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## TRUST DEED BMA CHUNDRIGAR ROAD SAVINGS FUND

This Trust Deed is made and entered into at Karachi, on this 19<sup>th</sup> day of April, 2007 by and between:

### 1. NAME OF OPEN-END SCHEME

BMA Chundrigar Road Savings Fund (BCSF)

### 2. PARTICIPATING PARTIES

- (1) **BMA Asset Management Company Limited**, an unlisted public limited company incorporated in Pakistan under the Companies Ordinance 1984 with its registered office at 801 Unitower, I.I.Chundrigar Road , Karachi (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) **Muslim Commercial Financial Services (Pvt.) Limited**, a company, incorporated in Pakistan having its registered office at 2<sup>nd</sup> Floor, Adamjee House, I.I. Chundrigar Road 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 has been licensed as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules) to undertake Asset Management Services. (License attached hereto as **Annexure “A”**);
- B. The Management Company has been authorized by the SECP vide its letter No. NBFC-II/AD/BMA/268 dated April 11, 2007 appended hereto as **Annexure “B”** to constitute the Trust under the name and title of BMA Chundrigar Road Savings Fund (hereinafter referred to as the “Unit Trust” or “Trust” or “Scheme” or the “Fund”) and to register this Trust Deed (Deed), pending authorization for the establishment and operation of the Scheme in accordance with the provisions of the Rules and this Deed.
- C. The Management Company has nominated and appointed Muslim Commercial Financial Services (Pvt) Limited as trustee of the Trust and the Trustee has accepted such appointment upon the terms and conditions herein contained and the tariff structure for trusteeship attached herewith as **Annexure “C”**;
- D. The SECP has approved the appointment of Trustee, vide letter no. NBFC-II/AD/BMA/269 dated April 11, 2007 appended hereto as **Annexure “D”**.

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

#### 1. GOVERNING LAW

This Deed shall be subject to and be governed by the Laws of Pakistan, including the Ordinance, the Rules and all applicable laws, rules and regulations and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed by the Rules are incorporated in this Deed as a part and parcel thereof and in the event of any conflict between this Deed and the provisions required to be contained in a trust deed by the Rules, the latter shall supersede and prevail over the provisions contained in this Deed.

Subject to the Arbitration Clause 40 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.

## **2. DECLARATION OF TRUST**

It is hereby declared unequivocally, that a Unit Trust in the name and title of BMA Chundrigar Road Savings Fund is hereby created and the Management Company is hereby appointed to establish, manage, operate and administer the said Unit Trust and the Trustee is hereby nominated, constituted and appointed as the Trustee of the Unit Trust. The Management Company and the Trustee hereby agree to such appointment and further declare that:

- (a) The terms and conditions of this Deed and any deed supplemental hereto shall be binding on each Holder as if he 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 in accordance with the Rules; Trust Deed and Offering Document and any other condition which may be imposed by the SECP from time to time;
- (c) The Trustee shall hold and stand possessed of the Deposited Property that may from time to time hereafter be vested in the Trustee upon trust as a single common fund for the benefit of the Holders ranking pari-passu inter se according to the number of Units held by each Holder;
- (d) The Deposited Property shall be invested/ disinvested from time to time by the Trustee at the sole direction of the Management Company strictly in terms of the provisions contained and the conditions stipulated in this Deed, the Offering Documents, the Rules and the conditions (if any) which may be imposed by the SECP from time to time;
- (e) The Unit Holder will not be liable to make any payment after he has paid the purchase price of his Units(s) and that no further liability can be imposed on him in respect of Units(s) which he holds;
- (f) The Trustee shall issue a report to the Holders, included in the annual report, in accordance with the Rules;
- (g) The Trustee shall retire in the manner stated in clause 7 of this Deed;

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) and the conditions (if any) which may be imposed by the SECP from time to time.

### 3. DEFINITIONS

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

- 2.1 **“Accounting Date”** means the thirtieth day of June in each year and any interim date(s) at which the financial statements of the Trust are drawn up. Provided however, the Management Company, with the approval of the Trustee and after intimation to the Commission, change such date to any other date.
- 2.2 **“Accounting Period”** means, a period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the Deposited Property is first paid or transferred to the Trustee and (in any other case) from the end of the preceding Accounting Period.
- 2.3 **“Annual Fee”** means any fee payable to the SECP under the Rules.
- 2.4 **“Account Statement”** means statement of transactions in Units in the folio of the Holder.
- 2.5 **“AMC”** means Asset Management Company.
- 2.6 **“Auditor”** means the Auditor of the Trust appointed by the Management Company, as per the Rules.
- 2.7 **“Authorized Branch”** means those branches of the Distributor(s)/Distribution Company(s) authorized by the Management Company. It also includes the distribution centers established by the Management Company to perform the Distribution Function.
- 2.8 **“Authorized Investment”** means all investments transacted, issued, traded or listed inside or outside Pakistan and includes any of the following:
  - (a) Government of Pakistan Investment Bonds, Federal Investment Bonds, Treasury Bills and other Government Securities;
  - (b) Continuous Funding System (CFS) or its replacement thereof with necessary SECP approval. Investment in CFS shall be restricted upto a maximum of 50% of Net Assets of the Fund, with not more than 20% of CFS amount in any one scrip at the time of investment;
  - (c) Long, medium and short term bank deposits with banks and financial institutions including deposit in currencies other than the Pakistani Rupee as permitted by the State Bank of Pakistan;
  - (d) Money market Instruments, Repurchase transactions (REPOs) subject to limits as allowed in the Rules and reverse REPOs against securities (excluding stocks);
  - (e) Preference shares, Euro bonds, Global Deposit Receipts (GDR), convertible preference shares, convertible bonds;
  - (f) Participation term certificates & term finance certificates, debentures, debenture stock;

- (g) Certificates of Deposit, Certificates of Investment and Bankers' Acceptances.
  - (h) Modaraba & Mosharika certificates;
  - (i) Asset Backed and Mortgage Backed Debt Securities, collateralized debt obligations, notes;
  - (j) Commercial Papers and any other money market debt security that may or may not be listed on the Stock Exchange but does not include bearer security or any other security that would involve assumption of unlimited liability;
  - (k) Spread Transactions: BMA Chundrigar Road Savings Fund will enter into transactions aimed at earning a spread in the price of securities resulting from the timing difference between settlements. BMA Chundrigar Road Savings Fund will for this purpose purchase or sell a security, for ready settlement or the reverse thereof (sale or purchase, as the case may be) for future settlement; or between two future contracts in the same scrip. Both the transactions will be carried out simultaneously so as to avoid any risk emanating from the movement in the prices of underlying securities. Such transactions shall however be within the framework of the Rules unless any exemption has been granted.
  - (l) Units/ Certificates in other money market fund;
  - (m) Warrants, Options, derivatives subject to obtaining separate prior approval of SECP. Investment in this asset class would be for hedging purposes only and subject to such terms and conditions as approved by the Commission from time to time; and
  - (n) Subject to SECP or other regulatory approvals, the Scheme may seek to invest in foreign fixed income securities issued, listed or otherwise and traded outside Pakistan on such terms, guidelines and direction as may be issued by SECP and the State Bank of Pakistan from time to time.
- 2.9 **"Back-end Load"** means Sales Load payable on redemption of Units at a rate that may vary from year to year according to the periods that the Units are held.
- 2.10 **"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.
- 2.11 **"Bank Accounts"** means those accounts in the name of the Trustee of the Fund, the beneficial ownership of which rests with the Unit Holders.
- 2.12 **"Bonus Units"** means the Units issued, on distribution of the distributable income, in the form of a stock dividend.
- 2.13 **"Business Day"** means any day from Monday to Friday but does not include any day on which the stock exchanges in Pakistan are closed.
- 2.14 **"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.

- 2.15 **“Commission”** 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.
- 2.16 **“Connected Person”** shall have the same meaning as in the Rules.
- 2.17 **“Constitutive Document”** means this Trust Deed which is the principal document governing the formation, management or operation of the Trust and all other related material agreements.
- 2.18 **“Contingent Load”** means Sales Load deducted from the Net Asset Value in determining the Redemption Price.
- 2.19 **“Continuous Funding System (CFS)”** means a form of financing through the Stock Exchange consisting of two simultaneous transactions, the first for purchase of an underlying security (shares) on the following scheduled settlement date for the security and the second for selling back the security for a subsequent settlement date.
- 2.20 **“Core Investors”** means the initial investors, who shall be required to subscribe to and to hold number of Units of an amount to be in compliance with Rule 67-2(f) for the minimum two years from the date of payment in full of such Units.
- 2.21 **“Core Units”** means such Units of the Trust that are issued to Core Investors with the condition that these are not redeemable for a period of two years from the date of issue. However, such Units are transferable with this condition and shall rank pari passu with all other Units save for this restriction. Any transfer of these Core Units, during the first two years of their issue, shall be affected only on the receipt by the Transfer Agent of a written acceptance of this condition by the transferee.
- 2.22 **“Custodian”** means a Bank, a banking subsidiary, the Central Depository Company or any other depository eligible to act under the relevant laws that for the time being may be appointed by the Trustee with the approval of the Management Company to hold and protect the Deposited Property or any part thereof as Custodian on behalf of the Trustee. The Trustee may also itself provide custodial services for the Trust with the approval of the Management Company at competitive terms, as part of the normal line of its business.
- 2.23 **“Cut-Off Time”** means any time as may be determined by the Management Company and communicated to the Trustee and the Unit Holders before which unit transactions will be allowed.
- 2.24 **“Deposited Property”** means the aggregate proceeds of the sale of all Units at Offer Price after deducting therefrom or providing thereout any applicable Sales Load and Duties and Charges and Transaction costs and any other expenses chargeable to the Fund; and includes the Investment and all income, profit and other benefits arising therefrom and all cash, bank balances and other assets movable or immovable and property of every description for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Holders pursuant to this Deed but does not include any

back-end or contingent charges payable to the Management Company or any amount standing to the credit of the Distribution Account.

