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TRUST DEED

of

FAYSAL SAVINGS GROWTH FUND

This Trust Deed is made and entered into at Karachi on this 28th day of December, 2006.

1 NAME OF THE SCHEME

FAYSAL SAVINGS GROWTH FUND

2 PARTICIPATING PARTIES AND CONSTITUTION OF THE TRUST

- I. **FAYSAL ASSET MANAGEMENT LIMITED**, an unlisted public limited company incorporated under the Companies Ordinance 1984, having its registered office at Faysal House, 3rd Floor, St-2, Commercial Lane, Main Shahrah-e-Faisal, 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

AND

- II. **Central Depository Company of Pakistan Limited**, an unlisted public limited company incorporated under the Companies Ordinance, 1984, having its registered office at CDC House, 99-B, Block-"B", SMCHS, Main Shahrah-e-Faisal, Karachi and registered to act as Central Depository Company under Rule 4(3) of the Central Depository Act, 1997,* (hereinafter called the "Trustee" which expression, where the context so permits, shall include its successors in interest and assigns) of the **other part**.

* through its Head of Finance & Company Secretary Mr. Kamran Ahmed Qazi S/o Qazi Haleem Ahmed CNIC No. 42201-0522034-5

WITNESSETH:

- A. The Management Company has been incorporated and licensed as an Asset Management Company pursuant to the Non-Banking Finance Companies (Establishment And Regulation) Rules, 2003 (hereinafter referred to as the "Rules" for the purpose of undertaking Asset Management Services. (License attached hereto as Annexure "A").



- B. The Management Company has been authorized by the Securities and Exchange Commission of Pakistan ("SECP") vide its letter bearing reference No. SEC/NBFC-II/AD-Jam/FSGF/893/2006 dated December 12, 2006 attached herewith as Annexure "B" to constitute the Trust under the name and title of "**FAYSAL SAVINGS GROWTH FUND**" (hereinafter referred to as "the Scheme" "Trust" or "the Unit Trust" or "the Fund") and to register this Trust Deed, pending authorization for the establishment and operation of the Scheme in accordance with the provisions of the Rules and this Trust Deed;
- C. The Management Company has nominated and appointed the Trustee as trustee of the Scheme and the Trustee has accepted such appointment upon the terms and conditions contained and the tariff structure for trusteeship as per Annexure "C" attached herewith;
- D. The SECP has also approved the appointment of Trustee, vide its said letter bearing reference No. SEC/NBFC-II/AD-Jam/FSGF/892/2006 dated December 12, 2006 attached herewith as Annexure "D";
- E. The Management Company and the Trustee declare that:
- The Trustee shall hold and stand possessed of the Trust Property that may from time to time hereafter be vested in the Trustee upon trust as a single common fund for the benefit of the Unit Holder(s) ranking pari passu inter se, accounting to the number of Units held by each Unit Holder (s).
 - The Trust Property shall be invested or disinvested from time to time by the Trustee at the direction of the Management Company, strictly in terms of the provisions contained and the conditions stipulated in this Deed, the Offering Document, the Rules and any the conditions (if any) which may be imposed by the SECP from time to time.
 - The Management Company shall establish manage, operate and administer the Fund in accordance with the Rules, this Trust Deed and the Offering Document.
 - For attaining the aims and objectives, the Management Company has/shall hand over/ handed over to the Trustee, an initial sum of Rs 10,000/-



3 GOVERNING LAW AND JURISDICTION

- 3.1 This Deed shall be subject to and governed by the laws of Pakistan, including the Ordinance, Trusts Act, 1882, the Rules and all other applicable laws and regulations and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed of a unit trust by the Rules are incorporated in this Trust Deed as part and parcel hereof and in the event of any conflict between this Trust 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 Trust Deed.
- 3.2 Subject to the Arbitration clause 32 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.

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

4.1 Deed binding on each Unit Holder

The terms and conditions of this Deed shall be binding on each Unit Holder as if he had been a party to this Deed and shall be bound by the provisions hereof and shall further be deemed to have authorized and required the Trustee and the Management Company to do so as required by them by the terms of this Trust Deed and the Rules.

4.2 Unit Holders not liable to make further payments

Unit Holder(s) shall not be liable to make any further payments to the Trustee or the Management Company after he has paid the purchase (offer) price of the Units in accordance with clause 7.1 hereafter and no further liability shall be imposed on any Unit Holder(s) in respect of the Units held by him.

4.3 Units to rank pari passu

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



4.3.2 Core Units subscribed by the Core Investors shall however be offered and issued at par and shall not be redeemable (but are transferable) for a period of two years from the date of issue. Such Units are transferable with this condition but otherwise shall rank pari passu with all other Units, save for this restriction. This restriction and its termination date shall be entered into the Register. Any transfer of these Core Units, during the first two years of their issue, shall be affected only on the receipt by the Registrar of a written acceptance of this condition by the transferee.

4.4 Trustee to report to the Unit Holders

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

4.4.2 The Trustee shall be entitled to require the Auditors to provide such reports as may be agreed between the Trustee and the Management Company that 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.

4.5 Manner in which Trustee may retire

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



5 ROLE OF THE MANAGEMENT COMPANY, ROLE OF THE TRUSTEE AND BANK ACCOUNTS

5.A Role of the Management Company

5.A.1 The Management Company shall manage, operate and administer the Scheme in accordance with the Rules and the terms of this Deed.

5.A.2 Primary Functions of the Management Company:

5.A.2.1 Fund Management

The Management Company has the responsibility to make all investment and disinvestment decisions within the framework of the Rules and the Constitutive Documents. The Management Company may appoint investment advisors to assist in investing and managing the assets of the Fund or to invest and manage part or whole of the assets of the Fund both locally and abroad at its own cost, responsibility and discretion.

5.A.2.2 Investors Services

The Management Company has the responsibility to facilitate investments and disinvestments by investors in the Scheme and to make adequate arrangements for receiving and processing applications in this regard.

5.A.2.3 Investor Records

- i) The Management Company has the responsibility to maintain investors' records and for this purpose it may appoint a Registrar, who is responsible for performing Registrar Functions, i.e. maintaining investors' (Unit Holders) records and providing related services. The Registrar shall carry out the responsibility of maintaining investors' records, issuing statements of accounts, issuing Certificates representing Units, processing redemptions requests, processing dividend payments and all other related and incidental activities.
- ii) 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.



5.A.2.4 Distribution

The Management Company, shall from time to time appoint, remove or replace one or more suitable persons, entities or parties as Distributor(s) for carrying on Distribution Functions at one or more location(s) on terms and condition to be incorporated in the distribution agreement(s) to be entered into between the Distributor(s) and the Management Company. Provided that the Management Company may also itself act as Distributor for carrying on Distribution Functions. The Distributor(s) shall act as an interface between the investors (Unit Holders or potential Unit Holders), the Management Company, the Registrar and the Trustee and perform all other Distribution Functions as defined in Clause 35.21 hereafter.

5.A.2.5 Investment Facilitators

The Management Company may from time to time appoint Investment Facilitator(s) to assist it in promoting sales of Units.

5.A.2.6 Record Keeping

The Management Company has the primary responsibility for all record keeping, regular determination of announcement of prices and for producing financial reports from time to time. However, the Trustee has the responsibility to ensure timely delivery to the Management Company of statements of accounts and transaction advices for banking and custodial accounts in the name and under the control of the Trustee. The Management Company shall provide the Trustee unhindered access to all records relating to the Scheme.

5.A.3 Other functions and responsibilities of the Management Company

5.A.3.1 The Management Company shall operate and administer the Scheme and manage the Trust Property in the best interest of the Unit Holders, in good faith and to the best of its ability, without gaining any undue advantage for itself or any of its related parties or any of its Connected Persons or its officers, subject to the restrictions and limitations as provided in this Deed and the Rules and subject to any special exemptions or relaxations that may be granted by the SECP. Any purchase or sale of Investments made under any of the provisions of this Deed shall be made by the Trustee according to the instructions of the Management Company in this respect, unless such instructions are in conflict with the provisions of this Deed or the Rules or other prevailing regulations. The Management Company shall not be liable for any loss caused to the Scheme



or to the value of the Trust Property due to any elements or circumstances beyond its reasonable control.

5.A.3.2 The Management Company shall comply with the provisions of the Rules, this Deed and the Offering Document (as may be amended from time to time with the approval of the SECP) for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Management Company by any officer(s) or responsible official(s) of the Management Company or by any nominee(s) or agent(s) appointed by the Management Company and any act or matter so performed shall be deemed for all the purposes of this Deed to be the act of the Management Company. The Management Company shall be responsible for the acts and omissions of all persons to whom it may delegate any of its functions, as if these were its own acts and omissions and shall account to the Trustee for any loss in value of the Trust Property where such loss has been caused by its negligence or reckless or willful act and / or omission or of its officers, officials or agents.

5.A.3.3 The Management Company may from time to time appoint, remove or replace the Transfer Agent.

5.A.3.4 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 Scheme.

5.A.3.5 The Management Company shall not be under any liability, except such liability as may be expressly assumed by it under the Rules and the Constitutive Documents, nor shall the Management Company (save as herein otherwise provided) be liable for any act or omission of the Trustee, or for anything except for its own negligence or willful breach of duty. If for any reason it becomes impossible or impracticable to carry out the provisions of the constitutive Documents, the Management Company shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted, to be done in good faith hereunder.

5.A.3.6 The Management Company shall maintain at its principal office, proper accounts and records to enable a complete and accurate view to be formed of assets and liabilities, the income and expenditure of the Scheme, all transactions for the account of the Scheme and amounts received by the Scheme in respect of the issuance of Units and paid out by the Scheme on redemption of Units and by way of distributions.



- 5.A.3.7 The Management Company shall prepare and transmit (physically or through electronic means or on the web subject to the SECP's approval) an annual report, together with a copy of balance sheet, income and expenditure account and the Auditors report of the Scheme to the Trustee and the Unit Holders within four months of the closing of the Accounting Period and balance sheet and income and expenditure accounts shall comply with the requirements set out in the Rules.
- 5.A.3.8 The Management Company shall within one month of the closing of first and third quarter and within two months of the closing of first half (6 months) of each Accounting Date, prepare and transmit (physically or through electronic means or on the web subject to the SECP's approval) to the Unit Holders and the SECP, balance sheet as at the end of that period, profit and loss account, cash flow statement and statement of changes in equity for the period, whether audited or otherwise.
- 5.A.3.9 The Management Company shall maintain a Register of Unit Holders of the Trust (either in physical or electronic form) and inform the Trustee and the SECP of the address where the Register is kept.
- 5.A.3.10 The Management Company shall with the consent of the Trustee, appoint at the establishment of the Scheme and upon any vacancy, an Auditor who shall be a chartered accountant and independent of the Auditors of the Management Company and the Trustee and such Auditor shall not be appointed for more than three consecutive years and the contents of the Auditor's report shall be in accordance with the provisions of the Rules.
- 5.A.3.11 The Management Company shall furnish a copy of the annual report together with copies of the balance sheet, income and expenditure accounts, Trustee Report and the Auditor's report of the Scheme to the SECP within four months of the close of the Accounting Period, together with a statement containing the following information, namely:
- i) Total number of Unit Holders; and
 - ii) Particulars of the pertinent personnel (executives, research and other) of the Management Company.



5. A.3.12 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 subject to Rules and terms of this Deed. The Management Company shall ensure that the settlement instructions are given promptly after entering into the transactions so as to facilitate the timely settlement and the Trustee, on its side, shall ensure that the settlement is handled in a timely manner in accordance with the dictates of the transaction subject to Rules and terms of this Deed.
- 5.A.3.13 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 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.
- 5.B ROLE OF THE TRUSTEE**
- 5.B.1 The Trustee shall invest the Trust Property from time to time at the direction of the Management Company strictly in terms of the provisions contained and the conditions stipulated in this Deed, the Offering Document(s), the Rules and the conditions, if any, which may be imposed by the SECP from time to time.
- 5.B.2 The Trustee has the responsibility for being the nominal owner and for the safe custody of the assets of the Scheme on behalf of the beneficial owners (the Unit Holders), within the framework of the Rules, the Trust Deed establishing the Unit Trust and Offering Document (s) issued for the Unit Trust.
- 5.B.3 The Trustee shall have all the obligations entrusted to it under the Rules, the Trusts Act, 1882, this Deed and the Offering Document
- 5.B.4 The Trustee shall nominate one or more of its officers to act as attorney(s) for performing the Trustee's functions and for interacting with the Management Company.
- 5.B.5 The Trustee shall in consultation with the Management Company appoint and may also remove and replace from time to time one or more Bank(s) and /or other depository company, to act as the Custodian(s) for holding and protecting the Trust Property and every part thereof and for generally performing the custodial services at one or more locations



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and on such terms, as the Trustee and the Management Company may mutually agree and to be incorporated in custodial services agreement(s) to be executed between the Trustee and the Custodian(s). Provided however, the Trustee may also itself provide custodial services for the Trust with the approval of the Management Company at competitive terms as part of its normal line of business.

