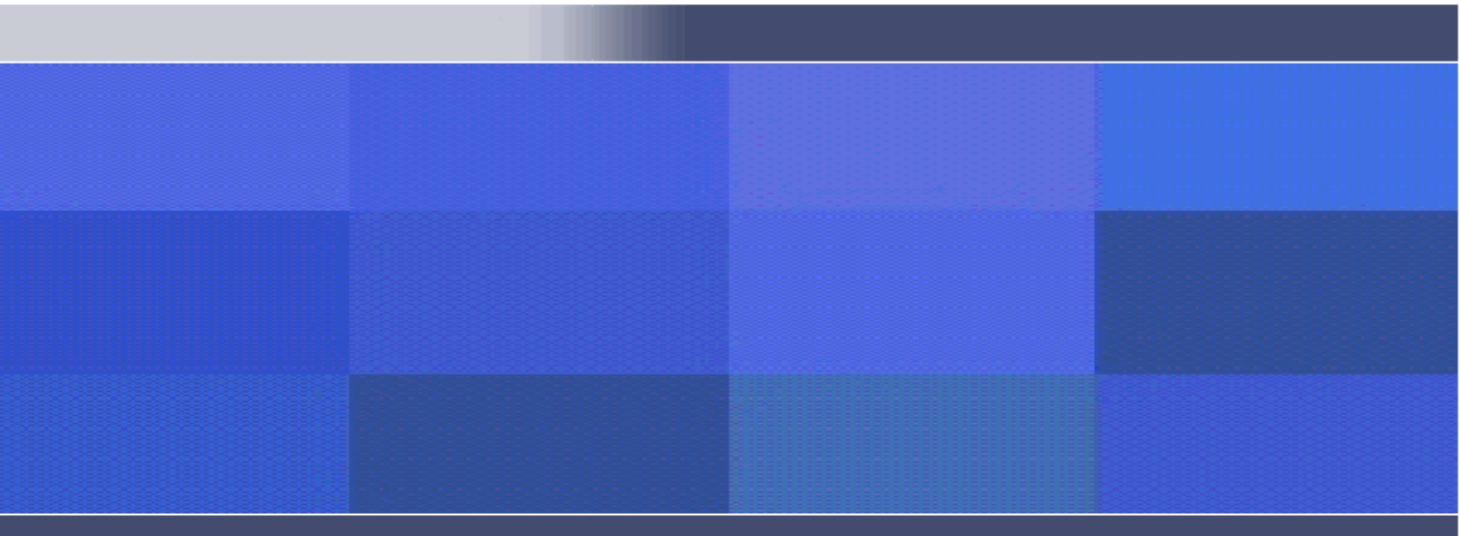


# TRUST DEED



CONSTITUTING

**CROSBY DRAGON FUND**

# **Crosby Dragon Fund**

## **TRUST DEED**

### **TABLE OF CONTENTS**

CLAUSE NO.	SUBJECT MATTER	PAGES
1	DEFINITIONS	2
2	DECLARATION OF TRUST	10
3	TRUSTEESHIP ARRANGEMENT	10
4	FUND PROPERTY	13
5	INVESTMENT OF THE FUND PROPERTY	14
6	TRANSACTION RELATING TO INVESTORS (UNIT HOLDERS)	18
7	TRANSACTIONS RELATING TO INVESTMENT ACTIVITY/ PORTFOLIO MANAGEMENT	18
8	OTHER MATTERS RELATING TO THE UNIT TRUST	19
9	VOTING RIGHTS ON FUND PROPERTY	20
10	BORROWING	20
11	DUTIES AND POWERS OF THE TRUSTEE	21
12	REMUNERATION OF TRUSTEE AND ITS AGENTS	23
13	DUTIES AND POWERS OF THE MANAGEMENT COMPANY	24
14	REMUNERATION OF MANAGEMENT COMPANY AND ITS AGENTS	26
15	CHANGE OF TRUSTEE	26
16	CHANGE OF MANAGEMENT COMPANY	27
17	UNITS	28
18	ISSUE OF UNITS	29
19	DETERMINATION OF OFFER PRICE	30
20	ALLOCATION OF FRONT-END LOAD	31
21	REDEMPTION OF UNITS	31
22	DETERMINATION OF REDEMPTION PRICE	32
23	CHANGE IN AND SUSPENSION OF DEALING, QUEUE SYSTEM AND WINDING UP	33

24	ISSUE OF UNITS OUTSIDE PAKISTAN	35
25	REGISTRATION OF UNITHOLDERS	36
26	ISSUANCE OF CERTIFICATES	38
27	REPLACEMENT OF CERTIFICATES	39
28	TRANSFER OF UNITS	39
29	PLEDGE/ LIEN OF UNITS	40
30	AUDIT	41
31	DETERMINATION OF DISTRIBUTABLE INCOME	42
32	DISTRIBUTION OF INCOME	44
33	TERMINATION AND LIQUIDATION OF TRUST	44
34	DISTRIBUTION OF LIQUIDATION PROCEEDS	45
35	TRUST DEED	45
36	ARBITRATION	46
37	CONFIDENTIALITY	46
38	MISCELLANEOUS	47
-	ANNEXURE – A	49
-	ANNEXURE – B	50
-	ANNEXURE – C	51

**TRUST DEED**  
Constituting  
**Crosby Dragon Fund**

**This Trust Deed** is made and entered into at Karachi, on this 20th day of September, 2003 by and between:

- (1) **Crosby Asset Management Limited (CAML)**, (formerly Security Fund Management Limited) a Non-Banking Finance Company,(NBFC), incorporated under the Companies Ordinance 1984, and licensed by the Securities & Exchange Commission of Pakistan for carrying on Asset Management Services and Investment Advisory Services, having its Registered Office at 8<sup>th</sup> Floor, PIC Towers, 32-A, Lalazar Drive, M.T. Khan Road, Karachi, (hereinafter called the "Management Company" which expression where the context so permits, shall include its successors-in-interest and assigns) of the One Part; **and**
- (2) **Jahangir Siddiqui Investment Bank Limited**, (JSIBL) a Non-Banking Finance Company, incorporated under the Companies Ordinance, 1984, and licensed by the Securities & Exchange Commission of Pakistan (SECP) for carrying on the business of Investment Finance Services, having its Registered Office at 13<sup>th</sup> Floor, Chapal Plaza, Room No. 1301 - 1303, Hasrat Mohani, Road, Karachi, (hereinafter called the "Trustee" which expression where the context so permits, shall include its successors in interest and assigns) of the other part.

**WHEREAS:**

- A. The Management Company has been incorporated and is licensed as an NBFC for carrying on Asset Management Services (AMS) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (Rules), to inter alia establish and operate Open-end Funds and Closed-end Funds;
- B. The Management Company has been authorized by the SECP vide its letter No. SC/NBFC-II-JD(R)/415/2003 dated August 19, 2003 appended hereto as Annexure "B" to constitute a Trust under the name and title of CROSBY DRAGON FUND (hereinafter referred to as the "Crosby Trust", or "Unit Trust" or "Trust" or "Fund" or "Scheme") and to register this Trust Deed, pending authorization for the establishment and operation of the Scheme in accordance with the provisions of the Rules and this Trust Deed;
- C. The Management Company has nominated and appointed the Trustee as trustee of the Scheme and the Trustee has accepted such appointment upon the terms and conditions herein contained;
- D. The SECP has approved the appointment of Trustee, vide letter No. SC/NBFC-II-JD(R)/414/2003 dated August 19, 2003, appended hereto as Annexure "C".