- 2.25 **“Discount Rate”** means the rate at which the State Bank of Pakistan makes funds available to banks for short periods against the collateral of government bonds; and if no longer published then the substitute thereof.
- 2.26 **“Distribution Account”** means the Bank Account which may be a current or saving account maintained by the Trustee with a Bank, approved by the Management Company in which the amount required for the distribution of income to the Holders shall be transferred.
- 2.27 **“Distributor/ Distribution Company”** means a company, firm or a Bank appointed by the Management Company and after intimation to the Trustee for performing the Distribution Function and shall also include the Management Company itself, if it performs the Distribution Function.
- 2.28 **“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 Trustee for all (1) moneys received from the applicants for issuance of Units; (2) payments made to the Holders on redemption of Units; and (3) expenses incurred in relation to the Distribution Function.
- 2.29 **“Duties and Charges”** means in relation to any particular transaction or dealing all stamp and other duties, taxes, Government charges, brokerage, bank charges, transfer fees, registration fees and other duties and charges whether in connection with the constitution of the Deposited Property or the increase or decrease of the Deposited Property on the creation, issue, sale, transfer, redemption or purchase 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.
- 2.30 **“Formation Cost”** means all preliminary and floatation expenses of the Trust including expenses in connection with authorization of the Scheme, execution and registration of the Constitutive Document, issue, circulation and publication of the Offering Document, legal costs and all other expenses incurred during the Initial Period. This shall not exceed one



- percent (1%) of the pre-initial public offering investment or five million rupees whichever is lower.
- 2.31 **“Front-end Load”** means the Sales Load, if any, that is included in the Offer Price of Units.
- 2.32 **“Holder”** or **“Unit Holder”** means the investors for the time being entered in the Register as owner of a Unit, including investors jointly so registered pursuant to the provisions of this Deed.
- 2.33 **“Initial Period”** or **“Initial Offering Period”** means a period determined by the Management Company not exceeding ninety days from the date of approval of the Offering Document during which Units will be offered at the Initial Price in terms of the Offering Document.
- 2.34 **“Initial Price”** means the price per Unit during the Initial Offering Period determined by the Management Company.
- 2.35 **“Investment”** means any Authorized Investment forming part of the Deposited Property.
- 2.36 **“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 Sales Load collected by it in the Offer Price and/or from the Management Company’s own resources.
- 2.37 **“Net Assets”**, shall have the same meaning as in the Rules.
- 2.38 **“Net Asset Value”** or **“NAV”** means per Unit value of the Trust arrived at by dividing the Net Assets by the number of Units issued.
- 2.39 **“No Load”** means no Sales Load payable on sale or redemption of Units.
- 2.40 **“Offer Price”** means the sum to be paid to the Trustee for issuance of one Unit, such price to be determined pursuant to clause 16 of this Deed.
- 2.41 **“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 Rules and is circulated to invite offers by the public to invest in the Unit Trust.
- 2.42 **“Ordinance”** means the Companies Ordinance 1984, as amended from time to time.
- 2.43 **“Par Value”** means the face value of a Unit that shall be Rupees ten (Rs. 10) or such other amount as may be determined by the Management Company in consultation with the Trustee from time to time.
- 2.44 **“Personal Law”** means the law of inheritance and succession as applicable to the individual Unit Holder.

- 2.45 **“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 19 of this Deed.
- 2.46 **“Register”** means the Register of the Holders kept pursuant to the Rules and this Deed.
- 2.47 **“Registrar Functions”** means the functions with regard to:
- (a) Maintaining the Register;
  - (b) Receiving application 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 33 of this Deed;
  - (g) Canceling old Certificates on redemption or replacement;
  - (h) Maintaining records of lien/ pledge/ charge; and
  - (i) Keeping record of change of addresses/other particulars of the Holders.
- 2.48 **“Reporting Currency/ Base Currency”** means the currency used in presenting the financial statements which will be the Pakistani Rupee. At the request of offshore investor, the fund reserves the right to also present the financial statements in foreign currencies.
- 2.49 **“Rules”** means the Non Banking Finance Companies (Establishment and Regulation) Rules 2003, as amended from time to time.
- 2.50 **“Sales Load”** means the sales and processing charge or commission (excluding Duties and Charges) not exceeding two percent (2%) of the Net Asset Value, which may be included in the Offer Price of certain class of Units or deducted from the Net Asset Value in order to determine the Redemption Price of certain classes of Units. The Management Company may apply different levels of Sales Load for different investors.
- 2.51 **“SECP”** means the Securities and Exchange Commission of Pakistan, established under section 3 of the Securities and Exchange Commission of Pakistan Act, 1997.
- 2.52 **“Stock Exchange”** means Karachi Stock Exchange, Lahore Stock Exchange, Islamabad Stock Exchange or any other stock exchange registered under section 5 of the Securities and Exchange Ordinance, 1969.
- 2.53 **“Subscription Day”** means every Business Day provided that the Management Company may with the prior written consent of the Trustee and upon giving not less than seven 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.

- 2.54 **“Supplementary Offering Document”** means a document issued by the Management Company, in consultation with the Trustee, with the approval of the SECP, describing any amendments made to the Offering Document.
- 2.55 **“Systematic Investments”** means client investments on a monthly, quarterly or any other fixed duration basis
- 2.56 **“Transfer Agent”** means a company including a Bank that the Management Company may appoint for performing the Registrar Function.
- 2.57 **“Trust”, “Unit Trust”, “Fund” or “Scheme”** means the Unit Trust constituted under Trust Deed executed between the Trustee and the Management Company for continuous offers for sale of BMA Chundrigar Road Savings Fund Units.
- 2.58 **“Unit”** means one undivided share in the Trust and where the context so indicates a fraction thereof.

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. DUTIES AND POWERS OF MANAGEMENT COMPANY**

- 4.1 The Management Company shall comply with the provisions of the Rules and this Deed for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Management Company or by any nominee or agent appointed by the Management Company and any act or matter so performed shall be deemed for all purposes of this Deed to be the act of the Management Company. The Management Company shall be responsible for the acts and omissions of all persons to whom it may delegate any of its functions as manager as if these were its own acts and omissions and shall account to the Trustee for any loss in value of the Deposited Property, where such loss has been caused by its negligence, reckless or willful act and/ or omission or by its officers, officials or agents.
- 4.2 The Management Company shall manage the Deposited Property in the interest of the Holders in good faith and to the best of its ability and without gaining any undue advantage for itself or any of its Connected Persons, and subject to the restrictions and limitations as provided in this Deed and the Rules. Any purchase or sale of Investments made under any of the provisions of this Deed shall be made by the Trustee according to the instructions of the Management Company in this respect, if such instructions are not in conflict with the provisions of this Deed or the Rules. The Management Company shall not be liable for any loss caused to the Trust or to the value of the Deposited Property due to any elements or circumstances beyond its reasonable control.

- 4.3 The Management Company may from time to time appoint, remove or replace the Transfer Agent.
- 4.4 The Management Company shall make available or ensure that there is made available to the Trustee such information as the Trustee may reasonably require in respect of any matter relating to the Trust.
- 4.5 The Management Company shall not be under any liability except such liability as may be expressly assumed by it under the Rules and this Deed nor shall the Management Company (save as herein otherwise provided) be liable neither for any act or omission of the Trustee nor for anything except its own negligence or 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.
- 4.6 The Management Company shall if it considers necessary request the Trustee, for the protection of Deposited Property or safeguarding the interest of the Unit Holders, to institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Deposited Property or any part thereof.
- 4.7 The Management Company has 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 and this Deed.
- 4.8 The Management Company shall maintain at its principal office, proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Trust, all transactions for the account of the Trust and the amounts received by the Trust in respect of issues of Units and paid out by the Trust on redemption of Units and by way of distributions.
- 4.9 The Management Company shall maintain a Register of Unit Holders of the Trust and inform the Trustee and the SECP of the address where the Register is kept. The Management Company shall not remove the records or documents pertaining to the Scheme from Pakistan to a place outside Pakistan without the prior written permission of the SECP and the Trustee.
- 4.10 The Management Company shall, with the consent of the Trustee, appoint at the establishment of the Trust and upon any vacancy, an auditor who shall be a chartered accountant and independent of the Auditor of the Management Company, as the case may be, and the Trustee and such auditor shall not be appointed for more than five consecutive years and contents of the auditor's report shall be in accordance with the provisions of the Rules.
- 4.11 The Management Company shall furnish a copy of the Annual Report together with copies of the balance sheet, income and expenditure accounts and the Auditor's report of the Scheme to the SECP within four months of the close of the Accounting Year, together with a statement containing the following information, namely:
- i. Total number of Unit Holders; and