- 5.B.6 The Trustee shall comply with the provisions of this Deed for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee in consultation with 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 Scheme for any loss in value of the Trust Property, where such loss has been caused by gross negligence or reckless act and /or omission of the Trustee or any of its directors, officers, nominees or agents.
- 5.B.7 The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holders. The Trustee shall not be under any liability on account of anything done or suffered by the Trust, if the Trustee had acted in good faith in accordance with or in pursuance of any request of the Management Company, provided they were not in conflict with the provisions of this Deed or the Rules. Whenever pursuant to any provisions 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:
- i) A document signed or purporting to be signed on behalf of the Management Company by any person(s), whose signature the Trustee has for the time being authorized in writing by the Management Company to accept.
 - ii) Any instructions received Online through the software solution adopted by the Management Company for managing and keeping records of the Scheme to the satisfaction of the Trustee.
- 5.B.8 The Trustee shall not be liable to any loss caused to the Scheme or the value of the Trust Property due to any elements or circumstances beyond its reasonable control.



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- 5.B.9 The Trustee shall carry out the instructions of the Management Company in all matters including the investments and disposition of the Trust Property unless such instructions are in conflict with the provisions of this Deed and/or the Offering Document(s) or the Rules and/or any other applicable law.
- 5.B.10 The Trustee shall make available or ensure that there is made available to the Management Company such information as the Management Company may reasonably require from time to time in respect of the Trust Property and all other matters relating to the Trust.
- 5.B.11 The Trustee shall, if requested by the Management Company or if it considers necessary for the protection of the Trust Property or safeguarding the interest of Unit Holders institute or defend any suit, proceedings, arbitration or enquiry or any corporate or shareholders' action in respect of the Trust Property or any part thereof, with full powers to sign, swear, verify and submit pleadings and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized directors and officers. All reasonable costs, charges and expenses (including reasonable legal fees) incurred in instituting or defending any such action shall be borne by the Trust and the Trustee shall be indemnified against all such costs, charges and expenses. Provided that no such indemnity shall be available in respect of any action taken against the Trustee for gross negligence or breach of its duties in connection with the Trust under this Deed or the Rules. For the avoidance of doubt it is clarified that notwithstanding any thing contained in this Deed, the Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities whatsoever suffered or incurred by the Trust arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or shareholders' action or otherwise howsoever and (save as herein otherwise provided), all such losses, claims, damages or other liabilities shall be borne by the Trust.
- 5.B.12 Neither the Trustee, nor the Custodian (if Trustee has appointed another person as Custodian) or the Management Company or any of their Connected Persons shall sell or purchase any Investment to / from the Scheme (save in the capacity of an intermediary).
- 5.B.13 Subject to the Rules, any transaction between the Trust and the Management Company or any of their respective Connected Persons as principal shall only be made with the prior written consent of the Trustee.



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5.B.14 The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Rules and this Deed, nor shall the Trustee be liable for any act or omission of the Management Company or for anything except its own negligence or willful breach of duty hereunder. If for any reason it becomes impossible or impracticable to carry out the provisions of this Deed, the Trustee shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted, to be done in good faith hereunder.

5.C BANK ACCOUNTS

- 5.C.1 The Trustee shall open Bank Accounts titled "**CDC-Trustee FAYSAL SAVINGS GROWTH FUND**" for the Unit Trust at designated Bank(s) at Karachi for collection, investment, redemption or any other use of the Trust's Funds.
- 5.C.2 The Trustee shall also open additional Bank Account(s) titled "**CDC-Trustee FAYSAL SAVINGS GROWTH FUND**" at various such branches of such other Banks as may requested by the Management Company. These accounts shall be temporary collection accounts where collections shall be held prior to their being transferred to the main Bank Account of the Trust on a daily basis.
- 5.C.3 The Trustee shall also open an account titled "**CDC-Trustee FAYSAL SAVINGS GROWTH FUND**" at such branches of Banks and at such locations (including outside Pakistan, subject to applicable regulations and after obtaining all necessary approvals from the relevant regulatory authority in Pakistan) as may be requested by the Management Company from time to time. Such account shall be used as collection and redemption accounts. There shall be instructions for all such collection and redemption accounts to promptly transfer funds collected therein to the main Bank Account and / or transfer the funds to the relevant bank accounts of the Unit Holder for redemption purposes.
- 5.C.4 The Management Company may also require the Trustee to open separate Bank Accounts for the Unit Trust to facilitate investments on account of the Trust and the receipt, tracking and reconciliation of income or other receipts relating to the investments. This account may also be used to facilitate redemptions and other trust related (ancillary) temporary transaction.



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- 5.C.5 The Management Company may also require the Trustee to open a separate bank account for each dividend distribution of the Unit Trust. Notwithstanding anything in this Deed the beneficial ownership of the balances in the accounts shall vest in the Unit Holders.
- 5.C.6 All bank charges for opening and maintaining Bank Account for the Trust shall be charged to the Scheme.
- 5.C.7 All interest, income or profit, etc. earned in the Distribution Account(s), including those accruing on unclaimed dividends, shall form part of the Trust Property for the benefit of the Unit Holders and shall be transferred periodically from the Distribution Account(s) to the main Bank Account of the Trust.
- 5.C.8 The amount received from the Core Investors (seed capital) and Private Placement Investors (as per Clause 23 below) shall be deposited in a separate Bank Account a titled **CDC – Trustee Faysal Savings Growth Fund – Pre-IPO** and transferred to the main Bank Account of the Fund upon the close of the Initial Period. Income, profit, interest, etc. earned on the investments by the Core Investors and Private Placement Investors upto the close of the Initial Period, shall be paid to Core Investors and Private Placement Investors in proportion to their respective investment on a time proportion basis and shall not form part of the Trust Property.
- 6 INVESTMENT OF THE TRUST PROPERTY AND INVESTMENT AND BORROWING RESTRICTIONS**
- 6.1 Investments of the Trust Property**
- 6.1.1 Prior to the commencement of the Initial Period the Trustee shall hold the Trust Property on deposit in a separate account(s) with a scheduled bank(s) approved by the Management Company After the Initial Period all Trust Property, except in so far as such cash may in the opinion of the Management Company be required for transfer to the Distribution/Redemption Account, shall be invested by the Trustee from time to time, on such Investment as may (subject always to the provisions of this Trust Deed and the Rules) be directed by the Management Company.
- 6.1.2 It is declared that the Scheme shall offer investment opportunities in accordance with the investment options announced in the Offering Document.
- 6.1.3 Any Investment may at any time be realized at the discretion of the Management Company either in order to invest the



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proceeds of sale in other Investment(s) or to provide cash required for the purpose of any provision of this Trust Deed or in order to retain the proceeds of sale in cash or on deposit in the Trustee's account 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 and the Trustee may determine to be in the interest of the Unit Holders.

6.1.4 The purchase or sale of any Investment in listed securities for the account of the Trust shall be made on the Stock Exchange, through a Broker who must be a member of a Stock Exchange, unless the Management Company is satisfied that it is possible and permissible under the rules and regulations to make such purchase or sale more advantageously in some other manner. The Broker(s) will be appointed by from time to time by the Management Company. The Management Company shall not appoint except as may be permissible under the Rules, directly or indirectly, as a Broker any of its directors, officers or employees or their family members (which term shall include their spouse, parents, children, brothers and sisters).

6.2 INVESTMENT RESTRICTION

6.2.1 The Trust Property shall be subject to such exposure limits as are provided in the Rules (subject to any exemptions or relaxations that may be specifically given to the Fund by the SECP). Provided that it will not be necessary for the Trustee to sell any Investment merely because owing to appreciation or depreciation of any Investment or disposal of any Investments such limit shall be exceeded. The Management Company will have (3) three months to comply with the exposure limits in case such limits are exceeded.

6.2.2 The Scheme shall not invest more than twenty five (25) per cent of its Net Asset Value in securities of any one sector as per classification of the pertinent Stock Exchange(s).

6.2.3 The purchase or acquisition of Units in one open-ended scheme shall not exceed ten (10) percent of the Net Asset Value immediately after such investment has been made.

6.2.4 If and so long as the value of the holding in a particular company or sector shall exceed the limit imposed by the Rules, the Management Company shall not purchase any further Investments in such company or sector. However this



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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. However, the management company shall bring the investment within the limits specified in the Rules and the trust deed within (3) three months of such bonus or right issue.

6.2.5 The Trust Property shall not be invested in any security of a company if any director or officer of the Management Company or any connected persons owns more than five percent of the total nominal amount of the securities issued or collectively the directors and officers of the Management Company or any of their connected persons own more than ten percent of those securities.

6.2.6 The Trust shall not purchase from or sell any security to the Management Company or the Trustee or to any director, officer or employee of the Management Company or Trustee or to any person who beneficially owns ten per cent or more of the equity of the Management Company or the Trustee, save in the case of such party acting as a intermediary.

6.2.7 The Trust will not at any time,

6.2.7.1 Purchase or sell:

- Bearer securities;
- Securities on margin,
- Securities which result in assumption of unlimited liability (actual or contingent);
- Anything other than Authorized Investments as defined herein;

6.2.7.2 Participate in a joint account with others in any transaction;

6.2.7.3 Make short sales of any security, or maintain a short position in securities.

6.2.7.4 Apply any part of its assets to real estate except property for its own use

6.2.7.5 Investment of the Scheme in any company shall not, at any time, exceed an amount equal to 10% of the total Net Asset Value of the Scheme at the time of investment or 10% of the issued capital of the investee company

6.3 Exception to Investment Restrictions

In the event the weightages of shares exceed the limits laid down in the Offering Document or the Rules as a result of the



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- 17.3 The Management Company may make arrangements through branches of Banks to facilitate issuance and Redemption of Units of the Scheme or may appoint Investment Facilitators for this purpose. A request for purchase of Units may also be made through the use of electronic means such as internet or ATM facilities or Credit Card facilities
- 17.4 The Management Company shall, from time to time, advise the Trustee of the dividend distribution for the Scheme. The Trustee shall establish separate Bank Accounts for each dividend distribution and transfer the amount payable as cash dividend to such accounts after deducting such taxes and Zakat as may be required under the law. The Trustee may rely on the amount certified being distributed in the form of Units of the Unit Trust.
- 17.5 The Trustee shall pay to the Management Company's order such sums out of the sale proceeds of Units of the Scheme or the sums retained out of the redemption amounts as are representative of Front-end or Back-end Loads or Charges or other recoveries that are specified in this Deed or Offering Document, as being payable out of the Issue or Redemption Prices.
- 17.6 Without prejudice to the foregoing, and subject to any law for time being in force, the Trustee shall endeavor to ensure and employ prudent practices to ensure that information pertaining the Trust Property, such as, but not restricted to, investments made, list of Unit Holder(s) etc., is not compromised, dispersed or provided to any third party without express consent of the Management Company.
- 17.7 Where any loss is caused to the Trust Property or to the Management Company due to Trustee's failure to comply with clause 17.6 other than due to reasons beyond the control of the Trustee, the Trustee shall make good that loss by depositing a sum equivalent to the loss in the Trust Property or making payment to the Management Company, as the case may be.
- 17.8 Where no loss is caused to the Scheme or the Management Company, but a breach of trust has been caused by the Trustee as referred in the clause 17.6 above, the Management Company shall be entitled to recover such other reasonable penalty from the Trustee as determined by the Management Company, or in case of disagreement between the Management Company and the Trustee then the clause 32 hereof shall apply.