## **NOW THIS DEED WITNESSETH:**

### **1. DEFINITIONS**

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

- 1.1 "Accounting Date" means the date 30<sup>th</sup> June in each year and any interim dates at which financial statements of the Trust are drawn up. Provided, however, that the Management Company may, with the consent of the Trustee and after obtaining approval of the SECP and the Commissioner of Income Tax, change such date to any other date.
- 1.2 "Accounting Period" means a period ending on and including an Accounting Date and commencing (in case the first such period) on the date on which the Fund Property is first paid or transferred to the Trustee and (in any other case) from the end of the preceding Accounting Period.
- 1.3 "Administrative Plans/Additional Administrative Plan" means investment plans announced and offered by the Management Company under the Scheme, which may allow the investors focus investment strategies for investments in the Units of the Scheme.
- 1.4 "AMS" means Asset Management Services.
- 1.5 "Auditor" means a Chartered Accountant appointed by the Management Company with the consent of the Trustee, as an Auditor for the Scheme who shall be independent of the auditor of the Management Company and of the Trustee in accordance with the Rules.
- 1.6 "Authorized Branch" means those branches of the Distributors whose addresses will be given in the Offering Document.
- 1.7 "Authorized Investment" means Pakistan origin investments transacted, issued, traded or listed inside or outside Pakistan and includes any of the following: ?
  - (a) Securities, shares, stock, bonds, debentures, debenture stock, warrants, options, participation term certificates, modaraba certificates, musharika certificates, term finance certificates, convertible bonds and other asset backed or mortgage backed securities;
  - (b) Treasury Bills, Pakistan Investment Bonds, (PIBs) and other equity based and debt based instruments or securities issued or guaranteed by the Federal Government or any Provincial Government, or any Local Body or Local Government or by any public sector entities in Pakistan;

- (c) Money Market Instruments, Certificates of Deposits, Certificates of Investments and Bankers' Acceptances;
- (d) Deposits with Banks, that have a minimum investment grade rating of "BBB" or in the absence of an investment grade rating subject to the approval of the Trustee and SECP;
- (e) Any other equity or debt security (subject to a minimum investment grade rating as per criteria laid down by the SECP: Provided the Government of Pakistan is not the issuer or Guarantor or in the absence thereof of a minimum investment grade rating subject to the approval of the Trustee and SECP) in respect of which permission to deal on a Stock Exchange is effective;
- (f) Repurchase Transactions (REPOs) and reverse REPOs including Carry Over Transactions (COTs); purchase or sale of a security for ready settlement and the reverse thereof (sale or purchase, as the case may be) for future settlement;
- (g) Margin Financing, Options and Derivatives, (subject to the SECP's approval);
- (h) Investment on profit and loss basis in organizations and ventures; and
- (i) Securities traded at the Over-The-Counter (OTC) markets, in accordance with the regulations and trading mechanisms of such markets, as approved by the SECP;

but does not include bearer security or any security that would involve assumption of unlimited or undeterminable liability, and subject to the limitations included in sub-clause 5.12.

- 1.8 "Average Annual Net Asset" shall have the same meanings as contemplated under the Rules.
- 1.9 "Back-end Load" means a processing charge, deducted by the Management Company from the Net Asset Value in determining the Redemption Price (also known as "Sales Load").
- 1.10 "Bank" means any Scheduled Bank as defined under the State Bank of Pakistan Act, 1956, and licensed to carry on banking business under the Banking Companies Ordinance, 1962 and shall include a Scheduled Bank, incorporated outside Pakistan and carrying on banking business in Pakistan.
- 1.11 "Bank Accounts" means those accounts opened and maintained at Banks, the beneficial ownership of which vest in the Unitholders of the Scheme and for which the Trustee has been appointed the trustee.

- 1.12 "Base Currency/Reporting Currency" means the currency used in presenting the financial statements, which will be the Pakistani Rupee.
- 1.13 "Business Day/ Dealing Day" means a day (such business hours thereof) when Banks are open for business in Pakistan.
- 1.14 "Carry Over Transaction (COT)" is a form of financing transacted through the Stock Exchange. It consists of two simultaneous transactions, the first for purchase of an underlying security (shares) on the next settlement date and the second for selling back the security at a price for a subsequent settlement date.
- 1.15 "Certificate" means the definitive certificate acknowledging the number of Units registered in the name of the Holder issued at the request of the Holder pursuant to the provisions of this Trust Deed and the Offering Document.
- 1.16 "Connected Person" shall have the same meaning as in the Rules (NBFC Rules).
- 1.17 "Constitutive Documents" means this Trust Deed which is the principal document governing the formation management or operation of the Fund and all related material agreements envisaged under the Rules.
- 1.18 "Core Investors" of the Fund shall be such initial investors whose subscription shall in aggregate be in compliance of the requirements of the Rules. The Core Investors shall be issued with Core Units representing their subscriptions. Details of the Core Investors shall be included in the Offering Document that shall be issued for this Trust.
- 1.19 "Core Units" shall mean such Units of the Fund that are issued to Core Investors with the condition that these are not redeemable for a period of two years from the date of issue. Such Units are transferable with this condition and shall rank *pari passu* with all other Units save for this restriction. Any transfer of these Core Units, during the first two years of their issue, shall be affected only on the receipt by the Registrar of a written acceptance of this condition by the transferee.
- 1.20 "Crosby Dragon Fund", "CDF", " Fund", "Trust", "Unit Trust" or "Scheme" means the Unit Trust constituted by this Deed as an Open-end Fund for continuous offers for sale of Units.
- 1.21 "Discount Rate" means the rate at which the State Bank of Pakistan makes funds available to Banks for short periods against the collateral of Government bonds; and if no longer published then the substitute thereof.
- 1.22 "Distribution Account" means the account (which may be a current, saving or deposit account) maintained by the Trustee with a Bank approved by the Management Company in which the amount required for distribution of income to the Holders shall be transferred.

- 1.23 "Distributor and Distribution Company or Distribution Companies" means a company or companies, firm or firms or a Bank appointed by the Management Company with the approval of the Trustee for performing any or all of the Distribution Functions and shall include the Management Company itself, if it performs the Distribution Function;
- 1.24 "Distribution Function" means the functions with regard to: ?
- (a) Receiving applications and money for Units from persons;
  - (b) Issuing receipts in respect of applications received in accordance with Clause (a) above;
  - (c) Issuing contract notes to the applicant in accordance with the terms of the Scheme;
  - (d) Receiving redemption notices, transfer instructions/ applications, conversion notices and applications for change of address or issue of duplicate Certificates from the Holders for immediate transmission to the Management Company or the Scheme and generally interfacing with and providing requisite services to the holders in relation to the issue, transfer and redemption of Units.
- Accounting to the Trustee for (i) for monies received from the applicants for issuance of Units; (ii) payments made to the Holders on redemption of Units; and (iii) expenses incurred in relations to the Distribution Function.
- 1.25 "Duties and Charges" means in relation to any particular transaction or dealing all stamp duties, taxes, Government charges, in respect of the issue, sale, transfer, redemption of Units, and/or 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 Front-end or Back-end Load or commission payable to agents on sales and redemption of Units or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.
- 1.26 "First Offer" means the price of Rs: 100/- per Unit during the initial offering period determined by the Management Company, which shall not exceed a period of 15 days (provided this period may be extended with the prior approval of the Trustee and SECP) from the commencement of the operation of the Scheme.
- 1.27 "Formation Cost" means all preliminary and floatation expenses of the CDF including expenses in connection with authorization of the Scheme and its application fee payable to the SECP, execution and registration of the Constitutive

- Document, issue, legal costs, printing, circulation and publication of the Offering Document, announcements describing the Fund and related administrative investment plans inviting investment therein and all expenses incurred during the period leading up to the First Offer.
- 1.28 "Front-end Load" means the sales and processing charges, also described as Sales Load in Clause 1.47, payable to the Management Company, which are included in the Offer Price of Units.
- 1.29 "Fund's Auditor" means the Auditor.
- 1.30 "Fund Property" means the aggregate proceeds of the sale of all Units at Offer Price and any Transaction Costs recovered in the Offer or Redemption Prices after deducting therefrom or providing thereagainst the value of Redemption, Front-end Load, Back-end Load, Duties and Charges (if included in the Offer Price or Redemption Price) applicable to the issue or redemption of Units and any expenses chargeable to the Fund and includes properties of all kinds, including shares, securities, deposits, right and bonus shares, cash, bank balances, profits, dividends, fees, commissions, all receivables, claims, contracts, licences, privileges, accrued or accruing or contingent, all income, profit and other benefits arising therefrom and all other moveable and immovable properties and assets of every description for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Unitholders pursuant to the Trust Deed but does not include any amount standing to the credit of the Distribution Account.
- 1.31 "Holder" or "Unitholder" means the investor whose name is for the time being entered in the Register as owner of a Unit or a fraction thereof of including investors jointly so registered pursuant to the provisions of this Deed.
- 1.32 "Investment" means any Authorized Investment forming part of the Fund Property.
- 1.33 "Investment Facilitator (Facilitator)" means an individual, firm, corporate or other entity appointed by the Management Company at its sole responsibility to identify, solicit and assist investors in investing in the Fund. The Management Company shall compensate the Facilitators out of the Sales Load collected by it in the Offer Price.
- 1.34 "Net Assets" means the excess of assets over liabilities of the Fund, such excess being computed in the manner specified hereunder, namely:?
- 1.34.1 A security listed on a stock exchange shall be valued at its last sale price on such exchange on the date as of which it is valued, or if such exchange is not open on such date, then at its last sale price on the next preceding date on which such exchange was open and if no sale is reported for such date, the security shall be valued at an amount not higher than the closing asked price nor lower than the closing bid price;

