

Trust Deed

United Islamic Income Fund (UIIF)

THIS TRUST DEED is made and entered into at Karachi, on this August 10, 2007.

1. Name of the open-end Scheme ²

United Islamic Income Fund (UIIF)

2. Amendment in Clause 1:

The Fund will now be constituted as Al-Ameen Islamic Aggressive Income Fund (AI AIF)

3. In the Trust Deed any reference to Al-Ameen Islamic Income Fund (AIIF) shall be replaced with Al-Ameen Islamic Aggressive Income Fund (AI AIF).

4. All other contents of the Trust Deed remain unchanged and the Trust Deed shall continue to remain in full force and effect, amended as above

2. Participating Parties

UBL Fund Managers Limited, an unlisted public limited company, incorporated under the Companies Ordinance, 1984 (hereinafter called the Management Company which expression where the context so permits, shall include its successors in interest and assigns), registered as a Non Banking Finance Company with a license to perform Asset Management, Investment Advisory Services and Investment Finance Services under the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (hereinafter referred to as the “Rules”), having its Registered Office at 8th Floor, State Life Building, I. I. Chundrigar Road, Karachi, Corporate Office at 11th Floor, Executive Tower, Dolmen City, Block 4, Clifton, Karachi, Pakistan, of **One Part**

AND

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

² Amended as per 3rd Supplement to TD dated Aug 11, 2014

WITNESSETH:

- A. The Management Company has been licensed as an Asset Management Company pursuant to the Rules (License to undertake Asset Management Services attached herewith as Annexure "A").
 - B. The Management Company has been authorized by the Commission vide its letter No. SEC/NBFC-II/JD-II/UIIF/578/2007 dated August 8, 2007, attached herewith as Annexure "B" to constitute a Trust under the name and title of "**United Islamic Income Fund**" (hereinafter referred to as "the Scheme", or "the Trust" or "the Unit Trust" or "the Fund" or "UIIF") and to register this Trust Deed, pending authorization for the establishment and operation of the Scheme in accordance with the provisions of the Rules and this Trust Deed;
 - C. The Management Company has nominated and appointed the CDC as Trustee of the Scheme and the Trustee has accepted such appointment upon the terms and conditions herein contained and the tariff structure for trusteeship attached herewith as Annexure "C";
 - D. The Commission has approved the appointment of the Trustee; vide letter no. SEC/NBFC-JD-II/UIIF/2007/520 dated July 17, 2007, attached herewith as Annexure "D".
- 2A The Management Company and the Trustee declare that:
- a) The Trustee shall hold and stand possessed of the Fund 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 Holders ranking *pari passu* inter se, according to the number of Units held by each Unit Holder;
 - b) The Fund Property shall be invested or disinvested from time to time by the Trustee at the direction of the Management Company, strictly in terms of the provisions contained and the conditions stipulated in this Deed, the Offering Document, the Rules and the conditions (if any) which may be imposed by the Commission from time to time; If anything is contrary in the Offering Document with the terms of the Deed, or the Rules, the latter will supersede these terms;
 - c) The Management Company shall establish, manage, operate and administer the Fund in accordance with the Rules, this Deed and Offering Document;
- 2B. All conducts and acts of the Trust shall be Shariah compliant as per the guidelines of the Shariah Advisor of the Fund.

3. Definitions

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

- 3.1 "Accounting Date" means the date 30th June in each year and any interim dates at which the financial statements of the Trust are drawn up. Provided, however, that the Management Company may, with the consent of the Trustee and after obtaining approval of the Commission and the Commissioner of Income Tax, change such date to any other date.
- 3.2 "Accounting Period" means a period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the Fund Property is first paid or transferred to the Trustee and (in any other case) from the end of the preceding Accounting Period.
- 3.3 "Account Statement" means statement of transaction in Units in the folio of the Unit Holder.
- 3.4 "Administrative Plans" means, investment plans offered by the Management Company, where such

plans allow investors a focused investment strategy in any one or a combination of Unit Trust Schemes managed by the Management Company and for which a common Trustee is appointed.

- 3.5 “Audit Date” means the date on which the Auditor issues its report in respect of the scheme’s balance sheet and income and expenditure account for the corresponding Accounting Period.
- 3.6 "Auditor" or Shariah Auditor” means the Auditor of the Trust appointed by the Management Company, with the consent of the Trustee, as the auditor for the scheme, who shall be independent of the auditor of the Management Company and the auditor of the Trustee, as provided under the NBFC Rules.
- 3.7 “Authorized Branch or Branches” means those branches of the Distributors authorized by the Management Company to perform distribution functions whose addresses shall be given in the Offering Document or as disclosed by the Management Company from time to time in relation to Distribution Functions mentioned in Clause 3.24
- 3.8 “Authorized Investments” means any investment instrument allowed under the Rules and complies with the guidelines of Shariah Advisor of the Fund. These include:
- i. Certificates of Investment based on Shariah compliant structures issued by an entity with a minimum investment grade rating incase the instrument itself is not rated.
 - ii. Bank Deposits of various tenors in licensed Islamic Banks and licensed Islamic Banking windows of conventional Banks having minimum investment grade rating.
 - iii. For the purposes of liquidity management, the Management Company may open accounts at various Islamic Banks having minimum investment grade rating. Such accounts may be either current accounts or Shariah compliant profit bearing accounts.
 - iv. Placement of funds under Mudarabah, Murabaha and Musharikah arrangements. Maximum exposures (as a percentage of net assets) to rated and non-rated entities / instruments in this asset class will be identified separately by the Management Company.
 - v. Spread Transactions (Ready-Future) as approved by the Shariah Advisor in eligible securities as declared by the Stock Exchanges and the Commission.
 - vi. Secured (listed and/or privately placed) Shariah compliant income instruments/securities including Sukuks issued by local governments, government agencies, statutory bodies, private and or public sector entities and / or Financial Institutions. In the case of secured Privately Placed Shariah Compliant income instruments/ securities, a minimum investment grade rating of either the entity or the instrument by an approved credit rating agency should be applicable. Where credit rating is not available for either the entity or instrument in this category, the Management Company will identify maximum exposure limits and the requisite information regarding the issuer profile which will be specified in the Offering Document.
 - vii. Unsecured (listed and/or privately placed) Shariah Compliant income instruments / securities including Sukuks issued by local governments, government agencies, statutory bodies, private and or public sector entities and / or Financial Institutions. In the case of unsecured Privately Placed Shariah Compliant income instruments/ securities, a minimum investment grade rating of either the entity or the instrument by an approved credit rating agency should be applicable.
 - viii. Real estate oriented funds/unit trust schemes including real estate investment trusts if the investment under the above is not prohibited by the SECP.
 - ix. Contracts, securities, instruments issued by companies, organizations and establishments issued on the principals of Bai’ Mu’ajjal, Bai’ Salam, Istisna, Ijarah, Mudarabah, Murabaha, and Musharikah. Minimum Investment Grade Rating will be applicable. Where credit rating is not available for either the entity or instrument in this category, the Management Company will identify maximum exposure limits and the requisite information regarding the issuer profile which will be specified in the Offering Document.
 - x. Any other Shariah compliant instrument that may be allowed by the Commission from time to time and is as per the guidelines of the Funds Shariah Advisor and under such parameters as mentioned in the Risk Management Policies of the Management Company.

The maximum exposure limit of the above mentioned asset classes will be given in the Offering Document.

The Fund may also make Shariah compliant Investments in overseas markets (including Shariah Compliant closed-end and open-end mutual fund income schemes) to the extent of 30% of the Net Assets of the Fund, subject to a cap of US\$15 million at the time of investment. Such overseas Investments would be made according to prescribed guidelines of SECP/SBP/Shariah Advisory Board and if guidelines are not available, specific approval from the SECP will be obtained.

- 3.9 "Back-end Load" means sales charge or commission, not exceeding five (5) percent of the Redemption (Repurchase) Price, deducted by the Management Company from the Net Asset Value in determining the Redemption Price.
- 3.10 "Bai Mu'ajjal" means a contract in which the seller earns a profit margin on his purchase price and allows the buyer to pay the price at a future date in lump sum or in installments.
- 3.10.1 "Bai' Salam" means a contract in which advance payment is made for certain defined goods (other than gold, silver and currencies) to be delivered later on a fixed date.
- 3.11 "Bank" means any Scheduled Bank, as defined under the State Bank of Pakistan Act, 1956 and licensed to carry on banking business and shall include a bank incorporated outside Pakistan and carrying on banking business in Pakistan as a Scheduled Bank.
- 3.12 "Bank Accounts" means those account(s) opened and maintained for the Trust by the Trustee at Banks, the beneficial ownerships in which shall vest in the Unit Holders.
- 3.13 "Broker" means any person engaged in the business of and licensed by the SECP to effect transactions in the securities for the account of others.
- 3.14 "Business Day/Dealing Day" means a day (such business hours thereof) when Banks are open for business in Pakistan and such hours for which Management Company is open for business.
- 3.15 "Certificate" means the definitive certificate acknowledging the number of Units registered in the name of the Unit Holder(s) issued at the request of the Unit Holder(s) pursuant to the provisions of the Trust Deed.
- 3.16 "Charity" means amount paid out of the income of the Trust to a charitable/welfare organization, in consultation with the Shariah Advisory Board, representing income, which is Haram.
- 3.17 "Commission or SECP" means Securities and Exchange Commission of Pakistan.
- 3.18 "Connected Person" shall have the same meaning as assigned in the Rules.
- 3.19 "Constitutive Document" means the Trust Deed which is the principal document governing the formation, management and the operation of an open-ended scheme and all related material agreements.
- 3.20 "Core Investors" means the initial investors, who shall be required to subscribe to and to hold number of Units of par value and whose subscription shall, in aggregate, be in compliance of the requirements of Rule 67(2) (f) of the Rules for a minimum period of two years from the date of payment in full of the respective Restricted Units. Particulars of the Core Investors shall be included in the Offering Document that shall be issued for this Trust.
- 3.21 "Custodian" means a banking company as defined in the Banking Companies Ordinance, 1962 (LVII of 1962), or a central depository as defined in the Securities and Exchange Ordinance, 1969 or an investment finance company licensed under Rules, having such minimum credit rating as may be

specified by the Commission, being appointed by the Trustee in consultation with the Management Company and the Commission, to hold and protect the assets of the Trust 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.

- 3.22 “Distribution Account” means the account (which may be a current or PLS deposit account) maintained by the Trustee with an Islamic Bank or a licensed Islamic branch of a Bank as directed by the Management Company in which the amount required for distribution of income to the Unit Holders shall be transferred. Income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the main account of the Fund from time to time, as part of the Fund Property for the benefit of the Unit Holders.
- 3.23 “Distributor(s)” means Company (ies), Firm(s), Sole Proprietorship Concerns, Individuals or Bank(s) appointed by the Management Company for performing any or all of the Distribution Functions and shall include the Management Company itself, if it performs the Distribution Functions.
- 3.24 “Distribution Functions” means the functions with regard to:
- a) Receiving applications for Purchase of Units together with aggregate Offer Price for Units applied for by the applicants;
 - b) Interfacing with and providing services to the Unit Holders including receiving Redemption, Transfer and Pledge applications, conversion notices, trading applications and applications for change of address or issue of duplicate Certificates for immediate transmission to the Management Company or the Registrar as appropriate;
 - c) Acknowledging receipt by delivering customer copy in respect of (a) & (b) above; and
 - d) Accounting to the Management Company for (i) monies received from the applicants when they purchase Fund Units; (ii) payments made to the Unit Holders on Redemption of Units; and (iii) expenses incurred in relation to the Distribution Functions.
- 3.25 “Duties and Charges” means in relation to any particular transaction or dealing, bank charges, brokerage, registration fee, all stamp and other duties, taxes, Government charges, transfer fees, registration fee and other duties and charges in connection with the Issue, Sale, Transfer, Redemption or Purchase of Units or in respect of the issue, sale, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but do not include the remuneration payable to the Distributor or any Front-end or Back-end Load or commission payable to agents on Sale and Redemption of Units or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.
- 3.26 “Financial Institution” means a Bank, Development Finance Institution, Non Banking Finance Company or Modarba.
- 3.27 “Formation Cost” means all preliminary and floatation expenses of the Scheme including expenses in connection with authorization of the Scheme and its application fee payable to the Commission, execution and registration of the Constitutive Document, issue, legal costs, printing, circulation and publication of the Offering Document, announcements describing the Fund and inviting investment therein for the Initial Offer and all expenses incurred during the period leading up to the Initial Offer.
- 3.28 “Front-end Load” means the sales and processing charges or commission (excluding duties and charges) not exceeding five percent (5%) of the NAV payable to the Management Company, which may be included in the Offer Price of certain classes of Units.
- 3.29 “Fund” means United Islamic Income Fund or “Scheme” or “Trust” or “Unit Trust.” or “UIIF” constituted by this Deed.

- 3.30 “Fund’s Auditors” mean the Auditors.
- 3.31 “Fund Property” means the aggregate proceeds of the sale of all Units at Purchase (Offer) Price and any Transaction Costs recovered in the Purchase (Offer) or Repurchase (Redemption) price after deducting there from or providing there against the value of Redemption, Front-end Load, Back-end Load, Duties and Charges (if included in the Purchase (Offer) Price or Repurchase (Redemption) Price) applicable to the Purchase or Redemption of Units and any expenses chargeable to the Fund; and includes the Investment and all income, profits, shares, securities, deposits, right and bonus shares, cash, bank balances, dividends, fees, commissions, receivables, claims, contracts, licenses, privileges and other benefits arising there from and all cash and other movable and other assets and properties of every description, whether accrued or accruing, 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 and shall include the income, profit etc earned on the amount credited to the Distribution Account, but shall not include the amount standing to the credit to the Distribution Account (except income or profit earned thereon).
- 3.32 “Halal” means anything permitted by the Shariah.
- 3.33 “Haram” means anything prohibited by the Shariah.
- 3.34 “Holder(s)” or “Unit Holder(s)” means the investor(s) for the time being entered in the Register as owner(s) of Unit(s) or fraction(s) thereof including investor(s) jointly so registered pursuant to the provisions of this Deed.
- 3.35 “Initial Offer” means the issuance of Units during the Initial Period of Offering.
- 3.36 “Initial Offer Price” means the price of Rs.100 per Unit during the Initial Offering Period determined by the Management Company.
- 3.37 “Initial Period of Offer” means the same as “Initial Offering Period” and “Initial Public Offer” which means the period during which first offer of Units shall be made, which shall be indicated in the Offering Document. This period shall not exceed a period of ten days (provided that this period may be extended with the prior approval of the Commission and the Trustee).
- 3.38 “Investment” means any Authorized Investment forming part of the Fund Property.
- 3.39 “Investment Facilitator” or “Facilitator” means an Individual, Firm, Corporate or other Entity appointed by the Management Company, at its sole responsibility, to identify solicit and assist investors in investing in the Scheme.
- 3.40 “Investment Policy” means the investment policy outlined in clause 10.2 of this Deed.
- 3.41 “Istisna” means a contractual agreement for manufacturing goods and commodities, allowing cash payment in advance and future delivery or a future payment and future delivery.
- 3.42 “Mudarabah” means a form of partnership where one partner provides funds, while other provides skill, expertise and management.
- 3.43 “Murabaha” means a sale on mutually agreed profit. Technically it is a contract of sale in which the seller declares his cost and profit. As a financing technique, it involves a request by the client to the financier to purchase certain item for him, which is then sold to the client at a mutually agreed price.
- 3.44 “Musharikah” means a relationship established under a contract by the mutual consent of the parties for sharing of profits and losses arising from a joint enterprise or venture. All providers of capital are entitled to participate in management, but not necessarily required to do so. The profit is distributed

among the partners in pre-agreed ratios, while the loss is borne by each partner strictly in proportion to respective capital contributions.