- ii. Particulars of the personnel (executive, research, and other) of the Management Company.
- 4.12 The Management Company shall, from time to time, advise the Trustee of the settlement instructions relating to any investment/ disinvestment transactions entered into by it on behalf of the Trust. The Trustee shall carry out the settlements in accordance with the dictates of the specific transactions. The Management Company shall ensure that 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.
- 4.13 The Management Company shall provide the Trustee with regular reports indicating dividends, other forms of income or inflows, and any rights or warrants relating to the investments that are due to be received. The Trustee shall report back to the Management Company any such amounts or warrants that are received on such accounts from time to time.
- 4.14 The Management Company shall from time to time under intimation to the Trustee appoint, remove or replace one or more Distribution Company(s) for carrying the Distribution Function at one or more locations, on terms and conditions to be incorporated in the Distribution Agreement to be entered into between the Distribution Company and the Management Company.
- 4.15 The Management Company shall appoint a broker in consultation with the Trustee.
- 4.16 The Management Company shall:
  - (a) Within four months of closing of the Accounting Date (as defined in clause 3.2), prepare and transmit the annual report together with a copy of the balance sheet, income and expenditure account together with the Auditor's report for the Accounting Period to the SECP and the Holders in accordance with the Rules.
  - (b) Within one month after the close of the first half of its year of account, prepare and transmit to the SECP and the Holders a profit and loss account for and balance sheet as at the end of that half year, whether audited or otherwise, in accordance with the Rules. However, for the time being in force, the Commission has allowed two months to prepare and transmit to the Holders and the SECP a profit and loss account and balance sheet after the close of the first half of its year with limited audit review. The Management Company may transmit the accounts to the Holders physically if so opted by the Unit Holders or electronically (via website and/or email) subject to SECP requirements.
  - (c) Within a month after the close of the first and third quarter of account, prepare and transmit the quarterly report to the SECP and the Holders a profit and loss account for and the balance sheet as at the end of that quarter, whether audited or otherwise, in accordance with the Rules. The Management Company may transmit the accounts to the Holders physically if so opted by the Unit Holders or electronically (via website and/or email) subject to SECP requirements.

The Management Company may, with the approval of the SECP and in consultation with the Stock Exchanges, place the quarterly reports on its website instead of mailing it to all Unit Holders. However, the Management Company will send a printed copy of the quarterly accounts to any Unit Holder on demand, free of cost at his registered address within one week of such demand.

## **5. DUTIES AND POWERS OF TRUSTEE**

- 5.1 The Trustee shall comply with the provisions of this Deed and the Rules for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee with the approval of the Management Company: Provided that the Trustee shall be responsible for the acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Trust for any loss in value of the Deposited Property where such loss has been caused by negligence or any reckless or willful act and/ or omission of the Trustee or any of its directors, officers, nominees or agents.
- 5.2 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 Rules, 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.
- 5.3 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 Rules. Whenever pursuant to any provision of this Deed any certificate, notice, direction, instruction or other communication is to be given by the Management Company to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Management Company by any person whose signature the Trustee is for the time being authorized in writing by the Management Company to accept.
- 5.4 The Trustee shall carry out the instructions of the Management Company in all matters including investment and disposal of the Deposited Property, if such instructions are not in conflict with the provisions of this Deed or the Rules or any applicable law and regulations.
- 5.5 The Trustee shall, with the approval of the Management Company, from time to time appoint, remove or replace one or more custodian for performing the Custodian Function at one or more locations, on terms and conditions to be agreed between the Custodian and the Trustee and approved by the Management Company.
- 5.6 The Trustee shall make available or ensure that there is made available to the Management Company such information as the Management Company may reasonably require from time to time in respect of the Deposited Property and all other matters relating to the Scheme.



- 5.7 The Trustee shall issue a report to the Holders included in the annual report whether in its opinion, the Management Company has in all material respects managed the Deposited Property in accordance with the provisions of the Rules 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.
- 5.8 The Trustee shall require the Auditors to provide such reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Rules. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible.
- 5.9 The Trustee shall authorize and facilitate the Management Company to receive the statements of account for all the bank accounts being operated by the Trustee as a nominee of the Trust.
- 5.10 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, repurchase, redemption and cancellation prices are calculated in accordance with the provisions of this Deed;
- 5.11 The Trustee shall, if requested by Management Company, institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Deposited Property or any part thereof, with full powers to sign, swear, verify and submit pleading and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized directors and officers. All costs, charges and expenses (including 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 Rules. 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.
- 5.12 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).
- 5.13 The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Rules and this Deed nor shall the Trustee (save as herein otherwise provided) be liable 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.

- 5.14 The Trustee shall promptly forward to the Management Company within two Business Days any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government, regulator, stock or other exchange or any other party having any connection with the transaction. The Trustee shall promptly act on any instruction of the Management Company in all such matters relating to recovery of the Deposited Property.
- 5.15 The Trustee shall promptly provide proxies or other forms of powers of attorney to the order of the Management Company with regard to any voting rights attaching to any investment.
- 5.16 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.
- 5.17 The Trustee shall ensure that the investment and borrowing limitations set out in the constitutive documents and the conditions under which the scheme was authorized are complied with.
- 5.18 The Trustee shall ensure that Unit Certificates are not issued until subscription money has been paid.
- 5.19 The Trustee shall be liable for the acts and omissions of the lenders and its agents in relation to assets forming part of the property of the scheme, such assets may be registered in the lender's name or in that of a nominee appointed by the lender;
- 5.20 The Trustee shall ensure that the sale, issue, repurchase, redemption and cancellation of units effected by a scheme are carried out in accordance with the provisions of the constitutive documents;

## **6. CHANGE OF MANAGEMENT COMPANY**

- 6.1 The Trustee may with the prior written approval of the SECP, remove the Management Company by giving at least ninety days notice in writing to the Management Company, if any of the following have occurred:
  - (a) The Management Company has contravened the provisions of this Deed in any material respect and has failed to rectify the contravention within a reasonable period after the contravention has come to its notice;
  - (b) The Management Company goes into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for purpose of reconstruction and amalgamation);
  - (c) A receiver is appointed over any of the assets of the Management Company.



- 6.2 The Management Company may voluntarily retire at any time with the prior written consent of the SECP and the Trustee.
- 6.3 The removal of the Management Company and appointment of a new management company shall always require the prior approval of the SECP and the intimation of the same to the Trustee.
- 6.4 If the SECP has cancelled the registration of the Management Company under the provisions of the Rules, the Trustee shall appoint another asset management company as the management company for the Scheme according to the provisions of this Deed and the Rules.
- 6.5 Upon a new management company being appointed, the Management Company will take immediate steps to deliver all the documents and records pertaining to the Trust to the new management company and shall pay all sums due to the Trustee.
- 6.6 Upon its appointment the new management company shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the management company hereunder as fully as though such new management company had originally been a party hereto.

## **7. CHANGE OF TRUSTEE**

- 7.1 The Trustee shall not be entitled to retire voluntarily or otherwise except upon the appointment of a new Trustee. In the event of the Trustee desiring to retire, the Management Company within a period of six months (or in default the Trustee) with the prior written approval of the SECP may by a deed supplemental hereto under the seal of the Management Company or the Trustee (as the case may be) appoint a new trustee under the provisions of the Rules in place of the retiring Trustee and also provide in such deed for the automatic vesting of all the assets of the Trust in the name of the new trustee.
- 7.2 If the Trustee goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction on terms previously agreed with the Management Company for purpose of reconstruction and amalgamation) or ceases to carry on business or a receiver of its undertaking is appointed or it becomes ineligible to act as a trustee of the Trust under the provisions of the Rules, or any other law for the time being in force the Management Company shall forthwith by instrument in writing remove the Trustee from its appointment under this Deed and shall by the same or some other instrument in writing simultaneously appoint as trustee some other company or corporation according to the provisions of the Rules and this Deed as the new trustee.
- 7.3 The Management Company may remove the Trustee, with the prior written approval of the SECP, after giving twenty one days notice in writing to the Trustee on grounds of any material default or non-compliance with the provisions of this Deed or the Rules or the performance standards as mutually agreed upon and appoint another trustee.
- 7.4 The Management Company may remove the Trustee, with the prior approval of the SECP, after giving twenty-one days notice in writing to the Trustee on the grounds of negligence

of its duties as per the Rules or if the Management feels that the Trustee is charging a remuneration that is not comparable to the market norm and it would be in the interest of the Holders to appoint another trustee.

- 7.5 Upon the appointment of a new trustee, the Trustee shall immediately deliver and hand over all the documents and records to the new trustee and shall transfer all the Deposited Property and any amount deposited in any Distribution Account to the new trustee and make payments to the new trustee of all sums due from the Trustee.
- 7.6 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.

## **8. BANK ACCOUNTS**

- 8.1 The Trustee shall open Bank Accounts titled "Trustee – BMA Chundrigar Road Savings Fund" for the Fund at suitable scheduled commercial banks at the request of the Management Company.
- 8.2 The Trustee shall open additional Bank Accounts titled "Trustee – BMA Chundrigar Road Savings Fund" at such branches of scheduled commercial banks and at such locations (including outside Pakistan), subject to applicable regulations and after obtaining all necessary approvals from the relevant regulatory authority in Pakistan, as may be required by the Management Company, from time to time.
- 8.3 The Management Company may also require the Trustee to open separate Bank Accounts with scheduled commercial banks titled "Trustee – BMA Chundrigar Road Savings Fund" for each dividend distribution out of the Fund.
- 8.4 Notwithstanding anything in this Deed, the beneficial ownership of the balances in the Account shall vest in the Unit Holders.

