

Consolidated till 21-10-2019

TRUST DEED

Of

UBL Liquidity Plus Fund

(MONEY MARKET SCHEME)

By & Between

UBL Fund Managers Limited (UBL Funds)

And

**Central Depository Company of Pakistan
Limited (CDC)**

Table of Contents

1. Name & Category.....	3
2. Participating Parties.....	3
3. Definitions.....	4
4. Governing Law.....	8
5. Declaration of Trust.....	9
6. Statement of the Investment Objective and Investment Policy of the Open End Scheme.....	10
7. Investments outside Pakistan	10
8. Duties and Powers of Management Company	11
9. Change of Management Company.....	14
10. Duties and Powers of Trustee	14
11. Change of Trustee	17
12. Bank Accounts	18
13. Investment Restrictions.....	19
14. Fund Property.....	20
15. Investment in Fund Property.....	21
16. Issue & Redemption of Units outside Pakistan	22
17. Payment of Units in foreign currency.....	22
18. Base Currency	23
19. Voting Rights on Fund Property	23
20. Borrowing Restrictions.....	23
21. Valuation of Property	24

22. Units	24
23. Issue of Units	25
24. Determination of Offer Price.....	26
25. Allocation of Front-end Load.....	27
26. Redemption of Units	27
27. Determination of Redemption Price.....	29
28. Suspension of Issue or Redemption of Units	29
29. Queue System and Winding Up	30
30. Registration of Holders.....	30
31. Account Statement.....	32
32. Issuance of Unit Certificates	32
33. Replacement of Certificates	33
34. Transfer of Units.....	34
35. Pledge/Lien of Units	34
36. Fees & Charges	35
37. Transaction with Connected Party.....	36
38. Distribution Policy & Date.....	37
39. Distribution of Income	38
40. Audit	38
41. Modification of Trust Deed	39
42. Revocation & Liquidation of Trust	39
43. Distribution on Revocation of Trust	40
44. Arbitration	40

45. Confidentiality.....40

46. Miscellaneous..... 41

TRUST DEED

Constituting
UBL Liquidity Plus Fund
(Money Market Scheme)

Managed by
UBL FUND MANAGERS LIMITED

Trustee
CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

This Trust Deed is made and entered into at Karachi, on this ____ day of _____, 2009.

1. NAME AND CATEGORY OF THE COLLECTIVE INVESTMENT SCHEME:

“UBL Liquidity Plus Fund”, an open-end Money Market Scheme.

2. PARTICIPATING PARTIES:

- (1) **UBL FUND MANAGERS LIMITED**, a company incorporated under the Companies Ordinance, 1984 with its registered office at 8th Floor, State Life Building, I. I. Chundrigar Road, Karachi and Corporate Office at 11th Floor, Executive Tower, Dolmen City, Block 4, Clifton, Karachi, Pakistan (hereinafter called the “Management Company” which expression where the context so permits shall include its successors in interest and assigns) of the one part; and
- (2) **CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED (“CDC”)**, a company incorporated under the Companies Ordinance, 1984 and registered with the Securities and Exchange Commission of Pakistan (SECP) as a central depository company, with its Registered Office at CDC House 99-B, Block B, S.M.C.H.S, Main Shakra-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.

WHEREAS:

- A. The Management Company is engaged, inter alia, in the business of providing asset management and investment advisory services and has been licensed by the Securities and Exchange Commission of Pakistan (SECP) under the Non Banking Finance Companies (Establishment and Regulations) Rules, 2003 vide license No. SEC/NBFC-JD-I/UBLFM/750 dated September 11, 2008 & NBFC-II/40/UBLFM/AMC/22/2008 dated September 10, 2008 (appended hereto as Annexure A) to undertake asset management services;

- B. The Management Company has been allowed by SECP vide its letter No. NBFC/MF-RS/UBLFM/510/2009 dated May 6, 2009 appended hereto as Annexure “B” to constitute the Trust under the name and title of UBL Liquidity Plus Fund (hereinafter referred to as the “Unit Trust” or “Trust” or “Scheme” or the “Fund”) and to register this Trust Deed (Deed), pending registration of the Scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (hereinafter referred to as the Regulations) and this Deed.
- C. The Management Company has nominated and appointed CDC as trustee of the Trust and the Trustee has accepted such appointment upon the terms and conditions and tariff structure for trusteeship contained in Annexure C.
- D. SECP has approved the appointment of Trustee, vide letter No. NBFC/MF-RS/UBLFM/509/2009 dated May 6, 2009 appended hereto as Annexure “D”.

NOW, THEREFORE, THIS DEED WITNESSETH AS FOLLOWS:

3. DEFINITIONS

- 3.1 Unless the context requires otherwise the following words or expressions shall have the meaning respectively assigned to them viz.:
 - 3.1.1 “**Accounting Date**” means the thirtieth day of June in each year and any interim date(s) at which the financial statements of the Trust are drawn up. However, the Management Company may, with the consent of the Trustee and after obtaining approval of the Commission and any other relevant authority change such date to any other date.
 - 3.1.2 “**Accounting Period**” means a period ending on and including an Accounting Date (i.e., the thirtieth day of June in each year and any interim date(s) at which the financial statements of the Trust are drawn up) 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
 - 3.1.3 “**Annual Fee**” means any fee payable to SECP under the Regulation 62 of the Regulations.
 - 3.1.4 “**Account Statement**” means statement of transactions in Units in the account of the Holder.
 - 3.1.5 “**Annexure**” means the annexure to this Deed.
 - 3.1.6 “**Auditor**” means the Auditor of the Trust appointed by the Management Company with the consent of the Trustee, as per the Regulations.
 - 3.1.7 “**Authorized Branch**” means those branches of the Distributor(s)/Distribution Company (ies) authorized by the Management Company. It also includes the distribution centers established by the Management Company to perform the Distribution Function.
 - 3.1.8 “**Authorized Investments**” means Government securities, cash and near cash instruments which include cash in bank accounts (excluding TDRs), treasury bills, money market

placements, deposits, certificate of deposits (COD), certificate of musharakas (COM), TDRs, commercial papers, reverse repo;

- 3.1.9 **“Back-end Load”** means the charge (excluding Duties and Charge) not exceeding 5% of the Net Asset Value, deducted from the Net Asset Value in determining the Redemption Price and it shall become part of the Fund Property;
- 3.1.10 **“Bank”** means a banking company licensed under the Banking Companies Ordinance, 1962 or any other regulation for the time being in force or an institution providing banking services under the banking law of Pakistan or if operating outside Pakistan, under the banking laws of the jurisdiction of its operation outside Pakistan.
- 3.1.11 **“Bank Accounts”** means those accounts in the name of the Trustee, the beneficial ownership of which rests with the Unit Holders.
- 3.1.12 **“Bonus Units”** means the Units issued instead of cash dividend, on distribution of the distributable income.
- 3.1.13 **“Business Day”** any day of the week but does not include any day which is a gazetted Government of Pakistan holiday or on which the State Bank of Pakistan is closed for business.
- 3.1.14 **“Certificate”** means the definitive certificate acknowledging the number of Units registered in the name of the Holder issued at the request of the Holder pursuant to the provisions of this Deed.
- 3.1.15 **“Companies Ordinance”** means the Companies Ordinance, 1984, as amended or substituted from time to time.
- 3.1.16 **“Commission” or “SECP”** means the Securities and Exchange Commission of Pakistan (SECP), established under section 3 of the Securities and Exchange Commission of Pakistan Act, 1997 and shall include its successor.
- 3.1.17 **“Connected Person”** shall have the same meaning as in the Regulations.
- 3.1.18 **“Constitutive Documents”** means this Trust Deed and the Offering Document which are the principal documents governing the formation, management or operation of the Trust and all other related material agreements.
- 3.1.19 **“Core Investors”** means the investor, who shall be required to subscribe to and to hold number of Units of an amount to be in compliance with Sub-Clause (ii) of Clause (e) of Sub-Regulation (3) of Regulation 44 of the Regulations for such period from the date of issue of such Units as specified in the Regulations. Particulars of the Core Investors shall be included in the Offering Document that shall be issued for this Trust.
- 3.1.20 **“Core Units”** means such Units of the Trust that are issued to Core Investors with the condition that these Units are not redeemable for a period of two years from the date of issue. Such Units are transferable with this condition and shall rank pari passu with all other Units save for this restriction. Any transfer of the Core Units, during the first two years of their issue, shall be affected only on the receipt by the Transfer Agent of a written acceptance of this condition by the transferee.

- 3.1.21 **“Custodian”** means a banking company within the meaning of the Banking Companies Ordinance, 1962 (LVII of 1962), or a central depository company approved by the Commission, or any other depository eligible to act under the Rules that for the time being may be appointed by the Trustee with the approval of the Management Company to hold and protect the Fund Property or any part thereof as Custodian on behalf of the Trustee. The Trustee may also itself provide custodial services for the Trust at competitive terms, as part of the normal line of its business.
- 3.1.22 **“Cut-Off Time”** means 09:30 AM on any Business Day or any other time as may be determined by the Management Company and communicated to the Trustee, Commission and the Unit Holders before which unit transactions shall be effectuated.
- 3.1.23 **“Distribution Account”** means the Bank Account which may be a current, saving or deposit account maintained by the Trustee with a scheduled commercial Bank having a minimum investment grade rating as per the criteria laid down by the credit rating agency approved by the SECP, approved by the Management Company in which the amount required for the distribution of income to the Holders shall be transferred and held till such time the entire amount of dividend is distributed to the Holders.
- 3.1.24 **“Distributor/ Distribution Company”** means an individual, company, firm or a Bank appointed by the Management Company under intimation to the Trustee for performing the Distribution Function and shall also include the Management Company, if it performs the Distribution Function.
- 3.1.25 **“Distribution Function”** means with regard to:
- (a) Receiving applications for issue of Units together with the aggregate Offer Price for Units applied for by the applicants;
 - (b) Issuing of receipts in respect of (a) above;
 - (c) Interfacing with and providing services to the Holders including receiving redemption applications, transfer applications, conversion notices and applications for change of address or issue of duplicate Certificates for immediate transmission, in accordance with the instructions given by the Management Company or the Trustee, to the Management Company or the Transfer Agent as appropriate; and
 - (d) Accounting to the Management Company for all (i) Moneys received from the applicants for issuance of Units; (ii) payments made to the Holder(s) on redemption of Units; and (iii) all expenses incurred in relation to the Distribution function.

The Distribution Function is the sole responsibility of the Management Company and any of its expense shall not be charged to the Fund Property as mentioned in Clause 25.2 below .

- 3.1.26 **“Duties and Charges”** means in relation to any particular transaction or dealing all stamp and other duties, taxes, Government charges, bank charges, transfer fees, registration fees and other duties and whether in connection with the constitution of the Fund Property or the

increase or decrease of the Fund Property on the creation, issue, sale, transfer, redemption or purchase of Units or on the sale or purchase of Investments or in respect of the issue, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such Duties and Charges are payable but do not include the remuneration payable to the Distribution Company or any commission, charges or costs which may have been taken into account in ascertaining the Net Asset Value.

3.1.27 **“Financial Institutions”** includes:-

- (a) A company or an institution whether established under any special enactment and operating within or outside Pakistan which transacts the business of banking or any associated or ancillary business through its branches;
- (b) A modaraba, leasing company, investment bank, venture capital company, financing company, housing finance company, a non-banking finance company; and
- (c) Such other institution or companies authorized by law to undertake any similar business, as the Federal Government may, by notification in the official Gazette, specify for the purpose.

3.1.28 **“Formation Cost”** means all preliminary and floatation expenses of the Trust including expenses in connection with registration of the Scheme, execution and registration of the Constitutive Document, issue, circulation and publication of the Offering Document, legal costs and all other expenses incurred during and up to the Initial Period. Provided, however that the formation cost will not exceed the amount to be specified in the Offering Document of the Fund.

3.1.29 **“Front-end Load”** means the charges not exceeding five percent, if any, applicable to certain classes on units that is included in the Offer Price of the Units as per details in the Trust Deed and Offering Document.

3.1.30 **“Fund Property”** means the aggregate proceeds of the sale of all Units at Offer Price after deducting there from or providing thereout any applicable Front-end Load and Duties and Charges and Transaction costs and any other expenses chargeable to the Fund (as specified in Clause 36.4) and after adding thereto any charges for redemption of Units in the form of Back-end Load (if any) as specified in the Offering Document; and includes the investment and all income, profit and other benefits arising therefrom and all cash, bank balances and other assets and property of every description for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Holders pursuant to this Deed but does not include any amount standing to the credit of the Distribution Account subject to clause 12.8.

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

3.1.32 **“Initial Period”** or **“Initial Offering Period”** means a period determined by the Management Company not exceeding ninety (90) days during which Units will be offered at the Initial Price in terms of the Offering Document, inclusive of the offering to the Core Investors.

3.1.33 **“Initial Price”** means the price per Unit during the Initial Offering Period determined by the Management Company which shall be equal to Par Value including Front-End Load (if any) for certain classes of units or any other charges as may be disclosed in the Offering Document.

