

CONSOLIDATED TRUST DEED

JS ISLAMIC FUND
(Formerly UTP- ISLAMIC FUND)

Managed by
JS INVESTMENTS LIMITED

Trustee
Central Depository Company (CDC)

Disclaimer:

The subject consolidation of the texts and/or expressions of the Registered Trust Deed and its Supplemental Trust Deeds are only for the purposes of reference and are in compliance of Securities and Exchange Commission of Pakistan's Circular No. 14 of 2014. This Consolidated document incorporates all amendments/modifications carried in the Registered Trust Deed dated **December 16, 2002** vide the First and the Second Supplemental Trust Deed dated **MAY 28, 2005 and JANUARY 28, 2010** respectively. All texts and/or expressions contained in the subject Consolidated Document are subordinate to the actual texts and/or expressions contained in the Registered Trust Deeds and Supplemental Trust Deeds and it shall be deemed, for all purposes whatsoever, that all provisions required to be contained in the Trust Deed and/or the Supplemental Trust Deeds by Rules are incorporated in this Consolidated Document as part and parcel thereof and in the event of any conflict between this Consolidated Document and the Registered Trust Deed and/or Supplemental Trust Deeds, the earlier shall supersede and prevail over the texts and expressions contained in this Consolidated Document.

Dated: September 01, 2014

CONSOLIDATED TRUST DEED

JS ISLAMIC FUND (Formerly UTP- ISLAMIC FUND)

**Managed By
JS INVESMETNTS LIMITED**

**Trustee
CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED**

This Trust Deed is made and entered into at Karachi, on this 16th day of December, 2002 and has been modified through First Supplemental Trust Deed dated May 28, 2005 and the Second Supplemental Trust Deed dated January 28, 2010 by and between;

JS INVESTMENTS LIMITED (formerly JS ABAMCO Limited and initially ABAMCO Limited), a public limited company, incorporated under the Companies Ordinance, 1984, listed on the Karachi Stock Exchange (Guarantee) Limited, with its registered office at 7th Floor, The Forum, G-20, Khayaban-e-Jami, Clifton Block 9, Karachi – 75500 (hereinafter called the “**Management Company**”, which expression, where the context so permits, shall include its successors in interest and assigns) of the First Part; and¹

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED, an unlisted public limited company incorporated in Pakistan, under the Companies Ordinance, 1984, having its registered office at CDC House, 99-B, Block “B”, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi - 74400 and registered to act as central depository company under Rule 4(3) of the Central Depository Companies (Establishment and Regulation) Rules, 1996 (hereinafter called the “**Trustee**”, which expression, where the context so permits, shall include its successors-in-interest and assigns) of the Other Part.”²

WHEREAS:

- A. All conducts and acts of the Trust shall be Shariah compliant.
- B. The Management Company is in the business of providing asset management and investment advisory services and has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an asset management company under the repealed Asset Management Companies Rules 1995 and as an investment adviser under the repealed Investment Companies and Investment Advisors Rules, 1971. SECP has granted license No. NBFC-39/1A-AMC/02/2004 dated July 27, 2004 under then applicable Rule 5(2) of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (“Rules”) and renewed vide SECP’s Letter No. NBFC-II/13/JSIL/AMS/09/2009 and NBFC-II/15/JSIL/IA/05/2009 dated May 15, 2009 to JS Investments Limited (Formerly JS ABAMCO Limited and initially ABAMCO Limited) under the Rules to undertake asset management and investment advisory services.³
- C. The Management Company has been authorized by the SECP vide its letter No. SC/MF-

¹ Amendment as per 2nd Supplemental Trust Deed, 2010

² Amendment as per 2nd Supplemental Trust Deed, 2010

³ Amendment as per 2nd Supplemental Trust Deed, 2010

JD(R)/417/2002 dated November 18, 2002 annexed hereto as Annexure "A" to constitute the trust under the name and title of JS Islamic Fund (formerly UTP – Islamic Fund) (hereinafter referred to as the “Unit Trust” or “Trust” or “Scheme” or “Shariah Compliant Fund”) and to register this Trust Deed (Deed), preceding authorization for the establishment and operation of the Scheme, in accordance with the provisions of the Rules and this Deed.⁴

- D. The Management Company has nominated and appointed the Trustee as trustee of the Scheme and the Trustee has accepted such appointment upon the terms and conditions herein contained.
- E. The SECP has approved the appointment of Trustee, vide letter No. SC/MF-JD(R)/440/2002 dated November 27, 2002, appended hereto as Annexure B.
- F. The SECP has approved the appointment of the Shariah Advisory Council, vide letter No. SC/MF-JD(R)/442/2002 dated November 29, 2002, appended hereto as Annexure C.
- G. The Shariah Advisory Council has confirmed that the provisions of this Deed are in compliance with Shariah vide letter dated December 3, 2002, appended hereto as Annexure D.
- H. SECP vide letter No. NBFC-II/JD(R)/Abamco-UTP-IsF/80 dated January 27, 2005 has approved the amendments to the Trust Deed, vide first supplemental trust deed of JS Islamic Fund, appended hereto as Annexure “E”.⁵
- I. SECP vide letter No NBFC/RS/JD-VS/JSISF/61/2010 dated January 25, 2010 has approved the amendments to the Trust Deed, vide second supplemental trust deed of JS Islamic Fund, appended hereto as Annexure “F”.⁶

NOW THIS DEED WITNESSETH:

1. DEFINITIONS

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

- 1.1 “**Accounting Date**” means the thirtieth day of June in each year and any interim date(s) at which the financial statements of the Trust are drawn up. Provided however, the Management Company may, with the consent of the Trustee and after intimation to the SECP, change such date to any other date.⁷
- 1.2 “**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 Deposited Property is first paid or transferred to the Trustee and (in any other case) from the end of the preceding Accounting Period.
- 1.3 “**Account Statement**” means statement of transactions in Units in Account of the Holder⁸

⁴ Amendment as per 2nd Supplemental Trust Deed, 2010

⁵ Insertion as per 2nd Supplemental Trust Deed, 2010

⁶ Insertion as per 2nd Supplemental Trust Deed, 2010

⁷ Amendment as per 2nd Supplemental Trust Deed, 2010

⁸ Amendment as per 2nd Supplemental Trust Deed, 2010

- 1.4 **“Administrative Plans”** means, investment plans offered by Management Company, where such plans allow investors a focused investment strategy in any one or a combination of unit trust schemes managed on the Shariah-compliant basis by the Management Company and for which Trustee is appointed as the trustee.
- 1.5 **“Auditor”** means the Auditor of the Trust appointed by the Management Company.
- 1.6 **“Authorized Branch”** means those branches of the Distributors authorized by the Management Company.
- 1.7 **“Authorized Investment”** means any Investment that is permitted under the Rules and Regulations and is approved by the Shariah Advisory Council and includes investment outside Pakistan, subject to approval of the Commission, but does not include bearer security or any other security that would involve the assumption of unlimited or undeterminable liability.⁹
- 1.8. **“Back-end Load”** means charge(s) deductible from the Net Asset Value of the Unit to determine the Redemption Price. Such load, not exceeding five percent (5%) of the Net Asset Value, shall be determined by the Management Company from time to time and disclosed in the Offering Document. Any such load shall be treated as part of the Deposited Property.¹⁰
- 1.9. **“Bai Mu’ajjal”** means a contract in which the seller earns a profit margin on his purchase price and allows the buyer to pay the price at a future date in a lump sum or in installments.
- 1.10. **“Bai’ Salam”** means a contract in which advance payment is made for certain defined goods (other than gold, silver and currencies) to be delivered later on a fixed date.
- 1.11. **“Bank”** means a banking company licensed under the Banking Companies Ordinance, 1962 or any other regulation for the time being in force or an institution providing banking services under the banking law of Pakistan or if operating outside Pakistan, under the banking laws of the jurisdiction of its operations outside Pakistan and will include an Islamic Bank.¹¹
- 1.12. **“Bank Accounts”** means accounts maintained with a Bank, the beneficial ownership of which rests in the Holder.
- 1.13. **“Bonus Units”** mean the Units issued, on distribution of the distributable income, in the form of a stock dividend.¹²
- 1.14. **“Business Day”** means any day of the week but does not include any day which is a gazetted Government of Pakistan holiday or on which the Stock Exchanges in Pakistan are closed for business.¹³
- 1.15. **“Certificate”** means the definitive certificate acknowledging the number of Units registered in the name of the Holder issued at the request of the Holder pursuant to the provisions of this Deed.

⁹ Amendment as per 2nd Supplemental Trust Deed, 2010

¹⁰ Amended as per 2nd Supplemental Trust Deed, 2010

¹¹ Amended as per 2nd Supplemental Trust Deed, 2010

¹² Insertion as per 2nd Supplemental Trust Deed, 2010

¹³ Amended as per 2nd Supplemental Trust Deed, 2010

- 1.16. **“Charity”** means amount paid by Management Company out of the income of the Trust to a charitable/ welfare organization, in consultation with Shariah Advisory Council, representing income, which is Haram.
- 1.17. **“Companies Ordinance”** means the Companies Ordinance, 1984, as amended for time to time.
- 1.18. **“Connected Person”** shall have the same meaning as in the Rules.
- 1.19. **“Constitutive Documents”** shall have the same meaning as in the Regulations.¹⁴
- 1.20. **“Contingent Load” or “Deferred Sales Load”** means processing charges deductible from the Net Asset Value of the Unit to determine the Redemption Price in case of redemption of Units within a certain period of time or on a decreasing rate for every period the Units are held and shall be charged to Unit Holders in instances where no Front-end Load is charged. Such charges shall not exceed five percent (5%) of the Net Asset Value and shall be determined by the Management Company from time to time and disclosed in the Offering Document. Any such charges shall be payable to the Management Company and/or its Distributors, as the case may be.¹⁵
- 1.21. **“Core Investors”** means the initial investors, who shall be required to subscribe to and to hold number of Units of par value of not less than fifty million rupees (Rs 50,000,000) for the minimum two years from the date of payment in full of such Units.
- 1.22. **“Core Units”** shall mean such Units of the Trust that are issued to Core Investors with the condition that these are not redeemable for a period of two years from the date of issue. However, such Units are transferable with this condition and shall rank pari passu with all other Units save for this restriction. Any transfer of these Core Units, during the first two years of their issue, shall be affected only on the receipt by the Transfer Agent of a written acceptance of this condition by the transferee.
- 1.23. **“Custodian”** shall have the same meaning as in the Regulations.¹⁶
- 1.24. **“Cut-Off Time”** means any time as may be determined by the Management Company and disclosed in the Offering Document and communicated to the Trustee and the Unit Holders applicable for each Business Day, before which Units transactions will be effectuated. The Management Company may change the cut-off timings under prior intimation to the Unit Holders and the Trustee.¹⁷
- 1.25. **“Deed”** means this Trust Deed and any Supplemental Deed.¹⁸
- 1.26. **“Deposited Property”** means the aggregate proceeds of the sale of all Units at Offer Price after deducting therefrom or providing thereout any applicable Front-end Load, Duties and Charges and transaction costs and any other expenses chargeable to the Fund and after adding thereto any Back-end Load as specified in the Offering Document; and includes the Investment and all income, profit and other benefits arising therefrom and all cash, bank balances and other assets, movable or immovable, and property of every description for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holders pursuant to this Deed but does not include any

¹⁴ Amended as per 2nd Supplemental Trust Deed, 2010

¹⁵ Amendment as per 2nd Supplemental Deed, 2010

¹⁶ Amendment as per 2nd Supplemental Deed, 2010

¹⁷ Insertion as per 2nd Supplemental Deed, 2010

¹⁸ Insertion as per 2nd Supplemental Deed, 2010

Contingent Load payable to the Management Company or any amount standing to the credit of the Distribution Account, except any profit on the Distribution Account which shall be the part of the Deposited Property¹⁹

