

Risk Disclaimer: All investments in mutual funds are subject to market risks. The NAV of Units may go up or down based on market conditions. Past performance is not necessarily indicative of the future results. The investors are advised in their own interest to carefully read the Offering Document in particular the investment policy in Clause 2.2 and risk disclosure and warning statements contained in Clause 2.11 and Part 11 respectively in this Offering Document.

# Trust Deed



**LAKSON**  
investments  
partner with confidence



## Lakson Money Market Fund

**Lakson Money Market Fund**
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## **TRUST DEED**

THIS TRUST DEED is made and entered into at Karachi, on this 2nd day of September, 2009:

**1. NAME OF THE SCHEME**

**Lakson Money Market Fund**

**2. PARTICIPATING PARTIES AND CONSTITUTION OF THE SCHEME**

**2.1 Participating Parties**

- I. Lakson Investments Limited, a public limited company incorporated under the Companies Ordinance, 1984 ("Ordinance"), having its registered office at 41-K, Model Town, Lahore (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**

- II. Central Depository Company of Pakistan Limited, a 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 (hereinafter called the "Trustee" which expression where the context so permits shall include its successors in interest and assigns) of the other part.

**WHEREAS:**

- A. The Management Company has been incorporated under the Ordinance and licensed as an Investment Advisor and Asset Management Company pursuant to the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (hereinafter referred to as the "Rules") and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (hereinafter referred to as the "Regulations") for the purpose of undertaking investment advisory and asset management services (license attached hereto as Annexure "A");

- B. The Management Company has been authorized by the Securities and Exchange Commission of Pakistan ("Commission") vide its letter bearing reference No. NBFC-II/DD/LIL/820 dated August 28, 2009 attached herewith as Annexure "B" to constitute the Scheme under the name and title of "Lakson Money Market Fund " (hereinafter referred to as "Scheme", "Fund", "Unit Trust" or "Trust") and to register this Trust Deed, pending registration of the Scheme as a notified entity under Section 282CA of the Ordinance for the establishment and operation of the Scheme in accordance with the provisions of the Rules, the Regulations, 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 herein contained and the tariff structure for trusteeship as per Annexure "C" attached herewith;
- D. The Commission has also approved the appointment of the Trustee; vide its letter bearing reference no. NBFC-II/DD/LIL/819 dated August 28, 2009 attached herewith as Annexure "D";
- E. Unless the context requires otherwise, the defined terms, words and expressions shall have the meaning respectively assigned to them in clause 37 hereof;
- F. Lakson Money Market Fund shall be an open end money market scheme

NOW THIS TRUST DEED WITNESSETH:

## **2.2 Constitution of the Scheme**

- 2.2.1 An open-end Scheme is hereby constituted as a trust under the Trusts Act, 1882, under the name of Lakson Money Market Fund. The Trustee is hereby nominated, constituted and appointed as the trustee of the Scheme herein created and the Trustee hereby accepts such appointment on the terms and conditions contained in this Trust Deed. The Management Company and the Trustee declare that:
  - (a) 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, according to the number of Units held by each Unit Holder;
  - (b) The Trust Property shall be invested or divested 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 the Trust Deed, Offering Document and the Regulations and the conditions (if any) which may be imposed by the Commission from time to time.
- 2.2.2 The Management Company shall establish, manage, operate and administer the Scheme in accordance with the Rules and Regulations, Trust Deed and Offering Document; and any other directives by the Commission from time to time through circulars, notifications, etc.

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2.2.3 The Management Company may from time to time, with the consent of the Trustee frame operational procedures for conducting the business of the Scheme or in respect of any other matter incidental thereto, provided that, such procedures are not inconsistent with the provisions of this Trust Deed, the Offering Document, the Rules and Regulations or any directives imposed by the Commission.

2.2.4 Where this Trust Deed has been altered or supplemented with the approval of Commission, the Management Company shall notify the Unit Holders immediately.

### **3. GOVERNING LAW AND JURISDICTION**

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

3.2 Subject to the Clause 34 hereinafter, applicable between the Management Company and the Trustee inter se, each party, including the Unit Holder(s) irrevocably submit to the exclusive jurisdiction of the courts at Karachi.

3.3 The Investments made in offshore countries and the Bank Accounts and custodial services accounts that may be opened by the Trustee for the Scheme in any offshore countries on the instructions of the Management Company may become subject to the laws of such countries.

3.4 Furthermore, the Scheme shall also be subject to the rules and regulations framed by the State Bank of Pakistan and the Commission with regard to the foreign investments made by the Scheme or in the Scheme.

### **4. FOR THE SCHEME**

#### **4.1 Trust Deed Binding on Each Unit Holder**

The terms and conditions of this Trust Deed and any supplementary trust deed hereto shall be binding on each Unit Holder as if he had been party to it and shall be bound by the provisions hereof and shall be deemed to have authorized and required the Trustee and the Management Company to do as required of them by the terms of this Trust Deed, the Rules and the Regulations.

#### **4.2 Unit Holder(s) Not Liable to Make Further Payments**

No Unit Holder shall be liable to make any further payments to the Trustee or the Management Company after he has paid the Offer Price of the Units in accordance with clause 11.2.2 hereafter and no further liability shall be imposed on any Unit Holder in respect of the Units held by him. However, the Unit Holder may also opt to subscribe to additional services and functionalities offered by the Management Company, as per the terms and conditions disclosed by the Management Company and accepted by the Unit Holder.

**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 such Unit Holder and shall have such rights as are set out in the Trust Deed and Offering Document. However, the Management Company (while maintaining the integrity of each Unit's pari passu rights) may issue different types of Units.

4.3.2 The Scheme shall have a minimum investment in accordance with the requirements of the Rules and Regulation which shall be rupees one hundred million (Rs. 100,000,000/-), to be invested by the Management Company or by Core Investors. Out of this at least rupees fifty million (Rs. 50,000,000/-) shall remain invested in the Scheme for a minimum period of two (2) years. Such Units shall not be redeemable (but are transferable) for a period of two (2) years from the close of Initial Period. A mention of such restriction and its termination date shall be entered into the Register and shall be noted on any Certificate issued in respect of such Units. Any transfer of these Core Units, during the first two (2) years of their issue, shall be effected only on the receipt by the Registrar of a written acceptance of this condition by the transferee. Core Units subscribed by the Core Investors shall be offered and issued at par.

**4.4 Trustee to Report to the Unit Holder(s)**

The Trustee shall report on all matters provided in the Rules and Regulations, including all matters in which it is required to issue a report under the Trust Deed, Offering Document and the Rules and Regulations, to the Unit Holders including a report to be included in the annual report and half yearly report on whether in its opinion, the Management Company has, in all material respect, managed the Trust Property in accordance with the provisions of the Rules and Regulations, the Trust Deed and Offering Document and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof. The Trustee shall be entitled to require the Auditors to provide such reports as may be agreed between the Trustee and the Management Company and as may be considered necessary to facilitate the Trustee in issuing the certification required under the Rules and Regulations. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible.

**5. ROLE OF THE MANAGEMENT COMPANY**

The Management Company shall manage, operate and administer the Scheme in accordance with the Rules and Regulations, the Trust Deed and the Offering Document.

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### **5.1 Primary Functions of the Management Company**

#### **5.1.1 Fund Management**

The Management Company is responsible for making all investment decisions within the framework of the Rules and Regulations, this Trust Deed, and the Offering Document.

#### **5.1.2 Fund Manager and Investment Committee**

The Management Company shall appoint a qualified fund manager and constitute an investment committee in accordance with the provisions of the Rules and Regulations to assist the Management Company in investing and managing the assets of the Scheme. All Investment and divestment decisions shall be made through the investment committee within the framework of the Rules and Regulations and this Trust Deed.

#### **5.1.3 Investor Services**

The Management Company has the responsibility to facilitate Unit Holder transactions in the Scheme and to make adequate arrangements for receiving and processing all applications in this regard.

The Management Company shall be obliged to process payment instrument immediately on receipt of redemption application according to its procedures defined in the Offering Document unless the redemption has been suspended by the Management Company as per Clause 13.7 or a queue has been invoked as per Clause 13.9.

#### **5.1.4 Investor Records / Registrar Services**

The Management Company has the responsibility of maintaining investor records and for this purpose it may appoint a Registrar, who is responsible for performing Registrar Functions, i.e. maintaining Unit Holder(s) records and providing related services. The Management Company or Registrar (as the case may be) shall carry out the responsibility of maintaining Unit Holder(s) records, issuing statements of accounts, issuing Certificates representing Units, processing redemption requests, processing dividend payments and all other related and incidental activities.

The Management Company shall not remove the records or documents pertaining to the Scheme from Pakistan to a place outside of Pakistan without the prior written permission of the Commission and the Trustee.

#### **5.1.5 Appointment of Distributors**

The Management Company, shall from time to time, appoint, remove or replace one or more suitable persons, entities or parties as Distributor(s) and /or Sub-Distributor(s) under intimation to Trustee for carrying on Distribution Function at one or more location(s) on terms and conditions to be incorporated in the distribution and /or sub-distribution agreement(s)



to be entered into between the Distributor(s) and /or Sub-Distributor(s) and the Management Company. The Distribution Agreement(s) shall state the terms and conditions for avoidance of frauds and sales based upon misleading information. The Distributors shall be remunerated by the Management Company out of its own resources.

Provided that the Management Company may also itself act as a Distributor for carrying on Distribution Function and in such case also subcontract the Distribution Function to a Sub-Distributor(s). The Distributor(s) and/or Sub-Distributor(s) shall act as the interface between the investors, the Management Company, the Registrar and the Trustee and shall perform the Distribution Function(s), as defined in Clause 37.23 hereafter. Such appointment shall be in accordance with the stipulations of the Rules and Regulations.

**5.1.6 Facilitators**

The Management Company may, from time to time, appoint Facilitators to assist it in promoting sales of Units on terms and conditions agreed between the Management Company and Facilitators. The Facilitators shall be remunerated by the Management Company out of its own resources.

**5.1.7 Record Keeping**

The Management Company has the primary responsibility for all record keeping, regular determination and announcements of prices and for producing financial reports from time to time. 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 required by the Trustee in discharge of its duties as the trustee of the Scheme.

The Management Company shall maintain at its principal office, complete and proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Scheme, all transactions for the account of the Scheme, the amounts received by the Scheme in respect of issues of Units, payments made by the Scheme on redemption of Units and by way of distributions and payments made at the termination of the Scheme. The Management Company shall maintain the books of accounts and other records of the Scheme for a period of not less than ten years. The Management Company shall not remove the records or documents pertaining to the Scheme from its principal place to another place without the prior written permission of the Commission and the Trustee.

**5.2 Other Functions and Responsibilities of the Management Company**

**5.2.1** The Management Company shall manage the Scheme in the best interest of the Unit Holder(s), in good faith and to the best of its ability and without gaining any undue advantage for itself or any of its Connected Persons,

and subject to the restrictions and limitations as provided in this Trust Deed and the Rules and Regulations and subject to any special exemptions granted by the Commission. Any transaction related to Investments executed under the provisions of this Trust Deed shall be settled by the Trustee according to the instructions of the Management Company, unless such instructions are in conflict with the provisions of this Trust Deed or the Rules and 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 control.

- 5.2.2 The Management Company shall comply with the provisions of the Rules and Regulations and this Trust Deed for any act or matter to be done by it in the performance of its duties. Such acts or matters may also be performed on behalf of the Management Company by authorized officer(s) of the Management Company or by any nominee or agent appointed by the Management Company and any act or matter so performed shall be deemed for all the purposes of this Trust 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 gross negligence or reckless or willful act and / or omission of its officers, officials or agents.
- 5.2.3 The Management Company may from time to time appoint a Registrar to perform the Registrar Functions under intimation to the Trustee. The Management Company may also remove and/or replace the Registrar under intimation to the Trustee. Provided that the Management Company may itself also act as Registrar.
- 5.2.4 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 concerning the Scheme.
- 5.2.5 The Management Company shall not be under any liability, except such liability as may be expressly assumed by it under the Rules and Regulations, the Trust Deed and Offering Document, nor shall the Management Company (save as herein otherwise provided) be liable for any act or omission of the Trustee nor for anything except for its own gross negligence or willful breach of duty. If for any reason it becomes impossible or impracticable to carry out the provisions of the Trust Deed and Offering Document, the Management Company shall not be under any liability and 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.
- 5.2.6 The Management Company shall within four months of the closing of the Accounting Period transmit to the Unit Holders, the Trustee, the Commission and the Stock Exchange on which the Units of the Scheme are listed, the annual report as per the requirements set out in Regulations including:
- (a) copy of the balance sheet and income statement;

- (b) cash flow statement;
- (c) statement of movement in Unit Holders' fund or Net Assets or reserves;  
and
- (d) the Auditors' report of the Scheme;

- 5.2.7 The Management Company shall within one (1) month of the closing of the first quarter and third quarter and within two (2) months of the closing of first half of each Accounting Date, prepare and circulate to the Unit Holder(s) and the Commission, the Trustee and Stock Exchanges on which the Units of the Scheme are listed, balance sheet as at the end of that quarter, profit and loss account, cash flow statement and statement of movement in Unit Holders' fund or Net Assets or reserves and statement showing the securities owned at the beginning of the relevant period, securities purchased or sold during such period, and the securities held at the end of such period together with value (at carrying and at market) and the percentage in relation to its own Net Assets and the issued capital of the person whose securities are owned for that quarter, whether audited or otherwise. The Management Company may transmit the said quarterly reports on its website subject to prior approval of the Commission. However the Management Company shall make available the printed copy to the Unit Holder(s), free of cost, as and when requested.
- 5.2.8 The Management Company shall maintain a Register of Unit Holder(s) of the Scheme (either in physical or electronic form) through Registrar/transfer agent and inform the Trustee and the Commission of the address where the Register is kept.
- 5.2.9 The Management Company shall with the consent of the Trustee, appoint at the establishment of the Scheme and upon any vacancy, the Auditor, from the approved list of auditors circulated by the Commission from time to time, who shall be a chartered accountant and independent of the auditor of the Management Company and the Trustee, and such Auditor shall not be appointed for more than five (5) consecutive years and contents of the auditors report shall be in accordance with Schedule V of the Regulations.
- 5.2.10 The Management Company shall, from time to time, advise the Trustee of the settlement instructions relating to any investment/ divestment transactions entered into by it on behalf of the Scheme. The Trustee shall carry out the settlements in accordance with the dictates of the specific transactions subject to the terms of this Trust Deed and the Rules and Regulations. The Management Company shall ensure that the settlement instructions are given promptly after entering into the transaction so as to facilitate timely settlement and the Trustee, on its part, shall ensure that the settlement is handled in a timely manner in accordance with dictates of the transaction subject to the terms of this Trust Deed and the Rules and Regulations.