- 3.45 "Net Assets" shall have the same meaning as in the Rules.
- 3.46 "Net Asset Value" or "NAV" means per Unit Value of the Fund arrived at by dividing the Net Assets by the number of Units outstanding.
- 3.47 "Offer Price" or "Purchase Price" means the sum to be paid by the investor for the purchase of one Unit, such price to be determined pursuant to the Offering Document and this Deed.
- 3.48 "Offering Document" means the prospectus, advertisement or other document (approved by the Commission), which contain the investment and distribution policy and all other information in respect of the Scheme, as required by the Rules and is circulated to invite offers by the public to invest in the Scheme.
- 3.49 "Ordinance" means Companies Ordinance 1984.
- 3.50 "Par Value" means the face value of a Unit that shall be One Hundred Rupees or such other amount as may be determined by the Management Company in consultation with the Trustee from time to time.
- 3.51 "Personal Law" means the law of inheritance and succession as applicable to the Individual Unit Holder(s).
- 3.52 "Private Placement Investors" mean those investors who make payment to the Management Company for purchase of Units prior to the Initial Period of Offer under private arrangements.
- 3.53 "Redemption Price" or "Repurchase Price" means the amount to be paid to the relevant Holder of a Unit upon Redemption of that Unit, such amount to be determined pursuant to Clause 11.4 of this Trust Deed and to be stated in the Offering Document.
- 3.54 "Register" means the Register of the Unit Holders kept pursuant to the Rules and this Trust Deed.
- 3.55 "Registrar" means an organization that the Management Company may appoint for performing the Registrar Functions and may include a department of the Management Company. The term and definition of "Transfer Agent" is also covered within the definition of a Registrar.
- 3.56 "Registrar or Transfer Agent Functions" means the function with regard to:
- (a) Maintaining the Register;
 - (b) Receiving applications for redemption and transfer/ transmission of Units directly from Unit Holders or legal representatives or through Distributors;
 - (c) Processing requests for issue, redemption, transfer and transmission of Units and requests for recording of pledge or for recording of changes in information/particulars/data with regard to the Unit Holders;
 - (d) Issuing Account Statements to the Unit Holders;
 - (e) Issuing Certificates including Certificates in lieu of undistributed income to Unit Holders;
 - (f) Canceling old Certificates on redemption or replacement;
 - (g) Maintaining record of lien/pledge/charge;
 - (h) Keeping record of change of addresses/other particulars of the Unit Holders; and
 - (i) Dispatching income distribution advice and/or bank transfer intimations; and
 - (j) Allocating Units to the Unit Holders for re-investments.
- 3.57 "Restricted Units" means such Units of the Trust that are issued to Core Investors at the Par Value with the condition that these are not redeemable for a period of two years from the date of close of

the Initial Offer. Such Units are transferable with this condition, but otherwise shall rank *par passu* with all other Units, save for this restriction. Any transfer of the Restricted Units, during the first two years of their issue, shall be affected only on the receipt by the Registrar of a written acceptance of this condition by the transferee.

- 3.58 "Rules" mean the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, as amended from time to time.
- 3.59 "Sales Load" means the sales and processing charge or commission (excluding Duties and Charges) which is either charged at the time of purchase or at the time of redemption of units (depending on the type). Subject to the maximum load limit of 5% of NAV, the Management Company may, at its discretion, charge different levels of the load to different Investors from time to time and may also apply different levels of Sales load for different Plans under the Scheme.
- 3.60 "Shariah" means divine guidance as given by the Holy Qur'an and the Sunnah of Prophet Muhammad (PBUH) and embodies all aspects of the Islamic faith, including beliefs, practices, rules and principles.
- 3.61 "Shariah Advisor" or "Shariah Advisory Board" means either an Islamic financial institution, a body of Islamic scholars or an individual appointed by the Management Company with the approval of the SECP, having knowledge of Islamic finance, to supervise and monitor the activities of the Scheme and to ensure that all its activities comply with Shariah.
- 3.62 "Shariah Compliant" means any activity that is in accordance with the Islamic Shariah.
- 3.63 "Stock Exchange" means any stock exchange on which securities are generally traded and quoted and shall include stock exchanges registered and operating outside Pakistan.
- 3.64 "Sukuk" means a type of Islamic bond that is backed by assets of the issuer that earn profit or rent.
- 3.65 "Term Finance Certificates" means redeemable equity instruments issued on profit and loss sharing basis.
- 3.66 "Transaction Costs" means the costs incurred or estimated by the Management Company to cover the costs (such as, but not restricted to, Brokerage, Trustee charges, Taxes or Levies on transactions, etc.) related to the investing or disinvesting activity of the Fund's portfolio, necessitated by creation or cancellation of Units. Such costs may be added to the NAV for determining the Purchase (Offer) Price of Units or be deducted from the NAV in determining the Repurchase (Redemption) Price. The Transaction Costs may not normally be applied in determining these prices; however, if the Management Company is of the view that it is in the overall interest of the Unit Holders, it may with intimation to the Trustee, apply such charge either to the Offer or the Redemption Price. The Management Company may, however, apply Transaction Costs while determining Purchase (Offer) or Repurchase (Redemption) prices, without intimating the Trustee provided the difference between the Purchase (Offer) Price and the Repurchase (Redemption) Price does not exceed five percent. The element of Transaction Costs taken into account in determining the prices and collected so, shall form a part of the Fund Property.
- 3.67 "Trustee" means Central Depository Company of Pakistan Limited (CDC) or any other company appointed with approval of the Commission from time to time.
- 3.68 "Trusts Act" means Trusts Act 1882.
- 3.69 "UIIF" means United Islamic Income Fund.
- 3.70 "Unit" means one undivided share in the Scheme and where the context so indicates a fraction thereof.

3.71 “Zakat” has the same meaning as in Zakat and Ushr Ordinance (XVIII of 1980), 1980.

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

4. GOVERNING LAW AND JURISDICTION

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

4.2 Subject to the Arbitration Clause 34 hereafter, applicable between the Management Company and the Trustee inter se, each party, including the Unit Holders irrevocably submit to the exclusive jurisdiction of the Courts at Karachi.

5. EFFECT OF THIS DEED, STATUS OF UNIT HOLDERS AND RETIREMENT / CHANGE OF TRUSTEE

5.1 Deed binding on each Unit Holder

The terms and conditions of this Deed and any deed supplemental hereto shall be binding on each Unit Holder as if he has been party to this Deed and so to be bound by Deed’s provisions and each Unit Holder authorizes and requires the Trustee and the Management Company to do as required of them by the terms of this Deed and the Rules.

5.2 Unit Holders not liable to make further payments

No Unit Holder shall be liable to make any further payments to the Trustee or the Management Company after he has paid the purchase (Offer) price of the Units in accordance with Clause 11.2 hereafter and no further liability shall be imposed on any Unit Holder in respect of the Units held by him (except for the Back-end Load in respect of Units with a Back-end Load structure).

5.3 Units to rank pari passu

All Units and fractions thereof represent an undivided share in the Scheme and shall rank pari passu according to the number of Units held by each Unit Holder, including as to the rights of the Unit Holders in the Net Assets, earnings and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in the Trust proportionate to the Units held by such Unit Holder and shall have such rights as are set out in this Deed and the Offering Document.

4.3.2 Restricted/Core Units subscribed by the Core Investors shall however be offered and issued at par and shall not be redeemable (but are transferable) for a period of two years from the close of Initial

Period. A mention of such restriction and its termination date shall be entered into the Register and shall be noted on any Certificate issued in respect of such Units.

5.4 Trustee to report to Unit Holders

5.4.1 The Trustee shall report to the Unit Holders on all matters provided in the Rules and this Deed. In particular, the Trustee shall issue a report to the Unit Holders to be included in the annual report to be sent to the Unit Holders stating whether in the Trustee's opinion, the Management Company has in all material respects managed the Scheme in accordance with the provisions of this Deed and the Rules and if the Management Company has not done so, the respect in which it has not done so and the steps, which the Trustee has taken in respect thereof

5.4.2 The Trustee shall be entitled to require the Auditors to provide such 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 Rules. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible.

5.5 Retirement of Trustee

The Trustee shall be entitled to retire voluntarily at any time upon prior written notice of three months to the Management Company and after obtaining prior written consent of the Commission; subject to the condition that the retirement shall not take effect except upon the appointment of a new trustee. In the event of the Trustee desiring to retire, the Management Company, within a period of three months after receiving a notice to that effect from the Trustee and with the prior written approval of the Commission, may by a deed supplemental hereto under the seal of the Management Company appoint a new trustee under the provisions of the Rules in place of the retiring Trustee and also provide in such deed for the automatic vesting of all the assets of the Scheme in the name of the new trustee. Provided that the obligations of the Trustee shall continue and the Trustee shall also receive its remuneration until the new trustee is appointed. In case the Trustee decides to retire voluntarily, as above, it shall endeavor its best to suggest the name(s) of alternate company (ies) or institution(s) qualified for being appointed as trustee of the Unit Trust to the Management Company and the Commission for appointment as the trustee, in place of the Trustee.

6. ROLE AND RESPONSIBILITIES OF MANAGEMENT COMPANY

6.1 Compliance with Rules and this Deed

The Management Company shall comply with the provisions of the Rules and this Deed for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Management Company by any officer or responsible official of the Management Company or by any nominee or agent appointed by the Management Company and any act or matter so performed shall be deemed for all the purposes of this Deed to be the act of the Management Company.

The Management Company shall be responsible for the acts and omissions of all persons to whom it may delegate any of its functions as manager as if these were its own acts and omissions and shall account to the Trustee for any loss in value of the Fund Property where such loss has been caused by its negligence, reckless or willful act and/or omission or by its officers, officials or agents.

6.2 Management of Fund Property

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

6.3 Appointment of Distributors

The Management Company under intimation to the Trustee shall from time to time at its own responsibility appoint, remove or replace one or more Distributor(s) for carrying out the Distribution Functions at one or more locations, on terms and conditions to be incorporated in the distribution agreement to be entered into between the Distributor(s) and the Management Company. Provided that the Management Company may also itself act as a Distributor for carrying out Distribution Functions. The Distributors shall receive applications for issue and redemption of investment in the various Unit Trusts and Administrative Plans offered by the Management Company.

6.4 Appointment of Investment Facilitators

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

6.5 Appointment of Registrar/Transfer Agent

The Management Company may at its own responsibility from time to time appoint, remove or replace the Registrar/Transfer Agent who is responsible for performing Registrar Functions. The Transfer Agent shall perform the Registrar Functions, including maintaining investors' records, issuing statements of accounts, issuing Certificates representing Units, processing redemption requests, processing dividend payments and all other related and incidental activities and any other role assigned to the Transfer Agent as per the transfer agent agreement.

6.6 Record Keeping

- 6.6.1 The Management Company shall maintain at its principal office, proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Scheme, and all other transactions for the account of the Scheme.
- 6.6.2 The Management Company shall maintain a Register of Unit Holders of the Scheme (either in physical or electronic form) and inform the Commission and the Trustee of the address where the Register is kept.

6.7 Submission of Accounts to Unit Holders

The Management Company shall within one month of the close of the first and third quarter, within two months of second quarter and within four months of end of Accounting Year prepare and transmit (physically or through electronic means or on the web, subject to SECP's approval) to the Unit Holders, the Trustee and the Commission, balance sheet as at the end of that Accounting Period, profit and loss account, cash flow statement and a statement of changes in equity for that Accounting Period, whether audited or otherwise.

6.8 Appointment of Auditors

The Management Company shall with the consent of the Trustee, appoint at the establishment of the Scheme and upon any vacancy, an Auditor who shall be a chartered accountant and independent of the Auditors of the Management Company and the Trustee and such Auditors shall not be appointed for more than three consecutive years and the contents of Auditor's report shall be in accordance with the provisions of the Rules.

6.9 Submission of information to the Commission

The Management Company shall furnish a copy of the annual report together with copies of the balance sheet, income and expenditure accounts and the Auditor's report of the Scheme to the Commission within four months of the close of the Accounting period, together with a Statement containing the following information, namely:

- (i) Total number of Unit Holders; and
- (ii) Particulars of the personnel (Executive, research and other) of the Management Company.

6.10 Submission of information to Trustee

The Management Company shall make available or ensure that there is made available to the Trustee such information as the Trustee may require in respect of any matter relating to the Trust.

6.11 Liabilities of the Management Company

The Management Company shall not be under any liability, except such liability as may be expressly assumed by it under the Rules and this Deed nor shall the Management Company (save as herein otherwise provided) be liable for any act or omission of the Trustee or for anything except its own negligence or willful breach of duty hereunder. If for any reason it becomes impossible or impracticable to carry out the provisions of this Deed, the Management Company shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder

6.12 Instructions to Trustee

The Management Company shall, from time to time, advise the Trustee of the instructions relating to any transaction entered into by it on behalf of the Trust. The Trustee shall carry out the instructions in accordance with the dictates of the specific transactions provided they are in consonance with the provisions of this deed and the rules.

6.13 Investor Services

The Management Company has the responsibility to facilitate the investment and disinvestments by investors in the scheme and to make adequate arrangements for receiving and processing applications in this regard. Offer and redemption prices have to be announced for investor facilitation as per the procedures outlined in Section 11 of this Trust Deed.