- 1.27. **“Distribution Account”** means the Bank Account, which may be current, saving or deposit account maintained by the Trustee in a Shariah compliant account with an Islamic Bank approved by the Management Company in which the amount required for the distribution of income to the Holders shall be transferred. Income of this account, if any, will accrue to the benefit of the Trust.
- 1.28. **“Distributor / Distribution Company”** includes a company, firm, individual, sole proprietorship concern or a Bank appointed by the Management Company under intimation to the Trustee for performing the Distribution Function and shall also include the Management Company, if Management Company performs the Distribution Function.”²⁰
- 1.29. **“Distribution Function”** mean with regard to:
- (a) Receiving applications for issue of Units together with the aggregate Offer Price for Units applied for by the applicants;
 - (b) Issuing of receipts in respect of (a) above;
 - (c) Interfacing with and providing services to the Holders including receiving redemption applications, transfer applications, conversion notices and applications for change of address or issue of duplicate Certificates for immediate transmission, in accordance with the instructions given by the Management Company or the Trustee, to the Management Company or the Transfer Agent as appropriate; and
 - (d) Accounting to the Management Company for all (1) payment instruments received from the applicants for issuance of Units; (2) payment instruments delivered to the Holders on redemption of Units; and (3) expenses incurred in relation to the Distribution Function.²¹
- 1.30. **"Dow Jones"** means Dow Jones & Company Inc., who has developed an Islamic Market Index of Shariah Compliant Investments, under the name of "Dow Jones Islamic Market Index", overseen by a specialized Shariah Board, consisting of prominent Muslim religious scholars.
- 1.31. **“Duties and Charges”** means in relation to any particular transaction or dealing all stamp and other duties, taxes, Government charges, brokerage, bank charges, transfer fees, registration fees and other duties and charges whether in connection with the constitution of the Deposited Property or the increase or decrease of the Deposited Property on the creation, issue, sale, transfer, redemption or purchase issue of Units or the sale or purchase of Investments or in respect of the issue, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but do not include the remuneration payable to the Distribution Company or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.
- 1.32. **"Fatwa"** means a religious decree made by the Shariah Advisory Council or a group of

¹⁹ Amendment as per 2nd Supplemental Deed, 2010

²⁰ Amendment as per 2nd Supplemental Deed, 2010

²¹ Amendment as per 2nd Supplemental Deed, 2010

at least three Muftis (Islamic religious scholars qualified to make a religious decree), associated with Jamia Darul Uloom, Karachi or any other credible Islamic Institution.²²

- 1.33. **“Formation Cost”** means all preliminary and floatation expenses of the Trust including expenses in connection with authorization of the Scheme, execution and registration of the Constitutive Document, issue, circulation and publication of the Offering Document and all expenses incurred during the Initial Period.
- 1.34. **“Front-end Load”** means the sales and processing charges (excluding Duties and Charges) that is received by the Management Company and/ or its Distributors that may be included in the Offer Price of the Units not exceeding five percent (5%) of the Net Asset Value. The details of Front-end Load applicable to the Offer Price shall be specified in the Offering Document.²³
- 1.35. **“Halal”** means anything permitted by the Shariah.
- 1.36. **“Haram”** means anything prohibited by the Shariah.
- 1.37. **“Holder” or “Unit Holder”** means the investors for the time being entered in the Register as owner of a Unit, including investors jointly so registered pursuant to the provisions of this Deed.
- 1.38. **“Initial Period” or “Initial Offering Period”** means a period determined by the Management Company not exceeding ninety days during which Units will be offered at the Initial Price in terms of the Offering Document.
- 1.39. **“Initial Price”** means the price per Unit during the Initial Offering Period determined by the Management Company.
- 1.40. **“Investment”** means any Authorized Investment forming part of the Deposited Property.
- 1.41. **“Investment Facilitator/ Sales Agent”** means an individual, firm, corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Scheme as its agents. The Management Company may compensate the Investment Facilitators/ Sales Agents out of the Front-end Load or Contingent Load collected by it in the Offer Price or the Redemption Price, respectively, or from the Management Company’s own resources.²⁴
- 1.42. **“Islamic Bank”** means a Bank having license as Scheduled Islamic Commercial Bank from State Bank of Pakistan or a Bank, which accepts deposits on profit and loss basis and will include all Banks or financial institutions, approved by Shariah Advisory Council for the purpose of banking by the Trust.
- 1.43. **“Istisna’a”** means a contractual agreement for manufacturing goods and commodities, allowing cash payment in advance and future delivery or a future payment and future delivery.
- 1.44. **“Mudarabah”** means a form of partnership where one partner provides funds, while other provides expertise and management.

²² Amendment as per 2nd Supplemental Deed, 2010

²³ Amendment as per 2nd Supplemental Deed, 2010

²⁴ Insertion as per 2nd Supplemental Deed, 2010

- 1.45. **“Murabahah”** means a sale on mutually agreed profit. Technically it is a contract of sale in which the seller declares his cost and profit. As a financing technique, it involves a request by the client to the financier to purchase certain item for him, which is then sold to the client.
- 1.46. **“Mudharib/ Mudarib”** means a working partner, who provides entrepreneurship and management under a Mudarabah agreement as distinct from the Rab-ul-Mal who provides the finance.²⁵
- 1.47. **“Mufti”** means Muslim interpreter and expounder of Islamic Laws, who is qualified from a credible religious institution.
- 1.48. **“Musharakah”** means a relationship established under a contract by the mutual consent of the parties for sharing of profits and losses arising from a joint enterprise or venture. All providers of capital are entitled to participate in management, but not necessarily required to do so. The profit is distributed among the partners in pre-agreed ratios, while the loss is borne by each partner strictly in proportion to respective capital contributions.
- 1.49. **“Net Assets”** means the excess of assets over liabilities of the Scheme and such excess being computed in the manner specified in the Regulations²⁶
- 1.50. **“Net Asset Value” or “NAV”** means per Unit value of the Trust arrived at by dividing the Net Assets by the number of Units outstanding.
- 1.51. **“Offer Price”** means the sum to be paid to the Trustee for issuance of one Unit, such price to be determined pursuant to clause 17 of this Deed.²⁷
- 1.52. **“Offering Document”** means the prospectus, advertisement or other document (approved by SECP), which contains the investment and distribution policy and all other information in respect of the Unit Trust, as required by the Rules and Regulations and is calculated to invite offers by the public to invest in the Unit Trust and also includes any Supplementary Offering Document²⁸.
- 1.53. **“Ordinance”** means the Securities and Exchange Ordinance, 1969, as amended from time to time.
- 1.54. **“Par Value”** means the face value of a Unit that shall be one hundred rupees (PKR 100/-) or such other amount as may be determined by the Management Company in consultation with the Trustee from time to time.²⁹
- 1.55. **“Personal Law”** means the law of inheritance and succession as applicable to the individual Unit Holder.
- 1.56. **“Promoters”** means the Management Company and any other organization, which may join the Management Company as a joint venture partner for the purpose of forming and managing the Islamic Asset Management Company.

²⁵ Amendment as per 2nd Supplemental Deed, 2010

²⁶ Amendment as per 2nd Supplemental Deed, 2010

²⁷ Amendment as per 2nd Supplemental Deed, 2010

²⁸ Amendment as per 2nd Supplemental Deed, 2010

²⁹ Amendment as per 2nd Supplemental Deed, 2010

- 1.57. **“Redemption 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 20³⁰ of this Deed.
- 1.58. **“Register”** means the Register of the Holders kept pursuant to the Rules and this Deed.
- 1.59. **“Registrar Functions”** means the functions with regard to:
- i. Maintaining the Register;
 - ii. Receiving application for redemption and transfer/ transmission of Units directly from Holder or legal representatives or through Distributor;
 - iii. Processing requests for issue, redemption, transfer and transmission of Units and requests for recording of pledge or for recording of changes in information/particulars/ data with regard to the Holders;
 - iv. Issuing Account Statement to Holders;
 - v. Issuing Certificates including Certificates in lieu of undistributed income to Holders;
 - vi. Dispatching income distribution warrants and allocating Units to Holders on re-investment of dividends as per clause 33.5³¹ of this Deed;
 - vii. Canceling old Certificates on redemption or replacement;
 - viii. Maintaining record of lien/ pledge / charge; and
 - ix. Keeping record of change of addresses/other particulars of the Holders.
- 1.60. **“Regulations”** mean Non-Banking Finance Companies and Notified Entities Regulations, 2008, as amended or substituted from time to time.³²
- 1.61. **“Reporting or Base Currency”** means Pakistani Rupee in which financial reports are presented.
- 1.62. **“Rules”** means Non Banking Finance Companies (Establishment and Regulations) Rules, 2003, as amended or substituted from time to time.³³
- 1.63. **“SECP”** means the Securities and Exchange Commission of Pakistan.
- 1.64. **“Shares, Preference Shares and Convertible Preference Shares”** means such instruments issued by companies, establishments or organizations, whose main business is Halal and whose financial structuring meets the criteria, laid down in the Offering Document.
- 1.65. **“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 and practice.

³⁰ Amendment as per 2nd Supplemental Deed, 2010

³¹ Amendment as per 2nd Supplemental Deed, 2010

³² Addition as per 2nd Supplemental Deed, 2010

³³ Amendment as per 2nd Supplemental Deed, 2010

- 1.66. **“Shariah Advisory Council”** means a body of Islamic scholars, having knowledge of Islamic finance, appointed by the Management Company, with the clearance of SECP, to supervise and monitor the activities of the Scheme to ensure that all its activities comply with Shariah.
- 1.67. **“Stock Exchange”** means Karachi Stock Exchange, Lahore Stock Exchange, Islamabad Stock Exchange or any other stock exchange registered under the Ordinance.
- 1.68. **“Subscription Day”** means every Business Day on which any class of Units is available for subscription provided that the Management Company may with prior written consent of the Trustee and upon giving not less than seven (7) days notice in at least one newspaper, either English or Urdu circulating in Pakistan, declare any particular Business Day not to be a Subscription Day.³⁴
- 1.69 **“Supplemental Deed”** means a deed supplemental to this Deed, executed by the Management Company and the Trustee, after seeking consent of the Shariah Advisory Council and approval of the SECP, to modify, add to, alter and amend or amend and restate the provisions of this Deed or any other Supplemental Deed in such manner and to such extent as may be considered expedient for all purposes, which shall be consolidated, read and construed together with this Deed.³⁵
- 1.70. **“Supplementary Offering Document”** means a document issued to modify, add to, alter and amend, amend and restate or to make any other amendment to the Offering Document in such a manner and to such extent as considered expedient for all purposes by the Management Company, with the consent of the Trustee and the Shariah Advisory Council, after seeking approval of the SECP and the same shall be consolidated, read and construed together with the Offering Document.³⁶
- 1.71. **“Term Finance Certificates”** means debts instruments issued on profit and loss sharing basis.
- 1.72. **“Transfer Agent”** means a company including a Bank that the Management Company shall appoint for performing the Registrar Functions.
- 1.73. **“Trust”, “Unit Trust” “Scheme” or “Shariah Compliant Fund”** means the Shariah Compliant Unit Trust constituted by this Trust Deed for continuous offers for sale of Units.
- 1.74. **“Unit”** means one undivided share in the Trust and where the context so indicates a fraction thereof”.³⁷
- 1.75. **“Zakat”** has the same meaning as in Zakat and Ushr Ordinance (XVIII of 1980), 1980.

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

³⁴ Amendment as per 2nd Supplemental Deed, 2010

³⁵ Insertion as per 2nd Supplemental Deed, 2010

³⁶ Amendment as per 2nd Supplemental Deed, 2010

³⁷ Amendment as per 2nd Supplemental Deed, 2010

2. GOVERNING LAW

This Deed shall be subject to and be governed by the laws of Pakistan, including the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008, and all applicable laws, rules and regulations as amended or substituted from time to time and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed by the Rules and Regulations are incorporated in this Deed as a 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 Rules and Regulations, the latter shall supersede and prevail over the provisions contained in this Deed. Further, if the Rules or Regulations are amended or any directives are issued or any relaxations or exemptions are allowed thereunder, such amendments, directives, relaxations and exemptions shall deem to have been included in this Trust Deed.³⁸

2A. DECLARATION OF TRUST

2A.1 The Trustee is hereby nominated, constituted and appointed as the trustee of the Unit Trust herein created and the Management Company is hereby appointed to establish, manage, operate and administer the Unit Trust and the Trustee and the Management Company hereby agree to such appointment and declare that:

It is hereby declared irrevocably, that a unit trust in the name and title of JS Islamic Fund (formerly UTP – Islamic Fund) is hereby created and the Management Company is hereby appointed to establish, manage operate and administer the 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 declares that:³⁹

- (a) The Trustee shall hold and stand possessed of the Deposited Property that may from time to time hereafter be vested in the Trustee upon trust as a single common fund for the benefit of the Holders ranking pari-passu inter se according to the number of Units held by each Holder;
- (b) The Management Company shall establish, manage, operate and administer the Scheme; and
- (c) The Deposited Property shall be invested/ disinvested from time to time by the Trustee at the sole direction of the Management Company;

Strictly in terms of the provisions contained and stipulated in this Deed, the Offering Document, the Rules and the conditions (if any) which may be imposed by the SECP from time to time and in strict compliance with Islamic Shariah.

2A.2 It is further declared that the Management Company has appointed the Shariah Advisory Council, with the approval of SECP under the provisions of this Deed, who have certified that the provisions of this Deed are Shariah compliant.