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- 5.2.11 The Management Company is obliged to obtain a rating of the Scheme, once the Scheme becomes eligible for rating as per the rating criteria of the rating agency, and such rating shall be updated at least once every financial year and also published in the annual and quarterly reports of the Scheme.
- 5.2.12 The Management Company shall develop criteria for appointing a diverse panel of Brokers and monitoring compliance thereof to avoid undue concentration with any single Broker and shall intimate the same to the Trustee.
- 5.2.13 The Management Company shall nominate one or more of its officers to act as attorney(s) for performing the functions of Management Company and for interacting with the Trustee. Names of the authorized officers and any changes thereto shall be intimated to the Trustee.
- 5.2.14 The Management Company may appoint advisors to assist in investing and managing the assets of the Scheme at its own cost and discretion, provided that the Management Company will be responsible for all acts of such advisors.
- 5.2.15 The Management Company may in consultation with the Trustee further appoint advisors and professionals other than mentioned in clause 5.2.14 above in other countries for making investments in offshore jurisdictions and/or for issuing Units to the investors in the offshore countries to determine the legal and regulatory requirements to be fulfilled by the Scheme, the Management Company and the Trustee and their respective obligations in relation thereto. The fees of such advisors and professionals shall not be charged to the Scheme.
- 5.2.16 The Management Company shall provide the Trustee with regular reports indicating dividends, other forms of income or inflows, and any rights or warrants relating to the Investments that are due to be received. The Trustee shall report back to the Management Company any such amounts or warrants that are received on such accounts from time to time.
- 5.2.17 Subject to the Rules and Regulations, any transaction between the Scheme and the Management Company or any of their respective Connected Persons as principal shall only be made with the prior written consent of the Commission.

**5.3 Restrictions on the Management Company**

The Management Company shall not;

- (a) merge with, or acquire the management of another scheme, unless it has obtained the prior approval of the Commission in writing to do so;
- (b) pledge any of the securities held or beneficially owned by the Scheme except as allowed under the Rules and Regulations;

- (c) accept deposits from the Scheme;
- (d) make a loan or advance money to any person from the assets of the Scheme;
- (e) participate in a joint account with others in any transaction on behalf of the Scheme;
- (f) apply any part of assets of the Scheme to real estate;
- (g) make any investment of the Scheme with the purpose of having the effect of vesting the management, or control over the affairs, of investee company by the Management Company or its group;
- (h) enter into transactions with any broker, which exceed thirty per cent (30%) of the commission paid by the Scheme in any one accounting year:
- (i) undertake brokerage services on Stock Exchanges or in the money market;
- (j) enter into underwriting or sub-underwriting contracts on behalf of the Scheme; and
- (k) maintain its own equity portfolio except for the investments made into the schemes or pension funds being managed by it or its subsidiaries licensed as Non-Banking Finance Companies under the Rules and Regulations.
- (l) buy more than twenty five per cent (25%) of the outstanding shares or certificates of the closed end scheme managed by it.

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

6.1 The Commission may either on its own or on the recommendation of the Trustee remove the Management Company by giving at least twenty one (21) days notice in writing for sub-clause (a) hereunder and immediate notice for sub-clause (b), (c) and (d) to the Management Company if any of the following events has occurred:

- (a) the Management Company has willfully contravened the provisions of this Trust Deed in any material respect and has failed to rectify the contravention within a reasonable period after the contravention has been brought to its notice by the Trustee and/or by the Commission;
- (b) the Management Company goes into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for the purposes of reconstruction and amalgamation);
- (c) a receiver is appointed over any of the assets of the Management Company;
- (d) the Management Company has become ineligible to act as a management company under the Rules and/or the Regulations.

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- 6.2 If the Commission has cancelled the license of the Management Company under the provisions of the Rules and Regulations, the Commission or the Trustee if authorized by the Commission shall appoint another asset management company as the management company for the Scheme according to the provisions of the Trust Deed, Offering Document, and the Rules and Regulations.
- 6.3 The Management Company may voluntarily retire at any time with the prior written consent of the Commission and the Trustee after giving a notice as per the Rules and Regulations.
- 6.4 The Management Company shall receive its remuneration upto the effective date of removal or retirement.
- 6.5 Upon a new management company being appointed with prior approval of the Commission, the Management Company shall take immediate steps to hand over all the documents and records pertaining to the Scheme to the new management company and shall pay all sums due to the Trustee.
- 6.6 Upon its appointment the new management company shall exercise all the powers and enjoy all 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.
- 6.7 Notwithstanding the removal/resignation of the Management Company and its subsequent discharge from its duties under this Trust Deed and the Rules and Regulations, the Management Company shall remain entitled to the benefits under the terms of this Trust Deed without prejudice to the Management Company's responsibility or obligation to liquidate any liability for which the Management Company may have become liable under this Trust Deed and/or the Rules and Regulations.
- 6.8 Furthermore, the Trustee may immediately upon the issuance of notice of removal of the Management Company appoint auditors with the consent of the Commission from amongst the list of approved auditors issued by the Commission from time to time.
- 6.9 The auditors so appointed shall be other than the existing auditors of the Scheme, the Management Company and the Trustee.
- 6.10 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 the Commission.
- 6.11 The report for the audit shall be submitted by the auditors to the Trustee not later than thirty (30) Business Days from their appointment. A copy of the report shall also be provided to the Commission, the Management Company and the new management company.
- 6.12 The costs of audit shall be shared equally by the outgoing Management Company, the new management company and the Scheme.

**7. ROLE OF THE TRUSTEE**

- 7.1 The Trustee shall take into its custody and under its control all the property of the Scheme and hold it in trust for the Unit Holders in accordance with the Rules and Regulations and the provisions of this Trust Deed and the Offering Document and the cash and registerable assets shall be under the name of, or to the order of, the Trustee.
- 7.2 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 Regulations, the Trust Deed establishing the Scheme and Offering Document issued for the Scheme.
- 7.3 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 Trust Deed, the Offering Document and the Regulations and the conditions (if any) which may be imposed by the Commission from time to time. All registerable assets shall be registered in the name of or to the order of the Trustee.
- 7.4 The Trustee shall have all the obligations entrusted to it under the Rules and Regulations, the Trusts Act 1882, this Trust Deed.
- 7.5 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. Names of the authorized officers and any changes thereto shall be intimated at the earliest to the Management Company.
- 7.6 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(s), to act as the Custodian(s) for holding and protecting the Trust Property and every part thereof and for generally performing the custodian services at one or more locations and on such terms as the Trustee and the Management Company may mutually agree and to be incorporated in custodian services agreement(s) to be executed between the Trustee and the Custodian(s). All operating expenses of these custodian services as allowed by this Trust Deed and the Rules and Regulations shall be charged to the Scheme.
- Provided however, the Trustee may also itself provide custodian services for the Scheme with the approval of the Management Company at competitive terms as part of its normal line of business.
- 7.7 The Trustee shall comply with the provisions of this Trust 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:

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

- 7.8 The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holder(s). The Trustee shall not be under any liability on account of anything done or suffered by the Scheme, if the Trustee had acted in good faith in accordance with or in pursuance of any request of the Management Company provided they are not in conflict with the provisions of this Trust Deed or the Regulations.
- 7.9 Whenever pursuant to any provision of this Trust Deed, any certificate, notice, direction, instruction or other communication is to be given by the Management Company to the Trustee, the Trustee may accept as sufficient evidence thereof:
- (a) a document signed or purporting to be signed on behalf of the Management Company by any person(s) whose signature the Trustee is for the time being authorized in writing by the Management Company to accept;
  - (b) any instruction(s) received online through the software solution adopted by the Management Company in consultation with the Trustee for managing and keeping records of the funds managed by the Management Company and to the satisfaction of the Trustee.
  - (c) instructions given electronically to the Trustee based on distinctive user IDs and passwords allocated to authorized person(s) of the Management Company through a computerized system for which both the parties i.e. the Management Company and the Trustee have agreed in writing. In case of any error or omission occurring in electronic system due to system malfunction or if any instruction(s) based on such system contains any error or omission due to the above malfunction, the Trustee and the Management Company not knowing the fact will act in the best interests of the Scheme and the Unit Holders; and
  - (d) third party evidence where required such as broker contract, bills, etc in relation to (a) and (b) the above.
- 7.10 The Trustee 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.
- 7.11 The Trustee shall carry out the instructions of the Management Company in all matters including investment and disposition of the Trust Property unless such instructions are in conflict with the provisions of this Trust Deed and the Offering Document and/or the Regulations and/or any other applicable law, Provided, however if due to Extraordinary Circumstances,



it becomes impractical or not possible to carry out any instructions or fulfill or effectuate any of the provisions of this Trust Deed, the Trustee shall not be responsible therefore and it shall neither incur any liability for anything done or omitted to be done in good faith, provided it has attempted to employ its best efforts and all available means to comply with the instructions. In such situation, the Trustee shall forthwith notify the Management Company in writing, highlighting such reasons.

- 7.12 The Trustee shall ensure that issue, redemption, cancellation and transfer of Units effected by the Scheme are carried out in accordance with the provisions of this Trust Deed, the Offering Document and the Regulations. The Trustee shall also ensure that the methodology and procedures adopted by the Management Company in calculating the value of the Units are adequate and issue and redemption prices are carried out in accordance with the provisions of this Trust Deed, the Offering Document and the Regulations. In order to comply with this obligation, the Trustee shall have an unhindered access to the pertinent records and information maintained or available with the Management Company or its agents.
- 7.13 The Trustee shall ensure that the investment and borrowing limitations set out in the Regulations, this Trust Deed and the Offering Document are complied with by the Management Company.
- 7.14 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 Scheme.
- 7.15 The Trustee shall issue a report to the Unit Holders included in the annual report and half yearly report of the Scheme whether in its opinion, the Management Company has in all material respects managed the Trust Property in accordance with the provisions of the Rules, the Regulations, this Trust Deed and the Offering Document and if the Management Company has not done so, the steps the Trustee has taken in respect thereof.
- 7.16 The Trustee shall be entitled to require the Auditor to provide such reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Regulations. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible.
- 7.17 The Trustee shall, if requested by Management Company or if it considers necessary for the protection of Trust Property or safeguarding the interest of Unit Holder(s), institute or defend any suit, proceeding, arbitration or inquiry or any corporate or Unit Holder(s) 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 Scheme 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 Scheme under this Trust Deed or the Regulations. For the avoidance of doubt it is clarified that notwithstanding anything contained in this Trust 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 Scheme arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or Unit Holder action or otherwise howsoever and (save as herein otherwise provided), all such losses, claims, damages and other liabilities shall be borne by the Scheme.

- 7.18 Neither the Trustee, the Custodian (if Trustee has appointed another person as Custodian), the Management Company nor any of their Connected Persons shall sell or purchase or deal in the sale of any Investment or enter into any other transaction with the Scheme save in the capacity of an intermediary.
- 7.19 The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Regulations, the Trusts Act 1882 and this Trust 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 Trust 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.
- 7.20 The Trustee shall ensure that the Management Company has specified criteria in writing to provide for a diverse panel of brokers at the time of offering of the Scheme and shall also ensure that the Management Company has been diligent in appointing brokers to avoid undue concentration of business with any broker.
- 7.21 The Trustee shall ensure that Units have been issued after realization of subscription money, or act in accordance with the Regulations. For this purpose, Management Company shall provide the Trustee with the summary of investments in the Scheme on regular basis.
- 7.22 The Trustee shall ensure that the methodology and procedures adopted by the Management Company in calculating the value of the Units are adequate and the pricing and valuation for issue, redemption and cancellation of Units are carried out in accordance with the provisions of this Trust Deed, the Offering Document and the Regulations.
- 7.23 The Trustee shall immediately inform the Commission if any action of the Management Company contravenes the Ordinance, the Rules and Regulations, guidelines, codes, circulars and directives issued by the Commission, other applicable laws, the Trust Deed and Offering Document or any other applicable laws.

