Risk Disclaimer: All Investments in Exchange Traded Fund are subject to market risks. The NAV of Units may go down or up based on the market conditions. The investors are advised in their own interest to carefully read the contents of the Offering Document, in particular the Investment Policies mentioned in Clause 2.2, Risk Factors mentioned in clause 2.7, Taxation Policies mentioned in Clause 8 and Warnings in Clause 10 before making any investment decision.

OFFERING DOCUMENT OF

JS Momentum Factor Exchange Traded Fund

(An Open-Ended Exchange Traded Fund)

Open for Subscription: 07-01-2022

Category of CIS	Risk Profile	Risk of Principal Erosion
Open ended Exchange Traded Fund	High	Principal at High risk

MANAGED BY

JS INVESTMENTS LIMITED

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OFFERING DOCUMENT

OF

JS Momentum Factor Exchange Traded Fund

Open Ended Exchange Traded Fund

Managed By

JS INVESTMENTS LIMITED

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

Date of Publication of Offering Document: 29-12-2021

The **JS Momentum Factor Exchange Traded Fund** (the Fund/the Scheme/the Trust/the Unit Trust/ ETF) has been established through a Trust Deed (the Deed) dated October 05, 2021 under the Trust Act, 2020, as amended vide Sindh Trusts (Amendment) Act, 2021entered into and between **JS Investments Limited**, the Management Company, **Central Depository Company of Pakistan Limited**, the Trustee and is authorized under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the "Rules") and Non-Banking Finance Companies and Notified Entities Regulations, 2008 ("Regulations").

REGULATORY APPROVAL AND CONSENT

Approval of the Securities and Exchange Commission of Pakistan

The Securities and Exchange Commission of Pakistan (SECP) has authorized the offer of Units of **JS Momentum Factor Exchange Traded Fund** and registered as a notified entity under the Non-Banking Finance Companies and Notified Entities Regulations 2008 ("Regulations") vide Letter No. SCD/AMCW/JSMFETF/117/2021 dated November 03, 2021 SECP has approved this Offering Document, under the Regulations vide Letter No. SCD/AMCW/JSMFETF/173/2021 dated December 03, 2021..

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

Offering Document

This Offering Document sets out the arrangements covering the basic structure of the **JS Momentum Factor Exchange Traded Fund** (the "Fund", the "Scheme"). It sets forth information about the Fund that a prospective investor should know before investing in any class of Units. The provisions of the Trust Deed, the Rules, the Regulations, circulars, directives etc. as specified hereafter govern this Offering Document.

Prospective investors in their own interest are advised to carefully read this Offering Document to understand the Investment Policy, Risk Factors, Warning and Disclaimer. If the prospective investor has any doubt about the contents of this Offering Document, he/she/it should consult their investment advisers, legal advisers, bank managers, stockbrokers, or financial advisers to seek independent professional advice before investing.

Investors must recognize that the investments involve varying levels of risk. The portfolio of the Fund consists primarily of investments in listed securities that are subject to market fluctuations and other risks inherent in all such investments. Neither the value of the Units in the Fund nor the dividend declared by the Fund is, or can be, assured. Investors are requested to read the Risk Disclosure and Warnings statement contained in Clause 2.7 and Clause 10 respectively in this Offering Document.

Filing of the Offering Document

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

(1) License No. **AMCW/11/JSIL/AMS/05/2019** dated **June 14, 2019** and **AMCW/10/JSIL/IAS/06/2019** dated **June 14, 2019** granted by SECP to JS Investments Limited to carry out Asset Management and Investment Advisory Services;;

(2) Trust Deed (the Deed) of the Fund;

(3) SECP's Letter No. No. SCD/AMCW/JSMFETF/117/2021 dated November 03, 2021 registering the Fund in terms of Regulation 44 of the NBFC and Notified Entities Regulations2008;

(4) Letter No. AC/RZ/200/21 dated October 18, 2021 from EY Ford Rhodes, Auditors of the Fund , consenting to the issue of statements and reports;

(5) Letter No. JSIL-482/1135/21 dated November 23, 2021 from Bawanery & Partners, Legal Advisers of the Fund , consenting to act as adviser;

(6) SECP's letter No. SCD/AMCW/JSMFETF/173/2021 dated December 03, 2021 approving this Offering Document.

1. CONSTITUTION OF THE SCHEME

1.1. Constitution

The Fund is an Open-End Fund and has been constituted by a Trust Deed entered into at Karachi on **October 05, 2021** between:

JS INVESTMENTS LIMITED (JSIL), a public limited company incorporated in Pakistan under the erstwhile Companies Ordinance, 1984, now Companies Act, 2017, listed on the Pakistan Stock Exchange Limited, with its registered office at The Centre, 19th Floor, Plot No.28 SB-5, Abdullah Haroon Road, Saddar, Karachi, Pakistan (hereinafter called the "Management Company", which expression, where the context so permits, shall include its successors-in-interest and assigns), of the One Part; and

Central Depository Company of Pakistan Limited, a company incorporated under the erstwhile Companies Ordinance, 1984, now Companies Act, 2017 and registered with the Securities and Exchange Commission of Pakistan as a central depository company, with its registered office at CDC House 99-B, Block B, S.M.C.H.S Main Shahra-e-Faisal, Karachi, Pakistan as the trustee.

1.2. Trust Deed (the "Deed")

The Deed is subject to and governed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008, Securities Act 2015, Companies Act, 2017 and all other applicable laws and regulations. The terms and conditions in the Deed and any supplemental deed(s) shall be binding on each Unit Holder. In the event of any conflict between the Offering Document and the Deed the latter shall supersede and prevail over the provisions contained in this Offering Document. In the event of any conflict between the Deed and the Rules or Regulations and Circulars

issued by SECP, the latter shall supersede and prevail over the provisions contained in the Deed.

1.3. Modification of Trust Deed

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

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

1.4. Duration

The duration of the Fund is perpetual. However, SECP or the Management Company may wind it up or revoke, on the occurrence of certain events as specified in the Regulations or clause 11.4 of this document.

1.5. Trust property

It is hereby irrevocably and unconditionally declared that:

a) The Trustee shall hold and stand possessed the Trust Property that may from time to time hereafter be vested in the Trustee upon trust as a single common fund for the benefit of the Unit Holder(s) ranking pari passu interse, according to the number of Units held by each Unit Holder(s);

b) The Trust Property shall comprise of the Portfolio Deposit and cash component received from all the Creation Units issued, as specified in this Document and the conditions stipulated in Trust Deed, the Regulations and the requirements prescribed by the Commission, as amended or substituted from time to time ("SECP Requirements");

c) The Management Company shall offer Creation Units or multiples thereof to Authorized Participants in exchange of underlying Portfolio in term of provision contained in this Document; and

d) The Management Company shall track the Index which comprises of basket of equity securities as specified in clause 2.1 of this Document.

1.6. Issuance, Buying and Selling of ETF units

Units of the Fund may be acquired or redeemed directly from the Fund only in Creation Units lot size or multiples thereof, as specified in the Creations and Redemptions section of this document. Only an Authorized Participant may engage in creation or redemption transactions directly with the Fund.

Once created, units of the Fund generally trade in the secondary market in multiplier of Marketable lot size which can be less than a Creation Unit lot size. Units of the Fund are listed on a Pakistan Stock Exchange for trading. Units can be bought and sold throughout the trading day like shares of other publicly-traded companies. The Trust does not impose any minimum investment for units of the Fund purchased on an exchange in the secondary market **However PSX may impose certain restrictions on LOT size of ETF to be traded at the Exchange.**

Buying or selling Fund shares on an exchange in secondary market involves two types of costs that may apply to all securities transactions. When buying or selling units of the Fund through a broker, you may incur a brokerage commission and other charges.

In addition, you may incur the cost of the “spread,” that is, any difference between the bid price and the ask price. The spread varies over time for shares of the Fund based on the Fund’s trading volume and market liquidity, and is generally lower if the Fund has high trading volume and market liquidity, and higher if the Fund has little trading volume and market liquidity. The Fund’s spread may also be impacted by the liquidity of the underlying securities held by the Fund, in instances of significant volatility of the underlying securities.

The AMC has adopted a policy of not monitoring for frequent purchases and redemptions of Fund’s units

("frequent trading") that appear to attempt to take advantage of a potential arbitrage opportunity presented by a lag between a change in the value of the Fund's portfolio securities after the close of the primary markets for the Fund's portfolio securities and the reflection of that change in the Fund's NAV.

The Pakistan Stock Exchange, on which the Fund's shares are listed is open for trading Monday through Friday and is closed on weekends and the holidays as specified and announced by the PSX.

Difference between ETF and open end fund;
An ETF is one way to invest in the stock or bond market without buying individual stocks or bonds. An exchange-traded fund is much like a regular mutual fund in that sense when you buy a share of an exchange-traded fund each share represents a tiny slice of all of the funds' underlying investments, allowing you to diversify across a pre-determined set of stocks or bonds by owning one single fund.

Most exchange-traded funds function like an index fund. For example, you buy a KSE-30 Index exchange-traded fund; that fund will own all 30 stocks listed in the KSE-30 index. It will not trade in and out of those stocks - it simply owns the stocks listed in the index. By buying a share of the fund your money is instantly diversified across all of the underlying stocks.

Exchange traded funds differ from regular mutual funds in the way they are priced and in the way, they trade, which means you can apply certain trading strategies with an exchange-traded fund which you cannot do with a regular mutual fund.

Pricing of an Exchange Traded Fund; A regular mutual fund sets its price once each day after the market has closed. The actual price you trade at is unknown because orders are placed during or before a market close and then "filled" at the closest new market value. The closing value will be re-priced based on the number of shares bought and sold and the net asset value of the total fund.

An exchange-traded fund prices just like a stock with fluctuations in value throughout the trading period. Since exchange traded funds price throughout the day, you can purchase or sell them mid-day, buy on a dip in the market, or sell on a rally. Because the stock market prices are influenced by current news and worldwide opinions, the prices are prone to sudden and frequent impulse changes.

One advantage ETF's have over regular mutual funds is typically a lower operating expense fee which means you are paying less to own the fund.

Trading of an Exchange Traded Fund; When you buy or sell shares of a regular mutual fund you buy or sell them directly to and from the investment company that issues them, so you cannot trade them mid-day, nor can you use trading strategies like limit orders. You will buy shares of mutual funds in cash, which means you may end up with an odd number of shares, including fractions.

An exchange-traded fund, however, trades like a stock, pricing throughout the day. When you buy or sell it, you are trading it with other investors who are buying or selling. Since an exchange-traded fund trades in this way, you can use trading strategies such as limit orders or stop losses, which allows you to specify a specific price at which you wish a transaction to occur.

Parties to an ETF

Subject to the NBFC Regulation, Rule book of PSX and agreements created under this arrangement, following parties are directly associated with the Creation Redemption and trading of ETF securities and are defined in this document;

- Assets Management Company of the scheme,
- Trustee of the scheme,
- Authorized Participants of the scheme,
- Market Maker of the scheme, and
- The Pakistan Stock Exchange

Advantages and Disadvantages of ETF

Apart from the risk associated with the ETF fund as specified in this document, following are the advantages and disadvantages of ETF. Investors should note that these are general advantages/disadvantages of ETFs and may vary from one ETF to another and may not be applicable on JSMF ETF.

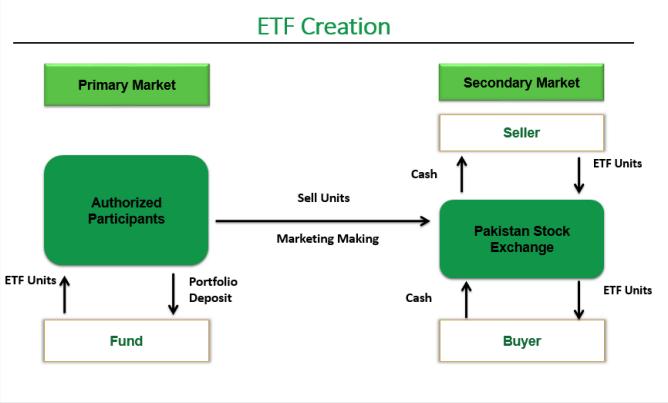
Advantages

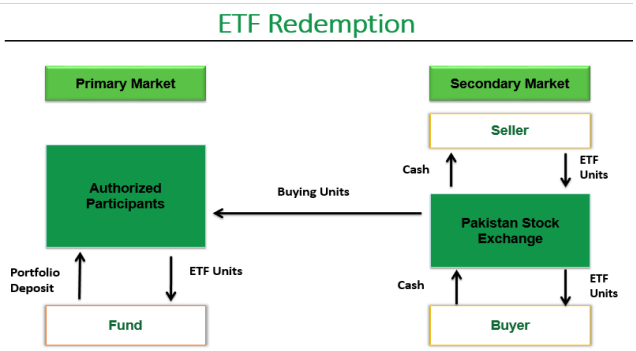
- They have higher daily liquidity than managed funds. Investors may have difficulty exiting a managed fund if much redemption are taking place at the same time.
- They have lower fees than managed funds.
- Investors are able to diversify more broadly with an ETF. You can buy the market and get instant diversification with the purchase of one ETF. You can have a portfolio of different stocks and not have to manage all the stocks yourself.
- Investors can access international shares without having to open an international share trading account.
- There is more transparency in an ETF compared to a managed fund as ETF funds disclose all holdings. Managed funds don't publish all the stocks in the fund.
- There is less administration required with ETFs. An application form is required when buying units in a managed fund and a redemption form is required when selling units. With an ETF, you can just buy and sell on Exchange.
- ETFs are traded on the stock exchange and so pricing is in real time, with managed funds pricing is not as regular.

Disadvantages

- ETFs track an index offering a passive strategy. These particular types do not actively try and beat the market. With managed funds, you can select different trading strategies. Investors have more choice of finding an actively traded fund with managed funds.
- Managed funds generally don't charge transaction fees, ETFs do. Regardless of how many trades a managed fund executes, the investor is usually just charged the management fee/performance fee.
- ETFs usually comprises of an index with large caps companies so investors looking to invest in small or medium cap companies may find it hard with ETFs.
- Trading volumes with ETFs may be low so there may be a wide bid ask spread. This means liquidity may be low.