- 3.1.34 **“Investment”** means any Authorized Investment forming part of the Fund Property.
- 3.1.35 **“Investment Facilitator/ Sales Agent”** means an individual, firm, corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Scheme as its agents. The Management Company may compensate the Investment Facilitators/ Sales Agents out of the Front-end Load collected by it in the Offer Price or from the Management Company’s own resources.
- 3.1.36 **“Management Company” or “Asset Management Company”** means UBL Fund Managers Limited.
- 3.1.37 **“Minimum Investment Amount”** shall initially be Rupees Five Thousand (Rs 5,000/-) or as may be determined by the Management Company from time to time as mentioned in the Offering Document.
- 3.1.38 **“Net Assets”**, in relation to the Trust, means the excess of assets over liabilities of the Trust, such excess being computed in the manner specified under the Regulations
- 3.1.39 **“Net Asset Value” or “NAV”** means per Unit value of the Trust arrived at by dividing the Net Assets by the number of Units outstanding.
- 3.1.40 **“Offer Price”** means the sum to be paid to the Trustee for issuance of one Unit, such price to be determined pursuant to Clause 24 of this Deed.
- 3.1.41 **“Offering Document”** means the prospectus, advertisement or other document (approved by SECP), which contains the investment and distribution policy and all other information in respect of the Unit Trust, as required by the Regulation and is circulated to invite offers by the public to invest in the Unit Trust and includes any other Supplementary Offering Document.
- 3.1.42 **“Par Value”** means the face value of a Unit that shall be One Hundred (Rs. 100/-) or such other amount as may be determined by the Management Company in consultation with the Trustee from time to time.
- 3.1.43 **“Pre-IPO Units”** means Units of the Trust, other than the Core Units, issued at the Par Value and Front-end Load as is determined by the Management Company (if any), between the period starting from the date of registration of this Scheme and ending before the date of commencement of the Initial Period and this arrangement will be disclosed to Pre-IPO investors.
- 3.1.44 **“Redemption Price”** means the amount to be paid to the relevant Holder of a Unit upon redemption of that Unit, such amount to be determined pursuant to Clause 27 of this Deed.
- 3.1.45 **“Register”** means the Register of the Holders kept pursuant to the Regulations and this Deed.
- 3.1.46 **“Registrar Functions”** means the functions with regard to:
- (a) Maintaining the Register;
 - (b) Receiving applications for redemption and transfer/transmission of Units directly from Holder or legal representatives or through Distributor;

- (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 Holders;
- (d) Issuing Account Statements to Holders;
- (e) Issuing Certificates including Certificates in lieu of undistributed income to Holders;
- (f) Dispatching income distribution warrants and allocating Units to Holders on re-investment of dividends as per Clause 39 of this Deed;
- (g) Cancelling old Certificates on redemption or replacement;
- (h) Maintaining records of lien/ pledge/ charge on units, transfer/switching of units, Zakat; and
- (i) Keeping record of change of addresses/other particulars of the Holders.

3.1.47 **“Regulations”** means the Non-Banking Finance Companies and Notified Entities Regulations 2008 as amended or substituted from time to time.

3.1.48 **“Reporting Currency/ Base Currency”** means the currency used in pricing of units and presenting the financial statements of the Fund which shall be the Pakistani Rupee.

3.1.49 **“Rules”** means the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003, as amended or substituted from time to time.

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

3.1.51 **“Subscription Day”** means every Business Day on which any class of Unit is available for subscription provided that the Management Company may with the prior written consent of the Trustee and upon giving not less than seven (7) days notice in at least one newspaper, either English or Urdu circulating in Pakistan, declare any particular Business Day not to be a Subscription Day. Such notice shall be deemed to be duly served on the Holder.

3.1.52 **“Supplementary Trust Deed”** means a supplemental deed executed between the Management Company, and the Trustee, with the approval of SECP describing any amendments made to the Trust Deed, pursuant to Clause 41 of this Deed.

3.1.53 **“Transfer Agent”** means any company including the Management Company or a scheduled commercial Bank that the Management Company may appoint for performing the Registrar Function.

3.1.54 **“Trust”, “Unit Trust”, “Fund”, “Collective Investment Scheme” or “Scheme”** means the UBL Liquidity Plus Fund constituted under this Trust Deed executed between the Trustee and the Management Company for continuous offers for sale of Units of the Fund.

3.1.55 “Unit” means one undivided share in the Trust and where the context so indicates a fraction thereof.

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

4. GOVERNING LAW

4.1 This Deed shall be subject to and be governed by the Laws of Pakistan, including the Rules {Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003} and the Regulations (Non-Banking Finance Companies and Notified Entities Regulations 2008) and all applicable laws, rules and regulations, as amended or replaced from time to time, and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed by the Regulations are incorporated in this Deed as a part and parcel hereof and in the event of any conflict between the provisions contained in this Deed and the provision of the Regulations, the latter shall prevail over the provisions contained in this Deed.

Subject to the Arbitration Clause 44 hereafter, applicable between the Management Company and the Trustee inter se, each party, including the Unit Holders irrevocably submit to the exclusive jurisdiction of the Courts at Karachi.

5. DECLARATION OF TRUST

5.1 It is hereby declared unequivocally, that a Trust in the name and title of UBL Liquidity Plus Fund is hereby created and the Trustee is hereby nominated, constituted and appointed as the Trustee of the Trust. The Management Company and the Trustee hereby agree to such appointment and further declare that:

- (a) The terms and conditions of this Deed and any deed supplemental hereto, made after getting prior approval of SECP, shall be binding on the Trustee, the Management Company and each Holder as if any of them has been a party to it and so to be bound by its provisions and each Holder authorizes and requires the Trustee and the Management Company to do as required of them by the terms of this Deed;
- (b) The Management Company shall establish, manage, operate and administer the Trust;
- (c) 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 Holders ranking pari-passu inter se according to the number of Units held by each Holder;
- (d) The Fund Property shall be invested/ 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, the Regulations and the conditions, if any, that the Commission may impose from time to time;
- (e) A Unit Holder shall not be liable to make any payment after he has paid the purchase price of his Units and that no further liability can be imposed on him in respect of Units that he holds

except in the case of a Back-end Load which shall be applicable on redemption on certain class of Units, as scheduled in the Offering Document(s).

- (f) The Trustee shall report to the Unit Holders in accordance with the Regulations, including a report to be included in the annual and second quarter report or at any frequency prescribed by the Commission whether in its opinion, the Management Company has in all material respect managed the Scheme in accordance with the provisions of the Rules, the Regulations and this Deed and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof.
- (g) The Trustee and Management Company may retire in the manner stated in Clauses 9 and 11 of this Deed;
- (h) The Trust shall be managed and operated strictly in terms of the provisions contained and stipulated in this Deed, the Offering Document, the Rules (as amended or replaced from time to time), the Regulations (as amended or replaced from time to time) and the conditions, if any that may be imposed by SECP from time to time.

6. STATEMENT OF THE INVESTMENT OBJECTIVE & INVESTMENT POLICY OF THE OPEN END SCHEME

6.1 Investment Objective:

The investment objective of UBL Liquidity Plus Fund, an open-end Money Market Scheme, is to provide its unit-holders competitive returns from a portfolio of low risk short duration assets while maintaining high Liquidity.

6.2 Investment Policy:

(i) The Fund shall invest the entire net assets in Government securities, cash and near cash instruments which include cash in bank accounts (excluding TDRs), treasury bills, money market placements, deposits, certificate of deposits (COD), certificate of musharakas (COM), TDRs, commercial papers, reverse repo; with a weighted average time to maturity of not more than 90 days and, in case of a single asset, maximum time to maturity of six months..

(ii) The Fund will intend to reduce risk while maintaining liquidity. Liquidity will also be managed by opportunistically investing in the call money market when call money yields are attractive relative to other money market yields

(iii) The investment strategy of the Fund will be based on fundamental credit analysis of counter parties.

(iv) Specifically, the Investment strategy will focus on the following broad parameters:

a) **Sponsor of the counterparty:** Investments will be made keeping in mind the market reputation and past track record of the counterparty and its main sponsors.

b) **Strength of financials and ability to repay:** The strength and stability of counterparty earnings will be taken into consideration and special focus will be made on its cash flows and the resultant ability to repay the amount.

c) **Rate of return offered:** Attempt will be made to invest in those instruments that offer competitive returns vis-à-vis other similar investments in the market.

d) **Industry fundamentals and future outlook:** Industry outlook and its future potential will also be looked into at the time of investing. The Fund will seek to invest in those money market instruments that offer attractive market returns and are issued by sponsors with good credit rating, strong financials and ability to repay.

6.3 **Benchmark:** The Benchmark for “**UBL Liquidity Plus Fund**” shall be calculated using the average 3 Month KIBOR which will be easily available on the State Bank of Pakistan’s (SBP’s) Website. Further the Scheme’s benchmark will be compared to its performance after deducting all the expense which are charged to the Scheme as per the Regulations.

7. INVESTMENTS OUTSIDE PAKISTAN

7.1 The Investments outside Pakistan shall be subject to prior approval from the Commission and SBP. These investments will enable the Fund to diversify the risk as well as avail opportunities for higher returns in markets that are undervalued. Such Investments may be made up to 30%

of net assets of the Fund and are subject to a cap of US\$ 15 million unless some other ceiling is imposed by the SBP and/or SECP.

- 7.2 In case the limit to international investment is exceeded, the Management Company shall regularize the excess within three months of breach of the limit.
- 7.3 The Fund Property can be invested in international investments including the following:
 - a. International profit bearing securities;
 - b. International money market instruments;
 - c. Foreign currency bank deposits & certificates of investment;
 - d. Foreign currency bank accounts in Pakistan;
 - e. Mutual funds;
- 7.4 While investing internationally, Fund Property will not be placed in any investment that has the effect of unlimited liability to the Fund.
- 7.5 In making investments outside Pakistan, the currency of the investment shall be convertible currencies like the US Dollar, Pound Sterling, Euro and Japanese Yen or any other currency. This condition however will be relaxed in those cases where the Fund Manager feels that there exists cost effective conversion mechanism to convert foreign currency in Pakistani currency or any other convertible currency. Provided however the Base currency of the Fund shall always be considered as Pak Rupee.
- 7.6 Arrangements for international custody of securities where required will be made with reputable institutions and procedures will be agreed upon by the Trustee. The Management Company will make best efforts to minimize costs affiliated with international transactions so that the savings can be passed on to the unit holders.

8. DUTIES AND POWERS OF MANAGEMENT COMPANY

- 8.1 The Management Company shall
 - 8.1.1 manage the Scheme in the best interest of the Unit Holders, in good faith and to the best of its ability and without gaining any undue advantage for itself or any of its related parties including connected persons and group of companies or its officers,, and subject to the restrictions and limitations as provided in this Deed and the Rules & the Regulation and subject to any special exemptions granted by SECP. 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 Regulation. The Management Company shall not be liable for any loss caused to the Scheme or to the value of the Fund Property due to any elements or circumstances beyond its reasonable control.
 - 8.1.2 comply with the provisions of the Rules & the Regulation and the Constitutive Documents for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Management Company by any officer(s) or responsible official(s) of the Management Company or by any nominee or agent appointed by the Management Company and any act or matter so performed shall be deemed for all the purposes of 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 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 or reckless or willful act and / or omission or of its officers, officials or agents.

- 8.1.3 be responsible for the acts and omissions of all persons to whom it may delegate any of its functions as manager as if they were its own acts and omissions;
- 8.1.4 have the primary responsibility for all record keeping, regular determination and announcement of Unit prices and for producing financial reports from time to time as provided in the Rules, Regulations and this Deed.
- 8.1.5 maintain the books of accounts and other records of the Open End Scheme for a period of not less than ten years.
- 8.1.6 within four months of closing of the Accounting Period of the Open End Scheme transmit to the unit holders, the trustee, the Commission and stock exchanges, on which the units of the scheme are listed, the annual report of the Scheme including, -
 - (i) copy of the balance sheet and income statement;
 - (ii) cash flow statement;
 - (iii) statement of movement in unit holders' or certificate holders' fund or net assets or reserves; and
 - (iv) the Auditor's report of the Open End Scheme.
- 8.1.7 within one month of the close of first and third quarters and within two months of the close of second quarter of the year of account of the Open End Scheme, prepare and transmit to the unit or certificate holders, the trustee, the Commission and stock exchanges, on which the units or certificates of the scheme are listed, -
 - i. balance sheet as at the end of that quarter;
 - ii. income statement;
 - iii. cash flow statement;
 - iv. statement of movement in unit holders' or certificate holders' fund or net assets or reserves; and
 - v. statement showing the securities owned at the beginning of the relevant period, securities purchased or sold during such period, and the securities held at the end of such period together with the value (at carrying and at market) and the percentage in relation to its own net assets and the issued capital of person whose securities are owned for that quarter, whether audited or otherwise:

Provided that the Commission, subject to any conditions and as specified in the Rules and Regulations, may allow the Management Company to transmit the said quarterly accounts to the unit holders by placing them on the Management Company's website, however Management Company shall make the printed copy of the said accounts available to any unit holder, free of cost, as and when requested;

- 8.1.8 maintain a record of unit or certificate holders of the Open End Scheme and inform the Commission and the trustee of the address where the register is kept;
- 8.1.9 at the establishment of the Open End Scheme and upon any vacancy appoint an Auditor, with the consent of the trustee, from the approved list of Auditors circulated by the Commission, who

shall be a chartered accountant and independent of the Auditor of the Asset Management Company and the trustee and such Auditor shall not be appointed for more than five consecutive years.