- 7.24 The Trustee shall arrange for an annual system audit by its auditors and provide the report to this effect to the Commission and the Management Company within four (4) months of the close of the financial year of the Trustee.
- 7.25 The Trustee shall comply with the directions of the Commission given in the interest of the Unit Holders;
- 7.26 The Trustee shall not invest in Units of the Scheme.
- 8. CHANGE OF THE TRUSTEE**
- 8.1 The Trustee may, subject to prior approval of the Commission, retire from his office on appointment of a new trustee and the retirement shall take effect at the same time as the new trustee is appointed with the approval of the Commission or from the date of assumption of assets of the Scheme by the newly appointed trustee, whichever is later.
- 8.2 In circumstances where the Commission is of the opinion that the Trustee has been in violation of the Regulations or this Trust Deed or found guilty of misconduct or failed to discharge its obligations under the Regulations, it may remove the Trustee after giving an opportunity to Trustee of being heard.
- 8.3 The Management Company may, giving after cogent reasons, apply to the Commission for the change of the Trustee by simultaneously proposing the appointment of a new trustee. The Commission, if satisfied with the circumstances and reasons for the change applied for and after providing an opportunity of hearing to the Trustee may accord approval for appointment of a new trustee.
- 8.4 Under Clauses 8.1, 8.2, and 8.3, the Management Company shall appoint a new trustee by a supplementary deed or an instrument in writing.
- 8.5 Upon the appointment of a new trustee the Trustee shall immediately hand over all the documents and records to the new trustee and shall transfer all the Trust Property and any amount deposited in any Bank Account(s) to the new trustee and make payments to the new trustee of all sums that may be due from the Trustee. All dues of the Trustee up to the date of appointment of the new trustee shall be settled accordingly from the Scheme.
- 8.6 The new trustee shall exercise all the powers and enjoy all the rights and shall be subject to all duties and obligations of the Trustee hereunder as fully as though such new trustee had originally been a party hereto.
- 8.7 Notwithstanding the removal / resignation of the Trustee and its subsequent discharge from its duties under the Constitutive Documents and the Rules and Regulations, the Trustee shall remain entitled to the benefit and the terms of this Trust Deed and the Regulations
- 8.8 The Management Company shall immediately upon the issuance of notice of removal of Trustee appoint auditors with the consent of the Commission from amongst the list of approved auditors issued by the Commission from time to time.

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- 8.9 The auditors so appointed shall be other than the existing auditors of the Scheme, the Management Company and the Trustee.
- 8.10 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 the Commission.
- 8.11 The auditor shall submit the report for the audit to the Management Company not later than thirty (30) Business Days from their appointment. A copy of the report shall also be provided to the Commission, outgoing Trustee and the new trustee.
- 8.12 The cost of such audit shall be shared equally by the outgoing Trustee, the new trustee and the Scheme.

## **9. INVESTMENT OF THE TRUST PROPERTY AND INVESTMENT RESTRICTIONS**

### **9.1 Investment Objective**

The investment objective of the Lakson Income Fund is to provide competitive total return through investment in a diversified portfolio of fixed income securities. The Scheme shall invest in various fixed income securities with a varying mix of short term, medium term and longer term maturities depending on the assessment by the fund management team of interest rate trends and prospective returns.

### **9.2 Investment Policy**

The Scheme shall be managed through a team-driven, top-down process utilizing active sector rotation, duration and yield curve management. Economic conditions shall be constantly monitored by the fund management team to forecast interest rate changes. The added value for the Scheme shall come from fund management team identifying opportunities to shift investments between various maturities and between different instruments. Rupee weighted average maturity of the Scheme shall be less than four (4) years and this condition shall not apply to securities issued by the Federal Government.

### **9.3 Authorized Investments**

The Scheme shall be authorized to invest in the following instruments:

- Government Securities: Pakistan Investment Bonds, Federal Investment Bonds, Treasury Bills and other Government Securities
- Debt securities, including bonds, term finance certificates, sukuks, debentures, asset and mortgage debt securities and other debt securities.
- Preference shares
- Deposits with Banks
- Deposits with Financial Institutions

- Certificates of investment, musharaka, modaraba and deposit
- Reverse Repo against Authorized Investments
- Continuous Funding System (or any other replacement)
- Spread transactions
- Money market placements with financial institutions, including letter of place, clean placement and others
- Commercial papers
- Warrants, options and other such derivatives subject to obtaining separate prior approval of the Commission. Investment in such instruments shall be for hedging purposes only
- Fixed income instruments issued, listed and traded outside Pakistan subject to regulatory approvals from the Commission and the State Bank of Pakistan
- Any other investment authorized by the Commission from time to time

The Scheme shall also invest in other instruments not listed above with prior approval of the Commission. However the scheme may also invest in such instruments as authorized by the Commission via directives/communiqué at a later date.

The Scheme may invest in overseas markets to the extent of thirty per cent (30%) of the Net Assets, subject to a cap of fifteen million dollars (US\$ 15,000,000/-) or such cap as may be specified by the Commission or State Bank of Pakistan from time to time. Overseas Investments would be subject to prior approvals / guidelines of the Commission and the State Bank of Pakistan.

#### **9.4 Benchmark**

The benchmark for "Lakson Income Fund" shall be the average of returns earned by Income Funds for the period of return.

The performance of the Scheme shall be compared to the benchmark after deducting all the expenses which are charged to the Scheme as per the Regulations.

#### **9.5 Investment of the Trust Property**

9.5.1 During and 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) having at least an investment grade rating as per the criteria specified by a credit rating agency approved by the Commission and 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 Account, shall be invested by the Trustee from time to time in such Authorized Investments as may (subject always to the provisions of this Trust Deed, Offering Documents and the Rules and Regulations) be directed by the Management Company.

9.5.2 Any Investment may at any time be realized at the discretion of the Management Company. Any investment which ceases to be an Authorized Investment shall be realized and the net proceeds of realization shall be applied as per the investment policy of the Scheme.

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9.5.3 The purchase or sale of any Investment in listed securities for the account of the Scheme shall be made on the Stock Exchange, through a Broker who must be a member of the Stock Exchange, unless the Management Company is satisfied that it is possible and permissible under the Rules and Regulations to make such purchase or sale more advantageously in some other manner.

### **9.6 Investment and Exposure Restrictions**

9.6.1 The Trust Property shall be subject to such exposure limits as are provided in the Rules and Regulations (subject to any exemptions that may be specifically given to the Scheme by the Commission).

9.6.2 The exposure of the Scheme to any single entity shall not, at any time, exceed an amount equal to ten per cent (10%) of total Net Assets of the Scheme, provided that exposure to any debt issue of a company shall not exceed ten per cent (10%) of that issue.

9.6.3 The Management Company shall not acquire twenty five per cent (25%) or more of the voting rights or control of a company on behalf of its schemes (including the Scheme).

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

9.6.5 The Management Company shall not take exposure of more than:

- (a) thirty five per cent (35%) of Net Assets of the Scheme in any single group; and
- (b) ten per cent (10%) of Net Assets of the Scheme in listed group companies of the asset management company and such exposure shall only be made through the secondary market.

9.6.6 The Trust Property shall not be invested in any security of a company if any director or officer of the Management Company or any of their Connected Persons own more than five per cent (5%) of the total nominal amount of the securities issued or collectively the directors and officers of the Management Company or any of their Connected Persons own more than ten per cent (10%) of those securities.

9.6.7 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 (10%) or more of the equity of the Management Company or the Trustee, save in the case of such party acting as a intermediary.

9.6.8 The Management Company and the Trustee, on behalf of the Scheme, shall not at any time rollover the investments, if the Scheme would not be able to issue payment instrument for the redemption money to the Unit Holder(s) within time period as stipulated in the Regulations/Offering Documents.

- 9.6.9 The Scheme shall not at any time:
- (a) effect a short sale in a security whether listed or unlisted;
  - (b) purchase any security in a forward contract;
  - (c) purchase any security on margin;
  - (d) apply any part of its assets to real estate, commodities or commodity contracts;
  - (e) acquire any security of which another asset management company managing a scheme is the issuer;
  - (f) invest in securities of the Management Company;
  - (g) issue at any time, without the prior approval of the Commission in writing, a senior security which is either stock or represents indebtedness;
  - (h) apply for de-listing from Stock Exchange, unless it has obtained prior approval of the Commission in writing to the scheme of de-listing;
  - (i) lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.
  - (j) participate in a joint account with others in any transaction;
  - (k) borrow, except with the approval of the Trustee, for meeting redemption request and such borrowing shall not exceed fifteen per cent (15%) of the total Net Assets of the Scheme at the time of borrowing and shall be repayable within a period of ninety (90) days.
- 9.6.10 In case investments are made on behalf of the Scheme in any offshore countries, the same shall be subject to the limits as may be prescribed by the State Bank of Pakistan and/or the Commission.
- 9.6.11 Exposure to CFS and spread transactions shall not exceed forty per cent (40%) of the Net Assets;
- 9.6.12 At least twenty five per cent (25%) of the Net Assets shall be invested in cash and near cash instruments which include cash in Bank Account (excluding TDRs), treasury bills not exceeding ninety (90) days maturity;
- 9.6.13 Not more than fifteen (15%) of the Net Assets shall be invested in non traded securities including reverse repos, Bank deposits, certificates of investments (COI), certificate of musharakas (COM) and anything over six (6) months maturity which is not a marketable security.
- 9.6.14 Rating of any security in the portfolio shall not be lower than investment grade;

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- 9.6.15 Rating of any non banking finance company and modaraba with which funds are placed shall not be lower than investment grade;
- 9.6.16 Rating of any Bank and Financial Institution with which funds are placed should not be lower than investment grade;

**9.7 Exception to Investment Restrictions**

In the event the weightages of securities exceed the limits provided in the Trust Deed, Offering Document or the Rules and Regulations as a result of the relative movement in the market prices of the Investments or through any divestments or because of corporate actions including taking up rights or bonus issue, the Management Company shall bring the exposure within the prescribed limits within three (3) months of the event unless the said period of three (3) months is extended up to another three (3) months by the Commission on an application by the Management Company.. The Management Company shall not invest further in such securities while the deviation exists. However, this restriction on further Investment shall not apply to any offer of right shares and bonus shares.

**10. BORROWING AND BORROWING RESTRICTIONS**

- 10.1 Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Management Company may make varying arrangements with any institutions for borrowing with the approval of the Trustee for the account(s) of the Scheme; provided that borrowing shall be conducted in accordance with the Regulations.
- 10.2 The charges payable to any institution against borrowings by the Scheme on account of the Scheme as permissible under Clause 10.1 above shall not be higher than the normal prevailing charges or normal market rates.
- 10.3 The maximum borrowing by the Scheme shall not exceed fifteen per cent (15%) of the total Net Assets of the Scheme at the time of the borrowing or such other limit as may be provided in the Regulations and shall be repayable within a period of ninety (90) days. The financing documents shall be executed by the Trustee on behalf of the Scheme and at the cost of the Scheme. 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 and the Trustee shall not be under any obligation to reduce such borrowing.
- 10.4 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 any institutions. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such loans or advances.
- 10.5 For the purposes of securing any such borrowing the Trustee may upon the written request 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 Regulations and / or any law for the time being in force.



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

## **11. VALUATION OF THE TRUST PROPERTY AND PRICING**

### **11.1 Valuation of the Trust Property**

The method of determining the value of the assets and liabilities of the Trust Property and the Net Assets shall be in compliance with the Rules and Regulations and is stated herein below:

- (a) a security listed on a Stock Exchange, local or foreign as the case may be, shall be valued at its last sale price on such exchange on the date on which it is valued or if such exchange is not open on such date, then at its last sale price on the next preceding date on which such exchange was open and if no sale is reported for such date the security shall be valued at an amount neither higher than the closing asked price nor lower than the closing bid price;
- (b) an unlisted debt security and a debt security listed but not traded regularly on a Stock Exchange shall be valued in the manner specified by the Commission;
- (c) an Investment purchased and awaiting payment against delivery shall be included for valuation purposes;
- (d) an Investment sold but not delivered pending receipt of proceeds shall be valued at the net sale price;
- (e) the value of any dividends, bonus shares or rights which may have been declared on securities in the Trust Property but not received by the Scheme as of the close of business on the valuation date shall be included as assets of the Scheme if the security upon which such dividends, bonuses or rights were declared is included in the assets and is valued ex-dividend, ex-bonus or ex-rights as the case may be;
- (f) mark-up accrued on any mark-up-bearing security in the Trust Property shall be included as an asset of the Scheme if such accrued mark-up is not otherwise included in the valuation of the security;
- (g) any other income accrued upto the date on which computation was made shall also be included in the assets;
- (h) all liabilities, expenses and other charges due or accrued up to the date of computation which are chargeable under this Trust Deed, the Offering Document and the Rules and Regulations shall be deducted from the value of the assets;
- (i) the remuneration accrued up to the date of computation payable to the Management Company, the Trustee, the Commission and the Auditors of the Scheme as the case may be, for providing management and other services shall be included as an expense;

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- (j) a security not listed or quoted on a Stock Exchange, other than a Government Securities or debt security, shall be valued at investment price or its break up value as per last audited accounts, whichever is lower;
- (k) a Government Security not listed on a Stock Exchange and traded in the interbank market shall be valued at the average rate quoted on a widely used electronic quotation system and such average rate shall be based on the remaining tenor of the security; and
- (l) any such method of valuation of assets and liabilities as may be specified or modified by the Commission from time to time.

**11.2 Determination of Offer Price**

11.2.1 During the Initial Period, the Units shall be offered at the Initial Price. The offer and issuance of Units during the Public Offering shall be conducted during the period specified in the Offering Document. After the Initial Period, the Offer Price shall be calculated and announced by the Management Company on Subscription Days only and in accordance with the Rules and Regulations.