## **9. DEPOSITED PROPERTY**

- 9.1 The aggregate proceeds of all Units issued from time to time after deducting Duties and Charges and after deducting therefrom or providing thereout any applicable Sales Load shall constitute part of the Deposited Property and the Distribution Company shall remit such proceeds, unless exempted under this Deed or applicable law, the Sales Load and the Duties and Charges to the Trustee in accordance with the instructions given by the Management Company from time to time.
- 9.2 The Deposited Property shall initially be constituted out of the proceeds of the Units issued to the Core Investors and other Units issued during the Initial Period after deducting any applicable Duties and Charges therefrom or any Sales Load. Upon the close of the Initial Public Offering, any Income, profit etc. earned on Pre-IPO short term investments or bank interest/mark-up earned on the deposits from the Core Investors and Pre-IPO investors, after deduction of applicable expenses, shall be distributed by issuing bonus units to the Core Investors and Pre-IPO investors.

- 9.3 The Trustee shall take the Deposited Property into its custody or under its control either directly or through the Custodian and hold it in trust for the benefit of the Holders in accordance with the provisions of the Rules and this Deed. The Deposited Property shall always be kept as a separate property and shall not be applied to make a loan or advance except in connection with the normal business of the Trust. All registerable Investment shall be registered in the name of the Trustee and shall remain so registered until disposed of pursuant to the provisions of this Deed.
- 9.4 Save, as herein expressly provided, the Deposited Property shall always be kept as separate property free from any mortgages, charges, liens or any other encumbrances whatsoever and the Trustee or the Custodian shall not except as allowed under the Rules 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 Rules.
- 9.5 The Trustee shall have the sole responsibility for the safe-keeping of the Deposited Property. Subject to the provisions of Clause 5.3 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.
- 9.6 All cash forming part of the Deposited Property shall be deposited by the Trustee in a separate account, in one or more separate Bank Account(s) on the instructions of the Management Company, in the name of the Trustee with a scheduled 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 the SECP. The 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.
- 9.7 Remuneration of the Management Company and the Trustee, brokerage and transaction costs relating to investing and disinvesting of the Deposited Property, all expenses incurred by the Trustee effecting the registration of all registerable property in the Trustee's name, legal counsel fee and other related expenses as may be incurred in protecting or enhancing the interests of the Scheme or the collective interests of the Holders; Bank charges and borrowing/financial costs; audit fees; listing fee payable to a Stock Exchange including renewals; rating fee payable to an approved rating agency; annual fee/ charges payable to the SECP under the Rules; printing and circulation charges for the publication of the financial statements; Formation Cost and taxes if any applicable to the Trust and any other expenses permissible under the Rules shall be payable out of the Deposited Property.

## **10. INVESTMENT OF THE DEPOSITED PROPERTY**

- 10.1 During and prior to the commencement of the Initial Period the Trustee shall hold the Deposited Property in cash in a separate account with a Bank having at least minimum

investment grade rating as per the criteria laid down by a credit rating agency approved by the SECP and approved by the Management Company or the Trustee may also on the advice of the Management Company invest in short term money market instruments including Continuous Funding System (in case of investment in financial institutions they must have a minimum investment grade rating of 'A' by a SECP approved credit rating agency). After the Initial Period all cash, except in so far as such cash may in the opinion of the Management Company be required for transfer to the Distribution Account, shall be invested by the Trustee from time to time in such Authorized Investments as may (subject always to the provisions of this Deed) be directed by the Management Company.

- 10.2 Any Investment may at any time be realized at the discretion of the Management Company either in order to invest the proceeds of sale in other Authorized Investments or to provide cash required for the purpose of any provision of this Deed or in order to retain the proceeds of sale in cash or 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.
- 10.3 The purchase or sale of any Investment in listed securities for the account of the Trust shall be made on the Stock Exchange through a broker who must be a member of the Stock Exchange, unless the Management Company is satisfied that it is possible to make such purchase or sale more advantageously in some other manner. The broker will be appointed, from time to time, by the Management Company in consultation with the Trustee. Save as allowed under the Rules, the Management Company shall not nominate directly or indirectly as a broker, anyone who is a director, officer or employee of the Management Company or a family member (which term shall include their spouse, parents, children, brothers or sisters).
- 10.4 The deposited property shall be subject to such exposure limits as are provided in the Rules; Provided that the Management Company will have three(3) months to comply with the exposure limits incase such limits are exceeded owing to the appreciation or depreciation of any Investment or disposal of any investment.
- 10.5 If and so long as the value of the holding in a particular company or sector shall exceed the limit imposed in a particular company by the Rules, the Trustee shall not purchase any further investments in such company or sector. However this restriction on purchase shall not apply to any offer of right shares or any other offering, if the Management Company is satisfied that accepting such offer is in the interest of the Trust. The Management Company will have three (3) months to comply with the exposure limits in case such limits are exceeded.
- 10.6 The Deposited 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, or collectively the directors and officers of the Management Company owns more than ten percent (10%) of those securities.
- 10.7 The BMA Chundrigar Road Savings Fund shall not purchase from or sell any security to the Management Company or to any director, officer or employee of the Management

Company or to any person who beneficially owns ten percent (10%) or more of the equity of the Management Company; save in the case such party is acting as an intermediary.

10.8 The BMA Chundrigar Road Savings Fund will not at any time:

(a) Purchase or sell:

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

(b) Participate in a joint account with others in any transaction;

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

10.9 The SECP vide its letter no. NBFC-II/AD/BMA/268 dated April 11, 2007 has approved/clarified the following:

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

(b) The fund may sell its securities in forward contract if the Trustee of the Fund confirms that securities of such value are available in the portfolio of the Fund.

10.10 **Investment Restrictions:**

a. Investment of the Scheme in any company shall not, at any time, exceed an amount equal to ten percent (10%) of the total net asset value of the scheme at the time of the investment or ten percent (10%) of the issued capital of the investee company.

b. The Scheme shall not invest more than twenty-five percent (25%) of its net asset value in securities of any one sector as per classification of stock exchanges. Provided the SECP may, on application by the Management Company, relax any, or all of the requirements of this rule in case of any scheme established for a specific investment objective where the intention to that effect was expressed in the Offering Document.

10.11 **Exception to Investment Restriction:**

In the event the weightages of shares or sectors exceed the limits laid down in this Trust Deed or the Rules as a result of the relative movement in the market prices of the investments or through any disinvestment, the Investment Adviser shall make its best

endeavor to bring the exposure within the prescribed limits within three (3) months of the event. But in any case the Investment Adviser shall not invest further in such shares or sectors whilst the deviation exists. However, this restriction on further investment shall not apply to any offer of shares through right shares or any such other offering, if the Investment Adviser is satisfied that accepting such offer is in the interest of the Trust.

#### **10.12 Investment Objective**

The Fund seeks to provide its investors attractive income with concern for preservation of capital by investing in all fixed income and money market instruments of low risk and short duration to generate attractive rates of return. The Fund will seek to maintain a rupee-weighted average maturity of the investment portfolio of not more than 365 days.

### **11. VOTING RIGHTS ON DEPOSITED PROPERTY**

11.1 All rights of voting attached to any Deposited Property shall be exercisable by the Management Company on behalf of the Trustee and the Management Company shall be entitled to exercise the said rights in what it may consider to be the best interests of the Holders, and may refrain at its own discretion from the exercise of any voting rights and the Trustee or the Holders shall not have any right to interfere.

11.2 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 a period of three years.

11.3 Not later than two (2) Business Days of receipt, 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.

### **12. BORROWING**

12.1 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 institutions, both financial and non financial, for borrowing by the Trustee for the account of the Trust. Provided that the borrowing shall not be resorted to except for meeting redemption requests and such borrowing shall not exceed fifteen per cent (15%) 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 Rules. 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 Rules but if subsequent to such borrowing, the Net Assets have reduced as a result of depreciation in the market value of the Deposited Property or redemption of Units, the Management Company shall not be under any obligation to reduce such borrowing.

- 12.2 For the purpose of securing any such borrowing the Trustee may with the approval of the Management Company mortgage, charge or pledge in any manner all or any part of the Deposited Property provided that the aggregate amount to be secured by such mortgage, charge or pledge shall not exceed the limit provided in the Rules.
- 12.3 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.
- 12.4 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 in good faith.

### **13. VALUATION OF ASSETS/ LIABILITIES AND NET ASSET VALUE OF THE FUND**

The valuation of the property, method for determining the value of the assets and liabilities and the Net Asset Value would be as mentioned in the Rules.