6.14 Performance of Duties as per Rules

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

In addition, the Management Company shall not::

- (a) merge with, acquire or take over any other asset management company or a scheme, unless it has obtained the prior approval of the Commission in writing to the scheme of such merger, acquisition or takeover;
- (b) pledge any of the securities held or beneficially owned by a scheme except for the benefit of such scheme;
- (c) accept deposits from a scheme;
- (d) make a loan or advance money to any person except in connection with the normal business of the scheme;
- (e) participate in a joint account with others in any transaction;
- (f) apply any part of its assets to real estate except property for its own use;
- (g) make any investment with the purpose of having the effect of vesting the management, or control, in the scheme; and
- (h) employ as a broker, directly or indirectly, any of its director, officer or employee or a member of a family of such person or its management company and enter into transactions with any connected broker, which shall equal or exceed ten per cent or more of the transactions of the fund in any one accounting year of that scheme:

7. SHARIAH GOVERNANCE / SHARIAH ADVISORY SERVICES AND SHARIAH COMPLIANCE AUDITOR

7.1 Shariah Governance

All activities of the Unit Trust shall be undertaken in accordance with the Islamic Shariah as per the guidelines given by Shariah Advisor. There are activities that are unlawful in Shariah, which the Fund cannot indulge in. These include, among others:

- (a) Investment in riba based transactions; and
- (b) Taking interest-bearing deposits or raising interest-bearing loans.

7.2 Shariah Advisor

7.2.1 The Management Company shall appoint a Shariah Advisory Board (subject to clearance from the Commission) that shall advise the Management Company regarding Shariah.

7.2.2 The Shariah Advisory Board will be composed of persons, who must be experts on Shariah and have good understanding of Finance and Economics.

7.2.3 The Shariah Advisory Board will be appointed for a period of two years commencing from the end of the Initial Offering Period. They may be reappointed on completion of their term. The Management Company can at any time terminate the agreement(s) with the Shariah Advisory Board and/or members thereof giving a notice period as provided in such agreement(s), before the completion of their term(s) and fill the casual vacancy (ies) or appoint a new Shariah Advisor to the Board with prior approval of the SECP and/or as the case be under the relevant rules.

7.2.4 The Shariah Advisor shall provide technical guidance and support on various aspects of Shariah, so as to enable the Management Company to mould the Unit Trust into a Shariah Compliant Investment.

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

- i. To co-ordinate with the Management Company in drawing up of this Deed and other related material documents constituting Constitutive Documents for the formation of the Unit Trust

and shall further provide technical guidance and support on various aspects of Shariah, so as to enable the Management Company to mould the Unit Trust into a riba free avenue of investment.

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

iii. To certify that all the provisions of the Scheme and proposed Investments to be made on account of the Unit Trust on the instructions of the Management Company are Shariah compliant with the criteria established as per Clauses (i) and (ii) above.

iv. To evaluate and advise upon all new financial instruments as and when introduced for their Shariah permissibility.

v. To issue at the end of each Accounting Period, a certificate, to be included in the Scheme's financial reports, in respect of Shariah compliance of the preceding year's operations of the Scheme and the Shariah Advisory Board may, **at the expense of the Fund**, conduct such audits or other investigations as may be necessary for the issuance of the certificate.

vi. To determine an appropriate percentage of income and cash flows included in the income and cash flow of the companies in which the Unit Trust has invested from activities not in accordance with the principles of the Shariah, and will recommend to the Management Company the criteria for selecting the Charities to whom such sums shall be donated, subject to the Rules.

7.3 Shariah Compliance Auditor

7.3.1 The Auditor of the Unit Trust will also act as Shariah Compliance Auditor, and shall complete Shariah compliance audit of the Trust for each Accounting Year within four months from the relevant Accounting Date, and will issue a Shariah compliance audit report.

7.3.2 The Shariah Compliance Auditor shall be competent to carry out the Shariah compliance audit, including that the audit firm should have requisite knowledge of conducting Shariah compliance audits and should have laid down systems and programs to carry out such audit. The Management Company shall, in consultation with the Trustee, determine the competence of the Auditor in this regard.

7.3.3 Subject to the Rules, the Shariah Compliance Auditor would verify the following aspects of the Unit Trust's activities:

i Necessary approvals have been obtained from the Shariah Advisory Board, as the case may be, in respect of transactions involving Shariah related matters.

ii. Documentation contains all necessary information to make it Shariah compliant.

iii. No misuse of Trust funds has been committed

iv. Trust funds were placed for investment under Shariah compliant avenues.

v. Costs charged to Trust funds were in accordance with the Shariah permissions and terms of the Trust Deed.

vi. Share of the Mudarib in profits from Investments is in accordance with the agreed rates.

vii. Distributions for the Unit Holders are in accordance with the terms agreed upon.

viii. Any other point affecting the Shariah compliance.

ix. The Shariah Compliance Auditor will base his audit on tests usually applied in practice.

x. Disclosure shall be made in the notes to the financial accounts, of earnings prohibited by Shariah, if any, and how those amounts are disposed of.

xi. Disclosure shall be made of whether the Zakat payment is the responsibility of the Fund or the responsibility of Unit Holders. The Fund shall also disclose the Zakat due for each share/Unit, if any.

8. ROLE AND RESPONSIBILITIES OF TRUSTEE

8.1 Investment of Fund Property at direction of Management Company

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

8.2 Custody of Assets

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

8.3 Obligations under Rules and Constitutive Document

The Trustee shall have all the obligations entrusted to it under the Rules, the Offering Document and this Deed.

8.4 Nomination of Attorney

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

8.5 Appointment of Sub-Custodian

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

8.6 Compliance with this Deed

The Trustee shall comply with the provisions of this Deed for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee under intimation to the Management Company.

Provided that the Trustee shall be responsible for the acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Trust for any loss in value of the Fund Property where such loss has been caused by negligence or any reckless act and/or omission of the Trustee or any of its attorney (ies), or agents.

8.7 Protection of Unit Holders' interest

The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holders. The Trustee shall not be under any liability on account of

anything done or suffered by the Trust, if the Trustee had acted in good faith in accordance with or in pursuance of any request of the Management Company provided they are not in conflict with the provisions of this Deed or the Rules. Whenever pursuant to any provision of this Deed, any certificate, notice, direction, instruction or other communication is to be given by the Management Company to the Trustee, the Trustee may accept as sufficient evidence thereof:

- (a) A document signed or purporting to be signed on behalf of the Management Company by any person(s) whose signature the Trustee is for the time being authorized in writing by the Management Company to accept.
- (b) Any instruction received online through the software solution adopted by the Management Company for managing and keeping records of the funds managed by the Management Company and to the satisfaction of the Trustee.
- (c) third party evidence where required like broker contract, expenses bills etc.

8.8 Actions to protect Unit Holders' interest

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

Provided that no such indemnity shall be available in respect of any action taken against the Trustee for negligence or breach of its duties in connection with the Trust under this Deed or the Rules. 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.

8.9 Carrying out instructions of the Management Company

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

8.10 Availability of information to Management Company

The Trustee shall make available or ensure that there is made available to the Management Company such information as the Management Company may reasonably require from time to time in respect of the Fund Property and all other matters relating to the Trust.

8.11 Entitlements

(a) To require the Auditors to provide reports

The Trustee shall be entitled to require the Auditors to provide such 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 Rules. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible.

(b) To receive the copies of Financial Statements

The Trustee shall be entitled to receive copies of financial statements on quarterly, half yearly and annual basis.

8.12 Transactions with the Trust

Neither the Trustee or the Custodian (if Trustee has appointed another person as Custodian) nor the Management Company or any of their Connected Persons shall sell or purchase or deal in the sale of any Investment with the Trust [save in the capacity of an intermediary].

8.13 Consent of Trustee for transaction with Connected Person

Any transaction between the Trust and the Management Company or any of their respective Connected Persons as principal shall require the prior written consent of the trustee and shall only be made as permissible under the Rules and this Deed.

8.14 Liabilities of the Trustee

The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Rules and this Deed, nor shall the Trustee be liable for any act or omission of the Management Company or for anything except its own negligence or willful breach of duty hereunder. If for any reason it becomes impossible or impracticable to carry out the provisions of this Deed the Trustee shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted, to be done in good faith hereunder. The trustee shall not be liable for any loss caused to the Trust or to the value of the Fund Property due to any elements or circumstances beyond its reasonable control.

8.15 Other Responsibilities

- a. The Trustee shall forward to the Management Company within two Business Days any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust funds (as deposits, refunds, distribution of dividends, income, 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 any transactions. The Trustee shall promptly act on any instruction by the Management Company in all such matters relating to recovery of the Fund Property.
- b. The Trustee shall promptly provide proxies or other forms of powers of attorney to the order of the Management Company with regard to any voting rights attached to any investment.
- c. The Trustee shall ensure that: (i) the sale, issue, repurchase, redemption and cancellation of Units are carried out in accordance with the provisions of the Deed and the Rules; and (ii) the methods adopted by the Management Company in calculating the values of Units are adequate and in accordance with the provisions of the Deed and the Rules.
- d. The Trustee shall issue a report to be included in the annual report to be sent to Unit Holders whether, in the Trustee's opinion, the asset management company has in all material respects managed the scheme in accordance with the provisions of the constitutive documents, if the asset management company has not done so, the respects in which it has not done so and the steps which the Trustee has taken in respect thereof.

8.16 Administrative Arrangements

The Trustee shall have all the obligations entrusted to it under the Rules, the Trusts Act 1882 [II of 1882], this Trust Deed including any supplemental deeds hereto and Offering Documents setting up the Unit Trusts and the Administrative Plans thereof. However, the Trustee shall, in addition to the aforesaid obligations, facilitate the Management Company's business in the following manner:

- a) Attorney/s and Person/s: The Trustee shall nominate one or more of its officers to act as attorney/s for performing the Trustee's functions and for interacting with the Management Company.
- b) Distributors: The Management Company may itself act as a Distributor or appoint others as Distributors from time to time on such terms and conditions as it may specify.
- c) Custodian/s: The Trustee shall act as custodian for securities for which custody services are available with the Trustee at such terms as the Trustee and the Management Company may mutually agree. For other securities the Management Company may advise the Trustee to make appropriate arrangements with one or more Custodians for custody of securities in which investment may be made on behalf of the respective Unit Trusts. The Trustee shall provide custodial services to the extent others cannot be identified for this purpose.

9. BANK ACCOUNTS

- 9.1 The Trustee, at the request of the Management Company, shall open bank accounts titled "**CDC - Trustee United Islamic Income Fund**" for the Unit Trust at designated Bank(s) for collection, investment, redemption or any other use of the Trust's funds.
- 9.2 The Trustee shall open additional Bank accounts titled "**CDC -Trustee United Islamic Income Fund**" at such branches of Banks and at such locations (including outside Pakistan, subject to applicable regulations and after obtaining all necessary approvals from the relevant regulatory authorities in Pakistan) as is required by the Management Company from time to time. Such accounts shall be used as collection accounts for investment in the Unit Trust and the Administrative Plans thereof. There shall be standing instructions for all such collection accounts to promptly transfer the funds collected therein to the main account with the Trustee titled "**CDC - Trustee United Islamic Income Fund**".
- 9.3 The Management Company may require the Trustee to open separate collection accounts for the Unit Trust to facilitate the receipt, tracking and reconciliation of income or other receipts relating to the investments.
- 9.4 The Management Company may also require the Trustee to open separate Bank Accounts for each dividend distribution out of the Unit Trust. Notwithstanding any thing in this Deed the beneficial ownership of the balances in the Accounts vests in the Unit Holders of the respective Unit Trusts.
- 9.5 The Trustee shall, if requested by the Management Company at its discretion also open a separate Account titled **CDC – Trustee UBL Funds** at bank(s) designated by the Management Company. These account(s) shall be temporary collection accounts, where collections received on account of subscription of Units by investors of various unit trusts and the administrative plans that are managed by UBLFM as the management company shall be held prior to their being allocated and transferred to pertinent unit trust(s) for investments in accordance with the decisions of the investors. Such account(s) may also be used for temporary parking of redemption proceeds which the Unit Holders may wish to re-invest at a later stage in the same fund or other funds which may be managed by the Management Company. Provided however, in relation to the other unit trusts managed by UBLFM as the Management Company mentioned above, there are similar provisions in the trust deeds of such

funds and have Trustee as common between them.

10. INVESTMENT OBJECTIVE, INVESTMENT POLICY AND INVESTMENT & BORROWING RESTRICTIONS

10.1 Investment Objective

The Funds primary objective is to provide investors with a high and stable rate of current income consistent with long-term preservation of capital in a Shariah Compliant manner. The Fund shall also strive to take advantage of the available opportunities in order to realize capital appreciation and shall seek to strictly abide by the Islamic principles of Shariah.

10.2 Investment Policy

10.2.1 To provide investors with a safe and stable stream of Halal income on their investments and to **generate long term** risk adjusted returns. The Fund shall keep an exposure in a blend of short, medium and long term income instruments, both within and outside Pakistan. The portfolio shall aim to maximize annual income for the investor while preserving the capital.

10.2.2 All Investments of the Fund would be as per the guidelines of the Shariah Advisor of the Fund and will be in strict conformity with the rules of Shariah.

10.2.3 “Authorized Investments” means any investment instrument allowed under the Rules and complies with the guidelines of Shariah Advisor of the Fund. These include:

- i. Certificates of Investment based on Shariah compliant structures issued by an entity with a minimum investment grade rating incase the instrument itself is not rated.
- ii. Bank Deposits of various tenors in licensed Islamic Banks and licensed Islamic Banking windows of conventional Banks having minimum investment grade rating.
- iii. For the purposes of liquidity management, the Management Company may open accounts at various Islamic Banks having minimum investment grade rating. Such accounts may be either current accounts or Shariah compliant profit bearing accounts.
- iv. Placement of funds under Mudarabah, Murabaha and Musharikah arrangements. Maximum exposures (as a percentage of net assets) to rated and non-rated entities / instruments in this asset class will be identified separately by the Management Company.
- v. Spread Transactions (Ready-Future) as approved by the Shariah Advisor in eligible securities as declared by the Stock Exchanges and the Commission.
- vi. Secured (listed and/or privately placed) Shariah compliant income instruments/securities including Sukuks issued by local governments, government agencies, statutory bodies, private and or public sector entities and / or Financial Institutions. In the case of secured Privately Placed Shariah Compliant income instruments/ securities, a minimum investment grade rating of either the entity or the instrument by an approved credit rating agency should be applicable. Where credit rating is not available for either the entity or instrument in this category, the Management Company will identify maximum exposure limits and the requisite information regarding the issuer profile which will be specified in the Offering Document.
- vii. Unsecured (listed and/or privately placed) Shariah Compliant income instruments / securities including Sukuks issued by local governments, government agencies, statutory bodies, private and or public sector entities and / or Financial Institutions. In the case of unsecured Privately Placed Shariah Compliant income instruments/ securities, a minimum investment grade rating of either the entity or the instrument by an approved credit rating agency should be applicable.
- viii. Real estate oriented funds/unit trust schemes including real estate investment trusts if the investment under the above is not prohibited by the SECP.