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

- (a) the Net Asset Value as of the close of Business Day;
- (b) any Front-end Load;
- (c) such amount as the Management Company may consider being an appropriate provision for Duties and Charges;
- (d) such amount as the Management Company may consider an appropriate provision for Transaction Costs.

Such sum shall be adjusted upwards upto nearest four decimal places.

11.2.3 The Offer Price shall be calculated on each Subscription Day, for each Unit class offered by the Management Company. Consequently, different Unit classes may have different Offer Prices.

11.2.4 The Offer Price so determined shall apply to purchase requests complete in all respects made and received by the authorized personnel of the Transaction Location (TL) or Management Company during Subscription Hours on any Business Day. Provided that if a Business Day is not a Subscription Day the Offer Price calculated on the next Subscription Day shall apply to the purchase request.

11.2.5 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 11.2.2(c) 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 such provisions (including where such excess arises from any Duties and Charges levied with retroactive effect after the date of payment).

- 11.2.6 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 11.2.2(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.
- 11.2.7 The Offer Price determined by the Management Company shall be made available to the public by such time as specified by the Commission at the official website and branches of the Management Company and at the discretion of the Management Company may also be published in a newspaper widely circulated in Pakistan.
- 11.3 Determination Of Redemption Price
- 11.3.1 During the Initial Period, the Units shall not be redeemed.
- 11.3.2 After the Initial Period the Units shall be redeemed at the Redemption Price that shall be equal to the Net Asset Value as of the close of the Business Day less:
- (a) any Back-end Load; and
  - (b) such amount as the Management Company may consider an appropriate provision for Duties and Charges; and
  - (c) such amount as the Management Company may consider an appropriate provision for Transaction Costs.
- Such amount shall be adjusted downwards upto nearest four decimal points.
- 11.3.3 The Redemption Price shall be calculated on each Subscription Day, for each Unit class offered by the Management Company. Consequently, different Unit classes may have different Redemption Prices.
- 11.3.4 The Redemption Price so determined shall apply to redemption requests, complete in all respects made and received by the authorized personnel of the TL and / or the Management Company during the Subscription Hours on that Business Day. Provided that if the Business Day is not a Subscription Day the Redemption Price calculated on the next Subscription Day shall apply.
- 11.3.5 In the event that the amount deducted as provision for payment of Duties and Charges pursuant to sub-clause 11.3.2(b) above is insufficient to pay in full such Duties and Charges, the Unit Holder shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (including where such excess arises from any Duties and Charges levied with retroactive effect after the date of payment).

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11.3.6 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 11.3.2(b) above exceeds 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.

11.3.7 The Redemption Price determined by the Management Company shall be made available to the public by such time as specified by the Commission at the official website and branches of the Management Company and at the discretion of the Management Company may also be published in a newspaper widely circulated in Pakistan.

**12. METHOD OF PRICING AND CIRCUMSTANCES UNDER WHICH IT CAN CHANGE**

12.1 The method of pricing in respect of the Offer Price and Redemption Price may only change where required due to a change in the Rules or Regulations or if required by the Commission.

**13. DEALING, SUSPENSION AND DEFERRAL OF DEALING**

**13.1 Issuance of Units**

13.1.1 The Management Company shall be responsible for obtaining all requisite consents and approvals for the offer and issue of Units and for the issue, compilation and publication or circulation of the Offering Document.

13.1.2 Application for issuance of Units shall be made by an investor by completing the prescribed application form and submitting it with the payment by cheque, bank draft, pay order, or credit card or any other means as specified by Management Company from time to time in favor of "CDC - Trustee Lakson Income Fund" and crossed "Account Payee Only" (if applicable) at a TL. The application for issuance of the Units and the specimen signature of each investor shall be provided to the Registrar and a copy may be retained by the relevant TL, if so required by the Management Company. The authorized personnel of the TL shall verify the particulars given in the application for issuance of Units and the documents submitted therewith.

13.1.3 Units shall be allotted at the Offer Price announced by the Management Company for the completed application form(s) received at the TL within the Subscription Hours on a Subscription Day. If the application submitted by the investor is incomplete in any aspect, the investor shall have a maximum of fifteen (15) calendar days to ensure submission of all required documents and overall completion of the application. Allotted Units shall be issued to the Unit Holder only after realization of funds. An investor shall be provided a confirmation statement within seven (7) Business Days after the issuance of Units subject to the completion of application in all respects.

13.1.4 In the event payment by an investor is by cheque(s) and the cheque(s) is returned unpaid, the application for issuance of Units by the investor shall be treated as void and Units issued shall be cancelled and the investor shall be informed accordingly. The investor may resubmit the application and the Units shall be allotted to the investor at the Offer Price for that Subscription Day on which application is resubmitted.

13.1.5 Each investor shall be liable to pay the Offer Price of the Units subscribed by him together with a sum sufficient in the opinion of the Management Company to cover any Duties and Charges, levies etc payable in connection with the purchase of such Units and no further liability shall be imposed on him in respect of any Units held by him.

Additionally, the Unit Holder may also opt to subscribe to additional services and functionalities offered by the Management Company as per the terms and conditions disclosed by the Management Company and accepted by the Unit Holder.

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

13.1.7 In addition to the above, the Management Company may allow various arrangements for transactions in Units of the Scheme, as per rules and regulations framed by the Management Company.

## **13.2 Redemption Of Units**

13.2.1 The Trustee shall at any time during the life of the Scheme on the instruction of the Management Company authorize redemption of Units out of the Trust Property through duly authorized Distributors and Sub-Distributors.

13.2.2 Application for redemption of Units shall be made by completing the prescribed application form for redemption and submitting it at a TL. Application for redemption shall be supplied to the Registrar and a copy may be retained by authorized personnel of the TL, 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, telephonic or mobile communications. The Unit Holders shall be entitled to redeem part of their Units provided that in cases where a Certificate is issued, the Unit Holder is required to comply with the provisions contained in sub-clause 30.1. The application for redemption of Units shall be accompanied by the relevant Certificate, if issued, duly endorsed on the reverse. In case of applications for redemption by joint Unit Holders, any Unit Holder may sign the redemption form if he is so authorized by all joint Unit Holders. The Management Company shall formally forward details of all the requests for dealing in Units, including the information of stamped time and date, to the Trustee within twenty four (24) hours of the receipt of such requests.

13.2.3 The Trustee may at its option dispense with the production of any Certificate that shall have become lost, stolen or destroyed upon compliance by the Unit Holder(s) with the like requirements to those arising in the case of any application by him for the replacement thereof, as per sub-clause 30.2.

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- 13.2.4 The Redemption Price shall be announced by the Management Company on each Subscription Day. Unit(s) shall be redeemed based on the Redemption Price announced by the Management Company of the day on which the Unit Holder submits a complete and correctly filled redemption form to the TL within the Subscription Hours on a Subscription Day. If the application submitted by the Unit Holder is incomplete in any aspect, or if the rupee amount / number of Unit(s) stated in the redemption request is in excess of the Unit Holder's account value, or the signatures of the Unit Holder(s) do not match with the specimen signatures provided in the account opening form then the redemption request shall be rejected and the Unit Holder(s) shall be notified of the same.
- 13.2.5 The amount payable on redemption shall be paid to the Unit Holder or in the case of joint Unit Holders, the first named joint Unit Holder by crossed cheque or direct transfer to his designated Bank account within six (6) Business Days after receipt of a properly documented request for redemption of the Units in terms of this Trust Deed, or via ATM / electronic means (subject to terms and conditions as announced by the Management Company) and as per any arrangement as mentioned in sub-clause 13.2.10, provided that redemption is not suspended in terms of this Trust Deed.
- 13.2.6 Registrar shall verify the particulars given in the application for redemption of Units and documents submitted therewith. The signature of any Unit Holder or joint Unit Holder to any document required to be signed by him under or in connection with the application for redemption of Units shall be verified by the Registrar.
- 13.2.7 Redemption applications shall be received on Business Days only. Payments for Units so redeemed shall be made within six (6) Business Days of the date of receipt of such application; provided that in the event redemption requests on any Subscription Day exceed ten per cent (10%) of the Units in issue, the Management Company may invoke a queue system as stated in sub-clause 13.9.
- 13.2.8 The issue, redemption and transfer of Units and any other dealings in the Units may be carried out On-line and via other means as may be approved by the Commission, with the consent of the Trustee (which consent shall not be unreasonably withheld or delayed), to the extent permitted by and in accordance with applicable law.
- 13.2.9 In all cases the amount payable on Redemption shall be considered paid by the Trustee if either:
- a) Such amount has been transferred to the designated Bank account provided by the Unit Holder at the time of submission of account opening form / change request form, provided that the Scheme has the required arrangement with that Bank; or
  - b) The payment instrument has been delivered and duly acknowledged by the Unit Holder or his representative (as per Unit Holder authorization in the redemption form). If several persons are registered as joint Unit Holders any one of them may give effectual receipt for such payment; or

- c) Payments received via any other mode of redemption, as may be introduced by the Management Company in consultation with the Trustee (see 13.2.10), shall be deemed discharged as per the guidelines published and made available to the Unit Holder(s) by the Management Company from time to time.

13.2.10 In addition to the above, the Management Company may allow various arrangements for transactions in Units of the Scheme, as per the rules and regulations framed by the Management Company with the consent of the Trustee, provided such consent is not unreasonably withheld, and with the approval of the Commission.

13.2.11 No netting off transactions (adjustment of assets of the Scheme against the investment of Unit Holders) shall be allowed within the Scheme.

13.2.12 The Management Company shall not specifically use flipping mechanism (i.e. redemption and re-issuance of Units to the same Unit Holders based on different NAVs without cash settlement).

13.2.13 The Management Company shall provide all redemption requests duly timed and date stamped to the Trustee within twenty four (24) hours of receipt of any such request following the queue system.

### **13.3 Systematic Redemption of Units**

13.3.1 The Unit Holders at the time of investment or at some later date may authorize the Management Company to decide the quantum of part redemption of their Unit holdings at the end of every regular interval based on the net of all expenses appreciation of the concerned Unit Holders' investment during that regular interval.

13.3.2 The Unit Holders at the time of investment or some later date may specify a fixed cash amount required by them at regular intervals, and authorize the Management Company to redeem such number of Units from their holding that in rupee terms is equivalent to the specified fixed amount required at the end of every regular interval.

13.3.3 The Management Company shall calculate the redemption value to be paid to the Unit Holder(s) based on the Redemption Price of the last Subscription Day of the relevant interval.

13.3.4 The regular intervals shall be calendar month end, quarter end or half year end.

### **13.4 Issue and Redemption of Units Outside Pakistan**

13.4.1 The Management Company shall make arrangements, from time to time, for receiving purchase and redemption requests from outside Pakistan and shall disclose these arrangements through its website and its Distributors and agents outside Pakistan.

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- 13.4.2 The Offer Price applicable to purchase requests received from outside Pakistan shall be the Offer Price applicable on the date the Trustee receives the payments, and the Management Company receives the completed application forms, from international investors, provided it is a Subscription Day otherwise the Offer Price of the next Subscription Day shall apply.
- 13.4.3 The Redemption Price applicable to redemption requests received from outside Pakistan shall be the Redemption Price applicable on the date the Management Company receives the completed application forms, from international investors, provided it is a Subscription Day otherwise the Redemption Price of the next Subscription Day shall apply.
- 13.4.4 The Offer and Redemption Price shall be denominated in Pakistani rupee terms and the Scheme shall not carry any exchange risk. The investor shall invest in Pakistani rupees and payments shall be made in Pakistani rupees to the investor

### **13.5 Temporary Change in the Method of Dealing**

Under the Extraordinary Circumstances and subject to compliance with the Regulations, the Management Company may request the Trustee to approve a temporary change in the method of dealing in Units. Such approval shall not be unreasonably withheld.

### **13.6 Permanent Change in the Method of Dealing**

The Management Committee may make a permanent change in the method of dealing in Units after the expiry of a one month notice to the Unit Holders and with the approval of the Trustee, which approval shall not be unreasonably withheld.

### **13.7 Suspension of Redemption of Units**

- 13.7.1 The redemption of Units may be suspended during Extraordinary Circumstances having regard to the interests of the Unit Holders and such a decision shall be made with the prior approval of the board of directors of the Management Company.
- 13.7.2 The Management Company may announce a suspension or deferral of redemption and such a measure shall be taken to protect the interest of the Unit Holder(s) in the event of Extraordinary Circumstances or in the event redemption requests accumulate in excess of ten per cent (10%) of Net Assets.
- 13.7.3 The Management Company shall immediately notify the Commission and the Trustee if redemption in Units ceases or is suspended and the fact that redemption is suspended shall also be published immediately following such decision in the newspaper in which the Scheme's prices are normally published.



13.7.4 Such suspension 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 is authorized under the Trust Deed exists.

13.7.5 The Management shall ensure that in case of suspension of redemption of units of scheme due to extra ordinary circumstances, the issuance of fresh units shall also be kept suspended until and unless redemption of units is resumed.

**13.8 Suspension of Fresh Issue of Units**

13.8.1 The Management Company may at any time, subject to the Rules and Regulations, as may be modified from time to time and during Extraordinary Circumstances suspend issuance of fresh Units.

13.8.2 In case of suspension of redemption of the units of the Scheme, the Management Company shall also suspend issuance of fresh Units of the Scheme until and unless redemption of Units is resumed.

13.8.3 Such suspension may however not affect existing Unit Holders 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 is announced.

13.8.4 The Management Company shall immediately notify the Commission and the Trustee if fresh issuance of Units is suspended and shall also have the same published, immediately following such decision, in a newspaper widely circulated in Pakistan.