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- 18 TRANSACTIONS RELATING TO INVESTMENT ACTIVITY / PORTFOLIO MANAGEMENT**
- 18.1 The Management Company shall, from time to time, advise the Trustee of the settlement instructions relating to any investment/ dis-investment transactions entered into by it on behalf of the respective Unit Trust. The Trustee shall carry out the settlements in accordance with the dictates of the specific transactions subjected to the Rules and the terms of this Deed. The Management Company shall ensure the settlement instructions are given promptly after entering into the transaction so as to facilitate timely settlement and the Trustee, on its side, shall ensure that the settlement is handled in a timely manner in accordance with dictates of the transaction subjected to the Rules and the terms of this Deed.
- 18.2 The Trustee shall ensure that, where applicable, payments against Investments are made against delivery and vice versa, unless specified otherwise.
- 18.3 The Trustee shall promptly forward to the Management Company any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government, regulator, stock or other exchange or any other party having any connection with the transaction.
- 18.4 The Trustee shall also, if so required by the nature of such notices or documents mentioned in the foregoing clause, act with the consent of the Management Company in a manner that is in the best interest of the Scheme. Such action shall include legal action if called for and the Trustee shall be entitled to recover any legal costs reasonably incurred from the Scheme.
- 18.5 The Management Company shall intimate the Trustee with regard to dividends, other forms of income or inflows, and any rights or warrants relating to the Investments that are due to be received. Further, The Trustee shall report back to the Management Company any such amounts or warrants that are received on such accounts from time to time.
- 18.6 The Trustee shall provide proxies or other forms of powers of attorney to the order of the Management Company with regard to any voting rights attaching to any investment.



19 OTHER MATTERS RELATING TO THE SCHEME

19.1 Declaration of Net Asset Value based prices

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

19.2 Issuance (Offer) and Redemption (Repurchase) of Units

The Transfer Agent shall process Issuance and Redemption applications as well as conversion / switching, and transfer application in accordance with the Constitutive Document. Based on the prices applicable to the relevant Purchase or Redemption, the Registrar shall determine the number of Units to be issued or redeemed. Under certain circumstances as provided in the Trust Deed, the Management Company may suspend the issuance and/or Redemption of Units.

20 VOTING RIGHTS ON TRUST PROPERTY

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

20.2 The Trustee shall upon written request by the Management Company, on account of the Trust Property, 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..



20.3 Not later than one (1) Business Day 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 holder of any Investment. The management company shall keep record for a period of 5 years of the votes cast in favour of or against and resolution and its decision not to exercise the vote in any matter, for review by the regulatory authorities and auditors/inspectors.

21. CHANGE OF MANAGEMENT COMPANY

21.1 The removal of the Management Company and appointment of a new management company shall always require the prior approval of the SECP and intimation of the same to Unit Holders.

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

21.3 If the SECP has cancelled the license 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 the Constitutive Documents and the Rules.

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

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

21.6 Upon its appointment the new management company shall exercise all the powers and enjoy all the 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.

21.7 Furthermore, the Trustee may immediately upon the issuance



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of notice of removal of Management Company appoint auditors with the consent of SECP from amongst the panel of auditors designated as "A" category by State Bank of Pakistan for the audit of Financial Institutions.

- 21.8 The Auditors so appointed shall be other than the existing auditors of the Fund, the Management Company and the Trustee.
- 21.9 The Auditors shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Trustee or SECP.
- 21.10 The report for the audit shall be submitted by the auditors to the Trustee not later than 30 Business Days from their appointment. A copy of the report shall also be provided to SECP, out going Management Company and the new Management Company.
- 21.11 The costs of audit shall be shared equally by the outgoing Management Company, the new Management Company and the Fund.

22. CHANGE OF TRUSTEE

- 22.1 The Trustee may retire voluntarily in accordance with and subject to the conditions of clause 4.5 herein above.
- 22.2 If the Trustee goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction on terms previously agreed to with the Management Company for purpose of reconstruction and amalgamation) or ceases to carry on business or a receiver of its undertaking is appointed or it becomes ineligible to act as a trustee of the Scheme under the provisions of the Rules, the Management Company shall with the approval of the SECP, by an instrument in writing remove the Trustee from its appointment under this Deed and shall by the same or some other instrument in writing simultaneously appoint as trustee some other company or corporation according to the provisions of the Rules and this Deed as the new trustee.
- 22.3 The Management Company may with the approval of the SECP remove the Trustee, after giving at least ninety days notice in writing to the Trustee on grounds of any material default or non-compliance with the provisions of the Constitutive Document or the Rules and appoint another trustee, provided such removal shall not by itself constitute admission of such default or non-compliance on the part of the Trustee.



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22.4 Upon the appointment of a new trustee, the Trustee shall immediately deliver all the documents and records to the new trustee and shall transfer all the Trust Property and any amount deposited in any Redemption Account/ Distribution Account to the new trustee and make payments to the new trustee of all sum due from the Trustee.

22.5 The new trustee shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Trustee hereunder as fully as though such new trustee had originally been a party hereto.

22.6 Notwithstanding the removal/resignation of the Trustee and its subsequent discharge from its duties under this Deed and the Rules, the Trustee shall remain entitled to the benefit under the terms of this Deed without prejudice to the Trustee's responsibility or obligation to liquidate any liability for which the Trustee may have become liable under this Deed and/or the Rules.

22.7 Furthermore the Management Company may immediately upon the issuance of notice of removal of Trustee appoint Auditors with the consent of SECP from amongst the panel of auditors designated as "A" category by State Bank of Pakistan for the audit of Financial Institutions.

22.8 The Auditors so appointed shall be other than the existing auditors of the Scheme, the Management Company and the Trustee.

22.9 The Auditors shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Management Company or SECP.

22.10 The report for the audit shall be submitted by the Auditors to the Management Company not later than 30 Business Days from their appointment. A copy of the report shall also be provided to SECP, out going Trustee and the new trustee.

22.11 The costs of audit shall be shared equally by the outgoing Trustee, the new Trustee and the Scheme.

23. UNITS

23.1 The Management Company may issue following classes and types of Units:

Classes of Units: Units may be charged with no Sales load, Front-end Load, Back- end Load, Contingent Load and/or any



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- combination of the foregoing from time to time. The Management Company shall identify each such type of Units in such manner as it thinks fit as Class 'A', Class B and so on and so forth. The characteristics of the classes of Units shall be fully mentioned in the Offering Document.
- 23.2 Units shall be issued in the Initial Period for the Initial Price to the first subscribers of such Units and to the extent of an amount determined by the Management Company and intimated to the Trustee, subject to the provisions of Rule 67(f). The Core Units issued at Par Value to Core Investors Shall not be redeemable for a period of two years from the date of such subscription. Such units are transferable with this condition and shall rank pari passu with all other Units save from this restriction, any transfer of these Core Units, during 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. Such restriction and its termination date shall be entered into the Register and shall be noted on any Certificate issued in respect of such Units. For attaining the aims and objectives, the Management Company has/will deliver and hand over to the Trustees initial sum of Rs. 50,000/- (Rupees fifty thousand only). Details of the Core Investors shall be included in the Offering Document to be issued for this Trust.
- 23.3 Subject to the terms of this Deed, all Units and fractions thereof represent an undivided share in the Trust Property and rank pari passu as to their rights in the Net Assets, earnings, and the receipt of the dividends and distributions.
- 23.4 Irrespective of the different classes of Units issued, all Units issued from time to time shall rank pari passu inter se and shall have such rights as are set in this Deed and the Offering Document. The liability of the Holders shall be limited to the unpaid amount (if any) on the Units.
- 23.5 The Units issued with differing Classes may have differing quantum of the Front-end Load added to the Net Asset Value to determine the Offer Price and differing level of Back-end Load deducted for determining the Redemption Price.
- 23.6 After the Initial Period, the Offer Price shall be determined from time to time pursuant to sub-clause 7.1.2 of this Deed and Rule 80 of The Rules.



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- 23.7 By a deed supplemental to this Trust Deed, the Management Company may at any time with the approval of the Trustee on giving not less than twenty one days previous notice in writing to each Holder subdivide or consolidate the whole or any part of the Units of the same class 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 or otherwise affect any such sub-division or consolidation.
- 24. ISSUANCE OF UNITS**
- 24.1 The Management Company shall be responsible for obtaining all requisite consents and approvals for the offer and issue of Units and for the issue, publication or circulation of the Offering Document.
- 24.2 Except as provided herein the Units shall be offered at the authorized offices or branches of the Distribution Companies on all Subscription Days.
- 24.3 Application for issue of Units shall be made by completing the prescribed application form and submitting it with payment by cheque or bank draft, pay order, credit card etc in favor of the **CDC Trustee FAYSAL SAVINGS GROWTH FUND** and crossed "**Account Payee Only**" at the authorized branch or office of any Distribution Company. The application for issuance of the Units and the specimen signature of each Holder shall be retained by the relevant Distribution Company. The Distribution Company shall verify the particulars given in the application for issuance of Units and the documents submitted therewith and may ensure that 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 issue of Units is verified by a banker or Broker or other responsible person or otherwise authenticated to its or their reasonable satisfaction.
- 24.4 Each Unit Holder(s) shall only be liable to pay the Purchase (Offer) Price of the Units subscribed by him together with a sum sufficient in the opinion of the Management Company to cover any Duties, Charges, levies etc payable in connection with the purchase of such Units and no further liability shall be imposed on him in respect of any Units held by him. The Units shall be issued in fractions up to four decimal points, only against receipt of full payment.



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- 24.5 The Management Company may charge processing charges for issuance of Units in such manner as it shall think fit. The details of processing charges shall be mentioned in the Offering Document.
- 24.6 An application for purchase of Units shall deem to have been made in accordance with the provisions of the Offering Document(s), if such document(s) prescribes automatic issuance of Units under certain circumstances.

25 ISSUE OF UNITS OUTSIDE PAKISTAN

- 25.1 Subject to exchange control and other applicable laws, rules and regulations, in the event of arrangements being made by the Management Company for the issuance of Units to person(s) not resident in Pakistan or for delivery in any country outside Pakistan, the price at which such Units may be issued may at the discretion of the Management Company, include in addition to the Offer Price as herein before provided a further amount sufficient to cover any currency exchange fluctuation, any additional stamp duty or taxation whether national, municipal or otherwise leviable in that country in respect of such issue or of the delivery or issue of Certificates in connection therewith or the remittance of money to Pakistan
- 25.2 In the event that the Redemption Price for Units shall be paid in any country outside Pakistan, the price at which such Units may be redeemed may, at the discretion of the Management Company include as a deduction to the Redemption Price as herein before provided a further amount sufficient to cover any currency exchange fluctuation, bank charges, and any additional stamp duty or taxation whether national, municipal or otherwise leviable in that country in respect of such payment or redemption.
- 25.3 The currency of transaction of the Scheme is the Pakistan Rupee and the Management Company, Trustee or any Distributor are not obliged to transact the purchase or redemption of the Units in any other currency and shall not be held liable, save as may be specifically undertaken by the Management Company, for receipt or payment in any other currency or for any obligations arising there-from.

26 REGISTER OF UNIT HOLDERS

- 26.1 The Register shall be maintained by the Transfer Agent at such place as is agreed by the Management Company. The Management Company shall ensure that the Registrar shall comply with all relevant provisions of the Constitutive Document and the Rules and inform the SECP of the address where the Register is kept.