³⁸ Insertion as per 2nd Supplemental Deed, 2010

³⁹ Amendment as per 2nd Supplemental Deed, 2010

3. **SHARIAH GOVERNANCE / SHARIAH ADVISORY COUNCIL, SECRETARY TO SHARIAH ADVISORY COUNCIL AND SHARIAH COMPLIANCE AUDITOR**

3.1 **Shariah Governance:**

All activities of the Unit Trust shall be undertaken in accordance with the Islamic Shariah rules and principles.

There are activities that are unlawful in Shariah, which the Fund cannot invest in. These include, among others:

- (a) Activities related to the objectives of the Fund such as investment in interest based transactions, conventional insurance transactions, intoxicants, gambling, pornography, Haram meat; and
- (b) Activities related to the management of Fund such as taking interest bearing deposits or raising interest-bearing loans.

3.2 **Shariah Advisory Council:**

- (a) The Shariah Advisory Council will be composed of three persons, who must be experts on Shariah and have good understanding of Finance.
- (b) The Management Company shall designate the members of the Shariah Advisory Council, in accordance with the guidelines as specified by SECP from time to time. One of the members will be designated as Chairman. The Shariah Advisory Council will be appointed for a period of one year, but may be reappointed on completion of their term⁴⁰.
- (c) A Shariah Advisory Council will advise the Management Company on matters relating to Shariah compliance and recommend general investment guidelines, consistent with the Shariah. Any verdict or Fatwa issued by the Shariah Advisory Council in respect of any Shariah related matter would be final and acceptable by the Trustee, the Management Company, the Holders and other parties related with that matter. Their responsibilities will be as under:
 - i. Determining that Schemes activities comply with the principles of Shariah in all respects.
 - ii. Communicating to the Management Company any of its findings regarding compliance with the Shariah of the Fund's investments within one month upon receipt of all relevant information and documentation.
 - iii. Advising the Management Company the criteria for selection of securities and companies where the Scheme may invest; the Shariah Advisory Council may develop a list of Shariah Compliant Investments like the one developed by Dow Jones. For this purpose the council may use a Shariah Screen.
 - iv. Establishing principles for calculating, where applicable, and determining an appropriate percentage of income and cash flows by companies in which the Scheme has invested from activities not in accordance with the principles of the Shariah, i.e. the income is not Halal, and recommending to the Management

⁴⁰ Amendment as per 2nd Supplemental Deed, 2010

Company the criteria for selecting the Charities to whom such sums shall be donated.

- v. Preparing yearly report of the Scheme's compliance with the principles of Shariah for inclusion in the Fund's financial reports.
- (d) The quorum for the meeting of the Shariah Advisory Council will be two members, attending either in person or over telephone.
- (e) The Shariah Advisory Council may with the consent of the Management Company appoint any other Islamic Scholar to provide Shariah advisory and supervisory services in addition to the Shariah Advisory Council from time to time as and when deemed necessary under intimation to SECP, without any additional fees chargeable to the Fund.⁴¹

3.3 The first Shariah Advisory Council is from the Aleemiyah Islamic Missionary University.

3.4 **Shariah Compliance Auditor:**

- (a) The Auditor of the Unit Trust will also act as Shariah Compliance Auditor, and will complete Shariah Compliance Audit of the Trust for each year within four (4) months from the close of annual Accounting Period, and will issue a Shariah compliance audit report.⁴²
- (b) The Shariah Compliance Auditor would verify the following aspects of the Unit Trust's activities:
 - i. Necessary approvals have been obtained from the Shariah Advisory Council, as the case may be, in respect of transactions involving Shariah related matters.⁴³
 - ii. Documentations contain all necessary information to make it Shariah compliant.
 - iii. No miss-use of Trust funds has been committed.
 - iv. Trust funds were placed for investment under Shariah compliant avenues.
 - v. Costs charged to Trust funds were in accordance with the Shariah permissions and terms of the Trust Deed.
 - vi. Share of the Modharib in profits from investments and the fees paid to the Trustee and the Management Company are in accordance with the agreed rates.
 - vii. Distributions for the Unit holders are in the accordance with the terms agreed upon.
 - viii. Any other point effecting the Shariah compliance.
 - ix. The Shariah Compliance Auditor will base his audit on tests usually applied in practice.
 - x. Disclosure shall be made in the notes to the financial accounts, of earnings prohibited by Shariah, if any, and how those amounts are disposed of. Disclosure shall also be

⁴¹ Insertion as per 2nd Supplemental Deed, 2010

⁴² Amendment as per 2nd Supplemental Deed, 2010

⁴³ Amendment as per 2nd Supplemental Deed, 2010

made of any amounts paid for purposes not permitted by Shariah.

- xi. Disclosure shall be made of whether the Zakat payment is the responsibility of the Fund or the responsibility of Unit holders. The fund shall also disclose the Zakat due for each share/ unit.
- (c) The Shariah Compliance Auditor should be competent to carry out the Shariah compliance audit, including that the audit firm should have experience or requisite knowledge of conducting Shariah compliance audits and should have laid down system and program to carry out such audit.

4. DEPOSITED PROPERTY

- 4.1 The aggregate proceeds of all Units issued from time to time, after deducting Duties and Charges and after deducting therefrom or providing thereout any applicable Front-end Load and adding thereto any Back-end Load, shall constitute part of the Deposited Property.⁴⁴
- 4.2 The Deposited Property shall initially be constituted out of the proceeds of the Units issued to the Core Investors and other Units issued during the Initial Period after deducting any applicable Duties and Charges therefrom or any Front-end Load.⁴⁵
- 4.3 The Trustee shall take the Deposited Property into its custody or under its control either directly or through the Custodian and hold it in trust for the benefit of the Holders in accordance with the provisions of the Rules and this Deed. The Deposited 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 Trust. 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.
- 4.4 Save, as herein expressly provided, the Deposited 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 create any mortgages, charges, liens or 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.
- 4.5 The Trustee shall have the sole responsibility for the safekeeping of the Deposited Property. Subject to the provisions of Clause 9.2 ⁴⁶below, in the event of any loss arising as a result of a deliberate act/ omission of the Trustee in violation of the terms of this Deed, the Trustee shall have an obligation to replace the lost Investment forthwith with similar investment of the same class and issue together with all rights and privileges pertaining thereto or compensate the Trust to the extent of any such loss.
- 4.6 All cash forming part of the Deposited Property shall be deposited by the Trustee in a separate account, in the name of the Trustee with an Islamic Bank, having at least minimum investment grade rating. The Islamic Bank shall allow profit thereon in accordance with the rules prescribed by the Bank for sharing of profits on deposits, as may be allowed.⁴⁷

⁴⁴ Amendment as per 2nd Supplemental Deed, 2010

⁴⁵ Amendment as per 2nd Supplemental Deed, 2010

⁴⁶ Amendment as per 2nd Supplemental Deed, 2010

⁴⁷ Amendment as per 2nd Supplemental Deed, 2010

- 4.7 Remuneration of the Management Company and the Trustee; brokerage and transaction costs relating to investing and disinvesting of the Deposited Property; all expenses incurred by the Trustee effecting the registration of all registerable property in the Trustee's name; legal and related costs as may be incurred in protecting or enhancing the interests of the Scheme or the collective interests of the Holders; Bank charges and borrowing/ financial cost; Audit Fees; listing fee payable to a Stock Exchange; rating fee payable to an approved rating agency; Formation Cost; taxes if any applicable to the Trust; Shariah Compliant financing documentation fee; legal counsel fee and payment to Charity shall be payable out of the Deposited Property. However any cost associated with sales, marketing and advertisement shall not be charged to the Deposited Property, unless otherwise approved by the Commission.⁴⁸

5. INVESTMENT OF THE DEPOSITED PROPERTY

- 5.1. During and prior to the commencement of the Initial Period, the Trustee shall hold the Deposited Property in cash in a separate account with an Islamic Bank. After the Initial Period all cash, except in so far as such cash may in the opinion of the Management Company be required for transfer to the Distribution Account, shall be invested by the Trustee from time to time in such Authorized Investments as may (subject always to the provisions of this Deed) be directed by the Management Company.⁴⁹
- 5.2. Any Investment may at any time be realized at the discretion of the Management Company either in order to invest the proceeds of sale in other Authorized Investments or to provide cash required for the purpose of any provision of this Deed or in order to retain the proceeds of sale in cash or in deposit as aforesaid or partly one and partly another. Any Investment which ceases to be an Authorized Investment, as according to the tenets of Islamic Shariah, shall be realized and the net proceeds of realization shall be applied in accordance with this clause: Provided that the Trust may postpone the realization of such Investment for such period as the Management Company may determine to be in the interest of Holders, with the consent of Shariah Advisory Council.
- 5.3. The purchase or sale of any Investment in listed securities for the account of the Trust shall be made on the Stock Exchange through a broker who must be a member of the Stock Exchange, unless the Management Company is satisfied that it is possible to make such purchase or sale more advantageously in some other manner. The broker will be appointed, from time to time, by the Management Company under intimation to the Trustee.⁵⁰
- 5.4. The Deposited Property shall be subject to such restrictions and exposure limits as are provided in the Rules and Regulations and prescribed by the SECP; provided that in case such limits are exceeded due to corporate actions including taking up rights or bonus issue, and owing to appreciation or depreciation in value of any investment, disposal of any investment, or redemption of Units, the excess exposure shall be regularized in such manner and within such time as specified in the Regulations and prescribed by SECP.⁵¹
- 5.5. If and so long as the value of the holding in a particular company or sector shall exceed the limit imposed in a particular company and sector by the Rules, the Trustee shall not purchase any further investments in such company or sector. However this restriction on purchase shall not apply to any offer of right shares or any other offering, if the

⁴⁸ Amendment as per 2nd Supplemental Deed, 2010

⁴⁹ Amendment as per 2nd Supplemental Deed, 2010

⁵⁰ Amendment as per 2nd Supplemental Deed, 2010

⁵¹ Amendment as per 2nd Supplemental Deed, 2010

Management Company is satisfied that accepting such offer is in the interest of the Trust.

5.6. The Shariah Compliant Fund will not at any time:

(a) Purchase or sell:

- Bearer Securities;
- Securities on margins;
- Securities which result in assumption of unlimited or undetermined liability (actual or contingent);
- Real estate or interest in real estate save and except that the Management Company may invest in securities secured by real estate or interest therein or equity securities issued by companies that invest in real estate or interest herein;
- Invest in anything that is prohibited or Haram;
- Invest in anything other than Authorized Investments as defined herein;

(b) Make short sales of any security or maintain a short position.

5.7. **Category of the Fund**

The Fund shall be a ‘Shariah Compliant Equity Scheme’ as per criteria for categorization of open-end collective investment schemes specified in the Regulations or by SECP, as amended from time to time⁵²

5.8. **Investment Objective**

The Fund aims to provide investors seeking a Shariah compliant investment avenue an optimum rate of return, reasonable concern for safety of capital and to provide to the investors liquidity to join or leave the Fund at their convenience.⁵³

5.9. **Performance Benchmark**

The performance benchmark of the Fund shall be ‘KSE – Meezan Index’ or such other benchmark determined by the Management Company under prior intimation to the Trustee, SECP and the Unit Holders, and disclosed in the Offering Document.⁵⁴

5.10 **Investment Policy**

- i) Consistent with the Investment Objective, the Fund shall invest at least seventy percent (70%) of its Net Assets during the year (based on quarterly average investment calculated on daily basis) in a diversified portfolio of listed equity securities and other Authorized Investments in accordance with the principles of Shariah as advised by the SAC.
- ii) The remaining Net Assets of the Fund shall be invested in Shariah compliant cash deposits and/ or near cash instruments not exceeding 90 days maturity.⁵⁵

⁵² Insertion as per 2nd Supplemental Deed, 2010

⁵³ Insertion as per 2nd Supplemental Deed, 2010

⁵⁴ Insertion as per 2nd Supplemental Deed, 2010

⁵⁵ Insertion as per 2nd Supplemental Deed, 2010

6. VOTING RIGHTS ON DEPOSITED PROPERTY

- 6.1. All rights of voting attached to any Deposited Property shall be exercisable by the Management Company on behalf of the Trustee and the Management Company shall be entitled to exercise the said rights in what it may consider to be the best interests of the Holders, and may refrain at its own discretion from the exercise of any voting rights and the Trustee or the Holders shall not have any right to interfere or complain.
- 6.2. The Trustee shall upon written request by the Management Company and at their expense, from time to time execute and deliver or cause to be executed or delivered to the Management Company or their nominees powers of attorneys or proxies authorizing such attorneys and proxies to vote consent or otherwise act in respect of any Investment in such form and in favor of such persons as the Management Company may require in writing.

The phrase “rights of voting” or the word “vote” used in this sub-clause shall be deemed to include not only a vote at a meeting but the right to elect or appoint directors, any consent to or approval of any arrangement scheme or resolution or any alteration in or abandonment of any rights attaching to any Investment and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

- 6.3. The Trustee shall forward to the Management Company in a timely manner all notices of meetings and all reports and circulars received by the Trustee as the registered holder of any Investment.