- 8.1.10 be obliged to obtain a rating of the Collective Investment Scheme, once the scheme becomes eligible for rating as per the rating criteria of the rating agency, and such rating shall be updated at least once every financial year and also published in the annual and quarterly reports of the Collective Investment Scheme;
- 8.1.11** ensure ,where it delegates the function of distribution, that;
- (i) the distributors to whom it delegates, have acquired and are maintaining the associate membership of the Association(s) constituted in consultation with the Commission and are abiding by the code of conduct prescribed by the Association(s) and;
 - (ii) the written contract with the distributors clearly states the terms and conditions for avoidance of frauds and sales based upon misleading information;
- 8.1.12 be obliged to process payment instrument immediately on receipt of application;
- 8.1.13 be obliged to provide such information and record to the trustee as may be necessary for the trustee to discharge obligations under these Regulations.
- 8.1.14 instruct the Trustee of the settlement instructions relating to any investment/ disinvestment transactions entered into by it on behalf of the respective Trust. The Trustee shall carry out the settlements in accordance with the dictates of the specific transactions. The Management Company shall ensure the settlement instructions are given promptly after entering into the transaction so as to facilitate timely settlement and the Trustee, on its side, shall ensure that the settlement is handled in a timely manner in accordance with dictates of the transaction.
- 8.1.15 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.
- 8.1.16 maintain investor records and for this purpose it may appoint a Registrar, who is responsible for performing Registrar Functions, i.e. maintaining investors' (Unit Holders) records and providing related services. The Registrar shall carry out the responsibility of maintaining investors' records, issuing statements of accounts, issuing / cancelling Certificates representing Units, processing redemption requests, processing dividend payments and all other related and incidental activities. The Management Company has the right to remove or replace the Registrar. The Management Company can itself provide the Transfer Agent/Registrar services.
- 8.1.17 not be under any liability except such liability as may be expressly assumed by it under the Regulations 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.

- 8.1.18 if it considers necessary request the Trustee, for the protection of Fund Property or safeguarding the interest of the Unit Holders, to institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Deposited Property or any part thereof.
- 8.1.19 appoint and designate a qualified individual as fund manager for management of the Fund, who shall be responsible for the management of not more than three collective investment schemes at a time, or such lesser number as may be specified by the Commission.
- 8.1.20 in case of investments outside Pakistan, be allowed to appoint investment advisors to assist in investing and managing the assets of the Fund or to invest and manage part or whole of the assets of the Fund abroad, at its own cost and discretion, provided that the Management Company will be responsible for all acts of such investment advisers.
- 8.1.21 may in consultation with the Trustee further appoint advisors and professionals in offshore countries for making investments in offshore countries and/or for issuing Units to the investors in the offshore countries to determine the legal and regulatory requirements to be fulfilled by the Fund, the Management Company and the Trustee and their respective obligations in relation thereto. Any fees and charges for such arrangement shall be borne by the Management Company.
- 8.1.22 bear all expenditure in respect of the secretariat and office space of the company and professional management, including all administrative and accounting.

8.2 Restrictions on the Management Company

The Management Company shall not;

- (a) Merge with, acquire the management of a collective investment scheme, unless it has obtained the prior approval of the Commission in writing to do so;
- (b) pledge any of the securities held or beneficially owned by the Scheme except as allowed under the Regulations;
- (c) accept deposits from a collective investment scheme ;
- (d) make a loan or advance money to any person from the assets of the Scheme;
- (e) participate in a joint account with others in any transaction on behalf of the Collective Investment Scheme, except for collection account of the Collective Investment Schemes managed by it;
- (f) apply any part of assets of the Scheme to real estate ;
- (g) make any investment of the Scheme with the purpose of having the effect of vesting the management, or control over the affairs, of investee company by the Management Company or its group;

(h) enter, on behalf of the scheme, into transactions with any broker that exceed thirty per cent of the commission paid by the Scheme in any one accounting year; subject, however, that such broker shall not have a common director, officer or employee with the investment adviser or asset management company:

(i) undertake brokerage services on Stock Exchanges or in the money market;

(j) enter into underwriting or sub-underwriting contracts on behalf of the Scheme; and

(k) maintain its own equity portfolio except for the investments made by it into the schemes or pension funds being managed by it or its subsidiaries licensed as Non-Banking Finance Companies.

9. CHANGE OF MANAGEMENT COMPANY

9.1 The Commission may either on its own or on the recommendation of the Trustee remove the Management Company by giving at least ninety days notice in writing for sub-clause (a) hereunder and immediate notice for sub-clause (b), (c) and (d) to the Management Company if any of the following events has 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.

(d) If Management Company becomes ineligible to act as a Management Company of the Trust under the provisions of the Rules and/or Regulations, or any other law for the time being in force.

9.2 The Management Company may retire at any time with the prior written consent of SECP and three months notice to the Trustee.

9.3 If SECP has cancelled the registration of the Management Company under the provisions of the Rules and/or Regulations, the SECP shall appoint another asset management company as the management company with consent of the Trustee for the Scheme according to the provisions of this Deed and the Regulations.

9.4 Upon a new management company being appointed, the Management Company shall take immediate steps to hand over all the documents and records pertaining to the Trust to the new management company and shall pay all sums due to the Trustee.

- 9.5 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.
- 9.6 Furthermore, the Trustee may immediately upon the issuance of notice of removal of Management Company appoint Auditors with the consent of SECP from amongst the panel of Auditors designated as "A" category by the State Bank of Pakistan for the audit of Financial Institutions.
- 9.7 The Auditors so appointed shall be other than the existing Auditors of the Fund, the Management Company and the Trustee.
- 9.8 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 SECP.
- 9.9 The Auditors shall submit the report for the audit to the Trustee not later than 30 Business Days from their appointment. A copy of the report shall also be provided to SECP, outgoing Management Company and the new Management Company
- 9.10 The cost of audit shall be shared equally by outgoing Management Company, the new Management Company, and the Fund.

10. DUTIES AND POWERS OF TRUSTEE

- 10.1 The Trustee shall comply with the provisions of this Deed, the Rules ,the Regulations and the Offering Document 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(s) or responsible official(s) of the Trustee or by any nominee(s) 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 or willful act and/ or omission of the Trustee or any of its directors, officers, nominees or agents.
- 10.2 The Trustee shall take into its custody or under its control all the property of the scheme and hold it in trust for the Holders in accordance with the Regulations, the Deed and all applicable laws, rules and regulations and all cash and registerable assets shall be registered in the name of or to the order of the Trustee.
- 10.3 The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Holders. The Trustee shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or in pursuance of any request of the Management Company provided they are not in conflict with the provisions of this Deed or the Regulations. Whenever pursuant to any provision of this Deed any certificate, notice, direction, instruction or other communication is to be given by the Management Company to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Management Company by any person whose signature the Trustee is for the time being authorized in writing by the Management Company to accept.

- 10.4 The Trustee shall carry out the instructions of the Management Company in all matters including investment and disposal of the Fund Property, if such instructions are not in conflict with the provisions of this Deed or the Rules or the Regulations or any applicable law and regulations.
- 10.5 The instructions may also be given electronically to the Trustee based on distinctive users IDs and passwords allocated to authorized person(s) of the Management Company through a computerized system for which both the parties i.e. the Management Company and the Trustee have agreed in writing. In case of any error or omission occurring in electronic system due to system malfunction or any instruction(s) based on such system contain any error or omission due to the above malfunction, the Trustee and the Management Company not knowing the fact, will not be liable therefore and will act in the best interests of the unit holders.
- 10.6 The Trustee shall carry out the settlements in accordance with the dictates of the specific transactions as instructed by the Management Company unless such instructions are in conflict with the provisions of this Deed and/or the Offering Document(s) and/or the Regulations.
- 10.7 The Trustee shall, in consultation with the Management Company, from time to time appoint, remove or replace one or more Custodian for performing the Custodian Function at one or more locations, on terms and conditions to be agreed between the Custodian and the Trustee and approved by the Management Company. Provided however, the Trustee may also itself perform Custodian Function for the Trust with the approval of the Management Company at competitive terms, as part of its normal line of business.
- 10.8 The Trustee shall make available or ensure that there is made available to the Management Company such information and/or reports as the Management Company may reasonably require from time to time in respect of the Fund Property and all other matters relating to the Scheme.
- 10.9 The Trustee shall issue a report to the Holders included in the annual and second quarter report of the Fund whether in its opinion, the Management Company has in all material respects managed the Fund in accordance with the provisions of the Rules and Regulations and this Deed and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof.
- 10.10 The Trustee may require the Auditors to provide such reports as may be considered necessary to facilitate the Trustee in issuing the certification required under the Regulations. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible.
- 10.11 The Trustee shall authorize and facilitate the Management Company to receive the statements of account for all the scheduled commercial Bank Accounts being operated by the Trustee as a nominee of the Trust;
- 10.12 The Trustee shall ensure that the methods adopted by the Management Company in calculating the value of Units are adequate to ensure that the sale, issue, re-purchase, redemption and cancellation prices are calculated in accordance with the provisions of this Deed;
- 10.13 The Trustee shall, if requested by Management Company, institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the 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. 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 fiduciary duties in connection with its duties as the Trustee under this Deed or the Regulations. The Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities whatsoever suffered or incurred by the Trust arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or shareholders' action or otherwise howsoever and (save as herein otherwise provided), all such losses, claims, damages and other liabilities shall be borne by the Trust.

- 10.14 Neither the Trustee nor the Custodian (if Trustee has appointed another person as Custodian) shall sell or purchase or deal in the sale of any Investment or enter into any other transaction with the Trust (save in the capacity of an intermediary).
- 10.15 The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Regulations and this Deed nor shall the Trustee (save as herein otherwise provided) be liable for any act or omission of the Management Company or for anything except 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. Notwithstanding removal/ resignation of Trustee, the Trustee shall remain entitled to the benefit of this Clause.
- 10.16 The Trustee shall not be liable for any loss caused to the scheme or to the value of the Fund Property due to any elements or circumstances beyond its reasonable control.
- 10.17 The Trustee shall provide the Management Company with regular 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) which are due to be received or , any depository, an intermediary or agent in any transaction or from any court, government, regulator, stock or other exchange or any other party having any connection with the transaction. The Trustee shall promptly act on any instruction of the Management Company in all such matters relating to recovery of the Fund Property.
- 10.18 The Trustee shall promptly provide proxies if requested by the Management Company with regard to any voting rights attaching to any investment.
- 10.19 The Trustee shall be required to adhere to performance standards, as mutually agreed upon between the Management Company and the Trustee, from time to time.
- 10.20 The Trustee shall ensure that the investment and borrowing limitations set out in the Constitutive Document, the Regulations are complied with.
- 10.21 The Trustee shall be liable for the acts and omissions of the lenders and its agents in relation to assets forming part of the Fund Property of the Scheme, such assets may be registered in the lender's name or in that of a nominee appointed by the lender;

- 10.22 The Trustee shall ensure that the sale, issue, re-purchase, redemption, transfer and cancellation of Units are carried out in accordance with the provisions of the Constitutive Document;
- 10.23 The Trustee shall arrange for its annual system audited by an Auditor and provide the report of such audit to the Commission and the Management Company, within four months of the close of the financial year of the Trustee.
- 10.24 The Trustee shall ensure that the Management Company has specified criteria in writing to provide for a diverse panel of brokers at the time of the offering of the Fund and shall also ensure that the Management Company has been diligent in appointing brokers to avoid undue concentration of business with any broker.
- 10.25 The Trustee shall ensure that Unit Certificates are not issued until subscription money has been received in the Fund. For this purpose the Management Company will provide the trustee with the summary of investment on regular basis.
- 10.26 The Trustee shall ensure that the methodology and procedures adopted by the Management Company in calculating the value of Units are adequate and the pricing and valuation for sale, issue, repurchase, redemption and cancellation are carried out in accordance with the provisions of this Trust Deed, the Offering Document and the Regulations and any other regulatory requirement.
- 10.27 The Trustee shall immediately inform the Commission if any action of the Management Company contravenes the Ordinance, the Rules, the Regulations, Constitutive Documents, guidelines, codes, circulars, directives or any other applicable laws.
- 10.28 The Trustee shall comply with the directions of the Commission given in the interest of the Unit Holders.
- 10.29 The Trustee shall ensure that the conditions under which the Scheme was registered are complied with.
- 10.30 "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 or enter into any other transaction with the Fund (save in the capacity of an intermediary)."

11. CHANGE OF TRUSTEE

- 11.1 A Trustee may, subject to prior approval of the Commission and under intimation to the Management Company, retire from his office on appointment of a new trustee and the retirement shall take effect at the same time as the new trustee is appointed or from the date of assumption of assets of the Fund by the new appointed trustee, whichever is later. In the event of the Trustee desiring to retire, the Management Company may, within a period of ninety (90) days, with the prior written approval of SECP and by a deed supplemental hereto, appoint a new trustee in place of the retiring Trustee, under the provisions of the Rules and the

Regulations, and also provide in such deed for automatic vesting of all the assets of the Trust in the name of the new trustee.