**13.9 Queue System**

13.9.1 In the event redemption requests on any Subscription Day exceed ten per cent (10%) of the number of Units outstanding, the Management Company may invoke a queue system under intimation to the Trustee whereby requests for redemption shall be processed on a first come first served basis for upto ten per cent (10%) of the Units in issue on that Subscription Day.

13.9.2 The Management Company shall proceed to sell adequate assets of the Scheme and/or arrange borrowing as it deems fit in the best interest of the Unit Holder(s) and shall determine the Redemption Price to be applied to the redemption requests based on such action.

13.9.3 The requests in excess of the ten per cent (10%) shall be treated as redemption requests qualifying for being processed on the next Subscription Day at the price to be determined for such redemption requests.

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- 13.9.4 If the carried over requests and the fresh requests received on the next Subscription Day still exceed ten per cent (10%) of the Units in issue these shall once again be treated on first-come-first served basis and the process for generating liquidity and determining the Redemption Price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten per cent (10%) of the Units then in issue.

### **13.10 Winding up in View of Major Redemptions**

In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Trust Property being run down to an unmanageable level or is of the view that the sell-off of assets is likely to result in a significant loss in the value for the 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. The interim distributions of the proceeds may be made if the Management Company finds it feasible.

## **14. FEES AND CHARGES**

### **14.1 Maximum Front-end Load**

- 14.1.1 The Management Company may charge a maximum of five per cent (5%) of the Net Asset Value as Front-end Load included in the Offer Price of the Scheme.

### **14.2 Maximum Back-end-end Load**

- 14.2.1 The Management Company may deduct a maximum of five per cent (5%) of the Net Asset Value as Back-end Load deducted from the Net Asset Value of the Scheme in determination of the Redemption Price of the Scheme. Back-end Load shall form part of the Trust Property

### **14.3 Remuneration of the Management Company**

- 14.3.1 The Management Company shall be entitled to an accrued remuneration equal to an amount not exceeding three per cent (3%) of the average annual Net Assets of the Scheme that has been verified by the Trustee and is paid in arrears on a monthly basis in accordance with the Rules and Regulations during the first five (5) years and two per cent (2%) of the average annual Net Assets of the Scheme for the rest of the Scheme's existence.
- 14.3.2 The Management Company may charge performance based or fixed fee or the combination of both which shall not exceed the limit prescribed in the Regulations, or as specified by the Commission from time to time, and such fee structure shall be disclosed in the Offering Document.

- 14.3.3 The remuneration shall begin to accrue from the close of the Initial Period, and this shall be intimated to the respective Pre-IPO and IPO investors. In respect of any period other than a full calendar month such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued in proportion to the total number of days accrued in the calendar month concerned.
- 14.3.4 The accrued remuneration shall be paid to the Management Company in arrears within seven (7) Business Days after the end of each calendar month.
- 14.3.5 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.
- 14.3.6 The Management Company shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of this Trust Deed.
- 14.3.7 The Management Company shall not make any further material charge 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 Regulations and the Trust Deed to be payable out of Trust Property.
- 14.3.8 The Distribution Company or Sub-Distribution Company or any Facilitator employed by the Management Company shall be entitled to a remuneration payable by the Management Company in terms to be agreed between the Management Company and the Distribution Company / Facilitator / Sub-Distribution Company. Such remuneration shall be paid by the Company from the Front-end Load or from its own resources.
- 14.4 Remuneration of the Trustee**
- 14.4.1 The Trustee shall be entitled to a monthly remuneration out of the Trust Property determined in accordance with Annexure "C". The remuneration shall begin to accrue from the expiry of the Initial Period. For any period other than a full calendar month such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued in proportion to the total number of days in the calendar month concerned.
- 14.4.2 Such remuneration shall be paid to the Trustee in arrears within seven (7) Business Days after the end of each calendar month.
- 14.4.3 In consideration of the foregoing and save as aforesaid, the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with their duties as trustee of the Scheme.

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- 14.4.4 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 this Trust Deed.
- 14.4.5 Any increase in the remuneration of the Trustee agreed to by the Management Company shall require the approval of the Commission.
- 14.4.6 The Trustee 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 or for expenses, except such expenses or fees as are expressly authorized under the provisions of the Rules and Regulations and the Trust Deed to be payable out of Trust Property.

### **14.5 Formation Costs**

- 14.5.1 Formation Costs shall be borne by the Management Company and shall be reimbursable, subject to the audit of expenses, by the Scheme.
- 14.5.2 Formation Costs charged to the Scheme shall not exceed one per cent (1%) of the Pre-IPO investment or rupees five million (Rs. 5,000,000/-), whichever is lower.
- 14.5.3 Formation Costs shall be amortized over a period of not less than five (5) years or any other period that may be specified by the Commission.

### **14.6 Other Costs and Expenses Payable by the Scheme**

In addition to the remuneration of the Management Company and the Trustee and the Formation Costs as detailed herein above, the following costs and expenses are payable by the Scheme:

- (a) remuneration of the custodian;
- (b) listing fee payable to the Stock Exchange including renewals;
- (c) charges and levies of Stock Exchanges, national clearing and settlement company, and depository charges;
- (d) rating fee of the Scheme payable to approved rating agency;
- (e) auditors' fees and out of pocket expenses as billed by them;
- (f) fees payable to the Commission;
- (g) brokerage and transaction costs related to investing and divesting of the assets of the Scheme;
- (h) expenses incurred by the Trustee in effecting registration of all registerable assets in the name of the Trustee;
- (i) legal and related costs incurred in protecting or enhancing the interests of the Unit Holders of the Scheme;

- (h) expenses incurred by the Trustee in effecting registration of all registerable assets in the name of the Trustee;
- (i) legal and related costs incurred in protecting or enhancing the interests of the Unit Holders of the Scheme;
- (j) Bank charges and borrowing / financial costs;
- (k) hedging costs including forward cover, forward purchase or option purchase costs;
- (l) taxes, fees, and other charges applicable to the Scheme on its income or its properties, including taxes, fees, duties and other charges levied by foreign jurisdiction on Investments outside Pakistan;
- (m) any printing costs and related expenses for issuing the Scheme's quarterly, half-yearly and annual reports etc. of the Scheme; and
- (n) any other expense or charges as may be permitted by the Commission.

Such expenses shall be reimbursed to the Management Company at actual within thirty (30) calendar days of the payment of such expense.

#### **15. TRANSACTIONS WITH CONNECTED PERSONS**

- 15.1 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 per cent (5%) of the total nominal amount of the securities issued or collectively the directors and officers of the Management Company in their individual capacities own more than ten per cent (10%) of those securities.
- 15.2 The Management Company shall not without prior approval of the Commission in writing, purchase from, or sell any securities to any Connected Person or employee of the Management Company. Provided that this restriction shall not apply to the issue, sale or redemption of Units or Certificates issued by the Scheme.
- 15.3 For the purpose of sub-clauses (15.1) and (15.2) above the term director, officer and employee shall include spouse, lineal ascendants and descendants, brothers and sisters.
- 15.4 Cash forming part of the Trust Property of the Scheme may be placed as deposits with the Trustee or the Custodian, which is a banking company or a non-banking finance company. Interest / profit / mark-up shall be paid on the deposit by Trustee or Custodian at a rate that is not lower than the rate offered by the said banking company or non-banking finance company to its other depositors on deposits of similar amount and maturity.
- 15.5 Money can be borrowed subject to Rules and Regulations from any institution provided that the charges are not higher than the normal Bank charges.

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15.6 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 accounts.

**16. DISTRIBUTION POLICY**

**16.1 Determination of Distributable Income**

16.1.1 The Management Company shall decide as soon as possible but not later than forty five (45) days after the Accounting Date whether to distribute among Unit Holders, profits (if any) available for the distribution at the end of the Accounting Date and shall advise the Trustee accordingly. Such profits may be distributed in cash, bonus units, or a combination of both as the Management Company may determine.

16.1.2 The profit (if any) available for distribution in respect of any Distribution Period shall be determined by the Management Company but shall not exceed the portion of Net Assets on the Distribution Date that is attributable to the sum total of:

(a) the total income earned on the Trust Property during such Distribution Period including all amounts received in respect of dividend, mark up, profit, interest, fee and any other income;

(b) net realized appreciation as set out in sub-clause 16.1.3 below,

from which shall be deducted expenses and such other deductions and adjustments as the Management Company may determine in consultation with the Auditor.

16.1.3 The proceeds of sale 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 distributable income in terms of this clause but shall be retained as part of the Trust Property.

16.1.4 The amount qualifying for purposes of determining distributable income in respect of the Distribution Period shall be ascertained by deducting expenses as are admissible under the Rules and Regulations and this Trust Deed.

16.1.5 The amount qualifying for purposes of determining distributable income in respect of the Distribution Period shall be adjusted as admissible under the Rules, Regulations and Constitutive Documents including:

(a) deduction of a sum by way of adjustment to allow for effect of purchase of shares or any of the Investment / dividend, interest, profit or mark-up;

(b) addition of a sum representing amounts included in the price of Units for income accrued prior to the date of issue and deduction of a sum representing all participation in income distributed upon redemption of Units upon a reduction of the Scheme during the Distribution Period;

(c) adjustment considered necessary by the Management Company to reflect the diminution in value of Trust Property.

- 16.1.6 Out of the amount determined for the purpose of distributable income in respect of each Unit Holder withholding tax, Zakat or other statutory levies, as may be applicable to the relevant Unit Holder shall be deducted before computing the distributable income for the relevant Unit Holder.
- 16.1.7 The Management Company may, in the interest of the Unit Holders, announce cash dividend and bonus Units on different types of Units. 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.

## **16.2 Distribution of Profits**

- 16.2.1 On each Distribution Date the Management Company shall distribute by way of dividend to the Unit Holders of the Scheme not less than ninety per cent (90%) of its income received or derived from sources other than unrealized capital gains as reduced by such expenses as are chargeable to the Scheme under the Rules and Regulations.
- 16.2.2 On announcement of dividend, the Management Company shall instruct the Trustee to transfer such amount of cash as required to reflect such distribution to the Distribution Account. The amount standing to the credit of the Distribution Account shall not for any purposes of this Trust Deed be treated as part of the Trust Property but shall be held by the Trustee upon trust to distribute the same as herein provided.
- 16.2.3 In case of cash dividend, after fixation of the rate of distribution per Unit, distribution payments shall be made by cheque or warrant by the Trustee and sent through the registered post or reliable courier service to the registered address of such Unit Holder, or in the case of joint Unit Holders to the registered address of the joint Unit Holder, first named on the Register. Every such cheque or warrant shall be made payable to the order of person to whom it is delivered or sent and payment of the cheque or warrant (if purporting to be duly endorsed or subscribed) shall be in full satisfaction of the moneys payable. When an authority in that behalf shall have been received in such form as the Management Company shall consider sufficient, it shall transfer to the Unit Holders' designated Bank account or in case of joint Unit Holders, to designated Bank account of the joint Unit Holder, first named in the Register. The receipt of funds by such designated bankers shall be a good discharge therefore.
- 16.2.4 In case of bonus distribution, the Management Company shall inform the Trustee who shall cause to have additional Units issued in the name of the Unit Holders as per the bonus ratio, at the ex-dividend Net Asset Value specified by the Management Company for the relevant Distribution Period.
- 16.2.5 The Management Company may offer the Unit Holder the option at the time of the initial investment (as part of the account opening procedure for entry into the Register) to receive new Units or fractions thereof under a reinvestment plan instead of dividend payment, as per the terms and condition and the procedure laid down in the Offering Document.

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- 16.2.6 Before making any payment in respect of a Unit, the Trustee or the Management Company may make such adjustments as may be required by law in respect of any Zakat, income or other taxes, charges or assessments whatsoever and issue to the Unit Holder the certificate in respect of which deduction in the prescribed form or in a form approved or acquired by the concerned authorities.
- 16.2.7 Where Units are placed under pledge / lien the payment of dividend shall be made in accordance with clause 32 of this Trust Deed.

**17. ANNUAL ACCOUNTING PERIOD**

- 17.1 The annual Accounting Period shall commence on July 1st every year and shall end on June 30th of the ensuing calendar year.
- 17.2 Accounting Date shall be the 30th 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 consent of the Trustee and after obtaining prior approval of the Commission and the Commissioner of Income Tax and complying with other applicable laws, change such date to any other date.

**18. AUDIT**

- 18.1 The Management Company shall at the establishment of the Scheme and upon any vacancy with the consent of the Trustee, appoint Auditors from the list of approved auditors issued by the Commission from time to time who shall be independent of the auditors of the Management Company and the Trustee and such auditors shall not be appointed for more than five (5) consecutive years. The Management Company may at any time remove the Auditors and appoint another auditors in its place.
- 18.2 The Auditors shall hold office until transmission of the annual report and accounts but may be reappointed.
- 18.3 The Management Company may at any time, with the concurrence of the Trustee, remove the Auditors and appoint another Auditor in its place. First Auditors and subsequent auditors shall not be appointed for more than such number of consecutive years as specified under relevant rules and regulations, thereafter those auditors shall only be eligible for appointment after the lapse of such period as may be prescribed under the relevant rules and regulations. Only persons qualified to be appointed as auditors of a company under the Ordinance and the Regulations shall be appointed as Auditors.
- 18.4 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.