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- 26.2 The Management Company shall ensure that the Transfer Agent shall at all reasonable times during business hours give the Trustee and its representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without charge but neither the Trustee, nor its representatives shall be entitled to remove the Register or to make any entries therein or alterations thereto, except when the Register is closed in accordance with the provisions of this Trust 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 without charge.
- 26.3 The Register shall contain the following information in respect of each class and type of Units:
- Full names, father's/husband's name and addresses of each Unit Holder and joint Unit Holders.
 - National Identity Card Number, registration number or any other identification number in case of foreign holder;
 - Nationality
 - Number of Certificate held;
 - The date on which the name of every Unit Holder was entered in respect of the Units standing in his name;
 - The date on which any transfer or redemption is registered with Certificate number, if any;
 - Information about lien, pledge or charge of Units;
 - Information about verification of redemption/transfer Forms;
 - Tax and Zakat status of the Unit Holder(s);
 - Information about nominees;
 - Record of signature of Holder;
 - Such other information as Management Company may require.
- 26.4 The Register shall be conclusive evidence as to the Units held by each Unit Holder.
- 26.5 Any change of name or address of any Unit Holder shall forthwith be notified in writing to the Distribution Company, who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name the surrender of

- any Certificate(s) previously issued to such Unit Holder and the payment of the fee) shall cause the Transfer Agent to alter the Register accordingly and in the case of a change of name shall, if requested, issue new Certificate(s) to such Unit Holder(s).
- 26.6 The Transfer Agent shall not register more than four joint holders for a Unit. In case of the death of any one of the joint holders the 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.
- 26.7 A body corporate may be registered as a Unit Holder or as one of joint Unit Holders.
- 26.8 The Register may be closed with intimation to the Trustee for such period as the Management Company may from time to time determine and after giving at least seven calendar days notice to Unit Holders, provided that it is not closed for more than forty-five days in any a calendar year.
- 26.9 The Unit 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 Unit 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 Registrar to record a lien on any or all Units held by a Unit Holder in favor of a third party at the request of such Unit Holder or joint Unit Holders as the case may be.
- 26.10 The executor(s) or administrator(s) or succession certificate holder(s) of a deceased Unit Holder (not being one of several joint Unit Holders) shall be the only persons recognized by the Trustee and the Management Company as having right, title or interest in or to the Units represented thereby.
- 26.11 Any person becoming entitled to a Unit in consequence of death or bankruptcy / insolvency of any sole Unit Holder or of the survivor of joint Unit Holders may subject to as hereinafter provided upon producing such evidence as to his title as the Trustee shall think sufficient either be registered himself as Unit Holder of such Unit(s) upon giving the Trustee/Distribution Company such notice in writing of his desire or transfer such Unit(s) to some other person. All the limitations, restrictions and provisions of this Trust Deed relating to transfer shall be applicable to any such notice or transfer as if death or bankruptcy/insolvency had not occurred and such notice or

- transfer was a transfer executed by the Holder. Provided however, the Transfer Agent, the Trustee and/or the Management Company may require production of succession certificate or any other mandate from a court or any lawful authority at their discretion.
- 26.12 The Trustee shall retain any moneys payable in respect of any Unit of which any person is, under the provisions as to the transmission of Units herein before contained, entitled to be registered as the Unit 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.
- 26.13 The registrar shall, subject to any law in force, ensure at all times and shall endeavor to implement prudent practices to ensure that the Register or the information contained therein of all or any particular Unit Holders is not provided to any third party without express permission from the Management Company or the Unit Holders himself, unless any disclosure is required in compliance with any applicable laws, rules and regulations or where such disclosure is required by an appropriate court or competent authority.
- 27. ISSUANCE OF CERTIFICATES**
- 27.1 Upon written confirmation from the Trustee that the Offer Price for each Unit has been received 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 Unit Holder.
- 27.2 Certificates shall be issued only if so requested by the Unit Holder at the time of application or at any later stage and upon payment of a fee not exceeding Rs. 25/- (Rupees Twenty Five Only) plus any duties and charges as management company thinks fit 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.
- 27.3 Certificates shall only be issued for Units that have been fully paid in such denomination as may be required by the Holder. Separate Certificates shall be issued for each class of Units.
- 27.4 Certificates where requested, shall be issued as herein provided not later than twenty-one Business Days after the date of such request. The Certificate may be sent to the Unit Holder or his duly authorized nominee at his own risk by registered post or by courier service or may be collected from the Distribution Company.



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- 27.5 In the case of Units held jointly, the Transfer Agent shall not issue more than one Certificate for the Units held by such joint Unit Holders and delivery of such Certificate to the Unit Holder named first therein shall constitute sufficient delivery to all joint Unit Holders.
- 27.6 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, and shall bear a distinctive serial number and shall specify the number of Units represented thereby and the name and address of the Holder as appearing in the Register.
- 27.7 Certificates may be engraved or lithographed or printed as the Management Company may determine from time to time with the mutual agreement of the Trustee and shall be signed on behalf of the Trustee by duly authorized officer(s) of the Trustee and on behalf of the Management Company by duly authorized officer(s) of the Management Company. Every such signature(s) 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(s) in which event all or any of such signature(s) 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 above mentioned. Certificate so signed shall be valid and binding notwithstanding that before the date of delivery thereof the Trustee or the Management Company or the 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.
- 28. REPLACEMENT OF CERTIFICATES**
- 28.1 Subject to the provisions of this Trust Deed and in particular to the limitations of the denominations of Certificates as may be fixed by the Management Company and subject to any regulations from time to time made by the Trustee with the approval of the Management Company every Unit Holder shall be entitled to exchange upon surrender of the existing Certificate any or all of his Certificates for one or more Certificates of such denominations as he may require representing the same aggregate number of Units.
- 28.2 In case any Certificate shall be lost, mutilated, defaced or destroyed, the Transfer Agent with the approval of the Management Company may issue to the person entitled a new Certificate in lieu thereof. No such new Certificate shall be issued unless the applicant shall previously have:



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- a) returned the mutilated or defaced Certificate or furnished to the Distributor/Transfer Agent evidence satisfactory to the Management Company of the loss, theft or destruction of the original Certificate,
- b) paid all expenses incurred in connection with the investigation of the facts;
- c) in the case of joint holders obtained the written consent of the joint Holders for issuance of such new Certificates;
- d) 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.
- 28.3 Before the issuing of any Certificate under the provisions of sub-clause 28.2, the Distribution Company / Transfer Agent may require from the applicant for the Certificate the payment to it of a fee of Rs 25/- (Twenty Five Rupees) for each Certificate, subject to revision 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. Provided however, the Management Company, the Trustee and/or the Transfer Agent may also at their discretion issue a public notice in news papers for inviting objections. The cost of such publication shall be borne by the pertinent Unit Holder.
- 29. TRANSFER OF UNITS**
- 29.1 Every Unit Holder(s) shall be entitled to transfer, pledge or otherwise encumber 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.
- 29.2 A Certificate shall be transferable only in its entirety.
- 29.3 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.
- 29.4 Every instrument of transfer must be duly completed in all respects, including affixation of transfer stamps of the requisite value. Where Certificates have been issued the Trustee may dispense with the production of any Certificate where the Certificate have become lost, stolen or destroyed subject to



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- compliance by the transferor with the like requirements to those arising in the case of an application by him for the replacement thereof as provided in this Trust Deed.
- 29.5 All instruments of transfer shall be retained by the Distribution Company, and a copy supplied to the Transfer Agent if required by the Management Company.
- 29.6 The Distribution Company / Transfer Agent with the prior approval of the Management Company and the Trustee shall be entitled to destroy all instruments of transfer or the copies thereof as the case may be which have been registered at any time after the expiration of twelve years from the date of registration thereof and all Certificates which have been cancelled at any time after the expiration of three years from the date of cancellation thereof and all registers, statements and other records and documents relating to the Trust at any time after the expiration of six years from termination of the Trust. The Trustee or the Management Company or the Distribution Company / Transfer Agent shall be under no liability whatsoever in consequence thereof and it shall conclusively be presumed in favor of the Trustee or the Management Company or the Distribution Company / Transfer Agent that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered by the Trustee or the Management Company or the Distribution Company / Transfer Agent and that every Certificate so destroyed was a valid Certificate duly and properly 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:
- a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereof) to which the document may be relevant;
 - b) nothing in this sub-clause shall be construed as imposing upon the Trustee or the Management Company or the Distribution Company / Transfer Agent any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of proviso (a) above are not fulfilled; and
 - c) reference herein to the destruction of any document includes reference to the disposal thereof in any manner.
- 29.7 The sale, redemption and transfer of Units and any other dealings in the Units may be carried out On-Line, with the consent of the Trustee, to the extent permitted by and in accordance with applicable law.



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30. PLEDGE / LIEN OF UNITS

- 30.1 Any Unit Holder / or all joint Unit Holders of Units may request the Transfer Agent to record a pledge / lien of all or any of his/their Units in favor of third party legally entitled to invest in such Units in its own right. The Transfer Agent shall register a lien on any Units in favor of any third party with the specific authority of the Management Company as security for any debt to any third party. 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.
- 30.2 The pledge/lien once registered shall be removed by the authority of the party in whose favor the pledge/lien has been registered or through an order of a competent court. Neither the Trustee, nor the Management Company, nor the Transfer Agent, shall be liable for ensuring the validity of any such pledge / charge / lien. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge / charge / lien by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company nor the Transfer Agent take any responsibility in this matter.
- 30.3 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 lien/charge/pledge holder for the account of the Holder. However, any Units issued on reinvestments or bonus Units that the pledged Units are entitled to automatically be marked under the lien or pledge. In the event the pledged Units are redeemed for any reason, the redemption proceeds of the Units lien/pledge/charge shall be made to the lien/charge/pledge holder for the account of the Holder.
- 30.4 Where Units are inducted in the Central Depository Register of Central Depository Company, the Provisions of the Central Depositories Act, 1997 and the rules and regulations made there under, shall also be applicable.
- 31. AUDIT**
- 31.1 The Management Company shall at the establishment of the Scheme and with the consent of the Trustee, appoint as Auditor, a firm of chartered accountants who shall be independent of the auditor of the Management Company and the Trustee and such Auditor shall not be appointed for more than three consecutive years. The Management Company may at any time remove Auditor and appoint another Auditor in its place with the consent of Trustee. The Auditors shall hold office until transmission of the annual report and accounts but may be appointed. The first auditors are M/s. Ford Rhodes Sidat Haider &Co., Chartered Accountants and they are appointed with written consent of trustee.



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- 31.2 The following persons shall not qualify to be the Auditors of the Scheme:
- a) A person who is or at any time during the preceding three years was a director, officer or employee of the Management Company or the Trustee.
 - b) A person who is a partner of, or in employment of, a director, officer, employee of the Management Company or Trustee.
 - c) The spouse of a director of the Management Company or Trustee,
 - d) A person who is indebted to the Management Company or Trustee, and
 - e) A body corporate.
- 31.3 Appointment of a partnership firm to be the Auditors shall be deemed to be the appointment of all persons who are partners in the firm for the time being.
- 31.4 The Auditors shall have access to the books, papers, accounts and vouchers of the Trust, whether kept at the office of the Management Company, Trustee, Transfer Agent, Distribution Company or elsewhere and shall be entitled to require from the Management Company, Trustee and their concerned directors, officers and agents such information and explanations as considered necessary for the performance of audit.
- 31.5 The Auditors shall prepare a written report to the Unit 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, statement or schedule appended thereto.
- 31.6 The contents of the Auditors report shall be as required in the Rules.
- 31.7 The Management Company shall:
- a) within four months of closing of the Accounting Period, prepare and transmit the annual report together with a copy of the balance sheet, income and expenditure account and the Auditor's report for the Accounting Period to the SECP and Holders in accordance with the Rules;
 - b) within the period prescribed by the NBFC rules, second and third quarter of its year of account, prepare and transmit to the Holder and the SECP a profit and loss account, balance sheet as at the end of that quarter, cash flow statement and a statement of changes in equity for the quarter, whether audited or otherwise, in accordance with Rules;



Trust Deed

- c) along with the annual report, as provided in sub-clause (a) hereinabove, also provide to the SECP a statement containing: (i) the total number of Holders; and (ii) particulars of the personnel (executive, research, and other) of the Management Company.

32. ARBITRATION

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

33. CONFIDENTIALITY

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

34. MISCELLANEOUS

- 34.1 Any notice required to be served upon the Unit Holders shall be deemed to have been duly given if sent by post to or left at his address as appearing in the Register. Any notice so



Trust Deed

served by post shall be deemed to have been served on the day following that on which the letter containing the same is posted, and in proving such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted.

- a) The Trustee or the Management Company shall advertise any such notice in at least two newspapers in which prices of Units are published at the cost of the Scheme.
- b) Service of a notice or document on any one of several joint Unit Holders shall be deemed effective service on the other joint Unit Holders.
- c) Any notice or document sent by post to or left at the registered address of a Unit Holder shall notwithstanding that such Unit Holder be then dead or bankrupt / insolvent 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.

34.2 A copy of this Trust 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 Rs. 50/- (Fifty Rupees) per copy or at such rate as determined from time to time by the Management Company.