ETF Creation/Redemption Flow:





1.7. Offering Document

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

1.8. Modification of Offering Document

This Offering Document will be updated to take account of any fundamental attribute changes relating to the Fund. Such changes shall be subject to prior consent of the Trustee and approval from the Securities and Exchange Commission of Pakistan (SECP), and shall be circulated to all Unit Holders and/ or publicly notified by advertisements in the newspapers subject to the provisions of the Rules and the Regulations and duly posted on official website of the Management Company. These changes shall also be notified to PSX within due time as per the requirement of PSX Rule Book.

1.9. Responsibility of the Management Company for information given in this Document

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

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

2.1. Investment Objective

The objective of JS Momentum Factor Exchange Traded Fund (JSMF ETF) is to track the authorized Index constituted by the Management Company as specified in this Offering Document.

2.2. Investment Policy

The Fund shall invest in a particular basket of equity securities with a view to track the performance of the Benchmark index. The Benchmark Index is called **"JS Momentum Factor Index"** and shall be constituted by Management Company and periodically maintained by the Pakistan Stock Exchange.

The AMC has appointed PSX to determine and maintain the Index on its behalf. For that purpose, the AMC has entered into an agreement with PSX.

The performance of the Fund may vary for a number of reasons, including transaction costs, asset valuations, corporate actions (such as mergers and spin-offs), timing variances and differences between the Fund's portfolio and the Underlying Index resulting from the non-availability of any specific security at any given time period. These factors shall result in Tracking Error; the "Tracking error" which means the standard deviation of difference between daily returns of the Fund and that of the underlying Benchmark Index. The Management Company expects a tracking error up to a maximum of 15%.

Subject to the condition mentioned in the clause above, variation between the benchmark index and the ETF allocation of 10% is permissible in each scrip forming part of the ETF. Any variation beyond the 10% limit described above which may be caused by a movement in market prices of constituent scrips or corporate actions may be rectified in the next rebalancing/reconstitution

The AMC shall use a replication indexing strategy. "Replication" is an indexing strategy in which a fund invests in substantially all of the securities in its underlying benchmark index in approximately the same proportions as in the underlying benchmark index.

The AMC shall ensure that at all times, at least 85% of the Assets of the ETF remain invested in the component securities of the Benchmark Index being tracked by it, while the remaining assets may comprise of cash or cash equivalents.

Benchmark of the Fund

The benchmark of the Fund shall be the return of the **"JS Momentum Factor Index"**.

The benchmark of the fund shall be to track the performance of index based on weighted average cumulative performance of all securities included in the index. The Management Company shall disseminate the Fund's performance with this Benchmark to the unit holders and/or PSX with certain intervals as specified by the Commission.

The Management Company shall immediately notify the Commission, the Exchanges on which it registered the underlying ETF, Unit Holders and the Trustee upon rebalancing of the JS Momentum Factor Index based on the process agreed with PSX relating to intimation of rebalancing, announcement of INAV during that period etc. Notice to the Exchange and a notice on the Website of Management Company would be sufficient to comply with the notice Requirements.

The AMC shall ensure that per party, per group and sector exposure limits and restrictions in relation to the securities held by the ETF are in accordance with their weightage in the Benchmark index

The constituents of benchmark index and their weightages will be updated on our website www.jsil.com on the date of launch and at every subsequent reconstitution and rebalancing date.

Stock Selection:

Stock selection will be determined by an algorithm that invests in ten stocks based on a certain set of rules that are specified herein.

The index will use the full universe of stocks listed on the Pakistan Stock Exchange as the starting point. On the 4th working day of every calendar year a number of stocks will be short listed from the overall universe based on combined two step free float market capitalization & traded value filter (CF).

In the first step a market capitalization filter (MC) will be applied. This will determine the average free float market capitalization at the end of June and December of each calendar year and eliminate those stocks that fall below average free float market capitalization multiplied by a market capitalization factor (MCF) that may range from 0.2 to 1.5.

In the second step, a traded value filter (TV) will be applied. This will determine the 6 month trailing average value traded for all stocks and eliminate those that fall below a certain percentile of traded value. This percentile will be at least 70%.

The short listed stocks will be used to compute a Performance Score (PS) and a Traded Value Score (TVS) on the 4th working day of every month. PS will be determined based on the previous month's stock price performance. TVS will be determined based on the immediately preceding months average daily traded value and may range from one month to nine months.

PS & TVS will be used to determine a combined holistic Momentum Score (MS). The top ten stocks based on MS will be the constituents of the index. PS will have a 60 – 80% weight in the MS Score with the balance of

the weight attributable to TVS.

Weight Assignment:

Weight will be assigned to each individual stock based on a measure of traded value. Average daily traded value will be determined based on a period ranging from 30 to 270 days. The weight of each stock will be capped at our Single Stock Limit (SSL). SSL will be 20%.

At the rebalancing/re-constitution date if any stock's computed weight is above the SSL the following procedure will be followed. The excess weight i.e. Computed weight minus SSL will be distributed amongst the remaining stocks. This process will be iterative until all stocks comply with the SSL limit. If the weight of a stock exceeds SSL, it will be maintained until the next re-balancing.

Rebalancing and Reconstitution:

The index will be re-balanced on the 5th working day of every month.

Re-constitution will be carried out on the 5th working day of every month, simultaneously with re-balancing. Re-constitution frequency may be changed to 60, 90, 180 or 270 days however this change will be limited to once every year.

In the event that re-constitution frequency is changed, the Stock Exchange will be informed accordingly and the frequency change will apply from the last re-constitution date.

Methodology for determining MCF and look back period for TVS:

These shall vary with the size of the ETF. MCF will be in the range of 0.2 to 1.5 based on the size of the ETF.

The lookback period for TVS ranges from one month to nine months.

Constituents of the Benchmark Index:

Stock selection will be determined by an algorithm that invests in ten stocks based on a certain set of rules that are specified herein.

The index will use the full universe of stocks listed on the Pakistan Stock Exchange as the starting point. On the 4th working day of every calendar year a number of stocks will be short listed from the overall universe based on combined two step free float market capitalization & traded value filter (CF).

In the first step a market capitalization filter (MC) will be applied. This will determine the average free float market capitalization at the end of June and December of each calendar year and eliminate those stocks that fall below average free float market capitalization multiplied by a market capitalization factor (MCF) that may range from 0.2 to 1.5.

In the second step, a traded value filter (TV) will be applied. This will determine the 6 month trailing average value traded for all stocks and eliminate those that fall below a certain percentile of traded value. This percentile will be at least 70%.

The short listed stocks will be used to compute a Performance Score (PS) and a Traded Value Score (TVS) on the 5th working day of every month. PS will be determined based on the previous month's stock price performance. TVS will be determined based on the immediately preceding months average daily traded value and may range from one month to nine months.

PS & TVS will be used to determine a combined holistic Momentum Score (MS). The top ten stocks based on MS will be the constituents of the index.

Benchmark Index shall be a Total Return Index:

Return calculation for the Benchmark Index shall be based on Total Return methodology. This means that for any given period, the return of the Benchmark Index shall constitute the price return plus any payouts announced by the constituent stocks of the Benchmark Index.

2.3. Changes in Investment Policy

The investment policy will be governed by the Regulations and/or SECP directives. Any Fundamental change in the Investment Policy will be implemented only after obtaining prior approval from SECP and inform the PSX within due time as specified in the PSX Rule Book.

2.4. Investment Restrictions

The Trust Property shall be subject to such exposure limits or other prohibitions as are provided in the Regulations, Trust Deed, this Offering Document of the Fund, circulars and directives and shall also be subject to any exemptions that may be specifically given to the Fund by SECP and are explicitly mentioned under the heading Exceptions to Investment Restriction in this offering document or subsequently in writing. Management Company shall ensure that per party, per group and sector exposure limits and restrictions in relation to the securities held by the ETF are in accordance with their weightage in the benchmark index. Any non-compliance or breach of such investment limits shall be rectified with three business days. The Management Company on behalf of the Scheme shall not:

2.4.1.1 Lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person as specified in the Regulation;

2.4.1.2 Make any investment which will vest with the Management Company or its group the management or control of the affairs of the investee company;

2.4.1.3 Acquire twenty-five percent (25%) or more of the voting rights or control of a company on behalf of the Collective Investment Schemes;

2.4.1.4 Invest in securities of the Management Company;

2.4.1.5 Issue a senior security which is either stock or represents indebtedness, without the prior written approval of the Commission;

2.4.1.6 Apply for de-listing from stock exchange, unless it has obtained prior written approval of the Commission;

2.4.1.7 Merge with, acquire or take over any scheme, unless it has obtained the prior approval of the SECP in writing to the scheme of such merger, acquisition or takeover;

2.4.1.8 Enter on behalf of the Scheme, into underwriting or sub-underwriting contracts;

2.4.1.9 Subscribe to an issue underwritten, co-underwritten or sub-underwritten by group companies of the Management Company;

2.4.1.10 Pledge any of the securities held or beneficially owned by the Scheme except as allowed under the Regulations;

2.4.1.11 Accept deposits;

2.4.1.12 Make a loan or advance money to any person from the assets of the Scheme;

2.4.1.13 Rating of Bank with which Funds are placed shall be as per **Investment Grade & Above;**

Management Company may however enter into SLB mechanism to lend shares on such terms and to such extent allowed under NBFC rules, Regulations or through circulars issued by the Commission from time to time.

Clause 37(7)(h) of NBFC regulations relating to brokerage to a single broker will not be applicable on this Fund;

Requirements of Circular 28 of 2021 relating to criteria for investing in equity shares will not be applicable on this Fund.

The Management Company in managing the Fund shall abide by all the provisions of the Trust Deed, the Offering Document, the Regulations and any other applicable laws.

2.5. Exemption to Investment Restrictions

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

2.6. Transactions Relating to Investment/Portfolio Management

In case of Issuance of Creation Units, the Trustee shall ensure that, Portfolio Deposit and Cash Component is received (where Cash Component is a positive value) against Creation of Units.

In case of redemption of Units, the Trustee shall ensure that the requisite Units of ETF equaling the Creation Unit size have been transferred to the Fund's Depository account and the Cash Component.

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

The Management Company shall also advise the Trustee, of the details of amounts to be paid and to deliver Portfolio Deposit to respective Authorized Participants against redemption requests. Such transfer of Portfolio Deposit/payments shall be affected by the Trustee out of the respective accounts of the Unit Trust by way of transfer to the appropriate account of the Authorized Participant.

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

2.7. Risk Disclosure

Investors must realize that all investments in Mutual Funds including ETFs and securities are subject to market risks. Our target return / dividend range cannot be guaranteed and it should be clearly understood that the portfolio of the Fund is subject to market price fluctuations and other risks inherent in all such investments. ETF is traded at the Exchange, it may have other risks including secondary market liquidity etc. which are generally not there in a typical open end mutual Fund. The risks may emanate from various factors that could include, but are not limited to the following:

a) Authorized Participant/ Market Maker Concentration Risk.

Only an Authorized Participant/ Market Maker may engage in creation or redemption transactions directly with the Fund. The Fund has a limited number of institutions that may act as Authorized Participants/ Market Maker. To the extent that Authorized Participants/ Market maker exit the business or are unable to proceed with creation or redemption orders with respect to the Fund and no other Authorized Participant/ Market maker is able to step forward to create or redeem Creation Units, Fund units may be more likely to trade at a premium or discount to NAV and possibly face trading halts or delisting. Since the Fund is starting with one Authorized Participant/Market Maker that risk is currently high and will reduce overtime as the number of Authorized Participants/Market Makers increase.

b) Concentration Risk

The Fund may be susceptible to an increased risk of loss, including losses due to adverse events that affect

the Fund's investments more than the market as a whole, to the extent that the Fund's investments are concentrated in the securities of a particular issuer or issuers, country, group of countries, region, market, industry, group of industries, sector or asset class. The Fund may be more adversely affected by the underperformance of those securities, may experience increased price volatility and may be more susceptible to adverse economic, market, political or regulatory occurrences affecting those securities.

c) Equity Securities Risk

The Fund invests in equity securities, which are subject to changes in value that may be attributable to market perception of a particular issuer or to general stock market fluctuations that affect all issuers. Investments in equity securities may be more volatile than investments in other asset classes. The Underlying Index is comprised of common stocks, which generally subject their holders to more risks than preferred stocks and debt securities because common stockholders' claims are subordinated to those of holders of preferred stocks and debt securities upon the bankruptcy of the issuer.

d) Market Trading Risk

Although shares of the Fund are listed for trading on one or more stock exchanges, there can be no assurance that an active trading market for such shares will develop or be maintained by Market Makers or Authorized Participants.

e) Tracking Error Risk.

The Fund may be subject to tracking error, defined in section 2.1.1 above. Tracking error may occur because of differences between the securities and other instruments held in the Fund's portfolio and those included in the Underlying Index, differences in transaction costs, the Fund's holding of un-invested cash, differences in timing of the accrual of or the valuation of dividends or interest, the requirements to maintain pass-through tax treatment, portfolio transactions carried out to minimize the distribution of capital gains to shareholders, changes to the Underlying Index or the costs to the Fund of complying with various new or existing regulatory requirements. This risk may be heightened during times of increased market volatility or other unusual market conditions. Tracking error also results because the Fund incurs fees and expenses, while the Underlying Index does not.

f) Government Regulation Risk

Government policies or regulations are more prevalent in some securities and financial instruments than in others. Funds that invest in such securities may be affected due to change in these regulations or policies, which directly or indirectly affect the structure of the security and/or in extreme cases a governmental or court order could restrain payment of capital, principal or income.

g) Price Risk

The price risk is defined as when the value of the Fund, due to its holdings in such securities rises and falls as a result of change in interest rates.

h) Liquidity Risk

Liquidity risk is the possibility of deterioration in the price of a security in the Fund when it is offered for sale in the secondary market.

i) Settlement Risk

At times, the Fund may encounter settlement risk in purchasing / investing and maturing / selling its investments which may affect the Fund's performance etc.

j) Events Risk

There may be adjustments to the performance of the Fund due to events including but not limited to, natural calamities, market disruptions, mergers, nationalization, insolvency and changes in tax law.

k) Investor Concentration Risk

The Risk that the performance and liquidity of the Portfolio is adversely impacted due to a few large investors investing-in or redeeming from the fund over a short-time period. Factors contributing to such an adverse impact may include, but are not limited to, deviations in portfolio allocation, price impact of portfolio rebalancing, higher allocations in illiquid scripts etc.

l) Distribution Taxation Risk

Dividend distribution or Refund of Capital to investors is liable to tax as per Income Ordinance 2001. The distributions are uniform across all units; therefore, unit holders who invest in a fund before distribution of dividends may be liable to pay tax even though they may not have earned any gain on their investment.