- ix. Contracts, securities, instruments issued by companies, organizations and establishments issued on the principals of Bai' Mu'ajjal, Bai' Salam, Istisna, Ijarah, Mudarabah, Murabaha, and Musharikah. Minimum Investment Grade Rating will be applicable. Where credit rating is not available for either the entity or instrument in this category, the Management Company will identify maximum exposure limits and the requisite information regarding the issuer profile which will be specified in the Offering Document.
- x. Any other Shariah compliant instrument that may be allowed by the Commission from time to time and is as per the guidelines of the Funds Shariah Advisor and under such parameters as mentioned in the Risk Management Policies of the Management Company.

The maximum exposure limit of the above mentioned asset classes will be given in the Offering Document

The Fund may also make Shariah compliant Investments in overseas markets (including Shariah Compliant closed-end and open-end mutual fund income schemes) to the extent of 30% of the Net Assets of the Fund, subject to a cap of US\$15 million at the time of investment. Such overseas Investments would be made according to prescribed guidelines of SECP/SBP/Shariah Advisory Board and if guidelines are not available, specific approval from the SECP will be obtained.

- 10.2.4. Subject to applicable laws and necessary regulatory approvals, the Management Company may include in the portfolio, Pakistan origin Islamic Investments issued, listed or traded outside Pakistan.
- 10.2.5. Subject to regulatory approvals, the Fund may seek to invest in foreign debt or fixed income Shariah Compliant securities issued, listed or otherwise traded outside Pakistan on such terms, guidelines and directions as may be issued by Commission and/or State Bank of Pakistan from time to time.
- 10.2.6. The Investments outside Pakistan will enable the Fund to diversify the risk as well as avail opportunities for higher returns in markets that are undervalued. Such Shariah Compliant Investments (subject to approval of the SECP/SBP/Shariah Advisory Board) may be made up to 30% of net assets of the Fund and are subject to a cap of US\$ 15 million. At some time in the future, the Management Company may expand this limit after seeking permission from the SECP and the State Bank of Pakistan and under intimation to the Trustee. The limit to international investment will apply at the time of investment and it will not be necessary for the Trustee to sell any investment merely because, owing to appreciation or depreciation of any investment, change in foreign exchange parities, disposal of any investment or change in limit due to increase or decrease in units, such limit shall be exceeded. In case, due to the relative movement of the value of foreign Investment and/or change in the limit, the value of foreign investment exceeds the above limit, the Management Company will have three months to bring the Fund into compliance.
- 10.2.7. If a company listed in one country is the parent company or associate of a company listed in another country, investment in any of these companies will not fall within the definition of investment in a single company for the purpose of per company limit.
- 10.2.8. During the Initial Period, the Trustee shall hold the Fund Property on deposit in a separate Shariah-Compliant account with banks with a minimum investment grade rating. Such amounts may also be invested from time to time in short term investments (in case of investment in financial institutions they must have a minimum investment grade rating of 'A' by a SECP approved credit rating agency). After the Initial Period, all Fund Property, except in so far as such amount may, in the opinion of the Management Company, be required for transfer to the Distribution Account, shall be invested by the Trustee from time to time in such Authorized Investments as may (subject always to the provisions of Trust Deed, the Offering Document, the Rules, and the Islamic Shariah as advised by the Shariah Advisory Board) be directed by the

Management Company.

- 10.2.9 Any Investment may at any time be realized at the discretion of the Management Company either in order to invest the proceeds of sale in other Authorized Investment or to provide cash required for the purpose of any provision of the Trust Deed or in order to retain the proceeds of sale in cash or on deposit as aforesaid or partly one and partly another. Any Investment which ceases to be an Authorized Investment or Shariah Compliant Investment (subject to SECP Directive or Shariah Advisory Board's decision) shall be realized within 3 months and the net proceeds of realization shall be applied in accordance with this Clause. It is clarified that the proceeds of any Investments realized as aforesaid shall be kept by the Trustee in the account of the Scheme.
- 10.2.10 The purchase or sale of any Investment in listed securities for the account of the Trust shall be made on a Stock Exchange through a Broker, who must be a member of such Stock Exchange, unless the Management Company is satisfied that it is possible, subject to applicable law, to make such purchase or sale more advantageously in some other manner. The Broker shall be appointed from time to time by the Management Company. The Management Company shall not employ, as a Broker, directly or indirectly any of its directors or officers or employees of the Management Company or the Trustee or a person who beneficially owns, whether individually or in association with close relative(s), 10% (ten percent) or more of the equity or other securities with voting rights, if any, issued by the Management Company, without the prior approval of the SECP.
- 10.2.11 The Management Company may use derivatives only to the hedge existing exposure of the Fund in foreign currencies, provided they are cleared by the Shariah Board. The derivatives used may also hedge the US Dollar, however, the Management Company will attempt to hedge, in all cases where hedging is desirable, to the Base Currency if cost-effective and practical. No other use of derivatives is permissible and only currency derivatives will be used and only up to the limit of the Fund's exposure to foreign currency.

10.3 Investment Restrictions

- 10.3.1 The Management Company in managing the Scheme shall abide by all the provisions of the Rules.
- 10.3.2 The Fund Property shall be subject to such exposure limits as are provided in the Rules (subject to any exemptions that may be specifically given to the Fund by the Commission).
- Provided that it shall not be necessary for the Trustee to sell any Investment merely because any limit was exceeded owing to appreciation or depreciation of any Investment or disposal of any Investments or redemption of units. The Management Company will have three (3) months to comply with the exposure limits in case such limits are exceeded.
- 10.3.3 The purchase or acquisition of units in other Shariah Compliant, open-end and closed-end income funds shall be made in accordance with applicable rules and regulations.
- 10.3.4 If and so long as the value of the holding in a particular security shall exceed the limit imposed by the Rules, the Management Company shall not purchase any further Investments in such security. However this restriction on purchase shall not apply to any offer of right shares or any other offering, if the Management Company is satisfied that accepting such offer is in the interest of the Trust. The Management Company will have three (3) months to comply with the exposure limits in case such limits are exceeded.
- 10.3.5 The Trust shall not purchase from or sell any security to the Management Company or the Trustee or to any director, officer or employee of the Management Company or of Trustee or to any person who beneficially owns ten per cent or more of the equity of the Management Company

or the Trustee, save in the case of such party acting as an intermediary.

10.3.6 The Trust will not at any time:

10.3.6.1 Purchase or Sell:

- Bearer securities
- Securities on margin
- Commodities contracts or commodities and directly real estate
- Securities which result in assumption of unlimited liability (actual or contingent)
- Anything other than Authorized Investments as defined herein;

10.3.6.2 Make short sales of any security or maintain a short position in securities;

10.3.6.3 Make any Investments that are not compliant with the Islamic Shariah;

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

10.3.6.5 Pledge any of the securities held or beneficially owned by it, except for its own benefit;

10.3.6.6 Make a loan or advance money to any person except in connection with the normal business of the Scheme, subject to the limits specified under the Rules;

10.3.6.7 Apply any part of its assets to real estate (save and except that the Management Company may invest in securities secured by real estate or interest therein or equity securities issued by companies that invest in real estate or have interest therein);

10.3.6.8 Make an Investment in a company which has the effect of vesting the management or control over the affairs of such company, in the Scheme;

10.3.6.9 Employ as a broker, directly or indirectly, any director, officer or employee of the Fund or its Management Company or any Connected Person or member of the family of such person and enter into transactions with any Connected Broker, which shall equal or exceed 10% of the transactions of the Fund in any one Accounting Year of that Fund.

10.3.6.10 Investment of the Scheme in any security shall not, at any time, exceed an amount equal to 15% of the total Net Asset Value of the Scheme at the time of investment or 15% of the issued capital of the investee company.

10.3.6.11 Subject to the Rules, clearance from Shariah Advisory Board of the Fund and any other applicable law, the Management Company may, on behalf of the Fund, write call options/derivatives provided there is a satisfactory market based exit mechanism from options so written. The Management Company may also on behalf of the Fund, if and when the law so allows, buy put options equivalent to any securities held in the portfolio. Provided however, under no circumstances, the Management Company shall buy or sell such options on behalf of the Fund in excess of 10% of NAV that result in an exposure beyond the number of underlying Shariah Compliant fixed income, Shariah Compliant money market or other securities held in the portfolio of the Fund.

10.4 Exceptions to investment restrictions

10.4.1 The Fund may deposit securities, for facilitation or guaranteeing settlement of its own trades and transactions in favor of an exchange or clearing house or national clearing and settlement system, on acquiring associate membership of the concerned settlement system. The securities, however, shall not be pledged for any other reason with any other person or entity.

- 10.4.2 The Fund may sell its securities under forward contracts if the trustee of the Fund confirms that securities of such value are available in the portfolio of the fund or will be available pursuant to a duly executed contract.
- 10.4.3 The Fund may enter into forward purchase of currency or other hedging instruments, including derivatives listed on foreign markets, for the purpose of hedging the foreign currency exposure of the fund, The derivatives used may also hedge to the US Dollars, however, the Management Company will attempt to hedge, in all cases where hedging is desirable, to the Base Currency if cost effective and practical. No other use of derivatives is permissible and only currency derivatives will be used and only upto the limit of the Fund's exposure to foreign currency.
- 10.4.4 In the event, the weightages of securities exceeds the limits laid down in the Offering Document or the Rules as a result of the relative movement in the market prices of the investments or through any disinvestments, the Management Company shall make its best endeavors to bring the exposure within the prescribed limits within three months of the event. But, in any case, the Management Company shall not invest further in such shares or sectors while the deviation exists. However, this restriction on further investment shall not apply to any offer of right shares and bonus shares.

10.5 Borrowing Restrictions

- 10.5.1 Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Trustee may at any time at the request of the Management Company concur with the Management Company in making and varying arrangements with Banks or Financial Institutions for borrowing by the Trustee for the account of the Scheme; provided that the borrowing shall not be resorted to, except for meeting the redemption requests.
- 10.5.2 The charges payable to any Bank or Financial Institution against borrowings on account of the Trust as permissible above shall not be higher than the normal prevailing bank charges or normal market rates for similar service and/or facility.
- 10.5.3 The maximum borrowing for the account of the Trust shall not exceed fifteen per cent of the total Net Asset Value of the Scheme or such other limit as may be provided in the Rules. If subsequent to such borrowing, the Net Assets are reduced as a result of depreciation in the market value of the Fund Property or redemption of Units, the Management Company shall not be under any obligation to reduce such borrowing.
- 10.5.4 Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such borrowings from Banks and Financial Institutions. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such loans or advances.
- 10.5.5 For the purposes of securing any such borrowing the Trustee may with the approval of the Management Company mortgage, charge or pledge in any manner all or any part of the Fund Property provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limits provided under the Rules.
- 10.5.6 Neither the Trustee nor the Management Company shall incur any liability by reason of any loss to the Trust or any loss that a Unit Holder may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangement made hereunder in good faith.

11. VALUATION OF PROPERTY AND PRICING

11.1 Valuation of Assets

- 11.1.1 A security listed on a stock exchange shall be valued at its last sale price on such exchange on the date as of which it is Valued or, if such exchange is not open on such date, then at its last sale price on the next preceding date on which such exchange was open and, if no sale is reported for such date, the security shall be valued at an account not higher than the closing asked price nor lower than the closing bid price. Where prices of securities are quoted/available on a dealer system/electronic board such as NASDAQ or Reuters the quoted price shall be used.
- 11.1.2 An Investment purchased, and awaiting payment against delivery shall be included for valuation purposes as security held and the account of the fund shall be adjusted to reflect the purchase price, including brokers' commission and other expenses incurred in the purchase thereof but not disbursed as of the valuation date.
- 11.1.3 An investment sold, but not delivered pending receipt of proceeds, shall be valued at the net sale price.
- 11.1.4 The value of any dividends, bonus shares or rights, which may have been declared on securities in the portfolio but not received by the Fund as of the close of the business on the valuation date, shall be included as assets of the Fund if the security, upon which such dividends, bonuses or rights were declared, is included in the assets and is valued ex-dividend, ex-bonus or ex-rights, as the case may be.
- 11.1.5 A security bought or sold under a repurchase or reverse repurchase transaction, which has to be settled at a future date, shall be valued by taking the net effect of the complete transaction into account. The value or loss occurring shall be recognized taking into account the allocation of such value or loss over the period between the transaction date and the settlement date.
- 11.1.6 Profit accrued on any profit bearing security in the portfolio shall be included as an asset of the fund if such accrued profit is not otherwise included in the valuation of the security.
- 11.1.7 A derivative shall be valued at current market price or, if it is an over-the-counter derivative, at the value quoted for it by a financial institution or the inferred value of the derivative based on the value of the commodity for which it has been written. The valuation of the derivative must be congruous to the valuation of the commodity for which it has been written.
- 11.1.8 The valuation shall be conducted as at the close of the Business Day in Pakistan. For international Investment, valuation will be carried-out one hour before the close of the Business Day in Pakistan according to the price of securities at or around that time or, if the price is not available, valuation will be carried out at the closing price of securities at the end of the last business day in the country in which the securities are quoted.
- 11.1.9 All amounts in foreign currencies will be converted into Pakistani Rupees based on the quotations by the National Bank of Pakistan or the Authorized Dealer(s). The conversion will take place at the average of the buy-sell rates.
- 11.1.10 Any other income accrued up to the date on which computation was made, shall also be included in the assets.
- 11.1.11 All liabilities, expenses, taxes and other charges, due or accrued up to the date of computation, which are chargeable under this Trust Deed, shall be deducted from the value of assets.

11.1.12 The valuation methods prescribed in the Rules will be used unless the Rules are amended or a different valuation method is prescribed by the SECP. For any asset class, where no specific methods or valuation is prescribed in the Rules, the guidance from the SECP shall be obtained and valuation shall be done accordingly.

11.2 Determination of Purchase (Offer) Price

11.2.1 Units offered and issued during the Initial Offer shall be issued at par. The offer and issuance of Units during the Initial Offer shall remain open during the period specified in the Offering Document.

11.2.2 After the Initial Offer, the Purchase (Offer) Price for the Unit Holder shall be determined from time to time pursuant to the Clause 11.2.3 hereafter and Rule 80 of the Rules and shall be calculated and announced by the Scheme on each Business Day.

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

- (a) The Net Asset Value as of the close of the preceding Business Day (in the event there are closed days, for any reason, following that Business Day, the NAV so determined shall be adjusted for the accrual of income or losses if any for such closed days);
- (b) Any Front-end Load;
- (c) Such amount as the Management Company may consider an appropriate provision for Duties and Charges as defined in this Deed and other levies, taxes etc;
- (d) Such amount as the Management Company may consider an appropriate provision for Transaction Costs.

(The resultant amount is to be adjusted upwards to the nearest two decimal places).

The completed and correctly filled purchase of units form means such form which is duly filled with all the required documents.