- 1.34.2 An investment purchased and awaiting payment against delivery shall be included for valuation purposes as security held, and the cash account of the Scheme shall be adjusted to reflect the purchase price, including brokers' commission and other expenses incurred in the purchase thereof but not disbursed as of the valuation date;
- 1.34.3 An investment sold but not delivered pending receipt of proceeds shall be valued at the net sale price;
- 1.34.4 A security bought or sold under a repurchase or reverse repurchase transaction, which has to be settled at a future date, shall be valued by taking the net affect of the complete transaction into account. The value or loss accruing from such transaction shall be recognized taking into account the allocation of such value or loss over the period between the transaction date and the settlement date;
- 1.34.5 The value of any dividends, bonus-shares or rights which may have been declared on securities in the portfolio but not received by the Fund as of the close of business on the valuation date shall be included as the 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-dividends, ex-bonus or ex-rights as the case may be;
- 1.34.6 A security not listed or quoted on a stock exchange shall be valued at investment price or its break-up value as per last audited accounts, whichever is lower. However, a debt security which is not quoted on a stock exchange shall be valued on a basis of secondary market quotations for such security if there is an active secondary market for such security or on a basis (acceptable to the Auditor of the Fund) which takes into account the remaining life of the security, the value of any warrants, conversion rights, etc., the prevailing market lending rates for the tenor and class of the issuer of the security, the ranking in seniority of the debt represented by the security and any other factors that may affect the value of the security;
- 1.34.7 Interest/ mark-up accrued on any interest/ mark-up bearing security in the portfolio shall be included as an asset of the Fund if such accrued interest/ mark-up is not otherwise in the valuation of the security;
- 1.34.8 Any value accrued (or loss incurred), realized or otherwise, on any commitment entered into on behalf of the Trust;
- 1.34.9 Any other income accrued up to the date on which computation was made shall also be included in the assets; and
- 1.34.10 All liabilities, expenses, taxes and other charges due or accrued up to the date of computation which are chargeable under the Rules and this Trust

Deed (other than the paid-up value of the Units issued by the Fund) shall be deducted from the value of the assets.

- 1.34.11 The remuneration accrued upto the date of computation payable to the Management Company and the Trustee shall also be included as an expense.
- 1.35 "Net Asset Value" or "NAV" means per Unit value of the Fund arrived at by dividing the Net Assets by the number of Units outstanding.
- 1.36 "Offer Price" means the sum to be paid to the Trustee for issuance of one Unit, such price to be determined pursuant to Clause 19 of the Trust Deed and to be stated in the Offering Document.
- 1.37 "Offering Document" means the prospectus, advertisements or other documents or invitations to the public to invest in the Scheme (approved by the SECP), which contain the investment and distribution policy and all other information in respect of the CDF as required by the Rules and is calculated to invite offers by the public to invest in CDF.
- 1.38 "Ordinance" means Companies Ordinance, 1984.
- 1.39 "Par Value" means the First Offer Price of a Unit that shall be Rs:100/- (Rupees One Hundred only).
- 1.40 "Personal Law" means the law of inheritance and succession as applicable to the individual Unitholder.
- 1.41 "Redemption Price" means the amount to be paid to the relevant Holder of a Unit upon redemption of that Unit, such amount to be determined pursuant to Clause 22 of the Trust Deed and to be stated in the Offering Document.
- 1.42 "Redemption Request Form" means the prescribed form, which shall be given in the Offering Document.
- 1.43 "Register" means the Register of the Holders kept pursuant to the Rules and the Trust Deed.
- 1.44 "Registrar" means an organization that the Management Company shall appoint for performing the Registrar Function.
- 1.45 "Registrar Function" means the functions with regard to: ?
- 1.45.1 Maintaining the Register;

- 1.45.2 Processing requests for issue, redemption, transfer and transmission of Units and requests for recording of lien or for recording of changes in data with regard to the Unitholders;
- 1.45.3 Issuing account statements to the Holders;
- 1.45.4 Issuing Certificates including Certificates in lieu of un-distributed income to Holders;
- 1.45.5 Dispatching income distribution warrants and bank transfer intimations; and
- 1.45.6 Canceling old Certificates on redemption or replacement.
- 1.46 "Rules" means the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, as amended from time to time.
- 1.47 "Sales Load" means the sales and processing charge or commission (excluding Duties and Charges) not exceeding 5% (five percent) of the Net Asset Value. The Management Company may at its discretion charge different levels of the Load to different investors, which will be specified in the Offering Document .
- 1.48 "SECP" means the Securities and Exchange Commission of Pakistan, established under Section 3 of the Securities & Exchange Commission of Pakistan Act, 1997 and shall include its legal successor.
- 1.49 "Stock Exchange" means Karachi Stock Exchange, Lahore Stock Exchange, Islamabad Stock Exchange or any other stock exchange registered under Sections 4 and 5 of the Securities and Exchange Ordinance, 1969.
- 1.50 "Supplementary Offering Document" means an Additional Offering Document issued by the Management Company in consultation with the Trustee after seeking approval of the SECP, describing the special features of Administrative Plan(s), Offering Investment in CDF.
- 1.51 "Subscription Day" means every Business Day provided that the Management Company may with the prior written consent of the Trustee and upon giving not less than seven days notice in the newspapers declare any particular Business Day not to be a Subscription Day.
- 1.52 "Transfer Application Form" means the prescribed Form, which will be given in the Offering Document.
- 1.53 "Transaction Costs" means the costs incurred or estimated by the Management Company to cover the costs (such as, but not restricted to, brokerage, Trustee charges, taxes or levies on transactions, etc.) related to the investing or disinvesting activity of the Fund's portfolio, necessitated by creation or cancellation of Units.

Such costs may be added to the NAV for determining the Offer Price of Units or be deducted from the NAV in determining the Redemption Price. The Transaction Costs shall not normally be applied in determining these prices. However, if the Management Company is of the view that it is in the overall interest of the Unitholders, 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 the Offer or Redemption Prices, without consulting the Trustee provided the difference between the Offer Price and the Redemption Price does not exceed five percent. The element of Transaction Costs taken into account in determining the prices and collected so, shall form a part of the Fund Property.

- 1.54 "Unit" means one undivided share in the CDF and where the context so indicates, a fraction thereof.

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

## **2. DECLARATION OF TRUST**

Unit Trust is hereby created under the name of **Crosby Dragon Fund** (CDF) and the Trustee is hereby nominated, constituted and appointed as the trustee of the Unit Trust herein created and the Trustee hereby accepts such appointment and declares that:

- (a) The Trustee shall hold and stand possessed of the Fund Property that may from time to time hereafter be vested in the Trustee upon Trust as a single common fund for the benefit of the Unitholders ranking *pari passu* inter se according to the number of Units held by each Unitholder;
- (b) the Fund Property shall be invested from time to time by the Trustee at the direction of the Management Company strictly in terms of the provisions contained and the conditions stipulated in this Deed, the Offering Document, the Rules and the conditions (if any) which may be imposed by the SECP from time to time.
- (c) The Management Company shall manage, operate and administer the Fund in accordance with the Rules.

## **3. TRUSTEESHIP ARRANGEMENT**

### **3.1 Primary Functions:**

- a. **Fund Management** – The Management Company has the responsibility to take all investment decisions within the framework of the Rules, the Trust Deed establishing the Unit Trust and the Offering Document issued for Unit Trust .
- b. **Control over Assets** – The Trustee has the responsibility for being the nominal owner and for the safe custody of the assets of the Unit Trust on behalf of the beneficial owners (the Unitholders), within the framework of the Rules, the Trust Deed establishing the Unit Trusts and Offering Document issued for the Unit Trust .
- c. **Investor Services** – The Management Company has the responsibility to facilitate investment and disinvestment by investors and to make adequate arrangements for receiving and processing applications in this regard.
- d. **Investor Records** – The Management Company has the responsibility to maintain investor records and for this purpose it may appoint a Registrar, who is responsible for maintaining investors' (Unitholders) records and providing related services. The Registrar shall be responsible for maintaining investors' records, issuing statements of account, issuing certificates representing Units of investment, processing redemption requests, processing dividend payments and all other related activity.
- e. **Distribution** – The Management Company shall from time to time appoint suitable parties as Distributors with the approval of the Trustee. The Distributors shall receive applications for issue and redemption of investment in the Unit Trust and Administrative Plan offered by the Management Company.
- f. **Investment Facilitators** – The Management Company shall, at its own sole responsibility, from time to time appoint Investment Facilitators to assist it in promoting sales.
- g. **Record Keeping** – The Management Company has the primary responsibility for all record keeping, regular determination and announcement of prices and for producing financial reports from time to time. However, the Trustee has the responsibility to ensure timely delivery to the Management Company of statements of account 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 Unit Trust.