7. FINANCE ARRANGEMENTS

- 7.1. Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Trustee may at any time, at the request of the Management Company, concur with the Management Company in making and varying arrangements with Islamic Banks or financial institutions for arranging finance by the Trustee for the account of the Trust. Provided that the charges payable to such Islamic Bank or financial institution are based on Shariah compliant mode of financing. Provided further that the maximum financing for the account of the Trust shall not exceed the limit provided in the Rules but if subsequent to such financing the Net Assets have reduced as a result of depreciation in the market value of the Deposited Property or redemption of Units, the Management Company shall not be under any obligation to reduce such financing. Provided further that such financing shall not be in contravention of the Shariah.
- 7.2. For the purpose of securing any such financing the Trustee may with the approval of the Management Company mortgage, charge or pledge in any manner all or any part of the Deposited Property provided that the aggregate amount to be secured by such mortgage, charge or pledge shall not exceed the limit provided in the Rules.
- 7.3. Neither the Trustee nor the Management Company shall be required to issue any guarantees or provide security over their own assets for securing such financing from Islamic 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 finances or advances.
- 7.4. The Trustee or the Management Company shall not incur any liability by reason of any loss to the Trust or any loss that a Holder may suffer by reason of any depletion in the

Net Asset Value that may result from any financing arrangement made hereunder.

8. BANK ACCOUNTS

- 8.1 The Trustee shall open separate Bank Accounts titled “CDC-Trustee JS Islamic Fund” at such branches of scheduled commercial Banks and at such locations (including outside Pakistan, subject to applicable regulations and after obtaining all necessary approvals from the relevant regulatory authority in Pakistan) as may be requested by the Management Company from time to time.⁵⁶
- 8.2 The Management Company may also require the Trustee to open separate Bank Accounts for each dividend distribution of the Scheme.⁵⁷
- 8.3 Notwithstanding anything in this Deed the beneficial ownership of the balances in the Bank Accounts vest in the Unit Holders.⁵⁸
- 8.4 The Trustee shall, if requested by the Management Company at its discretion also open a separate Account titled “CDC - Trustee JSIL Funds” at Bank(s) designated by the Management Company to facilitate investment in each of the Administrative Plans. These account(s) shall be temporary collection accounts, where collections received on account of subscription of Units by investors of various unit trusts and the administrative plans that are managed by the Management Company shall be held prior to their being allocated and transferred to pertinent unit trust(s) in accordance with the Administrative Plans selected by the investors. Such account(s) may also be used for redemption purposes where the funds are transferred prior to the payment of the redemption proceeds to the Holders.⁵⁹

9. DUTIES AND POWERS OF TRUSTEE

- 9.1. The Trustee shall comply with the provisions of this Deed, and the Rules for any act or manner 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 with the approval of 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 Deposited Property where such loss has been caused by negligence or any reckless or willful act and/ or omission of the Trustee or any of its directors, officers, nominees or agents.
- 9.2. The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Holders. The Trustee shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or in pursuance of any request of the Management Company provided they are not in conflict with the provisions of this Deed or the Rules. 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 document signed or purporting to be signed on behalf of the Management Company by any person whose signature the Trustee is for the time being authorized in writing by the Management Company to accept.

⁵⁶ Insertion as per 2nd Supplemental Deed, 2010

⁵⁷ Insertion as per 2nd Supplemental Deed, 2010

⁵⁸ Insertion as per 2nd Supplemental Deed, 2010

⁵⁹ Insertion as per 2nd Supplemental Deed, 2010

- 9.3. The Trustee shall carry out the instructions of the Management Company in all matters including investment and disposition of the Deposited Property, if such instructions are not in conflict with the provisions of this Deed or Rules or any applicable law and regulations.
- 9.4. The Trustee shall, with the approval of the Management Company, from time to time appoint, remove or replace one or more custodian for performing the Custodian Function at one or more locations, on terms and conditions to be agreed between the Custodian and the Trustee and approved by the Management Company.
- 9.5. The Trustee shall make available or ensure that there is made available to the Management Company such information as the Management Company may reasonably require from time to time in respect of the Deposited Property and all other matters relating to the Scheme.
- 9.6. The Trustee shall issue a report to the Holders as required under the Regulations.⁶⁰
- 9.7. The Trustee shall, if requested by Management Company, institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Deposited Property or any part thereof, with full powers to sign, swear, verify and submit pleading 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 fiduciary duties in connection with its duties as the Trustee under this Deed or the Rules or the Regulations. The Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities whatsoever suffered or incurred by the Trust arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or shareholders' action or otherwise howsoever and (save as herein otherwise provided), all such losses, claims, damages and other liabilities shall be borne by the Trust.⁶¹
- 9.8. Neither the Trustee or the Custodian (if Trustee has appointed another person as Custodian) nor the Management Company or any of their Connected Person shall sell or purchase or deal in the sale of any Investment or enter into any other transaction with the Trust (save in the capacity of an intermediary).
- 9.9. The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Rules and this Deed nor shall the Trustee (save as herein otherwise provided) be liable neither for any act or omission of the Management Company nor for anything except its own negligence or wilful breach of duty hereunder. If for any reason it becomes impossible or impracticable to carry out the provisions of this Deed the Trustee shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.
- 9.10. 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

⁶⁰ Amendment as per 2nd Supplemental Deed, 2010

⁶¹ Amendment as per 2nd Supplemental Deed, 2010

capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government, regulator, stock or other exchange or any other party having any connection with the transaction. The Trustee shall promptly act on any instruction by the Management Company in all such matters relating to recovery of the Deposited Property.

- 9.11. The Trustee shall promptly provide proxies or other forms of powers of attorney to the order of the Management Company with regard to any voting rights attaching to any investment.
- 9.12. In order to ensure Shariah Compliance in all the operations, activities and documentations of the Trust Fund, the Trustee will utilize the services of the Secretary to Shariah Advisory Council appointed by the Management Company.
- 9.13. The Trustee shall not invest in the Units of the Fund.⁶²

10. REMUNERATION OF TRUSTEE AND ITS AGENTS.

- 10.1 The Trustee shall be entitled to a monthly remuneration out of the Deposited Property based on an annual tariff of charges (given in the Table below).⁶³

| NET ASSETS (Rupees in millions) | | TARIFF |
|---------------------------------|-------------|---|
| From 1 | To 1,000 | Rs.0.7 million or 0.20% p.a. of NAV, whichever is higher |
| >1,000 | & Above | Rs.2.0 million plus 0.10% p.a. of NAV exceeding Rs.1,000 million |

- 10.2 The calculation of remuneration shall be based on average daily or weekly Net Assets during such calendar month. The remuneration shall begin to accrue from the date of payment in full of all Units subscribed by the Core Investors. 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.⁶⁴
- 10.3 The Trustee shall bear all expenditures in respect of their secretarial and office space and professional management services provided in accordance with the provisions of this Deed.⁶⁵
- 10.4 In consideration of the foregoing and save as aforesaid the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with their duties as Trustee of the Trust. The Trustee shall not make any charge against the Holders or against the Deposited Property or against the Distribution Account for its service or for its expenses, except as are expressly authorized to be payable out of the Deposited Property under the provisions of the Rules and this Deed.⁶⁶
- 10.5 The Trustee shall bear all expenditures in respect of their secretarial and office space and professional management, including all accounting and administrative

⁶² Insertion as per 2nd Supplemental Deed, 2010

⁶³ Amendment as per 1st Supplemental Deed, 2005

⁶⁴ Amendment as per 1st Supplemental Deed, 2005

⁶⁵ Amendment as per 2nd Supplemental Deed, 2010

⁶⁶ Amendment as per 2nd Supplemental Deed, 2010

services provided in accordance with the provisions of this Deed.⁶⁷

11. DUTIES AND POWERS OF MANAGEMENT COMPANY

- 11.1. The Management Company shall comply with the provisions of the Rules and this Deed for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Management Company or by any nominee or agent appointed by the Management Company and any act or matter so performed shall be deemed for all 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 Deposited Property, where such loss has been caused by its negligence, reckless or willful act and/ or omission or by its officers, officials or agents.
- 11.2. The Management Company shall manage the Deposited Property in the interest of the Holders in good faith and to the best of its ability and without gaining any undue advantage for itself or any of its Connected Persons, and subject to the restrictions and limitations as provided in this Deed and the Rules. 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, if such instructions are not in conflict with the provisions of this Deed or the Rules. The Management Company shall not be liable for any loss caused to the Trust or to the value of the Deposited Property due to any elements or circumstances beyond its reasonable control.
- 11.3. The Management Company may from time to time appoint, remove or replace the Transfer Agent.
- 11.4. The Management Company shall from time to time under intimation to the Trustee appoint, remove or replace one or more Distribution Company(s) for carrying the Distribution Function at one or more locations, on terms and conditions to be entered into between the Distribution Company and the Management Company.⁶⁸
- 11.5. The Management Company shall make available or ensure that there is made available to the Trustee such information as the Trustee may reasonably require in respect of any matter relating to the Trust.
- 11.6. The Management Company shall not be under any liability except such liability as may be expressly assumed by it under the Rules and this Deed nor shall the Management Company (save as herein otherwise provided) be liable neither for any act or omission of the Trustee nor for anything except its own negligence or wilful breach of duty hereunder. If for any reason it becomes impossible or impracticable to carry out the provisions of this Deed the Management Company shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.
- 11.7. The Management Company shall if it considers necessary request the Trustee, for the protection of Deposited Property or safeguarding the interest of the Unit Holders, to institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Deposited Property or any part thereof.

⁶⁷ Amendment as per 2nd Supplemental Deed, 2010

⁶⁸ Insertion as per 2nd Supplemental Deed, 2010

- 11.8. The Management Company has the primary responsibility for all record keeping, regular determination and announcement of Unit's prices and for producing financial reports from time to time as provided in the Rules and this Deed.
- 11.9 The Management Company may offer different Administrative Plans to investors and may market the Unit Trust, Administrative Plans or any other unit trust scheme(s) subject to the approval of the SECP.⁶⁹
- 11.10 The Management Company shall advise the Trustee of the allocation of the funds between the respective scheme(s) on the basis of the Administrative Plans as determined by the Management Company.⁷⁰
- 11.11 The Management Company shall determine from time to time the various class(es) of Units to be issued pursuant to this Deed and the rights and conditions that attach to each class of Units subject to consent of the Trustee and approval of the SECP including the Front-end Load, Back-end Load or Contingent Load, to be charged to each class as well as the dividend payable in respect to each class and the form and timing thereof.⁷¹
- 11.12 The Management Company, as provided in the Regulations, shall not purchase from, or sell any securities to any Connected Person or its employees without the prior approval of its Board of Directors in writing and consent of the Trustee.⁷²
- 11.13 The Management Company on behalf of the Fund shall not at any time rollover the investments of the Fund where the Management Company and the Trustee are of the opinion that the Fund shall not be able to meet a complete redemption request of any Unit Holder within the time period stipulated in the Regulations; provided that the Fund has already fully utilized the borrowing limit for the purpose of meeting such redemptions.⁷³
- 11.14 The Management Company in relation to the Fund shall not allow redemption and re-issuance of Units to a Unit Holder based on different NAVs without involvement of payment instrument, unless permitted otherwise by the Commission; provided that this sub-clause shall not apply to issuance of Bonus Units and reinvestment or issuance of Units against gains realization on the same NAV or transaction date.⁷⁴
- 11.15 The Management Company in relation to the Fund shall not net-off any transaction (adjustment of assets of the Scheme against the investment of the Unit Holders) within the Scheme.⁷⁵

12. REMUNERATION OF MANAGEMENT COMPANY AND ITS AGENTS

- 12.1. The Management Company shall be entitled to receive:
- a) An annual remuneration of an amount not exceeding three percent(3%) of the average daily (or weekly) Net Assets during the first five years of the Scheme and two percent (2%) of such assets thereafter; and
 - b) An additional performance bonus, as provided in the Rules.

⁶⁹ Insertion as per 2nd Supplemental Deed, 2010

⁷⁰ Insertion as per 2nd Supplemental Deed, 2010

⁷¹ Insertion as per 2nd Supplemental Deed, 2010

⁷² Insertion as per 2nd Supplemental Deed, 2010

⁷³ Insertion as per 2nd Supplemental Deed, 2010

⁷⁴ Insertion as per 2nd Supplemental Deed, 2010

⁷⁵ Insertion as per 2nd Supplemental Deed, 2010

- 12.2. The remuneration shall begin to accrue from the day of payment in full of all the Units subscribed by the Core Investors. 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 for the total number of days accrued in the calendar year concerned.
- 12.3. The remuneration due to the Management Company shall be paid on or before the date that is thirty days after the Accounting Date, provided that the Management Company may from time to time draw in advance out of the accrued remuneration a sum that the Trustee shall consider reasonable.
- 12.4. In consideration of the foregoing and save as aforesaid the Management Company shall be responsible for the payment of all expenses incurred by the Management Company from time to time in connection with its responsibilities as Management Company of the Trust, including remuneration and expenses of the Transfer Agent. The Management Company shall not make any charge against the Holders or against the Deposited Property or against the Distribution Account for its services or for its expenses, except as are expressly authorized under the provisions of the Rules and this Deed to be payable out of Deposited Property.
- 12.5. 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 this Deed.