The Management Company may announce different plans under different administrative arrangements with differing levels of Front-end Load, which may also vary according to other criteria in the Management Company's sole discretion. Consequently, the Offer Price may differ for Units issued under differing administrative arrangements and for different investors.

11.2.4 The Purchase (Offer) Price so determined shall apply to purchase requests, received by the Distributor or the Management Company during the business hours on the Business Day on which the completely and correctly filled purchase of Units application form is received. Any minor deficiencies in the Units application form need to be removed within seven (7) Business Days.

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

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

11.2.7 The Purchase (Offer) Price determined by the Management Company shall be made available to the public at the office and branches of the Distributors and at the discretion of the

Management Company may also be published in at least one daily newspaper widely circulated in Pakistan and be also made available at its website.

11.3 Allocation of Front-End Load

- 11.3.1 The remuneration of Distributors and Investment Facilitators for the sale of Units with front-end load shall be paid exclusively from any front-end load received by the Trustee and / or may be paid by the Management Company when the Trustee pays the front-end load to the Management Company for onward distribution to the Distributors and Investment Facilitators and no charges shall be made against the Fund Property or the Distribution Account in this respect. The Trustee shall pay the remainder of any Front-end Load after such disbursement to the Management Company as additional remuneration for their management services for the Scheme. If the Front-end Load received by the Trustee is insufficient to pay the remuneration of the Distributors and Investment Facilitators, the Management Company shall pay the amount necessary to pay in full such remuneration.
- 11.3.2 Such payments of Front-end Load may be made to the Management Company by the Trustee on the instructions of the Management Company normally on monthly basis in arrears within thirty days of the end calendar month or in some other frequency on mutually agreed basis.
- 11.3.3 A Distributor or Investment Facilitator located outside Pakistan may if so authorized by the Management Company and the Trustee retain such portion of the Front-end Load as is authorized by the Management Company and transfer the net amount to the Trustee, subject to the law for the time being in force.

11.4 Determination of Repurchase (Redemption) Price

- 11.4.1 During the Initial Offer the Units shall not be redeemed.
- 11.4.2 After the Initial Period, the Redemption (Repurchase) Price shall be equal to the Net Asset Value as of the close of the Business Day immediately preceding the day of determination of the Redemption Price (in the event there are closed days, for any reason, following that Business Day, the NAV so determined shall be adjusted for the accrual of income or losses if any for such closed days), less:
- (a) Any Back-end Load;
 - (b) Any taxes imposed by the Government; and
 - (c) Such amount as the Management Company may consider an appropriate provision for Duties and Charges and other levies etc;
 - (d) Such amount as the Management Company may consider an appropriate provision for Transaction Costs;

(The resultant amount is to be adjusted downward to the nearest two decimal places)

The Management Company may announce different plans under different administrative arrangements with differing levels of Back-end Load. Consequently, the Redemption Price may differ for Units issued under differing administrative arrangements and different investors.

- 11.4.3 The Repurchase (Redemption) Price so determined shall apply to redemption requests, complete in all respects, received by the Distributor or the Management Company during the business hours (as announced by the Management Company from time to time) on the Business Day on which a correctly and properly filled redemption application is received.
- 11.4.4 In the event that the amount paid as provision for payment of Duties and Charges is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except

where such excess arises from any Duties and Charges levied with retrospective effect after the date of payment in which case such excess shall be recovered from the Fund Property).

- 11.4.5 In the event that the provision for payment of Duties and Charges exceeds the relevant amount of Duties and Charges, the Trustee shall refund such excess amount to the relevant Unit Holders.
- 11.4.6 The Redemption Price determined by the Management Company shall be made available to the public at the office and branches of the Distributors and at the discretion of the Management Company may also be published in at least one daily newspaper circulating in Pakistan and made it available at its website.

11.5 Allocation of Back-End Load

- 11.5.1 The remuneration of distributors on sales of Units with Back-end Load shall be paid out of the management fee accruing to the UBLFM and shall be recovered exclusively from the Back-end Load received. The excess of Back end Load (after deduction of distributor / Investment Facilitator remuneration) shall be made to Fund Property. If the Back-end Load received is insufficient to pay the remuneration of the distributors, the Management Company shall bear the amount necessary to pay in full such remuneration.

11.6 Redemption of Units

- 11.6.1 The Trustee shall at any time during the life of the Trust on the instructions of the Management Company authorize redemption of Units out of the Trust funds through duly authorized Distributors and/or Investment Facilitators and directly through the Management Company.
- 11.6.2 An application for Redemption of Units shall be made by completing the prescribed Redemption of Units Form and the same is received at the Authorized Branch or office of the Distributor and/or Investment Facilitator on a Business Day during the business hours as may be announced by the Management Company from time to time. The Distributor may retain a copy of Redemption of Units Form and a copy may also be supplied to the Registrar, if so required by the Management Company. No person shall be entitled to redeem only part of the Units comprised in a Certificate; provided however in case where a Certificate is not issued any number of Units may be redeemed by the Unit Holders thereof. The relevant Certificate shall accompany the application for Redemption of Units, if issued. In case of application for redemption by joint Unit Holders, such application should be signed by all the joint Holders as per their specimen signatures provided at the time of opening of the account within the Unit Holder Register, through the Purchase of Units Form
¹The Management Company may make arrangements to accept redemption requests through electronic, IVR (Interactive Voice Response) or other means subject to satisfaction of the Trustee.
- 11.6.3 The Trustee may at its discretion dispense with the production of any Certificate that shall have become lost, stolen or destroyed upon compliance by the Unit Holder(s) with the like requirements to those arising in the case of an application by him for the replacement thereof.
- 11.6.4 The Management Company shall announce the Redemption Price on a daily basis. The Redemption Price at which Units shall be redeemed shall be the price fixed by the Management Company under the terms of this Deed less any duties, charges, levies payable by the Unit Holder in the opinion of the Management Company for the redemption of such Units, (if any).
- 11.6.5 The amount payable on redemption may be paid to the Unit Holders by transfer to the Unit Holders designated banker as mentioned in the Purchase of Units Form and any other mode(s) of payment and such payment(s) shall be subject to the Rules.

- 11.6.6 The Management Company may make arrangements through branches of banks to facilitate redemption of Units of the Unit Trust or may appoint Investment Facilitators for this purpose. A request for redemption of Units may also be made through the use of electronic means such as Internet or ATM facilities or Credit Card facilities, under prior arrangement with the Trustee.
- 11.6.7 The receipt of the Unit Holders for any moneys payable in respect of the Units shall be a good discharge to the Trustee. In case of joint Unit Holders, the receipt of payment by the first Holder shall be a good discharge from all the joint Holders.
- 11.6.8 Application for Redemption of Units will be received at the authorized offices or branches of the Distributor on all Business Days. Where redemption requests on any one Business Day exceed ten (10) percent of either the total number of Units outstanding or NAV of the Fund, such redemption requests in excess often (10) percent may be deferred in accordance with the procedure elaborated in the Clause 12.4.
- 11.6.9 The Registrar shall verify the particulars given in the application for Redemption of Units.
- 11.6.10 A redemption request shall deem to have been made in accordance with the provisions of the Offering Document, if such document prescribes automatic redemption under certain circumstances.
- 11.6.11 The maximum interval between the receipt of a properly documented request of Redemption of Units and payment of aggregate Repurchase (Redemption) Price to such Unit Holders(s) shall be six Business Days.

12. DEALING, SUSPENSION AND DEFERRAL OF DEALING

12.1 Temporary change in the method of dealing

Under the circumstances mentioned in the Offering Document, the Management Company may request the Trustee to approve a temporary change in the method of dealing in Units. Such approval shall not be unreasonably withheld. The Management Company may, at any stage, suspend the dealing of Units and for such periods it may so decide.

12.2 Suspension of Redemption of Units

- 12.2.1 The Management Company may upon information to the Trustee and the Commission suspends redemption of Units, subject to the Rules at any time during:
- (a) Extraordinary circumstances including closure of one or more Banks, in which the Funds Bank Accounts are maintained;
 - (b) The existence of a state of affairs, which in the opinion of the Management Company, constitutes an emergency as a result of which disposal of any Investment would not be reasonably practicable or might seriously prejudice the interests of the Scheme or of the Unit Holders;
 - (c) Break down in the means of communication normally employed in determining the price of any Investment; or
 - (d) When remittance of money can not be carried out in reasonable time and if the Management Company is of the view that it would be detrimental to the remaining Unit Holders to redeem Units at a price so determined in accordance with the Net Asset Value (NAV).
- 12.2.2 The Management Company may announce a suspension or deferral of redemption and such a measure shall be taken to protect the interest of the Unit Holders in the event of extraordinary

circumstances or in the event redemption requests accumulate in excess of ten (10) per cent of the Units in issue or ten (10) per cent of Funds NAV. In the event of a large number of redemption requests accumulating, the requests may be processed in a Queue System and under extreme circumstances the Management Company may decide to wind up the Fund.

- 12.2.3 Such suspension or queue system shall end on the day following the first Business Day on which the conditions giving rise to the suspension or queue system shall in the opinion of the Management Company have ceased to exist and no other condition under which suspension or queue system is authorized under the Deed exists. In case of suspension and invoking of a queue system and end of suspension and queue system the Management Company shall immediately notify the Commission and the Trustee and publish the same in news paper in which prices of Scheme are normally published.

12.3 Suspension of fresh issue of Units

The Management Company may at any time subject to the Rules, if the circumstances similar to those mentioned in the preceding paragraphs of this Section exist, suspend the issue of fresh Units. Such suspension may however not affect existing subscribers to any plans that may be offered by the Management Company under different administrative arrangements, the issue of bonus units as a result of dividend distribution or the option to receive dividends in the form of additional Units. The Management Company shall announce the details of exemptions at the time a suspension of fresh issue is announced. The Management Company shall immediately notify the Commission and the Trustee if dealing in Units is suspended and shall also have the fact published, immediately following such decision, in any one of the newspapers in which the Funds prices are normally published.

12.4 Queue System

- 12.4.1 In the event redemption requests on any Business Day exceed ten (10) percent of the Units in issue, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for up to ten (10) percent of the Units in issue.
- 12.4.2 The Management Company shall proceed to sell adequate assets of the Fund and/or arrange borrowing as it deems fit in the best interest of the Unit Holders and shall determine the Redemption Price to be applied to the redemption requests based on such action.
- 12.4.3 Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same Business Day, such requests shall be processed on a proportional basis proportionate to the size of the requests.
- 12.4.4 The requests in excess of the ten (10) percent shall be treated as redemption requests qualifying for being processed on the next Business Day at the price to be determined for such redemption requests.
- 12.4.5 If the carried over requests and the fresh requests received on the next Business Day still exceed ten (10) percent of the Units in issue, these shall once again be treated on first-come-first served basis and the process for generating liquidity and determining the Redemption Price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten (10) percent of the Units then in issue.

12.5 Winding up in view of major redemptions

- 12.5.1 In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Fund being run down to an unmanageable level or it is of the view

that the sell-off of assets is likely to result in a significant loss in value for the Unit Holders who are not redeeming, it may announce winding up of the Fund. In such an event, the queue system, if already invoked, shall cease to apply and all Unit Holders shall be paid after selling the assets and determining the final Redemption Price. However, interim distributions of the proceeds may be made if the Management Company finds it feasible.

13. FEES AND CHARGES:

13.1 Remuneration of the Management Company

- 13.1.1 The Management Company shall be entitled to receive a remuneration of an amount not exceeding three percent of the average annual net assets as defined under the NBFC Rules during the first five years of the Scheme and two percent of such assets thereafter.
- 13.1.2 The remuneration shall begin to accrue from the close of the Initial Period. In respect of any period other than an Accounting Period such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued in proportion to the total number of days accrued in the accounting Period concerned.
- 13.1.3 The remuneration due to the Management Company shall be paid within thirty days after the close of each month. The Management Company shall be entitled to draw advance remuneration on a monthly (or other periodic) basis from the Fund Property out of its accrued remuneration as may be considered reasonable by the Trustee.
- 13.1.4 In consideration of the foregoing and save as aforesaid the Management Company shall be responsible for the payment of all expenses incurred by the Management Company from time to time in connection with its responsibilities as Management Company of the Trust. The Management Company shall not make any charge against the Unit Holders or against the Fund Property or against the Distribution Account for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the Rules and this Deed to be payable out of Fund Property.
- 13.1.5 The Management Company shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of this Deed.
- 13.1.6 The Management Company shall however not make any further material charge against the Unit Holders nor against the Fund Property nor against the Distribution Account for its services nor for expenses, except such expenses or fees as are expressly authorized under the provisions of the Rules and the Deed to be payable out of Fund Property.

13.2 Remuneration of the Trustee

- 13.2.1 The Trustee shall be entitled to a monthly remuneration out of the Fund Property based on an annual tariff of charges annexed hereto as Annexure "C", which shall be applied to the average daily Net Assets during such calendar month. This may be amended from time to time.
- 13.2.2 The remuneration shall begin to accrue from the close of Initial Offer Period. For any period other than a full calendar month such remuneration will be prorated on the basis of the actual number of days for which such remuneration has accrued for the total number of days in the calendar month concerned.
- 13.2.3 Such remuneration shall be paid to the Trustee in arrears within thirty Business Days after the end of each calendar month.

- 13.2.4 In consideration of the foregoing and save as aforesaid and as provided in Annexure “C” 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.
- 13.2.5 The Trustee shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of this Deed.
- 13.2.6 Any increase in the remuneration of the Trustee agreed to by the Management Company shall require the approval of the Commission.
- 13.2.7 The Trustee shall however not make any further material charge against the Unit Holders nor against the Fund Property nor against the Distribution Account for its services nor for expenses, except such expenses or fees as are expressly authorized under the provisions of the Rules and the Deed to be payable out of Fund Property.

13.3 Remuneration of the Custodian

- 13.3.1 The Custodian will be remunerated on the basis of inflow and outflow of securities as per the tariff structure which is agreed upon by the Management Company. For the time being, CDC will be performing the functions of the Custodian and the remuneration of this function is included in the tariff structure mentioned in Annexure “C”.

13.4 Amortization of Formation Costs

- 13.4.1 Formation Costs shall be charged to the Fund which are estimated at and shall not exceed 1% of pre-public offer Investment (Restricted Units and Pre-IPO Units).
- 13.4.2 Formation Cost will be amortized over a period not exceeding five years.

