57** "Registrar Functions" means the functions with regard to:
- (a) Maintaining the Register;
  - (b) Processing requests for Purchase (Offer), Repurchase (Redemption), Transfer, Conversion, Transmission of Units and requests for recording of lien or for recording of changes in data with regard to the Unit Holder(s);
  - (c) Issuing Account Statements to the Unit Holders;
  - (d) Issuing Certificates to the Unit Holders if requested;
  - (e) Dispatching income distribution advice and/or bank transfer intimations;
  - (f) Canceling old Certificates on Redemption or Replacement; and
  - (g) Other functions to be performed as per Transfer Agent Agreement.
- 6.58** “Regulations” mean the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the Schedules and Forms attached to it, as amended from time to time.
- 6.59** "Rules" mean the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, as amended from time to time.
- 6.60** “Sales Load” means the charge or commission (excluding Duties and Charges) not exceeding 5% of Net Asset Value, as determined by Management Company and disclosed in the Offering Document of the Fund.
- 6.61** "Shariah" means divine guidance as given by the Holy Qur'an and the Sunnah of Prophet Muhammad (PBUH) and embodies all aspects of the Islamic faith, including beliefs, practices, rules and principles as per the interpretation of the Shariah Advisor.
- 6.62** "Shariah Advisor" means Meezan Bank Limited or any other Institution or a body of Islamic scholars, appointed in its place by the Management Company under intimation to the Commission and the Trustee, having knowledge of Islamic finance, to supervise and monitor the activities of the Fund to ensure that all its activities comply with Shariah.
- 6.63** “Shariah Compliant” means any activity that is in accordance with the Islamic Shariah as advised by the Shariah Advisor.
- 6.64** "Stock Exchange" means Karachi Stock Exchange, Lahore Stock Exchange or Islamabad Stock Exchange or any other stock exchange registered under the Securities and Exchange Ordinance 1969 and shall also include a Stock exchange in an offshore country.
- 6.65** "Service Request Form" means the prescribed form, which is to be stated in the Offering Document.
- 6.66** “Sukuk” means a type of Islamic bond that is backed by assets of the issuer that earn profit or rent.
- 6.67** "Transaction Costs" means the costs incurred or estimated by the Management Company to cover the costs related to the investing or disinvesting activity of the Fund's portfolio, necessitated by creation or cancellation of Units. Such costs may be added to the NAV for determining the Purchase (Offer) Price of Units or be deducted from the NAV in determining the Repurchase (Redemption) Price. The Transaction Costs may not normally be applied in determining these prices; however, if the Management Company is of the view that it is in the overall interest of the Unit Holders, it may with intimation to the Trustee in writing and to the Unit Holders through website, apply such charge either to the Offer or the Redemption Price. Transaction Costs shall become part of Fund Property.
- 6.68** “Trustee” means Central Depository Company of Pakistan Limited (CDC) or any other company appointed with approval of the Commission from time to time.
- 6.69** “Trusts Act” means Trusts Act 1882.
- 6.70** "Unit" means one undivided share in the Scheme and where the context so indicates a fraction thereof.
- 6.71** "Zakat" has the same meaning as in Zakat and Ushr Ordinance 1980 (XVIII of 1980).

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

## **7 ROLE AND RESPONSIBILITIES OF MANAGEMENT COMPANY**

### **7.1 Establishment and Administration of the Scheme**

The Management Company shall establish, manage, operate and administer the Trust in terms of the provisions contained and stipulated in this Deed, the Offering Document, the Rules and Regulations (as amended or replaced from time to time) and the conditions, if any, which may be imposed by the Commission from time to time;

### **7.2 Compliance with Rules, Regulations and this Deed**

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

### **7.3 Management of Fund Property**

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

7.3.2 The Management Company may in consultation with the Trustee further appoint legal, financial advisors and professionals in offshore countries for determining and ensuring compliance with the requisite legal and regulatory requirements to be fulfilled by the Fund, by the Management Company and by the Trustee and their respective obligations in relation thereto.

### **7.4 Appointment of Distributors**

The Management Company under intimation to the Trustee shall from time to time appoint, remove or replace one or more Distributor(s) at its own expense for carrying out the Distribution Functions at one or more locations. Provided that the Management Company may also itself act as a Distributor for carrying on Distribution Functions.

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

(i) the Distributors to whom it delegates, have acquired and are maintaining the associate membership of the association(s) constituted in consultation with the SECP and are abiding by the code of conduct prescribed by the association(s) and;

(ii) The written contract with the Distributors clearly states the terms and conditions for avoidance of frauds and sales based upon misleading information.

### **7.5 Appointment of Investment Facilitators**

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

The Management Company shall be obliged to process payment instrument immediately on receipt of application.

### **7.6 Appointment of Registrar/Transfer Agent**

The Management Company may from time to time and at its own expense and responsibility under intimation to the Trustee, appoint, remove or replace the Registrar/Transfer Agent who shall be responsible for performing Registrar Functions.

### **7.7 Record Keeping**

The Management Company has the primary responsibility for all record keeping, regular determination and announcements of prices of Units and for producing financial reports from time to time. However, the Trustee has the responsibility to ensure timely delivery to the Management Company of statements of accounts and transaction advices for banking and custodial accounts in the name and under the control of the Trustee. The Management Company shall provide the Trustee unhindered access to all records relating to the Scheme.

### **7.8 Accounts**

- 7.8.1 The Management Company shall maintain at its principal office, proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Scheme, and all other transactions for the account of the Scheme.
- 7.8.2 The Management Company shall maintain a Register of Unit Holders of the Scheme and inform the Commission of the address where the Register is kept.
- 7.8.3 The Management Company shall maintain the books of accounts and other records of the Scheme for a period of not less than ten years.

### **7.9 Principal office, records and Submission of Accounts**

- 7.9.1 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, payment made from by the Scheme on redemption of the Units and by way of distributions and payment made from 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.
- 7.9.2 The Management Company shall within one month of the closing of the first and third quarter and within two months of the closing of the second quarter of each Accounting Period, prepare as per Rules and Regulations and transmit (physically or through electronic means or on the web subject to SECP approval) to the Unit Holder(s), the Trustee and the SECP and Stock Exchange(s) (on which the Units of the Scheme are listed), whether audited or otherwise:
- (i) balance sheet as at the end of that quarter;
  - (ii) income statement;
  - (iii) cash flow statement;
  - (iv) statement of movement in Unit Holders' fund or Net Assets or reserves; and
  - (v) statement showing the securities owned at the beginning of the relevant period, securities purchased or sold during such period, and the securities held at the end of such period together with the value (at carrying and at market) and the percentage in relation to Net Assets of the Scheme and the issued capital of the person whose securities are owned for that quarter.
- 7.9.3 The Management Company shall, within four months of closing of the Annual Accounting Period of the Scheme, transmit to the Unit Holders, the Trustee, the SECP and Stock Exchange(s) (on which the Units of the Scheme are listed) the annual report as per the requirements set out in Schedule V of the Regulations, including:
- (i) copy of the balance sheet and income statement;
  - (ii) cash flow statement;
  - (iii) statement of movement in Unit Holders' fund or Net Assets or reserves; and
  - (iv) the Auditor's report of the Scheme
  - (v) the Trustee's Report

### **7.10 Appointment of Auditors**

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

### **7.11 Submission of information to Trustee**

The Management Company shall be obliged to provide such information and record to the Trustee as may be necessary to the Trustee to discharge its obligations under the Rules & Regulations.

### **7.12 Liabilities of the Management Company**

The Management Company shall not be under any liability, except such liability as may be expressly assumed by it under the Rules, Regulations and/or this Deed nor shall the Management Company (save as herein otherwise provided) be liable for any act or omission of the Trustee or for anything except its own negligence or willful breach of duty 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 this Deed, the Management Company 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.

#### **7.13 Instructions to Trustee**

The Management Company shall, from time to time, advise the Trustee of the instructions relating to any transaction entered into by it on behalf of the Trust.

#### **7.14 Performance of Duties as per Rules and Regulations**

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

#### **7.15 Protection of Unit Holders' interest**

The Management Company shall if it considers necessary request the Trustee, for protection of Fund Property or safeguarding the interest of the Unit Holders, to institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Fund Property or any part thereof.

#### **7.16 Delisting of Units**

The Management Company shall not apply for the delisting of the Units from a Stock Exchange (if applicable) unless it has obtained prior approval of the Commission in writing to such delisting.

#### **7.17 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.

### **8 SHARIAH GOVERNANCE / SHARIAH ADVISORY SERVICES**

#### **8.1 Shariah Governance**

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

#### **8.2 Shariah Advisor**

- 8.2.1 The Management Company shall appoint a Shariah Advisor at its own expense and responsibility from time to time that shall advise the Management Company regarding Shariah.
- 8.2.2 Meezan Bank Limited has been appointed as the Shariah Advisor of the Fund. At present the Shariah Supervisory Board of Meezan Bank consists of Justice (Retd) Muhammad Taqi Usmani, Dr. Abdul Sattar Abu Ghuddah, Sheikh Essam M. Ishaq and Dr. Muhammad Imran Ashraf Usmani.
- 8.2.3 The Management Company may, with prior notice to the Trustee, terminate its agreement with the Shariah Advisor(s) and appoint a new Shariah Advisor to the Fund under intimation to the Commission and the Trustee.
- 8.2.4 The Shariah Advisor shall advise the Management Company on matters relating to Shariah compliance and recommend general investment guidelines consistent with Shariah. Any verdict issued by the Shariah Advisor in respect of any Shariah related matter would be final and acceptable to the Trustee, the Management Company, the Unit Holders and other parties related with the matter.
- 8.2.5 The Shariah Advisor shall provide technical guidance and support on various aspects of Shariah, so as to enable the Management Company to mould the Unit Trust into a Shariah Compliant Investment.
- 8.2.6 The Shariah Advisor vide its letter dated \_\_\_\_\_ has certified that the Trust Deed is compliant with the requirements of Shariah. However, in case there is a requirement for any amendment, based on future research for purposes of increasing the Shariah acceptability of the Trust Deed subject to clause 24 of this Deed, permission for necessary amendments of the Deed may be sought from the Commission.
- 8.2.7 At the end of each Accounting Period, the Shariah Advisor shall issue a certificate to be included in the financial reports in respect of the Shariah compliance of the preceding year's operations of the Fund. Cost of any special investigations conducted by the Shariah Advisor would be borne by the Management Company.