13. CHANGE OF TRUSTEE

- 13.1. The Trustee shall not be entitled to retire voluntarily or otherwise except upon the appointment of a new Trustee. In the event of the Trustee desiring to retire the Management Company within a period of six months (or in default the Trustee) with the prior written approval of the SECP may by a Supplemental Deed hereto under the seal of the Management Company or the Trustee (as the case may be) appoint a new Trustee under the provisions of the Rules in place of the retiring Trustee and also provide in such deed for the automatic vesting of all the assets of the Trust in the name of the new Trustee.
- 13.2. If the Trustee goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction on terms previously agreed 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 Trust under the provisions of the Rules, or any other law for the time being in force, the Management Company shall forthwith by instrument in writing remove the Trustee from its appointment under this Deed and shall by the same or some other instrument in writing simultaneously appoint as trustee some other company or corporation according to the provisions of the Rules and this Deed as the new trustee.
- 13.3. The Management Company may remove the Trustee, with the prior approval of the SECP, after giving twenty-one days notice in writing to the Trustee on ground of any material default or non-compliance with the provisions of this Deed or the Rules, and appoint another trustee.
- 13.4. Upon the appointment of a new trustee the Trustee shall immediately deliver and hand over all the documents and records to the new trustee and shall transfer all the Deposited 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.

- 13.5. 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.

14. CHANGE OF MANAGEMENT COMPANY

- 14.1. The Trustee may with the prior approval of the SECP, remove the Management Company by giving at least twenty-one days notice in writing to the Management Company if any of the following have occurred:

- (a) The Management Company has contravened the provisions of this Deed in any material respect and has failed to rectify the contravention within a reasonable period after the contravention has come to its notice;
- (b) The Management Company goes into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for purpose of reconstruction and amalgamation);
- (c) A receiver is appointed over any of the assets of the Management Company.

- 14.2. The Management Company may retire at any time with the prior written consent of the SECP and the Trustee.

- 14.3. The removal of Management Company and appointment of a new management company shall always require the prior approval of the SECP and the Trustee.

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

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

- 14.6. 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.

15. UNITS

- 15.1 All Units or fractions thereof represent an undivided share in the Deposited Property and rank pari passu as to their rights in the net assets, earnings, and the receipt of the dividends and distributions. Each Holder has a beneficial interest in the Shariah Compliant Fund proportionate to the Units held by such Holder.

- 15.2 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 Documents. The liability of the Holders shall be limited to the unpaid amount (if any) on the Units.

- 15.3 The Management Company may issue any of the following classes of Units:
- i. Class A Units that shall be charged with a Front-end Load, if any.
 - ii. Class B Units that shall be charged with a Back-end Load, if any.
 - iii. Class C Units that shall be charged with a Front-end Load and a Back-end Load, if any.
 - iv. Class D Units that shall be charged with a Contingent Load, if any.

The Management Company may also issue Units with no Front-end Load, Back-end Load or Contingent Load, or Front-end Load, Back-end Load or Contingent Load that is less than the Front-end Load, Back-end Load or Contingent Load determined for this Fund. These may include any Units issued to the Core Investors and any Units issued as a result of re-investment of distributable income pursuant to this Deed and/ or the Offering Document.

The Management Company may issue additional class(es) of Units with such attached rights and conditions as determined from time to time pursuant to the provisions of this Deed and subject to the consent of the Trustee approval of the SECP. The description, rights and conditions applicable to such offer of Units shall be stated in the Supplementary Offering Document(s) with the approval of the SECP. The Management Company may also issue Units pursuant to different Administrative Plans under distinct administrative arrangements with differing levels of Front-end Load, Back-end Load or Contingent Load, which may also vary according to other criteria as provided in the Offering Document(s) or Supplementary Offering Document(s).⁷⁶

- 15.4 The Units issued with different administrative arrangements may have differing quantum of the Front-end Load added to the NAV for determining the Offering Price thereof and differing levels of Back-end Load deductible from the Repurchase Price.
- 15.5 Core Units subscribed by the Core Investors shall be offered and issued at Par Value and shall not be redeemable for a period of two years from the date of issue. A mention of such restriction and its termination date shall be entered into the Register and shall be noted on any Account Statement, Certificate or transfer instrument issued in respect of such Units.
- 15.6 Units offered and issued during the Initial Period shall be issued at the Initial Price. The offer and issue of Units during the Initial Period shall remain open during the period specified in the Offering Document.
- 15.7 After the Initial Period, the Offer Price shall be determined from time to time pursuant to clause 17⁷⁷ of this Deed.
- 15.8 By a Supplemental Deed to this Deed the Management Company may at any time with the approval of the Trustee on giving not less than twenty-one days previous notice in writing to each Holder subdivide or consolidate the whole or any part of the Units and the Holder shall be bound accordingly. The Management Company shall require in such notice that each 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 division or consolidation.

⁷⁶ Insertion as per 2nd Supplemental Deed, 2010

⁷⁷ Amendment as per 2nd Supplemental Deed, 2010

15.9 The Management Company may issue different types of Units to investors. The different types of Units shall include different features offered by the Management Company on such conditions or privileges as specified in the Offering Document. Such conditions or privileges may be with respect to purchase/redemption of Units, distribution of profits (cash dividend and/or Bonus Units), fixed or flexible timing of such redemption or distribution at the option of the Holder and/or the Management Company.⁷⁸

16. ISSUE OF UNITS

16.1 The Management Company shall be responsible for obtaining all requisite consents and approval for the offer and issue of Units and for the issue, publication or circulation of the Offering Document.

16.2 Except as provided, as herein, the Units shall be offered through the authorized offices or branches of the Distribution Companies on all Subscription Days.

16.3 Application for issuance of Units shall be made by completing the prescribed application form and submitting it with the payment by cheque, bank draft or pay order (crossed A/C payee only) in favor of the Trustee at the Authorized Branch or office of any Distribution Company on any Subscription Day. The Management Company may make arrangements to accept payments via credit card, debit card, auto debit instructions or in such form (other than through cash or any bearer instruments) as is prescribed by the Management Company subject to consent of the Trustee, in favour of the Trustee at the Authorized Branch or office of any Distribution Company on any Subscription Day. Payment in cash will not be accepted. No person other than the Authorized Branch or office of the Distribution Company is authorized to accept the application for issuance of Units. The Distribution Company or Transfer Agent shall verify the particulars given in the application for issuance of Units and after ensuring that the documentation required is complete in all respects, forward the application to the Transfer Agent/ Management Company for further processing.

Any charge(s) on account of payments accepted via credit cards, debit cards or debit instructions, shall be charged to the applicant in the Offer Price and it shall be disclosed in the prescribed application form for purchase of Units.⁷⁹

16.4 Each Holder shall only be liable to pay the Offer Price of the Units subscribed by him in the manner provided in clause 16.3⁸⁰ and no further liability shall be imposed on him in respect of any Units held by him. The Units shall be issued only against the receipt of full payment.

16.5 An application for issuance of Units shall be deemed to have been made in accordance with the provisions of the Offering Document or a Supplementary Offering Document, if such documents prescribe automatic issuance of Units under certain circumstances.

16.6 The Management Company may make arrangements under intimation to the Trustee to accept issue requests through electronic, IVR (Interactive Voice Response) or other means.⁸¹

⁷⁸ Insertion as per 2nd Supplemental Deed, 2010

⁷⁹ Amendment as per 2nd Supplemental Deed, 2010

⁸⁰ Amendment as per 2nd Supplemental Deed, 2010

⁸¹ Amendment as per 2nd Supplemental Deed, 2010

- 16.7 The Management Company shall forward all the requests for dealing in Units, duly time and date stamped, to the Trustee within twenty-four (24) hours of the receipt of such requests.⁸²
- 16.8 The Management Company may also make arrangements through branches of Banks to facilitate the issue and redemption of Units under intimation to the Trustee. A request for issue/ redemption of Units may be accepted through the ATM facility only when the relevant Bank branches have been instructed by the Management Company to accept Holders' requests to purchase or redeem the Units of the Trust.⁸³
- 16.9 The Management Company with the approval of the Trustee has reduced the Par Value from Rs. 500/- to Rs. 100/- with effect from the date of this Second Supplemental Deed and therefore Units will be re-issued to the existing Unit Holders in the manner provided in 15.7 by multiplying the number of the existing Units held by them by five (5) in lieu of the existing Units held by them.⁸⁴

17. DETERMINATION OF OFFER PRICE

17.1 After the Initial Period the Offer Price shall be calculated and announced by the Management Company on a daily or weekly basis, as may be determined by the Management Company from time to time.

17.2 The Offer Price shall be equal to the sum of:

- (a) The Net Asset Value as of the close of Subscription Day on which the application for issuance of Units has been received;
- (b) Any Front-end Load as per details in the Offering Document but not exceeding five percent (5%) of the Net Asset Value; and
- (c) Such amount as the Management Company may consider an appropriate provision for Duties and Charges;

Such sum shall be adjusted upwards to the nearest Paisa.

The Offer Price so determined shall apply to purchase requests, complete in all respects, received at the Authorized Branch or office of the Distribution Company before the Cut-Off Time on the same Subscription Day that the Offer Price is calculated.

The Management Company may announce different Administrative Plans under different administrative arrangements with different levels of Front-end Load, which may also vary according to other criteria as provided in the Offering Document(s) or the Supplementary Offering Document(s). Consequently, the Offer Price may differ for Units issued under different Administrative Plans and for different investors. Such Administrative Plans under alternative arrangements, when decided upon, shall be cleared by the Shariah Advisory Council, in order to ensure equitable treatment.⁸⁵

17.3 In the event that the amount paid as provision for payments of Duties and Charges pursuant to sub-clause 17.2(c)⁸⁶ is insufficient to pay in full such Duties and Charges,

⁸² Insertion as per 2nd Supplemental Deed, 2010

⁸³ Insertion as per 2nd Supplemental Deed, 2010

⁸⁴ Insertion as per 2nd Supplemental Deed, 2010

⁸⁵ Amendment as per 2nd Supplemental Deed, 2010

⁸⁶ Amendment as per 2nd Supplemental Deed, 2010

the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retroactive effect after the date of payment in which case such excess shall be recovered from the Deposited Property).

- 17.4 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 17.2(c) exceeds the relevant amount of Duties and Charges the Management Company shall issue additional Units or fractions thereof to the relevant Holders based on the price applicable to the Units issued against the relevant application.⁸⁷
- 17.5 The Offer Price determined by the Management Company shall be made available to the public at the office and branches of the Distribution Company(s) and at the discretion of the Management Company may also be published in one daily newspaper having country-wide circulation.