DISCLOSURE

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

2.8. Disclaimer

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

3. OPERATORS AND PRINCIPALS

3.1. Management Company and Sponsors

3.1.1. JS Investments Limited – Management Company

JS Investments Limited (JSIL) is the oldest private sector Asset Management Company in Pakistan. JSIL offers a wide range of investment products including mutual funds, voluntary pension schemes, and Separately Managed Accounts (SMAs) to cater to the needs of individual and institutional investors. The company has played a key role in defining the standards of Asset Management industry in Pakistan.

JSIL is registered with Securities and Exchange Commission of Pakistan (SECP) and is regulated under the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008. The company is licensed by SECP to provide "Asset Management", "Investment Advisory", "REIT Management" and Private Equity & Venture Capital Management services.

3.1.2. Founding Institutional Investor

The founding institutional investors included Jahangir Siddiqui & Co Limited, INVESCO Plc. and the International Finance Corporation. Currently, JS Investments is a subsidiary of JS Bank Limited.

JS Bank Limited

JS Bank Limited is the holding company of JS Investments Limited. Formed as a result of the merger and amalgamation of Jahangir Siddiqui Investment Bank Limited and commercial operations of American Express Bank Limited Pakistan, JS Bank commenced operations in Pakistan as a fully Scheduled Bank in December 2006. It is currently one of the fastest growing Commercial Banks in Pakistan with over 307 branches spreading over more than a 152 cities. JS Bank has been declared by State Bank of Pakistan as number one 'Primary Dealer of Government Securities' for two consecutive years.

JSBL is backed by Jahangir Siddiqui & Co Limited, which was the first Pakistani financial services company to boast a Wall Street pedigree as it was previously a joint venture with Bear Stearns and Co. (JSCL was previously named as Bear Stearns Jahangir Siddiqui Ltd.)

3.2. Board of Directors of the Management Company

S.No	Name & Address	Position	Other Directorships
1	Mr. Suleman Lalani	Chairman	• Jahangir Siddiqui & Co. Ltd. • Al-Abbas Sugar Mills Limited • Shahtaj Sugar Mills Limited
2	Ms. Iffat Zehra Mankani	Chief Executive Officer	Nil
3	Mr. Zahid Ullah Khan	Non-executive Director	Nil
4	Mr. Hasan Shahid	Non-executive Director	• JS Engineering Investments 1 (Private) Limited
5	Ms. Aisha Fariel Salahuddin	Non-executive/Independent Director	• Pakistan Paper Products Limited
6	Mr. Mirza M. Sadeed H. Barlas	Non-executive Director	Nil
7	Mr. Imran Haleem Shaikh	Non-executive Director	Nil
8	Mr. Asif Reza Sana	Non-executive/Independent Director	Nil

3.2.1. Profile of Directors

(a) Mr. Suleman Lalani- Chairman

Mr. Suleman Lalani joined Jahangir Siddiqui & Co. Limited ("JSCL") on March 1, 2012 as Chief Executive Officer. Prior to joining JSCL he was Executive Director Finance & Operations and Company Secretary Of JS Investments Limited where he served as CFO and Company Secretary for seven years.

Mr. Lalani started his career with JSCL in 1992 where he worked for over eight years. In year 2000 he was promoted to the position of Chief Operating Officer of Jahangir Siddiqui Investment Bank Limited, a subsidiary of JSCL. In January 2002 he joined The First Micro Finance Bank Limited as its Chief Financial Officer and Company Secretary. Mr. Lalani is a Fellow member of The Institute of Chartered Accountants of Pakistan and Has 25 Years Of experience in the financial services sector. He has also completed the Board Development Series Certificate Program conducted by the Pakistan Institute of Corporate Governance.

(b) Ms. Iffat Zehra Mankani- Chief Executive Officer

Ms. Iffat Mankani has joined JS Investments Limited in April 2021. She brings with her over 20 years of global experience in both public and private markets across multiple asset classes. During her 11 years working in capital markets in Pakistan, she held various senior strategy and research roles, both on the buy and sell-side of the industry, including the National Investment Trust, JS Investments Limited and BMA Asset Management Company Limited amongst others.

Working as a sell side analyst, Iffat was frequently quoted in the financial press, and was well-known for her accuracy as a strategist. In her buy-side roles as Chief Investment Officer at JS Investments (2005-2007) and BMA Asset Management (2007-2011), she led the successful implementation of a disciplined asset and risk allocation process, resulting in consistent top quartile performance for funds under management. These included some pioneering products in the industry, such as the asset allocation fund, capital protected fund, index fund, an offshore listed hedge fund and separately managed accounts.

In her most recent role, Iffat was working in the Deals Advisory team at PwC Canada, where she made significant contributions in the space of complex financial instruments and private debt valuations amongst others, helping to steer the business toward sustainable growth. Moreover, she has also held diversified roles in the risk management groups of leading Canadian Banks (Bank of Montreal and CIBC) associated with their quants and trading risk oversight teams. In addition to making numerous value additions in her role as a Risk Manager of equity, fixed income and structured product desk, she also spearheaded bank wide regulatory and infrastructure projects and initiatives.

Iffat holds a Master of Finance from Rotman School of Management (University of Toronto) and Master of Business Administration from the Institute of Business Administration, Karachi.

(c) Mr. Zahid Ullah Khan- Director

Mr. Zahid Ullah Khan has been associated with the JS Group and the capital markets on the buy side for over 12 years. Prior to joining JS Investments as the Chief Investment Officer in September 2016, Mr. Khan was at JS Bank since 2012, where he served as a Senior Vice President for the bank's risk management function. His core responsibilities included development of various risk management frameworks, modeling term structure of interest rates, engineering tailor-made interest rate products for corporate clientele, and devising efficient mechanisms For various equity based margin trading products. Prior to his role at JS Bank, Mr. Khan was associated with JS Group as Senior Vice President in a technical role where he developed and deployed a High Frequency Trading (HFT) platform for equities. This project involved extensive development of an in-house market-price-of-risk arbitrage model dependent on instantaneous futures market rates. Mr. Khan also advised group companies on buy side risk management and for launching ETFs and Market Making initiatives on the asset management and brokerage side. His other assignments also included research work on various green field projects in the private equity space. Prior to joining JS Bank, Mr. Khan also served as a consultant senior fund manager for JS Investments from 2010 to 2012.

Mr. Khan started his career with ABAMCO Limited (now JS Investments Limited) in 2004 as a research analyst, and covered Cement and Banking sectors along with developing interest rate models on the fixed income side. He was additionally given the responsibility to develop and launch new products for the growing AMC. During his tenure at ABAMCO Limited, Mr. Khan developed the first proprietary free float-adjusted market capitalization index in Pakistan and launched the first Open end index fund based on that index. He also carries to his credit the launch of first Open end Fund of Funds scheme with an elaborate asset allocation strategy, a Capital Protected fund and several other in-house initiatives. In 2005, he was promoted as a fund manager, and managed JS Value Fund, JS A30 Index Fund, JS Growth Fund, and JS Fund of Funds, with a combined fund size of around PKR 10 billion.

Mr. Zahid holds a Masters degree in Business Administration from Lahore University of Management Sciences (Class of 2000); a Masters degree in Economics from Lahore University of Management Sciences (Class of 2004); and a Masters degree in Finance from London Business School (Class of 2007). In his free time, Mr. Khan writes fun twitter bots in Python.

(d) Mr. Hasan Shahid- Director

With over twenty years of experience in the fields of finance, auditing, internal controls

evaluation and re-designing, compliance and taxation, Mr. Hasan Shahid is Chief Financial Officer of JS Bank Limited where he joined in November 2019.

Prior to JS Bank, he was the Director Finance and Company Secretary of the Jahangir Siddiqui &Company Ltd. (JSCL); where he joined as Manager Finance in 2006. He also served as Chief Financial Officer of JSCL from 2012 to 2018. His role encompasses a wide range of matters ranging from financial management, reporting, audit, taxation, compliance with laws and other secretarial matters.

Mr. Hasan Shahid is a fellow member of the Institute of Chartered Accountants of Pakistan (ICAP) and Pakistan Institute of Public Financial Accountants (PIPFA) and holds a Masters degree in Economics from University of Karachi.

(e) Ms. Aisha Fariel Salauddin – Independent Director

Fariel's career spans journalism, investment banking, energy policy advisory and entrepreneurship. She is the founder and Chief Executive Officer of UpTrade, a unique bartering model enabling off-grid farmers to use their livestock as currency in developing rural economics. She has over 10 years of international experience in energy finance, project development, and energy policy. Her geographical experience spans Indonesia, Egypt, Pakistan, and the Middle East, North Africa region where she has advised governments and private sector or energy policy, pricing and reforms.

Fariel has done her MPA from Columbia University, New York and BSc from Lahore University of Management Science, Lahore.

(f) Mr. Mirza M. Sadeed H. Barlas – Director

Sadeed has over thirty-three years of experience out of which banking experience is above 26 years. He worked for seven years with Siemens in its Medical Division, after getting an Electrical Engineering degree from UET, Lahore. Thereafter, he did his MBA from Lahore University of Management Sciences (LUMS), in 1993 and was awarded Silver Medal with distinction in Statistics and Quantitative Methods.

He started his banking career in Corporate Banking and worked in Commercial Banking, SME Banking, Digital & Microfinance during his career in local and multinational banks. His major part of his career has been in Risk where he worked in all facets of Risk Management covering Credit Risk, Operational Risk, Basel, Market Risk, Consumer Risk, etc. He worked in local and foreign banks such as MCB, UBL, Barclays, Telenor Microfinance Bank, and JS Bank in the capacity of CRO and Group Head Risk, etc. His longest stay was with UBL for about 17 years.

Sadeed also served as a member of BOD of UBL Funds Managers, a subsidiary of UBL from 2015 to 2018 as a UBL nominee director and Chaired the UBL Fund's Board Risk and Compliance Committee as well during this assignment. During his work period at UBL, he has been assigned as Group Head Risk International looking after the risk of UBL branches in foreign countries covering UAE, Qatar, Bahrain, etc.

Currently, he is working as CRO JS Bank Ltd, looking after all risk management functions, including Consumer risk, ERM, Mkt risk, Ops risk, Risk Policies, Information Security, etc.

(g) Mr.Imran Haleem Shaikh- Director

Mr. Shaikh is Senior Executive Vice President at JS Bank, one of Pakistan's fastest growing banks, with branches located across Pakistan as well as an international presence. The Bank is a leader in the digital banking, SME & consumer loans space. JS Bank has been recognized on multiple international and national forums including the prestigious Asia Money, Asian Banking and Finance, DIGI and Pakistan Banking Awards. The Bank is part of JS Group, one of Pakistan's most diversified and progressive financial services groups.

His role encapsulates both an advisory role to the President & CEO as well as responsibility to lead the Bank's Product, Marketing and Retail Banking teams. Mr. Shaikh is also the primary liaison with the Board of Directors for alignment of the Bank's overall strategic oversight, continuing policy development and performance monitoring.

In addition to his professional commitments, Imran dedicates substantial energy towards social & philanthropic causes through voluntary engagements. He also serves on the Board of JS Bank's charitable partner, the Mahvash and Jahangir Siddiqui Foundation. He has been a prolific contributor to various leading publications and a speaker at numerous multilateral conferences. Recognized for his dedication and commitment, Mr. Shaikh strives to build synergistic, long-term, value-adding partnerships & associations.

Mr. Shaikh believes in challenging status quo to bring about a positive change. He graduated with a majors in Marketing from the Institute of Business Management (IoBM) in 2005. Imran has attended a number of executive development courses worldwide including the Global Branding Forum, National Security Workshop at the National Defense University and the Executive Development Program at National School of Public Policy.

(h) Mr. Asif Reza Sana- Independent Director

Mr. Asif Reza Sana is a senior banker. He is a Private Equity, Banking, Finance, marketing and Corporate Advisor. Currently he was a member of Board of Directors of Askari Bank, Chairman of the Board Audit committee and member of board risk management committee. His prior career has been with world leader multinationals in the disciplines of Finance, General Management and Marketing.

He has carried out the due diligence assignments of United Bank, Emirates Bank and Askari Bank in Pakistan, Meshraq Bank in Sri Lanka and Habib Sons Bank in South Africa to determine the enterprise value for acquirers running into more than Rs. 50 billion collectively. He was part of the core team managing the former Union Bank of Pakistan. He was appointed advisor to the board of directors in 2000. He was appointed SEVP in Union Bank and was also elected a member of the board of directors. As the executive director of the bank he was also member of the management team, ALCO and the custodian of the monthly business performance review of country group heads of all departments of the bank. He searched, negotiated and closed the sale of Union Bank to Standard Chartered at a landmark price of PKR 29 billion(US$ 485 million) at the highest multiple in the banking industry.

In 1988 he was headhunted by Philip Morris, then the largest consumer products company in the word (now split into Philip Morris International, Altria Group and Kraft Foods). Here, he was at the forefront of price wars of 1980s between Philip Morris and RJR Nabisco. In 1989 at the beginning of Soviet Block countries disintegration he became member of a task force to establish Philip Morris business in newly formed countries of Central and Eastern Europe through acquisitions, Licensing and joint ventures. In 1991, based at the international headquarters in Switzerland, he was appointed to the coveted position of Group Brand Manager of Worlds legendary and Philip Morris's flagship brand Marlboro that had annual worldwide sales of $ 26 billion at that time.

He holds an MBA from Quaid-e-Azam University Islamabad and got his executive training at Institute of Management Development in Lausanne, Switzerland and INSEAD France.