- 11.2 where the Commission is of the opinion that trustee has been in violation of the Regulations or the trust deed or is found guilty of misconduct or failed to discharge its obligations under the Regulations, it may remove the trustee after giving the trustee an opportunity of being heard.
- 11.3 If the Trustee goes into liquidation (other than for the purpose of amalgamation or reconstruction on terms previously agreed with the Management Company) or ceases to carry on business or a receiver of its undertaking is appointed or it becomes ineligible to act as a trustee of the Trust under the provisions of the Regulations, or any other law for the time being in force the Management Company shall forthwith by instrument in writing remove the Trustee from its appointment under this Deed and shall by the same or some other instrument in writing simultaneously appoint as trustee some other company or corporation according to the provisions of the Regulations and this Deed as the new trustee.
- 11.4 The Management Company may by giving reasons in writing apply to the Commission for change of the trustee and propose a new trustee.
- 11.5 The Commission, if satisfied by the reasons given by the Management Company and after providing an opportunity of hearing to the trustee, approve the removal of the existing and the appointment of a new trustee.
- 11.6 Upon the appointment of a new trustee, the Trustee shall immediately deliver and hand over all the documents and records to the new trustee and shall transfer all the Fund Property including any amount held in any of the Bank Account of the Scheme to the new trustee and make payments to the new trustee of all sums due from the Trustee. Dividend bank accounts (if any) shall not be closed.
- 11.7 The new trustee shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Trustee hereunder as fully as though such new trustee had originally been a party hereto.
- 11.8 Notwithstanding the removal/resignation of the Trustee and its subsequent discharge from its duties under this Deed and the Regulations, the Trustee shall remain responsible or obligated to liquidate any liability for which the Trustee may have become liable under this Deed and/or the Regulations and also remain entitled to the benefit under the terms of this Deed till the removal/ resignation of the trustee is effective.
- 11.9 Furthermore, the Management Company may immediately upon the issuance of notice of removal of Trustee under Clause 9.3 appoint Auditors with the consent of SECP from amongst the panel of Auditors designated as "A" category by State Bank of Pakistan for the audit of Financial Institutions.
- 11.10 The Auditors so appointed shall be other than the existing Auditors of the Fund, the Management Company and the Trustee.

- 11.11 The Auditors shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Management Company or SECP.
- 11.12 The Auditor shall submit the report for the audit to the Management Company not later than 30 Business Days from their appointment. A copy of the report shall also be provided to SECP, outgoing Trustee and the new Trustee.
- 11.13 The cost of such audit shall be shared equally by the outgoing Trustee, the new Trustee and the Fund.

12 BANK ACCOUNTS

- 12.1 The Management Company would perform all banking activities through the Trustee of the Scheme.
- 12.2 The Trustee shall open Bank Account(s) for the Scheme, at such Bank branch(s) as may be agreed between the Trustee and the Management Company from time to time.
- 12.3 The Trustee, at the request of the Management Company, shall open Bank Accounts titled “CDC-Trustee UBL Liquidity Plus Fund” for the Trust at designated Bank(s) in Pakistan for collection, investment, redemption or any other use of the Trust’s funds.
- 12.4 The Trustee shall also open an account titled “**CDC -Trustees UBL Funds**”. This account shall be a temporary allocation account where collections shall be held prior to their being allocated and transferred to the Scheme on a daily basis by the Trustee. The Management Company may also require the Trustee to open separate accounts for temporary parking of redemption funds.
- 12.5 The Management Company may also require the Trustee to open a separate Bank Account for dividend distribution out of the Scheme. Notwithstanding anything in this Trust Deed, the beneficial ownership of the balances in the Accounts shall vest in the Unit Holder(s).
- 12.6 All bank charges for opening and maintaining Bank Account(s) for the Scheme shall be charged to the Scheme.
- 12.7 All interest, income, profit etc earned in the Distribution Account(s), including those accruing on unclaimed dividends, shall form part of the Trust Property for the benefit of the Unit Holder(s) and shall be transferred periodically from the Distribution Account(s) to the main Bank Account of the Scheme.
- 12.8 The amounts received from the Core Investors (seed capital) and Pre-IPO investors shall be deposited in a separate Bank titled CDC Trustee – UBL Liquidity Plus Fund account and transferred to the main Bank Account of the Scheme upon the close of the Initial Period. The Management Company may issue additional Units to the Core Investors and Pre-IPO Investors at the Initial Price for an amount equivalent to the income etc earned on their investments up to the close of the Initial Period and shall not form part of the Fund Property.
- 12.9 The Trustee shall, if requested by the Management Company open Bank Accounts titled “CDC – Trustee UBL Liquidity Plus Fund” in offshore countries where the Investments are made on account of the Fund, if such Investments necessitate opening and operation of Bank Accounts

by the Trustee. For this purpose, the Trustee shall be deemed to be authorized to sign and submit the prescribed account opening forms of such Banks, including custodial/sub-custodial services accounts and brokerage accounts with such Banks, Custodians, Sub-Custodians, and brokers, as may be required to be appointed for offshore Investments of the Fund. The opening, operation and maintenance of such Bank Accounts, custodial/sub-custodial and brokerage services accounts in offshore countries shall always be subject to the approval of the SBP and the exchange control regulations, as well as any directives of the SBP and/or the Commission.

12.10 The Management Company shall not open or close or arrange to open or close any account with a bank, broker or depository for the Collective Investment Scheme without the approval of board of the Management Company.

12.11 The ratings of any bank with which any of the accounts of the Trust is maintained shall be same as that specified by the Commission for investment by the Scheme.

13. Investment Restriction

13.1 ULPF will be subject to the exposure limits as are provided in the Regulations;

13.2 ULPF will not at any time:

(a) purchase or sell:

- Bearer Securities
- Securities on margin
- Securities which result in assumption of unlimited or undetermined liability (actual or contingent)
- apply any part of its assets to real estate, commodities or commodity contracts;
- invest in securities of the Management Company;
- Any investment other than Authorized Investments as defined herein;

(b) take direct/indirect exposure to equities, i.e. no exposure in equities, CFS, spread transactions, etc;

(c) affect a short sale in a security whether listed or unlisted

(d) purchase any security in a forward contract

(e) participate in a joint account with others in any transaction;

(f) invest more than thirty five (35) percent of its Net Assets in any single group;

(g) invest more than ten (10) percent of its Net Assets in the Management Company's listed group companies and such investment shall only be made through the secondary market.

(h) issue a senior security which is either stock or represents indebtedness, without the prior written approval of the Commission;

(i) apply for de-listing from stock exchange, unless it has obtained prior written approval of the Commission;

- (j) lend, assume, guarantee, endorse or otherwise become directly or Contingently Liable for or in connection with any obligation or indebtedness of any person:

Explanation.- Reverse repo transactions involving Government Securities or other debt securities stated as Authorized Investments in the Offering Document under an agreement shall not be attracted by clause (j) provided risk management parameters are disclosed in the offering document of the scheme; and

- (k) sell units or issue shares or certificates for consideration other than cash-
- (l) exceed the exposure of a Collective Investment Scheme to any single entity from an amount equal to ten per cent of total net assets of the scheme, subject to the condition that the exposure to any debt issue of a company shall not exceed ten percent of that issue.

Note: Provided that where the Exposure of a Collective Investment Scheme exceeds the limits specified in clause (l) above because of corporate actions including taking up rights or bonus issue or due to market price increase or decrease in net assets the excess Exposure shall be regularized within three months of the breach of limits unless the said period of three months is extended up to another three months by the Commission on an application by the Asset Management Company.

- (m) invest in any security of a company, if, -
 - (j) any director or officer of the Management Company or Investment Company owns more than five per cent of the total amount of securities issued by that company; or
 - (ii) the directors and officers of the Management Company collectively own more than ten per cent of those securities:
- (n) take Exposure in any other Collective Investment Scheme, except for overseas investment:
- (o) place funds with any NBFC or Modaraba with a rating lower than AAA (Triple A);
- (p) invest in any security in the portfolio with a rating lower than AA (Double A);
- (q) purchase any asset with time to maturity of more than six months;
- (r) exceed the limit of 90 days for the weighted average time to maturity of its net assets.
- (s) rollover the investments, if the borrowing limits have already been exhausted by the Scheme or redemptions are pending for more than six days
- (t) pledge any of its securities held or beneficially owned by it, except as allowed under these Regulations.
- (u) make a loan or advance money to any person from the assets of the Fund;
- (v) enter into transaction with any Broker, which exceed thirty per cent of the commission paid by Scheme in any one accounting year;

(w) acquire the management of a collective investment scheme , unless it has obtained the prior written approval of the Commission;

(x) accepts deposits from a collective investment scheme;

(y) undertake brokerage services on stock exchanges or in money market;

13.3 All above restriction are subjected to the change or amendment in the Regulations by SECP .

13.4 The Asset Management Company and the Trustee, on behalf of the Fund, shall not at any time rollover the investments, if the borrowing limits have already been exhausted by the Scheme or redemptions are pending for more than six days.

14 FUND PROPERTY

14.1 The aggregate proceeds of all Units issued from time to time after deducting Duties and Charges and after deducting there from or providing there out any applicable Front-end Load and adding thereto any early redemption charges in the form of Back-end Load, shall constitute part of the Fund Property and the Distribution Company shall remit such proceeds, unless exempted under this Deed or applicable law, the Front-end Load and the Duties and Charges to the Trustee in accordance with the instructions given by the Management Company from time to time.

14.2 The Fund Property shall initially be constituted out of the proceeds of the Units issued to the Core Investors and other Units issued during the Initial Period after deducting any applicable Duties and Charges there from or any Front-end Load. However shall be subjected to clause 12.6 of this deed.

14.3 The Trustee shall take the Fund Property into its custody or under its control either directly or through the Custodian and hold it in trust for the benefit of the Holders of Units in accordance with the provisions of the Regulations and this Deed. The Fund Property shall always be kept as a separate property and shall not be applied to make a loan or advance except in connection with the normal business of the Trust. All registerable Investment shall be registered in the name of the Trustee and shall remain so registered until disposed off or transferred to new Trustee pursuant to the provisions of this Deed.

14.4 Save, as herein expressly provided, the Fund Property shall always be kept as separate property free from any mortgages, charges, liens or any other encumbrances whatsoever and the Trustee or the Custodian shall not except as allowed under the Regulations create any mortgages, charges, liens or any other encumbrances whatsoever to secure any loan, guarantee, or any other obligation actual or contingent incurred, assumed or undertaken by the Trustee, the Custodian or any other person except for securing finances obtained from Banks or institutions upon the direction of the Management Company and subject to the limitations contained in the Regulations.

14.5 The Trustee shall have the sole responsibility for the safe-keeping of the Fund Property. Subject to the provisions of Clause 10.3 in the event of any loss due to negligence or breach of fiduciary duties on part of the Trustee, the Trustee shall have an obligation to replace the lost Investment forthwith with similar investment of the same class and issue together with all rights and privileges pertaining thereto or compensate the Trust to the extent of any such loss. However

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.

- 14.6 All cash forming part of the Fund Property shall be deposited by the Trustee in one or more separate Bank Account(s) on the instructions of the Management Company, in the name of the Trustee with a scheduled commercial Bank approved by the Management Company, having at least minimum investment grade rating, as per criteria laid down by a credit rating agency approved by SECP. The scheduled commercial Bank shall allow profit thereon in accordance with the rules prescribed by the Bank for sharing of profits or mark-up on deposits maintained in such account or under any other arrangement approved by the Management Company.
- 14.7 Remuneration of the Management Company and the Trustee, brokerage and transaction costs relating to investing and disinvesting of the Fund Property , all expenses incurred by the Trustee effecting the registration of all registerable Investments in the Trustee's name, legal counsel fee pertaining to the Fund and other related expenses as may be incurred in protecting or enhancing the interests of the Scheme or the collective interests of the Holders; scheduled commercial Bank charges, borrowing/financial costs and any early redemption charges on any deposits or placements with a scheduled commercial bank; audit fees; listing fee payable to a Stock Exchange including renewals; rating fee payable to an approved rating agency; Annual Fee payable to SECP; Formation Cost and taxes if any applicable to the Trust and any other expenses pertaining to the Fund permissible under the Regulations shall be payable out of the Fund Property .
- 14.8 All interest, income or profit, etc. earned in the Distribution Account(s), including those accruing on unclaimed dividends, shall form part of the Fund Property for the benefit of the Unit Holders and shall be transferred periodically from the Distribution Account(s) to the main scheduled commercial Bank Account of the Trust.

15 INVESTMENT OF THE FUND PROPERTY

- 15.1 During and prior to the commencement of the Initial Period the Trustee as advised by the Management Company shall hold the Fund Property in a separate account with Scheduled Commercial Bank(s) having at least minimum investment grade rating as per the criteria laid down by a credit rating agency approved by the SECP, and selected by the Management Company or in short term authorized money market investments. Any income from such investments shall accrue to the Fund. After the Initial Period all cash, except in so far as such cash may in the opinion of the Management Company be required for transfer to the Distribution Account, shall be invested by the Trustee from time to time in such Authorized Investments as may (subject always to the provisions of this Deed and Offering Document) be directed by the Management Company in terms of the Investment Strategy of the Fund.
- 15.2 The Management Company shall invest the Fund Property, from time to time, under the term and conditions of this deed, the Rules and the Regulations.
- 15.3 Any Investment may at any time be realized at the discretion of the Management Company either in order to invest the proceeds of sale in other Authorized Investments or to provide cash required for the purpose of any provision of this Deed or in order to retain the proceeds of sale in cash or on deposit as aforesaid or partly one and partly another. Any Investment which

ceases to be an Authorized Investment shall be realized and the net proceeds of realization shall be applied in accordance with this Clause. Provided that the Trust may postpone the realization of such Investment for such period as the Management Company may determine to be in the interest of Holders.