### **14. UNITS**

- 14.1 All Units or fractions thereof represent an undivided share in the Deposited Property and rank pari passu as to their rights in the Net Assets, earnings, and the receipt of the dividends and distributions. Each Holder has a beneficial interest in the BMA Chundrigar Road Savings Fund proportionate to the Units held by such Holder.
- 14.2 The Management Company may issue any of the following classes of Units:
  - i. Class A units that shall be charged with a Front-end Load, if any.
  - ii. Class B units that shall be charged with a Back-end Load, if any.
  - iii. Class C units that shall be charged with a Contingent Load, if any.
  - iv. Class D units that shall be charged with a Front-end Load that is less than Class A units and a Contingent Load, if any, in case of early redemptions
  - v. Class E units that shall be charged with a Front-end Load, if any and shall have foreign currency denominations depending on the country of distribution

The Management Company will only issue Class A units to the Unit Holders, however if the Management Company decides to issue units other than Class A, prior approval shall be obtained from the SECP and the Trustee and the Unit Holders shall be notified.

Units issued to Systematic Investment investors shall have a Front-end, if any, that is less than the units issued to regular investors.

The Management Company may also issue Units with no Sales Load. These include Units issued to the Core Investors and any Units issued as a result of reinvestment of distributable income pursuant to this Deed and/ or the Offering Document.

- 14.3 Irrespective of the different classes of Units as set out in this Clause, all Units issued from time to time shall rank *pari passu* inter se and shall have such rights as are set out in this Deed and the Offering Documents. The liability of the Holders shall be limited to the unpaid amount (if any) on the Units.
- 14.4 Core Units subscribed by the Core Investors shall be offered and issued at Par Value and shall not be redeemable for a period of two years from the date of issue. A mention of such restriction and its termination date shall be entered into the Register and shall be noted on any Account Statement, Certificate or transfer instrument issued in respect of such Units.
- 14.5 Units offered and issued during the Initial Period shall be issued at the Par Value. The offer and issue of Units during the Initial Period shall remain open during the period specified in the Offering Document.
- 14.6 After the Initial Period, the Offer Price shall be determined from time to time pursuant to clause 16 of this Deed.
- 14.7 The Management Company may at any time with the approval of the Trustee on giving not less than twenty-one days previous notice in writing to each Holder subdivide or consolidate the whole or any part of the Units and the Holder shall be bound accordingly. The Management Company shall require in such notice that each Holder to whom Certificates have been issued, (who shall be bound accordingly) deliver up his Certificates for endorsement or enfacement with the number of Units to be represented thereby as a result of such sub-division or consolidation; provided that any delay or failure to deliver up the Certificates shall not delay or otherwise affect any such division or consolidation. Such information shall be published in at least two newspapers, one English and one Urdu circulating in Pakistan.

## **15. ISSUE OF UNITS**

- 15.1 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.
- 15.2 Except as provided, as herein, the Units shall be offered through the authorized offices or branches of the Distribution Companies on all Subscription Days.



- 15.3 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, in favor of the Trustee at the Authorized Branches of the Management Company or officers of any Distribution Company on any Subscription Day. Payment in cash will 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 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/ Trustee for further processing.
- 15.4 Each Holder shall only be liable to pay the Offer Price of the Units subscribed by him in the manner provided in clause 15.3 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.
- 15.5 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.
- 15.6 The Management Company may make arrangements to accept issue requests through electronic, IVR (Interactive Voice Response) or other means.
- 15.7 The Management Company may also request the Trustee to 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

## **16. DETERMINATION OF OFFER PRICE**

- 16.1 After the Initial Period the Offer Price shall be calculated and announced by the Management Company on a daily basis, as may be determined by the Management Company from time to time.
- 16.2 The Offer Price shall be equal to the sum of:
- (a) The Net Asset Value as of the cut-off time on the Business Day of announcement;
  - (b) Any applicable Front-end Load at the discretion of the Management Company; and
  - (c) Such amount as the Management Company may consider an appropriate provision for Duties and Charges;

Such sum may be adjusted upto two decimal places.

Unit Purchase requests, complete in all respects, received by the Distributor during the business hours on the same day that the Offer Price is calculated.

- 16.3 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 16.3(c) is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retroactive effect after the date of payment in which case such excess shall be recovered from the Deposited Property).
- 16.4 In the event the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 16.3(c) exceeds the relevant amounts of Duties and Charges, the Trustee 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.
- 16.5 The Offer Price determined by the Management Company shall be made available to the public at the office and branches of the Distribution Company(s) and at the discretion of the Management Company may also be published in at least one newspaper, either English or Urdu, circulating in Pakistan.

## **17. ALLOCATION OF SALES LOAD**

- 17.1 The remuneration of Distribution Companies and Investment Facilitators/ Sales Agents shall be paid exclusively from any Sales Load received by the Trustee and no charges shall be made against the Deposited Property or the Distribution Account in this respect. The remainder of any Sales Load, after such disbursement, shall be paid by the Trustee to the Management Company to meet distribution and processing charges. If the Sales Load received by the Trustee is insufficient to pay the remuneration of the Distribution Company(s) and Investment Facilitators/ Sales Agents, the Management Company shall pay to the Trustee the amount necessary to pay in full such remuneration.
- 17.2 Such payments shall be made to the Distribution Company(s) and Investment Facilitators/ Sales Agents and the Management Company by the Trustee on a monthly basis in arrears within thirty days of the end of the calendar month.
- 17.3 The Management Company may at its discretion charge different levels of sales load to different kinds of units. In such an instance the Management Company may instruct the Trustee to refund a portion of the sales load to the Holder or 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 sales load. However the Trustee will not accept any amount which is less than the amount based on the Redemption Price of that day.
- 17.4 A Distributor located outside Pakistan may, if so authorized by the Trustee and the Management Company, retain such portion of the Front-end Load as is authorized by the

Management Company and transfer the net amount to the Trustee, subject to the law for the time being in force.

**18. REDEMPTION OF UNITS**

- 18.1 The Trustee shall at any time during the life of the Trust authorize redemption of Units out of the Deposited Property to the Holder or through its duly authorized Distribution Company.
- 18.2 Application for redemption of Units shall be made by completing the prescribed redemption form and submitting it at the Authorized Branch or office of the Distribution Company or Transfer Agent together with the Unit Certificate, if issued, during any Subscription Day. The Management Company may make arrangements to accept redemption requests through electronic, IVR (Interactive Voice Response) or other means. The Management Company may redeem only part of the Units comprised in a Certificate 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
- 18.3 The Trustee may at their option dispense with the production of any Certificate that shall have become lost, stolen or destroyed upon compliance by the Holder with like requirements to those arising in the case of an application by him for the replacement thereof.
- 18.4 The Management Company shall announce the Redemption Price on a daily basis. 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 21.1 or clause 21.2 hereunder comes into application, the redemption value shall be determined in accordance with the procedure laid out in these clauses.
- 18.5 The amount payable on redemption shall be paid to the Holder or first named joint Holder by dispatching a cheque for the amount to the registered address of the Holder or other means, within six Business Days from the date of presentation of the duly completed redemption application, electronic or otherwise, at the Authorized Branch or office of the Distribution Company or Transfer Agent or directly through Holders personal on-line account. The Management Company may make arrangements for making redemption payments by transferring the redemption proceeds to the Holder's designated bankers or by crediting the Holder's credit or debit card.
- 18.6 The receipt of the Holder for any moneys payable in respect of the Units shall be a good discharge to the Trustee and if several persons are registered as joint Holders any one of them may give effectual receipt for any such moneys.
- 18.7 Application for redemption of Units will be received at the authorized offices or branches of the Distribution Company or Transfer Agent on all Subscription Days. Where redemption requests on any 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 21.1 thereof.

- 18.8 The Distribution Company or Transfer Agent shall verify the particulars given in the application for redemption of Units. The signature of any Holder or joint Holder to any document required to be signed by him under or in connection with the application for redemption of Units may be verified by the Transfer Agent or otherwise authenticated to their reasonable satisfaction. In case of submission of electronic on-line redemptions the Holder's user ID and password will authenticate his identity.
- 18.9 A redemption request shall be deemed to have been made in accordance with the provisions of the Offering Document or a Supplementary Offering Document, if such documents prescribe automatic redemption under certain circumstances.
- 18.10 Where lien/ pledge/ charge is recorded in the Register, the Management Company and Trustee may concur to make payment to the pledgee, if a request is received from the pledgee or through an order of a competent court and on receipt of such indemnification as Management Company or Trustee may require.

**19. DETERMINATION OF REDEMPTION PRICE**

- 19.1 During the Initial Period the Units shall not be redeemed.
- 19.2 After the Initial Period the Redemption Price shall be equal to the sum of the Net Asset Value as of the cut-off time on the Business Day of announcement, less:
- (a) Any applicable Back-end/Contingent Load at the discretion of the Management Company; and
  - (b) Any amount applicable in respect of Zakat/ taxes imposed by the Government; and
  - (c) Such amount as the Management Company may consider an appropriate provision for Duties and Charges;

Such sum may be adjusted upto two decimal places.

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

- 19.3 In the event that the amount deducted as provision for payment of Duties and Charges pursuant to sub clause 19.2(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 the Provisions.
- 19.4 In the event that amount paid as provision for payment Duties and Charges pursuant to sub clause 19.2(c) exceeds the relevant amount of Duties and Charges, the Trustee shall refund such excess amount to the relevant Holders with the next income distribution or if instructed by Management Company at any time earlier.

- 19.5 The Redemption Price determined by the Management Company shall be made available to the public at the office and branches of the Distribution Company(s) and at the discretion of the Management Company may also be published in at least one newspaper, either English or Urdu, circulating in Pakistan.