18. ALLOCATION OF SALES LOAD

- 18.1 The remuneration of Distribution Companies and Investment Facilitators/Sales Agents shall be paid exclusively from any Front-end Load or Contingent Load received by the Trustee and no charges shall be made against the Deposited Property or the Distribution Account in this respect. The remainder of any Front-end Load or Contingent Load, after such disbursement, shall be paid by the Trustee to the Management Company as additional remuneration for their management services for the Trust. If the Front-end Load or Contingent Load received by the Trustee is insufficient to pay the remuneration of the Distribution Company(s) and Investment Facilitators/ Sales Agents, the Management Company shall pay to the Trustee the amount necessary to pay in full such remuneration.⁸⁸
- 18.2 Such payments shall be made to the Distribution Company(s) and investment facilitators/ sales agents and the Management Company by the Trustee or the Management Company to the Trustee on a monthly basis in arrears within thirty days of the end of the calendar month.
- 18.3 A Distributor located outside Pakistan may, if so authorized by the Trustee and the Management Company, 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.
- 18.4 The Management Company may at its discretion charge different levels of Front-end Load to different investors. In such an instance the Management Company may instruct the Trustee to refund a portion of the Front-end Load to the Holder, or issue additional Units or fractions thereof to the Unit Holder based on the price applicable to the Units issued against the relevant application. The Management Company may also at its discretion instruct the Trustee to receive the purchase amount on the basis of the reduced Front-end Load. However the Trustee will not accept any amount which is less than the amount based on the Net Asset Value of that day.⁸⁹

⁸⁷ Amendment as per 2nd Supplemental Deed, 2010

⁸⁸ Amendment as per 2nd Supplemental Deed, 2010

⁸⁹ Insertion as per 2nd Supplemental Deed, 2010

19. REDEMPTION OF UNITS

- 19.1 The Trustee shall, at any time during the life of the Trust authorize redemption of Units out of the Deposited Property to the Holder or through its duly authorized Distribution Company.
- 19.2 Application for redemption of Units shall be made by completing the prescribed redemption form and submitting it at the Authorized Branch or office of the Distribution Company or Transfer Agent together with the Unit Certificate, if issued, during any Subscription Day. The Management Company may make arrangements subject to consent of the Trustee to accept redemption requests through electronic, IVR (Interactive Voice Response) or other means. The Management Company may, if requested by such Unit Holder redeem only part of his Units comprised in a Certificate after cancellation of such Certificate and may re-issue a new Certificate for the remaining Units, provided however in the case where Certificate is not issued any number of Units may be redeemed by the Holder thereof.⁹⁰
- 19.3 The Trustee may at their option dispense with the production of any Certificate that shall have become lost, stolen or destroyed upon compliance by the Holder with like requirements to those arising in the case of an application by him for the replacement thereof.
- 19.4 The Management Company shall announce the Redemption price on a daily or weekly basis. The Redemption Price at which Units shall be redeemed shall be fixed by the Management Company under the terms of this Deed. However, in the event in clause 22.1 or 22.2⁹¹ hereunder comes into application, the redemption value shall be determined in accordance with the procedure laid out in these clauses.
- 19.5 The amount payable on redemption shall be paid to the Holder or first named joint Holder or any other joint Holder specified on the application for redemption of Units by dispatching a cheque for the amount to the registered address of the Holder or other means, 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 Distribution Company or Transfer Agent or directly through Holders personal on-line account. The Management Company may make arrangements for making redemption payments by transferring the redemption proceeds to the Holder's designated bankers or by crediting the Holder's credit card or debit card. However, the Management Company may under special circumstances agree to pay the redemption amount to the Holder's authorized representative as stated in the prescribed application for redemption of Units.⁹²
- 19.6 The receipt of the Holder for any moneys payable in respect of the Units shall be a good discharge to the Trustee and if several persons are registered as joint Holders any one of them may give effectual receipt for any such moneys.
- 19.7 Application for redemption of Units will be received at the authorized offices or branches of the Distribution Company or Transfer Agent on all Subscription Days. Where redemption requests on any one Subscription Day exceed ten percent (10%) of the total number of Units in issue, redemption requests in excess of ten percent may be deferred in accordance with the procedure elaborated in clause 22.1⁹³ thereof.

⁹⁰ Amendment as per 2nd Supplemental Deed, 2010

⁹¹ Amendment as per 2nd Supplemental Deed, 2010

⁹² Amendment as per 2nd Supplemental Deed, 2010

⁹³ Amendment as per 2nd Supplemental Deed, 2010

- 19.8 The Distribution Company or Transfer Agent shall verify the particulars given in the application for redemption of Units. The signature of any Holder or joint Holder to any document required to be signed by him under or in connection with the application for redemption of Units may be verified by the Transfer Agent or otherwise authenticated to their reasonable satisfaction. In case of submission of electronic on-line redemptions through ATM, the Holder's user ID and password will authenticate his identity.⁹⁴
- 19.9 A redemption request shall be deemed to have been made in accordance with the provisions of the Offering Document or a Supplementary Offering Document, if such documents prescribe automatic redemption under certain circumstances.

20. DETERMINATION OF REDEMPTION PRICE

- 20.1 During the Initial Period the Units shall not be redeemed.
- 20.2 After the Initial Period the Redemption Price shall be equal to the Net Asset Value as of the close of Business Day on which the application for the redemption of Units has been received, less:
- a. Any Back-end Load or Contingent Load at the discretion of the Management Company 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;

Such sum shall be adjusted downwards to the nearest Paisa.

The Redemption Price so determined shall apply to redemption requests, complete in all respects, received at the Distribution Company before the Cut-Off Time on the same Business Day that the Redemption Price is calculated.

The Management Company may announce different Administrative Plans under different administrative arrangements with differing levels of Back-end Load or Contingent Load which may also vary according to other criteria in the Management Company's sole discretion, and as provided in the Offering Document(s) or the Supplementary Offering Document(s). Consequently, the Redemption Price may differ for Units issued under differing administrative arrangements and different investors. Such Administrative Plans under alternative arrangements, when decided upon, shall be cleared by the Shariah Advisory Council, in order to ensure equitable treatment.⁹⁵

- 20.3 In the event that the amount deducted as provision for payment of Duties and Charges pursuant to sub-clause 20.2⁹⁶ 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 the Provisions.
- 20.4 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 20.2 exceeds the relevant amount of Duties and Charges, the excess amount shall form part of Deposited Property.⁹⁷

⁹⁴ Amendment as per 2nd Supplemental Deed, 2010

⁹⁵ Amendment as per 2nd Supplemental Deed, 2010

⁹⁶ Amendment as per 2nd Supplemental Deed, 2010

⁹⁷ Amendment as per 2nd Supplemental Deed, 2010

20.5 The Redemption Price determined by the Management Company shall be made available to the public at the office and branches of the Distribution Company(s) and at the discretion of the Management Company may also be published in one daily newspaper having country-wide circulation.

21. SUSPENSION OF ISSUE OR REDEMPTION OF UNITS

21.1 The Management Company may suspend the issue or redemption of Units at any time during:

- (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 Investments are restricted or suspended;
- (b) The existence of any state of affairs 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 Trust or the 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 cannot in the opinion of the Management Company be carried out reasonable time;
- (e) If the Management Company is of the view that it would be detrimental to the remaining Holders to redeem or continue to redeem Units at a price ascertained on the basis of the Net Asset value.
- (f) If the Management Company is of the view that investment of inflow of substantial fund will be difficult, it may decline the application in full or in part for issue of Units at its discretion from investors.

In case of suspension of redemption of Units due to circumstances stated above, the issue of Units shall also remain suspended till the time redemption is resumed.⁹⁸

21.2 Such suspension shall take effect forthwith upon the declaration thereof by the Management Company and shall terminate on the day following the first Business Day on which conditions giving rise to the suspension shall in the opinion of the Management Company have ceased to exist and no other conditions under which suspension is authorised under this Deed exists. In case of suspension and termination of suspension the Management Company shall immediately notify the SECP and publish the same in at least one daily newspaper circulating at Karachi.

22. QUEUE SYSTEM AND WINDING UP

22.1 Queue System - In the event redemption requests on any day exceed ten percent (10%) of the Units in issue, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for upto ten percent of the Units in issue. The Management Company shall proceed to sell

⁹⁸ Insertion as per 2nd Supplemental Deed

adequate assets of the Fund and/ or arrange Shariah based financing as it deems fit in the best interest of the Holders and shall determine the Redemption Price to be applied to the redemption requests based on such action. Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same business day, such requests shall be processed on a proportional basis proportionate to the size of the requests. The redemption requests in excess of ten percent (10%) of the Units in issue will be carried over to the next Business Day. However, if the carried over requests and the fresh requests received on the next Subscription Day still exceeds ten percent (10%) of the Units in issue, these shall once again be treated on first-come-first-served basis and the process for generating liquidity and determining the Redemption Price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten percent of the Units then in issue.

- 22.2 Winding up in view of major redemption - In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Deposited Property being run down to an unmanageable level or is of the view that the sell-off of assets is likely to result in a significant loss in the value for the Holders who are not redeeming, it may in consultation with and concurrence of non-redeeming holders, and after obtaining approval of SECP, announce winding up of the Fund. In such an event, the queue system, if already invoked, shall cease to apply and all Holders shall be paid after selling the assets and determining the Final Redemption Price. The interim distributions of the proceeds may be made if the Management Company finds it feasible.

23. ISSUE OF UNITS OUTSIDE PAKISTAN

- 23.1 Subject to exchange control and other applicable laws, rules and regulations, in the event of arrangements being made by the Management Company for the issuance of Units for delivery in any country outside Pakistan the price at which such Units may be issued at the discretion of the Management Company include in addition to the Offer Price as hereinbefore provided a further amount sufficient to cover all additional cost relating to issue of Units outside Pakistan including but not limited to any currency exchange fluctuation or any risk cover, any additional stamp duty or taxation whether national, municipal or otherwise leviable in that country in respect of such issue or of the delivery or issue of Certificates in connection therewith or the remittance of money to Pakistan.
- 23.2 In the event that the Redemption Price for Units shall be paid in any country outside Pakistan, the price at which such Units may be redeemed may at the discretion of the Management Company include as a deduction to the Redemption Price as hereinbefore provided all additional costs for redeeming Units outside Pakistan, including but not limited to a further amount sufficient to cover any currency exchange fluctuation and any additional stamp duty or taxation whether national, municipal or otherwise leviable in that country in respect of such payment or redemption.
- 23.3 The currency transaction of the Shariah Compliant Fund is the Pakistani Rupee and the Management Company, Trustee or any Distributor are not obliged to transact the issuance 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 obligation arising therefrom.

24. TRANSFER OF UNITS

- 24.1 Every Holder shall be entitled to transfer the Units held by him by an instrument in such

form as the Management Company may prescribe from time to time with the approval of the Trustee.

- 24.2 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.
- 24.3 A Certificate must be transferable only in its entirety.
- 24.4 Every instrument of transfer must be duly completed in all respects including affixation of transfer fee stamps of the requisite value and send to the Transfer Agent or to the Distribution Company for forwarding to the Transfer Agent.
- 24.5 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 clause 29⁹⁹ of this Deed.
- 24.6 The Distribution Company/ Transfer Agent with the prior approval of the Management Company 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 twelve years from the date of registration thereof and all Certificates which have been cancelled at any time after the expiration of three years from the date of cancellation thereof and all registers, statements and other records and documents relating to the Trust at any time after the expiration of six years from termination of the Trust. The Trustee or the Management Company or the Distribution Company/ Transfer Agent shall be under no liability whatsoever in consequence thereof and it shall conclusively be presumed in favor of the Trustee or the Management Company or the Distribution Company/ Transfer Agent 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 Distribution Company/ Transfer Agent and that every Certificate so destroyed was a valid Certificate duly and properly cancelled.

Provided always that:

- (I) 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;
- (II) nothing in this sub-clause shall be construed as imposing upon the Trustee or the Management Company or the Distribution Company/ Transfer Agent any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of proviso (I) above are not fulfilled; and
- (III) reference herein to the destruction of any document includes reference to the disposal thereof in any manner.

25. PLEDGE/ LIEN OF UNITS

- 25.1 Any Unit Holder / joint Holder(s) may pledge/ lien on all or any of his / their Units as security for any debt to any third party and request the Transfer Agent to record a pledge/ lien on all or any of his/ their Units in favor of any third party, legally entitled to invest in such Units in its own rights. The Transfer Agent shall take a note of the pledge/

⁹⁹ Amendment as per 2nd Supplemental Deed, 2010

lien charge in his record, whether the Certificate has been issued or not, provided sufficient evidence of pledge to the satisfaction of the Management Company and the Transfer Agent along with a joint request from the Unit Holder and the pledgee is submitted physically or electronically on the standard application form prescribed by the Management Company. None of these parties, the Trustee, the Management Company, or the Transfer Agent, shall be liable for ensuring the validity of any such pledge/charge/lien. The disbursement of any loan against the constitution of such pledge/lien/charge shall be at the entire discretion of the lender and neither the Trustee, nor the Management Company and the Transfer Agent take any responsibility in this matter.¹⁰⁰

- 25.2 Save any legal bar or court order requiring otherwise, any dividends that are declared on the pledged Units shall be made to the order of the Unit Holder. However, any additional Bonus Units that the pledged Units are entitled to automatically be marked under the lien of the lien holder and in the event the pledged Units are redeemed for any reason whatsoever, the proceeds shall be paid to the order of the lien holder.¹⁰¹
- 25.3 “The lien once registered shall be removed by the authority of the party in whose favor the lien has been registered or through an order of a competent court. Neither the Trustee, nor the Management Company, nor the Transfer Agent, shall be liable for ensuring the validity of any such pledge/charge/lien.¹⁰²
- 25.4 “Where lien/pledge/charge is recorded in the Register, the Trustee on the instructions of the Management Company may make payment to the pledgee, if a request is received from the pledgee or an order is issued by the court of competent jurisdiction and on receipt of such indemnification as Management Company or Trustee may require.”