- 15.4 The purchase or sale of any Investment in listed securities for the account of the Trust shall be made on the Stock Exchange through a broker who must be a member of the Stock Exchange, unless the Management Company is satisfied that it is possible to make such purchase or sale more advantageously in some other manner. The broker shall be appointed, from time to time, by the Management Company under intimation to the Trustee. Save as allowed under the Regulations, the Management Company shall not enter into transactions with any broker, which exceed ten percent of the commission charged to Fund in any one Accounting Period; subject, however that such broker shall not have a common director, officer or employee with management Company.
- 15.5 The Fund Property shall be subject to such exposure limits as are provided in the Regulations; Provided that the Management Company shall have three months to comply with the exposure limits incase such limits are exceeded owing to appreciation or depreciation in value of any Investment, disposal of any investment or redemption of Units.
- 15.6 If and so long as the value of the holding in a particular company or sector shall exceed the limit imposed in a particular company and sector by the Regulations, the Trustee shall not settle any further investments made by the Management Company in such company or sector. However this restriction on purchase shall not apply to any offer of right shares or any other offering, if the Management Company is satisfied that accepting such offer is in the interest of the Trust.
- 15.7 The Fund Property shall not be invested in any security of a company if any director or officer of the Management Company owns more than five percent (5%) of the total nominal amount of the securities issued of such company, or collectively the directors and officers of the Management Company own more than ten percent (10%) of the securities issued of such company.
- 15.8 The Scheme shall not underwrite or subscribe to securities issued by group companies of the Management Company and shall not underwrite to issues underwritten, co-underwritten/ sub-underwritten by such group companies.

16. ISSUE AND REDEMPTION OF UNITS OUTSIDE PAKISTAN

- 16.1 Subject to foreign exchange control and other applicable laws, rules and regulations and any permissions required to be obtained under law from regulatory authority, in the event of arrangements being made by the Management Company for the issuance of Units for delivery in any country outside Pakistan the price at which such Units may be issued may at the discretion of the Management Company include in addition to the Offer Price as herein before provided a further amount sufficient to cover any currency exchange fluctuation, any additional stamp duty or taxation whether national, municipal or otherwise leviable in that country in respect of such issue or of the delivery or issue of Certificates in connection therewith or the remittance of money to Pakistan.
- 16.2 In the event that the Redemption Price for Units is 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 herein before provided a further

amount sufficient to cover any currency exchange fluctuation and any additional stamp duty or taxation whether national, municipal or otherwise leviable in that country in respect of such payment or redemption. It is clarified that the offer and redemption price will be in rupee terms and the Scheme will not carry any exchange risk. The investor will invest at the exchange rate prevailing at that time and payments will be made in rupees and investor will be responsible for converting it into dollars.

17. PAYMENT OF UNITS IN FOREIGN CURRENCY

- 17.1 The Management Company shall appoint one or more scheduled bank(s) as the Authorized Dealer(s), subject to SECP and SBP approvals, to manage Offer and Redemption of Units from outside Pakistan in foreign currency under the provisions of the Foreign Exchange Regulation.
- 17.2 Payments made in foreign currency to purchase units shall be converted into Pakistani Rupees through the Authorized Dealer using SBP's quoted rates (or NBP's in case SBP rates are not available) and any conversion cost, Duties and Charges and Front-end Load shall be deducted from the payment before Units are issued. The Units issued will be denominated in Pakistani Rupees using the conversion rates quoted by the Authorized Dealer at the issue date of the Units (buying rate for the relevant currency).
- 17.3 Payments to be made in foreign currency on redemption of units shall be converted from Pakistani Rupees through the Authorized Dealer using his quoted rates (selling rate for the relevant currency) and any conversion cost, Duties and Charges, and Back-end Load shall be deducted from the payment to be made.

18. BASE CURRENCY

The currency of transaction of the Fund is the Pakistan Rupee and the Management Company, Trustee or any Distributor are not obliged to transact the issuance or redemption of the Units in any other currency and shall not be held liable, save as may be specifically undertaken by the Management Company under this Deed, for receipt or payment in any other currency or for any obligations arising therefrom.

19. VOTING RIGHTS ON FUND PROPERTY

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

The phrase "rights of voting" or the word "vote" used in this sub-clause shall be deemed to include not only a vote at a meeting but the right to elect or appoint directors, any consent to or

approval of any arrangement scheme or resolution or any alteration in or abandonment of any rights attaching to any Investment and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement. The Management Company shall keep records stating reasons for casting vote in favor or against any resolution for the life of the Fund.

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

20. BORROWING RESTRICTIONS

- 20.1 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 or Collective Investment Schemes, for borrowing by the Trustee for the account of the Trust. Provided that the borrowing shall not be resorted to, without the prior approval of the Trustee and only for meeting redemption requests and such borrowing shall not exceed fifteen per cent or such other limit as may be specified by the Commission of the total Net Asset Value of the Scheme at any time and shall be repayable within a period of ninety days as under the Regulations. Provided further that the charges payable to such Bank or institution are not higher than the normal bank charges. Provided further that the maximum borrowing for the account of the Trust shall not exceed the limit provided in the Regulations but if subsequent to such borrowing, the Net Assets have 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.
- 20.2 For the purpose of securing any such borrowing the Trustee may on the instruction of the Management Company mortgage, charge or pledge in any manner all or any part of the Fund Property provided that the aggregate amount to be secured by such mortgage, charge or pledge shall not exceed the limit provided in the Regulations.
- 20.3 Neither the Trustee nor the Management Company shall be required to issue any guarantees or provide security over their own assets for securing such 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.
- 20.4 The Trustee or the Management Company shall not incur any liability by reason of any loss to the Trust or any loss that a Holder may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangement made hereunder.

21. VALUATION OF PROPERTY

- 21.1 The Net Assets of the Fund shall be computed as follows:

(a) a security listed on a stock exchange, local or foreign as the case may be, shall be valued at its last sale price on such exchange on the date on 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 amount neither higher than the closing asked price nor lower than the closing bid price;

(b) an Unlisted Debt Security and a debt security listed but not traded regularly on a stock exchange shall be valued in the manner specified by the Commission;

(c) an investment purchased and awaiting payment against delivery shall be included for valuation purposes;

(d) an investment sold but not delivered pending receipt of proceeds shall be valued at the net sale price;

(e) the value of any dividends, bonus shares or rights which may have been declared on securities in the portfolio but not received by the Collective Investment Scheme as of the close of business on the valuation date shall be included as assets of the Collective Investment Scheme 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;

(f) mark-up accrued on any mark-up-bearing security in the portfolio shall be included as an asset of the Collective Investment Scheme if such accrued mark-up is not otherwise included in the valuation of the security;

(g) any other income accrued upto the date on which computation was made shall also be included in the assets;

(h) all liabilities, expenses and other charges due or accrued up to the date of computation which are chargeable under these Regulations and taxes shall be deducted from the value of the assets;

(i) the remuneration accrued up to the date of computation payable to the Asset Management Company for providing management and other services shall be included as an expense;

(j) a security not listed or quoted on a stock exchange, other than Government Securities or debt security, shall be valued at investment price or its break up value as per last audited accounts, whichever is lower;

(k) Government Securities not listed on a stock exchange and traded in the interbank market shall be valued at the average rate quoted on a widely used electronic quotation system and such average rate shall be based on the remaining tenor of the security; and

(l) any such method of valuation of assets and liabilities as may be specified or modified by the Commission from time to time;

22. UNITS

22.1 All Units or fractions thereof represent an undivided share in the Fund Property and rank *pari passu* as to their rights in the Net Assets, earnings, and the receipt of the dividends and distributions.

22.2 Each Holder shall have a beneficial interest in the UBL Liquidity Plus Fund proportionate to the number of Units held by such Holder.

- 22.3 The Management Company may issue any of the following classes of Units (further details and actual percentages of Front-end Loads shall be provided in the Offering Document):
- i. Class “A” (Restricted/ Core Units) issued to the Core Investors with no Front-end Load (no front end and back end load). These units cannot be redeemed for a period of two (2) years from the date of closure of the Initial Period.
 - ii. Class “B” Units being offered and issued during the private placement and Initial Period with no Front-end Load (no front end and back end load).
 - iii. Class “C” Units being offered and issued after the Initial Period with no Front-end Load (no front end and back end load).
 - iv. Class “D” Units being offered and issued after the Initial Period with only the front end load which shall not exceed 5% of the Net Asset Value of the Fund.
 - v. Class “E” Units being offered and issued after the Initial Period with only the back end load which shall not exceed 5% of the Net Asset Value of the Fund.
 - vi. Class “F” Units being offered and issued after the Initial Period with a front end and a back end load (which not exceed 5% of the Net Asset Value of the Fund).
- 22.4 The Management Company may, at its discretion, also issue Units with no Front-end Load or Front-end Load that is less than the Front-end Load determined for this Fund. These may include any Units issued as a result of re-investment of distributable income pursuant to this Deed and/ or the Offering Document.
- 22.5 Irrespective of the different classes of Units as set out in this Clause, all Units issued from time to time shall rank *pari passu* inter se and shall have such rights as are set out in this Deed and the Offering Document.
- 22.6 Core Units and Pre-IPO Units subscribed by the Investors shall be offered and issued at Par Value and Front-end Load may be charged at the discretion of the Management Company not exceeding five percent of the Par Value. Core Units shall be subject to such conditions as are stated in Clause 3.1.20 of this Deed. A mention of such restriction and its termination date shall be entered into the Register and shall be noted on any Account Statement, Certificate or transfer instrument issued in respect of such Units.
- 22.7 Units offered and issued during the Initial Period shall be issued at the Initial Price. The offer and issue of Units during the Initial Period shall remain open during the period specified in the Offering Document.
- 22.8 After the Initial Period, the Offer Price shall be determined from time to time pursuant to Clause 24 of this Deed.
- 22.9 The Management Company may at any time with the approval of Commission and the Trustee on giving not less than twenty-one days previous notice in writing to each Holder subdivide or consolidate the whole or any part of the Units and the Holder shall be bound accordingly. The Management Company shall require in such notice that each Holder to whom Certificates have been issued, (who shall be bound accordingly) deliver up his Certificates for endorsement or

enfacement with the number of Units to be represented thereby as a result of such sub-division or consolidation; provided that any delay or failure to deliver up the Certificates shall not delay or otherwise affect any such division or consolidation. Such information shall be published in at least two newspapers, one English and one Urdu circulating in Pakistan.

23. ISSUE OF UNITS

- 23.1 The Management Company shall be responsible for obtaining all requisite consents and approval for the offer and issue of Units and for the issue, publication or circulation of the Offering Document.
- 23.2 The Units shall be offered through the authorized offices or branches of the Management and Distribution Company (ies) on all Subscription Days during the Initial Offering Period, subject to Clause 24 of this Trust Deed.
- 23.3 Application for issuance of Units shall be made by completing the prescribed application form and submitting it with the payment by cheque, pay order or bank draft (crossed A/C payee only). The Management Company may make arrangements to accept payments via credit cards, debit cards, auto debit instructions or in such form (other than through cash or any bearer instruments) as is prescribed by the Management Company, at the Authorized Branches of the Management Company or officers of any Distribution Company on any Subscription Day. Payment in cash shall not be accepted. No person other than the Authorized Branches of the Management Company or officers of any Distribution Company is authorized to accept the application for issuance of Units. The Distribution Company or Transfer Agent shall verify the particulars given in the application for issue of Units and after ensuring that the documentation required is complete in all aspects forward the application to the Transfer Agent for further processing. Any charge(s) on account of payments accepted via credit cards shall be charged to the applicant in the offer price and it shall be disclosed in Application Form for Purchase of Units.
- 23.4 Each Holder shall only be liable to pay the Offer Price of the Units subscribed by him in the manner provided in Clause 24 and no further liability shall be imposed on him in respect of any Units held by him. The Units shall be issued only against the receipt of full payment.
- 23.5 An application for issuance of Units shall be deemed to have been made in accordance with the provisions of the Offering Document or a Supplementary Offering Document, if such documents prescribe automatic issuance of Units under certain circumstances.
- 23.6 The Management Company may make arrangements to accept issue requests through electronic, IVR (Interactive Voice Response) or other means.
- 23.7 The Management Company with the consent of the Trustee make arrangements through branches of banks to facilitate the issue and redemption of Units. A request for issue/redemption of Units may be accepted through the ATM facility only when the relevant bank branches have been instructed by the Management Company to accept Unit Holders request to purchase or redeem the Units of the Trust.
- 23.8 At the initial stage, the minimum subscription amount of investment to open an account is five thousand rupees (PKR 5,000/-) or any amount as specified in the Offering Document. The Management Company reserves the right to alter the minimum amount stated hereinabove.