13.5 Other Fees and Charges Payable out of the Property of the Scheme

- 13.5.1 Brokerage and Transaction Costs related to investing and disinvesting of the Fund Property.
- 13.5.2 Legal and related costs incurred in protecting or enhancing the interests of the Fund or the collective interest of the Unit Holders.
- 13.5.3 Bank charges and borrowing/financial costs; provided that the charges payable to any Bank or Financial Institution against borrowings on account of the Trust as permissible under Clause 10.5 above, shall not be higher than the normal prevailing bank charges or normal market rates.
- 13.5.4 Auditors Fees and expenses.
- 13.5.5 Any printing costs and related expenses for issuing Funds quarterly, half yearly and annual reports etc.
- 13.5.6 Fund rating fee.
- 13.5.7 Listing Fee payable to the Stock Exchange(s) on which Units may be listed.
- 13.5.8 Annual fee payable to the Commission under Rule 79 of the Rules.
- 13.5.9 Taxes, if any, applicable to the Trust and its income and/or its properties.
- 13.5.10 Charges and levies of stock exchanges, national clearing and settlement company, Commission charges, CDC charges, CVT, Laga, Fund dividend/redemption of Units transfer charges as

payable to Bank at time of transfer of funds to Unit Holders and such other levies and charges.

- 13.5.11 Marketing expenses specifically related to the Fund. Such expenses shall be paid to the Management Company at actual within thirty days of the incurring of such expense.
- 13.5.12 Any amount which the Shariah Advisor may declare to be Haram and to be paid to Charity in accordance with the decision of the Shariah Advisor.
- 13.5.13 Hedging costs including forward cover, forward purchase or option purchase costs.
- 13.5.14 Any other permissible expenses.

Such expenses shall be paid to the Management Company at actual within thirty days of incurring of such expense.

14. TRANSACTIONS WITH CONNECTED PERSONS

- 14.1 The Fund Property shall not be invested in any security of a company if any director or officer of the Management Company individually owns more than five per cent (5%) of the total nominal amount of the securities issued or collectively the directors and officers of the Management Company in their individual capacities own more than ten per cent of those securities.
- 14.2 The Fund shall not purchase from or sell any security to the Management Company or the Trustee or to any director, officer or employee of the Management Company or Trustee or to any person who beneficially owns ten per cent (10%) or more of the equity of the Management Company or the Trustee, or the major shareholders of the Trustee, save in the case of such party acting as an intermediary.

For the purpose of clause 14.2 above, the terms director, officer and employee shall include spouse, lineal ascendants and descendants, brothers and sisters.
- 14.3 Cash forming part of the property of the Scheme shall be placed as deposits with the Trustee or an institution licensed to accept deposits.
- 14.4 Money shall be borrowed from the Financial Institutions provided that the charges are not higher than the normal bank charges.
- 14.5 Subject to the Rules, any transaction between the Trust and the Management Company or any of their respective Connected Persons (as defined in Rules) as principal shall only be made with the prior written consent of the Trustee.
- 14.6 No person shall be allowed to enter on behalf of the Scheme into underwriting or sub-underwriting contracts without the prior consent of the Trustee, unless the same is permissible by the Commission at the relevant time and the Scheme or the Management Company provides in writing that all commissions and fees payable to the Management Company under such contracts and all investments acquired pursuant to such contracts shall form part of the Schemes assets.
- 14.7 All transactions carried out by or on behalf of the Scheme shall be made as provided in the Constitutive Documents, and shall be disclosed in the Schemes annual report.

15. DISTRIBUTION POLICY, DETERMINATION OF DISTRIBUTABLE INCOME AND DATE OF DISTRIBUTION

15.1 Distribution Policy and Date of Distribution

- 15.1.1 The Management Company shall decide as soon as possible but not later than forty-five days after the Accounting Date whether to distribute among Unit Holders, profits, either in form of bonus Units or cash dividend, if any, available for the distribution at the end of the Accounting Period or such other interim period as decided by the Management Company, and shall advise the Trustee of the amount of such distribution per Unit. The Fund will comply with regulatory and taxation requirements and the distribution policy may be amended accordingly.
- 15.1.2 In case of cash dividend, on each distribution date the Management Company shall instruct the Trustee to transfer such amount of cash as required to effect such distribution to the Distribution Account. The amount standing to the credit of the Distribution Account shall not for any purposes of this Deed be treated as part of the Fund Property but shall be held by the Trustee upon trust to distribute the same as herein provided. However, any amount standing to the credit of the Distribution Account being profit would be treated as Fund Property and would be transferred to the Trusts Bank Account.
- 15.1.3 After the fixation of the rate of distribution per Unit, distribution payments shall be made by the Trustee through transfer to the Unit Holders designated bank accounts as mentioned in the Purchase Form or such other forms as prescribed by the Management Company from time to time or through any other mode(s) of payment and such payment shall be subject to the Rules.
- 15.1.4 Before making any distribution payment (such as bonus units, cash dividend etc.) in respect of a Unit the Trustee or the Management Company may make such deductions as may be required by law in respect of any Zakat, income or other taxes, charges or assessments whatsoever and issue to the Unit Holders the certificate in respect of such deductions in the prescribed form or in a form approved by the concerned authorities.
- 15.1.5 The Management Company shall give the Unit Holders the option at the time of opening of Unit Holder Account (via the Purchase Form) within the Unit Holder Register to receive new Units instead of cash dividend. The Unit Holders shall be entitled to change such option.
- 15.1.6 In case of distribution in the form of bonus Units on each distribution date the Management Company shall determine the amount available for distribution as bonus Units and inform the Trustee of the same.
- 15.1.7 After the fixation of rate of bonus entitlement per Unit, the Management Company shall instruct the Registrar to credit the respective Unit Holders accounts with the designated number of Units calculated on the basis of the rate of distribution determined above against the number of Units held by them on the date of Register Closure.
- 15.1.8 The Management Company shall give the Unit Holder(s) the option at the time of opening of Unit Holder Account (via the Purchase Form) within the Unit Holder Register to encash bonus Units. In such case the bonus Units issued to the credit of such Unit Holder(s) shall be redeemed at the ex-dividend NAV as calculated on the Business Day immediately preceding the first day of the book closure announced for such purpose and proceeds shall be credited in accordance with the normal procedure already detailed above for Redemption of Units.
- 15.1.9 The Unit Holders shall be entitled to change such options. Details are given in the Offering Document.

15.1.10 Where Units are placed under pledge/lien the payment of payouts will be made in accordance with Clause 32 of this Deed.

15.2 Determination of Distributable Income

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

- (a) The total income earned on the Fund Property during such Accounting Period including all amounts received in respect of dividend, markup, profit, etc.;
- (b) Net realized appreciation as set out in sub-clauses 15.2.2 and 15.2.3, from which shall be deducted expenses as set out in sub-clause and such other adjustments as the Management Company may determine in consultation with the Auditors, subject to the Rules and the provisions of the Income Tax Ordinance and the rules there under.

15.2.2 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 Fund 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 Fund Property once transferred to the Distribution Account.

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

- a. Remuneration of the Management Company for the relevant period;
- b. Remuneration of the Trustee for the relevant period;
- c. Brokerage and transaction costs related to investing and disinvesting of the Fund Property;
- d. Legal and related costs incurred in protecting or enhancing the interests of the Fund or the collective interest of the Unit Holders;
- e. Bank charges and borrowing/financial costs;
- f. Audit Fees and charges;
- g. Rating Fee;
- h. Formation costs amortized over a period not exceeding five years;
- i. Taxes applicable to the Fund on its income, turnover, assets or otherwise;
- j. Annual fee payable to the Commission;
- k. All expenses incurred by the Trustee in effecting the registration of all registerable fund property in the name of the Scheme;
- l. Any other expenses incurred in relation to management of the Fund property subject to the Rules;
- m. Any other costs as mentioned in Clause 13.5 above; and
- n. Any amount which the Shariah Advisor may declare to be Haram and to be paid to Charity in accordance with the decision of the Shariah Advisor.

16. ANNUAL ACCOUNTING PERIOD

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

16.2 Accounting Date shall be the 30th day of June in each year and any interim dates at which the financial statements of the Fund are drawn up. Provided, however, that the Management Company may, with the consent of the Trustee and after obtaining approval of the Commission and the Commissioner of Income Tax, change such date to any other date.

- 16.3 Accounting Period shall be a period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the Fund Property is first paid or transferred to the Trustee and (in any other case) from the end of the preceding Accounting Period.

17. BASE CURRENCY

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

18. MODIFICATION OF THE CONSTITUTIVE DOCUMENTS

- 18.1 The Trustee and the Management Company acting together shall be entitled by deed supplemental hereto to modify, alter or add to the provisions of this Deed in such manner and to such extent as they may consider expedient for any purpose, subject only to the approval of the Commission. Provided that, the Trustee and the Management Company shall certify in writing that, in their opinion such modification, alteration or addition is required pursuant to any amendment in the Rules or to ensure compliance with any fiscal or statutory requirement or to enable the provisions of this Deed to be more efficiently, conveniently or economically managed or to enable the Units to be dealt in or quoted on Stock Exchange or otherwise for the benefit of the Unit Holder(s) and that it does not prejudice the interests of the Unit Holder(s) or any of them or operate to release the Trustee or the Management Company from any responsibility to the Unit Holder(s).
- 18.2 Where this Deed has been altered or supplemented, the Management Company shall immediately notify the Unit Holders of such alteration.
- 18.3 The Management Company may, from time to time, with the consent of the Trustee frame rules or regulations for conducting the business of the Trust or in respect of any other matter incidental thereto; provided such rules or regulations are not inconsistent with the provisions of the Rules, this Deed or the Offering Document.
- 18.4 If the Commission modifies the Rules to allow any relaxations or exemptions, these will deemed to have been included in this Trust Deed without requiring any modification as such.

19. TERMINATION OF THE TRUST

- 19.1 The Management Company may terminate the Scheme, if the Net Assets at any time fall below Rupees Fifty (50) million. The Management Company shall give at least three months notice to Unit Holders and the Commission and shall disclose the grounds of its decision. The Management Company may announce winding up of the Trust without notice in the event redemption requests build up to a level where the Management Company is of the view that the disposal of the Fund Property to meet such redemptions would jeopardize the interests of the remaining Unit Holders and that it would be in the best interest of all the Unit Holders that the Trust be wound up.
- 19.2 In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Scheme being run down to an unmanageable level or it is of the view that the sell-off of assets is likely to result in a significant loss in value for the Unit Holders who are not redeeming, it may announce winding up of the Trust without notice.
- 19.3 The Trust may also be terminated by the Commission on the grounds given in the Rules.
- 19.4 This Deed may be terminated in accordance with the conditions specified in the Rules if there is

a material breach of the provisions of this Deed or other agreement or arrangement entered into between the Trustee and Management Company regarding the Unit Trust. However, it is recognized that the Trustee shall be acting as a combined Trustee of two or more Unit Trusts and Administrative Plans thereof. In the event of the termination of the Trustee for any one Unit Trust is likely to require the termination of Trustee for the other Unit Trusts, which forms an integral part of any administrative plan covering more than one Unit Trust, both parties shall act in a manner that causes the least degree of inconvenience to the investors and is the most cost efficient for the Unit Trusts.

- 19.5 Upon the Trust being terminated the Management Company shall suspend the Sale and Redemption of Units forthwith and proceed to sell all Investments then remaining in the hands of the Trustee as part of the Fund Property and shall repay any borrowing affected by the Trust together with any markup or profit remaining unpaid.
- 19.6 The Trustee on the recommendation of the Management Company shall from time to time distribute to the Unit Holders pro rata to the number of Units held by them respectively all net cash proceeds derived from the realization of the Fund Property after making payments as mentioned in Clause 19.5 above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands.

20. TRANSACTIONS RELATING TO INVESTORS (UNIT HOLDERS)

- 20.1 The Trustee shall provide the Management Company daily statements of all the Bank Accounts being operated by the Trustee for the Unit Trust.
- 20.2 The Management Company shall advise the Trustee of the daily conversion between Unit Trusts and the Trustee shall transfer the funds so required from the account of one Unit Trust to the other, provided that the Management Company is the management company and the Trustee is the trustee of all such unit trusts.
- 20.3 The Management Company shall also advise the Trustee on a daily basis of the details of amounts to be paid to respective Unit Holders against redemption requests, if any. Such payments shall be effected by the Trustee out of the accounts of the Unit Trust by way of transfer of the appropriate amounts to the designated Bank Accounts of the Unit Holders or through any other mode(s) of payment and such payment shall be subject to the Rules or by dispatch of dividend cheques / warrants / advice to the Unit Holders by registered post at their respective addresses. Such dispatch shall constitute discharge of the Management Company and the Trustee in respect of such payment.
- 20.4 The Management Company may make arrangements through branches of banks to facilitate issuance and redemption of Units of the Unit Trust or may appoint Investment Facilitators for this purpose. A request for purchase of Units may also be made through the use of electronic means such as Internet or ATM facilities or Credit Card facilities, under prior arrangement with the Trustee.
- 20.5 The Management Company shall, from time to time, advise the Trustee of the dividend distribution for the Unit Trust. The Trustee shall establish a separate Bank Account for dividend distribution and transfer the amount payable as cash dividend to such Account after deducting such Taxes and Zakat as may be required under the law. The Trustee may rely on the amount certified by the Auditors as the dividend payable in cash after adjusting for dividend being distributed in the form of Units of the Unit Trust.
- 20.6 The Trustee shall pay to the Management Company's order such sums out of the sale proceeds of Units or the sums retained out of the redemption amounts as are representative of Front-end or Back-end Loads or charges or other recoveries that are specified in the Trust Deed or

Offering Document, as being payable out of the Issue or Redemption Prices.

21. TRANSACTIONS RELATING TO INVESTMENT ACTIVITY/PORTFOLIO MANAGEMENT

- 21.1 The Trustee shall ensure that where applicable, payments against investments are made against delivery and vice versa, unless specified otherwise.
- 21.2 The Trustee shall promptly forward to the Management Company any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust Funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government, regulator, stock or other exchange or any other party having any connection with the transaction.
- 21.3 The Trustee shall also, if so required by the nature of such notices or documents mentioned in the foregoing clause, act, with the consent of the Management Company in a manner that is in the best interest of the Unit Trust. Such action shall include legal action if called for and the Trustee shall be entitled to recover any legal costs and expenses (including reasonable legal fees) incurred from the Unit Trust, as provided in Clause 8.8 above.
- 21.4 The Management Company shall intimate the Trustee with regard to dividends, other forms of income or inflows, and any rights or warrants relating to the Investments that are due to be received. Further, the Trustee shall also report back to the Management Company any such amounts or warrants that are received on such accounts from time to time.
- 21.5 The Trustee shall provide proxies or other forms of powers of attorney to the order of the Management Company with regard to any voting rights attaching to any investment.
- 21.6 The Management Company shall, from time to time, instruct the Trustee of the settlement instructions relating to any investment/dis-investment transactions entered into by it on behalf of the respective Unit Trust. The Trustee shall carry out the settlements in accordance with the dictates of the specific transactions provided they are in consonance with the provisions of this deed and the rules. The Management Company shall ensure the settlement instructions are given promptly after entering into the transaction so as to facilitate timely settlement and the Trustee, on its side, shall ensure that the settlement are settled in a timely manner in accordance with dictates of the transaction.