### 3.2 **Setting up of Unit Trusts**

In addition to this Unit Trust, the Management Company may also from time to time provide JSIBL the draft documents, such as trust deeds and offering documents (if any) of new unit trust schemes and the administrative plans thereof that it may wish to establish in future and if JSIBL is willing to act as the trustee for such additional unit trust schemes. If JSIBL is interested in being appointed as the Trustee for any such new unit trust schemes;

- a. JSIBL shall within reasonable time inform the Management Company of any of its comments including objections, if any, as to the legality of any aspect of the proposed scheme and documentation.
- b. The Management Company shall consider the matters raised by JSIBL and may consider to amend the documentation where necessary/ reasonable and shall forward the documentation along with, JSIBL's comments as a result thereof, if any, to a law firm of good standing that shall be selected by the Management Company with JSIBL's concurrence (hereinafter referred to as the "Legal Counsel").
- c. The Management Company shall instruct the Legal Counsel to forward to JSIBL a set of the documentation incorporating only those comments suggested by JSIBL as are necessary/ reasonable and which are agreed to and approved by both the Management Company and JSIBL. Such documents shall form the basis for establishing such new unit trust(s). JSIBL shall not unreasonably withhold the process of setting up the proposed unit trust once the Management Company and/ or the Legal Counsel have resolved the matters raised by it.

### 3.3 **Administrative Arrangements**

The Trustee shall have all the obligations entrusted to it under the Rules, the Trusts Act, 1882 (II of 1882) this Trust Deed and the Offering Documents for setting up the Unit Trusts. However, the Trustee shall, in addition, to the aforesaid obligations, facilitate the Management of the Trust in the following manner:?

- a. **Attorney(s) and Point Person(s):** The Trustee shall nominate one or more of its officers to act as attorney(s) for performing the Trustee's functions and for interacting with the Management Company.
- b. **Distributors:** The Management Company may itself act as a Distributor or appoint others, with the approval of the Trustee, as Distributors from time to time on such terms and conditions as the Management Company may specify. The Trustee may however, object to any appointment or any of the terms of appointment for valid reasons to be communicated to the Management Company in writing. In such an event the Trustee shall not be obliged to approve the proposed Distributor till the reasons for the objection are suitably dealt with.
- c. **Custodian(s):** The Trustee shall act as custodian for securities for which custody services are available with the Trustee at such terms as the Trustee and the Management Company may mutually agree. For other securities the Management Company may advise the Trustee to make appropriate arrangements with one or more Custodians for custody of securities in which investment may be made on behalf of the respective Unit Trusts.

### 3.4 **Bank Accounts**

- a. The Trustee shall open separate Bank Accounts for the Unit Trust for which it is appointed as the Trustee by the Management Company, at a Bank or Banks at suitable branches at Karachi, in consultation with the Management Company.
- b. The Trustee shall also open an account titled "**Trustee ? Crosby Dragon Fund**" at the main Bank. This account shall be a temporary allocation account where collections shall be held prior to their being transferred to the Main Bank Account of the Unit Trust.
- c. The Trustee shall open additional bank accounts titled "**Trustee ? Crosby Dragon Fund**" at such branches of banks and at such locations (including outside Pakistan, subject to applicable regulations and after obtaining all necessary approvals from the relevant regulatory authorities in Pakistan) as is required by the Management Company from time to time. Such accounts shall be used as collection accounts for investments in the Unit Trust. There shall be standing instructions for all such collection accounts to promptly transfer the funds collected therein to the main account with the Trustee titled "**Trustee ? Crosby Dragon Fund**".
- d. The Management Company may require the Trustee to open separate collection accounts to facilitate the receipt, tracking and reconciliation of income or other receipts relating to the investments.
- e. The Management Company may also require the Trustee to open separate accounts for temporary parking of redemption funds that the Unit Holders wish to reinvest at a later stage.
- f. The Management Company may also require the Trustee to open a separate Bank Account for dividend distribution out of the Unit Trust.

Notwithstanding anything contained in this Deed, the beneficial ownership of the balances in the Bank Accounts shall vest in the Unitholders.

#### **4. FUND PROPERTY**

- 4.1 The aggregate proceeds of all Units issued from time to time after deducting Duties and Charges and after deducting therefrom or providing thereagainst any applicable Front-end Load shall constitute part of the Fund Property and the Distribution Company shall remit such proceeds to the Trustee in accordance with the instructions given by the Management Company from time to time.
- 4.2 The Fund Property shall initially be constituted out of the proceeds of the Units issued to the Core Investors and other Units issued during the First Offer after deducting a ny applicable Duties and Charges and Loads therefrom.
- 4.3 The Trustee shall take the Fund Property into its custody or under its control either directly or through a custodian appointed by it with the consent of the Management

Company and hold it in trust for the benefit of the Unitholders in accordance with the provisions of the Rules and this Deed. The Fund Property shall always be kept as separate property and shall not be applied to any purpose unconnected with the Fund. All registrable Investments shall be registered in the name of the Trustee and shall remain so registered until disposed of pursuant to the provisions of this Deed. All expenses incurred by the Trustee in effecting such registration shall be payable out of the Fund Property.

- 4.4 Save, as herein expressly provided, the Fund Property shall always be kept as separate property free from any mortgages, charges, liens or any other encumbrances whatsoever and the Trustee or the custodian shall not, except for the purpose of the Fund, 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.
- 4.5 The Trustee shall have the sole responsibility for the safekeeping of the Fund Property. In the event of any loss, caused through negligence on the part of the Trustee, the Trustee shall have an obligation to replace the lost Investment forthwith with similar investment of the same class and issue together with all rights and privileges pertaining thereto or compensate the Trust to the extent of such loss.
- 4.6 All cash forming part of the Fund Property shall be deposited by the Trustee in a separate account to be opened in the name of the Trustee, as a nominee of the Unit Trust, with a Bank of good standing approved by the Management Company. Such Bank shall be required to allow profit thereon in accordance with the Rules prescribed by the Bank for sharing of profits or mark-up on deposits maintained in such account or under any other arrangement approved by the Management Company.
- 4.7 Remuneration of the Management Company; Remuneration of the Trustee; Brokerage and transaction costs related to investing and disinvesting of the Fund Property; Legal and related costs incurred in protecting or enhancing the interests of the Fund or the collective interest of the Unitholders; Bank charges and borrowing/ financial costs; Audit Fees; Formation Costs, Annual Fee payable to the SECP and taxes if any applicable to the Trust shall be payable out of the Fund Property.

## **5. INVESTMENT OF THE FUND PROPERTY**

The objective of Crosby Dragon Fund CDF is to generate optimum returns for investors while, considering their risk appetite, comparable returns and concern for the safety of their capital. The Management Company shall endeavor to base, as far as possible, investment on expected capital appreciation, marketability of securities and market cycles. Subject to the Rules, the Management Company shall invest the Fund Property of Crosby Dragon Fund in the following manner:-

- 5.1 During and prior to the commencement of the First Offer the Trustee shall hold the Fund Property on deposit in a separate account with a Bank or financial institution of good standing (having an investment grade rating, or in absence of a rating, with the approval of the SECP) approved by the Management Company. After the First Offer all Fund 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 Investment as may (subject always to the provisions of this Deed) be directed by the Management Company.
- 5.2 Any Investment may at any time be realized at the discretion of the Management Company either in order to invest the proceeds of sale in other Authorized Investments or to provide cash required for the purpose of any provision of this Deed or in order to retain the proceeds of sale in cash or on deposit as aforesaid or partly one and partly another. Any Investment which ceases to be an Authorized Investment shall be realized and the net proceeds of realization shall be applied in accordance with this clause. Provided that the Trust may postpone the realization of such Investment for such period as the Management Company and the Trustee may determine to be in the interest of the Unitholders or where the situation is beyond the control of the Trustee and/or the Management Company.
- 5.3 The purchase or sale of any Investment in listed securities for the account of the Trust shall be made on the Stock Exchange through a broker who must be a member of the Stock Exchange, unless the Management Company is satisfied that it is possible and permissible under the rules and regulations to make such purchase or sale more advantageously in some other manner. The broker will be appointed from time to time by the Management Company with the approval of the Trustee. The Management Company shall not nominate, directly or indirectly, as a broker any of its directors, officers or employees or their close relatives (which term shall include their spouse, parents, children, brothers and sisters), except as may be permissible under the Rules.
- 5.4 The Fund Property shall be subject to such exposure limits as are provided in the Rules: Provided that it will not be necessary for the Trustee to sell any Investment merely because owing to appreciation or depreciation of any Investment or disposal of any Investments or redemption of Units such limit shall be exceeded.
- 5.5 Where investment of the Fund's Property is made in equity securities, not less than 50% of the Fund's Property shall be invested in listed securities or in securities for the listing of which an application has been approved by a Stock Exchange, except where relaxation is granted by the SECP.
- 5.6 Investment in any one company shall not at any time exceed an amount equal to 10% of the total Net Asset Value of CDF or 10% of the issued capital of the investee company at the time of the investment, except where relaxation is granted by the SECP.