3.3. Profile of the Management

a) Ms. Iffat Zehra Mankani (Chief Executive Officer)

Same as above

b) Mr. Muhammad Khawar Iqbal (Director Finance & Company Secretary)

With over more than 27 years of diversified experience, Mr. Muhammad Khawar Iqbal is currently serving as "Director Finance & Company Secretary" in JS Investments Limited, where he joined in May 2005 as Manager Finance.

He also served as Chief Financial Officer of the Company from 2012 to 2019.

Throughout his career Mr. Iqbal has implemented a system of continuous review and introduced changes to bring in efficiencies, simplifications and improvement in the overall quality of his departmental deliverables.

His role encompasses a wide range of matters ranging from financial management, reporting, internal control, compliance with laws applicable to the Company and other secretarial matters.

Mr. Khawar holds Masters Degree in Business Administration and Economics.

c) Mr. Zafar Iqbal Ahmed (Chief Financial Officer)

Mr. Zafar Iqbal Ahmed carries an aggregate work experience of 17 years in financial industry and currently serving as the Chief Financial Officer of JS Investments Limited, where he joined as an Assistant Manager Operations in 2005.He holds Masters Degree in Business Administration from Hamdard University and completed CFA level II. Prior to joining JS Investments Limited, Mr. Iqbal has also worked with organizations like "Central Depository Company of Pakistan" (CDC), "National Clearing and Settlement Company" and Standard Chartered Bank.
During his diversified and progressive career journey with the Company, he has contributed significantly on multiple facets and played an instrumental role in developing systems, departmental policies & procedures, preparing & monitoring company's budget and providing valuable insights for making business decisions.

d) Mr. Malik Zafar Javaid (Head of Operations)

Malik Zafar Javaid holds a masters degree in Public Administration with major in Finance from University of the Punjab. Mr. Zafar carries over 27 years of experience of capital market operations. He has expertise in managing business operations of Financial Services, Capital Markets, Corporate Affairs and Business Process analysis for new products and automation of back office systems leading towards efficient control and management. He has been part of JSIL's team since 2006.

Prior to joining JSIL, Mr. Zafar had extensive experience of working with Lahore Stock Exchange where he was managing Company Affairs Department of the Exchange. As a front end regulator, he was involved in listings of the securities, monitoring compliance and enforcement of Corporate Laws on the listed companies. He was also core member of the team which was responsible for designing the framework of Trading Rules leading the development of the first automated trading system of LSE.

e) Mr. Salman Shakoor (Head of Compliance and Risk Management)

Mr. Salman Shakoor, an Associate member of the Chartered Institute of management Accountants - London, joined JSIL in March 2007 as a member of Compliance and Risk Management Department. Since December 2011 he has been entrusted with the responsibility of Head of compliance and in May 2013 a responsibility pertaining to Risk Management functions was also handed over to him. Prior to joining JSIL, he was working as Financial Consultant in Ernst & Young Ford Rhodes Sidat Hyder (Chartered Accountants).

f) Mr. Hussain Kazani (Head of Human Resources and Administration)

Hussain Kazani is a Human Resources professional with 17 years of experience, employs a consultative management style to align HR with business strategy. His expertise includes HR strategy, manpower planning & budgeting, talent acquisition, management & retention, compensation, reward & benefits administration, organizational design & structure, development of policies & procedures, employee relations, learning, growth and engagement, HRIS and operations.

His engagement in the field of human resources commenced in 2000 and ever since he has been working with diverse businesses, including head-hunting, health, education, manufacturing & financial sectors. His

extensive exposure has enriched his understanding of HR challenges in the organizational context which helps devising HR strategies to compliment organization's growth and efficiency.

Hussain obtained MBA degree from Hamdard University in 2004 and LLB from University of Karachi in 2008. He has also completed a six-weeks online course on 'Creating a Winning Strategy' from Jack Welch Management Institute, USA.

g) Mr. Syavash Pahore (Head of Research)

Mr. Syavash Pahore joined JS Investments Ltd. in April 2018 as SMA Fund Manager and is currently working as the Head of Research. Prior to his joining at JS Investments Ltd. Mr. Pahore was associated with Elixir Securities as a Research Analyst and he had started off his career from Optimus Capital Management as a Research Analyst in August 2016. Mr. Pahore has a Bachelor of Arts in Finance, Accounting and Management from The University of Nottingham.

h) Ms. Samina Faisal (Country Head Business Development)

Ms. Samina Faisal brings an overall 32 years of extensive experience in Institutional & Corporate Sales, Wealth Management, and Distribution of Mutual Funds & Bancassurance. Prior to joining JSIL, she was operating her own consulting firm in the name of Litmus Consulting since 2005 where she launched structuring and executing innovative financing and risk management transactions with corporates and financial institutions in Pakistan and the Middle East, in collaboration with various industry partners. In addition, she was providing technical training in areas such as treasury, risk management, asset management and training of soft skills such as sales and management to corporates and financial institutions in Pakistan.

During her consulting journey, she also worked for Askari Investment Management as 'Head of Business Development & Sales' from 2015 to 2016.

Prior to initiating her own consulting firm, she was employed with Standard Chartered Bank from 1997 to 2005 where she performed key management roles such as Head of Investor Services (Wealth Management), Head of Institutional & Corporate Sales (Global Markets), Chief Dealer (Money Market) and Chief Dealer (Foreign Exchange).

She had also worked with Societe Generale Bank, Pakcom Ltd., Pa-Kuwait Investment Co., and Citibank from 1989 to 1997 and performed varied roles in FX Trading, Finance and Project Management. Ms. Samina Faisal holds a Masters in Business Administration degree from Institute of Business Administration, Karachi.

3.3.1. Performance of Listed Associated Companies

JSBL

	2020	2019	2018	2017	2016	2015	2014
Earnings Per Share	0.89	0.02	0.45	0.91	1.94	1.89	0.99
Shareholders' Equity (PKR Million)	20,592	17,333	15,617	16,669	16,650	15,968	13,080
Total Assets (PKR Million)	532,168	469,821	456,754	388,309	264,700	218,476	176,717
Distribution %	0%	0%	0%	0%	0%	0%	0%

JSCL

	2020	2019	2018	2017	2016	2015	2014
Earnings Per Share	1.32	0.39	0.23	0.40	0.68	3.36	0.23
Shareholders' Equity (PKR Million)	31,405	25,028	23,795	27,520	30,055	25,302	21,464
Total Assets (PKR Million)	34,985	29,447	28,715	31,415	32,563	27,022	22,921

Distribution %	0%	0%	0%	0%	0%	0%	0%

JSGCL

	2020	2019	2018	2017	2016	2015	2014
Earnings Per Share	6.77	1.29	0.67	2.25	4.08	5.03	5.65
Shareholders' Equity (PKR Million)	2,446	2,234	2,608	2,601	2,556	2,885	2,626
Total Assets (PKR Million)	5,391	4,092	4,840	3,762	4,458	3,533	3,427
Distribution %	0%	0%	0%	0%	0%	0%	40%

Al Abbas Sugar Mills Limited

	2020	2019	2018	2017	2016	2015	2014
Earnings Per Share	71.67	64.05	74.52	8.23	26.37	28.50	17.17
Shareholders' Equity (PKR Million)	3,395	3,227	3,594	2,508	2,335	2,228	2,226
Total Assets (PKR Million)	6,489	6,413	5,607	5,171	3,313	3,526	4,389
Distribution %	500%	500%	530%	100%	190%	250%	100%

Shahtaj Sugar Mills Limited

	2020	2019	2018	2017	2016	2015	2014
Earnings Per Share	(4.87)	2.77	(34.04)	11.90	14.94	(7.62)	3.01
Shareholders' Equity (PKR Million)	2,286	2,340	798	1,264	1,182	1,003	1,120
Total Assets (PKR Million)	4,795	4,740	3,089	3,059	1,621	1,827	1,437
Distribution %	0%	0%	0%	50%	50%	0%	20%

FUNDS UNDER MANAGEMENT OF MANAGEMENT COMPANY LIMITED

	UTP	JS IF	JS-ISF	JS FOF	JS VF	JS LCF	JS GF	JS CF	JS IIF	JS IDEF	JS IDDF
Fund Launch Date	27-Oct-97	26-Aug-02	27-Dec-02	31-Oct-05	14-Jan-96	14-May-04	6-Jun-06	29-Mar-10	5-Jun-13	21-Mar-18	3-Sep-20
Investment Strategy	Balanced	Fixed Income	Shariah Compliant Equity	Fund of Funds (Asset Allocation)	Equity	Equity	Equity	Money Market	Shariah Compliant Income Fund	Shariah Compliant Dedicated Equity Funds	Shariah Compliant Money Market Scheme
Listing	PSX	PSX	PSX	PSX	PSX	PSX	PSX	PSX	PSX	PSX	PSX
Trustee	CDC	MCBFSL	CDC	CDC	MCBFSL	CDC	MCBFSL	MCBFSL	MCBFSL	CDC	MCBFSL

Auditors	Yousuf Adil	EY Ford Rhodes	Grant Thorton Anjum Rahman & Co.	Yousuf Adil	Yousuf Adil	Yousuf Adil	A. F. Ferguson & Co.	A. F. Ferguson & Co.	Grant Thorton Anjum Rahman & Co.	KPMG Taseer Hadi & Co.	EY Ford Rhodes
Risk Profile	High	Medium	High	Medium	High	High	High	Low	Medium	High	Low
Par Value (PKR)	100	100	100	100	100	100	100	100	100	100	100

Unit Trust of Pakistan

Fund Name	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Net Assets (PKR-Mn)	951	1,041	1,415	1,687	1,350	1,347	1,363
Payout (PKR)	4.90	-	-	6.00	3.50	1.81	19.50
NAV	141.40	140.66	163.79	188.34	158.39	147.67	132.20
Return (Annualized)	4.05%	-14.12%	-12.51%	24.49%	6.98%	13.52%	23.56%

JS Large Cap. Fund

Fund Name	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Net Assets (PKR-Mn)	352	542	762	789	665	899	802
Payout (PKR)	-	-	-	2.00	1.00	0.50	20.80
NAV	99.78	108.47	138.10	157.05	111.20	106.14	80.94
Return (Annualized)	-8.01%	-21.46%	-12.07%	44.30%	4.77%	31.74%	39.64%

JS Value Fund

Fund Name	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Net Assets (PKR-Mn)	498	603	1,114	1,201	1,073	924	2,075
Payout (PKR)	11.00	-	-	4.00	1.75	3.69	30.60
NAV	159.32	172.02	218.55	250.61	204.55	179.87	167.30
Return (Annualized)	-0.82%	-21.29%	-12.79%	25.53%	13.72%	9.72%	35.52%

JS Growth Fund

Fund Name	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Net Assets (PKR-Mn)	1,716	1,347	2,123	2,612	2,128	2,396	4,974
Payout (PKR)	6.00	-	-	6.00	1.25	0.87	33.00
NAV	146.06	142.34	185.90	221.09	166.31	160.10	143.17
Return (Annualized)	6.91%	-23.43%	-15.92%	37.56%	3.88%	12.42%	40.12%

JS Islamic Fund

Fund Name	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Net Assets (PKR-Mn)	430	582	1,000	1,629	462	514	447

Payout (PKR)	-	-	-	20.00	1.00	0.78	14.50
NAV	78.28	83.70	104.88	130.72	104.07	98.29	69.33
Return (Annualized)	-6.48%	-20.19%	-19.77%	46.06%	5.88%	42.90%	38.43%

JS Islamic Dedicated Equity Fund

Fund Name	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Net Assets (PKR-Mn)	13	23	1,249	n/a	n/a	n/a	n/a
Payout (PKR)	-	-	-	n/a	n/a	n/a	n/a
NAV	59.36	72.55	97.87	n/a	n/a	n/a	n/a
Return (Annualized)	-18.18%	-25.87%	-2.13%	n/a	n/a	n/a	n/a

JS Income Fund

Fund Name	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Net Assets (PKR-Mn)	1,922	2,553	2,381	2,167	879	871	1,832
Payout (PKR)	10.50	8.00	5.60	6.50	4.50	1.73	7.15
NAV	95.89	95.57	101.57	95.88	95.69	94.21	86.71
Return (Annualized)	11.33%	8.74%	5.93%	7.04%	6.33%	10.65%	7.67%

JS Islamic Income Fund

Fund Name	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Net Assets (PKR-Mn)	1,538	1,004	652	110	192	178	244
Payout (PKR)	9.21	8.41	3.95	2.50	3.35	5.58	8.95
NAV	102.48	101.35	105.03	101.56	100.51	100.19	99.59
Return (Annualized)	10.53%	8.67%	3.42%	3.58%	3.66%	6.22%	10.60%

JS Cash Fund

Fund Name	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Net Assets (PKR-Mn)	5,787	2,903	568	821	782	825	1,371
Payout (PKR)	12.57	8.92	5.60	6.75	5.70	9.26	7.80
NAV	102.00	101.70	107.00	101.64	102.53	102.37	102.19
Return (Annualized)	13.33%	9.47%	5.27%	5.71%	5.71%	9.30%	8.21%

JS Fund of Funds

Fund Name	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Net Assets (PKR-Mn)	217	214	276	312	190	171	141
Payout (PKR)	1.08	-	-	2.00	5.50	2.35	9.40
NAV	52.01	51.70	52.64	58.19	49.59	52.13	43.83
Return (Annualized)	2.72%	-1.79%	-9.54%	21.37%	9.08%	20.44%	40.09%

4. ROLE AND RESPONSIBILITIES OF THE MANAGEMENT COMPANY

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

4.1. Administration of the Scheme

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

4.1.1 Management of Fund Property

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

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

4.1.2 Maintenance of Accounts and Records

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

The Management Company shall clearly specify Cut-Off Timings (for acceptance of application forms of issuance, and redemption of Units of the Scheme) in this Offering Document, on its website and at designated points.

4.2. Maintenance of Unit Holders Register

4.2.1 Register of Unit Holders may be maintained by the Management Company itself or such other company, as the Management Company may appoint after giving prior notice to the Unit Holders.

4.2.2 The office of the Transfer Agent is located at The Centre, 19th Floor, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi where Register of Unit Holder will maintain.