## **20. SUSPENSION OF ISSUE OR REDEMPTION OF UNITS**

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

- (a) any period when the Stock Exchange on which any of the Investment for the time being is listed or dealt in is closed or when dealings in such 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 will or may be involved in the realization of such Investment or in the payment for such Investment cannot in the opinion of the Management Company be carried out in reasonable time;
- (e) if the Management Company is of the view that it would be detrimental to the remaining Holders to redeem or continue to redeem Units at a price ascertained on the basis of the Net Asset Value;
- (f) if the Management Company is of the view that investment of inflow of substantial fund will be difficult, it may decline the application in full or in part for issue of Units at its discretion from investors.

- 20.2 Such suspension shall take effect forthwith upon the declaration thereof by the Management Company and shall terminate on the day following the first Business Day on which conditions giving rise to the suspension shall in the opinion of the Management Company have ceased to exist and no other conditions under which suspension is 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.

## **21. QUEUE SYSTEM AND WINDING UP**

- 22.1 **Queue System** – In the event redemption requests on any day exceed ten percent (10%) of the Units in issue, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for upto ten percent of the Units in issue. The Management Company shall proceed to sell 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. Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same Business Day, such requests shall be processed on a proportional basis proportionate to the size of the requests. The redemption requests in excess of ten percent (10%) of the Units in issue will be carried over to the next Business Day. However, if the carried over requests and the fresh requests received on the next Subscription Day still exceeds ten percent (10%) of the Units in issue, these shall once again be treated on first come first served basis and the process for generating liquidity and determining the Redemption Price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten percent of the Units then in issue.
- 21.1 **Winding up in view of major redemption** – In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Deposited Property being run down to an unmanageable level or is of the view that the sell-off of assets is likely to result in a significant loss in the value for the Holders who are not redeeming, it may 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.
- 22. ISSUE OF UNITS OUTSIDE PAKISTAN**
- 22.2 Subject to exchange control and other applicable laws, rules and regulations, in the event of arrangements being made by the Management Company for the issuance of Units to persons not resident in Pakistan or for delivery in any country outside Pakistan the price at which such Units may be issued at the discretion of the Management Company include in addition to the Offer Price as hereinbefore provided a further amount sufficient to cover all additional cost relating to issue of Units outside Pakistan including but not limited to any currency exchange fluctuation or any risk cover, any additional stamp duty or taxation whether national, municipal or otherwise leviable in that country in respect of such issue or of the delivery or issue of Certificates or any additional costs in connection therewith or the remittance of money to Pakistan.
- 22.3 In the event that the Redemption Price for Units shall be paid in any country outside Pakistan, the price at which such Units may be redeemed may at the discretion of the Management Company include as a deduction to the Redemption Price as hereinbefore provided all additional costs for redeeming Units outside Pakistan, including but not limited to a further amount sufficient to cover any currency exchange fluctuation and any additional stamp duty or taxation whether national, municipal or otherwise leviable in that country in respect of such payment or redemption and/or any bank or other charges in arranging such payment.

22.4 The Management Company, Trustee or any Distributor are not obliged to transact the issuance or redemption of the Units in any foreign currency and shall not be held liable, save as may be specifically undertaken by the Management Company in accordance with relevant international and local laws, for receipt or payment in any foreign currency or for any obligation arising therefrom.

### **23. REGISTRATION OF HOLDERS**

23.1 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 Rules.

23.2 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.

23.3 The Register shall contain the following information in respect to each class of Units:

- (a) Full names and addresses of each Holder and joint Holders;
- (b) NIC 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.

23.4 The Register shall be conclusive evidence as to the Units held by each Holder.



- 23.5 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 will forward such application to Transfer Agent, who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name the surrender of any Certificate previously issued to such Holder and the payment of the fee) shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall issue a new Certificate if required to such Holder.
- 23.6 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.
- 23.7 Subject to any Personal Laws that can be applicable to a Unit Holder, a single Unit Holder must nominate a successor to receive the Units upon his death by filling in the relevant portion of the Account Registration Form (or may request a nomination or change in nomination through the Account Update Form). Nominee(s) can be nominated by single Unit Holder and joint Unit Holders and respective shares in percentage should be assigned to the each nominee. Such nomination shall however not restrict the Management Company or the Trustee or the Transfer Agent from demanding succession certificate from appropriate court of law and they shall not be liable in any manner in case of any disputes among the legal heirs of the deceased.
- 23.8 A body Corporate may be registered as a Holder or as one of joint Holders.
- 23.9 The Register may be closed in consultation with the 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 forty-five days in any calendar year.
- 23.10 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 29 of this Deed.
- 23.11 The executors or administrators or succession certificate holder or deceased Holder (not being one of several joint Holders) shall be the only persons recognized by the Trustee and the Management Company as having title to the Units represented thereby.
- 23.12 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.

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

#### **24. ACCOUNT STATEMENT**

- 24.1 Units will be issued in registered, uncertificated form and will be confirmed to investors by means of an Account Statement issued by the Transfer Agent.
- 24.2 Upon written or electronic confirmation from the Trustee that the sale amount has been realized in full from the applicant, the Transfer Agent shall issue an Account Statement that will constitute evidence of the number of Units registered in the name of the Holder.
- 24.3 The Transfer Agent will send directly to each Unit Holder a non transferable Account Statement, physically or electronically, each time there is a transaction in the account, i.e., Units are:
- (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; and
  - (g) additional Units are issued against re-investment of dividend.

An Account Statement will be posted within fifteen Business Days after each relevant transaction.

#### **25. ISSUANCE OF UNIT CERTIFICATES**

- 25.1 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 rupees one hundred per Certificate of any denomination, subject to revision of fee from time to time by the Management Company. The proceeds of such fee will accrue to the Management Company.

- 25.2 Units issued for Systematic Investments shall be in book entry/electronic form except where the client can prove necessity for physical Certificates due to legal or other requirements.
- 25.3 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 will not be for less than one Unit.
- 25.4 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.
- 25.5 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) will be made to first named joint Holder.
- 25.6 Certificates shall be issued in such form as may from time to time be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the name 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.
- 25.7 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 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.

**26. REPLACEMENT OF CERTIFICATES**

- 26.1 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.
- 26.2 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.

26.3 Before the issuing of any Certificate under the provisions of this sub-clause the Distribution Company/ Transfer Agent may require a fee of Rupees one hundred 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.

## **27. TRANSFER OF UNITS**

27.1 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.

27.2 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.

27.3 A Certificate must be transferable only in its entirety.

27.4 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.

27.5 Where Certificates have been issued the Trustee may dispense with the production of any Certificate where the Certificate shall have become lost, stolen or destroyed subject to compliance by the transferor with the like requirements to those arising in the case of an application by him for the replacement thereof as provided in clause 26 of this Deed.

27.6 The Distribution Company/ Transfer Agent with the prior approval of the Management Company shall be entitled to destroy all instruments of transfer or the copies thereof as the case may be which have been registered at any time after the expiration of ten years from the date of registration thereof and all Certificates which have been cancelled at any time after the expiration of three years from the date of cancellation thereof and all registers, statements and other records and documents relating to the Trust at any time after the expiration of six years, from termination of the Trust. The Trustee or the Management Company or the 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.

## **28. CONVERSION OF UNITS**

A Unit Holder may convert the Units held by him in the BMA Chundrigar Road Savings Fund into the units of any other schemes being offered by the Management Company or vice versa, subject to such terms and conditions as set forth by the Management Company

## **29. PLEDGE/ LIEN OF UNITS**

29.1 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.

- 29.2 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.
- 29.3 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.

### **30. FEES AND CHARGES**

#### **30.1 Remuneration of Management Company and its Agents**

- a. The Management Company shall be entitled to be paid monthly in arrears of the accrued remuneration, as per the Rules, of an amount not exceeding three percent (3%) of the average daily (or weekly) Net Assets during the first five years of the Scheme and two percent (2%) of such assets thereafter; and
- b. The remuneration shall begin to accrue from the day of close of the Initial Public Offer. 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. The remuneration due to the Management Company shall be paid on or before the date that is thirty days after the Accounting Date, provided that the Management Company may from time to time draw in advance out of the accrued remuneration a sum as allowed in the Rules.
- 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 Deposited Property or against the Distribution Account for its services or for its expenses, except as are expressly authorized under the provisions of the Rules and this Deed to be payable out of the Deposited 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.

### **30.2 Remuneration of Trustee and its Agents**

- a. The Trustee shall be entitled to a monthly remuneration out of the Deposited Property based on the annual tariff as defined in **Annexure "C"** which shall be applied to the average daily or weekly Net Assets during such calendar month.
- b. The remuneration shall begin to accrue from the date of close of the Initial Public Offer. For any period other than a full calendar month such remuneration will be prorated on the basis of the actual number of days for which such remuneration has accrued for the total number of days in the calendar month concerned.
- c. Such remuneration shall be paid to the Trustee in arrears within thirty days after the end of each calendar month.
- d. In consideration of the foregoing and save as aforesaid the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with their duties as Trustee of the Trust. The Trustee shall not make any charge against the Holders or against the Deposited Property or against the Distribution Account for its service or for its expenses, except as are expressly authorized to be payable out of the Deposited Property under the provisions of the Rules and this Deed.
- e. The Trustee shall bear all expenditures in respect of their secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of this Deed.
- f. Any upward increase in Trustee remuneration would require SECP approval and would be mentioned in the Offering Document. However, any downward revision in the Trustee remuneration will not require such approval or amendment.