22. OTHER MATTERS RELATING TO THE UNIT TRUST AND ADMINISTRATIVE PLANS

22.1 Declaration of Net Asset Value based prices

The Management Company shall, at such frequencies as are prescribed in the Offering Document, determine and announce the Net Asset Value based prices. Under certain circumstances as provided in the Trust Deed, the Management Company may suspend the announcement of the prices.

22.2 Purchase (Offer) and Repurchase (Redemption) of Units

The Registrar shall process purchase and redemption applications as well as conversion, switching, transfer and trading applications in accordance with the relevant Offering Document. Based on the prices applicable to the relevant Offer or Redemption, the Registrar shall determine the number of Units to be issued or redeemed under certain circumstances as provided in this Deed, the Management Company may suspend the issue and/or redemption of

Units. For certain Administrative Plans the Registrar function shall be carried out by such bank/distributor as has been appointed for this function by the Management Company

22.3 Voting Rights on Fund Property

- 22.3.1 All rights of voting attached to any Fund Property shall be exercisable by the Management Company on behalf of the Scheme and it shall be entitled to exercise the said rights in what it may consider to be the best interests of the Unit Holders and may refrain at its own discretion from the exercise of any voting rights.
- 22.3.2 The Trustee shall, upon written request by the Management Company and at the expense of the Trust, from time to time execute and deliver or cause to be executed or delivered to the Management Company or their nominees powers of attorneys or proxies authorizing such attorneys and proxies to vote, consent or otherwise act in respect of any Investment in such form and in favor of such persons as the Management Company may require in writing. The Management Company shall keep a record of using such authorization and the justification for the same. The phrase "rights of voting" or the word "vote" used in this sub-clause shall be deemed to include not only a vote at a meeting but the right to elect or appoint directors, any consent to or approval of any arrangement scheme or resolution or any alteration in or abandonment of any rights attaching to any Investment and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.
- 22.3.3 Not later than two (2) Business Days of receipt, the Trustee shall forward to the Management Company all notice of meetings and all reports and circulars received by the Trustee as the holder of the pertinent Investment.

23. CHANGE OF MANAGEMENT COMPANY

- 23.1 The Trustee may with the prior approval of the Commission, remove the Management Company by giving at least ninety Business Days notice in writing to the Management Company if any of the following have occurred:
- (a) The Management Company has willfully contravened the provisions of this Deed in any material respect and has failed to rectify the contravention within a reasonable period after the contravention has come to its notice;
 - (b) The Management Company goes into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for purpose of reconstruction and amalgamation);
 - (c) A receiver is appointed over any of the assets of the Management Company.
- 23.2 The Management Company may retire at any time with the prior written consent of the Commission.
- 23.3 The removal or retirement of Management Company and appointment of a new management company shall always require the prior approval of the Commission and the intimation of the same to the Trustee.
- 23.4 If the Commission has cancelled the registration of the Management Company under the provisions of the Rules, the Commission shall appoint another asset management company as the management company for the Scheme according to the provisions of this Deed and the Rules.
- 23.5 Upon a new management company being appointed the Management Company will take immediate steps to deliver all the documents and records pertaining to the Trust to the new management company and shall pay all sums due to the Trustee.

- 23.6 Upon its appointment the new management company shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the management company hereunder as fully as though such new management company had originally been a party hereto.
- 23.7 Furthermore, the Trustee may immediately upon the issuance of notice of removal of Management Company appoint auditors with the consent of Commission from amongst the panel of auditors designated as A category by State Bank of Pakistan for the audit of Financial Institutions.
- 23.8 The Auditors so appointed shall be other than the existing auditors of the Fund, the Management Company and the Trustee.
- 23.9 The Auditors shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Trustee or Commission.
- 23.10 The report for the audit shall be submitted by the Auditors to the Trustee not later than thirty (30) Business Days from their appointment. A copy of the report shall also be provided to Commission, outgoing Management Company and the new Management Company.
- 23.11 The costs of audit shall be shared equally by the outgoing Management Company, the new Management Company and the Fund.
- 23.12 Upon retirement or removal, the Management Company shall be paid its accrued remuneration up to the date of retirement or removal.

24. CHANGE OF TRUSTEE

- 24.1 The Trustee may retire voluntarily in accordance with and subject to the conditions of Clause 5.5 hereinabove.
- 24.2 If the Trustee goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction on terms previously agreed to with the Management Company for purpose of reconstruction and amalgamation) or ceases to carry on business or a receiver of its undertaking is appointed or it becomes ineligible to act as a trustee of the Unit Trust under the provisions of the Rules, the Management Company shall with the approval of the Commission, by an instrument in writing, remove the Trustee from its appointment under this Deed and shall by the same or some other instrument in writing simultaneously appoint as trustee some other company or corporation according to the provisions of the Rules and this Deed as the new Trustee.
- 24.3 The Management Company may remove the Trustee, with the prior approval of the Commission, after giving at least ninety days notice in writing to the Trustee on grounds of any material default or non-compliance with the provisions of this Deed or the Rules, and appoint another Trustee.
- 24.4 Upon the appointment of a new Trustee, the Trustee shall immediately deliver all the documents and records to the new Trustee and shall transfer all the Fund Property and any amount deposited in any Distribution Account to the new Trustee and make payments to the new Trustee of all sums due from the Trustee, provided however, upon retirement or removal, the Trustee shall be paid its accrued remuneration up to the date of retirement or removal.
- 24.5 The new trustee shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Trustee hereunder as fully as though such new trustee had originally been a party hereto.
- 24.6 Notwithstanding, removal/resignation of the Trustee and its subsequent discharge from its

duties under this Deed and the Rules, the Trustee shall remain entitled to the benefit of Clauses 5.5, 8.7, 8.8, and 8.15 without prejudice to the Trustees responsibility or obligation to liquidate any liability for which the Trustee may have become liable under this Deed and/or the Rules.

25. UNITS

- 25.1 All Units and fractions thereof represent an undivided share in the Fund and rank pari-passu as to their rights in the net assets, earnings, and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in the Scheme, proportionate to the Units held by such Unit Holder.
- 25.2 After the Initial Offer, the Offer Price shall be determined from time to time pursuant to sub-clause 11.1.2 of this Deed and Rule 80 of the Rules.
- 25.3 By a deed supplemental to this Deed the Management Company may at any time with the approval of the Trustee and the Commission on giving not less than twenty-one days notice in writing to each Unit Holder subdivide or consolidate the whole or any part of the Units and the Unit Holder shall be bound accordingly. The Management Company shall require in such notice that each Unit Holder to whom Certificates have been issued, (who shall be bound accordingly) deliver up his Certificates for endorsement or enfacement with the number of Units to be represented thereby as a result of such sub-division or consolidation; provided that any delay or failure to deliver up the Certificates shall not delay or otherwise affect any such sub-division or consolidation.
- 25.4 Different types of Units may be issued by the Trust as mentioned in the Offering Document or may be decided by the Management Company from time to time in consultation with the Trustee.

26. PURCHASE (OFFER) OF UNITS

- 26.1 The Management Company shall be responsible for obtaining all requisite consents and approval(s) for the purchase (offer) and issue of Units and for the issue, publication or circulation of the Offering Document.
- 26.2 Except as provided herein the Units shall be offered through the authorized offices or branches of the Distributors on all Business Days.
- 26.3 Application for Purchase of Units shall be made by completing the prescribed Purchase of units application Form and submitting it to the authorized branches of the Distributor or to the Management Company together with the payment by cheque, bank draft, pay order, credit card etc as the case may be in favor of the Fund and crossed Account Payee only up to the approved limit. Such Forms have to be submitted within the announced business hours on the Business Days. However, in case an applicant desires to split his investment in units of different unit trusts managed by the Management Company, the cheque, bank draft or pay order, as the case may be, shall be made in favor of **CDC – Trustee UBL Funds** and crossed **“Account Payee only”**.
- 26.4 A request for purchase of Units may also be made through the use of electronic means such as Internet or ATM facilities or Credit Card facilities, the arrangements for which would be decided amongst the Management Company and Trustee from time to time.
- 26.5 Each Unit Holder shall be liable to pay the aggregate Purchase (Offer) Price of the Units subscribed by him together with a sum sufficient in the opinion of the Management Company to cover any Duties and Charges, levies etc payable in connection with the purchase of such Units and no further liability shall be imposed on him in respect of any Units held by him. The

Units shall be issued in fractions up to four decimal points, only against receipt of full payment.

- 26.6 An application for purchase of Units shall be deemed to have been made in accordance with the provisions of the Offering Document, if such document prescribes automatic issuance of Units under certain circumstances.
- 26.7 Payment for Units in cash will not be accepted, except, by those Bank(s) who are also Distributors of the Fund. In such case the money can be deposited through a specifically designed paying-in form into an account in the name of the Fund.
- 26.8 The Management Company may announce special conditions regarding issue of Units in dematerialized form registered with a recognized depository company.

27. PURCHASE (OFFER) AND REPURCHASE (REDEMPTION) OF UNITS OUTSIDE PAKISTAN

- 27.1 Subject to exchange control and other applicable laws, rules and regulations, in the event of arrangements being made by the Management Company for the purchase (offer) of Units to person(s) not resident in Pakistan or for delivery in any country outside Pakistan, the price at which such Units may be issued may, at the discretion of the Management Company, include in addition to the Purchase (Offer) price as hereinbefore provided a further amount sufficient to cover any exchange risk insurance, any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such issue or of the delivery or issue of Certificates, or any additional costs relating to the delivery of certificates or the remittance of money to Pakistan or any other cost in general incurred in providing this facility.
- 27.2 In the event that the Repurchase Price for Units shall be paid in any Country outside Pakistan, the price at which such Units may be redeemed may at the discretion of the Management Company include as a deduction to the Redemption Price as hereinbefore provided a further amount sufficient to cover any currency exchange fluctuation or exchange risk insurance and any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such payment or redemption or any bank or other charges incurred in arranging the payment or any other cost in general incurred in providing this facility. Provided however, neither the Management Company, nor the Trustee give any assurance or make any representation that remittance would be allowed by the State Bank of Pakistan at the relevant time.
- 27.3.1 The currency of transaction of the Units of the Trust is Pakistani Rupee and the Management Company, Trustee or any Distributor are not obliged to transact the Purchase or Redemption of the Units in any other currency and shall not be held liable, save as may be specifically undertaken by the Management Company, for receipt or payment in any other currency or for any obligations arising there-from.
- 27.3.2 The Management Company shall appoint one or more scheduled bank(s) as the Authorized Dealer(s) to manage the Offer and Redemption of Units from outside Pakistan in foreign currency under the provisions of the Foreign Exchange law and the Regulations of the State Bank of Pakistan.
- 27.3.3 Payments made in foreign currency for purchase of Units shall be converted into Pakistani Rupees through the Authorized Dealer using his quoted rates prevailing on the Business Day of the receipt of the Fund from abroad through normal banking channels or from foreign currency account maintained locally in accordance with the Foreign Exchange law and any conversion cost shall be deducted from the payment before the actual number of Units are calculated against such amount and issued to the applicant.

- 27.3.4 At the option of the Management Company, payments made in foreign currency for Units purchased may directly be made part of Fund Property without conversion into Pakistani Rupees after deduction of the relevant duties, charges, transaction costs and applicable sales load. The Units issued will be denominated in Pakistani Rupees using a conversion rate quoted by the Authorized Dealer at the issue date of the Units.
- 27.3.5 Payments to be made in foreign currency on redemption of Units shall be converted from Pakistani Rupees on the Business Day of Payment through the Authorized Dealer using his quoted rates and any conversion cost shall be deducted from the payment to be made. Payment will be made in the local foreign currency account of such Unit Holder, if any. In case such Unit Holder does not hold the foreign currency account in Pakistan, the Unit Holder shall be liable to arrange for remittances through his own local custodian or Authorized Dealer and neither the Management Company, nor the Trustee or the Registrar or the Distribution Company shall be responsible for arranging the remittances of encashment proceeds of any Units.
- 27.3.6 At the option of the Management Company, payments to be made in foreign currency for Unit redemptions may directly be paid from foreign currency denominated bank account that are part of Fund Property after deduction of the relevant duties, charges, transaction costs and applicable sales load. As the Units redeemed will be denominated in Pakistani Rupees, the conversion rate will be the rates quoted by the Authorized Dealer at the redemption date of the Units.
- 27.3.7 The Management Company will make arrangements from time to time for receiving account opening forms, investment request forms and payments from outside Pakistan and will disclose these arrangements through its website, Distributors and Investment Facilitators outside Pakistan.

28. REGISTER OF UNIT HOLDERS

- 28.1 A Register shall be maintained by the Registrar at such a place as is agreed by the Management Company. The Management Company shall ensure that the Registrar shall comply with all relevant provisions of this Deed and the Rules.
- 28.2 The Management Company shall ensure that the Registrar shall at all reasonable times during business hours give the Trustee and its representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without charge but neither the Trustee nor its representatives shall be entitled to remove the Register or to make any entries therein or alterations thereto.
- 28.3 The Registrar shall, within seven Business Days of receiving a written request from any Unit Holder(s), post (or send by courier or through electronic means) to such Unit Holder(s) details of such Unit Holders account in the Register. The Management Company may prescribe reasonable charges for servicing of any additional requests.
- 28.4 The Register shall contain the following information:
- a. Customer Identification No. and Date of Registration
 - b. Full name, father's/husbands name and addresses of Unit Holder(s) together with a copy of the Computerized National Identity Card Number and/or copy of passport (if applicable)
 - c. The number and type of the Units held and the distinctive numbers of Certificate(s), if any;
 - d. NTN no. (for non-individuals)
 - e. Nationality
 - f. Occupation

- g. The date on which the name of every Unit Holder was entered in respect of the Units standing in his name;
 - h. The date on which any Transfer or Redemption is registered;
 - i. Information about lien, pledge or charge on Units;
 - j. Tax and Zakat status of the Unit Holder(s);
 - k. Record of the signature of the Unit Holder(s);
 - l. Nominees of the Unit Holder(s); and
 - m. Such other information as Management Company may require.
- 28.5 The Register shall be conclusive evidence as to the Units held by each Unit Holder.
- 28.6 Any change of name or address of any Unit Holder shall forthwith be notified in writing to the Registrar, who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name, the surrender of any Certificate(s) previously issued to such Unit Holder(s) and the payment of the fee) shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall, if requested, issue new Certificate(s) to such Unit Holder(s) subject to payment of applicable fee for such issuance.
- 28.7 The Registrar shall not register more than four (4) joint Holders for a Unit. In case of the death of any one of the Joint Holders the survivor or survivors shall be the only person(s) recognized by the Trustee as having any title to or interest in the Units held by the joint Holders. Provided however, the Registrar or the Trustee may at their discretion request the survivors to provide succession certificates or other such mandate from a court or lawful authority, if they consider necessary.
- 28.8 A body corporate may be registered as a Unit Holder or as one of joint Unit Holders provided that any undertaking provided by such body confirming its eligibility to make such investment shall be considered as sufficient proof of its eligibility to make such investment.
- 28.9 The Register may be closed with intimation to the Trustee for such period as the Management Company may from time to time determine and after giving at least seven days notice to Unit Holder(s), provided that it is not closed for more than forty-five days in any calendar year.
- 28.10 The Unit Holder shall be the only person to be recognized by the Trustee, the Management Company and the Registrar as having any right, title or interest in or to such Units and the Trustee, the Management Company and the Registrar may recognize the Unit Holders as the absolute owner thereof and shall not be bound by any notice to the contrary and shall not be bound to take notice of or to see to the execution of any trust except where required by any court of competent jurisdiction. However, the Management Company may authorize the Registrar to record a lien on any or all Units held by Unit Holders in favor of a third party at the request of such Unit Holders or joint Unit Holders as the case may be.
- 28.11 The executor or administrator or succession certificate holder of deceased Unit Holder (not being one of several Joint Unit Holders) shall be the only person recognized by the Trustee and the Management Company as having title to the Units represented thereby. The succession certificate in case of individual unit holders should be issued by a competent authority in favor of the legal heir.
- 28.12 Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Unit Holder(s) or of the survivor of Joint Unit Holders may subject as hereinafter provided upon producing such evidence as to his title as the Trustee shall think sufficient either be registered himself as Holder of such Unit upon giving the Trustee/Distributor such notice in writing of his desire or transfer such Unit to some other person. All the limitations, restrictions and provisions of this Deed relating to transfer shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer was a transfer

executed by the Unit Holders. Provided however, the Trustee may at their discretion request the survivors to provide succession certificates or other such mandate from a court or lawful authority, if they consider necessary.