### **9 ROLE AND RESPONSIBILITIES OF TRUSTEE**

### **9.1 Investment of Fund Property at direction of Management Company**

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

### **9.2 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.

### **9.3 Obligations under Regulations and Constitutive Document**

The Trustee shall perform all the obligations imposed on it under the Regulations, this Deed and the Offering Document and discharge all its duties in accordance with the Rules, Regulations, this Trust Deed and the Offering Document.

### **9.4 Nomination of Attorney**

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

### **9.5 Appointment of Sub-Custodian**

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

### **9.6 Compliance with this Deed**

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

### **9.7 Protection of Unit Holders' interest**

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

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

### **9.8 Actions to protect Unit Holders' interest**

The Trustee shall, if requested by Management Company or if it considers necessary for the protection of Fund property or safeguarding the interest of Unit Holders, institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Fund Property or any part thereof, with full powers to sign, swear, verify and submit pleadings and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized directors and officers. All costs, charges and expenses (including legal fees) incurred in instituting or defending any such action shall be borne by the Trust and the Trustee shall be

indemnified against all such costs, charges and expenses. Provided that no such indemnity shall be available in respect of any action taken against the Trustee for negligence or breach of its duties in connection with the Trust under this Deed or the Rules, Regulations. For the avoidance of doubt, it is clarified that notwithstanding anything contained in the Constitutive Documents, the Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities whatsoever suffered or incurred by the Trust, not arising from negligence by the Trustee and/or the AMC, or consequent to any such suit, proceeding, arbitration or inquiry or corporate or shareholders' action or otherwise howsoever and (save as herein otherwise provided), all such losses, claims, damages and other liabilities shall be borne by the Trust.

#### **9.9 Carrying out instructions of the Management Company**

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

#### **9.10 Availability of information to Management Company**

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

The Trustee shall ensure that the methodology and procedures adopted by the Management Company in calculating the value of units are adequate and the pricing and valuation for sale, issue, repurchase, redemption and cancellation are carried out in accordance with the provisions of the Constitutive Documents and Regulatory requirements

#### **9.11 Trustee's Report to the Unit Holders**

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

#### **9.12 Entitlement to require the Auditors to provide reports**

The Trustee shall be entitled to require the Auditors to provide such reports as may be required by the trustee under Rules and Regulations 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. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible.

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

#### **9.14 Performance parameters**

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

#### **9.15 Other Responsibilities of the Trustee**

- 9.15.1 The Trustee shall ensure that the sale, issue, repurchase, redemption and cancellation of Units are carried out in accordance with the provisions of this Deed, the Offering Document and supplemental thereto and the Rules & Regulations
- 9.15.2 The Trustee shall ensure that the methodology and procedures adopted by the Management Company in calculating the value of units are adequate and the pricing and valuation for sale, issue, repurchase, redemption and cancellation are carried out in accordance with the provisions of the Constitutive Documents and regulatory requirements
- 9.15.3 The Trustee shall ensure that the Management Company has specified the criteria in writing to provide for a diverse panel of brokers at the time of offering of Scheme and shall also ensure that the Management Company has been diligent in appointing the brokers to avoid undue concentration with any broker.
- 9.15.4 The Trustee shall ensure that the investment and borrowing limitations set out under this Deed, the Offering Document and the Regulations and the conditions under which the Scheme was registered are complied with.
- 9.15.5 The Trustee shall immediately inform the Commission if any action of the Management Company contravenes the Ordinance, the Rules, the Regulations, the Constitutive Documents, guidelines, circulars, directives or any other applicable laws.
- 9.15.6 The Trustee shall comply with the directions of the Commission given in the interest of the Unit Holder(s).

## **10 CHANGE OF MANAGEMENT COMPANY**

- 10.1** The Commission may on its own or on the recommendation of the Trustee remove the Management Company by giving at least ninety Business Days notice for sub clause (a) hereunder and with immediate notice for sub clause (b) & (c) hereunder in writing to the Management Company if any of the following have occurred:
- (a) the Management Company has willfully contravened the provisions of this Deed in any material respect and has failed to rectify the contravention within a reasonable period after the contravention has come to its notice;
  - (b) the Management Company has gone into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for purpose of reconstruction and amalgamation); a receiver has been appointed over any of the assets of the Management Company; or
  - (c) the Management Company has become ineligible to act as a management company of the Trust under the provisions of the Regulations, or any other law for the time being enforced.
- 10.2** The Management Company may retire at any time with the prior written consent of the Commission.
- 10.3** The removal or retirement of Management Company and appointment of a new management company shall always require the prior approval of the Commission and the intimation of the same to the Trustee.
- 10.4** If the Commission has cancelled the registration of the Management Company under the provisions of the Rules and/or Regulations, the Commission shall appoint another asset management company as the management company for the Scheme according to the provisions of this Deed, the Regulations and the Rules.
- 10.5** Upon a new management company being appointed the Management Company will take immediate steps to deliver all the documents and records pertaining to the Fund to the new management company and shall pay all sums due to the Trustee.
- 10.6** Upon its appointment the new management company shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the management company hereunder as fully as though such new management company had originally been a party hereto. The Management Company shall have the right to receive its remuneration up to the effective date of removal or retirement.
- 10.7** Furthermore, the Trustee may immediately upon the issuance of notice of removal of Management Company appoint auditors with the consent of Commission from amongst the panel of auditors for the audit of Financial Institutions.
- 10.8** The auditors so appointed shall be other than the existing auditors of the Fund, the Management Company and the Trustee.

- 10.9** The auditors shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Trustee or Commission.
- 10.10** The report for the audit shall be submitted by the auditors to the Trustee not later than thirty (30) Business Days from their appointment. A copy of the report shall also be provided to Commission, outgoing Management Company and the new management company.
- 10.11** The costs of audit shall be borne equally by the Management Company and the new management company.
- 10.12** Upon Retirement or removal, the Management Company shall be paid its accrued remuneration upto the date of retirement or removal.

## **11 CHANGE OF TRUSTEE**

- 11.1** The Trustee may, subject to prior approval of the Commission, retire from his office on appointment of a new trustee and the retirement shall take effect at the same time as the new trustee is appointed with the approval of the Commission or from the date of assumption of assets of the Fund by the newly appointed trustee, whichever is later.
- 11.2** In circumstances where the Commission is of the opinion that Trustee has been in violation of the Regulations or this Deed or found guilty of misconduct or failed to discharge its obligations under the Regulations, it may remove the Trustee after giving an opportunity of being heard.
- 11.3** The Management Company may, giving cogent reasons, apply to the Commission for change of the Trustee by simultaneously proposing appointment of a new trustee.
- 11.4** A new trustee shall be appointed when the Commission is satisfied with the circumstances and reasons for the change as per above clause 11.3 and accords approval for appointment of such a new trustee.
- 11.5** In the event of the Trustee desiring to retire, the Management Company, with the prior written approval of the Commission, may by a deed supplemental hereto under the seal of the Management Company appoint a new trustee under the provisions of the Regulations in place of the retiring Trustee and also provide in such deed for the automatic vesting of all the assets of the Scheme in the name of the new trustee. Provided that the obligations of the Trustee shall continue and the Trustee shall also receive its remuneration until the new trustee is appointed.
- 11.6** If the Trustee goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction on terms previously agreed to with the Management Company for purpose of reconstruction and amalgamation) or ceases to carry on business or a receiver of its undertaking is appointed or it becomes ineligible to act as a trustee of the Fund under the provisions of the Regulations, the Management Company shall with the approval of the Commission, by an instrument in writing, remove the Trustee from its appointment under this Deed and shall by the same or some other instrument in writing simultaneously appoint as trustee some other company or corporation according to the provisions of the Regulations and this Deed as the new trustee.
- 11.7** Upon the appointment of a new trustee, the Trustee shall immediately deliver all the documents and records to the new trustee and shall transfer all the Fund Property and any amount deposited in any Distribution Account to the new trustee and make payments to the new trustee of all sums due from the Trustee. The Trustee shall have the right to receive its remuneration up to the effective date of removal or retirement.
- 11.8** Upon retirement or removal, the Trustee shall be paid its accrued remuneration upto the date of retirement or removal.
- 11.9** The new trustee shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Trustee hereunder as fully as though such new trustee had originally been a party hereto.
- 11.10** Notwithstanding, removal/ resignation of the Trustee and its subsequent discharge from its duties under this Deed and the Regulations, the Trustee shall remain entitled to the benefit under the terms of this Deed till the removal/ resignation of the Trustee is effective without prejudice to the Trustee's responsibility or obligation to liquidate any liability for which the Trustee may have become liable under this Deed.



- 11.11** The Management Company may immediately in case of retirement or removal of Trustee appoint auditors with the consent of the Commission from amongst the panel of auditors for the audit of Financial Institutions. The Management Company shall ensure that accounts of the Fund till the day of the appointment of the new trustee are audited by such auditor.
- 11.12** The auditors so appointed shall be other than the existing auditors of the Fund, The Management Company and the Trustee.
- 11.13** The auditors shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Management Company or Commission.
- 11.14** The audit report for the audit shall be submitted by the auditors to the Management Company not later than thirty (30) Business Days from their appointment. A copy of the report shall also be provided to the Commission, Trustee and the new trustee.
- 11.15** The costs of audit shall be shared equally by the outgoing Trustee, the new trustee and the Scheme.