### **30.3 Formation Cost**

All preliminary and floatation expenses of the Trust not exceeding one percent (1%) of the pre initial public offering (Pre IPO) capital or five million rupees whichever is lower, shall be borne by the Fund including expenses incurred in connection with the authorization of the Scheme, execution and registration of the Constitutive Document, legal costs, transfer agent charges and all other expenses incurred during the Initial Offering Period, shall be borne by the proposed Fund and amortized over a period of not more than five years

### **30.4 All other Material Fees & Charges**

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

- (a) Remuneration of the Management Company and the Trustee;
- (b) Custody, brokerage and transaction costs relating to investing and disinvesting of the deposited property;
- (c) All expenses incurred by the trustee effecting the registration of all registerable property in the trustee's name;

- (d) Legal counsel fee and other related expenses as may be incurred in protecting or enhancing the interests of the trust or the collective interests of the holders;
- (e) Bank charges and borrowing/financial cost;
- (f) Audit fees;
- (g) SECP annual fee;
- (h) Listing fee, including renewals payable to stock exchanges;
- (i) Rating fee payable to an approved rating agency if permissible;
- (j) Taxes if any applicable to the trust;
- (k) Expenses incurred in printing, publishing and circulating the financial statements; and
- (l) Any other expenses as permissible under the Rules from time to time.

### **31. TRANSACTIONS WITH CONNECTED PERSON**

All cash forming part of the Deposited Property shall be deposited by the Trustee in a separate account, in the name of the Trustee with a scheduled Bank, approved by the Management Company having a minimum investment grade rating as per the criteria laid down by a credit rating agency approved by the SECP. The Bank shall be caused to allow profit thereon in accordance with the rules prescribed by the Bank for sharing of profits or mark-up on deposits, as may be allowed. Charges payable on any borrowing made by the Trustee for the account of the Trust to a Bank or financial institution shall not be higher than the normal bank charges. Any transaction between the Fund and the Management Company or any of their Connected Person as principal may be made only as may be permissible under the Rules. The scheme shall not invest in any security of a company if any director or officer of the management company owns more than five per cent (5%) of the total nominal amount of the securities issued, or collectively the directors and officers of the management company own more than ten per cent (10%) of the securities.

All transactions carried out by or on behalf of the scheme shall be made as provided in the constitutive documents, and shall be disclosed in the scheme's annual report.

### **32. DETERMINATION OF DISTRIBUTABLE INCOME**

- 32.1 The Management Company shall decide from time to time but not later than four (4) months after the Accounting Date whether to distribute among Holders, profits, if any, available for the distribution at the end of the Accounting Period or such interim period as may be decided by the Management Company, and shall advise the Trustee of the rate of such distribution per Unit.
- 32.2 The amount available for distribution in respect of any Accounting Period shall be determined by the Management Company after consulting the Auditor and shall be the sum total of:
  - (a) the total income earned on the Deposited Property during such Accounting Period including all amounts received in respect of dividend, mark-up, profit, and fee;



- (b) net realized appreciation as set out in sub-clause 32.3; from which shall be deducted expenses as set out in sub-clause 32.4, adjustment as set out in sub-clause 32.5 and such other adjustment as the Management Company may determine in consultation with the Auditor.
- 32.3 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 Deposited Property, provided that such amounts out of the sale proceeds of the Investments and out of the sale proceeds of the rights, bonus shares and all other receipts as deemed by the Management Company after consulting the Auditor to be in the nature of the net realized gain may be distributable to the Holders by the Trustee and shall thereafter cease to form part of the Fund Property once transferred to the Distribution Account.
- 32.4 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 30.4 of this Deed and Rules;
  - (b) amortization of Formation Cost not exceeding one percent (1%) of the pre initial public offering (Pre IPO) capital or five million rupees whichever is lower, shall be borne by the Fund in not more than five equal annual installments after the creation of the Trust;
  - (c) taxes on Trust income or turnover.
- 32.5 The income qualifying for distribution in respect of the relevant year or period shall be 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 Deposited Property in consultation with the Trustee.
- 32.6 The Management Company may, from time to time, pay to the Unit Holders such interim dividends as in their judgment the position of the Trust justifies.

### **33. DISTRIBUTION OF INCOME**

- 33.1 The Management Company may decide to distribute, wholly or in part, the distributable income in the form of cash or stock dividends. After determining the amount available for distribution in respect of any Accounting Period, the Management Company shall, in case of cash dividend, instruct the Trustee to transfer such amount of cash as required to effect such distribution to the Distribution Account. The amount standing to the credit of the Distribution Account shall not for any purpose of this Deed be treated as part of the



Deposited Property but shall be held by the Trustee upon trust to distribute the same as herein provided.

- 33.2 After the fixation of the rate of distribution per Unit, distribution payments, in case of cash dividend, shall be made by cheque or warrant or by way of transfer of amount to the Unit Holder's designated bank account by the Trustee or through such arrangement as the Management Company may consider appropriate. Cheque or warrant payments will be sent through a registered post to the registered address of such Holder, or in the case of joint Holders to the registered address of the joint Holder, first named on the Register. Every such cheque or warrant shall be made payable to the order of the person to whom it is delivered or sent and payment of the cheque or warrant (if purporting to be duly endorsed or subscribed) shall be in satisfaction of the moneys payable. When an authority in that behalf shall have been received in such form as the Management Company shall consider sufficient it shall arrange for payment of the amount distributable to the Holder to his bankers and the receipt of such bankers shall be a good discharge thereof.
- 33.3 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.
- 33.4 In case of distribution in the form of cash the Management Company may offer the Holder the option to receive new Units or fractions thereof under cumulative investment instead of dividend payment, as per terms and conditions and procedure laid down in the Offering Document.
- 33.5 The Management Company may decide to distribute, wholly or in part, the distributable income in the form of a stock dividend, which would comprise of Bonus Units of BMA Chundrigar Road Savings Fund. The Bonus Units would rank *pari passu* as to their rights in the net assets, earning, and the receipt of the dividends and distributions, with the existing Units of BMA Chundrigar Road Savings Fund from the date of issue of these Units.
- 33.6 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 financial year (or the relevant period in the event of an interim dividend) cause to redeem such number of Units that equate value of the Bonus Units for the period. The Redemption Price shall be determined on the basis of the NAV at the distribution date after appropriating the dividend but without any charge of sales load. The payment of the cash equivalent shall be made, net of taxes that the Management Company and/ or the Trustee is obliged to recover, by the way of transfer of amount to the Unit Holder's designated bank account or to the Holder's registered address.
- 33.7 Where Units are placed under pledge/ lien the payment of dividends will be made in accordance with clause 29.2 of this Deed.

**34. ANNUAL ACCOUNTING PERIOD**

- 34.1 The annual Accounting Period shall commence on July 1<sup>st</sup> of a calendar year and shall end on June 30<sup>th</sup> of the ensuing calendar year.
- 34.2 Accounting Date shall be the 30<sup>th</sup> day of June in each year and any interim dates at which the financial statements of the Fund are drawn up. Provided, however, that the Management Company may, with the consent of the Trustee and after obtaining prior approval of the SECP and the Commissioner of Income Tax, change such date to any other date.
- 34.3 Accounting Period shall be the period ending on and including Accounting Date and commencing (in case of the first such period) on the date on which the Fund is registered and in any other case from the end of the preceding Accounting Period.

**35. BASE CURRENCY**

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

**36. AUDIT**

- 36.1 The Management Company shall appoint an Auditor, with the consent of the Trustee, who shall be independent of the auditor of the Management Company and the Trustee. The Management Company may at any time remove the Auditor and appoint another Auditor in its place. The same firm of chartered accountants cannot be appointed Auditor for more than three consecutive years, unless permitted otherwise by SECP. Thereafter, the Auditors shall only be eligible for appointment after the lapse of one year.
- 36.2 The Auditor shall hold office until transmission of the annual report and accounts but may be reappointed as per the Rules. The first Auditors shall be Ford Rhodes Sidat Hyder & Co. Chartered Accountant.
- 36.3 The persons not qualified to be the auditor of a public company under the Companies Ordinance will not be qualified to be the Auditor.
- 36.4 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.
- 36.5 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.
- 36.6 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.

36.7 The contents of the Auditors report shall be as required in the Rules.

36.8 The Management Company shall:

- (a) Within four months of closing of the Accounting Date (as defined under clause 3.2), prepare and transmit the annual report together with a copy of the balance sheet, income and expenditure account together with the Auditor's report for the Accounting Period to the SECP and the Holders in accordance with the Rules.
- (b) Within one month after the close of the first half of its year of the accounts, prepare and transmit to the Holders and the SECP a profit and loss account and balance sheet as at the end of that half year, whether audited or otherwise, in accordance with the Rules. However, for the time being in force, the Commission has allowed two months to prepare and transmit to the Holders and the SECP a profit and loss account and balance sheet after the close of the first half of its year. The Management Company may transmit the accounts to the Holders either electronically (via website and/or email) or in physical form if so requested subject to SECP requirements.
- (c) Within a month after the close of the first and third quarter of account, prepare and transmit the quarterly report to the Holders and the SECP a profit and loss account for and the balance sheet as at the end of that quarter, whether audited or otherwise, in accordance with the Rules. The Management Company may transmit the accounts to the Holders either electronically (via website and/or email) or in physical form if so requested subject to SECP requirements.