- 5.7 Investment in any one sector shall not exceed 25% of the Net Asset Value of CDF in Securities of such Sector as per the classification of the pertinent Stock Exchanges, except where relaxation is granted by the SECP.
- 5.8 No short sale of any security shall be effected, whether listed or unlisted, except where relaxation is granted by the SECP.
- 5.9 No investment shall be made in any security of a company in which any director or officer of the Management Company owns more than 5% (five percent) of the total nominal amount of securities issued, or, collectively the directors and officers of the Management Company own more than 10% (ten percent) of such securities, except where relaxation is granted by the SECP.
- 5.10 If and so long as the value of the holding in a particular company shall exceed the limit imposed by the Rules, the Trustee shall not purchase any further investments in such company, if requested by the Management Company. However this restriction on purchase shall not apply to any offer of right shares or any other offering, if the Management Company is satisfied that accepting such offer is in the interest of the Trust.
- 5.11 CDF shall not purchase from or sell anything 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 individually or in concert with close relatives beneficially owns ten per cent or more either of the equity or other securities with voting rights, if any, issued by the Management Company, without the prior approval in writing of the SECP.

For the purposes of sub-clause 5.11 above the term close relative shall include the spouse, parents, children, brothers and sisters and other immediate family members.

- 5.12 CDF will not at any time:
- a. Purchase or sell:
    - Bearer securities;
    - Securities on margin;
    - Securities which result in assumption of unlimited liability (actual or contingent);
    - Commodities or commodity contracts;
    - Real estate or interest in real estate save and except that the Management Company invest in securities secured by real estate interest therein or equity securities issued by companies that invest real estate or interest therein;
    - Invest in anything other than Authorized Investments as defined herein;
  - b. Participate in a joint account with others in any transaction;

- c. Make short sales of any security or maintain a short position. Subject to the Rules and any other applicable law, the Management Company may, on behalf of the Fund, write call options on any of the securities held in the portfolio, if there is a market based exit mechanism from options so written. The Management Company may also, on behalf of the Fund, buy put options equivalent to any securities held in the portfolio. Under no circumstances shall the Management Company buy or sell such options on behalf of the Fund that results in an exposure beyond the number of underlying securities held in the portfolio of the Fund. The Management Company may, however, buy call options or put options, on one or more item (financial or otherwise) that in its opinion would act as a hedge/ defensive proxy for overall market risk. However, the cost of maintaining a defensive hedge shall not exceed one percent per annum of the Fund (for the preceding twelve months) at the time such transactions are entered into: Provided that such costs are within the prevailing rates of transacting in a defensive hedge available in the market.

#### 5.13 Exception to Investment Restriction

- 5.13.1 In the event the weightages of shares exceed the limits laid down in the Offering Document or the Rules as a result of the relative movement in the market prices of the investments or through any disinvestment, the Management Company shall make its best endeavors to bring the exposure within the prescribed limits within six months of the event. But in any case the Management Company shall not invest further in such shares of sectors while the deviation exists. However, this restriction on further investment shall not apply to any offer of right shares.
  - 5.13.2 The Management Company may from time to time, for the account of the Trust, direct the Trustee to enter into underwriting or sub-underwriting contracts in relation to the subscription or purchase of Authorized Investments upon such terms in all respects as the Management Company shall think fit but subject always to the provisions of the Rules and this Deed and so that no such contract shall relate to an Authorized Investment which if acquired would constitute a holding in excess of the exposure limit specified in the Rules. All Authorized Investments acquired pursuant to any such contract shall form part of the Fund Property and any subscription or purchase moneys payable there under shall be paid out of the Fund Property.
- 5.14 It is declared that the Scheme shall initially offer investment opportunities in accordance with the Investment Plans announced in the Offering Documents. However, it is contemplated that the Management Company, with the consent of the Trustee may introduce new, additional or supplemental Investment Plans with different Administrative Arrangements under Supplemental Offering Documents from time to time. Provided however, wherever required, appropriate amendments shall be made to this Deed and approval of the SECP shall be obtained for introducing any additional, new or supplemental Investment Plans, Administrative Arrangements and Supplemental Offering Documents.

## **6. TRANSACTIONS RELATING TO INVESTORS (UNIT HOLDERS)**

- 6.1 The Management Company shall advise the Trustee of the allocation of funds (received in the main collection account) on daily basis.
- 6.2 The Trustee shall authorize and facilitate the Management Company to receive daily statements of accounts from all the Bank Accounts being operated by the Trustee in respect of CDF.
- 6.3 The Management Company may request the Trustee to make arrangements through branches of banks to facilitate issue and redemption of Units of the Unit Trust. A request for the issue of Units may also be made through the use of electronic means, that is, the Internet and ATM facilities. A request for redemption of Units, may be made through the ATM facility only when the relevant bank/ branches have been instructed by the Management Company to accept a Unit Holder's request to redeem the Units. 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.
- 6.4 The Management Company shall also advise the Trustee on a daily basis of the details of the amounts to be paid to the respective Unitholders against redemption requests. Such payments shall be affected by the Trustee out of the accounts of the Unit Trust by way of transfer of the appropriate amounts to the designated bank accounts of the Unitholders or by dispatch of dividend cheques/warrants to the Unitholders by registered post at their respective registered addresses.
- 6.5 The Management Company shall, from time to time, advise the Trustee of the dividend distribution for the Unit Trust. The dividend shall be payable after deducting such taxes and Zakat as may be required under the law. The Trustee shall rely on the amount certified by the Auditors as to the dividend payable in cash after adjusting for dividend being distributed in the form of Units of the Unit Trust.
- 6.6 The Trustee shall pay to the Management Company's order such sums out of the sale proceeds of Units of the Unit Trust or the sums retained out of the redemption amounts as are representative of Front-end or Back-end Loads or Charges or other recoveries that are specified in the Trust Deed, or the Offering Document as being payable out of the Issue or Redemption Prices.

## **7. TRANSACTIONS RELATING TO INVESTMENT ACTIVITY/ PORTFOLIO MANAGEMENT**

- 7.1 The Management Company shall, from time to time, advise the Trustee of the settlement instructions relating to any investment/ disinvestment transactions entered into by it on behalf of the Unit Trusts. The Trustee shall carry out the settlements in accordance with the dictates of the specific transactions. The Management Company shall ensure that the settlement is handled in a timely manner in accordance with dictates of the transaction.
- 7.2 The Trustee shall ensure that, where applicable, payments against investments are made against delivery and vice versa.
- 7.3 The Trustee shall promptly forward to the Management Company any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust Funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government, regulator, stock or other exchange, or any other party having any connection with the transaction.
- 7.4 The Trustee shall also, if so required by the nature of such notices or documents mentioned in the foregoing clause, act in a manner that is in the best interest of the relevant Unit Trust. Such action shall include legal action if called for and the Trustee shall be entitled to recover any legal costs reasonably incurred from the Unit Trust.
- 7.5 The Management Company shall provide the Trustee with regular reports indicating dividends, other forms of income or inflows, and any such amounts, rights or warrants relating to the investments that are due to the receipts. The Trustee shall report back to the Management Company any such amounts, rights or warrants that are received on such accounts from time to time.
- 7.6 The Trustee shall upon written request of the Management Company and subject to the expense being reimbursed out of the Fund Property provide proxies or other forms of powers of attorney to the order of the Management Company with regard to any voting rights attaching to any Investment.

## **8. OTHER MATTERS RELATING TO THE UNIT TRUST**

- 8.1 **Declaration of Net Asset Value based prices:** The Management Company shall, at such frequencies as are prescribed in the Offering Document , determine and announce the Net Asset Value based prices. Such prices may be subject to post audit by the Funds' Auditors. The Auditors shall provide copies of their reports direct to the Trustee at such frequency as is agreed amongst the Trustee, the Management Company and the Auditors. Under certain circumstances as provided in the Trust Deed, the Management Company may suspend the announcement of the prices.
- 8.2 **Issue and Redemption of Units:** The Registrar shall process sale and repurchase applications in accordance with the Offering Document. Under certain

circumstances as provided in this Deed, the Management Company may suspend the issue and/ or the redemption of Units.

## **9. VOTING RIGHTS ON FUND PROPERTY**

- 9.1 All rights of voting attached to any Fund Property shall be exercisable by the Management Company on behalf of the Trustee and it shall be entitled to exercise the said rights in which it may consider to be the best interests of the Unitholders and may refrain at its own discretion from the exercise of any voting rights and the Trustee or the Unitholders shall not have any right to interfere or complain.
- 9.2 The Trustee shall upon written request by the Management Company, at the expense of the Fund, 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 to convene any meeting or to give notice of any resolution or to circulate any statement. However, the Management Company will keep records, stating reasons for casting vote in favor or against any resolution for a period of three years.