- 18.5 The Auditors shall have access to the books, papers, accounts and vouchers of the Scheme, whether kept at the office of the Management Company, Trustee, Transfer Agent, TLs or elsewhere and shall be entitled to require from the Management Company, Trustee and their directors, officers and agents such information and explanations as considered necessary for the performance of audit.
- 18.6 The Auditors shall prepare a written report to the Unit Holders to be included in the annual report on the account and books of accounts of the Scheme and the balance sheet and income and expenditure account and on every other documents forming part of the balance sheet and income and expenditure account, including notes, statement or schedule appended thereto.
- 18.7 The contents of the Auditors' report shall be as required in the Regulations.

**19. BASE CURRENCY**

The base currency of the Scheme shall be the Pakistani rupee. The Management Company, Trustee, TL or any Facilitator are not obliged to transact the issuance or redemption of the Units in any other currency and shall not be held liable, save as may be specifically undertaken by the Management Company in this Trust Deed, for receipt or payment in any other currency or for any obligations arising there from.

**20. MODIFICATION OF THE TRUST DEED**

- 20.1 The Trustee and the Management Company, acting together and with the prior approval of the Commission, shall be entitled by supplementary deed(s) to modify, alter, or add to the provisions of this Trust Deed on any of the following grounds:

- (a) to such extent as may be required to ensure compliance with any applicable laws and regulations or any amendments thereto;
- (b) to enable the provisions of this Trust Deed to be more conveniently and efficiently implemented;
- (c) to enable the Units to be listed on a Stock Exchange or any other exchange; or
- (d) otherwise to the benefit of the Unit Holders.

Provided that such alteration or addition shall not prejudice the interest of the Unit Holders; and that in any event, it shall not release the Trustee or the Management Company of their responsibilities.

- 20.2 Where this Trust Deed has been altered or supplemented with the permission of the Commission the Management Company shall notify the Unit Holder(s) immediately at their respective registered addresses and the dispatch of such notices to the Unit Holders shall be announced in a newspaper having their primary circulation in Pakistan.

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- 20.3 The terms and conditions of this Trust Deed and any supplementary deed(s) and amendments thereto pursuant to the provision of Clause 20 shall be binding on each Unit Holder.
- 20.4 If the Commission modifies the Rules and Regulations or allows any relaxations or exemptions, in respect thereof, these shall deem to have been included in this Trust Deed without requiring any modification as such.

**21. REVOCATION OF THE SCHEME**

- 21.1 The Management Company may terminate the Scheme, if the Net Assets at any time fall below rupees fifty million (Rs. 50,000,000/-). The Management Company shall give at least three (3) months notice to Unit Holder(s), Trustee and the Commission and shall disclose the grounds of its decision.
- 21.2 Subject to the Rules and Regulations, the Management Company may announce winding up of the Scheme without notice in the event redemption requests build up to a level where the Management Company is of the view that the disposal of the Trust Property to meet such redemptions would jeopardize the interests of the remaining Unit Holder(s) and that it would be in the best interest of all the Unit Holder(s) that the Scheme be wound up.
- 21.3 The Scheme may also be terminated by the Commission on the grounds provided in the Regulations.
- 21.4 The Scheme may be terminated in accordance with the conditions specified in the Rules and Regulations if there is a material breach of the provisions of this Trust Deed.

**22. DISTRIBUTION ON REVOCATION OF THE SCHEME**

- 22.1 Upon the Scheme being terminated the Management Company shall suspend the issue 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 effected by the Scheme together with any mark-up remaining unpaid. In case of any deficit the Trustee and the Management Company shall not be liable to pay the same.
- 22.2 The Trustee on the recommendation of the Management Company shall distribute to the Unit Holder(s) pro rata to the number of Units held by them all net cash proceeds derived from the realization of the Trust Property after making payment as mentioned in clause 22.1 above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands. In case the sum retained is insufficient, the Trustee shall not be liable for the same and in case there is a surplus, the same should be distributed on a pro rata basis among the Unit Holders.

**23. TRUST PROPERTY**

- 23.1 The Trust Property shall initially be constituted out of the proceeds of the Units issued to the Core Investors and other Units issued during the Initial Period after deducting any applicable Duties and Charges there from.
- 23.2 The aggregate proceeds of all Units issued from time to time and the Back-end Load recovered from the Redemption Price 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. The proceeds shall be remitted to the Trustee in accordance with instructions given by the Management Company from time to time.
- 23.3 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 Holder(s) ranking *pari passu inter se*, according to the number of Units held by each Unit Holder and in accordance with the provisions of the Rules and Regulations and this Trust 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 Trust Deed. All expenses incurred by the Trustee in effecting such registration shall be payable out of the Trust Property.
- 23.4 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 Scheme 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.
- 23.5 The Trustee shall have the sole responsibility for safekeeping and maintaining the Trust Property in its own name. In the event of any loss caused due to any negligence or willful act and / or omission, the Trustee shall have an obligation to replace the lost Investment forthwith with similar Investment of the same class and issue together with all rights and privileges pertaining thereto or compensate the Scheme to the extent of any loss.
- 23.6 All cash forming part of the Trust Property shall be deposited by the Trustee in a separate account as directed by the Management Company to be opened in the name of the Trustee, as a nominee of the Scheme, with a Financial Institution. Such Financial Institution shall be required to allow profit thereon in accordance with the rules prescribed by such Financial Institution for sharing of profits or mark-up on deposits maintained in such account or under any other arrangement approved by the Management Company.
- 23.7 Remuneration of the Management Company; remuneration of the Trustee; brokerage and transaction costs related to investing and divesting of the Trust Property; legal and related costs incurred in protecting or enhancing the interests of the Scheme or the collective interest of the Unit Holder(s),

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Bank charges and borrowing / financial costs, audit fees and expenses, rating fee payable to rating agency, Formation Cost, fee / charges payable to the Commission or any other regulatory bodies or Stock Exchanges or depository charges, or Trustee and taxes if any applicable to the Scheme and any other expenses, charges, taxes, levies, costs and/or duties allowed under the Rules and Regulations shall be payable out of the Trust Property.

### **24. BANK ACCOUNTS**

- 24.1 The Trustee shall open Bank Account(s) for the Scheme, at such Bank branch(s) as may be required by the Management Company from time to time.
- 24.2 The management Company shall not open or close or arrange to open or close any account with a Bank, Broker or depository for the Scheme without the approval of its Board of Directors.
- 24.3 The Trustee, at the request of the Management Company, shall open Bank Account(s) for the Scheme titled "CDC - Trustee Lakson Money Market Fund" at various branches of different Bank(s) (including outside Pakistan, subject to applicable rules and regulations and after obtaining all necessary approvals from the relevant regulatory authority in Pakistan) as required by the Management Company. These Bank Account(s) shall facilitate Investments on account of the Scheme and the receipt, tracking and reconciliation of income or other receipts relating to the Investments. Such accounts shall also be used as collection and redemption accounts, and for other Scheme related transactions. There shall be instructions for all such collection and redemption accounts to promptly transfer the 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.
- 24.4 The Trustee shall also open an account titled "CDC - Trustee Lakson Funds". This Bank Account shall be temporary allocation account where collections shall be held prior to their being allocated and transferred to the Scheme on a daily basis by the Trustee. The Management Company may also require the Trustee to open separate bank accounts for temporary parking of redemption proceeds.
- 24.5 The Management Company may also require the Trustee to open a separate Bank Account for dividend distribution out of the Scheme. Notwithstanding anything in this Trust Deed, the beneficial ownership of the balances in the Bank Accounts shall vest in the Unit Holder(s).
- 24.6 All bank charges for opening and maintaining Bank Account(s) for the Scheme shall be charged to the Scheme.
- 24.7 All interest, income, profit etc earned in the Distribution Account(s), including those accruing on unclaimed dividends, shall form part of the Trust Property for the benefit of the Unit Holder(s) and shall be transferred periodically from the Distribution Account(s) to the main Bank Account of the Scheme.

- 24.8 The amounts received from the Core Investors (seed capital) and Pre-IPO investors shall be deposited in a separate Bank Account titled "CDC - Trustee Lakson Money Market Fund" and transferred to the main Bank Account of the Scheme upon the close of the Initial Period. The Management Company shall issue additional Units to the Core Investors and Pre-IPO Investors at the Initial Price for an amount equivalent to the income etc earned on their investments up to the close of the Initial Period.
- 24.9 The Trustee shall, if requested by the Management Company open Bank Accounts titled "CDC - Trustee Lakson Money Market Fund" in offshore countries where the Investments are made on account of the Scheme, if such Investments necessitate opening and operation of Bank Accounts by the Trustee. For this purpose, the Trustee shall be deemed to be authorized to sign and submit the prescribed account opening forms of such Banks, including custodian/sub-custodian services accounts and brokerage accounts with such Banks, custodians, sub-custodians, and brokers, as may be required to be appointed for offshore Investments of the Scheme. The opening, operation and maintenance of such Bank Accounts, custodian/sub-custodian and brokerage services accounts in offshore countries shall always be subject to the approval of the State Bank of Pakistan and the relevant exchange control regulations, as well as any directives of the State Bank of Pakistan and/or the Commission.
- 25. TRANSACTIONS RELATING TO UNIT HOLDER(S)**
- 25.1 The Trustee shall provide the Management Company daily statements of all the Bank Accounts being operated by the Trustee for the Scheme.
- 25.2 The Management Company shall advise the Trustee on a daily basis of the details of amounts to be paid to respective Unit Holder(s) against redemption requests, if any. Such payments shall be effected by the Trustee out of the Bank Account(s) of the Scheme by way of transfer of the appropriate amounts to the designated bank accounts of the Unit Holder(s) or through any other mode(s) of payment and such payment shall be subject to Rules and Regulations. In addition, the Management Company may allow various arrangements for transactions in Units of the Scheme, as per rules and regulations framed by the Management Company.
- 25.3 The Management Company may make arrangements through branches of Banks to facilitate issuance and redemption of Units of the Scheme or may appoint Distributors and / or Sub-Distributors and / or Facilitators for this purpose. A request for issue, conversion / exchange or redemption of Units may also be made through the use of electronic means such as Internet or ATM facilities or Credit Card facilities. A request for redemption of Units may also be made through the ATM facility only when the relevant Bank has been instructed by the Management Company to accept a Unit Holder's request to redeem the Units of the Scheme. The Trustee shall agree to such arrangements after satisfying itself in respect of all appropriate safeguards having been taken, without incurring any liability for additional risks involved. The compensation for such services that are provided by the Trustee in this respect shall be mutually agreed between the Trustee and the Management Company.

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- 25.4 The Management Company shall, from time to time, advise the Trustee of the dividend distribution for the Scheme. The Trustee shall establish a separate Bank Account for dividend distribution and transfer the amount payable as cash dividend to such Bank Account after deducting such taxes and Zakat or other applicable charges as may be required under the law. The Registrar shall dispatch 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. The Trustee shall rely on the amount certified by the Auditors as the dividend payable in cash after adjusting for dividend being distributed in the form of Units of the Scheme.
- 25.5 The Trustee shall pay to the Management Company's order such sums out of the sale proceeds of Unit(s) or the sums retained out of the redemption amounts as are representative of Front-end or duties and charges that are specified in the Trust Deed and Offering Document, as being payable out of the Issue or Redemption Prices.
- 25.6 Without prejudice to the foregoing, and subject to any law for the time being in force, the Trustee shall endeavor to ensure and employ prudent practices to ensure that information pertaining to 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.
- 25.7 The Management Company may at some future time register the Units with a depository organization, such as the Central Depository Company of Pakistan. Any issue, redemption, transfer or transmittal of de-materialized Units registered with the depository shall take place according to the rules and regulations of the depository organization and the Management Company may frame its own rules and regulations to deal with such situations.
- 26. TRANSACTIONS RELATING TO INVESTMENT ACTIVITY / PORTFOLIO MANAGEMENT**
- 26.1 The Management Company shall, from time to time, instruct the Trustee of the settlement instructions relating to any Investment / divestment transactions entered into by it on behalf of the Scheme. The Trustee shall carry out the settlements in accordance with the dictates of the specific transactions in accordance with Rules and Regulations and this Trust 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 subject to the Rules and Regulations and this Trust Deed.
- 26.2 The Trustee shall ensure that where applicable, payments against Investments are made against delivery and vice versa, unless specified otherwise.

- 26.3 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 funds of the Scheme (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.
- 26.4 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.
- 26.5 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 also report back to the Management Company any such amounts or warrants that are received on such accounts from time to time.

**27. VOTING RIGHTS ON TRUST PROPERTY**

- 27.1 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 what it may consider to be the best interest 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.
- 27.2 The Trustee shall upon written request by the Management Company and 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.

- 27.3 Not later than one (1) Business Day after receipt of the same, the Trustee shall forward to the Management Company all notices of meetings and all reports and circulars received by the Trustee as the unit holder of any investment.

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**28. UNITS**

28.1 The Management Company may initially issue following classes and types of Units to Unit Holders:

Classes of Units: Units may be charged with Front-end Load, or Back-end Load, or any combination of the foregoing, or they may be offered without any Sales Load from time to time. The Management Company shall identify each such class of Units in such manner as it thinks fit as class 'A', class 'B', class 'C' and so on and so forth in the Offering Document.

Types of Units: The Management Company may issue different types of Units from time to time as set out in the Offering Document, and in this regard, the Management Company may specify or offer such conditions or privileges with respect to redemption of Units, distribution of profits (whether by cash or bonus Units), fixed or flexible timing of such redemption or distribution at the option of the Unit Holder and/or the Management Company, and as specified by the Unit Holder in the account opening form

28.2 Units shall be issued in the Initial Period for the Initial Price to the initial 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 Rules and Regulations.