23.9 Different types of Units as specified in the Offering Document may have a minimum holding period. Unit holders are advised to talk to an investment professional and read the Offering Document and Trust Deed before investing, to deem their suitability in any kind of investment.

24. DETERMINATION OF OFFER PRICE

24.1 During the Initial Offer Period, the units will be offered at the Offer Price determined by the Management Company and stated in the Offering Document. After the Initial Period the Offer Price shall be calculated and announced by the Management Company on each Subscription Day, as may be determined by the Management Company from time to time.

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

- (a) The Net Asset Value as of the close of the preceding Business Day;
- (b) Any Front-end Load at the discretion of the Management Company but not exceeding five percent of the Net Asset Value on certain classes of units; and
- (c) Such amount as the Management Company may consider an appropriate provision for Duties, fees and Charges in accordance with the Regulations.

Such sum may be calculated upto four decimal places.

Unit purchase requests, complete in all respects, shall be priced at the Offer Price so determined at the close of the Subscription Day when funds from the purchase payments are realized.

24.3 In the event that the amount paid as provision for payment of Duties and Charges pursuant to Sub-clause 24.2(c) is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retrospective effect after the date of payment in which case such excess shall be recovered from the Fund Property).

24.4 In the event the amount paid as provision for payment of Duties and Charges pursuant to Clause 24.2(c) exceeds the relevant amounts of Duties and Charges, the Management Company shall instruct the Transfer Agent to issue additional Units or fractions thereof to the Unit Holder based on the price applicable to the Units issued against the relevant application, or refund such excess amount to the relevant Holders with the next income distribution or if instructed by the Management Company, at any time earlier.

24.5 The Offer Price determined by the Management Company shall be announced and made available to the public at the office and branches of the Distribution Company(s) on all Subscription Days and at the discretion of the Management Company may also be published in at least one newspaper, either English or Urdu, circulating in Pakistan.

25 ALLOCATION OF FRONT-END LOAD

- 25.1 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 charges or other recoveries that are specified in the Offering Document or Supplemental Offering Document, if any, as being payable out of the Issue or Redemption Prices.
- 25.2 The remuneration of Distribution Companies, Investment Facilitators/ Sales Agents and the Management Company (excluding management fee) shall be paid exclusively from any Front-end Load received by the Trustee and no charges shall be made against the Fund Property or the Distribution Account in this respect. The remainder of any Front-end Load, after such disbursement, shall be paid by the Trustee to the Management Company.
- 25.3 Such payments, on the instructions of the Management Company shall be made to the Distribution Company(s) and Investment Facilitators/ Sales Agents and the Management Company by the Trustee or the Management Company to the Trustee for onward payments to them on account of the Management Company on a monthly basis in arrears within thirty days of the end of the calendar month.
- 25.4 The Management Company may at its discretion charge different levels of Front-end Load to different kinds of Units. In such an instance the Management Company may instruct the Registrar to issue additional Units or fractions thereof to the Unit Holder based on the price applicable to the Units issued against the relevant application. The Management Company may also at its discretion instruct the Trustee to receive the purchase amount on the basis of the reduced Front-end Load. However the Trustee shall not accept any amount which is less than the amount based on the Redemption Price of that day.
- 25.5 A Distributor located outside Pakistan may, if so authorized by the Trustee and the Management Company, retain such portion of the Front-end Load as is authorized by the Management Company and transfer the net amount to the Trustee, subject to the law for the time being in force.

26. REDEMPTION OF UNITS

- 26.1 The Management Company shall at any time during the life of Trust authorize redemption of Units, out of the Fund Property to the Holder.
- 26.2 In the event of redemption of certain class of Units, a Back-end Load, as per the Offering Document, shall be charged to the Unit Holders while determining the Redemption Price.
- 26.3 Application for redemption of Units shall be made by completing the prescribed redemption form and submitting it at the Authorized Branch or office of the Distribution Company or Transfer Agent together with the Unit Certificate, if issued, during any Business Day. The Management Company may make arrangements to accept redemption requests through electronic, IVR (Interactive Voice Response) or other means. The Management Company may redeem part of the Units comprised in a Certificate only after cancellation of old Certification and reissue a new Certificate for the remaining Units, however, in the case where Certificate is not issued any number of Units may be redeemed by the Holder thereof. At the discretion of the Management Company certificate charges may apply for the reissued Certificate.
- 26.4 All such redemptions will require the Holders to give prior notice to the Management Company for processing the redemption request, the details of which will be specified in the Offering Document.

- 26.5** The Trustee may at their option dispense with the production of any Certificate that shall have become lost, stolen or destroyed upon compliance by the Holder with like requirements to those arising in the case of an application by him for the replacement thereof.
- 26.6** The Management Company shall announce the Redemption Price on a daily basis on all Business Days or any other frequency as communicated by the Management Company from time to time. The Redemption Price at which Units shall be redeemed shall be fixed by the Management Company under the terms of this Deed. However, if the event in Clause 29.1 or Clause 29.2 hereunder comes into application, the redemption value shall be determined in accordance with the procedure laid out in these Clauses.
- 26.7** The amount payable on redemption shall be paid to the Holder or first named joint Holder or any other joint Holder specified in the application for redemption of Units by dispatching a cheque/ bank draft/ pay order for the amount to the registered address of the Holder or other means, within six Business Days from the date of presentation of the duly completed redemption application, electronic or otherwise, at the Authorized Branch or office of the Distribution Company or Transfer Agent or directly through Holders personal on-line account. The Management Company may make arrangements for making redemption payments by transferring the redemption proceeds to the Holder's designated bankers or by crediting the Holder's credit or debit card. However, the Management Company may under special circumstances agree to pay the redemption amount to the Holder's authorized representative as stated in the prescribed application for issue of units.
- 26.8** The receipt of the Holder for any moneys payable in respect of the Units shall be a good discharge to the Trustee and if several persons are registered as joint Holders any one of them may give effectual receipt for any such money.
- 26.9** Application for redemption of Units shall be received at the authorized offices or branches of the Distribution Company or Transfer Agent on all Business Days or any other frequency as communicated by the Management Company from time to time. Where redemption requests on any Subscription Day exceed ten percent (10%) of the total number of Units in issue, redemption requests in excess of ten percent may be deferred in accordance with the procedure elaborated in Clause 29.1 thereof.
- 26.10** The Distribution Company or Transfer Agent shall verify the particulars given in the application for redemption of Units. The signature of any Holder or joint Holder to any document required to be signed by him under or in connection with the application for redemption of Units may be verified by the Transfer Agent or otherwise authenticated to their reasonable satisfaction. In case of submission of electronic on-line redemptions the Holder's user ID and password shall authenticate his identity.
- 26.11** A redemption request shall be deemed to have been made in accordance with the provisions of the Offering Document or a Supplementary Offering Document, if such documents prescribe automatic redemption under certain circumstances.
- 26.12** Where lien/ pledge/ charge on any unit is recorded in the Register, the Management Company and Trustee may concur to make payment to the pledgee, if a request is received from the pledges or if a joint request is received from the Holder and the pledgee or through an order of a competent jurisdiction and on receipt of such indemnification as Management Company or Trustee may require.

- 26.13** In case the investor has requested encashment of Bonus Units then such Bonus Units will be redeemed at the ex-dividend Net Asset Value of close of the relevant Accounting Period.
- 26.14** The Management Company shall formally forward details of all the requests for dealing in Units, including the information of stamped time and date, to the Trustee within 24 hours of the receipt of such requests
- 26.15** No netting off transactions (adjustment of assets of the scheme against the investment of unit holders) are allowed with in the scheme.
- 26.16** The Management Company shall not specifically use flipping mechanism (i.e. redemption and re-issuance of units to the same unit holders based on different NAV's without cash settlement).

27. DETERMINATION OF REDEMPTION PRICE

- 27.1** Units, issued up to and during the Initial Period, shall not be redeemed.

After the Initial Period the Redemption Price shall be equal to the sum of the Net Asset Value as of the close of the preceding Business Day, less:

- (a) Any Back-end Load as per details in the Offering Document but not exceeding five percent of the Net Asset Value; and
- (b) Such amount as the Management Company may consider an appropriate provision for Duties and Charges;

Such sum may be adjusted downwards to the nearest Paisa.

The Redemption Price so determined shall apply to redemption requests, complete in all respects, received by the Distributor before the Cut-Off on the same day that the Redemption Price is calculated.

- 27.2** In the event that the amount deducted as provision for payment of Duties and Charges pursuant to sub-Clause 27.1(b) is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of the Provisions.
- 27.3** In the event that amount deducted as provision for payment of Duties and Charges pursuant to Clause 27.1(b) exceeds the relevant amount of Duties and Charges, such excess amount shall be included in the Fund Property.
- 27.4** The Redemption Price determined by the Management Company shall be made available to the public at the office and branches of the Distribution Company(s) and at the discretion of the Management Company may also be published in at least one newspaper, either English or Urdu, circulating in Pakistan and on the Website of the Management Company.

28. SUSPENSION OF ISSUE OR REDEMPTION OF UNITS

28.1 The Management Company may, suspend the issue or redemption of Units at any time for an indefinite period, during:

- (a) any period when the Stock Exchange on which any of the Investment for the time being is listed or dealt in is closed or when dealings in such Investment are restricted or suspended;
- (b) the existence of any state of affairs or force majeure which in the opinion of the Management Company constitute an emergency as a result of which disposal of any of the Investment would not be reasonably practicable or might seriously prejudice the interest of the Trust or the Holders;
- (c) any breakdown in the means of communication normally employed in determining the price of any Investment or the current price thereof on any Stock Exchange or when for any reason the price of any such Investment cannot be promptly and accurately ascertained;
- (d) any period when remittance of money which shall or may be involved in the realization of such Investment or in the payment for such Investment cannot in the opinion of the Management Company be carried out in reasonable time;
- (e) if the Management Company is of the view that it would be detrimental to the remaining Holders to redeem or continue to redeem Units at a price ascertained on the basis of the Net Asset Value;
- (f) if the Management Company is of the view that investment of inflow of substantial fund shall be difficult, it may decline the application in full or in part for issue of Units at its discretion from investors.
- (g) For the suspension of redemption of Units, prior approval of board of directors of the Management Company is required as per Regulation 57 (8) of the Regulations.

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

28.2 The Management Company may suspend the issue of Units at any time for an indefinite period:

- a. If the Net Asset Value of Fund falls below the Par Value of the Units in issue.
- b. any other reason deemed appropriate by the Management Company

28.3 Such suspension shall take effect forthwith upon the declaration thereof by the Management Company and shall terminate on the day following the first Subscription Day on which conditions giving rise to the suspension shall in the opinion of the Management Company have ceased to exist and no other conditions under which suspension is authorized under this Deed exists. In case of suspension and termination of suspension the Management Company shall

immediately notify the SECP and Trustee and publish the same in at least two daily newspapers, one in English and one in Urdu, circulating in Pakistan.

- 28.4** Notwithstanding anything contained in any other provision, where the Commission is of the opinion that it is in the interest of the unit holders or certificate holders, it may direct that the operations of Open End Scheme or Close End Scheme including the issuance, sale or redemption of units shall be suspended with effect from such date as specified by Commission.
- 28.5** In case of suspension of redemption of the units of the Scheme, the Management Company shall also suspend issuance of fresh units of the Scheme until and unless redemption of units is resumed.

29. QUEUE SYSTEM AND WINDING UP

- 29.1 Queue System** – In the event redemption requests for Units on any day exceed ten percent (10%) of the Units in issue, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for up to ten percent (10%) of the Units in issue. The Management Company shall proceed to sell adequate assets of the Fund and/ or arrange borrowing as it deems fit in the best interest of the Holders and shall determine the Redemption Price to be applied to the redemption requests based on such action.. The redemption requests in excess of ten percent (10%) of the Units in issue shall be carried over to the next Business Day. However, if the carried over requests and the fresh requests received on the next Business Day still exceeds ten percent (10%) of the Units in issue as on that day, these shall once again be treated on first come first served basis and the process for generating liquidity and determining the Redemption Price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten percent of the Units then in issue.
- 29.2 Winding up in view of major Redemption** – In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Fund Property being run down to an unmanageable level or is of the view that the sell-off of assets is likely to result in a significant loss in the value for the Holders who are not redeeming, it may announce winding up of the Fund. In such an event, the queue system, if already invoked, shall cease to apply and all Holders shall be paid after selling the assets and determining the final Redemption Price. The interim distributions of the proceeds may be made if the Management Company finds it feasible.

30 REGISTRATION OF HOLDERS

- 30.1** The Register shall be maintained by the Management Company or if appointed, by the Transfer Agent at such a place as is agreed by the Management Company. The Management Company shall ensure that the Transfer Agent shall comply with all relevant provisions of this Deed and the Regulations.
- 30.2** The Management Company shall ensure that the Transfer Agent shall at all reasonable times during business hours give the Trustee and its representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without charge but neither the Trustee nor its representatives shall be entitled to remove the Register or to make any entries therein or alterations thereto and except when the Register is closed in accordance with the provisions of this Deed, the Register shall

during business hours (subject to such restrictions as may be mentioned in the Offering Document and for a period of at least two hours in each Business Day) be open in legible form to the inspection of any Holder of his record without charge.