## **12 FUND PROPERTY**

- 12.1** The aggregate proceeds of all Units issued from time to time after deducting Duties and Charges, and after deducting there from any applicable Front-end Load, shall constitute part of the Fund 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 available for distribution in the Distribution Account.
- 12.2** The Fund Property shall initially be constituted out of the proceeds of the Units issued to the Core Investors, Pre-IPO Investors and other Units issued during the Initial Period of Offer.
- 12.3** The Trustee shall take the Fund Property into its custody or under its control either directly or through the Custodian and hold it in trust for the benefit of the Unit Holders in accordance with the provisions of the Regulations, applicable law and this Deed. The Fund Property shall always be kept as a separate property and shall not be applied to make a loan or advance except in connection with the normal business of the Fund. All registerable Investment shall be registered in the name of the Trustee and shall remain so registered until disposed of pursuant to the provisions of this Deed.
- 12.4** Save as herein expressly provided the Fund Property shall always be kept as separate property free from any mortgages, charges, liens or any other encumbrances whatsoever and the Trustee or the Custodian shall not except as allowed under the Regulations create any mortgages, charges, liens of any other encumbrances whatsoever to secure any loan, guarantee, or any other obligation actual or contingent incurred, assumed or undertaken by the Trustee, the Custodian or any other person except for securing finances obtained from Banks or institutions upon the direction of the Management Company and subject to the limitations contained in the Regulations.
- 12.5** The Trustee shall have the sole responsibility for the safe keeping of the Fund Property. Subject to the provisions of this Deed in the event of any loss due to negligence or breach of fiduciary duties on part of the Trustee, the Trustee shall have an obligation to replace the lost Investment forthwith with similar investment of the same class and issue together with all rights and privileges pertaining thereto or compensate the Fund to the extent of any such loss.
- 12.6** All cash forming part of the Fund Property shall be deposited by the Trustee in one or more separate Bank Account(s) on the instructions of the Management Company, in the name of the Trustee.
- 12.7** All income, profit etc earned in the Distribution Account(s), including those accruing on unclaimed dividends, shall form part of the Fund Property for the benefit of the Unit Holders and shall be transferred periodically from the Distribution Account(s) to the main Bank Account of the Fund as per the instruction of Management Company.

## **13 BANK ACCOUNTS**

- 13.1** ~~The Trustee, at the request of the Management Company, shall open Bank Accounts titled “CDC-Trustee Meezan Pakistan Sovereign Cash Fund” at designated Bank(s) in Pakistan and outside Pakistan, with rating as per Rules, Regulations and directives issued by the Commission after obtaining all necessary approvals from the relevant regulatory authorities. The Trustee, at the request of the Management Company, shall open Bank Accounts titled “CDC -Trustee Meezan Sovereign Fund” at~~

designated Bank(s) in Pakistan and outside Pakistan, with rating as per Rules, Regulations and directives issued by the Commission after obtaining all necessary approvals from the relevant regulatory authorities.<sup>12</sup>

13.2 The Management Company may also require the Trustee to open Bank Accounts as per Distribution Account for dividend distribution out of the Fund.

13.3 The Trustee shall, if requested by the Management Company open Bank Accounts titled "CDC – Trustee Meezan Sovereign Fund" in offshore countries where the Investments are made on account of the Fund, if such Investments necessitate opening and operation of Bank Accounts by the Trustee. For this purpose, the Trustee shall be deemed to be authorized to sign if required and submit the prescribed account opening forms of such Banks, including custodial/sub-custodial services accounts and brokerage accounts with such Banks, custodians, sub-custodians, and brokers, as may be required to be appointed for offshore Investments of the Fund. The opening, operation and maintenance of such Bank Accounts, custodial/sub-custodial and brokerage services accounts in offshore countries shall always be subject to the approval of the State Bank of Pakistan and the exchange control regulations, as well as any directives of the State Bank of Pakistan and/or the SECP<sup>13</sup>~~The Trustee shall, if requested by the Management Company open Bank Accounts titled "CDC – Trustee Meezan Pakistan Sovereign Cash Fund" in offshore countries where the Investments are made on account of the Fund, if such Investments necessitate opening and operation of Bank Accounts by the Trustee. For this purpose, the Trustee shall be deemed to be authorized to sign if required and submit the prescribed account opening forms of such Banks, including custodial/sub-custodial services accounts and brokerage accounts with such Banks, custodians, sub-custodians, and brokers, as may be required to be appointed for offshore Investments of the Fund. The opening, operation and maintenance of such Bank Accounts, custodial/sub-custodial and brokerage services accounts in offshore countries shall always be subject to the approval of the State Bank of Pakistan and the exchange control regulations, as well as any directives of the State Bank of Pakistan and/or the SECP.~~

13.4 For the purpose of making investments in offshore countries and for opening, maintaining and operating accounts mentioned in clause 14, the Management Company may in consultation with the Trustee retain the services of legal, financial and other advisors and professionals to ensure legal and regulatory compliances on part of the Management Company and the Trustee, as provided in Clause 14.

13.5 All income, interest/markup, profit etc. earned in the Distribution Account(s), including those accruing on unclaimed dividends, shall form part of the Fund Property for the benefit of the existing Unit Holders and shall be transferred periodically from the Distribution Account(s) to the main Bank Account of the Trust.

13.6 Notwithstanding any thing in this Deed the beneficial ownership of the balances in the Accounts vests in the Unit Holders of the Fund.

### 13.7 Investment of Seed Capital and Pre-IPO Funds

"The amounts received from the Core Investors and other Pre-IPO Investors would be deposited in a separate Bank Account titled "CDC - Trustee Meezan Sovereign Fund – Pre - IPO". The Management Company may deposit/ invest this amount in Bank Account of an A Minus (A-) or above Scheduled Islamic Commercial Bank or Islamic window of a Scheduled Commercial Bank.

~~13.8 —Income, profit etc. earned on the investments by the Core Investors and other Pre-IPO Investors up to the beginning of the Initial Period of Offer, shall after deducting all expenses that may be incurred by the Management Company, be paid (upon receipt of such income/profit) to the Core Investors and other Pre-IPO Investors in proportion to their respective investments. The remaining amount, after payment of Income, Profit etc. to Core Investors and other Pre-IPO Investors will be transferred to the main Bank Account of the Fund upon the beginning of the Initial Period of Offer. The amounts received from the Core Investors and other Pre-IPO Investors would be deposited in a separate Bank Account titled "CDC– Trustee Meezan Pakistan Sovereign Cash Fund". The Management Company may deposit/ invest this amount in Bank Account of an A-rated Scheduled Islamic Commercial Bank or Islamic window of a Scheduled Commercial Bank.~~

~~Income, profit etc. earned on the investments by the Core Investors and other Pre-IPO Investors upto the close of the Initial Period of Offer, shall after deducting all expenses that may be incurred by the Management Company, be paid (upon receipt of such income/profit) to the Core Investors and other Pre-IPO Investors in proportion to their respective investments. The remaining amount, after payment of~~

<sup>12</sup> Amended through STD-1

<sup>13</sup> Amended through STD-1

~~Income, Profit etc. to Core Investors and other Pre IPO Investors, will be transferred to the main Bank Account of the Fund upon the close of the Initial Period of Offer.~~<sup>14</sup>

## 14 INVESTMENT OBJECTIVE, INVESTMENT POLICY AND INVESTMENT RESTRICTIONS

### 14.1 Investment Objective

14.1.1 To seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in shariah compliant money market & shariah compliant debt securities having a sovereign backing of the Federal Government, Provincial Government, Local Government, Government Agencies or Public sector entities.

### 14.2 Investment Policy

~~Meezan Pakistan Sovereign Cash Fund~~Meezan Sovereign Fund, in line with its Investment Objectives, will only invest in Authorized Investments. The Fund intends to invest in following type of securities.

14.2.1 ~~MPSCF~~ will invest in those securities which have a backing of the Federal Government, Provincial Government, Local Government, Government Agencies, Autonomous bodies or Public sector entities

~~14.2.2 MPSCF will invest in any of the investment avenues described below:~~

- ~~(a) Bank Deposits in licensed Islamic Banks and licensed Islamic Banking windows of conventional Banks.~~
- ~~(b) Secured and listed Shariah compliant fixed income securities including sukuks issued by Federal Government, Provincial Government, Local Government and Government Agencies, public sector entities and Autonomous bodies~~
- ~~(c) Secured and unlisted Shariah compliant fixed income securities including sukuks issued by Federal Government, Provincial Government, Local Government and Government Agencies, public sector entities and Autonomous bodies~~
- ~~(d) Unsecured and listed Shariah compliant fixed income securities including sukuks issued by Federal Government, Provincial Government, Local Government, Government Agencies, public sector entities and Autonomous bodies~~
- ~~(e) Unsecured and unlisted Shariah compliant fixed income securities including sukuks issued by Federal Government, Provincial Government, Local Government, Government Agencies, public sector entities and Autonomous bodies~~
- ~~(f) Any other Shariah compliant instrument issued by Federal Government, Provincial Government, Local Government, Government Agencies Autonomous bodies and public sector entities as per the guidelines of the Fund's Shariah Advisor.~~
- ~~(g) Any other Shariah Compliant sovereign security that meets the SLR eligibility requirements.~~
- ~~(h) Subject to SECP or other regulatory approvals the Scheme may seek to invest in Shariah Compliant securities issued by Federal Government, Provincial Government, Local Government, Government Agencies, Autonomous bodies and public sector entities, listed or otherwise and traded outside Pakistan on such terms, guidelines and directions as may be issued by SECP and the State Bank of Pakistan from time to time. Foreign investment by the Fund is subject to the following limits:~~

~~(a) Maximum 30% of the Net Assets of the Fund.~~

~~(b) The above percentage is subject to a cap of US\$ 15 million~~

~~14.2.2 "Authorized Investments" means the following securities/venue of investments which are backed/Guaranteed by Government.~~

- ~~(a) Shariah compliant fixed income Government Securities (including Sukuks) which include monetary obligations of the Federal Government or a Provincial Government or of a corporation wholly owned or controlled, directly or indirectly, by the Federal Government or a Provincial Government and guaranteed/Backed by the Federal Government and any other security as the Federal Government may, by notification in the Official Gazette, declare, to the extent determined from time to time, to be Government Securities;.~~
- ~~(b) Any other Shariah compliant fixed income Government Securities subject to SECPs approval~~
- ~~(c) Bank Deposits in licensed Islamic Banks and licensed Islamic Banking windows of conventional Banks~~
- ~~(d) Subject to SECP or other regulatory approvals the Scheme may seek to invest in Shariah Compliant securities issued by Federal Government, Provincial Government, Local Government, Government Agencies, Autonomous bodies and public sector entities, listed or otherwise and traded outside Pakistan on such terms, guidelines and directions as may be issued by SECP and the State Bank of Pakistan from time to time. Foreign investment by the Fund is subject to the following limits:~~

<sup>14</sup> Amended through STD-1

- (a) Maximum 30% of the Net Assets of the Fund.
- (b) The above percentage is subject to a cap of US\$ 15 million
- (e) The investment in aforesaid asset classes shall be subject to such exposure limits and minimum ratings as specified in the Offering Document
- (f) The weighted average time to maturity of net assets shall not exceed 4 years and this condition shall not apply to securities issued by the Federal Government.
- (g) There would be no restriction on time to maturity of any single asset in the portfolio or duration of a single security in the portfolio.
- (h) At least 25% of the net assets shall be invested in cash and near near cash investments which include cash in bank account (excluding TDRs) not exceeding 90 days maturity.
- (i) All Authorized Investments are subject to rating criteria, Exposure limits and any other conditions prescribed by Regulations and/or SECP directives.