The Management Company may, with the approval of the SECP and in consultation with the Stock Exchanges, place the quarterly reports on its website instead of mailing it to all Unit Holders. However, the Management Company will send a printed copy of the quarterly accounts to any Unit Holder on demand, free of cost at his registered address within one week of such demand.

### **37. MODIFICATION OF THE TRUST DEED**

37.1 This Deed shall be subject to and be governed by the Ordinance, the Rules and all applicable laws and regulations and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed by the Rules are incorporated in this Deed as a part and parcel thereof and in the event of any conflict between this Deed and the provisions required to be contained in a trust deed by the Rules, the latter shall supercede and prevail over the provisions contained in this Deed.

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

37.3 The Trustee and the Management Company acting together shall be entitled by deed supplemental hereto to modify, alter or add to the provisions of this Deed in such manner

and to such extent as they may consider expedient for any purpose, subject only to the approval of the 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 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.

- 37.4 Where this Deed has been altered or supplemented the Management Company shall notify the Holders immediately.
- 37.5 The Management Company may from time to time frame rules or regulations for conducting the business of the Trust or in respect of any other matter incidental thereto; provided such rules or regulations are not inconsistent with the provisions of this Deed or the Offering Document.
- 37.6 If the Commission modifies the Rules to allow any relaxations or exemptions, these will deem to have been included in this Trust Deed without requiring any modifications as such.
- 37.7 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.

### **38. TERMINATION AND LIQUIDATION OF TRUST**

- 38.1 The Management Company may terminate BMA Chundrigar Road Savings Fund by giving appropriate notice in writing to the Holders and shall disclose the grounds for its decision. The Management Company may announce winding-up of the Trust without notice to the Unit Holders but under intimation to the Commission if redemptions of Units of unmanageable level would jeopardize the interests of the remaining Unit Holders and that it would be in the best interest of all the Unit Holders that the Trust is would up.
- 38.2 The Trust may also be terminated by the SECP on the grounds given in the Rules.
- 38.3 This Deed may be terminated in accordance with the conditions specified in the Rules, if there is any breach of the provisions of this Deed or any other agreement or arrangement entered into between the Trustee and the Management Company regarding the Unit Trust. It is recognized that the Trustee may be acting as a combined Trustee of two or more unit trusts. In the event of the termination of any one Unit Trust, it may or may not require the termination of the Trustee for the other unit trusts. Both parties shall act in a manner that causes the least degree of inconvenience to the investors and is the most cost efficient for the Unit Trusts and the Management Company.

### **39. DISTRIBUTION OF LIQUIDATION PROCEEDS**

- 39.1 Upon the Trust being terminated the Management Company shall suspend the sale and redemption of Units forthwith and proceed to sell all Investments then remaining in the hands of the Trustee as part of the Deposited Property and shall repay any borrowing effected by the Trust together with any mark-up remaining unpaid.
- 39.2 The Trustee on the recommendation of the Management Company shall from time to time distribute to the Holders pro rata to the number of Units held by them respectively all net cash proceeds derived from the realization of the Deposited Property after making payment as mentioned in sub-clause 39.1 above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands.

#### **40. ARBITRATION**

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

#### **41. 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.

#### **42. MISCELLANEOUS**

- 42.1
- (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 Trustee or 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.
- 42.2 A copy of this Deed and of any such supplemental deed shall be made available for inspection at the respective Head Offices of the Trustee and of the Management Company at all times during usual business hours and shall be supplied by the Management Company to any person on application at a charge of fifty (50) Rupees per copy or at such rate as determined from time to time by the Management Company.

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

The Common Seal of BMA ASSET MANAGEMENT COMPANY LIMITED was hereunto affixed in the presence of :-

Seal (1) Amer Maqbool  
Chief Operating Officer

(2) Muhammad Amir Iqbal  
Associate Director

The Common Seal of MUSLIM COMMERCIAL FINANCIAL SERVICES (PVT) LIMITED was hereunto affixed in the presence of:-

Seal (1) Agha Ahmed Shah  
Chief Executive Officer

Witnesses:

\_\_\_\_\_  
**Name:** Adeel Ahmed Khan  
**Occupation:** Service  
**Address:** 50/s, Block 2, P.E.C.H.S  
Karachi

\_\_\_\_\_  
**Name:** Saqib Shah  
**Occupation:** Service  
**Address:** 34A/23<sup>rd</sup> Gizri Street  
PH-4, DHA, Karachi





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

License No. NBFC-II//6/BMA/AMC/64/2006

Islamabad, June , 2006

**LICENSE TO CARRY OUT ASSET MANAGEMENT SERVICES AS NON-BANKING  
FINANCE COMPANY**

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

- (i) **BMA Asset Management Company Limited** and the Collective Investment Schemes under its management shall ensure compliance to the Non-Banking Finance Companies (Establishment and Regulation) Rules;
- (ii) **BMA Asset Management Company Limited** shall submit an annual report, together with a copy of the balance sheet and income and expenditure account and the auditors' report within four months of the close of its year of account and a half yearly report, together with a copy of the balance sheet and income and expenditure account within two months of the close of its half year;
- (iii) No person shall be appointed as a director on the Board for more than one Asset Management Company or Investment Advisor; and
- (iv) The license is valid for a period of one year w.e.f July 01, 2006 and shall be renewable annually as specified in the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.

  
**(Jaweria Ather)**  
Director (NBFC D)



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
SPECIALIZED COMPANIES DIVISION  
NBFC DEPARTMENT

No. NBFC-II/AD/BMA/ 268

April 11, 2007

**Mr. Muddassar Malik**  
Chief Executive Officer  
BMA Asset Management Co. Ltd.  
804 Unitower,  
I.I.Chundrigar Road  
Karachi.

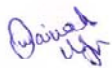
Subject: Approval of Trust Deed of Proposed BMA Chundrigar Road Savings Fund

Dear Sir,

I am directed to refer to your letter dated March 28,2007, whereby you have submitted the revised/amended Trust Deed of BMA Cuundrigar Road Savings Fund proposed to be executed between BMA Asset Management Company Limited(the "Management Company") and Muslim Commercial Financial Services (Pvt.) Limited(the "Trustee") for approval.

In this regard, the Securities and Exchange Commission of Pakistan has no objection to the registration of latest amended version of the Trust Deed of the proposed BMA Cuundrigar Road Savings Fund under the Trusts Act, 1882. The clearance of the draft trust deed is without prejudice to the consequences of verifying compliance to the conditions stipulated in the license issued in favor of BMA Asset Management Company Limited and the requirements stipulated in the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003. Further action will be taken on receipt of duly registered copy of the Trust Deed.

Yours truly,

  
Omaimah Nazir  
(Assistant Director)

NIC Building, Jinnah Avenue, Blue Area, Islamabad.  
PABX: 9207091-4 , Fax. No. 9218590, E-mail: [secphq@isb.paknet.com.pk](mailto:secphq@isb.paknet.com.pk)

**Annexure “C”**

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

<b>Net Asset</b>	<b>Tariff</b>
On Net Assets up to Rs. 100 million	Rs. 0.2 million or 0.20% per annum of the Net Assets, whichever is higher
On Net Assets up to Rs. 200 million	Rs. 0.4 million or 0.20% per annum of the Net Assets, whichever is higher
On Net Assets up to Rs. 250 million	Rs. 0.5 million or 0.2% per annum of the Net Assets, whichever is higher
On Net Assets exceeding Rs. 250 million to Rs. 500 million	Rs. 0.5 million plus 0.15% per annum of the Net Assets exceeding Rs. 250 million
On Net Asset exceeding Rs. 500 million to Rs. 1,000 million	Rs. 0.875 million plus 0.08% per annum of the amount exceeding 500 million
On Net Assets exceeding Rs. 1,000 million to Rs. 2,000	Rs. 1.275 million plus 0.08% per annum of the amount exceeding Rs. 2,000
On Net Assets exceeding Rs. 2,000 million to Rs. 5,000 million	Rs. 2.075 million plus 0.06% per annum of the amount exceeding Rs. 2,000 million
Over Net Asset of Rs .5,000 million	Rs. 3.785 million plus 0.05% per annum of the amount exceeding Rs. 5,000



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
SPECIALIZED COMPANIES DIVISION  
NBFC DEPARTMENT

No. NBFC-II/AD/BMA/ 269

April 11, 2007

**Mr. Muddassar Malik**  
Chief Executive Officer  
BMA Asset Management Co. Ltd.  
804 Unitower,  
I.I.Chundrigar Road  
Karachi.

**Subject:** Appointment of Muslim Commercial Financial Services Limited as Trustee of BMA Chundrigar Road Savings Fund

Dear Sir,

I am directed to refer to your letter dated March 01, 2007 on the captioned subject and to convey the approval of Securities and Exchange Commission of Pakistan for the appointment of Muslim Commercial Financial Services (Pvt.) Limited as Trustee of BMA Chundrigar Road Savings Fund in terms of Rule 74 and 75 of the NBFC Rules, 2003.

Yours truly,

Omairah Nazir  
(Assistant Director)