34.3 If at any time, any Clause of this Deed is or becomes in whole or in part illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, the legality, validity and enforceability of the remaining Clauses of this Deed hereof, shall not in any way be effected or impaired thereby.

DEFINITIONS

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

35.1 **"Accounting Date"** means the thirtieth day of June in each year, and any interim dates at which the financial statements of the Scheme are drawn up. Provided, however, that the Management Company may with the written consent of the Trustee and after obtaining approval of the SECP and complying with other applicable laws, change such date to any other date.



Trust Deed

35.2 **"Accounting Period"** means a period ending on and including an Accounting Date and commencing in case of the first such period, on the date of commencement of the Initial Period and in any other case, from the end of the preceding Accounting Period.

35.3 **"Audit Date"** means the date as of which the Auditor issued its report in respect of the Scheme's balance sheet and income and expenditure account for the corresponding Accounting Period.

35.4 **"Auditor"** means a firm of chartered accountants that is appointed by the Management Company, with the consent of Trustee, as the auditor for the Scheme, who shall be independent of the auditor of the Management Company and the auditor of the Trustee, as provided under the Rules.

35.5 **"Authorized Branch, Branch (es)"** means those branches of the Distributors which are allowed to deal in Units of Faysal Savings Growth Fund.

35.6 **"Authorized Investment"**
Faysal Savings Growth Fund is primarily a Money Market Fund and its "Authorized Investments" include all transacted, issued, traded, listed and un-listed investments, inside or outside Pakistan and may include the following:

- Government of Pakistan Investment Bonds, Federal Investment Bonds, Treasury Bills and other Government Securities;
- Debentures and Certificates of Musharika (COM);
- Long, Medium and Short term bank deposits with banks or Trustee (if it is a bank) including deposit in currencies other than the Pakistani Rupee;
- Units/Certificates in any other income / money market Scheme if permitted;
- Secured and unsecured listed or privately placed debt securities issued by local governments, government agencies, statutory bodies, private or public sector entities and/or financial institutions having a minimum investment grade rating. If the entity issuing the debt securities is not rated then the instrument would have a minimum investment grade rating by a credit agency registered with the SECP;
- Convertible debt securities by corporate /financial institutions. In case Faysal Savings Growth Fund is required to convert the debt securities into share, it would offload the shares within a period of three months of the shares being issued,



Trust Deed

- Convertible and Non-Convertible preferred shares. In case Faysal Savings Growth Fund is required to convert the preference shares into ordinary shares in would offload the ordinary shares with a period of three months of the ordinary shares being issued.
 - Certificates of Investments/ Deposits issued by financial institutions having a minimum investment grade rating by a credit agency registered with the SECP.
 - Asset Backed and Mortgage Backed Debt Securities.
 - Repurchase transaction (REPOs) in money market instruments only and in accordance with the Rules and reverse REPOs against eligible securities.
 - Commercial Papers and any other money market debt security that may or may not be listed on the stock exchanges but does not include bearer security or any other security that would involve assumption of unlimited liability.
 - Continuous Funding System (CFS); Investment in CFS shall be restricted up to 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.
 - Spread Transactions. Faysal Savings Growth Fund will enter into transaction aimed at earning spread in the price of securities resulting from the timing difference between ready and future settlement market. Both the transactions will be carried out simultaneously so as to avoid risk emanating from the movement in the prices underlying securities.
 - Warrants, Options, Derivatives subject to the prior approval of SECP, Investment in this asset class, would be for hedging purpose only and subject to such terms and conditions approved by SECP from time to time and
 - Subject to SECP and other regulatory approvals the Scheme may seek to invest in foreign securities issued, listed or traded outside Pakistan on such terms, guidelines and directions as may be issued by SECP and the State Bank of Pakistan from time to time.
 - Any other security and / or instruments and / or transactions that may be allowed by SECP, the Rules or any other regulatory authority from time to time.
- 35.7** **"Back-end Load"** means the charge or commission (excluding Duties and Charges) not exceeding 5% of the Net Asset Value, deducted from the Net Asset Value in determining the Redemption Price; provided however that different levels of Back-end Load may be applied to different classes of units and shall be mentioned in the Offering Document.



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- 35.8** **"Bank"** means a scheduled bank as defined under the State Bank of Pakistan Act, 1956 and licensed to carry on the banking business for the time being in Pakistan, or if operating outside Pakistan, under the banking laws of jurisdiction of its operation outside Pakistan; and any other bank in another country licensed to carry banking business under the banking laws of that country
- 35.9** **"Bank Accounts"** means those accounts open and maintained for the Scheme by the Trustee at Banks, the beneficial ownership in which shall vest in the Unit Holders.
- 35.10** **"Broker"** means any person engaged in the business of effecting transaction in securities for the account of others and as defined in CDC Act 1997.
- 35.11** **"Business Day"** means a day on which Banks and offices of Management Company are open for business in Pakistan.
- 35.12** **"Certificate"** means the definitive certificate acknowledging the number of Units registered in the name of a Holder issued at the request of such Unit Holder pursuant to the provisions of this Trust Deed.
- 35.13** **"Connected Person"** shall have the same meaning as in the Rules.
- 35.14** **"Constitutive Documents"** means the principal documents governing the formation of an open-ended scheme and all related material agreements.
- 35.15** **"Contingent Load"** means Sales Load payable not exceeding 5% of the Net Asset Value, if Units are redeemed by any major Unit Holder in such period of time, as mentioned in the Offering Document, that the Management Company believes may adversely affect the interest of other Unit Holder (s). Any Contingent Load received will form part of the Trust Property.
- 35.16** **"Core Units"** mean such Units of the Scheme 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 the Core Units, during the first two years of their issue, shall be affected only on the receipt by the Transfer Agent of a written acceptance of this condition by the transferee.
- 35.17** **"Core Investors"** of the Scheme shall be such initial investors whose subscription shall in aggregate be in compliance of the requirements of rule 67(2)(f) of the Rules. The Core Investors shall be issued with Core Units representing their subscriptions. Particulars of the Core Investors shall be included in the Offering Document that shall be issued for this Trust.



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- 35.18** "**Custodian**" means a banking company as defined in the Banking Companies Ordinance, 1962 (LVII of 1962), or a central depository as defined in the Securities and Exchange Ordinance, 1969 or an investment finance company licensed under Rules, having such minimum credit rating as may be specified by the Commission, being appointed by the Trustee in consultation with the Management Company and the Commission, to hold and protect the assets of the Trust or any part thereof as custodian on behalf of the Trustee and shall also include the Trustee itself, if it provides custodial services for the Fund.
- 35.19** "**Distribution Account**" means the account (which may be a current, saving or deposit account) maintained by the Trustee with a Bank as directed by the Management Company in which the amount required for distribution of income to the Unit Holders shall be transferred. Interest, income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the main Bank Account of the Scheme from time to time as part of the Trust Property for the benefit of the Unit Holders.
- 35.20** "**Distributor(s) / Distribution Company**" means company(s) or firm or Bank or any other financial institution(s) appointed by the Management Company in consultation with the Trustee for performing any or all off the Distribution Functions and shall also include the Management Company itself, if it performs the Distribution Functions.
- 35.21** "**Distribution Functions**" means the functions 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 receipts in respect of (a) above;
 - c) Interfacing with and providing services to the Holders including receiving redemption / transfer / pledge applications, conversion notices and applications for change of address or issue of duplicate Certificates for immediate transmission to the Management Company or the Transfer Agent as appropriate; and
 - d) Accounting to the Trustee for all (i) moneys received from the applicants for issuance of Units; (ii) payments made to the Holders on redemption of Units; and (iii) expense incurred in relation to the Distribution Functions.
 - e) The above functions may be performed electronically, if appropriate systems are in place.



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- 35.22** "**Duties and Charges**" means in relation to any particular transaction or dealing, all stamp and other duties, taxes, zakat, government charges, bank charges, brokerage, transfer fees, registration fees and other Duties and Charges in connection with the increase or decrease of the Trust Property or the creation, issue, sale, transfer, redemption or purchase of Units or the sale or purchase of 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 any Loads, remuneration payable to the Distribution Company or any commission payable to agents on sales and redemption of Units or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.
- 35.23** "**Federal Government**" means the Federal Government of Islamic Republic of Pakistan
- 35.24** "**Formation Cost**" means all preliminary expenses relating to regulatory and registration fees of the Scheme, including flotation expenses of the Scheme, expenses relating to authorization of the scheme, execution and registration of the Constitutive Documents, legal costs, printing, circulation and publication of the Offering Document, announcements describing the scheme and all other expenses incurred until the end of the initial period. Provided that the formation costs will not exceed 1% of the Core Investment or if Pre-IPO investment exceeds Rupees One billion then a maximum amount of Rs. Four million.
- 35.25** "**Front-end Load**" means the sales and processing charges or commission (excluding Duties and Charges) not exceeding 5% of the Net Asset Value which may be included in the Offer Price of the Units; provided however that different levels of Front – End Load may be applied to different classes of units and shall be mentioned in the Offering Document.
- 35.26** "**Government Securities**" means securities and other instruments issued and to be issued by any Federal and / or Provincial Government of the Islamic Republic of Pakistan and/or the State Bank of Pakistan, including but not limited to Federal Investment Bonds, Pakistan Investment Bonds, any securities / instruments replacing or substituting the foregoing from time to time.
- 35.27** "**Holder**" or "**Unit Holder**" means the investor for the time being entered in the Register as owner of a Unit including investors jointly so registered pursuant to the provisions of this Trust Deed.



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- 35.28** “**Initial Period**” means a period determined by the Management Company not exceeding thirty days during which Units will be offered at the Initial Price in terms of the Offering Document, inclusive of the offering to the Core Investors.
- 35.29** “**Initial Price**” means the price per Unit during the Initial Period determined by the Management Company.
- 35.30** “**Investment**” means any Authorized Investment forming part of the Trust Property.
- 35.31** “**Investment Facilitators / Sales Agents**” means an individual, firm, corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Scheme. The Management Company shall compensate the Investment Facilitators / Sales Agents out of the Sales Load and /or Management Fee.
- 35.32** “**Management Company**” is defined in the preamble hereto;
- 35.33** “**Net Assets**” shall have the same meaning as in the Rules.
- 35.34** “**Net Assets Value**” means per Unit value of the Trust arrived at by dividing the Net Assets by the number of Units outstanding.
- 35.35** “**Offer Price**” means the sum to be paid to the Trustee for the benefit of the Trust for issuance of one Unit, such price to be determined pursuant to clause 7.1 of the Trust Deed.
- 35.36** “**Offering Document**” means the prospectus, advertisement or other document (approved by the SECP) which contains the investment, unit structure(s) 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 Scheme.
- 35.37** “**On-line**” means transactions through electronic data-interchange whether real time transactions or otherwise, which may be through the internet, intranet networks and the like.
- 35.38** “**Ordinance**” means the Companies Ordinance, 1984.
- 35.39** “**Par Value**” means Rs. 100/- (Rupees One Hundred Only)
- 35.40** “**Personal Law**” means the law of inheritance and succession as applicable to the individual Unit Holder(s).
- 35.41** “**Pre-IPO**” means period during which the Investors have subscribed to the Scheme before the Initial Period.
- 35.42** “**Private Placement Investors**” shall mean investors who subscribe to the Units of the Scheme during the Pre-IPO.



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- 35.43** “**Redemption Account**” means the account(s) (which may be a current, saving or deposit account(s)) maintained by the Trustee or any other Bank having an investment grade rating and approved by the Management Company in which the amount required for redemption of Units to the Holders may be transferred.
- 35.44** “**Redemption Price**” means the amount to be paid to the relevant Unit Holder(s) upon redemption of that Unit, such amount to be determined pursuant to clause 7.3 of this Deed.
- 35.45** “**Register**” means the Register of the Holders kept pursuant to the Rules and Trust Deed.
- 35.46** “**Registrar Functions**” means the functions with regard to:
- a) Maintaining the Register; including keeping a record of change of addresses/other particulars of the Unit Holder(s);
 - b) Issuing account statement to the Holders;
 - c) Issuing Certificate, including Certificates in lieu of undistributed income to Unit Holder(s);
 - d) Canceling old Certificates on redemption or replacement thereof;
 - e) Processing requests for issue, redemption, transfer and transmission of Units and requests for recording of pledges and lien or for recording of changes in data with regard to the Unit Holder(s).
 - f) Issuing and dispatching of Certificates;
 - g) Dispatching income distribution warrants and bank transfer intimations and distributing bonus Units or partly both and allocating Units to Holders on re-investment of dividends
 - h) Receiving applications for redemption and transfer/transmission of Units directly from Holder or legal representatives or through Distributor.
 - i) Maintaining record of lien/pledge/charge
 - j) Keeping record of change of addresses/other particulars of the Unit Holders
- 35.47** “**Regular Interval**” means monthly, quarterly, half year or annual period.
- 35.48** “**Relevant Date**” means the date on which the Management Company decided to distribute the profits (if any).