### **14.3 Offshore Investments**

14.3.1 In case investments are made on behalf of the Fund in any offshore countries, the same shall be subject to the limits as may be prescribed by the State Bank of Pakistan and/or the SECP, which shall be indicated in the Offering Document.

### **14.4 Investment Restrictions**

14.4.1 The Management Company in managing the Fund shall abide by all the provisions of this Deed, the Offering Document, Regulations and any other applicable law(s).

14.4.2 The Fund Property shall be subject to such Exposure limits as are provided in this Deed, the Offering Document, and the Regulations (subject to any exemptions that may be specifically given to the Fund by the Commission).

14.4.3 No single broker shall account for thirty percent or more of the Fund's brokerage or commission in any one Financial Year.

14.4.4 The Management Company on behalf of the Scheme shall not:

- (a) Affect a short sale in a security whether listed or unlisted;
- (b) Purchase any security in a forward contract;
- (c) Purchase any security on margin;
- (d) Apply any part of its asset to real estate,
- (e) Take Exposure in any other Collective Investment Scheme except for overseas investments
- (f) Issue at any time, without the prior approval of the Commission in writing, a senior security which is either stock or represents indebtedness;
- (g) Lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person;
- (h) Make any investment which will vest with the Management Company or its group the management or control of the affairs of the investee company;

## **15 FINANCING ARRANGEMENTS**

**15.1** Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Management Company may arrange borrowing for account of the Scheme, with the approval of the Trustee, from Banks, Financial Institutions, non-banking finance companies or collective investment schemes. The borrowing, 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 per cent of the Net Asset of the Scheme at the time of borrowing or such other limit as specified by the Commission.

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

**15.3** Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such borrowings from Banks and Financial Institutions. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such loans or advances.

**15.4** For the purposes of securing any such borrowing the Trustee may upon instruction of the Management Company mortgage, charge or pledge in any manner all or any part of the Fund Property provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limits provided under the Regulations.

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

**15.6** In case of redemptions requests are pending for more than the period as stipulated in the Regulations, the Management Company shall not make any investment or rollover of any investment without consent of the Trustee.

## **16 VALUATION OF PROPERTY AND PRICING**

The valuation and pricing of the Fund property will be in accordance with the prescribed Rules and Regulations and any other directives provided thereof.

### **16.1 Determination of Purchase (Offer) Price**

16.1.1 Units offered during the Initial Period of Offer shall be issued at Initial Price.

16.1.2 After the Initial Offer, the Offer Price for the Unit Holder shall be determined from time to time pursuant to the Clause 16.1.3 hereafter and shall be calculated and announced by the Management Company on every Business Day latest by 1830 PST.

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

- (a) The Net Asset Value as of the close of the Business Day (Forward pricing);
- (b) Any Front-end Load;
- (c) Such amount as the Management Company may consider an appropriate provision for Duties and Charges; and
- (d) Such amount as the Management Company may consider an appropriate provision for Transaction Costs.

Such sum shall be adjusted upward to the nearest paisa.

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

16.1.4 Unit Purchase Requests, complete in all respects received during the Business Hours, shall be priced at the Purchase Price so determined at the close of the Business Day when the said Unit Purchase Requests is received by the Distributor or subsequent Business Day if the day is not a Business Day. Units will be issued after realization of subscription money.

16.1.5 In the event that the amount paid as provision for payment of Duties and Charges pursuant to 15.1.3 (c) is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retrospective effect after the date of payment in which case such excess shall be recovered from the Fund Property).

16.1.6 In the event that the amount paid as provision for payment of Duties and Charges pursuant to 15.1.3 (c) exceeds the relevant amount of Duties and Charges, the Registrar shall issue additional Units or fractions thereof to the Unit Holders based on the price applicable to the Units issued against the relevant application

16.1.7 The Purchase (Offer) Price determined by the Management Company shall be made available to the public at the office and branches of the Distributors and at the discretion of the Management Company may also be published in any daily newspaper widely circulated in Pakistan.

### **16.2 Allocation of Sales Load**

- 16.2.1 The remuneration of Distributors and Investment Facilitators shall be paid from any Front-end Load received against dealings in Units. If the Front-end Load is insufficient to pay the remuneration of the Distributors and Investment Facilitators, the Management Company shall pay the amount necessary to pay in full such remuneration and no charges shall be made against the Fund Property or the Distribution Account in this respect.
- 16.2.2 Such payments may be made to the Distributors and Investment Facilitators by the Management Company upon the receipt from the Trustee or may be made by the Trustee directly on the instructions of the Management Company on monthly basis in arrears within thirty days of the end of the calendar month.
- 16.2.3 The Management Company may at its discretion charge different levels of Load on different kinds of Units. However, Front-end Load plus Back-end Load shall not exceed 5% in any case and various levels of Front-end and Back-end Loads shall be disclosed in the Fund's Offering Document. In such an instance the Management Company may instruct the Registrar to issue additional Units or fractions thereof to the Unit Holder based on the price applicable to the Units issued against the relevant application. However, the Trustee will not accept any amount which is less than the amount based on the Net Asset Value for the day.
- 16.2.4 A Distributor located outside Pakistan may if so authorized by the Management Company and the Trustee retain such portion of the Front-end Load as is authorized by the Management Company and transfer the net amount to the Trustee, subject to the law for the time being in force.

### **16.3 Determination of Repurchase (Redemption) Price**

- 16.3.1 During the Initial Offer the Units shall not be redeemed.
- 16.3.2 After the Initial Offer the Redemption Price shall be equal to the Net Asset Value as of the close of the Business Day to be announced on daily basis by 1830 PST, less:
- (a) Any Back-end Load as per the details in the Offering Document but not exceeding five percent of the Net Asset Value, and;
  - (b) Such amount as the Management Company may consider an appropriate provision for Duties and Charges; and
  - (c) Such amount as the Management Company may consider an appropriate provision for Transaction Costs;
- Such sum shall be adjusted downward to the nearest paisa
- 16.3.3 The Repurchase (Redemption) Price so determined shall apply to redemption requests, complete in all respects, received by the Distributor or the Management Company during the business hours (as announced by the Management Company from time to time) on the Business Day on which a correctly and properly filled redemption application is received.
- 16.3.4 In the event that the amount paid as provision for payment of Duties and Charges is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retrospective effect after the date of payment in which case such excess shall be recovered from the Fund Property).
- 16.3.5 In the event that the provision for payment of Duties and Charges exceeds the relevant amount of Duties and Charges, the excess amount will form part of Fund Property.
- 16.3.6 The Redemption Price determined by the Management Company shall be made available to the public at the office and branches of the Distributors and at the discretion of the Management Company may also be published in any daily newspaper widely circulated in Pakistan.

### **16.4 Redemption of Units**

- 16.4.1 The Trustee shall at any time during the life of the Fund, on the instructions of the Management Company, authorize redemption of Units out of the Fund Property.
- 16.4.2 The Management Company shall formally forward the details of all the requests regarding dealing in Units, duly time and date stamped to the Trustee within 24 hours of the receipt of the request.
- 16.4.3 An application for Redemption of Units shall be made by completing the prescribed Redemption Form and the same is received at the Authorized Branch or office of the Distributor on a Business Day during the business hours as may be announced by the Management Company from time to time. The Distributor may retain a copy of the Redemption Form and a copy may also be supplied to the Registrar, if so required by the Management Company. The Management Company may make

- arrangements to accept redemption requests through electronic, IVR (interactive voice response) or other means upon satisfaction of the Trustee. The Management Company shall not redeem part of the Units comprised in a Certificate. Units in a Certificate can only be redeemed after surrendering the Certificate. In case of partial redemption, Units requested for redemption will be redeemed after surrendering of Certificate and a new Certificate for balance units may be issued. In the case where Certificate is not issued any number of Units can be redeemed by the Unit Holder thereof. The relevant Certificate shall accompany the application for Redemption of Units, if issued. At the discretion of the Management Company certificate charges may apply for the reissued Certificate. In case of application for redemption by joint Unit Holders, unless otherwise specified by the joint holders, such application should be signed by all the joint Holders as per their specimen signatures provided at the time of opening of the account within the Unit Holder Register, through the Investor Account Opening Form.
- 16.4.4 The Trustee may at its discretion dispense with the production of any Certificate that shall have become lost, stolen or destroyed upon compliance by the Unit Holder(s) with the like requirements to those arising in the case of an application by him for the replacement thereof.
- 16.4.5 The Management Company shall announce the Offer and Redemption Price on a daily basis on all Subscription Days latest by 1830 PST. The Redemption Price at which Units shall be redeemed shall be the price fixed by the Management Company under the terms of this Deed. However, if the event in Clause 17.3 or Clause 17.4 hereunder comes into application, the redemption value shall be determined in accordance with the procedure laid out in these clauses.
- 16.4.6 The amount payable on redemption shall be paid to the Unit Holders or first named joint Unit Holder by dispatching a cheque/ bank draft for the amount to the registered address of the Unit Holder or may be paid to the Unit Holder by transfer to the Unit Holder's designated bank account as mentioned in the Investor Account Opening Form within six Business Days from the date of presentation of the duly completed redemption application, electronic or otherwise, at the Authorized Branch or office of the Distributor or Registrar.
- 16.4.7 The Management Company may make arrangements through branches of banks to facilitate redemption of Units of the Unit Trust. A request for redemption of Units may also be made through the use of electronic means such as Internet or ATM facilities or Credit Card facilities, upon satisfaction of the Trustee. The official redemption and issue locations shall be disclosed in the Offering Document and / or website of Management Company.
- 16.4.8 The receipt of the Unit Holders for any moneys payable in respect of the Units shall be a good discharge to the Trustee and the Management Company and in case of joint Unit Holders any one of them may give effectual receipt for any such moneys.
- 16.4.9 Application for Redemption of Units will be received at the authorized offices or branches of the Distributor on all Business Days. Where redemption requests on any one Business Day exceed ten (10) percent of 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 17.3.
- 16.4.10 The Distribution Company or the Registrar shall verify the particulars given in the application for Redemption of Units. The signature of any Unit Holder or joint Unit Holder on any document required to be signed by him under or in connection with the application for redemption of Units may be verified by the Registrar or otherwise authenticated to their reasonable satisfaction. In case of submission of electronic on-line redemptions the Unit Holder's user ID and password will authenticate his identity.
- 16.4.11 A redemption request shall deem to have been made in accordance with the provisions of the Offering Document if such documents prescribe automatic redemption under certain circumstances.
- 16.4.12 Where lien/ pledge/ charge is recorded in the Register, the Management Company and Trustee may concur to make payment to the pledgee, if a request is received from the pledgee or through an order of a competent court and on receipt of such indemnification as Management Company or Trustee may require.
- 16.4.13 The valuation and pricing of the Fund Property will be in accordance with the Regulations and as specified in this Trust Deed or Offering Document of the Scheme. In respect of investments held in foreign currencies, the same will be translated in Pakistan Rupees using, the closing buying spot rates declared by State Bank of Pakistan and any change thereof shall be disclosed in financial statements of the Scheme.