4.2.3 For the purposes of the AMC, only Authorized Participant shall be the unit holder as only the Authorized Participant can apply for Creation and Redemption of creation unit size to the AMC while other investors buy and sell shares of the ETF from the stock market. Accordingly all details of ETF unit holders will be available with Central Depository Company of Pakistan Ltd.

Other Responsibilities of the Management Company

- The Management Company is responsible for daily NAV and for producing financial reports from time to time, however Management Company may outsource the calculation and dissemination of INAV to PSX. The Management Company shall provide the Trustee unhindered access to all records relating to the Scheme. .

- The Management Company may from time to time, with the consent of the Trustee, frame procedures for conducting the business of the Trust or in respect of any other matter incidental thereto; provided that such procedures are not inconsistent with the provisions of the Rules and the Regulations, any directives, circulars and guidelines issued by SECP and the Deed.

- The Management Company shall constitute the Index of the Fund as per methodology given above. Once the methodology is finalized, PSX will be responsible for the maintenance, determination and dissemination of the index.

- The Management Company shall endeavor to maintain the Tracking Error at minimum level as specified in Offering Document.

- The Management Company shall be responsible to facilitate investments and disinvestments by investors in the Scheme and to make adequate arrangements for receiving and processing request in this regard.

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

- The Management Company shall nominate and notify to the Trustee one or more of its officer(s) to act as authorized persons for interacting with and giving instructions to the Trustee. Any instruction or notice given by such authorized persons shall be deemed to be the instruction or notice given by the Management Company. Any change in such authorized persons shall promptly be notified to the Trustee.

- The Management Company shall, from time to time, advise the Trustee of any settlement instructions relating to any transactions, including issuance of Creation Unit in exchange of Portfolio securities and cash (if any), entered into by it on behalf of the Trust. The Management Company shall ensure that settlement instructions are given promptly after entering into the transaction so as to facilitate timely settlement. The Management Company shall ensure that all the requests for dealing in Creation Units, duly time and date stamped as specified in the Offering Documents.

- The Management Company shall designate and disclose the location of its official points for acceptance of applications for issuance / conversion of Creation units in the Offering Document of the Scheme and on its website.

- The Management Company shall provide the Trustee with regular reports indicating profit and other forms of income or inflows, relating to the investments that are due to be received.

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

- The Management Company shall appoint eligible institutional investors as Authorized Participants for creation and redemption in kind units from the Fund under the Authorized Participant Agreement to be signed among the Management Company, Trustee and Authorized Participant.

- The Management Company shall ensure that entry and exit to the Scheme (including redemption and issuance of Creation Units to Authorized Participants) shall be allowed only in the form of Portfolio Deposits and Cash Component, as may be the case.

- The Management Company may, from time to time appoint, remove or replace one or more Authorized

Participants, on terms and conditions to be incorporated in the Agreement(s) to be entered into among the Authorized Participant(s), Trustee and the Management Company. The names and credentials of the Authorized Participants shall be disclosed in this Document and/or at PSX and AMC website.

- The Management Company shall disclose the names and credentials of the Market Makers in the Offering Document and their website, who perform Market Making activities under Market Making Regulation of PSX.

- The Management Company may delegate to a third party any of its functions except core functions which include investment decision making, risk management and compliance functions. However, the Management Company shall be fully responsible for such functions of third party. The cost incurred in relation to such functions will be borne by the Management Company.

- The Management Company shall establish and maintain sufficient risk management systems and controls to enable it to identify, assess, mitigate, control and monitor risks in the best interest of the Unit Holders of the Scheme.

- The Management Company shall announce the Net Asset Value (NAV) of the Scheme within such time period and at such frequency as prescribed by SECP from time to time and shall disclose such time period and frequency in the Offering Document. However, PSX will calculate and discriminate the INAV of the Fund as described below.

- While the transactions with Authorized participants will be in Kind as explained above, there may be situations where the management company may have to buy and sell Shares directly at the market. Such situations include rebalancing of index, reconstitution of index, and utilization of excess cash component.

Disclaimer

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

4.3. Role of the Trustee

4.3.1 The trustee shall perform its role as specified in the Rules, Regulation and directives issued there under, the Deed and the Offering Document.

4.3.2 The Trustee shall nominate one or more of its officers to act as authorized persons for performing the Trustee's functions and for interacting with the Management Company. Any change in such authorized persons shall be promptly notified to the Management Company.

4.3.3 The Trustee shall under prior intimation to the Management Company appoint, remove or replace from time to time one or more bank(s) and/or other depository company(ies) etc. to act as the Custodian(s) for holding and protecting the Trust Property and every part thereof and for generally performing the custodial services at one or more locations and on such terms as the Trustee and the Management Company may mutually agree and to be incorporated in custodial services agreement(s) to be entered into between the Trustee and the Custodian(s), except where the Trustee itself is acting as a Custodian.

4.3.4 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 Trust Property where such loss has been caused by gross negligence or any

reckless act or omission of the Trustee or any of its directors, officers, nominees or agents.

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

(a) a document signed or purporting to be signed on behalf of the Management Company by any authorized representative(s) whose signature the Trustee is for the time being authorized in writing by the Management Company to accept; and

(b) any Instructions received online through the software solution adopted by the Management Company/Trustee in consultation with each other shall be deemed to be instructions from the authorized representative(s).

4.3.6 The Trustee shall not be liable for any loss caused to the Fund or to the value of the Trust Property due to any elements or circumstances of Force Majeure.

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

4.3.8 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 Trust Property and all other matters relating to the Trust.

4.3.9 The Trustee shall, if requested by Management Company or if it considers necessary for the protection of Trust Property or safeguarding the interest of Unit Holder(s), institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Trust Property or any part thereof, with full powers to sign, swear, verify and submit pleadings and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized director(s) and officer(s). All costs, charges and expenses (including legal fees) incurred in instituting or defending any such action shall be borne by the Trust and the Trustee shall be indemnified against all such costs, charges and expenses: Provided that no such indemnity shall be available in respect of any action taken against the Trustee for gross negligence or breach of its duties in connection with the Trust under this Deed or the Rules and Regulations. For the avoidance of doubt it is clarified that notwithstanding anything contained in this Deed, 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.

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

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

4.3.12 The Trustee shall ensure that Creation Units are not issued until the payment (portfolio deposit and cash component) has been received and upon completion of transfer of title of the Portfolio Deposit and Cash Component in the name of the Fund.

4.3.13 The Trustee shall issue or redeem Creation Units only upon the instructions of the Management Company, subject to compliance with the procedures specified in the Rules, the Regulations, the Authorized Participant Agreement and the Constitutive Documents.

4.3.14 The Trustee shall ensure that issuance and redemption of Creation Units is done on Historic price basis and any transfer of underlying securities into and out of the Fund is also based on the valuation used in determining the Fund's NAV. In situation such as rebalancing, reconstitution or due to any other reason as determined appropriate by the management company , creation and redemption may be processed on a forward NAV as determined and announced by the management company with the prior intimation to the trustee.

Disclaimer

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

4.4. Role of Authorized Participants

Authorized participant is bind to perform its functions and duties as specified in the Authorized Participant Agreement and change therein from time to time signed between AMC, Trustee and Authorized Participant. Management Company has appointed **JS Global Capital Limited** as the Authorized participant on a non-exclusive basis. Other Authorized participants may be appointed in future. Details of such participants will be available at the website of the management company

Authorized Participants are authorized under the agreement to create and to redeem Creation Units in Creation Unit size or multiples thereof, directly with the Fund. The Management Company may authorize any brokerage house or any eligible Institutional Investor as Authorized Participant. The Authorized Participants shall have sufficient resources and capabilities to satisfactory fulfill their roles and obligations and comply with the SECP Requirements. For avoidance of doubt, it is clarified that the Creation Units shall be issued only by the Management Company and neither the Authorized Participants nor any other person shall be empowered to issue Creation Units.

The Authorized Participant shall, at all time, comply with the applicable regulatory and contractual obligations as specified in the Authorized Participant Agreement duly signed between AMC, AP and Trustee.

The Authorized Participant(s) shall, effectively make arrangements either through Broker or Market Maker to market the Units in smaller lots through Exchanges to attract the general investors by putting bid and offer prices on KATS, fully abiding by the Exchange Regulations**.**

Market Maker, who may be an Authorized Participant, shall maintain a sufficient inventory (as

may be considered reasonable) for market making activities subject to the requirements stipulated in its agreement with the Exchange.

4.5. Role of Market Maker

Role and responsibilities of the Market Maker shall be governed by the Market Maker Regulation of the PSX and through Market Maker Agreement signed between PSX and Market Maker.

PSX has appointed **JS Global Capital Limited** as a non-exclusive authorized Market Maker, who will perform their functions in accordance with the terms and conditions specified in the Market Maker Agreement and/or Market Making Regulations of the Exchange. The Market Maker may withdraw his bid and offer price in the secondary market for any period of time in a circumstances specified in the Market Maker Regulations and /or Market Maker Agreement in situation when there is extreme volatility in the stock market where units are being traded, circuit breakers in any of the scrip of the Fund or for any other reason where Market Maker believes that trading in ETF Units would be against the interest of the Fund or its Units Holders. Management company does not control or govern market maker as this function is governed by PSX Rule Book based on the agreement between PSX and Market Maker.

The Market Maker shall quote prices during Designated Market Making Period as mentioned in the Market Maker Agreement and/or Market Making Regulation of the Pakistan Stock Exchange.

The Market Maker shall be obliged to make available both buy and sell orders or quotes during the Designated Market Making Period.

The Market Maker shall be obliged to replenish its orders or quotes within time specified in the Market Maker Agreement, subsequent to execution of already queued orders/quotes, within the Designated Market Making Period.

The Market Maker shall keep its market making activities separate from other trading activities as governed by the Market Maker Regulation. For this purpose, the Market Marker shall:

- Register separate Trading code(s) for market making activities;
- Maintain separate ledger account(s) for recording trades pertaining to Market Making activities; and
- Ensure that any of its authorized agent(s)/trader(s) for market making activities shall not indulge in normal trading activities during Designated Market Making Period.

4.6. Transfer Agent

The Management Company will perform duties as the Transfer Agent of the Fund until any further notice and intimation to the Trustee. The Management Company will be responsible for maintaining the Unit Holder's Register, preparing and issuing account statements, Unit Certificates and dividend warrants/advice and providing related services to the Unit Holders. However, Management Company may delegate this function to third party Transfer Agent and intimate to the Unit holder and the Trustee.

4.7. Trustee/Custodian

Central Depository Company of Pakistan Limited (CDC) Trustee, with offices at "CDC House 99-B, Block 'B' S.M.C.H.S Main Shahra-e-Faisal, Karachi", will also be performing the functions of the custodian of the Trust Property. The salient features of the custodial function are:

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

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

4.8. Market Maker

Currently JS Global Capital Limited is the Market Maker of the Fund. In future, the Market Maker may change, or additional Market Makers may be appointed/assigned for the Fund without making any changes to this Offering Document.

4.9. Authorized Participant

Currently JS Global Capital Limited is the Authorized Participant of the Fund. In future, the Authorized Participant may change, or additional Authorized Participants may be appointed/assigned for the Fund without making any changes to this Offering Document.

4.10. Auditors

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i. They will hold office until the transmission of the reports and accounts, which will cover the period from commencement of the Trust up to the end of the Accounting Period and will, afterwards, be eligible for reappointment by the Management Company with the concurrence of the Trustee. However, an auditor may be reappointed for such terms as stipulated by the Regulations and/or the Ordinance, as amended from time to time. The appointment of Auditor and contents of the Auditor's report shall be in accordance with the provisions of the Rules and Regulations.

ii. The Auditors shall have access to the books, papers, accounts and vouchers of the Trust, whether kept at the office of the Management Company, Trustee, Custodian, Transfer Agent or elsewhere and shall be entitled to require from the Management Company, Trustee and their Directors, Officers and Agents such information and explanations as considered necessary for the performance of audit.

iii. The Trustee shall be entitled to require the Auditors to provide such further reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Regulations.

iv. The Auditors shall prepare a written report to the Unit Holders on the accounts and books of accounts of the Trust and the balance sheet, profit and loss account, cash flow statement and statement of movement in Unit Holders" Funds and on every other document forming part of the balance sheet and profit and loss account, including notes, statements or schedules appended thereto.

v. The contents of the Auditors report shall be as mentioned in the Regulations.

4.11. Legal Advisors

Bawaney and Partners
Registered Office:
3rd and 4rd Floor, Plot 68-C, Lane 13, Bukhari Commercial Area, DHA Phase VI, Karachi

4.12. Bank Accounts

(a) The Trustee, at the request of the Management Company, shall open Bank Account(s) titled **"CDC Trustee –JS Momentum Factor Exchange Traded Fund"** for the Unit Trust at designated Bank(s) inside or outside Pakistan, subject to the relevant laws, Trust Deed, Rules and Regulations, for collection, investment, redemption or any other use of the Trust's Funds.

(b) The Management Company may also require the Trustee to open Bank Account(s) as Distribution

Account(s) for dividend distribution out of the Unit Trust. Notwithstanding anything in the Deed, the beneficial ownership of the balances in the Accounts shall vest in the Unit Holders.

(c) All bank charges for opening and maintaining Bank Accounts for the Trust shall be charged to the Fund.

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

4.13. Minimum Fund Size

Minimum Fund size and provisions relating to maintenance of minimum Fund size and other conditions as specified under clause 54 (3A) of NBFC Regulations would not apply to this Fund.

5. CHARACTERISTICS OF UNITS

5.1. Units

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

The Fund is divided into creation unit lot size of **10,000 units** having a Face Value of Rs. 10/- each unit/share. During initial offer which may be a pre-IPO and or IPO, Management Company may invest or arrange to invest from an investor in cash or against portfolio deposit as determined by the management company. Such investor may not necessarily be the Authorized participant.

5.2. Creation and Redemption of Units

Shares of the Fund may be acquired or redeemed directly from the Fund only in Creation Units or multiples thereof, as discussed in the Creations and Redemptions section of this document. Only an Authorized Participant may engage in creation or redemption transactions directly with the Fund.