26. REGISTRATION OF HOLDERS

- 26.1 The Register shall be maintained by the Management Company in physical or electronic form, as may be decided by the Management Company in its discretion, or if appointed, by the Transfer Agent at such a place as is agreed by the Management Company. The Management Company shall ensure that the Transfer Agent shall comply with all relevant provisions of this Deed and the Rules and Regulations.¹⁰³
- 26.2 The Management Company shall ensure that the Transfer Agent shall at all reasonable times during business hours give the Trustee and its representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without charge but neither the Trustee nor its representatives shall be entitled to remove the Register or to make any entries therein or alterations thereto and except when the Register is closed in accordance with the provisions of this Deed, the Register shall during business hours (subject to such restrictions as may be mentioned in the Offering Document and for a period of at least two hours in each Business Day) be open in legible form to the inspection of any Holder of his record without charge.
- 26.3 The Register shall contain the following information in respect to Units:
- a) Full names and addresses of each Holder and joint Holders;
 - b) NIC number or passport number or registration number;
 - c) Nationality;

¹⁰⁰ Amendment as per 2nd Supplemental Deed, 2010

¹⁰¹ Amendment as per 2nd Supplemental Deed, 2010

¹⁰² Amendment as per 2nd Supplemental Deed, 2010

¹⁰³ Amendment as per 2nd Supplemental Deed, 2010

- d) The distinctive number of the Units held and the Certificate number, if any;
- e) The date and distinctive Nos., Certificate Nos. of Units acquired through transfer;
- f) Information about Certificates reported as lost or destroyed;
- g) The date on which the name of every Holder was entered in respect of the Units standing in his name;
- h) The date on which any transfer or redemption is registered with distinctive Nos. and Certificate Nos.;
- i) Information about lien/ pledge/ charge on Units;
- j) Tax/ Zakat status of the Holder;
- k) Record of signature of Holder;
- l) Nominee; and
- m) Such other information as the Management Company may require.

- 26.4 The Register shall be conclusive evidence as to the Units held by each Holder.
- 26.5 Any change of name or address of any Holder shall forthwith be notified in writing to the Distribution Company or Transfer Agent. The Distribution Company will forward such application to Transfer Agent, who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name the surrender of any Certificate previously issued to such Holder and the payment of the fee) shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall issue a new Certificate if required to such Holder.
- 26.6 The Transfer Agent shall not register more than four joint Holders for a Unit. In case of the death of any one of the joint Holders the legal heirs of the deceased Unitholder shall be the only persons recognized by the Trustee as having any title to or interest in the Units held by the joint Holders.
- 26.7 A body Corporate may be registered as a Holder or as one of joint Holders.
- 26.8 The Register may be closed under intimation to the Trustee for such period as the Management Company may from time to time determine and after giving at least seven (7) days notice to Holders, provided that it is not closed for more than forty-five (45) days in any year and not exceeding six (6) working days at a time.¹⁰⁴
- 26.9 The Holder shall be the only person to be recognized by the Trustee and the Management Company as having any right, title or interest in or to such Units and the Trustee and the Management Company may recognize the Holder as the absolute owner thereof and shall not be bound by any notice to the contrary and shall not 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 Transfer Agent to record a pledge on any or all Units held by a Holder in favor of a third party at the request of such Holder or joint Holders as the case may be in accordance with clause 25¹⁰⁵ of this Deed.
- 26.10 The executors or administrators or succession certificate holder of deceased Holder (not being one of several joint Holders) shall be the only persons recognized by the Trustee and the Management Company as having title to the Units represented thereby.
- 26.11 Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Holder or of the survivor of joint Holders may subject as hereinafter provided upon producing such evidence as to his title as the Trustee shall think sufficient either be

¹⁰⁴ Amendment as per 2nd Supplemental Deed, 2010

¹⁰⁵ Amendment as per 2nd Supplemental Deed, 2010

registered himself as Holder of such Unit upon giving the Management Company/ Trustee/ Distribution Company/ Transfer Agent 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 Holder.

26.12 The Trustee shall retain any moneys 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 Holder 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.

27. ACCOUNTS STATEMENT

27.1 Units shall be issued in registered, un-certificated form and shall be confirmed to investors by means of an Account Statement issued by the Management Company or the Transfer Agent in electronic form and for such period as may be determined by the Management Company from time to time and disclosed in the Offering Document and selected by the Unit Holder; provided that where the Unit Holder does not have access to electronic means the same shall be sent in physical form.¹⁰⁶

27.2 Upon confirmation that the Offer Price for each Unit has been received in full from the applicant, the Transfer Agent shall record the same in accordance with Clause 27.3 and the Account Statement issued in accordance with Clause 27.4 shall constitute evidence of the number of Units registered in the name of the Holder.¹⁰⁷

27.3 The Transfer Agent shall record directly for each Unit Holder in the Account Statement each time there is a transaction in the Units:

- a issued/ subscribed;
- b redeemed;
- c transferred in favor of third person;
- d transferred from third person in favour of the Unit holder;
- e consolidated/ split;
- f conversion of Units;
- g Additional Units issued against re-investment of dividend;
- h Bonus Units; and
- i Such other information as is required under the Rules or Regulations or determined by the Management Company.¹⁰⁸

27.4 The Management Company shall send, within fifteen Business Days after close of an Accounting Period or such other period as determined by the Management Company

¹⁰⁶ Amendment as per 2nd Supplemental Deed, 2010

¹⁰⁷ Amendment as per 2nd Supplemental Deed, 2010

¹⁰⁸ Amendment as per 2nd Supplemental Deed, 2010

and disclosed in the Offering Document and selected by the Holder, an Account Statement containing information mentioned in sub-clause 27.3 above for such period.¹⁰⁹

- 27.5 The Management Company may, in the interest of Holders, send a transaction confirmation statement, within fifteen Business Days after each relevant transaction, notifying each Holder of any activity in his/her account. The form, content and frequency of such statement shall be determined by the Management Company and disclosed in the Offering Document and as selected by the Holder.¹¹⁰
- 27.6 The Unit Holder at any time, on an application or instruction in writing, shall be entitled to receive proof on any transaction related to his Account. The Management Company may prescribe reasonable Duties and Charges for servicing any additional requests.¹¹¹

28. UNIT CERTIFICATES

- 28.1 Certificates shall be issued only if so requested by the Holder at the time of application or at any later stage and upon payment of a fee not exceeding twenty-five Rupees per Certificate of any denomination, subject to revision of fee from time to time by the Management Company. The proceeds of such fee will accrue to the Management Company.
- 28.2 Certificates shall only be issued for Units that have been fully paid, in such denomination as maybe required by the Holder.
- 28.3 Certificates where requested shall be issued as herein provided not later than fifteen Business Days after the date of such request. The Certificate may be sent to the Holder or his duly authorized nominee at his own risk by registered post or by delivery.
- 28.4 In the case of Units held jointly the Transfer Agent shall not issue more than one Certificate for the Units held by such joint Holders and delivery of such Certificate to the Holder named first therein shall constitute sufficient delivery to all joint Holders. All payments required under this Deed (i.e. redemption and dividend) will be made to first named joint Holder.
- 28.5 Certificates shall be issued in such form as may from time to time be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the name and address of the Management Company and the Trustee, shall bear a distinctive and serial number and shall specify the distinctive number of Units represented thereby and the name and address of the Holder as appearing in the Register.
- 28.6 Certificates may be engraved or lithographed or printed as the Management Company may determine from time to time with the approval of the Trustee and shall be signed on behalf of the Trustee by a duly authorized officer of the Trustee and on behalf of the Management Company by a duly authorized officer 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 of the Transfer Agent, which shall always be autographic. No Certificate shall be of any force or effect until signed as herein notwithstanding that

¹⁰⁹ Amendment as per 2nd Supplemental Deed, 2010

¹¹⁰ Amendment as per 2nd Supplemental Deed, 2010

¹¹¹ Amendment as per 2nd Supplemental Deed, 2010

before the date of delivery thereof the Trustee or the Management Company or the Transfer Agent or any person whose signature appears thereon as a duly authorized signatory may have ceased to be the Trustee, Management Company, Transfer Agent or an authorized signatory.

29. REPLACEMENT OF CERTIFICATES

29.1 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 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 the Holder may require representing the same aggregate number of Units.

29.2 In case any Certificate shall be lost, stolen, mutilated, defaced or destroyed, the Transfer Agent 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

(I) returned the mutilated or defaced Certificate or furnished the Distribution Company/ Transfer Agent evidence satisfactory to the Management Company of the loss, theft or destruction of the original Certificate,

(II) paid all expenses incurred in connection with the investigation of the facts and any notice to be issued in newspaper inviting any claim (if any) against the lost Certificate to be notified to the Management Company, Trustee or Transfer Agent; and

(III) furnished such indemnity as the Management Company and the Trustee may require. Neither the Management Company nor the Trustee nor the Distribution Company/ Transfer Agent shall incur any liability for any action that they may take in good faith under the provisions of this sub-clause.

29.3 Before the issuing of any Certificate under the provisions of this sub-clause the Distribution Company/ Transfer Agent may require from the applicant for the Certificate the payment to it of a fee of twenty five Rupees for each Certificate, subject to revisions 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.

30. CONVERSION OF UNITS

A Unit Holder may convert the Units held by him in this Trust into Units of another scheme managed by the Management Company subject to such terms and conditions as set forth by the Management Company.¹¹²

31. AUDIT

31.1 The Management Company shall appoint a firm of Chartered Accountants as an Auditor who shall be independent of the auditor of the Management Company and the Trustee. The Management Company may at any time remove the Auditor and appoint another Auditor in its place.

¹¹² Insertion as per 2nd Supplemental Deed, 2010

- 31.2 The Auditor shall hold office until transmission of the annual report and accounts but may be re-appointed. The first Auditors shall be Ford Rhodes Sidat Hyder & Co., Chartered Accountants, and Karachi.
- 31.3 The following persons shall not qualify to be the Auditor of the Trust:
- (a) A person who is or at any time during the preceding three years was a director, officer or employee of the Management Company or the Trustee.
 - (b) A person who is a partner of, or in employment of, a director, officer, employee, or Connected Person of the Management Company or Trustee.
 - (c) The spouse of a director of the Management Company or Trustee.
 - (d) A person who is indebted to the Management Company or Trustee, and
 - (e) A body corporate.
- 31.4 Appointment of a partnership firm to be the Auditor shall be deemed to be the appointment of all persons who are partners in the firm for the time being.
- 31.5 The Auditor shall have access to the books, papers, accounts and vouchers of the Trust, whether kept at the office of the Management Company, Trustee, Custodian, Transfer Agent, Distribution Company or elsewhere and shall be entitled to require from the Management Company, Trustee, Custodian, Transfer Agent, Distribution Company and their directors, officers and agents such information and explanations as considered necessary for the performance of audit.
- 31.6 The Auditor shall prepare a written report to the Holders on the accounts and books of accounts of the Trust and the balance sheet and income and expenditure account and on every other documents forming part of the balance sheet and income and expenditure account, including notes, statements or schedules appended hereto.
- 31.7 The contents of the Auditors report shall be as required in the Rules.
- 31.8 The Management Company shall:
- (a) Within such period as prescribed by the Regulations, prepare and transmit (physically or through electronic means subject to SECP approval) the annual report together with a copy of the balance sheet, income and expenditure account together with the Auditor's report for the Accounting Period to the SECP, Stock Exchange on which Units of the Fund are listed, Trustee and the Holders in accordance with the Rules and Regulations.
 - (b) Within such period after the close of the first half of its year of the accounts, as prescribed by the Regulations, prepare and transmit (physically or through electronic means) subject to SECP approval to the Holders, Trustee and the SECP a profit and loss account for and balance sheet as at the end of that half year, whether audited or otherwise, in accordance with the Rules and Regulations.
 - (c) Within a such period after the close of the first and third quarter of account, as prescribed by the Regulations, prepare and transmit (physically or through electronic means) subject to SECP approval the quarterly report to the Holders,

Trustee and the SECP a profit and loss account for and the balance sheet as at the end of that quarter, whether audited or otherwise, in accordance with the Rules and Regulations.

- (d) The Management Company shall, subject to approval of SECP, transmit the quarterly accounts of the Fund by placing the same on its website. However, the Management Company shall provide to the Unit Holders printed copies of quarterly accounts, on demand, at their registered address, free of cost, as and when requested.¹¹³

32. DETERMINATION OF DISTRIBUTABLE INCOME

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

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

- (a) the total income earned on the Deposited Property during such Accounting Period including all amounts received in respect of dividend, profit, commission and fee;
- (b) accrued profit on funds extended by Management Company under Islamic financing arrangements including but not limited to Musharakah, Murabahah and Istisna'a;
- (c) net realized appreciation as set out in sub-clause 32.3;

from which shall be deducted expenses as set out in sub-clause 32.4, adjustment as set out in sub-clause 32.5 and such other adjustment as the Management Company may determine.¹¹⁴

32.3 The proceeds of sales of rights and all other receipts deemed by the Management Company to be in the nature of capital accruing from Investments shall not be regarded as available for distribution but shall be retained as part of the Deposited Property, provided that such amounts out of the sale proceeds of the Investments and out of the sale proceeds of the rights, bonus shares and all other receipts as deemed by the Management Company to be in the nature of the net realized gain may be distributable to the Holders by the Trustee.¹¹⁵

32.4 The income qualifying for distribution in respect of the relevant period shall be ascertained by deducting:

- (a) admissible expense of the Trust as stated in clause 4.7 of this Deed and Rules;
- (b) amortization of Formation Cost in not more than five equal annual installments after the creation of the Trust;
- (c) taxes on Trust income or turnover.