28.3 The Management Company shall invest or arrange the investment of rupees one hundred million (Rs. 100,000,000/-) in Core Units. The Core Units worth at least rupees fifty million (Rs. 50,000,000/-) issued at Par Value to Core Investors shall not be redeemable for a period of two (2) years from the date of close of Initial Period. Such Units are transferable with this condition and shall rank pari passu with all other Units save for this restriction. Any transfer of these Core Units, during the first two (2) years of their issue, shall be affected only on the receipt by the Registrar 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. Details of the Core Investors shall be included in the Offering Document to be issued for this Scheme. Further the Management Company shall notify the Trustee as to each transfer of Core Units.

28.4 Subject to the terms of this Trust 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.

28.5 After the Initial Offer, the Offer Price shall be determined from time to time pursuant to sub-clause 11.2.2 of this Trust Deed and the Rules and Regulations.

28.6 By a supplementary deed to this Trust Deed, the Management Company may at any time with the approval of the Trustee on giving not less than twenty one (21) days prior notice in writing to each Unit Holder subdivide



or consolidate the whole or any part of the Units of the same class and the Unit Holder(s) shall be bound accordingly. The Management Company shall require in such notice that each Unit Holder to whom Certificates have been issued (who shall be bound accordingly) deliver up his Certificates for endorsement or enfacement with the number of Units to be represented thereby as a result of such sub-division or consolidation; provided that any delay or failure to deliver up the Certificates shall not delay or otherwise affect any such sub-division or consolidation.

- 28.7 The Management Company may list the Units of the Scheme on Stock Exchanges in Pakistan and subject to compliance with legal requirements, in any foreign jurisdiction. The cost of achieving and maintaining such a listing shall be borne by the Scheme. For this purpose the Management Company, with the approval of the Commission and Trustee, may amend the Trust Deed or issue supplementary trust deeds or Offering Document and the Unit Holders shall be bound accordingly.

**29. REGISTER OF UNIT HOLDER(S)**

- 29.1 The Register shall be maintained by the Registrar at such a place as is agreed by the Management Company. The Management Company shall ensure that the Registrar shall comply with all relevant provisions of this Trust Deed, the Offering Document and the Rules and Regulations and inform the Commission of the address where the register is kept.
- 29.2 The Management Company shall ensure that the Registrar, 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.
- 29.3 The Register shall contain the following information in respect of each class and type of Units:
- (a) full names of each Unit Holder and joint Unit Holder(s);
  - (b) father's / husband's name of the Unit Holders or the joint Unit Holder whose name appears first in the investment application.
  - (c) complete address of the Unit Holder or the Joint Unit Holder whose name appears first in the investment application.
  - (d) computerized national identity card (CNIC) number, registration number or any other identification number in case of foreign Unit Holders;
  - (e) nationality;
  - (f) number of Certificate(s) held;

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- (g) the date on which the name of every Unit Holder was entered in respect of the Units standing in his name;
  - (h) the date on which any transfer or redemption is registered with Certificate number, if any;
  - (i) information about any lien, pledge or charge of Units;
  - (j) information about verification of redemption / transfer forms;
  - (k) tax and Zakat status of the Unit Holder;
  - (l) information about Certificates lost or destroyed;
  - (m) information about nominees;
  - (n) record of signature of Unit Holder / joint Unit Holder;
  - (o) Certificate number;
  - (p) number of Units held and account number; and
  - (q) such other information as the Management Company may require.
- 29.4 The Register shall be conclusive evidence as to the Units held by each Unit Holder.
- 29.5 Any change of name or address of any Unit Holder shall forthwith be notified in writing to the Registrar who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name, the surrender of any Certificate previously issued to such Unit Holder and the payment of the fee) shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall issue where necessary a new Certificate to such Unit Holder.
- 29.6 The Registrar shall not register more than four (4) joint Unit Holders for a Unit. In case of the death of any one of the joint Unit 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 Unit Holders.
- Provided however that, the Registrar or the Trustee or the Management Company may at their discretion request the survivors to provide succession certificate(s) or other such mandate(s) from court(s) or lawful authority(s), if they consider necessary.
- 29.7 A body corporate may be registered as a Unit Holder or as one of the joint Unit Holders.
- 29.8 The Register of the Unit Holders of the Scheme may be closed for the purpose of declaration of dividend. The time period for closure of Register shall not exceed six (6) working days at a time and forty five (45) days in an Accounting Period.

- 29.9 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 the execution of any trust except where required by any court of competent jurisdiction.
- 29.10 The executors or administrators or succession certificate holders of 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.
- 29.11 Any person becoming entitled to a Unit in consequence of the 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 register himself as Unit Holder of such Unit upon giving the Registrar such notice in writing of his desire or transfer such Unit 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 the death or bankruptcy/ insolvency had not occurred and such notice or transfer was a transfer executed by the Unit Holder.
- 29.12 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 Unit Holder of such Unit or shall duly transfer the same.
- 29.13 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 Holder 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.

## **30. UNIT CERTIFICATES**

### **30.1 Issuance of Certificates**

- 30.1.1 Upon being satisfied, through the relevant Bank statement, that the Offer Price for each Unit or fraction thereof has been received in full from the applicant the Management Company shall intimate the Registrar who shall issue an account statement that shall constitute evidence of the number of Units registered in the name of the Unit Holder.

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- 30.1.2 Subject to sub-clause 30.1.1, Certificates shall be issued by the Registrar, 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 rupees twenty five (Rs. 25/-) per Certificate, subject to revision of fee from time to time by the Management Company. The proceeds of such fee shall accrue to the Management Company.
- 30.1.3 Separate Certificates shall be issued for each class and type of Units.
- 30.1.4 Certificates, where requested, shall be issued as herein provided not later than twenty one (21) Business Days after the date of such request. The Certificate may be sent to the Unit Holder at his own risk by registered post, by courier service or may be collected by the Unit Holder from the TL.
- 30.1.5 In the case of Units held jointly, the Registrar shall not issue more than one Certificate for the Units held by such joint Unit Holders and delivery of such Certificate to the joint Unit Holder named first therein shall constitute sufficient delivery to all joint Unit Holders.
- 30.1.6 Certificates shall be issued in such form as may from time to time be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the name and address of the Management Company and the Trustee, shall bear a distinctive serial number and the folio number of the Unit Holder or joint Unit Holders and shall specify the number of Units represented thereby and the name and address of the Unit Holder as appearing in the Register.
- 30.1.7 Certificates may be engraved or lithographed or printed as the Management Company may determine from time to time with the approval of the Trustee and shall be signed on behalf of the Trustee by a duly authorized officer of the Trustee and on behalf of the Management Company by a duly authorized officer of the Management Company. Every such signature shall be autographic unless there shall be for the time being in force an arrangement authorized by the Trustee adopting some lithographic or other mechanical method of signature in which event all or any of such signatures may be effected by the method so adopted. The Certificates shall also bear the signature of the authorized representative of the Registrar, which shall always be autographic. No Certificate shall be of any force or effect until signed as hereinabove mentioned. A Certificate so signed shall be valid and binding notwithstanding that before the date of delivery thereof the Trustee or the Management Company or the Registrar or any person whose signature appears thereon as a duly authorized signatory may have ceased to be the Trustee, the Management Company, Registrar or any authorized signatory.
- 30.1.8 Where a Unit Holder wishes to redeem or transfer part of his Units contained in a Certificate, the aggregate Certificate shall be retained by the TL, along with the completed redemption / transfer form. The Unit Holder shall be issued a receipt for the aggregate Certificate retained by the TL, and a new Certificate shall be issued, subject to fees detailed in sub-clause 30.1.2 (upon request of the Unit Holder, depicting the number of Units outstanding after partial redemption / transfer) and sent to the Unit Holder along with the confirmation statement for the redemption / transfer transaction.

### **30.2 Replacement of Certificates**

30.2.1 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 rules and 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 as he may require representing the same aggregate number of Units.

30.2.2 In case any Certificate shall be lost, mutilated, defaced or destroyed, the Registrar with the approval of the Management Company may issue to the person entitled a duplicate certificate in lieu thereof. No such duplicate Certificate shall be issued unless the applicant shall previously have:

- (a) returned the mutilated or defaced Certificate or furnished to the TL / Registrar evidence satisfactory to the Management Company of the loss, theft or destruction of the original Certificate;
- (b) paid as expenses incurred in connection with the investigation of the facts;
- (c) in the case of joint Unit Holders, obtained the written consent of the joint Unit Holders for issuance of such new Certificates; and
- (d) furnished such indemnity as the Management Company and the Trustee may require.

Neither the Management Company nor the Trustee nor the authorized personnel of TLs and nor the Registrar shall incur any liability for any action that they may take in good faith under the provisions of this sub-clause.

30.2.3 Any new Certificate issued under the provisions of this Clause shall be issued subject to the fees detailed in Clause 30.1.2 above.

### **31. TRANSFER OF UNITS**

31.1 Every Unit Holder shall be entitled to transfer the Units held by him by an instrument in such form as the Management Company may prescribe from time to time with the approval of the Trustee.

31.2 A Unit Holder may transfer his Unit(s) contained in a Certificate either partially, subject to procedure stated in sub-clause 30.1.8, or in entirety.

31.3 Every instrument of transfer must be signed by both the transferor and the transferee and the transferor shall be deemed to remain the Unit Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof.

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- 31.4 Every instrument of transfer must be duly completed in all respects including payment of applicable Duties and Charges. Where Certificates have been issued the Trustee may dispense with the production of any Certificate where the Certificate shall have become lost, stolen or destroyed subject to compliance by the transferor with the like requirements to those arising in the case of an application by him for the replacement thereof as provided in this Trust Deed.
- 31.5 All instruments of transfer shall be retained by the Registrar.
- 31.6 Authorized personnel of TLs / Registrar with the prior approval of the Management Company shall be entitled to destroy all instruments of transfer or the copies thereof as the case may be which have been registered at any time after the expiry of twelve (12) years from the date of registration thereof and all Certificates which have been cancelled at any time after the expiration of three (3) years from the date of cancellation thereof and all registers, statements and other records and documents relating to the Scheme at any time after the expiration of six (6) years from termination of the Scheme.

The Trustee or the Management Company or the authorized personnel of TLs / Registrar shall be under no liability whatsoever in consequence thereof and it shall conclusively be presumed in favor of the Trustee or the Management Company or the authorized personnel of TLs / Registrar 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 authorized personnel of TLs / Registrar any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of provision (a) above are not fulfilled; and
  - (c) reference herein to the destruction of any document includes reference to the disposal thereof in any manner.
- 31.7 The issue, redemption and transfer of Units and any other dealings in the Units may be carried out On-line, with the consent of the Trustee (which consent shall not be unreasonably withheld or delayed), to the extent permitted by and in accordance with applicable law.

**32. PLEDGE / LIEN OF UNITS**

- 32.1 Any Unit Holder or all the joint Unit Holders of a Unit or types of Units may request the Registrar to record a pledge or lien on all or any of his / their Units in favor of a third party legally entitled to invest in such Units in its own rights. The Registrar shall register a lien on any Units in favor of third

party with the specific authority of the Management Company as security for any debt to any third party. The Registrar 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. The onus for due process having been followed in registering a lien shall lie with the party claiming the lien.

- 32.2 The lien once registered shall be removed by the authority of the party in whose favor the lien has been registered or through an order of the competent court. Neither the Trustee nor the Management Company nor the Registrar shall be liable for ensuring the validity of any such pledge / lien / charge. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge / lien / charge by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company nor the Registrar take any responsibility in this matter.
- 32.3 Save any legal bar, court order requiring otherwise or any written agreement between the Unit Holder and any counter party, any cash dividends that are declared on the pledged Units shall be made to the order of the Unit 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 shall be made to the lien / charge / pledge holder for the account of the Unit Holder.
- 32.4 The lien on the pledged Units shall continue till such time it is released by the lien / charge / pledge holder in writing.

### **33. OTHER MATTERS RELATING TO THE SCHEME**

#### **33.1 Declaration of Net Asset Value Based Prices**

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

#### **33.2 Offer and Redemption of Units**

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

**34. 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 or the Offering Document, 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 hereto. 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.

**35. CONFIDENTIALITY**

The Trustee and the Management Company and every director or officer of the Trustee and the Management Company who are in any way engaged in the business of the Scheme and all persons employed or engaged by the Trustee or the Management Company 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.

**36. MISCELLANEOUS**

- 36.1
- (a) Any notice required to be served upon the Unit Holder shall be deemed to have been duly sent if mailed by registered post or couriered to his address as appearing in the Register. Any notice so served by post shall be deemed to have been served on the day following that on which the letter containing the same is posted, and in providing such service, it shall be sufficient to prove that such letter was properly addressed, stamped and posted.
  - (b) The Trustee or the Management Company shall advertise any such notice in a newspaper widely circulated in Pakistan. The cost of advertising of any notice shall be payable by the Scheme.
  - (c) Service of a notice or document on the Unit Holder among several joint Unit Holders whose name appears first in the Register shall be deemed effective service on the other joint Unit Holders.



(d) Any notice or document sent by registered post or couriered to the registered address of a Unit Holder, as appearing in the Register, 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.

36.2 A copy of this Trust Deed and of any such supplementary deed shall be made available for inspection at the respective head offices of the Trustee and 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 rupees fifty (Rs. 50/-) per copy or at such rate as determined from time to time by the Management Company.

36.3 The Certificates, if eligible and deposited with a depository - whether locally or abroad - shall be subject to the terms and conditions prescribed by the depository and any inconsistent terms and conditions applicable to the Certificates herein, shall not apply.

36.4 If at any time, any clause of this Trust 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 Trust Deed hereof, shall not in any way be effected or impaired thereby.