Purchase and sale of shares in Secondary Market: Once created, shares of the Fund generally trade in the secondary market in multiples of Marketable lot size which will be less than a Creation Unit lot size similar to the trading of shares of the Listed Companies. Units of the Fund are listed on a Pakistan Stock Exchange for trading. Units can be bought and sold throughout the trading day like shares of other publicly-traded companies. The Trust does not impose any minimum investment for shares of the Fund purchased on an exchange or otherwise in the Secondary market. **However the Exchange may impose a minimum lot size for transactions in ETF**

Authorized Participant can purchase the Units at the Offer Price and redeemed at the Redemption Price at any of the Authorized Distribution Offices during Business Hours on any Dealing Day in accordance with the procedure set out in this Offering Document and the AP agreement.

During the period the register is closed, the sale and redemption of Units will not be suspended.

Management Company will be responsible to complete KYC/AML/EDD etc. for authorized participants only. Accordingly, conditions mentioned under Securities and Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2019 and any other rules and regulations shall not apply to management company for unit holders who have bought/sold/transacted in the units of the Fund in secondary market since the management company has no control on such transactions.

5.2.1 Account Opening Procedure

The units shall only be issued in Depository Account in dematerialized form therefore account opening with AMC is not required. However, Authorized Participant before requesting for creation units open CDS account

either with broker or IAS or in his own account maintained as CDS Participant. While opening in CDS account, the investor shall follow the procedure as specified by the Central Depository Company in its Regulation.

5.2.2 Creation of Units

(a) After opening an account an Authorized Participant may purchase Units of Fund using the Unit Creation Application Form. Cash component must also accompany the form.

(b) Application for Purchase of Units shall be made by completing the prescribed Investment Application Form along with "CDS securities movement Report" and submitting it to the Management Company together with the payment by cheque, bank draft, pay order or online transfer as the case may be in favor of Trustee Bank Account and crossed "Account Payee only" in favor of **"CDC Trustee –JS Momentum Factor Exchange Traded Fund"** The Management Company may also notify, from time to time, arrangements or other forms of payment within such limits and restrictions considered fit by it with the prior approval of Commission.

(c) Applicants must indicate their valid CDS account number in the Investment Application Form.

(d) The Management Company will make arrangements, from time to time, for receiving Investment Request Forms and payments from outside Pakistan and will disclose these arrangements through its website and its Distributors and agents outside Pakistan.

5.2.3 Minimum Amount of Investment

5.2.3.1 For In-Kind Creation of units:

Units shall be issued to the Authorized Participant by the AMC as per clause 5.2 with a minimum investment size of **10,000** creation units with face value of PKR 10 each or multiples thereof. The Management Company reserves the right to alter the minimum amounts stated here in above.

5.2.3.2 For investment in Secondary Market

Purchase and sale of units in the secondary market shall be subject to minimum lot size as defined by PSX

5.2.4 Determination of Purchase Price on Creation

(a) Units shall be offered initially at Rs.10 and thereafter at offer price declared by the Management Company from time to time for Dealing Days during the period when the Fund is open for subscription.

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

(i) The Net Asset Value (NAV) as of the close of the previous Business Day (Historical pricing);

(ii) Such amount as the Management Company may consider an appropriate provision for Duties and Charges; and

(iii) such sum shall be adjusted upward to the nearest paisa.

(c) The Purchase (Offer) Price open for subscription, shall be calculated and announced by the Management on a daily basis and be made available to the public at the office and branches of the Distributors and will also be published daily on the Management Company's and MUFAP's website.

5.2.5 Pricing and Dealing

Determination of Net Asset Value.

The NAV of the Fund normally is determined once daily Monday through Friday, generally as of the regularly scheduled close of business of the Fund (normally 4:00p.m., Pakistan Standard time) on each day that the Fund is open for trading, based on the closing price of securities of PSX.

The NAV of the Fund is calculated by dividing the value of the net assets of the Fund (i.e., the value of its total assets less total liabilities) by the total number of outstanding units of the Fund, generally rounded to two

decimal place. The value of the securities and other assets and liabilities held by the Fund are determined pursuant to valuation policies and procedures adopted by the AMC subject to the condition specified in the NBFC Regulation or any other law for the time being enforced. This information, along with other relevant information including Outstanding units of the Fund shall be available on the website of the AMC.

Units Prices and dissemination of INAV.

The trading prices of the Fund's shares in the secondary market may differ from the Fund's daily NAV and are affected by market forces such as the supply of and demand for ETF shares and shares of underlying securities held by the Fund, economic conditions and other factors. Trading price of the ETF shall be available in real-time on the trading platform of the PSX. Information regarding the intraday value of shares of the Fund, also known as the "indicative Net Assets Value" ("INAV"), is calculated and disseminated every **15 seconds** throughout each trading day by the PSX, the Exchange on which the Fund's shares are listed. The INAV is based on the current market value of the securities or other assets and/or cash required to be deposited in exchange for a Creation Unit. The INAV does not necessarily reflect the precise composition of the current portfolio of securities or other assets held by the Fund at a particular point in time or the best possible valuation of the current portfolio. Therefore, the INAV should not be viewed as a "real-time" update of the Fund's NAV, which is computed only once a day on the basis of historical price (last day closing price).

The NAV/INAV thus published shall include the cash component including any accumulated dividends in-line with the calculation policy described in Determination of Net Asset Value above.

It may be noted that the methodology of calculation of NAV/INAV is the same.

The Management Company delegates its responsibility of determination of INAV to the Pakistan Stock Exchange. The Pakistan Stock Exchange shall carry out determination of the INAV per Unit on a current basis, within a Business Day as deemed necessary by the Management Company and as specified in the Offering Document. The Pakistan Stock Exchange shall ensure that INAV is disseminated to the Stock Exchange terminal at regular interval and shared with the Management Company to be displayed on the website of the management company.

The Management Company ensure that the INAV per Unit is calculated on the basis of a process and criteria which is consistently applied by the Management Company or the third-party to whom this function is delegated to ensure that the valuations are objective and independently verifiable.

SECP has clarified that responsibility of the management company relating to INAV under clause 21 of Circular 15 of 2012 dated May 8 2012 shall not be applicable due to circumstances beyond its control such as force majeure , failure or malfunctioning of hardware/software despite the best effort by management company or the third party to which such function is delegated and virus or cyber-attack despite the fact that antivirus and other reasonable measures were in place by the management company or the third party to whom such function is delegated . Currently such function is outsourced to PSX. The clarification absolves management company from all liabilities as mentioned in circular 15 of 2012 dated May 8 2012.

INAV may be suspended in certain situations such as rebalancing and reconstitution. In cases INAV is suspended, a notice to such effect shall be sent to the exchange for the information of all investors. Since calculation and dissemination INAV is outsourced to PSX and is dependent on the Systems and procedures of PSX. Current system of PSX takes upto one hour to stop dissemination of INAV from the time a notice is given to PSX. For Example if a notice is given by the management company to PSX to suspend dissemination of INAV at 10am, PSX would implement the same by 11 am same day. Notice would include this fact for the information of investors and would be considered a final discharge of responsibility of the management company as this is purely related to systems and procedures of PSX. Furthermore current system at PSX doesn't allow resumption of INAV during the day once it is suspended during the day; hence INAV once suspended during the day will only be resumed next day. PSX has confirmed that they are in a process of upgrading their

system and their new system will have the capability of suspending and resuming the INAV on same day.

5.2.6 Creation Procedure

The Authorized Participants can directly create Units with the Fund in Creation Unit Size as follows:

The Fund creates Units in large blocks known as "Creation Units". The size of the Creation Units and multiples thereof shall be stated in this Document. The value of the "Creation Unit" is the basket of underlying Benchmark Index securities called as the "Portfolio Deposit" and a "Cash Component" which will be exchanged for a fixed number of Units to be issued by the Management Company. The Portfolio Deposit and Cash Component may change from time to time and will be announced through its website. The Management Company may change Creation Unit Size after obtaining prior approval of the Trustee and the Commission. Any such change shall be intimated to the pertinent Stock Exchange within three (3) Business Days prior to the date of such change.

Authorized participants may create units on its own behalf or on the behalf of its clients.

5.2.7 Redemption Procedure for In-Kind Redemption

Request for Redemption of Units shall be made by completing the prescribed redemption form along with "CDS Delivery-out Report" and the same is received at the Authorized Branch or office of the Distributor on a Dealing Day during the Business Hours as may be announced by the Management Company from time to time. The Distributor may retain a copy of the Redemption Form and a copy may also be supplied to the Registrar, if so required by the Management Company.

The requisite Units of the Fund equaling the Creation Unit size or multiples thereof shall be transferred to the Fund's Depository Account and the Cash Component shall be paid to the Trustee through bank transfer in the Bank Account titled as **"CDC Trustee –JS Momentum Factor Exchange Traded Fund"**. On confirmation of the same by the Trustee, Portfolio Deposit will be transferred to the CDC account of the Authorized Participant.

The redemption request can be submitted by Authorized Participants through physical or electronic form at authorized branches and office of AMC as specified in this Document.

Management Company may request the Authorized participant to place advance money in Fund account to incorporate the cash component

Authorized Participant may redeem units on its own behalf or on the behalf of its clients.

Determination of Redemption (Repurchase) Price

Investors can sell the Units of ETF at market prices at any Exchange on which Fund is listed, which may be above or below actual NAV of the Scheme. Only the Authorized Participants can directly redeem Units with the Fund in Creation Unit Size or multiples thereof. The Units shall be redeemed on all Business Days. Units can be redeemed on in-kind basis in proportion to the quantities of securities represented in the benchmark index including any cash component calculated on the basis of NAV determined on the Business Day prior to the day of receipt of the duly completed redemption Application Form.

The Management Company at the time of announcing the NAV of the Fund, would also announce the composition of Portfolio Deposit and the Cash Component required to be exchanged against redemption of Units.

In situation where Management Company has decided to apply forward NAV to creation and redemption, all such requests will be processed using forward NAV.

5.3. Procedure for Requesting Change in Unit Holder Particulars

Where the Unit Holder desires to change Unit Holder details pertinent to their respective CDS account then request should be made to Broker Participant or the Investor Account Service (IAS) with which the account is maintained, according to the procedure laid down in CDCPL Regulations.

5.3.1 Transfer, Nomination and Transmission

Where the Unit Holder desires to Transfer of units to any other Unit holder either through Gift or through NDM market of the PSX. The request of such Transfers shall be made to Broker Participant or the Investor Account Service (IAS) with which the account is maintained, according to the procedure laid down in CDCPL Regulations.

If the unitholder nominated any of the authorized person in his /her CDS Account and upon death of the Principal holder the units of Funds shall be Transferred in CDS account of that Nominee (act as trustee of the Principal holder) and thereafter the Nominee shall distribute the rights among the successors according to the Succession Certificate issued by the Court as specified in the Companies Act, 2017.

Transmission of Units to successors in case of inheritance or distribution of the estate of a deceased Unit Holder shall be processed by the CDCPL according to the procedure laid down in CDCPL Regulations.

5.4. Procedure for Pledge / Lien / Charge of Units

If Units are held in CDS account then request should be made to Broker Participant or the Investor Account Service (IAS) with which the account is maintained, according to the procedure laid down in CDCPL Regulations.

5.5. Temporary Change in Method of Dealing, Suspension of Dealing and Queue System

5.5.1 Temporary Change in the Method of Dealing

Under the circumstances mentioned in Clause 5.5.2 & 5.5.3, Subject to compliance with Regulation (having regard to the interests of Unit Holders), the Management Company may request the Trustee to approve a temporary change in the method of dealing in Units. A permanent change in the method of dealing shall be made after expiry of at least one month's notice to Unit Holders and with the approval of Trustee.

5.5.2 Suspension of Fresh Issue of Units

The Management Company may at any time, subject to the Regulations and in the best interest of Unit Holders or under the circumstances of Force Majeure as defined in this offering Document or any other situation in which the issuance of fresh units is, in management company's opinion, against the interest of the unit holders, suspend issue of fresh Units.

Such suspension may, however, not affect the payment of cash dividend or the issue of bonus Units as a result of dividend distribution. The Management Company shall announce the details of exemptions at the time a suspension of fresh issue is announced. The Management Company shall immediately notify the Commission, Trustee and Exchange if dealing in Units is suspended.

Provided that the Management Company shall, at any time, terminate such suspension at the order of the Commission.

Further provided that the trading in ETF Units on the exchange may continue during the period of suspension of issuance and redemption of ETF Units.

5.5.3 Suspension of Redemption of Units

The Redemption of Units may be suspended during rebalancing of the ETF, extraordinary circumstances/ Force

Majeure etc. or in any other circumstances determined by the management company to be in the interest of the unit holders

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

5.5.4 Winding up in view of Major Redemptions

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

6. DISTRIBUTION POLICY

6.1. Declaration of Dividend

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

b) The Management Company on behalf of the Fund shall, for every accounting year, distribute by way of dividend to the Unit Holders, not less than ninety per cent of the accounting income of the Collective Investment Scheme received or derived from sources other than capital gains (whether realized or unrealized)as reduced by such expenses as are chargeable to a Collective Investment Scheme under the Regulations.

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

6.2. Determination of Distributable Income

The amount available for distribution in respect of any Accounting Period shall be the sum of all income other than capital gains (whether realized or unrealized), from which shall be deducted

- the expenses, as stated in Clause 7.2 to 7.4 of this Offering Document; and
- any taxes of the Fund

All the 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 Trust Property, provided that such amounts out of the sale proceeds of the Investments and all other receipts as deemed by the Management Company to be in the nature of the net realized appreciation may be distributable to the Unit Holders by the Trustee upon instructions of the Management Company and shall thereafter cease to form part of the Trust Property.

6.3. Payment of Dividend

All payments for dividend shall be made through transfer of Funds to the Unit Holder's designated bank account and such payment shall be subject to the Regulations and any other applicable laws and taxes.

6.4. Bonus Units

The Management Company may decide to distribute, wholly or in part, the distributable income in the form of

bonus / stock dividend (which would comprise of the Bonus Units of the Trust), if it is in the interest of Unit Holders. After the fixing of the rate of distribution per Unit, in case of distribution in the form of Bonus Units, the Management Company shall, under intimation to the Trustee, issue additional Units for Bonus / Stock Dividend.