Trust Deed

- 35.49** “**Relevant Period**” means the period in respect of which distribution of profits proposed to be made by the Management Company.
- 35.50** “**Rules**” mean Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules), and shall include the modifications and replacements thereof from time to time.
- 35.51** “**Sales Load**” means the Front-end Load, Back-end Load and the Contingent Load.
- 35.52** “**Stock Exchange**” means Karachi Stock Exchange, Lahore Stock Exchange, Islamabad Stock Exchange or any other stock exchange registered under the Securities and Exchange Ordinance 1969 and shall also include a Stock Exchange operating in another country.
- 35.53** “**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 the two widely circulated English & Urdu newspapers declare any particular Business Day or days not to be a Subscription Day.
- 34.54** “**Transaction Costs**” means the costs incurred or estimated by the Management Company to cover the costs (such as, but not restricted to, brokerage, Trustee charges, taxes or levies on transactions, etc.) related to the investing or disinvesting activity of the Trust’s portfolio, inter alia, necessitated by creation or cancellation of Units, which costs may be added to the NAV for determining the Offer Price of Units or be deducted from the NAV in determining the Redemption Price.
- 35.55** “**Transfer Agent**” means a company including a Bank that the Management Company shall appoint for performing the Registrar Functions. The Management Company may itself perform the Registrar Functions.
- 35.56** “**Trust**” or “**Unit Trust**” or “**Fund**” or “**Scheme**” or “**FAYSAL SAVINGS GROWTH FUND**” means the Unit Trust constituted by this Trust Deed for continuous offers for sale of Units.
- 35.57** “**Trust Deed**” means this trust deed executed between the Management Company and the Trustee along with all the exhibits appended hereto.



Trust Deed

- 35.58** “**Trust Property**” means the aggregate proceeds of the sale of all Units issued at Purchase (offer) Price and any transaction costs recovered in the Purchase (offer) or Redemption (repurchase) price after deducting there from or providing there against the value of Redemption, Front-end Load, Backend Load, Duties and Charges (if included in the Purchase <Offer> Price or Redemption <Repurchase> Price) applicable to the Purchase or Redemption of Units and any expenses chargeable to the Scheme; and includes the Investment and all income, profits, shares, securities, deposits, right and bonus shares, cash, bank balances, dividends, fees, commissions, receivables, claims, contracts, licenses privileges and other benefits arising there from and all cash and other movable or immovable assets and properties of every description, whether accrued or accruing, for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holder(s) pursuant to the Trust Deed and shall include the income, profit, interest etc earned on the amount credited to the Distribution Account but shall not include any amount standing to the credit of the Distribution Account and the income earned on the investments of the Core Investors (seed capital) and Private Placement Investors (as per Clause 23) up to the date of the close of the Initial Period which shall not form part of the Trust Property.
- 35.59** “**Trustee**” is defined in the preamble here to.
- 35.60** “**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 Rules, words importing persons include corporations, words importing the masculine gender include the feminine gender, words importing singular include plural and words "written" or "in writing" include printing, engraving lithography, or other means of visible reproduction.

IN WITNESS WHEREOF THIS TRUST DEED OF FAYSAL SAVINGS GROWTH FUND has been executed on the day and year first above written.

Common Seal

For **FAYSAL ASSET MANAGEMENT LIMITED**



1. _____
SALMAN HAIDER SHEIKH
S/o Sheikh Fida Muhammad
Chief Executive
NIC # 61101-2004760-5



2. _____
MOHAMMAD IQBAL
S/o Mohammad Ibrahim
Director
NIC # 42301-2346892-5

For **CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED**



KAMRAN AHMED QAZI
S/o Qazi Haleem Ahmed
NIC # No. 42201-0522034-5
Head of the Finance &
Company Secretary

WITNESSES



1. _____
Mohammad Imran
S/o Mohammad Ateeq
A-61, Shadman Town
Malir Colony, Karachi
CNIC No. 42501-1483308-5



2. _____
Mazhar Hussain
S/o Niaz Hussain
House No. 817, Sector 12-L
Orangi Town, Karachi
CNIC No. 42401-1881087-3

Annexure 'A'



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
NBFC DEPARTMENT

Islamabad, December 27, 2005
License No. NBFC-II/51/FAML/AMC/14/2005

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

The Securities and Exchange Commission of Pakistan, having considered the application for renewal of licence to carry out **Asset Management Services** submitted by **Faysal Asset Management 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 **Faysal Asset Management Limited** to carry out **Asset Management Services** subject to the conditions stated herein below or as may be prescribed or imposed hereafter:

- (i) **Faysal Asset Management Limited** shall ensure compliance to the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 pertaining to Investment Advisory Services including the collective investment schemes managed by it;
- (ii) **Faysal Asset Management 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; and
- (iii) The license is valid for a period of one year w.e.f November 11, 2005 and shall be renewable annually as specified in the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.



(Salman Ali Shaikh)
Commissioner (SCD).



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
NBFC DEPARTMENT

No. SEC/NBFC-II/AD-Jam/FSGF/893/2006

December 12, 2006

Mr. Muhammad Shakeel Musani
Chief Financial Officer
Faysal Asset Management Limited
St-2, Commercial Lane, 3rd Floor, Faysal House
Opposite Regent Plaza Hotel
Main Shahrah-e-Faisal
Karachi.

Subject: Approval of Trust Deed of Proposed Faysal Savings Growth Fund

Dear Sir,

I am directed to refer to lette date December 05, 2006, whereby you have submitted the revised/amended Trust Deed of proposed Faysal Savings Growth Fund confirming the changes proposed in the draft Trust deed to the executed between Faysal Asset Management Limited (the "Management Company") and Central Depository Company of Pakistan Limited (the "Trustee") for approval.

In the regard, the Securities and Exchange Commission of Pakistan has no objection to the registration of the latest amended version of the Trust Deed of the proposed Faysal Savings Growth Fund under the Trust Act 1882 subject to following conditions:

1. The investments abroad by Faysal Savings Growth Fund shall be subject to the Prior approval of the Commission.
2. Clause 6.24 & 6.3: Replace the word "(6) months" with "(3) months".
3. Clause 6.4.1: Add "and should be repayable in such time as permitted in the Rules." at the end of Clause.
4. Clause 9.3.1, 35.24: Replace the word "Pre-IPO Investment" with "Core Investment or if Pre IPO investment exceeds Rupees One Billion then a maximum amount of Rupees Four Million".
5. Clause 11.1: Replace the word "four months" with "forty five days" appearing in the first line.
6. Clause 15.1: Replace the word "without notice".
7. Clause 15.2: Delete this Clause.
8. Clause 35.6: Replace the existing text of bullet four with "Units/Certificates in any other income/money market Scheme if permitted.
9. General: The notices should be issued in two (2) newspapers instead of one. Replace wherever appears in the trust deed.

The clearance of the draft trust deed in without prejudice to the consequences of verifying compliance to the conditions stipulated in the license issued in favor of Faysal Asset Management Limited and the requirements stipulated in the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003. You are also advised to submit a final revised copy of Trust Deed of proposed Faysal Savings Growth Fund before registration for our record. Further action will be taken on receipt of duly registered copy of the Trust Deed.

Yours truly,


Javed Akhter Malik
(Assistant Director)

NIC Building, Jinnah Avenue, Blue Area, Islamabad.
PABX: 9207091-4, Fax No. 9218590, E-mail: javed.akhter@secp.gov.pk

Central Depository Company of Pakistan Limited
Tariff Structure for Mutual Funds under CDC's Trusteeship

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

- 1.1 Tariff structure for Open -Ended Schemes:

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



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
NBFC DEPARTMENT

No. SEC/NBFC-II/AD-Jam/FSGF/892/2006

December 12, 2006

Mr. Muhammad Shakeel Musani

Chief Financial Officer

Faysal Asset Management Limited

St-2, Commercial Lane, 3rd Floor, Faysal House

Opposite Regent Plaza Hotel

Main Shahrah-e-Faisal

Karachi.

**Subject: Appointment of Central Depository Company as Trustee to the
Faysal Savings Growth Fund**

Dear Sir,

I am directed to refer to your letter dated December 05, 2006 on the captioned subject and convey the approval of Securities and Exchange Commission of Pakistan for appointment of Central Depository Company of Pakistan Limited as Trustee of the proposed Faysal Savings Growth Fund in terms of Rule 74 and 75 of the NBFC Rules, 2003.

Yours truly,

Javed Akhter Malik
(Assistant Director)

relative movement in the market prices of the Investments or through any disinvestment, the Management Company shall make its best endeavors to bring the exposure within the prescribed limits within three months of the event. But in any case the Management Company shall not invest further in such shares or sectors while the deviation exists. However, this restriction on further investment shall not apply to any offer of right shares and bonus shares on account of which the management company shall take necessary action to comply with the limits prescribed for a single security or a sector within (3) three months.

6.4 Borrowing and borrowing restrictions

- 6.4.1 Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Trustee may subject to written approval of the Management Company, concur with the Management Company in making and varying arrangements with banks or financial institutions for borrowing by the Trustee for the account(s) of the Scheme; provided the borrowing shall not be resorted to, except for meeting the redemption requests and shall be repayable in such time as prescribed in the Rules.
- 6.4.2 The charges payable to any bank or financial institution against borrowing on account of the Scheme as permissible under clause 6.4.1 above shall not be higher than the normal prevailing market rates.
- 6.4.3 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 are reduced as a result of depreciation in the market value of the Trust Property or redemption of Units, the Management Company shall not be under any obligation to reduce such borrowing.
- 6.4.4 Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such borrowings from banks and financial institutions. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such loans or advances.
- 6.4.5 For the purpose of securing any such borrowing the Trustee may on the instructions of the Management Company mortgage, charge or pledge in any manner all or any part of the Trust Property. Provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limits provided under the Rules and / or any law for the time being in force.

- 6.4.6 Neither the Trustee nor the Management Company shall incur any liability by reason of any loss to the Trust or any loss that a Unit Holder may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangement made hereunder in good faith.

7 VALUATION OF PROPERTY AND PRICING

The assets and liabilities forming part of the Trust Property shall be valued in accordance with the Rules.

7.1 Determination of Issue (Offer) Price

- 7.1.1 During the Initial Period, the Units will be offered at par. After the Initial Period, the Offer Price shall be calculated and announced by the Management Company on daily basis.
- 7.1.2 The Offer Price shall be equal to the sum of:
- The Net Asset Value as of the close of the day preceding the Business Day.
 - Any Front-end Load.
 - Such amount as the Management Company may consider an appropriate provision for Duties, Charges, levies, taxes etc;
 - Subject to the last paragraph of sub-clause 7.3.2, such amount as the Management Company may consider an appropriate provision for Transaction Costs;

Such sum shall be adjusted upwards to the nearest Paisa.

The Management Company may announce different classes of Units with differing levels of Front-end and / or Back-end Load, which may also vary according to other criteria in the Management Company's sole discretion. Consequently, the Offer Price may differ for different class of units issued to investors. Any change in the load shall be made public in terms of clause 34 of this deed.

- 7.1.3 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 7.1.2(c) is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retrospective effect after the date of payment in which case such excess shall be recovered from the Trust Property).