- 30.3 The Register shall contain the following information in respect to each class of Units of the Fund:
- (a) Full names and addresses of each Holder and joint Holders;
 - (b) CNIC number or passport number or registration number;
 - (c) Nationality;
 - (d) The number of Units previously held, if any, account number and the Certificate number(s), if any;
 - (e) The date and Certificate Nos., if any, of Units acquired through transfer;
 - (f) Information about Certificates reported as lost or destroyed
 - (g) The date on which the name of every Holder was entered in respect of the Units standing in his name;
 - (h) The date on which any transfer or redemption is registered;
 - (i) Information about lien/ pledge/ charge on Units;
 - (j) Tax/ Zakat status of the Holder;
 - (k) Record of signature of Holder;
 - (l) Nominee; and
 - (m) Such other information as the Management Company may require.
- 30.4 The Register shall be conclusive evidence as to the Units held by each Holder.
- 30.5 Any change of name, Redemption instructions or address of any Holder as specified in client registration shall forthwith be notified in writing by the Holder to the Distribution Company or Transfer Agent. The Distribution Company shall forward such application to Transfer Agent, who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name the surrender of any Certificate previously issued to such Holder and the payment of the fee) shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall issue a new Certificate if required to such Holder.
- 30.6 The Transfer Agent shall not register more than four joint Holders for a Unit. In case of the death of any one of the joint Holders the survivor or survivors shall be the only persons recognized by the Trustee as having any title to or interest in the Units held by the joint Holders. Provided however, the Transfer Agent 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.

- 30.7 A body Corporate may be registered as a Holder or as one of joint Holders.
- 30.8 The Register may be closed under intimation to trustee for such period as the Management Company may from time to time determine and after giving at least fourteen days notice to Holders, provided that it is not closed for more than six working days at a time and forty-five days in any calendar year.
- 30.9 The Holder shall be the only person to be recognized by the Trustee and the Management Company as having any right, title or interest in or to such Units and the Trustee and the Management Company may recognize the Holder as the absolute owner thereof and shall not be bound by any notice to the contrary and shall not 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 Transfer Agent to record a pledge on any or all Units held by a Holder in favor of a third party at the request of such Holder or joint Holders as the case may be in accordance with Clause 35 of this Deed.
- 30.10 The executors or administrators or succession certificate holder of deceased Holder shall be the only persons recognized by the Trustee and the Management Company as having title to the Units represented thereby.
- 30.11 Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Holder or of the survivor of joint Holders may subject as hereinafter provided upon producing such evidence as to his title as the Trustee shall think sufficient either be registered himself as Holder of such Unit upon giving the Management Company/ Distribution Company/ Transfer Agent such notice in writing of his desire or transfer such Unit to some other person. All the limitations, restrictions and provisions of this Deed relating to transfer shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer was a transfer executed by the Holder.
- 30.12 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 Holder or which any person under those provisions is entitled to transfer, until such person shall be registered as the Holder of such Unit or shall duly transfer the same.

31. ACCOUNT STATEMENT

- 31.1 Units shall be issued in registered, un-certificated form and shall be confirmed to investors by means of an Account Statement issued by the Management Company or the Transfer Agent in printed or such other form and for such period as may be determined by the Management Company from time to time.
- 31.2 The Account Statement shall constitute evidence of the number of Units registered in the name of the Holder.
- 31.3 The Transfer Agent shall record directly for each Unit Holder in the Account Statement each time there is a transaction in the Units:
- a. issued/ subscribed;
 - b. redeemed;

- c. transferred in favor of third person;
- d. transferred from third person in favor of the Unit Holder;
- e. consolidated/ split;
- f. conversion of Units;
- g. additional Units are issued against re-investment of dividend;
- h. date of maturity;
- i. Bonus Units; and
- j. Such other information as is required under the Rules or Regulations or determined by the Management Company.

31.4 The Management Company shall send, within fifteen Business Days after close of each relevant period and/or whenever there is a transaction, an Account Statement containing information mentioned in sub-clause 31.3 above for such period as may be determined by the Management Company and selected by the Unit Holder.

31.5 The Unit Holder at any time, on an application or instructions in writing, shall be entitled to receive proof of any transaction related to his account.

32 ISSUANCE OF UNIT CERTIFICATES

32.1 Certificates shall be issued only if so requested by the Holder after issuance of electronic Units or at any later stage and upon payment of a fee not exceeding twenty five Rupees per Certificate of any denomination, subject to revision of fee from time to time by the Management Company. The proceeds of such fee shall accrue to the Management Company.

32.2 In case of Core Investors physical certificates shall be issued with clear marking as Core Investors and with clear identification that the units are not redeemable for a period of two years from the date of issue.. However, Management Company may decide to allow Core Investors to hold units in electronic form.

32.3 Certificates shall be issued for whole or fractional Units that have been fully paid for, in such denomination as may be required by the Holder provided the minimum denomination shall not be for less than one Unit.

32.4 Certificates where requested shall be issued as herein provided not later than fifteen Business Days after the date of such request. The Certificate may be sent to the Holder or his duly authorized nominee at his own risk by registered post or by delivery.

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

- 32.6 Certificates shall be issued in such form as may from time to time be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the Registration Number, shall bear the name and address of the Management Company and the Trustee, shall bear a certificate number and shall specify the number of Units represented thereby and the name and address of the Holder as appearing in the Register.
- 32.7 Certificates may be engraved or lithographed or printed as the Management Company may determine from time to time with the approval of the Trustee and shall be signed on behalf of the Trustee by a duly authorized officer(s) of the Trustee and on behalf of the Management Company by a duly authorized officer of the Management Company. Every such signature shall be autographic unless there shall be for the time being in force an arrangement authorized by the Trustee adopting some lithographic or other mechanical method of signature in which event all or any of such signatures may be effected by the method so adopted. The Certificates shall also bear the signature of the authorized representative of the Transfer Agent, which shall always be autographic. No Certificate shall be of any force or effect until signed as herein notwithstanding that before the date of delivery thereof the Trustee or the Management Company or the Transfer Agent or any person whose signature appears thereon as a duly authorized signatory may have ceased to be the Trustee, Management Company, Transfer Agent or an authorized signatory.

33 REPLACEMENT OF CERTIFICATES

- 33.1 .Subject to the provisions of this Deed and in particular to the limitations of the denominations of Certificates as may be fixed by the Management Company and subject to any regulations from time to time made by the Trustee with the approval of the Management Company every Holder shall be entitled to exchange upon surrender of the existing Certificate any or all of his Certificates for one or more Certificates of such denominations as the Holder may require representing the same aggregate number of Units.
- 33.2 In case any Certificate shall be lost, stolen, mutilated, defaced or destroyed, the Transfer Agent with the approval of the Management Company may issue to the person entitled new Certificate in lieu thereof. No such new Certificate shall be issued unless the applicant shall previously have:
- (I) returned the mutilated or defaced Certificate or furnished the Distribution Company/ Transfer Agent evidence satisfactory to the Management Company of the loss, theft or destruction of the original Certificate;
 - (II) paid all expenses incurred in connection with the investigation of the facts and any notice to be issued in newspapers inviting any claim (if any) against the lost Certificate to be notified to the Management Company, Trustee or Transfer Agent; and
 - (III) furnished such indemnity as the Management Company and the Trustee may require. Neither the Management Company nor the Trustee nor the Distribution Company/ Transfer Agent shall incur any liability for any action that they may take in good faith under the provisions of this sub-clause.
- 33.3 Before the issuing of any Certificate under the provisions of this sub-clause the Distribution Company/ Transfer Agent may require a fee of Rupees twenty five as certificate fee from the applicant, subject to revisions of fee from time to time by the Management Company together

with a sum sufficient in the opinion of the Management Company to cover any Duties and Charges payable in connection with the issue of such Certificate.

34 TRANSFER OF UNITS

- 34.1 Every Holder shall be entitled to transfer the Units held by him by an instrument in such form as the Management Company may prescribe from time to time with the approval of the Trustee.
- 34.2 Every instrument of transfer must be signed by both the transferor and the transferee and the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof. The Management Company may make arrangements to accept transfer requests through electronic means provided the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof.
- 34.3 All instruments of transfer shall be retained by the Transfer Agent.
- 34.4 A Certificate must be transferable only in its entirety.
- 34.5 Every instrument of transfer must be duly completed in all respects including affixation of or payment of transfer stamps or payment of stamp duty, if any, of the requisite value and sent to the Transfer Agent or to the Distribution Company for forwarding to the Transfer Agent.
- 34.6 Where Certificates have been issued the Trustee at its discretion dispense with the production of any Certificate where the Certificate shall have become lost, stolen or destroyed subject to compliance by the transferor with the like requirements to those arising in the case of an application by him for the replacement thereof as provided in Clause 33 of this Deed.
- 34.7 [The Distribution Company/ 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. The Trustee or the Management Company or the Distribution Company/ Transfer Agent shall be under no liability whatsoever in consequence thereof and it shall conclusively be presumed in favor of the Trustee or the Management Company or the Distribution Company/ Transfer Agent that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered by the Trustee or the Management Company or the Distribution Company/ Transfer Agent and that every Certificate so destroyed was a valid Certificate duly and properly cancelled.

Provided always that:

- (I) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant;
- (II) nothing in this sub-clause shall be construed as imposing upon the Trustee or the Management Company or the Distribution Company/ Transfer Agent any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of provision (I) above are not fulfilled; and

- (III) reference herein to the destruction of any document includes reference to the disposal thereof in any manner.

35 PLEDGE/ LIEN OF UNITS

- 35.1 Any Unit Holder / joint Holder(s) may pledge/ lien on all or any of his Units as security for any debt to any third party and request the Transfer Agent to record a pledge/ lien on all or any of his/ their Units in favor of any third party, legally entitled to invest in such Units in its own rights. The Transfer Agent shall take a note of the pledge/ lien charge in his record, whether the Certificate has been issued or not, provided sufficient evidence of pledge to the satisfaction of the Management Company, Trustee and the Transfer Agent along with a joint request from the Unit Holder and the pledgee is submitted physically or electronically on the standard application form, as given in the Offering Document. None of these parties, the Trustee, the Management Company, or the Transfer Agent, shall be liable for ensuring the validity of any such pledge/ charge/ lien. The disbursement of any loan against the constitution of such pledge/ lien/ charge shall be at the entire discretion of the lender and neither the Trustee nor the Management Company and the Transfer Agent take any responsibility in this matter.
- 35.2 Save any legal bar or court order requiring otherwise, any dividends that are declared on the pledged Units shall be made to the order of the Unit Holder. However, any additional Bonus Units that the pledged Units are entitled to automatically be marked under the lien of the lien holder and in the event the pledged Units are redeemed for any reason whatsoever, the proceeds shall be paid to the order of the lien holder.
- 35.3 The lien once registered shall be removed by the authority of the party in whose favor the lien has been registered or through an order of a competent court. Neither the trustee, nor the Management Company, nor the Transfer Agent, shall be liable for ensuring the validity of any such pledge/charge/lien.

36 FEES AND CHARGES

36.1 Remuneration of Management Company

- a. The Management Company shall be entitled to an accrued remuneration equal to an amount not exceeding three percent of the average annual net assets of the Collective Investment Scheme that has been verified by the trustee and is paid in arrears on monthly basis during the first five years of existence of the Collective Investment Scheme and thereafter of an amount equal to two per cent of such assets or such other amount as may be specified by the Commission.
- b. The remuneration shall begin to accrue from next day of closing of Initial Period. In respect of any period other than a full Accounting Period such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued.
- c. Such remuneration shall be paid to the Management Company in arrears within fifteen days after the end of each calendar month.
- d. 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 Holders or against the Fund Property or against the Distribution Account for its services or for its expenses, except as are expressly authorized under the provisions of the Regulations and this Deed to be payable out of the Fund Property .

- e. 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.
- f. The Management Company shall however not make any further charge against the Unit Holder(s) nor against the Fund Property nor against the Distribution Account for its services nor for expenses, except such expenses or fees as are expressly authorised under the provisions of the Regulations and this Trust Deed.

36.2 Remuneration of Trustee

- a. The Trustee shall be entitled to a monthly remuneration out of the Fund Property based on an annual tariff of charges annexed hereto (Annexure C), which shall be applied to the average daily Net Assets during such calendar month. The remuneration shall begin to accrue from the next day of close of Initial 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.
- b. Such remuneration shall be paid to the Trustee in arrears within fifteen days after the end of each calendar month.
- c. In consideration of the foregoing and save as aforesaid the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with their duties as Trustee of the Trust. The Trustee shall not make any charge against the Certificate Holders or against the Fund Property or against the Distribution Account for their services or for their expenses, except such expenses as are expressly authorized to be paid out of the Fund Property under the provisions of the Rules and this Deed
- d. 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.
- e. Any increase in the remuneration of the Trustee agreed to by the Investment Advisor shall require the approval of the Commission.
- f. The Trustee shall however not make any further charge against the Unit Holder(s) nor against the Trust Property nor against the Distribution Account for its services nor for expenses, except such expenses or fees as are expressly authorized under the provisions of the Regulations and the Trust Deed to be payable out of Trust Property.