- 28.13 The Trustee shall retain any money payable in respect of any Unit of which any person is, under the provisions as to the transmission of Units hereinbefore contained, entitled to be registered as the Unit Holder(s) or which any person under those provisions is entitled to transfer, until such person shall be registered as the Holder of such Unit or shall duly transfer the same.

29. ISSUANCE OF CERTIFICATES

- 29.1 Upon being satisfied that the Offer Price for each Unit or fraction thereof has been received in full from the applicant, the Registrar shall issue an account statement that will constitute evidence of the number of Units registered in the name of the Unit Holder(s).
- 29.2 Certificates shall be issued only if so requested by the Unit Holders at the time of application or at any later stage and upon payment of a fee specified in the offering document accruable to the Management Company.
- 29.3 Certificates shall only be issued for Units that have been fully paid.
- 29.4 Certificates where requested shall be issued as herein provided not later than twenty-one Business Days after the date of such request. The Certificate may be sent to the principal account holder named first or his duly authorized nominee at his own risk by registered post or by courier service or may be collected by the Unit Holder(s) from the Distributor (s) and their authorized branches as well or from the Management Company if it is performing the Distribution Functions.
- 29.5 In the case of Units held jointly the Registrar shall not issue more than one Certificate for the Units held by such joint Unit Holders and delivery of such Certificate to the principal Account Holder named first therein shall constitute sufficient delivery to all joint Unit Holders.
- 29.6 Certificates shall be issued in such form as may from time to time be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the name of Trust, name and address of the Management Company and the name of the Trustee, shall bear a distinctive serial number and shall specify the number of Units represented thereby and the name and address of the Unit Holders as appearing in the Register.
- 29.7 Certificates may be engraved or lithographed or printed as the Management Company may determine from time to time with the mutual agreement of the Trustee and shall be signed on behalf of the Trustee by duly authorized officer(s) of the Trustee and on behalf of the Management Company by duly authorized officer(s) of the Management Company. Every such signature shall be autographic unless there shall be for the time being in force an arrangement authorized by the Trustee adopting some lithographic or other mechanical method of signature in which event all or any of such signatures may be effected by the method so adopted. The Certificates shall also bear the signature of the authorized representative(s) of the Registrar which shall always be autographic. No Certificate shall be of any force or effect until signed as herein above mentioned. Certificate so signed shall be valid and binding notwithstanding that before the date of delivery thereof the Trustee or the Management Company or the Registrar may have ceased to be the Trustee, Management Company and Registrar.

30. REPLACEMENT OF CERTIFICATES

- 30.1 Subject to the provisions of this Deed and in particular to the limitations of the denominations

of Certificates as may be fixed by the Management Company and subject to any regulations from time to time made by the Trustee with the approval of the Management Company every Unit Holder shall be entitled to exchange upon surrender of the existing Certificate any or all of his Certificates for one or more Certificates of such denominations as he may require representing the same aggregate number of Units.

- 30.2 In case any Certificate shall be lost, stolen, mutilated, defaced or destroyed, the Registrar with the approval of the Management Company may issue to the person entitled new Certificate in lieu thereof. No such new Certificate shall be issued unless the applicant shall previously have:
- (a) Returned the mutilated or defaced Certificate or furnished to the Distributor/Registrar evidence satisfactory to the Management Company of the loss, theft or destruction of the original Certificate;
 - (b) Paid all expenses incurred in connection with the investigation of the facts; and
 - (c) Furnished such indemnity as the Management Company and the Trustee may require. Neither the Management Company, nor the Trustee or the Distributor/Registrar shall incur any liability for any action that they may take in good faith under the provision of this sub-clause, provided further that the Trustee and/or the Management Company may also require issuance of public notices in newspapers at the cost of the pertinent Unit Holder before issuing any new Certificate.
- 30.3 Upon completion of all formalities and notice period i.e. twenty one (21) days and if no objection / claim has been received on issuance of the certificates, the Registrar shall issue certificates within seven business days.

31. TRANSFER OF UNITS & RETENTION PERIOD OF RECORDS

- 31.1 Every Unit Holder(s) shall be entitled to transfer the Units held by him by an instrument, i.e. the Transfer of Units Form, in such form as the Management Company may prescribe from time to time.
- 31.2 A Certificate shall be transferable only in its entirety.
- 31.3 The aforesaid Form must be signed by both the transferor and the transferee and the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof.
- 31.4 The instrument of transfer, i.e. the Transfer of Units Form, must be duly completed in all respects including affixation of transfer stamps of the requisite value, if applicable. Where Certificates have been issued the Trustee may dispense with the production of any Certificate where the Certificate shall have become lost, stolen or destroyed subject to compliance by the transferor with the like requirements to those arising in the case of an application by him for the replacement thereof as provided in this Deed or as required by the Registrar.
- 31.5 All instruments of transfer shall be retained by the Registrar.
- 31.6 The Registrar/Transfer Agent with the prior approval of the Management Company and the Trustee shall be entitled to destroy all instruments of transfer or the copies thereof as the case may be which have been registered at any time after the expiration of ten years from the date of registration thereof and all Certificates which have been cancelled at any time after the expiration of three years from the date of cancellation thereof and all registers, statements and other records and documents relating to the Trust at any time after the expiration of six years from termination of the Trust. The Trustee or the Management Company or the Distributors or Registrar shall be under no liability whatsoever in consequence thereof and it shall conclusively be presumed in favor of the Trustee or the Management Company or the Distributors or Registrar that every instrument of transfer so destroyed was a valid and effective instrument duly

and properly registered by the Trustee or the Management Company or the Distribution Company or Registrar and that every Certificate so destroyed was a valid Certificate duly and properly cancelled, provided always that:

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

32. PLEDGE/LIEN OF UNITS

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

33. AUDIT

- 33.1 The Management Company shall at the establishment of the Scheme and upon any vacancy with the consent of the Trustee, appoint as auditor, a firm of chartered accountants who shall be independent of the auditor of the Management Company and the Trustee and such auditor shall not be appointed for more than three consecutive years. The Management Company may at any time, with the concurrence of the Trustee, remove the Auditors and appoint another auditor in its place.
- 33.2 The following persons shall not qualify to be the Auditors of the Trust:
 - (a) A person who is or at any time during the preceding three years was a director, officer or employee of the Management Company or the Trustee;
 - (b) A person who is a partner of, or in employment of, a director, officer, employee, or connected person of the Management Company or Trustee;
 - (c) The spouse of a director of the Management Company or Trustee;
 - (d) A person who is indebted to the Management Company or Trustee; and
 - (e) A body corporate.
- 33.3 Appointment of a partnership firm to be the Auditors shall be deemed to be the appointment of all persons who are partners in the firm for the time being.

- 33.4 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, Registrar 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.
- 33.5 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 Rules.
- 33.6 The Auditors shall prepare a written report to the Unit Holders on the books of accounts of the Trust and the balance sheet and income and expenditure account and on every other document forming part of the balance sheet and income and expenditure account, including notes, statement or schedule appended thereto.
- 33.7 The contents of the Auditors report shall be as required in the Rules.

34. ARBITRATION

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

35. CONFIDENTIALITY

The Trustee and the Management Company and every director or officer of the said parties who are in any way engaged in the business of the Trust and all persons employed or engaged by the said parties in connection with the business of the Trust shall observe strict confidentiality in respect of all transactions of the Trust, its Unit Holders and all matters relating thereto and shall not disclose any information or document which may come to his knowledge or possession in the discharge of his duties except when required to do so in the ordinary course of performance of his duties or by law or if compelled by any court of law or a competent authority.

36. MISCELLANEOUS

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

(a) The Trustee or the Management Company may advertise any such notice in two widely circulated newspapers in Pakistan.

(b) Service of such notice or document on first named joint Unit Holder of several joint Unit Holders shall be deemed effective service on the other joint Unit Holders.

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

- 36.2 If at any time, any Clause of this Deed is or becomes in whole or in part illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, the legality, validity and enforceability of the remaining Clauses of this Deed hereof, shall not in any way be effected or impaired thereby.
- 36.3 A copy of this Deed and of any such supplemental deed shall be made available for inspection at the respective Head Offices of the Trustee and of the Management Company at all times during usual business hours and shall be supplied by the Management Company to any person on application at a charge of Fifty (50) Pakistani Rupees per copy or at such rate as determined from time to time by the Management Company.

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

The common seal of UBL Fund Managers Limited was hereunto affixed in the presence to resolution dated _____ of its Board of Directors/ Power of Attorney dated _____ in the presence of the Directors/ Officers mentioned below.;

Seal

1) _____
Chief Executive

The common seal of Central Depository Company of Pakistan Limited was hereunto affixed in presence to resolution dated _____ of its Board of Directors/ Power of Attorney dated _____ in the presence of the Directors/ Officers mentioned below.;

Seal

1) _____
Chief Executive

Witnesses:

1) Name: _____

NIC: _____

Signature: _____

2) Name: _____

NIC: _____

Signature: _____



**Securities and Exchange Commission of Pakistan
Specialized Companies Division
(NBFC Department)**

License No. NBFC-IL/20/UBLFM/AMC & IA/04/2007

Islamabad May 24, 2007

**LICENCE TO CARRY ON
ASSET MANAGEMENT SERVICES AND
INVESTMENT ADVISORY SERVICES
AS NON-BANKING FINANCE COMPANY**

The Securities and Exchange Commission of Pakistan, having considered the application for renewal of license to carry out **Asset Management Services and Investment Advisory Services** submitted by **UBL Fund Managers Ltd** under rule 5 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, and being satisfied that it would be in the public interest so to do, in exercise of powers conferred by sub-rule 5 of rule 5 of the said Rules, hereby renew the license of **UBL Fund Managers Ltd** to carry out **Asset Management Services and Investment Advisory Services** subject to the conditions stated herein below or as may be prescribed or imposed hereafter:

- (i) **UBL Fund Managers Limited** and the collective investment schemes managed by it shall ensure compliance of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003;
- (ii) **UBL Fund Managers Limited** shall submit an annual report, together with a copy of the balance sheet and income and expenditure account and the auditors' report within four months of the close of its year of account and a half yearly report, together with a copy of the balance sheet and income and expenditure account within two months of the close of its half year;
- (iii) No person shall be appointed as a director on the Board for more than one Asset Management Company & Investment Advisor; and
- (iv) The license is valid for a period of one year w.e.f, June 15, 2007 and shall be renewable annually as specified in the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.


(Akif Saeed)

Executive Director (SCD)



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
(NBFC DEPARTMENT)

No. SEC/NBFC-II/JD-II/UHF/ ⁵⁷⁸ /2007

August 08, 2007

Mr. Obbad Fazal
Chief Financial Officer & Company Secretary
UBL Fund Managers Limited
502-505, Office Tower, Techno City
Hasrat Mohani Road,
Off I.I. Chundrigarh Road
Karachi

Subject: APPROVAL OF THE TRUST DEED OF UNITED ISLAMIC INCOME FUND

Dear Sir,

This is further to our letter dated August 02, 2007 and with reference to your letter dated August 07, 2007, whereby you have proposed amendments in clause 3.8 (vi), (viii) & (ix) and clause 10.2.3 (vi), (viii) & (ix) of the Trust Deed of the proposed United Islamic Income Fund.

In this regard, the Securities and Exchange Commission of Pakistan has no objection to proposed amendments in the afore-mentioned clauses of the Trust Deed of the proposed United Islamic Income Fund. **Annexure B**

You are advised to submit revised/amended draft of the Trust Deed of the proposed United Islamic Income Fund for record purpose. Further action will be taken on receipt of duly registered copy of the Trust Deed.

Yours truly,

Zahida Rafiq
(Joint Director)

Annexure C**Remuneration of the Trustee**

NET ASSETS	REMUNERATION
On amount up to Rs. 1,000 million	Rs. 0.7 million or 0.20% p.a. of NAV, whichever is higher.
On amount exceeding Rs. 1,000 million	Rs. 2.0 million plus 0.10% p.a. of NAV exceeding Rs. 1,000 million.



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
(NBFC DEPARTMENT)

No. SEC/NBFC-JD-II/UHF /2007/ 520

July 17, 2007

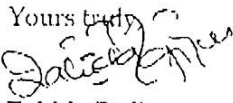
Mr. Obbad Fazal
Chief Financial Officer & Company Secretary
UBL Fund Managers Limited
502-505, Office Tower, Techno City
Hasrat Mohani Road
Karachi

Annexure D

Subject: Approval of Central Depository Company as Trustee to the United Islamic Income Fund

Dear Sir,

I am directed to refer to your letter dated June 21, 2007 and convey the approval of Securities and Exchange Commission of Pakistan for appointment of Central Depository Company of Pakistan Limited as Trustee of the proposed United Islamic Income Fund in terms of Rule 74 and 75 of the NBFC Rules, 2003.

Yours truly

Zahida Rafiq
(Joint Director)