### **37. DEFINITIONS**

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

37.1 "Accounting Date" means the thirtieth (30th) day of June in each year, provided that the Management Company, with the written consent of the Trustee may change such date to any other date and such change shall be intimated to the Commission.

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

37.3 "Asset Management Company" shall have the same meaning as in Rules and Regulations.

37.4 "Auditor" means the Auditor of the Scheme appointed by the Management Company as per the Rules and Regulations.

37.5 "Authorized Investments" means all transacted, issued, traded, listed and unlisted investments, inside or outside Pakistan. Authorized Investments are listed in Clause 9.3.

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- 37.6 "Back-end Load" means the charge (excluding Duties and Charge) not exceeding five per cent (5%) (or such other percentage as may be specified in the Offering Document or as announced by the management Company in writing) 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 as per details given in Offering Document. Back-end Load shall form part of Trust Property.
- 37.7 "Bank" means institution(s) providing banking services under the Banking Companies Ordinance, 1962, or any other regulation in force for the time being in Pakistan, or if operating outside Pakistan, under the banking laws of the jurisdiction of its operation.
- 37.8 "Bank Accounts" means those account(s) opened and maintained for the Scheme by the Trustee at Banks, the beneficial ownerships in which shall vest in the Unit Holder(s).
- 37.9 "Broker" means any person engaged in the business of effecting transactions in securities for the account of others or a member of the Stock Exchange
- 37.10 "Business Day" means a day on which the State Bank of Pakistan is open for business in Pakistan.
- 37.11 "Certificate" means the definitive certificate acknowledging the number of Units registered in the name of the Unit Holder issued at the request of the Unit Holder pursuant to the provisions of this Trust Deed.
- 37.12 "Connected Person" shall have the same meaning as in the Rules.
- 37.13 "Constitutive Documents" means this Trust Deed, Offering Document and other principal documents governing the formation of the Scheme including all related material agreements.
- 37.14 "Commission" is defined in the preamble.
- 37.15 "Core Units" means such Units of the Scheme that are issued to Core Investors. At least rupees fifty million (Rs. 50,000,000/-) worth Core Units shall be issued with the condition that these Units are not redeemable for a period of two (2) years from the Initial Period. However, such Units are transferable with this condition and shall rank pari passu with all other Units save for this restriction. Any transfer of these Core Units, during the first two (2) years of their issue, shall be affected only on the receipt by the Registrar of a written acceptance of this condition by the transferee.
- 37.16 "Core Investors" of the Scheme shall be such initial investors whose subscription shall in aggregate be in compliance with the requirements of the Regulations. 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 Scheme.

- 37.17 "Custodian" means Bank(s) or a depository company which may be appointed by the Trustee, in consultation with the Management Company, to hold and protect the Trust Property or any part thereof as custodian on behalf of the Trustee; and / or the Trustee itself, with the approval of the Management Company, to hold and protect the Trust Property or any part thereof as custodian.
- 37.18 "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 as per this Trust Deed in which the amount required for distribution of income to the Unit Holder(s) shall be transferred. Income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the main account of the Scheme from time to time, as part of the Trust Property for the benefit of the Unit Holder(s).
- 37.19 "Distributor / Distribution Company" means a company(s) or firm(s) or a Bank(s) or depository company or any other Financial Institution appointed by the Management Company in consultation with the Trustee for performing any or all of the Distribution Functions, and shall also include the Management Company itself, if it performs the Distribution Function.
- 37.20 "Distribution Date" means the date on which the Management Company decides to distribute the profits (if any).
- 37.21 "Distribution Period" means the period in respect of which distribution of profits, are proposed to be made by the Management Company.
- 37.22 "Distribution Function" 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 Unit Holders including receiving redemption / transfer 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;
  - (d) accounting to the Trustee for all: (i) moneys received from the applicants for issuance of Units; (ii) payments made to the Unit Holders on redemption of Units; and (iii) expenses incurred in relation to the Distribution Functions.
  - (e) the above functions may be performed electronically, if appropriate systems are in place; and
  - (f) where applicable, any other function as specified in the distribution agreement between the Distribution Company and / or Sub-Distribution Company, and the Management Company.

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- 37.23 "Duties and Charges" means in relation to any particular transaction or dealing all stamp and other duties, levies, taxes, Zakat, Government charges, brokerage, Bank charges, transfer fees, registration fees and other duties and charges in connection with the increase or decrease of the Trust Property or the creation, issue, sale, transfer, redemption or purchase of Units or the sale or purchase of Investment or in respect of the issue, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable, but do not include the remuneration payable to the Distribution Company or any commission payable to agents on issuance of Units or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.
- 37.24 "Extraordinary Circumstances" include:
- a) closure of one or more Stock Exchanges on which any of the securities invested in by the Scheme are listed; or
  - b) the existence of a state of affairs like the event of war (declared or otherwise), natural disasters, and a major break down in law and order or any other circumstances, which in the opinion of the Management Company constitute an emergency as a result of which transaction in the Units of the Scheme would not be reasonably practicable or might seriously prejudice the interest of the Scheme or of the Unit Holder(s); or
  - c) a break down in the means of communication normally employed in determining the price of any Investment; or
  - d) when remittance of money cannot be carried out in reasonable time and if the Management Company is of the view that it would be detrimental to the remaining Unit Holder(s) to redeem Units at a price so determined in accordance with the Net Asset Value (NAV).
- 37.25 "Facilitators" means an individual, firm, corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Scheme.
- 37.26 "Federal Government" means the Federal Government of the Islamic Republic of Pakistan.
- 37.27 "Financial Institution" means
- a) a company or an institution whether established under any special enactment and operating within or outside Pakistan which transacts the business of banking or any associated or ancillary business through its branches;
  - b) a modaraba, leasing company, investment bank, venture capital company, financing company, housing finance company, a non-banking finance company; and

- c) such other institution or companies authorized by law to undertake any similar business, as the Federal Government may, by notification in the official gazette, specify for the purpose;]
- 37.28 "Formation Cost" means 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.
- 37.29 "Front-end Load" means the sales and processing charge or commission (excluding Duties and Charges) not exceeding five per cent (5%) or such other percentage (as may be specified in the Offering Document or announced by the Management Company in writing) of the Net Asset Value which may be included in the Offer Price of the Units; however, different levels of Front-end Load may be applied to different classes of Units as per details given in Offering Document.
- 37.30 "Government Securities" means monetary obligations of the Federal Government or a provincial government or of a corporation wholly owned or controlled, directly or indirectly, by the Federal Government or a provincial government and guaranteed by the Federal Government and any other security as the Federal Government may, by notification in the official gazette, declare, to the extent determined from time to time, to be Government Security.
- 37.31 "Holder" or "Unit Holder" means an investor for the time being entered in the Register as owner of Units of the Scheme including investors jointly so registered pursuant to the provisions of this Trust Deed.
- 37.32 "Initial Offer" means Pre-IPO and Public Offering.
- 37.33 "Initial Period" means a period determined by the Management Company not exceeding ninety (90) days during which Units shall be offered at the Initial Price in terms of the Offering Document.
- 37.34 "Initial Price" means the price of rupees one hundred (Rs. 100/-) per Unit during the Initial Period determined by the Management Company.
- 37.35 "Investment" means any Authorized Investment forming part of the Trust Property.
- 37.36 "Management Company" is defined in the preamble hereto.
- 37.37 "Net Assets" shall have the same meaning as in the Rules.
- 37.38 "Net Assets Value" or "NAV" means per Unit value of the Scheme arrived at by dividing the Net Assets of the Scheme by the number of Units outstanding on any particular day.

**Lakson Money Market Fund**

- 37.39 "Offer Price" means the sum to be paid to the Trustee for the benefit of the Scheme for issuance of one Unit and such price shall be determined pursuant to clause 11.2.2 of this Trust Deed.
- 37.40 "Offering Document" means the prospectus, advertisement or other document (approved by the Commission) which contains the Investments and distribution policy, Unit structure(s) and all other information in respect of the Scheme, as required by the Rules and Regulations and is circulated to invite offers by the public to invest in the Scheme.
- 37.41 "Ordinance" means the Companies Ordinance, 1984.
- 37.42 "Par Value" shall be rupees one hundred (Rs. 100/-) per Unit of the Scheme.
- 37.43 "Pre-IPO" means the private placement of Units to investors prior to the Public Offering
- 37.44 "Public Offering" means offering of Units to the general public through and in accordance with the Offering Document;
- 37.45 "Redemption Price" means the amount to be paid to the relevant Unit Holder(s) upon redemption of Units, such amount to be determined pursuant to clause 11.3 of this Trust Deed.
- 37.46 "Register" means the Register of the Unit Holder(s) kept pursuant to the Rules and Regulations and this Trust Deed.
- 37.47 "Registrar" 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.
- 37.48 "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 statements to the Unit Holder(s);
  - (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 of applications for issue, redemption, transfer and transmission of Units, recording of pledges, liens and changes in the data with regard to the Unit Holder(s);
  - (f) issuing and dispatching of Certificates;
  - (g) dispatching income distribution warrants, and Bank transfer intimation and distributing bonus Units or partly both and allocating Units to Unit Holders on re-investment of dividends

- (h) receiving applications for redemption and transfer / transmission of Units directly from Unit 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; and
  - (k) any other information that the Management Company deems necessary.
- 37.49 "Regulations" is defined in the preamble hereto and includes any specific or general relaxations in respect of the applicability of such Regulations granted or to be granted by the Commission and / or the Federal Government, as appropriate.
- 37.50 "Rules" is defined in the preamble hereto and includes any specific or general relaxations in respect of the applicability of such Rules granted or to be granted by the Commission and / or the Federal Government, as appropriate.
- 37.51 "Stock Exchange" means Karachi Stock Exchange, Lahore Stock Exchange or Islamabad Stock Exchange or any other stock exchange registered under the Securities and Exchange Ordinance 1969 and shall also include a stock exchange registered and operating outside Pakistan.
- 37.52 "Subscription Hours" means 09:00 AM to 02:30 PM in any Subscription Day or any other time as may be announced by the Management Company via the company website from time to time for transactions in units of the Scheme.
- 37.53 "Subscription Day" means such Business Days as designated by the Management Company to be a subscription day and on which the State Bank of Pakistan is open for business.
- 37.54 "Sub-Distributor / Sub-Distribution Company" means a company(s) or firm(s) or a Bank(s) or Central Depositor Company or any other Financial Institution appointed by the Management Company to perform the Distribution Functions, in circumstances where the Management Company is the Distributor.
- 37.55 "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 divesting activity of the Scheme's portfolio, inter alia, necessitated by creation or cancellation of Units, which costs may be added to the Net Asset Value for determining the Offer Price of Units or to be deducted from the Net Asset Value in determining the Redemption Price. 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 Unit 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 per cent (5%) of Net Asset Value. The element of Transaction Costs taken into account in determining the prices and collected so, shall form a part of the Trust Property

- 37.56 "Scheme" means the Unit Trust constituted by this Trust Deed for continuous offers for sale of Units.
- 37.57 "Trust Deed" means this trust deed executed between the Management Company and the Trustee along with all the exhibits appended hereto.
- 37.58 "Transaction Location or "TL" means branch(es) of the Management Company and Distributor / Sub-distributor authorized to accept and process investment / redemption / transfer / conversion etc requests. A list of TLs shall be maintained and updated by the Management Company.
- 37.59 "Trust Property" means the aggregate proceeds of the sale of all Units at Offer Price and any Transaction Costs recovered in the Offer Price or any Transaction Costs or Back-end Load recovered in the Redemption Price after deducting there from or providing there against the value of Redemption, Front-end Load, Duties and Charges (if included in the Offer Price or Redemption 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 this Trust Deed and shall include the income, profit etc earned on the amount credited to the Distribution Account but shall not include any amount standing to the credit of the Distribution Account.
- 37.60 "Trustee" is defined in the preamble hereto.
- 37.61 "Unit" means one undivided share in the Scheme, and where the context so indicates, a fraction thereof.
- 37.62 "Zakat" has the same meaning as in the Zakat and Ushr Ordinance, 1980.

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





**Lakson Money Market Fund**

**IN WITNESS WHEREOF THIS TRUST DEED** has been executed at the date mentioned herein above.

The Common Seal of **LAKSON INVESTMENTS LIMITED** was hereunto affixed in the presence of :

**FOR LAKSON INVESTMENTS LIMITED**

Signatory 1

\_\_\_\_\_  
**Syed Mohammed Ali Raza**  
S/o Syed Hamid Raza  
CNIC NO. 42301-7782095-3

Signatory 2

\_\_\_\_\_  
**Amir Mobin**  
S/o Muhammad Mobin  
CNIC NO. 42101-1435611-7

**FOR CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED**

Signatory 1

\_\_\_\_\_  
**Kamran Ahmed Qazi**  
S/o Qazi Haleem Ahmed  
CNIC NO. 42201-0522034-5

Signatory 2

\_\_\_\_\_  
**Atiq ur Rehman**  
S/o Abul Kalam Azad  
CNIC NO. 42501-9253203-1

**WITNESS 1:**

Signature: \_\_\_\_\_

Name: Muhammad Umair Chauhan

CNIC No.: 36104-0451523-5

**WITNESS 2:**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

CNIC No. \_\_\_\_\_



**Annexure B**

## Annexure C

### Central Depository Company of Pakistan's Tariff Structure for Trusteeship of Open-end Scheme

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

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

**Annexure D**

## Lakson Investments Limited

Lakson Square Building No. 2, Sarwar Shaheed Road  
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