36.3 Formation Cost

All expenses incurred in connection with the establishment and registration of the Scheme including, but not limited to, execution and registration of the Constitutive Document (s), issue,

legal costs, printing, circulation and publication of the Constitutive Document (s) and Offering Document (s), and all other expenses incurred during the Initial Offering Period, shall be borne by the Management Company and shall be reimbursable by the Fund, subject to the audit of expenses. The formation cost shall be amortized over a period not exceeding five years or any other time period as specified by the Commission.

Formation Costs shall be charged to the Fund which are estimated at and shall not exceed [1%] of pre-public offer Investment (Pre-IPO Units) or Rs 5 Million whichever is lower.

36.4 All other Fees & Charges

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

- (a) remuneration of the Asset Management Company;
- (b) remuneration of trustee or custodian;
- (c) listing fee payable to the stock exchange, including renewals;
- (d) rating fee of Fund payable to approved rating agency;
- (e) Auditors' fees and out of pocket expenses as billed by them;
- (f) fees payable to the Commission;
- (g) brokerage and transaction costs related to investing and disinvesting of the assets of the Collective Investment Schemes;
- (h) expenses incurred by trustee in affecting registration of all registerable assets in the name of the trustee;
- (i) legal and related costs incurred in protecting the interests of the unit, certificate or share holders of the Fund;
- (j) bank charges, borrowing and financial costs;
- (k) hedging costs including forward cover, forward purchase or option purchase costs;
- (l) printing costs and related expenses for issuing the quarterly, half-yearly and annual reports, etcetera of the Fund;
- (m) taxes, fees, duties and other charges applicable to the Fund on its income or its properties, including taxes, fees, duties and other charges levied by a foreign jurisdiction on investments made overseas;
- (n) any other expense or charge as may be allowed by the Commission.

.36.5 Any cost associated with sales, marketing and advertisement of the Scheme shall not be charged to the Scheme.

37 TRANSACTIONS WITH CONNECTED PERSON

37.1 The Management Company on behalf of the Collective Investment Scheme shall not without the prior approval of the Commission in writing, purchase from, or sell any securities to any connected person or employee of the Asset Management Company:

This clause shall not apply to the issue, sale or redemption of units or shares or certificates issued by the Collective Investment Scheme.

37.2 The Fund Property shall not be invested in any security of a company if any director or officer of the Management Company individually owns more than five per cent (5%) of the total amount of

securities issued, or, the directors and officers of the Management Company own more than ten per cent (10%) of those securities collectively.

- 37.3 Where cash forming part of assets of Collective Investment Scheme is deposited with the trustee or the Custodian that is a banking company or an NBFC, a return on the deposit shall be paid by such Trustee or Custodian at a rate that is not lower than the rate offered by the said banking company or NBFC to its other depositors on deposits of similar amount and maturity.
- 37.4 All transactions with connected persons carried out by an Asset Management Company on behalf of the Collective Investment Scheme shall be in accordance with the provisions of the Constitutive Documents and shall be disclosed in the annual report of the Collective Investment Scheme.

38 Distribution Policy and Date

- 38.1 At least 90% of the income, [excluding unrealized capital gains], received by the Fund reduced by such expenses as are chargeable to the Fund under the Regulations shall be distributed annually. The Management Company shall decide as soon as possible but not later than forty-five days after the Accounting Date whether to distribute among Holders, profits, if any, available for the distribution at the end of the Accounting Period to comply with the requirement of the Regulations, the tax laws and other regulations in force relating to income distribution and shall advise the Trustee of the rate of such distribution per Unit.
- 38.2 The amount available for distribution in respect of any Accounting Period shall be determined by the Management Company after consulting the Auditor and shall be the sum total of:
- (a) the total income earned on the Fund Property during such Accounting Period including all amounts received in respect of dividend, mark-up, profit, and fee;
 - (b) whole or part of the net realized appreciation, at the option of the Management Company ;

from which shall be deducted expenses as set out in Clause 38.4, adjustment as set out in Clause 38.5 and such other adjustment as the Management Company may determine in consultation with the Auditor. The sums may be different depending on different types of units with the explicit permission of SECP.

The amount so determined may be distributed among the Unit Holders with in one month of announcement of such distribution, either on an annual or on a quarterly basis

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

- 38.4 The income qualifying for distribution in respect of the relevant Accounting Period shall be ascertained by deducting:
- (a) admissible expense of the Trust as stated in Clause 36 of this Deed and Regulations;
 - (b) taxes on Trust income or turnover.
- 38.5 The income qualifying for distribution in respect of the relevant year or period shall be adjusted as under:
- (a) deduction of a sum by way of adjustment to allow for effect of purchase of shares or any of the Investments inclusive of dividend, profit or mark-up;
 - (b) addition of a sum representing amounts included in the price of Units for income accrued prior to the date of issue and deduction of a sum representing all participation in income distributed upon redemption of Units upon a reduction of the Trust during the relevant period;
 - (c) adjustment considered necessary by the Management Company to reflect the diminution in value of Fund Property in consultation with the Trustee.

39 DISTRIBUTION OF INCOME

- 39.1 The Management Company may decide to distribute, wholly or in part, the distributable income in the form of Bonus Units or cash dividends. After fixing of the rate of bonus distribution per Unit, in case of distribution in the form of Bonus Units the Management Company will inform the Trustee who shall cause to have additional Units issued in the name of the Unit Holders as per the bonus ratio.

In case of cash dividends, 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 purpose 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. 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 Trust.

- 39.2 Before making any payment 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 Holder the certificate in respect of such deductions in the prescribed form or in a form approved or required by the concerned authorities.

In case of cash dividends, distribution payments shall be made by warrant or by way of transfer of amount to the Unit Holder's designated bank account by the Trustee or sent through the registered post to the registered address of the Joint Holder, first named on the Register. Provided that the Management Company may under special circumstances agree to pay distribution amount to the Holder's authorized representative as stated in the prescribed application for issue of units. Every such warrant shall be made payable to the order of the person to whom it is delivered or sent and payment of the warrant (if purporting to be duly

endorsed or subscribed) shall be in satisfaction of the money payable. However, the receipt of Holder's designated bankers in respect of the amount distributable to the Holder as arranged for payment by the Management Company shall be a good discharge of such payment. In case the warrant is lost, defaced or time barred, the distribution payments, in case of cash dividend will take place through a cheque or through such arrangement as the Management Company may consider appropriate.

- 39.3 The Bonus Units would rank pari passu as to their rights in the Net Assets, earning, and the receipt of the dividends and distributions, with the existing Units of the respective Fund from the date of issue of these Units.
- 39.4 In case of distribution in form of Bonus Units the Management Company may offer the Holders the option to receive the amount equivalent to their share of the annual distribution in cash. In such an event, the Management Company shall at the end of the Accounting Period cause to redeem such number of the relevant Class of Units that equates value of the Bonus Units for the period. The Redemption Price shall be determined on the basis of the NAV at the distribution date after appropriating the dividend but without any charge of Back-end Load. The payment of the cash equivalent shall be made, net of taxes and zakat that the Management Company and/ or the Trustee is obliged to recover, by the way of transfer of amount to the Unit Holder's designated bank account or to the Holder's registered address.
- 39.5 Where Units are placed under pledge/ lien the payment of dividends shall be made in accordance with Clause 35 of this Deed.

40 AUDIT

- 40.1 The Management Company shall appoint, as per provisions of the Rules and Regulations, an Auditor, with the consent of the Trustee, who shall not be the Auditor of the Management Company and the Trustee. The Management Company may at any time remove the Auditor and appoint another Auditor in its place. The same firm of chartered accountants cannot be appointed Auditor for more than five consecutive years.
- 40.2 The Auditor shall hold office until transmission of the annual report and accounts but may be re-appointed as per the Rules and the Regulations.
- 40.3 The persons not qualified to be the Auditor of a public company under the Companies Ordinance shall not be qualified to be the Auditor.
- 40.4 Appointment of a partnership firm to be the Auditor shall be deemed to be the appointment of all persons who are partners in the firm for the time being.
- 40.5 The Auditor shall have access to the books, papers, accounts and vouchers of the Trust, whether kept at the office of the Management Company, Trustee, Custodian, Transfer Agent or elsewhere and shall be entitled to require from the Management Company, Trustee, Custodian, Transfer Agent and their officers and agents such information and explanations as considered necessary for the performance of audit.
- 40.6 The Auditor shall prepare a written report to the Holders on the account and 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, statements or schedules appended hereto.

- 40.7 The contents of the Auditors report shall be as required in the Rules and the Regulations.
- 40.8 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 to facilitate the Trustee in issuing the certification required under Regulations.

41 MODIFICATION OF THE TRUST DEED

- 41.1 The Trustee and the Management Company acting together shall be entitled 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 SECP, if so required. Provided that, the Trustee and the Management Company shall certify in writing that, in their opinion such modification, alteration or addition is required pursuant to any amendment in the Rules and the Regulations or to ensure compliance with any fiscal or statutory requirement or to enable the provisions of this Deed to be more conveniently or economically managed or to enable the Units to be dealt in or quoted on the Stock Exchange or other wise for the benefit of the Holders and that it does not prejudice the interests of the Holders or any of them or operate to release the Trustee or the Management Company from any responsibility to the Holders.
- 41.2 Where this Deed has been altered or supplemented the Management Company shall notify the Holders immediately by publication in a widely circulated newspaper in Pakistan.
- 41.3 If the Commission modifies the Rules and/or Regulations these shall deem to have been included in this Trust Deed without requiring any modifications as such and shall prevail in case of conflict with the provisions of the Trust Deed.
- 41.4 If at any time, any Clause of this Deed is and/ or becomes in whole or in part, illegal, invalid or unenforceable under the laws of any applicable jurisdiction, neither the legality, validity and enforceability of the remaining Clauses of this Deed hereof, nor the legality, validity or enforceability of such Clause under the law of any other jurisdiction shall in any way be affected or impaired thereby.

42. REVOCATION AND LIQUIDATION OF TRUST

- 42.1 The Trust may be terminated by the Commission on the grounds given in the Rules and/or the Regulations.
- 42.2 The Management Company, after the prior written approval of the Commission, shall give at least three months notice to unit holders and trustee if it intends to have the registration of the UBL Liquidity Plus Fund cancelled.
- 42.2 At the end of the notice period given under 42.2 above, the Commission may by an order in writing cancel the registration of the UBL Liquidity Plus Fund.
- 42.3 Upon representation to the Commission, by three fourth in value of the total unit holders of UBL Liquidity Plus Fund, or if in the opinion of the Commission further continuation of the registration of the Scheme will be detrimental to the interest of the unit holders or the market generally, the Commission may cancel the registration of the Scheme;

Provided that the registration of the Scheme shall not be cancelled without providing an opportunity of being heard to the Management Company and the trustee.

- 42.4 In case of cancellation of registration, the Management Company shall revoke the Scheme and refund the proceeds to the unit holders in such manner and within such time as may be specified by the Commission.
- 42.5 Notwithstanding anything contained in any other provision, where in the opinion of the Commission or the Management Company any delay in the revocation of the Scheme is detrimental to the interest of the unit holders or the market generally, the Commission may direct the immediate revocation of the Scheme without first canceling the registration or providing an opportunity of being heard to the Management Company in such manner and within such time as may be specified by the Commission.
- 42.6 Where the Commission grants approval under Regulation 45(1) or cancels the registration of the Scheme or orders the revocation of the Scheme, all issuance and redemption of units of the Scheme shall stand suspended immediately.
- 42.7 In case of revocation of the Scheme all unit holders shall be treated *pari passu*.

43. DISTRIBUTION ON REVOCATION OF TRUST

- 43.1 Upon the Trust being revoked 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 effected by the Trust together with any mark-up remaining unpaid.
- 43.2 The Trustee on the recommendation of the Management Company shall from time to time distribute to the Unit Holders pro rata to the number of Units held by them respectively all net cash proceeds derived from the realization of the Fund Property after making payment as mentioned in Clause 43.1 above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands. In case there is any deficit, the Management Company or the Trustee shall not be liable thereof and in case there is any surplus remaining in the hands of the Trustee, the same shall be distributed amongst the Unit Holders pro rata to the number of Units held by them.

44. ARBITRATION

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

or senior bankers or senior business men or senior executives. The venue of the arbitration shall be Karachi. The arbitration shall be conducted in accordance with the Arbitration Act, 1940.

45. CONFIDENTIALITY

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

46. MISCELLANEOUS

46.1

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

46.2 The Management Company may from time to time under intimation to the Trustee, frame operational procedures for conducting the business of the Trust or in respect of any other matter incidental thereto; provided such operational procedures are not inconsistent with the provisions of this Deed, the Rules, the Regulations and the Offering Document.

46.3 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) 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 Manager was hereunto affixed in the presence of :-

Seal (1) _____

(2) _____

The Common Seal of Central Depository Company of Pakistan Limited was hereunto affixed in the presence of:-

Seal (1) _____

(2) _____

Witnesses:

Name:
Occupation:
Address:

Name:
Occupation:
Address:

Annexure A

Annexure B

Annexure C

The fee structure for Trustee services is as follows:

Trusteeship Tariff Structure

Net Assets (Rupees)		Tariff
From	To	
1	1 billion	Rs. 0.7 million or 0.2% p.a. of Net Assets, which ever is higher
1 billion and above		Rs. 2 million plus 0.10% p.a. of Net Assets, on amount exceeding Rs. 1 billion

Annexure D