16.4.14 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).

## **17 DEALING, SUSPENSION, AND DEFERRAL OF DEALING**

### **17.1 Change in the method of dealing**

Subject to compliance with Regulation and under the circumstances mentioned in the Offering Document (having regard to the interests of Unit Holders), the Management Company may request the Trustee to approve a temporary change in the method of dealing in Units. Such approval shall not be unreasonably withheld.

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

### **17.2 Suspension of Issue or Redemption of Units**

17.2.1 In extra ordinary circumstances the Management Company may suspend the issue of Units at any time for an indefinite period as defined in 17.2.2 below.

17.2.2 In extra ordinary circumstances, in case of suspension of redemption of Units the issuance of fresh Units shall also be kept suspended until and unless redemption of Units is resumed. In such a case, the Management Company shall immediately notify the Commission and Trustee and it shall also publish a notice in this regard immediately following such decision in the newspaper in which the Scheme's Offer and Redemption Prices are normally published. The exceptional circumstances may include:

- (a) Any period when the Stock Exchange on which any of the Investment for the time being is listed or dealt in is closed or when dealings in such Investment are restricted or suspended;
- (b) The existence of any state of affairs or force majeure which in the opinion of the Management Company constitute an emergency as a result of which disposal of any of the Investment would not be reasonably practicable or might seriously prejudice the interest of the Fund or the Unit Holders;
- (c) Any breakdown in the means of communication normally employed in determining the price of any Investment or the current price thereof on any Stock Exchange or when for any reason the price of any such Investment cannot be promptly and accurately ascertained;
- (d) Any period when remittance of money which will or may be involved in the realization of such Investment or in the payment for such Investment cannot in the opinion of the Management Company be carried out in reasonable time;
- (e) If the Management Company is of the view that it would be detrimental to the remaining Unit Holders to redeem or continue to redeem Units at a price ascertained on the basis of the Net Asset Value;
- (f) Extraordinary circumstances including closure of one or more Banks, in which the Fund's Bank Accounts are maintained.

17.2.3 Suspension of Issue of Units may however not affect existing subscribers, the issue of bonus units as a result of dividend distribution or the option to receive dividends in the form of additional Units. The Management Company shall announce the details of exemptions at the time a suspension of fresh issue is announced. The Management Company shall immediately notify the Commission and the Trustee if dealing in Units is suspended and shall also have the fact published, immediately following such decision, in any one of the newspapers in which the Fund's prices are normally published.

17.2.4 Such suspensions in Issue or Redemption of Units shall end on the day following the first Business Day on which the conditions giving rise to the suspension shall in the opinion of the Management Company have ceased to exist and no other condition under which suspension is authorized under the Deed exists. In case of suspension and end of suspension, the Management Company shall immediately notify the Commission and the Trustee and publish the same in news paper in which prices of the Fund are normally published.



### **17.3 Queue System**

- 17.3.1 In the event redemption requests on any Business Day exceed ten (10) percent of the Units outstanding, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for up to ten (10) percent of the Units outstanding.
- 17.3.2 The Management Company shall proceed to sell adequate assets of the Fund and/ or arrange borrowing as it deems fit in the best interest of the Unit Holders and shall determine the Redemption Price to be applied to the redemption requests based on such action.
- 17.3.3 The requests in excess of the ten (10) percent shall be treated as redemption requests qualifying for being processed on the next Business Day at the price to be determined for such redemption requests.
- 17.3.4 If the carried over requests and the fresh requests received on the next Business Day still exceed ten (10) percent of the Units outstanding, these shall once again be treated on first-come-first served basis and the process for generating liquidity and determining the Redemption Price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten (10) percent of the Units then outstanding.

### **17.4 Winding up of the Trust**

17.4.1 The Management Company 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 Fund Property to meet such redemptions would jeopardize the interests of the remaining Unit Holders and that it would be in the best interest of all the Unit Holders that the Trust be wound up. The Management Company shall give at least three months notice to Unit Holders, the Trustee and the Commission and shall disclose the grounds of its decision.

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

17.4.3 The Trust may also be terminated by the Commission on the grounds given in the Rules and Regulations

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

17.4.5 Upon the Trust being terminated the Management Company shall suspend the Sale and Redemption of Units forthwith and proceed to sell all the Investments then remaining in the hands of the Trustee as part of the Fund Property and shall repay any borrowing affected by Trust together with any markup or profit remaining unpaid.

17.4.6 The Trustee on the recommendation of the Management Company shall from time to time distribute to the Unit Holders pro rata to the number of Units held by them respectively all net cash proceeds derived from the realization of the Fund Property after making payments as mentioned in clause 17.4.5 above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands,

## **18 FEES AND CHARGES**

### **18.1 Sales Load**

- 18.1.1 The Sales Load shall not exceed five percent (5%) of Net Asset Value.
- 18.1.2 Any change in the maximum limit for Sales Load will be communicated to the Unit Holders at least fifteen (15) Business Days prior to the application of that decision subject to approval from the Commission under intimation of the Trustee.

## 18.2 Remuneration of the Management Company

- 18.2.1 The Management Company shall be entitled to an accrued remuneration equal to an amount not exceeding three percent of the average annual Net Assets of the Scheme that has been verified by the Trustee and is paid in arrears on monthly basis during the first five years of existence of the Scheme and thereafter an amount equal to two per cent of Net Assets or such other amount as may be specified by the Commission
- 18.2.2 The Management Company shall be entitled to draw accrued remuneration on a monthly basis from the Fund Property.
- 18.2.3 Management Company shall be responsible for the payment of all expenses incurred by it from time to time in connection with its responsibilities as the asset management company to the Fund. The Management Company shall not make any charge against the Unit Holders or against the Fund Property or against the Distribution Account for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the Regulations and the Trust Deed to be payable out of Fund Property.
- 18.2.4 The Management Company shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provision of the Trust Deed.
- 18.2.5 The remuneration shall begin to accrue from the first day subsequent to the close of Initial Offer. In respect of any period other than a full calendar year, such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued in the accounting year concerned.

## 18.3 Remuneration of the Trustee

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

## 18.4 Formation Costs

- 18.4.1 All expenses incurred in connection with incorporation, establishment and registration of collective investment scheme shall be borne by the Management Company and shall be reimbursable to the Management Company by the Fund (subject to the audit of such expenses).
- 18.4.2 Formation Cost will be amortized over a period not less than five years or within the maturity date of the Scheme.

18.4.3 ~~The~~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 Units is completed. One time advertisement cost for launching of Fund may be charged to Fund.

~~18.4.3 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 Units is completed. Marketing costs shall not be borne by the Fund.<sup>15</sup>~~

18.4.4 Formation Cost shall be charged to the Scheme and shall not exceed one (1%) percent of Pre-IPO Capital or five million rupees, whichever is lower.

## **18.5 Other Fees and Charges Payable out of the Property of the Fund**

The following charges shall be payable out of the Fund Property

- (a) remuneration of the Management Company ;
- (b) remuneration of both Trustee or Custodian ;
- (c) listing fee payable to the Stock Exchange(s) including renewals;
- (d) charges and levies of Stock Exchange(s), national clearing and settlement company and central depository company;
- (e) rating fee for the Scheme payable to approved rating agency;
- (f) Auditors' fees and out of pocket expense billed by them ;
- (g) fees payable to the Commission;
- (h) amortization of Formation Cost;
- (i) brokerage and transaction costs related to investing and disinvesting of the assets of the Scheme;
- (j) expenses incurred by Trustee in effecting registration of all registerable assets in the name of the Trustee;
- (k) legal and related costs incurred in protecting or enhancing the interests of the Unit Holders of the Scheme;
- (l) Bank charges and borrowing and financial costs;
- (m) hedging costs including forward cover, forward purchase or option purchase costs;
- (n) printing costs and related expenses for issuing the Scheme's quarterly, half-yearly and annual reports;
- (o) taxes, fees, duties and other charges applicable to the Scheme on its income or its properties, including taxes, fees, duties and other charges levied by foreign jurisdiction on investments outside Pakistan; and
- (p) any other expenses or charge as may be allowed by the Commission

## **19 TRANSACTIONS WITH CONNECTED PERSONS**

**19.1** The Fund Property shall not be invested in any security of a company if any director or officer of the Management Company individually owns more than five per cent (5%) of the total amount of securities issued, or, the directors and officers of the Management Company own more than ten per cent (10%) of those securities collectively.

**19.2** The Management Company on behalf of the Scheme shall not without the prior approval of the Commission in writing, purchase from, or sell to, any securities to Connected Person or employee of the Management Company.

**19.3** For the purpose of Clauses 19.1 and 19.2 above, the terms director, officer and employee shall include spouse, lineal ascendants and descendants, brothers and sisters.

**19.4** The Management Company on behalf of the Scheme shall not take Exposure of more than 10% of Net Assets of the Scheme in listed group companies of the Management Company and such Exposure shall only be made through the secondary market.