The Bonus units would rank pari passu as to their rights in the net assets, earnings and receipt of dividend and distribution with the existing units from the date of issue of these Bonus units.

6.5. Closure of Register

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

7. FEE AND CHARGES

7.1. Fees and Charges Payable by an Investor

Issuance, Redemption and Transfer of units can only be made through CDS therefore Transaction cost would be applicable as per the Depository and Clearing House Tariffs.

7.1.1 Expenses borne by the Management Company and the Trustee

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

Any cost associated with sales, marketing and advertisement of collective investments schemes shall not be charged to the collective investment schemes, unless specifically allowed by the commission in Regulation.

7.1.2 Remuneration of Distribution Company / Investment Agent / Investment Facilitator

The Investment Facilitator/Investment Adviser/Sales Agent employed by the Management Company will be entitled to a remuneration payable by the Management Company out of its own resources. Management Company is allowed to charge certain expense as specified in this Offering Document.

7.2. Fees and Charges Payable by the Fund

The following expenses shall be borne by the Fund:

Remuneration of the Management Company

The Management Company shall be entitled to prescribe and receive maximum remuneration up to the maximum rate of remuneration permitted under the Regulations and directives issued there under.

The remuneration shall begin to accrue from the issue of Initial Creation Units.

Such remuneration is payable to the Management Company in arrears within thirty (30) Business Days after the end of each calendar month.

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. The Management Company shall not make any charge against the Unit Holder(s) or against the Trust Property for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the Regulations and directives issued there under and the Deed to be payable out of Fund Property.

Any increase in the remuneration of the Management Company and approved by the Commission shall require thirty days prior notice to the unit holders. However, any decrease in remuneration of the Management Company shall not require such notice.

Remuneration of the Trustee

The Trustee shall be entitled to a monthly remuneration out of the Trust Property determined in accordance with Annexure "A". The remuneration shall begin to accrue from the issue of Initial Creation Units.

Such remuneration shall be paid to the Trustee in arrears within thirty (30) Business Days after the end of each calendar month.

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 its duties as Trustee of the Trust. The Trustee shall not make any charge against the Holders or against the Trust Property for their services or for their expenses, except such expenses as are expressly authorized to be paid out of the Trust Property under the provisions of the Regulations and the Constitutive Documents.

Any increase in the remuneration of the Trustee agreed to by the Management Company shall require the approval of the Commission. However, any decrease in remuneration of the Trustee shall not require such approval.

7.3. Formation Costs

All preliminary expenses of the Fund including expenses incurred in connection with the establishment and authorization of the Fund, including execution and registration of the Constitutive Documents, issue, legal costs, printing, circulation and publication of the Offering Document, and all expenses incurred during and up to the start of issuance of creation units, shall be borne by the Fund subject to the audit of expenses and amortized over a period of not less than five years or within the maturity of the Fund whichever is lower. This cost shall be reimbursable by a collective investment scheme to an AMC subject to the audit of expenses. The Formation Cost shall be reported by the Management Company to the Commission and the Trustee giving their break-up under separate heads, as soon as the distribution of the securities is completed.

Formation Cost shall be charged to the Scheme and shall not exceed such limits as specified in the Regulations or directives issued there under.

7.4. Other costs and expenses

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

(i) Custody, Brokerage, Transaction Costs of investing and disinvesting of the Fund Property.
(ii) All expenses incurred by the Trustee in effecting the registration of all registerable property in the Trustee's name.
(iii) Legal and related costs incurred in protecting or enhancing the interests of the Unit Holders.
(iv) Bank charges, financing and financial costs;
(v) Auditors' Fees and out of pocket expenses.
(vi) printing costs and related expenses for issuing Fund's quarterly, half yearly and annual reports
(vii) Fund rating fee payable to approved rating agency.
(viii) Listing Fee including renewals payable to the Stock Exchange(s) on which Units may be listed
(ix) Fee pertaining to the Fund payable to the Commission.
(x) Taxes, fees, , duties if any, applicable to the Fund and on its income, turnover and/or its properties

including the Sales Tax levied on Services offered by Asset Management Company (for management of Fund).

(xi) Charges and levies of stock exchanges, National Clearing and Settlement Company, and CDC Charges.

(xii) Selling and Marketing expenses.

(xiii) Any other expenses as permissible under the Rules and Regulations from time to time and / or permitted by the Commission.

(xiv) Index license fee.

(xv) Maintenance or independent verification fee of an index by a third party.
Index maintenance fee
INAV maintenance fee
Share registrar fee

(xvi) Fees and expenses related to registrar services, accounting, operation and valuation services related to CIS on discretion of the Management Company which will be reimbursable to the Management Company

7.5. Expense Ratio

The expense ratio shall be in line with the limits assigned for Exchange Traded Fund, and as defined by the Commission from time to time.

8. TAXATION

8.1. Taxation on the Income of the Fund

8.1.1 Liability for Income Tax

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

Under the Tax Law in Pakistan, the definition of a public company includes a trust formed under any law for the time being in force. The Fund is considered as a public company liable to a tax rate applicable to a public company. However, the income of the Fund will be exempted from tax if not less than 90% of the accounting income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the Unit Holders as dividend.

Exchange Traded Fund (ETF) is a new type of Fund being launched in Pakistan. ETF is a hybrid type of fund which has features of both open end and closed end fund. Under the ETF scheme, units can only be issued to and redeemed by Authorized Participants (APs) whereas in the case of other open end schemes, issuance and redemption of units can be done by any individual by through the AMC on the applicable NAV. The ETF units are tradable in the Pakistan Stock Exchange (PSX) unlike the units of other open end mutual fund which cannot be traded in the PSX and can only be placed for redemption with the AMC on applicable NAV. The feature of tradability in PSX is only available in the case of closed end fund and this specific feature differentiates the ETF from other open end funds and has resulted in practical difficulties in determining amounts under following:

a) Accounting treatment for refund of element of income at the time of redemption of units; and
b) Determining the amount of income already paid on units redeemed to be included in the “Income Statement”.

The APs to whom the units are issued can either keep the units with themselves or can trade in the Pakistan Stock Exchange. Consequently, upon trading of units in the Pakistan Stock Exchange, the Holder of the units keeps on changing whereas in the case of other open end schemes due to non-tradability of units, the customer remains the same.

The SECP in the year 2017 issued SRO756(I)/2017 dated August 3, 2017, wherein two important changes were brought in with respect to open end mutual funds which are as follow:

1) the definition of element was introduced for the first time by the SECP and an explanation was also added to element's definition whereby the concept of refund of element was introduced (at the time of payment of dividend) in proportion to respective investments by unit holders in order to maintain the same ex-dividend NAV on all units in issue.

2) Apart from other amendments, a new line item on the face of the Income Statement in respect of "income already paid on units redeemed" was introduced in order to take out due impact of income of unit holders who have exited the fund during the year /period and have taken their due share of income.

The definition of element of income is given below:
"Element of income" represents the difference between net asset value on the issuance or redemption date, as the case may be, of the units and the Net Asset Value (NAV) at the beginning of the relevant accounting period.

Explanation "Element of Income" is a transaction of capital nature and the receipt and payment of element of income is taken to the unit holders' fund; however, to maintain same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on issue of units lying in unit holder fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

The purpose of defining "Element of Income", adding explanation paragraph under the above SRO and Introducing the concept of "income already paid on unit redeemed" was to clarify and standardize the treatment across industry for open end schemes.

It is pertinent to note that track of investor (along with investment details) is required both for determining "refund of capital" and "income already paid on units redeemed". The track of investment details is possible in the case of open end schemes except for ETF since the issuance and redemption of units is being managed by the AMC on the basis of applicable NAV and the units are not tradable in the PSX. Hence, the "refund of element" and "income already paid on units redeemed" can be matched and tracked with the investment of a unit holder.

However, in the case of ETF, the same is not possible since the units are being traded in the Pakistan Stock Exchange and the details of cost of investment of a unit holder who has purchased units form the market is not known to the AMC. The market tradability feature along with the corporate actions make it impossible for the AMC to get hold of investment details. Furthermore, the SRO is applicable to track the investment on a unit holder basis and then to account for "refund of element" and "income already paid on unit redeemed" by paying amount to the same unit holder who had originally got the units issued from AMC. This is not possible for the ETF unit holders since the units are originally issued to APs and the AMC do not have any track as to whether these units have been traded in the market or not and it is quite possible that units issued to one AP are redeemed by other AP by purchasing from market.

The current situation presents an anomaly for ETF whereby element of income is defined as an item of capital nature and it is impossible for an AMC to calculate "Element of Income" and "Income already paid on units redeemed" based on reasons mentioned above.

Therefore, SECP has given an exemption for ETFs allowing ETFs to take the entire "element of income" both at the time of issuance and redemption of units to profit and loss account/Income statement, Hence, Ninety percent of the profit so calculated, after recording element of income on issuance less those in units redeemed, is required to be distributed to comply with the requirements of Clause 99 of Part 1 of the Second Schedule of the Income Tax Ordinance, 2001 in order to claim tax exemption. The tax should be deducted on dividend so paid which includes element on issuance of units. However such treatment may result in incurring of loss on redemption to that extent which will be available for adjustment against capital gains.

8.2. Withholding tax

Under the provision of Clause 47(B) of part (IV) of second schedule of the income Tax Ordinance 2001, the Fund's income from dividend from Term finance certificates, Sukuks, return on (Riba free) deposits with

banks/financial institutions, return from contracts, securities or instruments of companies, organizations and establishments will not be subject to any withholding tax.

8.3. Zakat on Fund

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

8.4. Taxation and Zakat on Unit Holders

8.4.1 Taxation on Income from the Fund of the Unit Holder

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

Capital gain arising from sale/disposal of Units of the Fund in the secondary market will be subject to tax at the applicable tax rate as mentioned in Income Tax Ordinance 2001 and shall be computed determined and collected by the NCCPL.

Capital Gain on Redemption by authorized participant /Institutional investor or any other unit holder through the management company will also be computed determined and collected from the AP/customer/unit holder by NCCPL, considering the ageing and price maintained by NCCPL in its system, Further in this scenario explained above related to accounting treatment of element of income, the withholding tax deducted on Dividend distribution would be higher than any other open end fund however the ultimate effect of such higher deduction is adjusted against the capital gain tax at the time of redemption.

8.4.2 Zakat

Units held by resident Pakistani Unit Holders shall be subject to Zakat at 2.5% of the value of the Units under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted under the said Ordinance. Zakat will be deducted at source from the redemption proceeds. Above deduction will not be made if Unit Holder provides declaration in due course of time to the Management Company.

Disclaimer

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

8.5. Liability for Income Tax if Ninety Percent of Income is distributed

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

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

9. REPORTS TO UNITHOLDERS

9.1. Account Statement

The Broker and/ or the IAS Participant as the case may be shall send the Account Statement to each unit holder, maintained by them, periodically as specified in the CDC Regulation/ Procedure.

9.2. Financial Reporting

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

9.3. Trustee Report

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

9.4. Fund Manager Report

The Management Company shall prepare Fund Manager report each month as per guideline issued by MUFAP and transmit the same to the Unit Holders and also made available at their web site latest by 5th working day of each month.

10. WARNING AND DISCLAIMER

10.1. Warning

10.1.1 If you are in any doubt about the contents of this Offering Document, you should consult your bank manager, Legal advisor, or other financial advisor. The price of the Units and the income of the Fund (from which distributions to Unit Holders is made) may increase or decrease.

10.1.2 Investment in this Fund is suitable for investors who have the ability to take the risks associated with financial market investments. Capital invested in the financial markets could in extreme circumstances lose its entire value. The historical performance of this Fund, other Funds managed by the Management Company, the financial markets, or that of any one security or transaction included in the Fund's portfolio will not necessarily indicate future performance.

10.2. Disclaimer

- The Units of the Fund are not bank deposits and are neither issued by, insured by, obligation of, nor otherwise supported by SECP, any Government Agency, Trustee (except to the extent specifically stated in this document and the Trust Deed) or any of the shareholders of the Management Company or any of the Pre-IPO Investors or any other bank or financial institution. The portfolio of the Fund is subject to market risks and risks inherent in all such investments.
- Fund's target return/dividend range cannot be guaranteed. Fund's Unit price is neither guaranteed nor administered/ managed; it is based on the NAV that may go up or down depending upon the factors and forces affecting the capital markets and interest rates.

11. GENERAL INFORMATION

11.1. Accounting Period / Financial Year of the Fund

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

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

11.2. Inspection of Constitutive Documents

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

'The Centre', 19th Floor, Plot No. 28, SB- 5, Abdullah Haroon Road, Saddar, Karachi

11.3. Transfer of Management Rights of the Fund

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

(i) the Management Company goes into liquidation, becomes bankrupt or has a liquidator appointed over its assets, or its license has been cancelled or does not hold valid license;

(ii) where the Management Company is unable to remove the suspension of redemption of Units of the Fund within the fifteen business days of suspension and the Unit Holders representing at least three fourth in value of total outstanding Units of the concerned scheme pass a resolution or have given consent in writing that the scheme be transferred to another Management Company;

(iii) if in the opinion of the Commission further management of the Fund by the existing Management Company is detrimental to the interest of the Unit Holders, the Commission may direct the Trustee to transfer the Fund to another Management Company.

(iv) if the Management Company may retire voluntarily with the prior written consent of the Commission.

11.4. Extinguishment /Revocation of the Fund

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

(i) where the Management Company is unable to remove the suspension of redemption of Units of the Fund within the fifteen business days of suspension and the Unit Holders representing at least three fourth in value of total outstanding Units of the concerned scheme pass a resolution or have given consent in writing that the scheme be revoked;

(ii) where the Management Company goes into liquidation, becomes bankrupt or has a liquidator appointed over its assets, or its license has been cancelled or does not hold valid license;

(iii) in the opinion of the Management Company the scheme is not commercially viable or purpose of the scheme cannot be accomplished subject to the consent of Trustee;

(iv) the Management Company subject to regulatory approval, may announce winding up of the Trust in the event redemption requests build up to a level where the Management Company is of the view that the disposal of the Trust Property to meet such redemptions would jeopardize the interests of the remaining Unit Holder(s) and that it would be in the best interest of all the Unit Holder(s) that the Trust

be wound up.