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

## **10. BORROWING**

- 10.1 Subject to the Rules and any statutory requirements for the time being in force and to the terms and conditions herein contained, the Trustee may at any time at the request of the Management Company concur with the Management Company in making and varying arrangements with banks or financial institutions for borrowing by the Trustee for the account of the Fund: Provided that the charges payable to such bank or financial institution are not higher than the prevailing market rates. Provided further that the maximum borrowing for the account of the Trust shall not exceed the limit provided in the Rules but if subsequent to such borrowing, the Net Assets are reduced as a result of depreciation in the market value of the Fund Property or redemption of Units, the Management Company shall not be under any obligation to reduce such borrowing.

- 10.2 Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such borrowings from banks and financial institutions. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such loans or advances.
- 10.3 For the purposes of securing any such borrowing the Trustee may with the approval of the Management Company mortgage, charge or pledge in any manner all or any part of the Fund Property provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limit provided in the Rules.
- 10.4 Neither the Trustee nor the Management Company shall incur any liability by reason of any loss to the Trust or any loss that a Unitholder may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangement made hereunder.

## **11. DUTIES AND POWERS OF THE TRUSTEE**

- 11.1 The Trustee shall comply with the provisions of this Deed for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee with the approval of the Management Company: Provided that the Trustee shall be responsible for the acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Trustee for any loss in value of the Fund Property where such loss has been caused by negligence or any reckless act and/ or omission of the Trustee or any of its directors, officers, nominees or agents.
- 11.2 The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unitholders. The Trustee shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or in pursuance of any request of the Management Company; provided they are not in conflict with the provisions of this deed or the Rules. Whenever pursuant to any provision of this Deed any certificate, notice, direction, instruction or other communication is to be given by the Management Company to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Management Company by any person whose signature the Trustee is for the time being authorized in writing by the Management Company to accept.
- 11.3 The Trustee shall not be liable for any loss caused to the Fund or to the value of the Fund Property due to any elements or circumstances beyond its reasonable control.
- 11.4 The Trustee shall carry out the instructions of the Management Company in all matters including investment and disposition of the Fund Property unless such

- instructions are in conflict with the provisions of this Deed or the Rules or law, or any written directive of the SECP, in accordance with the law.
- 11.5 The Management Company shall, after obtaining approval of the Trustee, from time to time appoint, remove or replace one or more Distribution Company(ies) for carrying on the Distribution Function at one or more locations, on terms and conditions to be incorporated in the Distribution Agreement to be entered into between the Distribution Company and the Management Company.
  - 11.6 The Trustee shall make available or ensure that there is made available to the Management Company such information as the Management Company may reasonably require from time to time in respect of the Fund Property and all other matters relating to the Trust.
  - 11.7 The Trustee shall ensure that the sale, issue, re-purchase, redemption and cancellation of Units effected by the Scheme are carried out in accordance with the provisions of the Constitutive Documents.
  - 11.8 The Trustee shall ensure that the methods adopted by the Management Company in calculating the value of the Units are adequate to ensure that the sale, issue, re-purchase, redemption and cancellation prices are calculated in accordance with the provisions of the Constitutive Documents.
  - 11.9 The Trustee shall issue a report to the Unitholders to be included in the annual report or at such times as directed by the SECP, in accordance with the law whether in its opinion, the Management Company has in all material respect managed the Fund Property in accordance with the provisions of the Rules and this Deed and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof.
  - 11.10 The Trustee shall be entitled to require the Auditors to provide such reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Rules. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible.
  - 11.11 The Trustee shall, if requested by the Management Company and may if it considers necessary for the protection of the Fund Property or safeguarding the interest of Unitholders, institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Fund Property or any part thereof, with full powers to sign, swear, verify and submit pleading and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized directors and officers. All costs, charges and expenses (including reasonable legal fees) incurred in instituting or defending any such action shall be borne by the Trust and the Trustee shall be indemnified against all such costs, charges and expenses: Provided that no such indemnity shall be available in respect of any action taken against the Trustee for negligence or breach of fiduciary duties in connection with its duties as the Trustee

under this Deed or the Rules. For the avoidance of doubt it is clarified that notwithstanding anything contained in this Deed, the Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities whatsoever suffered or incurred by the Trust arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate shareholders' action or otherwise howsoever and (save as herein otherwise provided), all such losses, claims, damages and other liabilities shall be borne by the Trust Fund.

- 11.12 Neither the Trustee or the custodian (if Trustee has appointed another person as custodian) nor the Management Company or any of their Connected Persons shall sell or purchase or deal in the sale of any Investment or enter into any transaction with the Trust save as in the capacity of an intermediary.
- 11.13 Subject to the Rules, any transaction between the Trust and the Management Company or any of their respective Connected Persons as principal shall only be made with the prior written consent of the Trustee.
- 11.14 The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Rules and this Deed nor shall the Trustee (save as herein otherwise provided) be liable for any act or omission of the Management Company nor for anything except its own negligence or willful breach of duty hereunder. If for any reason it becomes impossible or impracticable to carry out the provisions of this Deed and the Trustee shall not be under any liability therefor or thereby and it shall not be under 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.

## **12. REMUNERATION OF TRUSTEE AND ITS AGENTS**

- 12.1 The Trustee shall be entitled to a monthly remuneration out of the Fund Property on an annual basis as per the Tariff of Trusteeship remuneration charges annexed hereto as Annexure "A", during such calendar month. The remuneration shall begin to accrue from the date of payment in full of all Units subscribed by the Core Investors. For any period other than a full calendar month such remuneration will be prorated on the basis of the actual number of days for which such remuneration has accrued for the total number of days in the calendar month concerned.
- 12.2 Such remuneration shall be paid to the Trustee in arrears within thirty days after the end of each calendar month.
- 12.3 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 Trust. The Trustee shall not make any charge against the Unitholders or against the Fund Property or against the Distribution Account for their services or for their expenses, except such expenses as are expressly authorized to be paid out of the Fund Property under the provisions of the Rules and this Deed.

- 12.4 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 Deed.
- 12.5 Any increase in the remuneration of the Trustee agreed to by the Management Company shall require the approval of the SECP.

### **13. DUTIES AND POWERS OF THE MANAGEMENT COMPANY**

- 13.1 The Management Company shall comply with the provisions of the Rules and this Deed for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Management Company by any officer or responsible official of the Management Company or by any nominee or agent appointed by the Management Company and any act or matter so performed shall be deemed for all the purposes of this Deed to be the act of the Management Company. The Management Company shall be responsible for the acts and omissions of all persons to whom it delegates any of its functions as manager as if these were its own acts and omissions and shall account to the Trustee for any loss in value of the Fund Property where such loss has been caused by its negligence reckless or willful act and/ or omission or by its officers, officials or agents.
- 13.2 The Management Company shall manage the Fund Property in the interest of the Unitholders in good faith and to the best of its ability and without gaining any undue advantage for itself or any of its Connected Persons, and subject to the restrictions and limitations as provided in this Deed and the Rules. Any purchase or sale of investments made under any of the provisions of this Deed shall be made by the Trustee according to the instructions of the Management Company in this respect, unless such instructions are in conflict with the provisions of this Deed or the Rules. The Management Company shall not be liable for any loss caused to the Fund or to the value of the Fund Property due to any elements or circumstances beyond its reasonable control.
- 13.3 The Management Company may from time to time appoint, remove or replace the Registrar.
- 13.4 The Management Company shall make available or ensure that there is made available to the Trustee such information as the Trustee may reasonably require in respect of any matter relating to the Trust.
- 13.5 The Management Company shall maintain at its principal office, proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Scheme, all transactions for the account of the Scheme and amount received by the Scheme in respect of issues of Units and paid out by the Scheme on redemption of Units and by way of distributions.