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- 7.1.4 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 7.1.2(c) exceeds the relevant amount of Duties and Charges the Registrar shall issue additional Units or fractions thereof to the Unit Holder(s) based on the price applicable to the Units issued against the relevant application.
- 7.1.5 If the variation of the Net Asset Value at any time exceeds two percent (2%) of the Net Asset Value included in the current Offer Price calculated under sub-clause 7.1.2 (a) above, the Management Company may suspend any issuance of Units and shall calculate forthwith a new Offer Price. The Management Company shall also inform the SECP and the trustee of the suspension of issuance of Units along with announcement of the new Offer Price, and publish the same in at least two newspapers in which the Unit's prices are normally published.
- 7.1.6 The Offer Price determined by the Management Company shall be made available to the public at the office and branches of the Distribution Companies and at the discretion of the Management Company may also be published in at least one daily newspaper widely circulated in Pakistan.
- 7.2 Remuneration Of Distribution Company / Investment Advisor / Investment Facilitator**
- 7.2.1 The Distribution Company or any Investment Facilitators / Sales Agents employed by the Management Company will be entitled to a remuneration payable by the Management Company (out of its own resources) in terms to be agreed between the Management Company and the Distribution Company / Facilitator / Sales Agent.
- 7.2.2 The remuneration of the Distribution Company may be paid by the Trustee and / or Management Company and shall not be charged to the Trust Property.
- 7.2.3 In the event that Distribution Function is to be performed by more than one Distribution Company, the remuneration shall be distributed amongst the Distribution Companies in proportion to the Units sold during the relevant period.
- 7.2.4 Distributor / Investment Facilitators located outside Pakistan may if so authorized by the Management Company, will be entitled to a remuneration (from its own resources) in terms to be agreed between the Management Company and the Distributor located outside Pakistan, subject to the law for



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- the time being in force.
- 7.3 Determination of Redemption Price**
- 7.3.1 During the Initial Period, the Units shall not be redeemed.
- 7.3.2 After the Initial Period Redemption Price shall be equal to the Net Asset Value as of the close of the day preceding the Business Day, less:
- Any Back-end Load;
 - Such amount as the Management Company may consider an appropriate provision for Duties and Charges;
 - subject to the terms set forth below in this sub-clause, appropriate provision for Transaction Costs;
 - Any taxes, duties and charges imposed by the Government or any other regulatory authority;
- such amount to be adjusted downwards to the nearest Paise.
- The Transaction costs shall not normally be applied in determining Offer and Redemption Prices, however, if the Management Company is of the view that it is in the overall interest of the Holders, it may, in consultation and with the agreement of the Trustee, apply such charge either to the Offer or the Redemption Price. The Management Company may, however, apply Transaction Costs while determining Offer or Redemption prices, without consulting the Trustee provided the difference between the Offer Price and the Redemption Prices does not exceed five percent. The element of Transaction Cost taken into account in determining the prices and collected so, shall from a part of the Trust Property.
- 7.3.3 In the event that the amount deducted as provision for payment of Duties and Charges pursuant to sub-clauses 7.3.2(b) above 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 (except where such excess arises from Duties and Charges levied with retrospective effect after the date of payment in which case such excess shall be recovered from the Trust Property).
- 7.3.4 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 7.3.2(b) exceeds



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the relevant amount of Duties and Charges, the Trustee shall refund such excess amount to the relevant Unit Holders with the next income distribution or if instructed by the Management Company, at any time earlier.

- 7.3.5 The Redemption Price determined by the Management Company shall be made available to the public at the office and branches of the Distribution Companies and at the discretion of the Management Company may also be published in at least one daily newspaper widely circulated in Pakistan.
- 7.3.6 If the variation of the Net Asset Value at any time exceeds two percent (2%) of the Net Asset Value calculated pursuant to sub-clause 7.3.2 above for the current Redemption Price, the Management Company shall suspend any redemption of Units and shall calculate forthwith a new Redemption Price. The Management Company shall also inform the SECP of the suspension of redemption of Units along with the announcement of the new Redemption Price, and publish the same in at least two newspapers in which the Unit's prices are normally published.
- 7.3.7 In the event the Units are redeemed by any major Unit Holder in such period of time, as mentioned in the Offering Document, that the Management Company believes may adversely affect the interest of other Unit Holder(s), it may charge Contingent Load on such redemption which shall become part of the Trust Property.

7.4 REDEMPTION OF UNITS

- 7.4.1 The Trustee shall at any time during the life of the Trust on the instructions of the Management Company authorize redemption of Units out of the Trust Property through duly authorized Distributors and/or Investment Facilitators.
- 7.4.2 Application for redemption of Units shall be made by completing the prescribed application form for redemption and submitting it at the Authorized Branch or office of the Distribution Company. Application for redemption shall be retained by the Distribution Company and a copy may be supplied to the Transfer Agent, if so required by the Management Company. The Management Company may make arrangements to accept redemption requests through electronic means such as online, ATMs or other means of electronic use. No person shall be entitled to redeem only part of the Units comprised in a Certificate:



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provided however in case where a Certificate is not issued any number of Units may be redeemed by the Unit Holders thereof. The application for redemption of Units shall be accompanied by relevant Certificate, if issued, duly endorsed in the reverse. In case of application for redemption by joint Holders, any holder may sign the redemption form if he is so authorized by all joint Holders.

- 7.4.3 The Trustee may at its option dispense with the production of any Certificate(s) that shall have been lost, stolen or destroyed upon compliance by the Unit Holders with the like requirements to those arising in the case of any application by him for the replacement thereof.
- 7.4.4 The Redemption Price at which Units shall be redeemed shall be the price fixed by the Management Company. The Redemption price shall be announced by the Management Company on daily a basis, as may be decided by the Management Company and as specified by the Rules.
- 7.4.5 The amount payable on redemption shall be paid to the Holder or in the case of joint Holders, the first named joint Holder by crossed cheque or direct transfer to his designated bank account or any other mode, after receipt of a properly documented request for redemption of the Units in terms of this Trust Deed, provided that redemption is not suspended in terms of this Trust Deed.
- 7.4.6 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.
- 7.4.7 The Distribution Company shall verify the particulars given in the application for redemption of Units and documents submitted therewith. The signature of any Holder or joint Holder to any document required to be signed by him under or in connection with the application of redemption of Units may be verified by a banker or Broker or other responsible person or otherwise authenticated to their reasonable satisfaction.
- 7.4.8 Application for redemption will be received at the authorized office or branches of the Distribution Company on all subscription days. Payments of Units so redeemed shall be made within six (6) Business Days of the date of receipt of such application; provided that the queue system as referred to in clause 8.5 below is not invoked by the Management Company.



7.4.9 The sale, redemption and transfer of Units and any other dealings in the Units may be carried out On-line, with the consent of the Trustee to the extent permitted by and in accordance with applicable law.

8 DEALING, SUSPENSION AND DEFERRAL OF DEALING

8.1 Temporary Change in method of dealing of Units

Under the circumstances mentioned in the Offering Document, the Management Company may also request the Trustee to approve a temporary change in the method of dealing in Units. The Management Company may, at any stage for the reasons to be recorded in writing, in the interest of the existing unit holders, and under prior or simultaneous intimation to SECP suspend the dealing of Units and for such periods it may so decide.

8.2 Suspension of redemption of Units

8.2.1 The redemption of Units may be suspended during extraordinary circumstances including closure of one or more Stock Exchange(s) on which any of the securities invested in by the Scheme are listed, the existence of a state of affairs, which in the opinion of the Management Company, constitutes an emergency as a result of which disposal of any investment would not be reasonably practicable or might seriously prejudice the interest of the Scheme or of the Unit Holders, or a break down in the means of communication normally employed in determining the price of any investment, or when remittance of money can not be carried out in reasonable time and if the Management Company is of the view that it would be detrimental to the remaining Unit Holders to redeem Units at a price determined in accordance with the Net Asset Value. The Management Company may announce a suspension or deferral of redemption and such a measure shall be taken to protect the interest of the Unit Holders in the event of extraordinary circumstances or in the event redemption requests accumulate in excess of ten percent of the Units in issue. In the event of a large number of redemption requests accumulating, the requests may be processed in a Queue System and under extreme circumstances the Management Company may decide to wind up the Fund.

In the event of extra-ordinary circumstances, the Management Company may suspend or defer redemption of Units. The circumstances under which the Management Company may suspend redemption shall be the event of war (declared or otherwise), natural disasters, a major break down in law and order, breakdown of the communication system, closure of



the capital markets and /or the banking system or strikes or other events that render the Management Company or the Distributors unable to function.

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

8.3 Suspension of fresh issue of Units

The Management Company may at any time, subject to the Rules, as may be modified from time to time, suspend issue of fresh Units. Such suspension may however not affect existing subscribers for the issue of bonus units as a result of profit distribution or the option to receive dividends in the form of additional Units. The Management Company shall announce the details of exemptions at the time a suspension of fresh issue of Units is announced. The Management Company shall immediately notify the SECP if issue of fresh Units is suspended and shall also have the fact published, immediately following such decision, in at least two newspaper in which the prices of the Scheme are normally published.

8.4 Queue system

In the event redemption requests on any day exceed ten percent of the number of Units in issue, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for up to ten percent 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 Unit 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 requests in excess of the ten-percent shall be treated as redemption requests qualifying for being processed on the next business day at the price to be determined for such redemption requests. However, if the

carried over requests and the fresh requests received on the next business day still exceed ten percent of the Units in issue, these shall once again be treated on first-come-first-served basis and the process for generating liquidity and determining the Redemption Price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten percent of the Units then in issue.

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

9 FEES AND CHARGES

9.1 Remuneration of the Management Company

- 9.1.1 The Management Company shall be entitled to prescribe and receive remuneration up to maximum rate of remuneration permitted under the Rules; it being further understood and agreed that the Management Company shall fix the rate of remuneration for the duration of Each Month of an Accounting Period and shall intimate any change in the rate to the Trustee.
- 9.1.2 The remuneration shall begin to accrue from the close of Initial Public Offer. In respect of any period other than an Accounting Period such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued for the total number of days accrued in the Accounting Period concerned.
- 9.1.3 The Management Company shall be entitled to draw advance remuneration on a monthly basis from the Trust Property out of its accrued remuneration,
- 9.1.4 In consideration of the foregoing and save as aforesaid the Management Company shall be responsible for the payment of all expenses incurred by the Management Company from time to time in connection with its responsibilities as Management Company of the Scheme.

9.1.5 The Management Company shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provision of this Deed.

9.1.6 The Management Company shall however not make any further material charge against the Unit Holder(s) nor against the Trust Property nor against the Distribution Account for its services nor for expenses, except such expenses or fees as are expressly authorized under the provisions of the Rules and the Deed to be payable out of Trust Property.

9.2 Remuneration of the Trustee and its Agents

- 9.2.1 The Trustee shall be entitled to a monthly remuneration out of the Trust Property based on an annual tariff of charges annexed hereto Exhibit 'C', the remuneration shall begin to accrue from the close of 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 in proportion to the total number of days in the calendar month concerned.
- 9.2.2 Such remuneration shall be paid to the Trustee in arrears with in thirty days after the end of each calendar month.
- 9.2.3 In consideration of the foregoing and save as aforesaid and 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 Unit Holders or against the Trust Property or against the Distribution / Redemption Account for their services or for their expenses, except such expenses as are expressly authorized to be paid out of the Trust Property under the provisions of the Rules and the Constitutive Documents.
- 9.2.4 The Trustee shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of the Trust Deed.
- 9.2.5 Any increase in the remuneration of the Trustee agreed to by the Management Company shall require the approval of the SECP.
- 9.2.6 The Trustee shall however not make any further material charge against the Unit Holder(s) nor against the Trust Property



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nor against the Distribution Account for its services nor for expenses, except such expenses or fees as are expressly authorized under the provisions of the Rules and the Deed to be payable out of Trust Property.

9.3 Formation Cost to be amortized against the Property of the Scheme

9.3.1 Formation Cost shall be charged to the Scheme which are estimated at and shall not exceed one (1%) percent of Core Investment or if Pre-IPO investment exceeds Rupees One billion then a maximum amount of Rs. Four million

9.3.2 Formation Cost will be amortized over a period not exceeding five years.

9.4 Other costs and expenses to be charged to and borne by the Scheme

- a) Brokerage and Transaction Cost related to investing and disinvesting of the Trust Property;
- b) Legal and related costs incurred in protecting or enhancing the interests of the Scheme or the collective interest of the Unit Holders, including tax consultancy charges incurred specifically to the Fund.
- c) Bank charges and borrowing/financial costs; provided that the charges payable to any bank or financial institution against borrowings on account of the Trust as permissible under Clause 6 above, shall not be higher than the normal prevailing bank charges or normal market rates.;
- d) Auditors' fees and expenses
- e) Listing fee including annual fee payable to the Stock Exchange(s) on which Units may be listed;
- f) Annual fee payable to the SECP under Rule 79 of the Rules or substitute thereof;
- g) Taxes, if any, applicable to the Scheme and its income, turnover and/or its properties.
- h) Rating fees and other expenses directly related to or arising out of the activities of the Scheme.