(v) on occurrence of any event or circumstances which, in the opinion of the Trustee, requires the Fund to be revoked; and

(vi) where the Commission deems it necessary to revoke the Fund so directs either Trustee or the Management Company in the interest of Unit Holders;

11.5. Procedure and manner of Revocation of the Fund

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

11.6. Distribution of proceeds on Revocation

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

12. GLOSSARY

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

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

"Accounting Period" means a period ending on and including an accounting date and commencing (in case of the first such period) on the date immediately after the close of IPO and (in any other case) from the next day of the preceding accounting period.

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

"Authorized Participant(s)" means the eligible institutional investor or TREC Holder of Exchange subject to the Authorized Participant Agreement signed between the parties.

"Authorized Participant Agreement" means an agreement entered into between an Authorized Participant, the Trustee and the Management Company setting out the roles and responsibilities of each party and includes, among other things, the terms and procedures for the issuance and redemption of Creation Units.

"Asset Management Company"/AMC" means an asset Management Company as defined in the Rules and Regulations.

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

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

"Authorized Investments" means Pakistan origin investment and includes the following:

- Local Equities
- Cash and cash equivalent

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

"Bank Accounts" means those account(s) opened and maintained for the Fund by the Trustee at the instruction of the Management Company at Banks, the beneficial ownerships in which shall vest in the Unit Holder(s).

"Benchmark Index" means the Index as approved by the Commission and defined in this Offering Document.

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

"Business Day" means any day on which Stock Exchanges, and the Management Company is open for business in Pakistan.

"Cash Component" means the difference between the applicable net asset value of a Creation Unit and the market value of the Portfolio Deposit. This difference will represent accrued dividend, accrued annual charges including management fees and residual cash in the scheme.

1. if Cash Component is positive, investor/AP has to pay while creation and will receive on redemption
2. If Cash Component is negative, investor/AP will receive on creation and will pay during redemption. add this after the current definition of cash component in ETF

"CIS"/"Collective Investment Scheme(s)" means Open End Scheme(s) managed by the Management Company and/or by other Asset Management Companies (both local and international).

"Constitutive Documents" means the Trust Deed, the Offering Document or such other documents as defined in the Regulations.

"Creation Units" means the specified number of ETF Units for issuance or redemption as determined by the Asset Management Company and disclosed in the Constitutive Documents.

"Combined Filter (CF)" Initial filter used to screen stocks. Filters those stocks that pass a certain measure of market capitalization as determined by **MC** and a certain measure of traded value as determined by **TV**.

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

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

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

"Duties and Charges" means in relation to any particular transaction or dealing all stamp and other duties, taxes, Government charges, bank charges, transfer fees, registration fees and other duties and charges in connection with the increase or decrease of the Trust Property or the creation, issue, sale, transfer, redemption or purchase of Units or the sale or purchase of Investment or in respect of the issue, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable, but

do not include the remuneration payable to the Distribution Company or any Commission payable to agents on sales and redemption of Units or any Commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.

"ETF" means Exchange Traded Fund, which is a listed index-tracking open end fund structured as a Collective Investment Scheme. The Primary objective of the ETF is to mimic the return of a particular benchmark index by investing substantially all of its assets in the constituent securities of the benchmark index. ETF shall issue and redeem Creation Units in-kind through AP only.

"ETF Unit" is a unit of open end scheme that tracks a benchmark index and is listed on the stock exchange and may be bought and sold like any other share on the stock exchange.

"Exchange Regulations" mean the Regulations Governing Exchange Traded Funds made by a Stock Exchange on which the Units of the Fund are listed and shall include any other regulations, notifications of directives issued by the Pakistan Stock Exchange relating to Exchange Traded Funds.

"Exposure" shall have same meanings as provided in the Regulations.

"Financial Institution" means a Bank, Development Finance Institution, Nonbanking Finance Company, Modaraba or an institution registered under relevant laws to provide financial services within or outside Pakistan.

"Force Majeure" means any occurrence or circumstance or element which delays or prevents performance of any of the terms and conditions of this Deed or any obligations of the Management Company or the Trustee and shall include but not limited to any circumstance or element that cannot be reasonably controlled, predicted, avoided or overcome by any party hereto and which occurs after the execution of the Deed and makes the performance of the Deed in whole or in part impossible or impracticable or delays the performance, including but not limited to any situation where performance is impossible without unreasonable expenditure. Such circumstances include but are not limited to floods, fires, droughts, typhoons, earthquakes and other acts of God and other unavoidable or unpredictable elements beyond reasonable control, such as war (declared or undeclared), insurrection, civil war, acts of terrorism, accidents, strikes, riots, turmoil, civil commotion, any act or omission of a governmental authority, failure of communication system, hacking of computer system and transmissions by unscrupulous persons, closure of stock exchanges, banks or financial institutions, freezing of economic activities and other macro-economic factors, etc.

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

"Fund" means "Exchange Traded Fund" or "Scheme", or "Trust", or "Unit Trust", or "ETF".

"Fund Property" means the aggregate proceeds of the sale of all Units to Authorized Participant at Offer Price and any Transaction Costs recovered in the Offer or Redemption prices, after deducting there from or providing there against, the value of Redemption, Duties and Charges (if included in the Offer Price or Redemption Price) applicable to the issue or redemption of Units to Authorized Participant and any expenses chargeable to the Fund; and includes the Investment and all income, profit and other benefits arising there from, and all cash and other assets, movable or immovable, and property of every description, for the time being, held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holders pursuant to the Trust Deed but does not include any amount standing to the credit of the Distribution Account.

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

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

INAV" means Intra-day Indicative net asset value calculated on a current basis (with regular intervals) after incorporating the price change of underlying securities throughout a business day. INAV is indicative current basis net asset value of an ETF unit that facilitates trading of ETF in the secondary market.

"Investment" means any Authorized Investment forming part of the Trust Property.

"In-kind Creation" means a portfolio of securities and the cash component to be delivered to the Asset Management Company, by an AP either on its own account or on behalf of its clients for creation of ETF units.

"Issuance Form" means a standardized form prescribed by the Management Company either in physical or electronic mode to be duly filled by the Authorized Participant for creation of Units in Creation unit size or multiples thereof and will be stated in this Offering Document.

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

"Management Company" is defined in the preamble hereto;

"Market Capitalization Filter (MC)" is the market capitalization filter. MC is used to filter out low market capitalization stocks from the overall universe of stocks based on a measure of average free float market capitalization multiplied by MCF.

"Market Capitalization Factor (MCF)" This factor ranges from 0.8 to 1.5 and is multiplied by average free float market capitalization to determine MC.

"Momentum Score (MS)" is computed based on historical price performance over a 30 -180 day look back period while incorporating factors such as market capitalization, free float and liquidity in the overall score.

"Net Assets of the Scheme" means the excess of assets over liabilities combined together, such excess being computed in the manner as specified under Regulations.

"Net Asset Value" or "NAV" means per Unit Value arrived at by dividing the Net Assets of number of Unit(s) outstanding. The NAV shall be announced on each Dealing Day as per the directions of the Commission from time to time.

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

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

"Par Value" means the face value of **Rs. 10** for a Unit of the Fund.

"Performance Score" Measure of stock price performance over a pre-defined lookback period based on adjusted prices.

"Portfolio Deposit" means a pre-defined basket of securities that represents the Benchmark Index together with a cash payment (if applicable) for the purposes of issuance and redemption of Creation Units to Authorized Participant(s) to be announced by the Management Company in the Offering Document and composition of the Portfolio Deposit may change from time to time.

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

"Provincial Governments" mean the Provincial Governments of all four provinces of Pakistan.

"Redemption Form" means a standardized form prescribed by the Management Company to be duly filled by the Authorized Participant for In-Kind redemption of Units in creation unit size or multiples thereof and will be stated in this Offering Document.

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

"Register" means the Register of the Unit Holders kept pursuant to the Act.

"**Registrar**" means a Company that AMC may appoint for performing the Registrar Functions; provided that AMC may also itself perform the Registrar Functions.

"Registrar Functions" mean the functions with regard to:

(a) Maintaining the Register;

(b) Receiving application for transfer/transmission of Units directly from Unit Holder or legal representatives;

(c) Processing requests for transfer and transmission of Units with regard to the Unit Holders; and effectuating such transfers in the Register;

(d) Issuing Units to Unit Holders;

(e) Dispatching of dividend warrants;

(f) Keeping record of change of addresses/ other particulars of the Unit Holders; and

(g) CDS related activities.

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

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

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

"Single Security Limit (SSL)" The single security limit or SSL is the maximum allowed weight of an individual stock in the index.

"Stock Exchange" means any stock exchange on which securities are generally traded and quoted and shall include stock exchanges registered and operating outside Pakistan.

"Tracking Error" means the standard deviation of the difference between daily returns of the underlying Benchmark Index and the NAV of the ETF.

"Traded Value Filter (TV)" Used to eliminate those stocks from the initial screen that fall below a certain percentile of average 6 month trailing traded value.

"Traded Value Score (TVS)" Measure of traded value based on a specific lookback period in terms of average daily traded value.

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

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

"Unit" means one undivided share in the Net Asset being offered under this Scheme and where the context so indicating a fraction thereof.

"Unit Creation Form" means a standardized form prescribed by the Management Company to be duly filled by the investor to purchase Units.

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

ANNEXURES

Annexure "A"

Central Depository Company of Pakistan Limited
Tariff Structure of Trusteeship of Open – End Mutual Funds

The trustee remuneration shall consist of actual custodial expenses / charges plus the following tariff. However any upward revision shall require prior approval of the SECP

TARIFF (Flat Rate)
0.1% p.a of Net Assets

Annexure "B"

1. Current Fee Structure:

A. For Exchange Traded Fund (ETF)

Upto 1.5% per annum on Net Assets of the Fund

2. Cut-Off Timing:

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

Every Dealing Day – 9:00 am to 4:00 p.m.

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

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

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

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

3. Expense Ratio: 2.5% per annum on Net Assets of the Fund

Annexure "C"

LIST OF DISTRIBUTION OFFICES

Sr. No.	Offices	Locations
1	Head Office	Karachi
2	Regional Office Central	Lahore
3	Regional Office North	Islamabad

SECP

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
POLICY, REGULATION AND DEVELOPMENT DEPARTMENT

No. SCD/AMCW/JSMFETF//73 /2021

December 3rd, 2021

The Chief Executive Officer,
JS Investments Limited,
The Centre, 19th Floor,
Plot No. 28 SB-5, Abdullah Haroon Road
Saddar, Karachi.

Subject: **Approval for Offering Document of JS Momentum Factor Exchange Traded Fund**

Dear Madam,

I am directed to refer to JS Investments Limited ("the Management Company") email dated November 26, 2021 and subsequent correspondence dated December 1, 2021 subsequent to earlier correspondence on the subject matter and to convey approval of the Securities and Exchange Commission of Pakistan (the "Commission") to the Offering Document of JS Momentum Factor Exchange Traded Fund (the "Fund") found enclosed with above referred emails in terms of Regulation 54(1) of Non-Banking Finance Companies and Notified Entities Regulations 2008 (the "Regulations") on the following conditions:

1) Approval of the Offering Document shall be valid for a period of one hundred and twenty (120) days from the date of approval within which the Fund shall be listed and offered for subscription; otherwise the Offering Document shall be submitted to the Commission again for review and approval.

2) The Management Company shall not invest assets of the fund abroad unless it has obtained prior written approval of State Bank of Pakistan and the Commission in this regard.

3) Offering Document of the Fund shall contain information as set out in Schedule VIII of the Regulations. It shall be mentioned that the Management Company, licensed to undertake asset management services under the Non-Banking Finance Companies (Establishment and Regulations) Rules 2003 ("NBFC Rules, 2003"), manages the Fund. Also, the name of Management Company shall be prominently displayed on first page of the Offering Document.

4) Contents of Offering Document shall not be altered/amended/deleted without prior written approval of the Commission except as allowed in the Regulations.

5) Approval of the Offering Document shall in no way absolve the Management Company of its obligations about contents of or statements made in the Document.

6) The Management Company shall manage the Fund strictly in accordance with the NBFC Rules, 2003 and the Regulations.

7) The Management Company shall submit two copies of the Offering Document and Trust Deed duly signed by the CEO.

8) The Management Company shall submit a statement duly signed by all directors regarding responsibility for the information contained in the Offering Document as being accurate at the date of publication.

9) The Management Company shall give at least one week to the prospective investors for studying the Offering Document prior to launch of fund.

10) Further, with reference to this office letter dated 3rd November, 2021; the registration of the Fund as notified entity shall remain valid for one hundred twenty days from the date of this letter.

Yours truly,

"Say no to Corruption"

Sidra Tul Muntaha
Management Executive

CC: **Chief Executive officer**
Central Depository Company of Pakistan Limited
CDC House, 99-B, Block "B", S.M.C.H.S, Main Shahra-e- Faisal,
Karachi—74400, Pakistan

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office:
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com

CDC/T&C-U1/DH/0392/2021
November 26, 2021

Muhammad Khawar Iqbal
Director Finance & Company Secretary
JS Investments Limited
The Centre, 19th Floor
Abdullah Haroon Road
Saddar, Karachi

Dear Sir

CONSENT ON OFFERING DOCUMENT OF JS MOMENTUM FACTOR EXCHANGE TRADED FUND

With reference to the captioned subject, we have reviewed the enclosed draft offering document of **JS Momentum Factor Exchange Traded Fund** and hereby convey our consent, for submission of the same with SECP under Non-Banking Finance Companies and Notified Entities Regulations, 2008.

However, we are unable to comment on the validity of the Benchmark Index of the Fund as stated in clause 2.2 of the Offering Document, and therefore request Commission to specifically review the same and accord its approval as required under Circular 20 of 2021.

Please note that our consent is valid only for the draft offering document enclosed with this letter. Any changes made in this document subsequently, will require our consent separately.

Yours truly

Atiqur Rehman
Head of Trustee & Custodial Services

Cc: **Ms. Khalida Habib**
Executive Director/HOD
Policy, Regulation and Development Department-Specialized Companies Division
Securities & Exchange Commission of Pakistan