- 13.6 The Management Company shall prepare and transmit the Annual Report, together with a copy of the balance sheet, income and expenditure account and the Auditor's Report of the Scheme within four months or such period prescribed by the Rules or SECP, in accordance with the law of the closing of the accounting period to the Unitholders and the balance sheet and income and expenditure account shall comply with the requirements set out in the Rules.
- 13.7 The Management Company shall within one month or such period prescribed by the Rules or SECP, in accordance with the law of the close of the first, second and third quarter of its Accounting Years prepare and transmit to the Unitholder and the SECP, balance sheet as at the end of that quarter, profit and loss account, cash flow statement and a statement of changes in equity for that quarter, whether audited or otherwise.
- 13.8 The Management Company shall maintain a Register of Unitholders of the Scheme and inform the SECP of the address where the Register is kept.
- 13.9 The Management Company shall with the consent of the Trustee, appoint at the establishment of the Scheme and upon any vacancy, an auditor who shall be a chartered accountant and independent of the Auditor of the Management Company and the Trustee and such auditor shall not be appointed for more than three consecutive years and the contents of Auditor's Report shall be in accordance with the provisions of the Rules.
- 13.10 The Management Company shall furnish a copy of the Annual Report together with copies of the balance sheet, income and expenditure accounts and the Auditor's report of the Scheme to the SECP within four months or such period prescribed by the Rules or SECP, in accordance with the law of the Close of the Accounting period, together with a Statement containing the following information, namely:?
- (i) total number of Unitholders; and
  - (ii) particulars of the personnel; (executive, research and other) of the Management Company.
- 13.11 The Management Company shall furnish a copy of its Annual Report together with copies of the balance sheet, income and expenditure accounts and the auditor's reports within four months or such period prescribed by the Rules or SECP, in accordance with the law of the close of the accounting period

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

#### **14. REMUNERATION OF MANAGEMENT COMPANY AND ITS AGENTS**

The Management Company shall be entitled to receive:

- 14.1 A remuneration of an amount not exceeding three percent per annum of the average Annual Net Assets during the first five years of the Scheme and two percent per annum of the average Annual Net Assets thereafter.
- 14.2 Provided that the remuneration so calculated shall not exceed the maximum remuneration allowed under the Rules.
- 14.3 The remuneration shall begin to accrue from the date of payment in full of all Units subscribed by the Core Investors. In respect of any period other than an Accounting Period such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued for the total number of days accrued in the Accounting Period concerned.
- 14.4 The remuneration due to the Management Company shall be paid on or before the date that is thirty days after the Accounting Date, provided that the Management Company may from time to time draw in advance out of the accrued remuneration a sum that the Trustee shall consider reasonable.
- 14.5 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 shall not make any charge against the Unitholders or against the Fund Property or against the Distribution Account for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the Rules and this Deed to be payable out of the Fund Property.
- 14.6 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 Deed.

#### **15. CHANGE OF TRUSTEE**

- 15.1 The Trustee may, subject to the prior written approval of the SECP, retire from his office, provided that the Trustee shall not be entitled to retire voluntarily or otherwise except upon the appointment of a new trustee. In the event of the Trustee desiring to retire, it shall give prior written notice of three months to the Management Company, and the Management Company within the said period of three months with the prior written approval of the SECP, shall by a deed supplemental hereto under the seal of the Management Company appoint a new trustee under the provisions of the Rules in place of the retiring Trustee and also provide in such deed for the automatic vesting of all the assets of the Trust in the name of the new trustee. Provided that the obligations of the Trustee shall continue until the new trustee is so appointed.
- 15.2 If the Trustee goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction on terms previous agreed to with the Management Company for purpose of reconstruction and amalgamation) or ceases to carry on the business or a receiver of its undertaking is appointed or it becomes ineligible to act as a trustee of the Unit Trust under the provisions of the Rules, the Management Company shall forthwith by an instrument in writing remove the Trustee from its appointment under this Deed and shall by the same or some other instrument in writing simultaneously appoint as trustee some other company or corporation qualified to be appointed as the trustee according to the provisions of the Rules and this Deed as the new trustee.
- 15.3 The Management Company may remove the Trustee, with the prior approval of the SECP, after giving at least twenty-one days notice in writing to the Trustee on grounds of any material default or non-compliance with the provisions of this Deed or the Rules, and appoint another trustee.
- 15.4 Upon the appointment of a new trustee the Trustee shall immediately deliver all the documents and records to the new trustee and shall transfer all the Fund Property and any amount deposited in any Distribution Account to the new trustee and make payments to the new trustee of all sum due from the Trustee.
- 15.5 The new trustee shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Trustee hereunder as fully as though such new trustee had originally been a party hereto.

## **16. CHANGE OF MANAGEMENT COMPANY**

- 16.1 The SECP, may on the written complaint received from the Trustee, remove the Management Company by giving at least thirty days notice in writing to the Management Company if any of the following events have occurred:?
- 16.1.1 The Management Company has contravened the provisions of this Deed in any material respect and has failed to rectify the contravention within a reasonable period after the contravention has come to its notice;

16.1.2 The Management Company goes into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for the purpose of reconstruction and amalgamation);

16.1.3 A receiver is appointed over any of the assets of the Management Company.

16.1.4 If the licence of the Management Company as an NBFC to undertake Asset Management Services is cancelled or suspended by the SECP in accordance with the Rules.

Provided that before removing the Management Company, show cause notice followed by a hearing shall be given to the Management Company by the SECP.

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

16.3 The removal of the Management Company and appointment of a new management company shall always require the prior approval of the SECP and the Trustee.

16.4 If the SECP has cancelled the registration of the Management Company as an NBFC in relation to Asset Management Services under the provisions of the Rules, the Trustee with the approval of the SECP shall appoint another eligible management company as the management company for the Scheme according to the provisions of this Deed and the Rules.

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

16.6 Upon its appointment the new management company shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the management company hereunder as fully as though such new management company had originally been a party hereto.

## **17. UNITS**

17.1 All Units and fractions thereof represent an undivided share in the Fund and rank *pari passu* as to their rights in the net assets, earnings, and the receipt of the dividends and distributions. Each Unitholder has a beneficial interest in the CDF proportionate to the Units held by such Unitholder.

17.2 For the convenience of investors, the Management Company may issue Units of different classes with differing Sales Loads or Back-end Loads with different options (while maintaining the integrity of each Unit's *pari passu* rights). Irrespective of the

different classes and with differing Sales Loads or Back-end Loads all Units issued from time to time shall rank *pari passu* inter se and shall have such rights as are set out in this Deed and the Offering Document.

- 17.3 The Units of different classes with differing Front-end Loads may have differing levels of Back-end Loads deducted for determining the Repurchase Price.
- 17.4 Core Units subscribed by the Core Investors shall be offered and issued at the par value and shall not be redeemable for a period of two years from the date of issue. A mention of such restriction and its termination date shall be entered into the Register and shall be noted on any Certificate issued in respect of such Units.
- 17.5 Unit offered during the First Offer shall be issued at par value. No investment of the First Offer subscription money shall be made until the conclusion of the first issue of Units at the initial price.
- 17.6 After the First Offer, the Offer Price shall be determined from time to time with the approval of the Trustee in accordance with Clause 19 hereafter and Rule 80 of the Rules, including any amendments to or substitutions thereof.
- 17.7 The Management Company, on giving not less than twenty-one days previous notice in writing to the Trustee and to each Unitholder and with the prior permission of the SECP subdivide or consolidate the whole or any part of the Units and the Unitholders shall be bound accordingly. The Management Company shall require in such notice that each Unitholder 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.

## **18. ISSUE OF UNITS**

- 18.1 The Management Company shall be responsible for obtaining all requisite consents and approval for the offer and issue of Units and for the issue, publication or circulation of the Offering Document.
- 18.2 Except as provided herein the Units shall be offered through the authorized offices or branches of the Distribution Companies on all Subscription Days.
- 18.3 Application for issuance of Units shall be made by completing the prescribed application form and submitting it with the payment by in such form as is prescribed by the Management Company in favor of the Trustee at the Authorized Branch or office of any Distribution Company. The Distribution Company shall verify the particulars given in the application for issue of Units and ensure that the signature of any Unitholder or joint Unitholder to any document required to be signed by him under or in connection with the application for issue of Units is verified by a banker

or broker or other responsible person or otherwise authenticated to its or their reasonable satisfaction.

- 18.4 Each Unitholder shall only be liable to pay the Offer Price of the Units subscribed by him and no further liability shall be imposed on him in respect of any Units held by him. The Units shall be issued only against receipt of full payment.
- 18.5 An application for issuance of Units shall be deemed to have been made in accordance with the provisions of the Offering Document if such document prescribes automatic issuance of Units under certain circumstances.

## **19. DETERMINATION OF OFFER PRICE**

- 19.1 After the First Offer, the Offer Price shall be calculated and announced by the Management Company on a daily or weekly basis, as may be determined by the Management Company from time to time, in accordance with the Rules, on the following basis:

The Offer Price shall be equal to the sum of:

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

Such sum shall be adjusted upwards to the nearest five paisas.

The Management Company may offer different classes of Units with differing levels of Front-end Load, which may also vary according to other criteria in the Management Company's sole discretion. Consequently, the Offer Price may differ for Units issued under differing administrative arrangements and for different investors and such Sales Load will be described in the Offering Document or Supplementary Offering Document(s).