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- i) Charges and levies of Stock Exchange(s), national clearing and settlement company, SECP charges, CDC charges, Laga, Scheme dividend/redemption of Units transfer charges as payable to the bank as time of transfer of funds to Unit Holder and such other levies and charges;
- j) Marketing expenses specifically related to the Scheme;
- k) Any other expenses, charges and taxes permissible under the Rules.

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

10 TRANSACTIONS WITH CONNECTED PERSONS

- I) The Trust Property shall not be invested in any security of a company if any director or officer of the Management Company individually owns more than five percent of the total nominal amount of the securities issued or collectively own more than ten percent of those securities.
- II) The Scheme shall not purchase from or sell any security to the Management Company or the Trustee or to any director, officer or employee of the Management Company or Trustee or to any person who beneficially owns ten per cent or more of the equity of the Management Company or the Trustee, save in the case of such party acting as a intermediary,
- III) For the purposes of sub-clauses (I) and (II) the term director, officer and employee shall include spouse, lineal ascendants and descendants, brothers and sisters.
- IV) Cash forming part of the property of the Scheme shall be placed as deposits with a bank or the Trustee (only if the Trustee itself is a bank).
- V) Money can be borrowed from the Trustee or any other institution provided that the charges are not higher than normal bank charges.
- VI) Subject to the Rules any transaction between the Scheme and the Management Company or any of their Connected Person(s) as principal shall only be made with the prior written consent of the Trustee.
- VII) 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.



11 DISTRIBUTION POLICY, DETERMINATION OF DISTRIBUTABLE INCOME AND DATE OF DISTRIBUTION

- 11.1 The Management Company shall decide as soon as possible but not later than forty five days after the Accounting Date whether to distribute among Unit Holders, profits (if any), either in form of bonus Units or cash dividend or a combination of both, if any, available for the distribution at the end of the Accounting Period or such other interim period as decided by the Management Company, and shall advise the Trustee of the amount of such distribution per Unit.
- 11.2 The profit (if any) available for distribution in respect of any Relevant Period shall be determined by the Management Company but shall not exceed the portion of Net Assets on the Relevant Date that is attributable to the sum of total of :
- a) The total income earned on the Trust Property during such Relevant Period including all amounts in respect of dividend, mark-up, profit, interest and interest fee, and any other income;
 - b) Net realized appreciation as set out in sub-clause 11.3 below, from which shall be deducted expenses as set out in sub-clause 11.4 below, adjustment as set out in sub-clause 11.5 below and such other deductions and adjustments as the Management Company may determine in consultation with the Auditors,
- 11.3 The proceeds of sales of rights and all other receipts deemed by the Management Company to be in the nature of capital accruing from Investments shall not be regarded as available for determining distribution income in terms of Clause 11.2, but shall be retained as part of the Trust Property, provided that such amounts out of the sale proceeds of the Investments and all other receipts as deemed by the Management Company after consulting the Auditor to be in the nature of the net realized appreciation may be included in determining distributable income to the Holders by the Trustee and shall not form part of the Trust Property once transferred to the Distribution Account.
- 11.4 The amount qualifying for purposes of determining distributable income in respect of the Relevant Period shall be ascertained by deducting expenses as are admissible under the Rules and this trust Deed.



- 11.5 Before making any distribution payment (such as bonus Units, cash dividend) 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.
- 11.6 In case of cash dividend, on each date of distribution, the Management Company shall instruct the Trustee to transfer such amount of cash as required to effect such distribution to the Distribution Account. The amount standing to the credit of the Distribution Account shall not for any purposes of this Deed be treated as part of the Fund Property but shall be held by the Trustee upon trust to distribute the same as herein provided.
- 11.7 After the fixation of amount of cash distribution per Unit, distribution payments shall be made by the Trustee through transfer to the Unit Holders' designated bank accounts or in the case of joint Unit Holders to designated Bank Account of the joint Unit Holder first named on the Register or by dispatch of any banking instrument in the name of Unit Holder at his / her address as provided. The receipt of funds by such designated bankers or dispatch of instrument shall be a good discharge therefore.
- 11.8 The Management Company may give the Unit Holders the option to either take cash dividend or reinvest any cash dividend that the Fund is to payout in the form of additional Units without load at the time of opening of Unit Holder Account, which shall be recorded in the Register. The Unit Holders shall be entitled to change such option.
- 11.9 In case of distribution in the form of bonus Units on each distribution date the Management Company shall determine the amount available for distribution as bonus Units and inform the Trustee of the same. The bonus units would rank pari passu as to their rights in the Net Assets, earnings, and receipt of dividend and distribution with the existing Units from the date of issue of these bonus Units.
- 11.10 After the fixation of rate of bonus entitlement per Unit, the Management Company shall instruct the Registrar to credit the respective Unit Holders' accounts with the designated number of Units calculated on the basis of the rate of distribution determined above against the number of Units held by them on the date of closure of the Register.
- 11.11 The Management Company may give the Unit Holder(s) the option at the time of opening of Unit Holder's Account of encashment of bonus Units. In this case, whenever the Fund



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declares any bonus Units, then such Units will be redeemed at the Net Asset Value as announced by the Management Company for the next business Day after the end of the book closure period.

- 11.12 Where Units are placed under pledge/lien the payment of dividend will be made in accordance with clause 30 of this deed.

12 ANNUAL ACCOUNTING PERIOD

- 12.1 The annual Accounting Period shall commence on first day of July of a calendar year and shall end on thirtieth day of June of the succeeding calendar year.

- 12.2 Accounting Date shall be the thirtieth day of June in each year and any interim dates at which the financial statements of the Scheme are drawn up. Provided, however, the Management Company may, with the consent of the Trustee and after obtaining approval of the SECP and complying with other applicable law, change such date to any other date.

- 12.3 Accounting Period shall be the period ending on and including an Accounting Date and commencing (in case of the first such period) on the date of First Offer (in any other case) from the first day subsequent to the end of the preceding Accounting Period.

13 BASE CURRENCY

The base currency of the Scheme shall be Pakistani Rupee. Authorized Investments i.e the the venues in which the fund may invest may be denominated in Pakistani Rupee or (subject to applicable law and prior approval of SECP) any other foreign currency.

14 MODIFICATIONS OF THE CONSTITUTIVE DOCUMENTS

- 14.1 The Trustee and the Management Company acting together shall be entitled by deed supplemental hereto to modify, alter or add to the provisions of this Deed in such manner and to such extent as they may consider expedient subject only to the approval of the SECP. Provided that, the Trustee and the Management Company shall certify in writing that, in their opinion such modification, alteration or addition is required pursuant to any amendment in the Rules or to ensure compliance with any fiscal or statutory requirement or to enable the provisions of this Deed to be more efficiently, conveniently or economically managed or to enable the Units to be dealt in or quoted on Stock Exchange or otherwise for the benefit of the Unit Holders



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and that it does not prejudice the interests of the Unit Holders or any of them or operate to release the Trustee or the Management Company from any responsibility to the Unit Holders.

- 14.2 Where this Deed has been altered or supplemented, the Management Company shall notify the Unit Holders within 10 days of the change.

- 14.3 The Management Company may, from time to time, with the consent of the Trustee frame rules or regulations for conducting the business of the Trust or in respect of any other matter incidental thereto; provided such rules or regulations are not inconsistent with the provisions of this Deed or the Offering Document or the Rules.

- 14.4 If the SECP modifies the Rules or through any other circular or notice, allow any relaxations or exemptions, these will deemed to have been included in this Trust Deed without requiring any modification as such.

15 TERMINATION OF SCHEME

- 15.1 The Management Company may terminate the Scheme, if the Net Assets at any time fall below Rupees fifty million. The Management Company shall give at least three months notice to Unit Holders and the SECP and shall disclose the grounds of its decision. The Management Company may announce winding up of the Scheme as per Rules in the event redemption requests build up to a level where the Management Company is of the view that the disposal of the Trust property to meet such redemptions would jeopardize the interests of the remaining Unit Holders and that it would be in the best interest of all the Unit Holders that the Trust be wound up.

- 15.2 The Trust may also be terminated by the SECP on the grounds given in the Rules.

- 15.3 This Deed may be terminated in accordance with the conditions specified in the Rules if there is any material breach of the provisions of this Deed or any other agreement or arrangement entered into between the Trustee and Management Company regarding the Unit Trust.

- 15.4 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 Trust Property and shall repay any borrowing affected by the Trust together with any mark up remaining unpaid.

15.5 The Trustee on the recommendation of the Management Company shall from time to time distribute to the Unit Holders pro rata to the numbers of Units held by them respectively all net cash proceeds derived from the realization of the Trust Property after making payment as mentioned in clause 15.5 above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands.

16 TRUST PROPERTY

16.1 The aggregate proceeds of all Units issued from time to time after deducting Duties and Charges and after deducting there from or providing there against any applicable Front-end Load shall constitute part of the Trust Property and the Distribution Company shall remit such proceeds to the Trustee in accordance with the instructions given by the Management Company from time to time.

16.2 The Trust Property shall initially be constituted out of the proceeds of the Units issued to Core investors, Pre-IPO investors and other Units issued during the Initial Period after deducting any applicable Duties and Charges and Loads there from.

16.3 The Trustee shall take the Trust Property into its custody or under its control either directly or through the Custodian and hold it in trust for the benefit of the Unit Holders ranking pari passu inter se, according to the number of Units held by each Unit Holders and in accordance with the provisions of the Rules and this Deed. The Trust Property shall always be kept as separate property and shall not be applied to any purpose unconnected with the Scheme. All registerable Investments shall be registered in the name of the Trustee and shall remain so registered until disposed of pursuant to the provisions of this Deed. All expenses incurred by the Trustee in effecting such registration shall be payable out of the Trust Property.

16.4 Save, as herein expressly provided, the Trust 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 for the purpose of the Fund as directed by the Management Company, create or purport to 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.

16.5 The Trustee shall have the sole responsibility for the safekeeping of the Trust Property, in its own name. In the event of any loss, caused due to any negligence / deliberate act / omission 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 loss.

16.6 All cash forming part of the Trust Property shall be deposited by the Trustee in a separate bank account as directed by the Management Company to be opened in the name of the Trustee, as a nominee of the Unit Trust, with a Bank or the Trustee (only if the Trustee itself is a bank). Such Bank or Trustee shall be required to allow profit thereon in accordance with the rules prescribed by such Bank or Trustee for sharing of profits or mark-up on deposits maintained in such account or under any other arrangement approved by the Management Company.

16.7 Remuneration of the Management Company; Remuneration of the Trustee; Brokerage and transaction costs related to investing and disinvesting of the Trust Property; Legal and related costs incurred in protecting or enhancing the interests of the Fund or the collective interest of the Unit Holder(s), Bank charges and borrowing/financial costs, Audit fees and expenses, Rating Fee payable to rating agency, Formation costs, Fee / Charges payable to the SECP or any other regulatory bodies or Stock Exchanges, or Trustee and Taxes if any applicable to the Trust shall be payable out of the Trust Property.

17 TRANSACTIONS RELATING TO INVESTORS (UNIT HOLDER(S))

17.1 The Trustee shall provide the Management Company daily statements of the Bank Accounts being operated by the Trustee for the Unit Trust.

17.2 The Management Company shall also advise the Trustee on a daily basis of the details of amounts to be paid to respective Unit Holders against redemption requests, if any. Such payments shall be effected by the Trustee out of the accounts of the Unit Trust by way of transfer of the appropriate amounts to the designated bank accounts of the Unit Holders or through any other mode(s) of payment and such payment shall be subject to the Rules or by dispatch of dividend cheques /warrants/advice to the Unit Holder(s) by registered post at their respective addresses. Such dispatch shall constitute discharge of the Management Company and the Trustee in respect of such payment.