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

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

## **20 DISTRIBUTION POLICY, DETERMINATION OF DISTRIBUTABLE INCOME AND DATE OF DISTRIBUTION**

**20.1** The Management Company shall decide as soon as possible but not later than forty-five days after the Accounting Date whether to distribute among Unit Holders, profits, if any, available for the distribution

<sup>15</sup> Amended through STD-1

at the end of the Accounting Period, and shall advise the Trustee of the rate of such distribution per Unit.

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

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

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

**20.4** The income qualifying for distribution in respect of the relevant period shall be ascertained by deducting all such expenses and costs as mentioned in Clause 18 above.

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

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

**20.6** The Management Company may, from time to time, pay to the Unit Holders such interim dividends as in their judgment position of the Fund justifies.

### **20.7 Distribution Policy and Date of Distribution**

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

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

20.7.3 After the fixation of the rate of distribution per Unit, distribution payments shall be made by the Trustee through transfer to the Unit Holders' designated bank accounts as mentioned in the Investor Account Opening Form to be prescribed in the Offering Document or through any other mode(s) of payment and such payment shall be subject to the Regulations.

20.7.4 Before making any distribution payment (such as bonus units, cash dividend etc.) in respect of a Unit the Trustee or the Management Company may make such deductions as may be required by law in respect of any Zakat, income or other taxes, charges or assessments whatsoever and issue to the Unit Holders the certificate/ advice in respect of such deductions in the prescribed form or in a form approved by the concerned authorities.

- 20.7.5 The Management Company shall give the Unit Holders the option at the time of opening of Unit Holder Account (via the Investor Account Opening Form) within the Unit Holder Register to receive new Units instead of cash dividend. The Unit Holders shall be entitled to change such option and no load shall be charged.
- 20.7.6 In case of distribution in the form of bonus Units on each distribution date the Management Company shall determine the amount available for distribution as bonus Units and inform the Trustee of the same.
- 20.7.7 After the fixation of rate of bonus entitlement per Unit, the Management Company shall instruct the Registrar to credit the respective Unit Holders' accounts with the designated number of Units calculated on the basis of the rate of distribution determined above against the number of Units held by them on the date of Register Closure.
- 20.7.8 The Management Company shall give the Unit Holder(s) the option at the time of opening of Unit Holder Account (via the Investor Account Opening Form) within the Unit Holder Register to encash bonus Units. In such case the bonus Units issued to the credit of such Unit Holder(s) shall be redeemed at the ex-dividend NAV as calculated on the Business Day immediately preceding the first day of the book closure announced for such purpose and proceeds shall be credited in accordance with the normal procedure already detailed above for Redemption of Units. No Back-end Load will be charged upon redemption of bonus units.
- 20.7.9 The Unit Holders shall be entitled to change such options. Details are given in the Offering Document.
- 20.7.10 Where Units are placed under pledge/ lien the payment of dividends will be made in accordance with Clause 35 of this Deed.

## **21 ANNUAL ACCOUNTING PERIOD**

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

## **22 BASE CURRENCY**

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

## **23 ADMINISTRATIVE ARRANGEMENTS**

- 23.1 The Management Company, with the consent of the Trustee and approval of the Commission, may offer different Administrative Arrangements.
- 23.2 Details of any Administrative Arrangement as and when introduced by the Management Company shall be detailed out in the Supplemental Offering Document(s) of the Fund.
- 23.3 Units issued under any Administrative Arrangement shall rank pari passu as to the Net Assets, earnings and receipt of the dividend or distribution of respective Collective Investment Schemes managed by the Management Company.
- 23.4 The Management Company shall give a prior notice of at least 7 days to the Unit Holders and the Trustee, before the launch of any Administrative Arrangement(s).
- 23.5 Certificates representing Units purchased under this Administrative Arrangement shall not be issued.
- 23.6 In the event any changes are introduced in the Administrative Arrangements after existing Unit Holders have made an initial investment in the Administrative Arrangements, the existing Unit Holders shall be

given a prior notice of at least 30 days to comply with the changes. Any subsequent investments shall be in accordance with any changes so made.

- 23.7 In the event of winding up of the ~~Meezan Pakistan Sovereign Cash Fund~~ Meezan Sovereign Fund,<sup>16</sup> the Administrative Arrangement shall be discontinued and the Units standing to the credit of the Unit Holders shall be dealt with in the same manner the rest of the Units in the Scheme.

## 24 MODIFICATION OF THE TRUST DEED

- 24.1 The Trustee and the Management Company acting together shall be entitled by deed supplemental hereto to modify, alter or add to the provisions of this Deed in such manner and to such extent as they may consider expedient for any purpose, subject only to the approval of the Commission. Provided that, the Trustee and the Management Company shall certify in writing that, in their opinion such modification, alteration or addition is required pursuant to any amendment in the Rules/Regulations or to ensure compliance with any fiscal or statutory requirement or to enable the provisions of this Deed to be more efficiently, conveniently or economically managed or to enable the Units to be dealt in or quoted on Stock Exchange or otherwise for the benefit of the Unit Holder(s) and that it does not prejudice the interests of the Unit Holder(s) or any of them or operate to release the Trustee or the Management Company from any responsibility to the Unit Holder(s).
- 24.2 The amended or supplemented Deed shall be binding on the Unit Holder(s) from the date of such amended or supplemented Deed. Where this Deed has been amended or supplemented, the Management Company shall notify the Unit Holders immediately.
- 24.3 The Management Company may, from time to time, with the consent of the Trustee frame procedures for conducting the business of the Trust or in respect of any other matter incidental thereto; provided such procedures are not inconsistent with the provisions of the Rules / Regulations, this Deed or the Offering Document.
- 24.4 If the Commission modifies the Rules or Regulations to allow any relaxations or exemptions, these will deemed to have been included in this Trust Deed without requiring any modification as such.
- 24.5 If at any time, any Clause of this Deed becomes in whole or in part, illegal, invalid or unenforceable under the laws of any applicable jurisdiction, neither the legality, validity and enforceability of the remaining Clauses of this Deed hereof, nor the legality, validity or enforceability of such Clause under the law of any other jurisdiction shall in any way be affected or impaired thereby.

## 25 DISTRIBUTION OF LIQUIDATION PROCEEDS

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

## 26 TRANSACTIONS RELATING TO INVESTORS (UNIT HOLDERS)

- 26.1 The Management Company shall advise the Trustee on a daily basis of the details of amounts to be paid to respective Unit Holders against redemption requests and/ or dividend payments, if any. Such payments shall be effected by the Trustee out of the accounts of the Fund by way of transfer of the appropriate amounts to the designated Bank Accounts of the Unit Holders or by dispatch of Instruments/ dividend cheque / warrants / advice to the Unit Holders by registered post/ courier at their

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<sup>16</sup> Amended through STD-1

respective addresses. Such dispatch shall constitute discharge of the Management Company and the Trustee in respect of such payment.

- 26.2** The Management Company may make arrangements through branches of banks to facilitate issuance and redemption of Units of the Unit Trust. A request for purchase of Units may also be made through the use of electronic means such as Internet or ATM facilities or Credit Card facilities upon satisfaction of the Trustee. A request for redemption of Units may also be made through the ATM facility only when the relevant bank(s)/branch(s) have been instructed by the Management Company to accept Unit Holders' requests to redeem the Units. The Trustee shall agree to such arrangements after satisfying itself in respect of all appropriate safeguards having been taken without incurring any liability for additional risks involved.
- 26.3** The Management Company shall, from time to time, advise the Trustee of the dividend distribution for the Unit Trust. The Trustee may establish a separate Bank Account for dividend distribution and transfer the amount payable as cash dividend to such Account after deducting such Taxes and Zakat as may be required under the law.
- 26.4** The Trustee shall pay to the Management Company's, upon instruction of Management Company, sums of Sales Load and/or other recoveries that are allowed as per the Constitutive Documents and the Regulations.
- 26.5** Without prejudice to the foregoing, and subject to any law for the time being in force, the Trustee shall endeavor to ensure and employ prudent practices to ensure that information pertaining to Fund Property, such as, but not restricted to, Investments made, list of Unit Holders etc., is not compromised, disclosed or provided to any third party without express consent of the Management Company or otherwise if required by any court or by the Commission or any other regulatory authority.
- 26.6** Where any loss is caused to the Fund Property or to the Management Company due to Trustee's failure to comply with terms of this Deed, owing to its negligence, the Trustee shall make good that loss by depositing a sum equivalent to the loss in the Fund Property or making payment to the Management Company, as the case may be.
- 26.7** Where any loss is caused to the Fund Property or to the Trustee due to Management Company's failure to comply with terms of this Deed, owing to its negligence, the Management Company shall make good that loss by depositing a sum equivalent to the loss in the Fund Property or making payment to the Trustee, as the case may be.

## **27 TRANSACTIONS RELATING TO INVESTMENT ACTIVITY/PORTFOLIO MANAGEMENT**

- 27.1** The Trustee shall ensure that where pertinent, payments for investments are made against delivery and vice versa, unless specified otherwise.
- 27.2** The Trustee shall promptly forward to the Management Company any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust Funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government, regulator, stock or other exchange or any other party having any connection with the transaction.
- 27.3** The Trustee shall also, if so required by the nature of such notices or documents mentioned in the foregoing clause, act, with the consent of the Management Company in a manner that is in the best interest of the Unit Trust. Such action shall include legal action if called for and the Trustee shall be entitled to recover any legal costs and expenses (including reasonable legal fees) incurred from the Unit Trust, as provided in clause 9.8 above.
- 27.4** The Management Company shall, from time to time, instruct the Trustee of the settlement instructions relating to any investment / dis-investment transactions entered into by it on behalf of the Unit Trust. The Trustee shall carry out the settlements in accordance with the dictates of the specific transactions. The Management Company shall ensure the settlement instructions are given promptly after entering into the transaction so as to facilitate timely settlement and the Trustee, on its side, shall ensure that the settlement is handled in a timely manner in accordance with dictates of the transaction, subject to the Regulation, the Offering Document and this Deed.
- 27.5** The Management Company shall intimate the Trustee with regard to dividends, other forms of income or inflows, and any rights or warrants relating to the Investments that are due to be received. Further, the Trustee shall also report back to the Management Company any such amounts or warrants that are received on such accounts from time to time.