32.5 The income qualifying for distribution in respect of the relevant year or period shall be

¹¹³ Amendment as per 2nd Supplemental Deed, 2010

¹¹⁴ Amendment as per 2nd Supplemental Deed, 2010

¹¹⁵ Amendment as per 2nd Supplemental Deed, 2010

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 inclusive of dividend or profit;¹¹⁶
- (b) addition of a sum representing amounts included in the price of Units for income accrued prior to the date of issue and deduction of a sum representing all participation in income distributed upon redemption of Units upon a reduction of the Trust during the relevant period;
- (c) adjustment considered necessary by the Management Company to reflect the diminution in value of Deposited Property in consultation with the Trustee.

33. DISTRIBUTION INCOME

- 33.1 The Management Company may decide to distribute, wholly or in part, the distributable income in the form of cash and/or stock dividends, or both as selected by the Unit Holder(s).¹¹⁷
- 33.2 After determining the amount available for distribution in respect of any Accounting Period, the Management Company shall, in case of cash dividend, 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 purpose of this Deed be treated as part of the Deposited Property but shall be held by the Trustee upon trust to distribute the same as herein provided, however any profit earned on these accounts shall form part of the Deposited Property for the benefit of the holders.¹¹⁸
- 33.3 After the fixation of the rate of distribution per Unit, distribution payments, in case of cash dividend, shall be made by cheque or warrant or by way of transfer of amount to the Holder's designated bank account by the Trustee or sent through the registered post or through such arrangement as the Management Company may consider appropriate to the registered address of such Holder, or in the case of joint Holders to the registered address of the joint Holder, first named on the Register. Provided that the Management Company may under special circumstances (or administrative arrangements) agree to pay the distribution amount to the Holder's authorized representative as stated in the prescribed application for issue of Units. Every such cheque or warrant shall be made payable to the order of the person to whom it is delivered or sent and payment of the cheque or warrant (if purporting to be duly endorsed or subscribed) shall be in complete satisfaction of the moneys payable. When an authority in that behalf shall have been received in such form as the Management Company shall consider sufficient it shall arrange for payment of the amount distributable to the Holder to his bankers and the receipt of such bankers shall be a good discharge thereof. In case the warrant is lost, defaced or timed barred, the distribution payments, in case of cash dividend will take place through a cheque or through such arrangement as the Management Company may consider appropriate.¹¹⁹
- 33.4 Before distributing income in the form of cash or stock dividends, the Trustee on the instructions of 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

¹¹⁶ Amendment as per 2nd Supplemental Deed, 2010

¹¹⁷ Insertion as per 2nd Supplemental Deed, 2010

¹¹⁸ Amendment as per 2nd Supplemental Deed, 2010

¹¹⁹ Amendment as per 2nd Supplemental Deed, 2010

whatsoever and issue to the Holder the certificate in respect of such deductions in the prescribed form or in a form approved or required by the concerned authorities.¹²⁰

- 33.5 Certain Unit Holders may authorize the Management Company to re-invest any cash distributions from the Fund into additional Units of the Fund. The Management Company, in such cases will not pay cash distribution but will issue such Units out of the relevant cash distribution payable to the pertinent Unit Holder, after any deductions as may be required by law in respect of any Zakat, income or other taxes, charges or assessments. Issue of Account Statement by the Transfer Agent showing an increase in Units shall be a good discharge of the obligation to pay the pertinent dividend. In such cases, the additional Units will be issued at the Offer Price of the effective date of distribution after appropriation of the distribution but without any charge of the Front-end Load.¹²¹
- 33.6 The Management Company may decide to distribute, wholly or in part, the distributable income in the form of a stock dividend, which would comprise of Bonus Units of the Fund. The Bonus Units would rank pari passu as to their rights in the net assets, earning, and the receipt of the dividends and distributions, with the existing Units of the Fund from the date of issue of these Units.¹²²
- 33.7 Where Units are placed under pledge/ lien the payment of dividends will be made in accordance with clause 25.2 of this Deed.¹²³
- 33.8 In case of distribution in form of Bonus Units, the Unit Holder may elect to receive the cash value of the Bonus Units, provided such Holder opts for such an arrangement at the time of applying for the Units or requests the Transfer Agent in writing prior to the distribution declaration for any relevant period. In such an event, the Management Company shall at the end of the financial year (or the relevant period in the event of an interim dividend) cause to redeem such number of Units that equate value of the Bonus Units for the period. The Redemption Price shall be determined on the basis of the NAV at the distribution date after appropriation of the dividend but without any charge of Back-end Load or Contingent Load. The payment of the cash equivalent shall be made, net of taxes that the Management Company and/ or the Trustee is obliged to recover, by the way of transfer of amount to the Holder's designated bank account or to the Holder's registered address.¹²⁴

34. TERMINATION AND LIQUIDATION OF TRUST

- 34.1 The Management Company may terminate Shariah Compliant Fund by giving thirty days notice in writing to the Holders on the grounds given in clause 22.2¹²⁵ of this Deed.
- 34.2 The Trust may also be terminated by the SECP on the grounds given in the Rules.
- 34.3 This Deed may be terminated in accordance with the conditions specified in the AMC Rules if there is any breach of the provisions of this Deed or any other agreement or arrangement entered into between the Trustee and Management Company regarding the Unit Trust. However, it is recognized that the Trustee shall be acting as a combined Trustee of two or more Unit Trusts and Administrative Plans thereof. In the event of the

¹²⁰ Amendment as per 2nd Supplemental Deed, 2010

¹²¹ Amendment as per 2nd Supplemental Deed, 2010

¹²² Insertion as per 2nd Supplemental Deed, 2010

¹²³ Amendment as per 2nd Supplemental Deed, 2010

¹²⁴ Insertion as per 2nd Supplemental Deed, 2010

¹²⁵ Amendment as per 2nd Supplemental Deed, 2010

termination the Trustee shall be acting as a combined Trustee for other Unit Trusts, which forms an integral part of any Administrative Plan covering more than one Unit Trust, both parties shall act in a manner that causes the least degree of inconvenience to the investors and is the most cost efficient for the Unit Trusts and the Management Company.

35. DISTRIBUTION OF LIQUIDATION PROCEEDS

35.1 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 Deposited Property and shall repay any Shariah compliant finance arrangement effected by the Trust together with any profit/ mark-up remaining unpaid.

35.2 The Trustee on the recommendation of the Management Company shall from time to time distribute to the Holders pro rata to the number of Units held by them respectively all net cash proceeds derived from the realization of the Deposited Property after making payment as mentioned in sub-clause 35.1¹²⁶ above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands.

35.3 In the event the Scheme or any other unit trust scheme is terminated and Units have been purchased therein pursuant to an Administrative Plan, such Administrative Plan shall stand discontinued and the Units held by Holders pursuant thereto shall be dealt in the same manner as the rest of the Units of the Scheme being terminated and the other unit trust schemes in which such Units are held.¹²⁷

36. TRUST DEED

36.1 With the provision that all conducts and acts of the Fund/ Trust shall be Shariah compliant, this Deed shall be subject to and be governed by the Companies Ordinance, the Rules, the Regulations and all other applicable laws as amended or substituted from time to time and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed by the Rules and Regulations are incorporated in this Deed as a 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 Rules and Regulations, the latter shall supersede and prevail over the provisions contained in this Deed. Further, if the Rules or Regulations are amended or any directives are issued or any relaxations or exemptions are allowed there under, such amendments, directives, relaxations and exemptions shall deem to have been included in this Trust Deed.¹²⁸

36.2 The terms and conditions of this Deed and any Supplemental Deed hereto shall be binding on each Holder and each Holder authorizes and requires the Trustee and the Management Company to do as required of them by the terms of this Deed.

36.3 The Trustee and the Management Company acting together shall be entitled by Supplemental Deed 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 clearance from Shariah Advisory Council and approval of the SECP, if so required. Provided that, the Trustee and the Management Company shall certify in writing that, in their opinion such modification, alteration or addition is required

¹²⁶ Amendment as per 2nd Supplemental Deed, 2010

¹²⁷ Insertion as per 2nd Supplemental Deed, 2010

¹²⁸ Amendment as per 2nd Supplemental Deed, 2010

pursuant to any amendment in the Rules or to ensure compliance with any fiscal or statutory requirement or to enable the provisions of this Deed to be more conveniently or economically managed or to enable the Units to be dealt in or quoted on the Stock Exchange or otherwise for the benefit of the Holders and that it does not prejudice the interests of the Holders or any of them or operate to release the Trustee or the Management Company from any responsibility to the Holders and that the same is not in conflict with any Shariah based requirement.

- 36.4 Where this Deed has been altered or supplemented the Management Company shall notify the Holders immediately regarding such alteration through two widely circulated newspapers in Pakistan, one in English and one in Urdu.¹²⁹
- 36.5 The Management Company may from time to time frame rules or regulations for conducting the business of the Trust or in respect of any other matter incidental thereto; provided such rules or regulations are not inconsistent with the provisions of this Deed, Shariah compliance requirements, the Rules or the Offer Documents.
- 36.6 If at any time, any Clause of this Deed is and/ or becomes in whole or in part, illegal, invalid or unenforceable in any respect of Shariah compliance and/ or 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.

37. CONFIDENTIALITY

- 37.1 The Trustee and the Management Company and every director or officer of the Trustee and the Management Company who are in any way engaged in the business of the Trust and all persons employed or engaged by the Trustee or the Management Company in connection with the business of the Trust shall observe strict confidentiality in respect of all transactions of the Trust, its Holders and all matters relating thereto and shall not disclose an 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.

38. ARBITRATION

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

¹²⁹ Amendment as per 2nd Supplemental Deed, 2010

39. MISCELLANEOUS

39.1

- (a) Any notice required to be served upon the Holder shall be deemed to have been duly given if sent by post 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 providing such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted.
- (b) The Trustee or the Management Company shall publish any such notices, as provided in this Deed.
- (c) Service of a notice or document on any one of several joint Holders shall be deemed effective service on the other joint Holders.
- (d) Any notice or document sent by post to or left at the registered address of a Holder shall notwithstanding that such Holder be then dead or bankrupt and whether or not the Trustee or the Management Company have notice of his death or bankruptcy be deemed to have been duly served and such service shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under him) in the Units concerned.

39.2 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 Fifty (50) Rupees per copy or at such rate as determined from time to time by the Management Company.

40. RIGHTS AND OBLIGATIONS

- 40.1 The obligations and rights of the parties hereunder shall be subject to the provisions of this clause.
- i. The obligations and rights of the parties hereunder shall be subject to the existing rights, as of the date of this Deed, of third parties, and to any renewals thereof.
 - ii. Neither party shall be obligated to disclose any information, which is proprietary, the information of any government, or of any agency thereof, or the disclosure of which would be, in the opinion of the obligated party, contrary to any law, regulation or decree of any government or of any agency thereof.

41. REPRESENTATIONS AND WARRANTIES

41.1 Each of the parties hereby represents and warrants to each of the other party as follows:

- i. It is an entity duly organized, validity existing and in good standing under the laws of its jurisdiction of formation.
- ii. It has the power and authority to execute and deliver this Deed, and to consummate the transactions contemplated hereby. The execution and delivery by it of this Deed, and the consummation by it of the transactions contemplated hereby, have been duly authorized by all necessary corporate action and have been duly authorized by the prescribed

governmental entity or other person. Each of the representatives of each such party signing this Deed has full power and authority to execute this Deed in such representative's indicated capacity and to consummate the transactions contemplated hereby. Upon its execution and delivery, this Deed will be duly executed and delivered and will constitute a valid and binding obligation of such party, enforceable in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally or the availability of equitable remedies.

- iii. The execution and delivery of this Deed by it does not, and the consummation by it of the transactions contemplated by this Deed will not, violate any provision of its bylaws or other charter or governing documents, or violate any agreement, instrument, law, ordinance, regulation, order arbitration award, judgment, or decree to which it is party, or by which it is bound.

42. **SURVIVAL**

- 42.1 All obligations of either party which expressly or by their nature survive termination or transfer of this Deed shall continue in full force and effect after the termination or transfer, until they are satisfied, or by their nature expire.