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

## **28 UNITS**

**28.1** All Units and fractions thereof represent an undivided share in the Fund and rank pari passu as to their rights in the Net Assets, earnings, and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in Fund, proportionate to the Units held by such Unit Holder.

**28.2** The Management Company may issue any of the following classes of Units:

- (a) Class A Units shall be issued to Core Investors with no Front-end Load and no Back-End Load
- (b) Class B Units shall be issued to Pre-IPO investors and during the IPO. These Units shall be charged with applicable Front-end Load at the discretion of the Management Company.
- (c) Class C Units shall be issued after the IPO period and may be charged with Front-end Load at the discretion of Management Company
- (d) Class D Units shall be issued after the IPO period any may be charged with a Back-end Load at the discretion of Management Company.

**28.3** Irrespective of the different classes of Units as set out in this Clause, all Units issued from time to time shall rank pari passu inter se and shall have such rights as are set out in this Deed and the Offering Document

**28.4** Core Units subscribed by the Core Investors shall be offered and issued at the Par Value. Rupees Fifty Million from that shall not be redeemable for a period of two years from the date of issue. However, a mention of such restriction and its termination date shall be entered into the Register and shall be noted on any Account Statement, Certificates or transfer instrument issued in respect of such Units.

**28.5** Units offered and issued during the Initial Period of Offer shall be issued at the Initial Price. The offer and issue of Units during the Initial Period of Offer shall remain open during the period specified in the Offering Document.

**28.6** After the Initial Offer, the Offer Price shall be determined from time to time pursuant to Clause 16.1 of this Deed.

**28.7** The Management Company may at any time with the approval of the Trustee and the Commission on giving not less than twenty-one days notice in writing to each Unit Holder subdivide or consolidate the whole or any part of the Units and the Unit Holder shall be bound accordingly. The Management Company shall require in such notice that each Unit Holder to whom Certificates have been issued, (who shall be bound accordingly) deliver up his Certificates for endorsement or enfacement with the number of Units to be represented thereby as a result of such sub-division or consolidation; provided that any delay or failure to deliver up the Certificates shall not delay or otherwise affect any such sub-division or consolidation. Such information shall be published in at least two daily newspapers having wide circulation in the country.

**28.8** The Management Company may issue different types of Units to Investors. Details of different types of Units shall be provided in the Offering Document.

## **29 PURCHASE (OFFER) OF UNITS**

**29.1** The Management Company shall be responsible for obtaining all requisite consents and approval(s) for the purchase (offer) and issue of Units and for the issue, publication or circulation of the Offering Document.

**29.2** Except as provided herein the Units shall be offered through the authorized offices or branches of the Distributors on all Business Days.

**29.3** Application for Purchase of Units shall be made by completing the prescribed Purchase of units application Form and submitting it to the Authorized Branches of the Distributor or to the Management Company together with the payment by cheque, bank draft, pay order, debit card, credit card etc as the case may be in favor of the “CDC-Trustee ~~Meezan Pakistan Sovereign Cash Fund~~ Meezan Sovereign Fund” and crossed "Account Payee only". Such Forms have to be submitted within the announced business hours on the Business Days.



- 29.4** A request for purchase of Units may also be made through the use of electronic means such as Internet or ATM facilities or Debit Card or Credit Card facilities, the arrangements for which would be decided amongst the Management Company and Trustee from time to time.
- 29.5** Each Unit Holder shall be liable to pay the aggregate Purchase (Offer) Price of the Units subscribed by him together with a sum sufficient in the opinion of the Management Company to cover any Duties and Charges, levies etc payable in connection with the purchase of such Units and no further liability shall be imposed on him in respect of any Units held by him. The Units shall be issued in fractions up to four decimal points, only against receipt of full payment.
- 29.6** An application for purchase of Units shall be deemed to have been made in accordance with the provisions of the Offering Document, if such document prescribes automatic issuance of Units under certain circumstances.

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

- 30.1** Subject to exchange control and other applicable laws, rules and regulations, in the event of arrangements being made by the Management Company for the purchase (offer) of Units to person(s) not resident in Pakistan or for delivery in any country outside Pakistan, the price at which such Units may be issued may, at the discretion of the Management Company, include in addition to the Purchase (Offer) price as hereinbefore provided a further amount sufficient to cover any exchange risk insurance, any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such issue or of the delivery or issue of Certificates, or any additional costs relating to the delivery of certificates or the remittance of money to Pakistan or any other cost in general incurred in providing this facility. However the addition would be disclosed to the Unit Holders through website and to the Trustee in writing.
- 30.2** In the event that the Repurchase Price for Units shall be paid in any Country outside Pakistan, the price at which such Units may be redeemed may at the discretion of the Management Company include as a deduction to the Redemption Price as hereinbefore provided a further amount sufficient to cover any exchange risk insurance and any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such payment or redemption or any bank or other charges incurred in arranging the payment or any other cost in general incurred in providing this facility. Provided however, neither the Management Company, nor the Trustee give any assurance or make any representation that remittance would be allowed by the State Bank of Pakistan at the relevant time. However the addition would be disclosed to the Unit Holders through website and to the Trustee in writing.
- 30.3** The currency of transaction of the Units of the Trust is Pakistani Rupee and the Management Company, Trustee or any Distributor are not obliged to transact the Purchase or Redemption of the Units in any other currency and shall not be held liable, save as may be specifically undertaken by the Management Company, for receipt or payment in any other currency or for any obligations arising there from.

### **31 REGISTER OF UNIT HOLDERS**

- 31.1** The Registrar shall send directly, through mail or electronically to Unit Holder an account statement each time there is a transaction in the account.
- 31.2** A Register shall be maintained by the Registrar at such a place as is arrangement of the Management Company. The Management Company shall ensure that the Registrar shall comply with all relevant provisions of this Deed and the Regulations.
- 31.3** The Management Company shall ensure that the Registrar shall at all reasonable times during business hours give the Trustee and its representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without charge but neither the Trustee nor its representatives shall be entitled to remove the Register or to make any entries therein or alterations thereto.
- 31.4** The Registrar shall, within seven Business Days of receiving a written request from any Unit Holder(s), post (or send by courier or through electronic or any other means) to such Unit Holder(s) details of such Unit Holder's account in the Register.
- 31.5** The Register shall contain the following information:
- (a) Full name, father's/husband's name and addresses of Unit Holder(s) and joint Unit Holder(s)
  - (b) Computerized National Identity Card Number and/or passport number (if applicable)
  - (c) The number and type of the Units held and the distinctive numbers of Certificate(s), if any
  - (d) The date on which the name of every Unit Holder was entered in respect of the Units standing in his name

- (e) The date on which any Transfer or Redemption is registered
- (f) Information about lien, Pledge or charge on Units
- (g) Tax and Zakat status of the Unit Holder(s)
- (h) Record of the signature of the Unit Holder(s)
- (i) Nominees of the Unit Holder(s) and
- (j) Such other information as Management Company may require

- 31.6** The Register shall be conclusive evidence as to the title of each Holder to the Units and the number of Units held by each Unit Holder.
- 31.7** Any change of name or address of any Unit Holder shall forthwith be notified in writing to the Registrar, who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name, the surrender of any Certificate(s) previously issued to such Unit Holder(s) and the payment of the fee) shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall, if requested, issue new Certificate(s) to such Unit Holder(s).
- 31.8** The Registrar shall not register more than four (4) joint Holders for a Unit. In case of death of any one of the Joint Holders the survivor or survivors shall be the only person(s) recognized by the Trustee as having any title to or interest in the Units held by the joint Holders. Provided however, the Registrar or the Trustee may at their discretion request the survivors to provide succession certificates or other such mandate from a court or lawful authority, if they consider necessary.
- 31.9** A body corporate may be registered as a Unit Holder or as one of joint Unit Holders.
- 31.10** The Register may be closed with intimation to the Trustee for not more than six (6) working days at a time as the Management Company may from time to time required and after giving at least seven days notice to Unit Holder(s), provided that it is not closed for more than forty-five days in any Financial Year.
- 31.11** The Unit Holder shall be the only person to be recognized by the Trustee, the Management Company and the Registrar as having any right, title or interest in or to such Units and the Trustee, the Management Company and the Registrar may recognize the Unit Holders as the absolute owner thereof and shall not be bound by any notice to the contrary and shall not be bound to take notice of or to see to the execution of any trust except where required by any court of competent jurisdiction. However, the Management Company may authorize the Registrar to record a lien on any or all Units held by Unit Holders in favor of a third party at the request of such Unit Holders or joint Unit Holders as the case may be.
- 31.12** In the event of the demise of the Holder, his/her executor or administrator or succession certificate holder of deceased Unit Holder (not being one of several Joint Unit Holders) shall be the only person recognized by the Trustee and the Management Company as having title to the Units represented thereby. However, the operation of the account within the Unit Holder Register of the Unit Holder will continue as per the mandate and authority given at the time of opening of the account through the Investor Account Opening Form. In the event of the demise of a joint Holder, the survivor shall be the only person recognized by the Trustee and the Management Company as having right, title or interest in or to the Units represented thereby, provided the Units are purchased on *either or survivor* basis.
- 31.13** Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Unit Holder(s) or of the survivor of Joint Unit Holders may subject as hereinafter provided upon producing such evidence as to his title as the Trustee shall think sufficient either be registered himself as Holder of such Unit upon giving the Trustee/Distributor such notice in writing of his desire or transfer such Unit to some other person. All the limitations, restrictions and provisions of this Deed relating to transfer shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer was a transfer executed by the Unit Holders. Provided however, the Management Company or the Trustee may at their discretion request the survivors to provide succession certificates or other such mandate from a court or lawful authority, if they consider necessary. Provided however, the Management Company / Registrar may at their discretion request the survivors to provide succession certificates or other such mandate from a court or lawful authority, if they consider necessary.
- 31.14** The Trustee shall retain any money payable in respect of any Unit of which any person is, under the provisions as to the transmission of Units hereinbefore contained, entitled to be registered as the Unit Holder(s) or which any person under those provisions is entitled to transfer, until such person shall be registered as the Holder of such Unit or shall duly transfer the same.

**31.15** The Registrar shall, subject to any law in force, ensure at all times and shall endeavor to implement prudent practices to ensure that the Register or the information contained therein of all or any particular Unit Holder(s) is not provided to any third party without express permission from the Management Company or the Trustee or the Unit Holder(s) himself, unless any disclosure is required in compliance with any applicable laws, Regulations or where such disclosure is required by an appropriate court or competent authority.

## **32 ISSUANCE OF ACCOUNT STATEMENT AND CERTIFICATES**

**32.1** Upon being satisfied that the Offer Price for each Unit or fraction thereof has been received in full from the applicant, the Registrar shall issue an account statement that will constitute evidence of the number of Units registered in the name of the Unit Holder(s).

**32.2** Certificates shall be issued only if so requested by the Unit Holders at the time of application or at any later stage and upon payment of a fee of Rupees Fifty (50) per Certificate of any denomination, subject to revision of fee from time to time by the Management Company together with a sum sufficient in the opinion of the Management Company to cover any Duties and Charges payable in connection with the issue of such Certificate. The proceeds of such fee will accrue to the Management Company.

**32.3** Certificates shall only be issued for Units that have been fully paid.

**32.4** Certificates where requested shall be issued as herein provided not later than twenty-one Business Days after the date of such request. The Certificate may be sent to the principal account holder named first or his duly authorized nominee at his own risk by registered post or by courier service or may be collected by the Unit Holder(s) from the Distributor.

**32.5** In the case of Units held jointly the Registrar shall not issue more than one Certificate for the Units held by such joint Unit Holders and delivery of such Certificate to the principal Account Holder named first therein shall constitute sufficient delivery to all joint Unit Holders. All payments required under this Deed (i.e. redemption and dividend) will be made to the first named joint Unit Holder.

**32.6** Certificates shall be issued in such form as may from time to time be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the name of Fund, name and address of the Management Company and the name of the Trustee, shall bear a distinctive serial number and shall specify the number of Units represented thereby and the name and address of the Unit Holders as appearing in the Register.

**32.7** Certificates may be engraved or lithographed or printed as the Management Company may determine from time to time with the mutual agreement of the Trustee and shall be signed on behalf of the Trustee by duly authorized officer(s) of the Trustee and on behalf of the Management Company by duly authorized officer(s) of the Management Company. Every such signature shall be autographic unless there shall be for the time being in force an arrangement authorized by the Trustee adopting some lithographic or other mechanical method of signature in which event all or any of such signatures may be effected by the method so adopted. The Certificates shall also bear the signature of the authorized representative(s) of the Registrar, which shall always be autographic. No Certificate shall be of any force or effect until signed as herein above mentioned. Certificate so signed shall be valid and binding notwithstanding that before the date of delivery thereof the Trustee or the Management Company or the Registrar or any person whose signature appears thereon as a duly authorized signatory may have ceased to be the Trustee, Management Company, Registrar, Distributor or an authorized signatory.

## **33 REPLACEMENT OF CERTIFICATES**

**33.1** Subject to the provisions of this Deed and in particular to the limitations of the denominations of Certificates as may be fixed by the Management Company and subject to any regulations from time to time made by the Trustee with the approval of the Management Company every Unit Holder shall be entitled to exchange upon surrender of the existing Certificate any or all of his Certificates for one or more Certificates of such denominations as he may require which shall not be in excess of the aggregate number of units held by the investor.

**33.2** In case any Certificate lost, stolen, mutilated, defaced or destroyed, the Registrar with the approval of the Management Company may issue to the person entitled new Certificate in lieu thereof. No such new Certificate shall be issued unless the applicant shall previously have:

- (a) Returned the mutilated or defaced Certificate or furnished to the Distributor/ Registrar evidence satisfactory to the Management Company of the loss, theft or destruction of the original Certificate;
- (b) Paid all expenses incurred in connection with the investigation of the facts and any notice to be issued in newspapers inviting any claim (if any) against the lost Certificate to be notified to the Management Company, Trustee or the Registrar; and
- (c) Furnished such indemnity as the Management Company and the Trustee may require. Neither the Management Company, nor the Trustee or the Distributor the Registrar shall incur any liability for any action that they may take in good faith under the provision of this sub-clause. Provided further that the Trustee and/or the Management Company may also require issuance of public notices in newspapers at the cost of the pertinent Unit Holder before issuing any new Certificate.

Provided further that the Management Company may also require issuance of public notices in newspapers at the cost of the pertinent Unit Holders before issuing any duplicate certificates.

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

#### **34 TRANSFER OF UNITS**

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

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

**34.3** A Certificate shall be transferable only in its entirety.

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

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

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

- (a) The provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant;
- (b) Nothing in this sub-clause shall be construed as imposing upon the Trustee or the Management Company or the Distributor or Registrar any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of provision (a) above are not fulfilled; and
- (c) Reference herein to the destruction of any document includes reference to the disposal thereof in any manner.

#### **35 PLEDGE/LIEN OF UNITS**

- 35.1** Any Unit Holder as per the Pledge Form to be prescribed in the Offering Document may request the Registrar to record a Pledge/Lien of all or any of his/their Units in favor of any third party legally entitled to invest in such Units in its own right. The Registrar shall register a lien on any Units in favor of any third party with the consent of the Management Company. Any charges, duties, levies etc applicable on such Pledge/Lien will be borne by the Pledgor.
- 35.2** The Pledge/Lien once registered shall be removed by the authority of the party in whose favor the Pledge/Lien has been registered or through an order of a competent court. Neither the Trustee, nor the Management Company, nor the Registrar, shall be liable for ensuring the validity of any such Pledge/Lien. The disbursement of any loan or undertaking of any obligation against the constitution of such Pledge/Lien by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company nor the Registrar takes any responsibility in this matter.
- 35.3** Payments of dividends or the issue of bonus Units and Redemption proceeds or any other benefits of the Units under Pledge/Lien shall be made to the Pledge/Lien Holder.
- 35.4** The lien on the pledged Units shall continue till such time it is released by the pledge/lien holder in writing under his signatures.

## **36 AUDIT**

- 36.1** The Management Company shall at the establishment of the Fund and with the consent of the Trustee, appoint as Auditor, a firm of chartered accountants from the approved list of auditors circulated by the Commission from time to time who shall be independent of the auditor of the Management Company and the Trustee and such Auditor shall not be appointed for more than five consecutive years. The Management Company may at any time, with the concurrence of the Trustee, remove the Auditors and appoint another auditor in its place.
- 36.2** The Auditors shall have access to the books, papers, accounts and vouchers of the Fund, whether kept at the office of the Management Company, Trustee, Custodian, Registrar or elsewhere and shall be entitled to require from the Management Company, Trustee, Custodian, Registrar and their officers and agents such information and explanations as considered necessary for the performance of audit.
- 36.3** The Trustee shall be entitled to require the Auditors to provide such further reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Regulations.
- 36.4** The Auditors shall prepare a written report to the Unit Holders on the books of accounts of the Fund and the balance sheet and income and expenditure account and on every other document forming part of the balance sheet and income and expenditure account, including notes, statement or schedule appended thereto.
- 36.5** The contents of the Auditors report shall be as required in the Rules and the Regulations.

## **37 ARBITRATION**

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

## **38 CONFIDENTIALITY**

The Trustee and the Management Company and every director or officer of the said parties who are in any way engaged in the business of the Fund and all persons employed or engaged by the said parties in connection with the business of the Fund shall observe strict confidentiality in respect of all transactions of the Fund, its Unit Holders and all matters relating thereto and shall not disclose any information or document which may come to his knowledge or possession in the discharge of his duties except when

required to do so in the ordinary course of performance of his duties or by law or if compelled by any court of law or a competent authority.

**39 BENCHMARK**

**39.1** The benchmark for this Scheme will be the average return on Islamic Banking deposits with maturity of six months

**40 MISCELLANEOUS**

**40.1** Any notice required to be served upon the Unit Holders may be deemed to have been duly given if sent by post or courier service to or left at his address as appearing in the Register. Any notice so served by post shall be deemed to have been served on the day following that on which the letter containing the same is posted, and in proving such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted.

**40.2** The Management Company shall publish any such notice in two leading daily newspapers in Pakistan having wide circulation in the country.

**40.3** The Management Company shall publish any such notice in two leading daily newspapers in Pakistan having wide circulation in the country, the cost of which shall be charged to the Fund.

**40.4** Service of a notice or document to principal Account Holder shall be deemed effective service on all the other Joint Unit Holders.

**40.5** Any notice or document sent by post or courier service to or left at the registered address of a Unit Holder shall notwithstanding that such Unit Holder be then dead or bankrupt and whether or not the Trustee or the Management Company have notice of his death or bankruptcy be deemed to have been duly served and such service shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under him) in the Units concerned.

**40.6** If at any time, any Clause of this Deed is or becomes in whole or in part illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, the legality, validity and enforceability of the remaining Clauses of this Deed hereof, shall not in any way be effected or impaired thereby.

**40.7** A copy of this Deed and of any such supplemental deed shall be made available for inspection at the respective Head Offices of the Trustee and of the Management Company at all times during usual business hours and shall be supplied by the Management Company to any person on application at a charge of Hundred (100) Pakistani Rupees per copy or at such rate as determined from time to time by the Management Company.

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

The common seal of **Al Meezan Investment Management Limited** was hereunto affixed in the presence of:

Seal

1) _____ Signature	2) _____ Signature
_____ Name	_____ Name
_____ Designation	_____ Designation

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

Seal

1) _____ Signature	2) _____ Signature
_____ Name	_____ Name
_____ Designation	_____ Designation

Witnesses:

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

**ANNEXURE**



**ANNEXURE A**

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

**ANNEXURE B**

Approval of Trust Deed of ~~Meezan Pakistan Sovereign Cash Fund~~ Meezan Sovereign Fund by  
Securities and Exchange Commission of Pakistan

**ANNEXURE C**  
Tariff structure of the Trustee

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

**Tariff**

<b>NET ASSETS (Rupees in million)</b>		<b>TARIFF</b>
<b>From</b>	<b>To</b>	
1	1,000	Rs. 0.7 million or 0.20% p.a. of NAV, which ever is higher.
>1,000	& Above	Rs. 2.0 million plus 0.10% p.a. of NAV, on amount exceeding Rs.1,000 million.

**ANNEXURE D**

Securities & Exchange Commission of Pakistan's approval for appointment of Central Depository Company of Pakistan as the Trustee for ~~Meezan Pakistan Sovereign Cash Fund~~ Meezan Sovereign Fund