- 19.2 If the variation of the Net Asset Value mentioned in Clause 19.1(a) at any time exceeds two percent (2%) of the Net Asset Value included in the Offer Price calculated under Clause 19.1(a), the Management Company shall suspend issue of the Units and shall calculate forthwith a new Offer Price.
- 19.3 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 19.1(c) is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of

- such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retroactive effect after the date of payment in which case such excess shall be recovered from the Fund Property).
- 19.4 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 19.1(c) exceeds the relevant amount of duties and Charges the Registrar shall issue additional Units or fractions thereof to the Unitholder based on the price applicable to the Units issued against the relevant application.
- 19.5 The Offer Price determined by the Management Company shall be made available to the public at the office and branches of the Distribution Companies and at the discretion of the Management Company may also be published in at least one daily newspaper, either English or Urdu, widely circulated in Pakistan.

## **20. ALLOCATION OF FRONT-END LOAD**

- 20.1 The remuneration of Distribution Companies and Investment Facilitators shall be paid exclusively from any Front-end Load received by the Trustee and no charges shall be made against the Fund Property or the Distribution Account in this respect. The remainder of any Front-end Load after such disbursement shall be paid by the Trustee to the Management Company as additional remuneration for their management services for the Trust. If the Front-end Load received by the Trustee is insufficient to pay the remuneration of the Distribution Companies and Investment Facilitators, the Management Company shall pay to the Trustee the amount necessary to pay in full such remuneration.
- 20.2 Such payments shall be made to the Distribution Companies and Investment Facilitators and the Management Company by the Trustee or by the Management Company to the Trustee on monthly basis in arrears within thirty days of the end of the calendar month.
- 20.3 A Distributor located outside Pakistan may if so authorized by the Trustee and the Management Company, retain such portion of the Front-end Load as is authorized by the Management Company and transfer the net amount to the Trustee, subject to the law for the time being in force.

## **21. REDEMPTION OF UNITS**

- 21.1 The Trustee shall at any time during the life of the Trust authorize redemption of Units out the Trust funds through its duly authorized Distribution Companies.
- 21.2 Application for redemption of Units shall be made by completing the prescribed redemption form and submitting it at the Authorized Branch or office of the Distribution Company. The Management Company may make arrangements to accept redemption requests through electronic or other means. No person shall be entitled to redeem only part of the Units comprised in a Certificate, however a

- certificate may be split for this purpose and in the case where Certificate is not issued any number of Units may be redeemed by the Unitholder thereof.
- 21.3 The Trustee may at their option dispense with the production of any Certificate that shall have become lost, stolen or destroyed upon compliance by the Unitholder with the like requirements to those arising in the case of an application by him for the replacement thereof.
- 21.4 The Management Company shall announce the Redemption Price on a daily or weekly basis. The Redemption Price at which Units shall be redeemed shall be the price fixed by the Management Company under the terms of this Deed. However, in the event Clause 22 hereunder comes into application, the redemption value shall be determined in accordance with the procedure laid out in Clause 22.
- 21.5 The amount payable on redemption shall be paid to the Unitholder by transfer to the Unitholder's designated banker within six Business Days from the date of presentation of the duly completed application for redemption form at the Authorized Branch or office of the Distribution Company. At the request of the Unitholder, the Management Company may decide to pay redemption proceeds through some other mode of payment.
- 21.6 The receipt of the Unitholder for any moneys payable in respect of the Units shall be a good discharge to the Trustee and if several persons are registered as joint Unitholders any one of them may give effectual receipt for any such moneys.
- 21.7 Application for redemption of Units will be received at the Authorized Branches or offices of the Distribution Company on all Subscription Days. Where redemption requests on any one Subscription Day exceed ten percent of the total number of Units in issue, redemption requests in excess of ten percent may be deferred in accordance with the procedure elaborated in Clause 23 hereof.
- 21.8 The Distribution Company shall verify the particulars given in the application for redemption of Units. The signature of any Unitholder shall be got verified by a banker or broker or other responsible person or otherwise authenticated to the reasonable satisfaction of the Distribution Company.
- 21.9 The maximum interval between the receipt of properly documented requests for redemption of Units and the payment of the redemption money to the Unitholders shall not exceed six Business Days.

## **22. DETERMINATION OF REDEMPTION PRICE**

- 22.1 During the First Offer the Units shall not be redeemed.
- 22.2 After the First Offer the Redemption Price shall be equal to the Net Asset Value as of the close of the Business Day, less:

- (a) Any Back-end Load;
- (b) Any taxes imposed by the Government;
- (c) Such amount as the Management Company may consider 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 downwards to the nearest five (5) Paisas. The redemption price so determined shall apply to redemption requests, complete in all respects, received by the Distribution Company during the business hours on the following day.

- 22.3 If the variation of the Net Asset Value at any time exceeds two percent (2%) of the Net Asset Value calculated pursuant to Clause 22.2 above for the current Redemption Price, the Management Company shall suspend any redemption of Units and shall calculate forthwith a new Redemption Price.
- 22.4 In the event that the amount deducted as provision for payment of Duties and Charges pursuant to sub-clause 22.2, is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for payment in full of the amount of such Duties and Charges in excess of the provisions.
- 22.5 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 22.2 exceeds the relevant amount of Duties and Charges, the Trustee shall refund such excess amount to the relevant Unitholders.
- 22.6 The Redemption Price determined by the Management Company shall be made available to the public at the office and branches of the Distribution Companies and at the discretion of the Management Company may also be published in at least one daily newspaper, either English or Urdu, widely circulated in Pakistan.

**23. CHANGE IN AND SUSPENION OF DEALING, QUEUE SYSTEM AND WINDING UP**

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

The redemption of Units may be suspended during extraordinary circumstances including closure of one or more Stock Exchanges on which any of the Securities invested in by CDF are listed, the existence of a state of affairs, which in the opinion of the Management Company, constitutes an emergency as a result of which disposal of any investment would not be reasonably practicable or might seriously prejudice the interest of CDF or of the Unitholders, or a break down in the means of communication normally employed in determining the price of any investment, or when remittance of money can not be carried

out in reasonable time and if the Management Company is of the view that it would be detrimental to the remaining Unitholders to redeem Units at a price determined in accordance with the Net Asset Value. The Management Company may announce a suspension or deferral of redemption. Such a measure shall be taken to protect the interest of the Unitholders in the event of extraordinary circumstances or in the event redemption requests accumulate in excess of ten percent of the Units in issue. In the event of a large number of redemption requests accumulating, the requests may be processed in a Queue System and under extreme circumstances the Management Company may decide to wind up the Fund. Details of the procedure are given in Clause 23.4 hereinbelow.

Such suspension or queue system shall end on the day following the first Business Day on which the conditions giving rise to the suspension or queue system shall in the opinion of the Management Company have ceased to exist and no other condition under which suspension or Queue System is authorized under the Deed exists. In case of suspension and invoking of a Queue System, the Management Company shall immediately notify the SECP and announce the same in at least one daily newspaper, either English or Urdu, having wide circulation in Pakistan.

- 23.1 Suspension of fresh issue of Units** – The Management Company may at any time, if the circumstances mentioned in the third para of Clause 23 above, or if the Management Company is of the view that investment of inflow of substantial funds will be difficult, and subject to the Rules, suspend issue of fresh Units. In such an event, the Management Company may decline any application in full or part of Units, at its discretion from investors. Such suspension may however not affect existing subscribers to any issue of bonus units as a result of dividend distribution or the option to receive dividends in the form of additional Units. The Management Company shall announce the details of exemptions at the time a suspension of fresh issue is announced. The Management Company shall immediately notify in SECP if dealing in Units is suspended and shall also have the fact published, immediately following such decision, in the newspaper in which the Fund's prices are normally published.
- 23.2 Suspension of redemption of Units** – In the event of extra-ordinary circumstances, the Management Company may suspend or defer redemption of Units. The circumstances under which the Management Company may suspend redemption shall be the event of war (declared or otherwise), natural disasters, a major break down in law and order, breakdown of the communication system, closure of the capital markets and/ or the banking system or strikes or other events that render the Management Company or the Distributors unable to function.
- 23.3 Queue System** – In the event redemption requests on any Business Day exceed ten percent of the Units in issue, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for up to ten percent of the Units in issue. The Management Company shall proceed to sell adequate assets of the Fund and/ or arrange borrowing as it deems fit in the best interest of the Unitholders and shall determine the redemption price to be applied to the redemption based on such action. Where it is not practical to determine the chronological ranking of any requests in comparison to others

received on the same Business Day, such requests shall be processed on a proportional basis proportionate to the size of the requests. The requests in excess of the ten percent shall be treated as redemption requests qualifying for being processed on the next Business Day at the price to be determined for such redemption requests. However, if the carried over requests and the fresh requests received on the next Business Day still exceed ten percent of the Units in issue, these shall once again be treated on first come first served basis and the process for generating liquidity and determining the redemption price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten percent of the Units then in issue.

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

## **24. ISSUE OF UNITS OUTSIDE PAKISTAN**

- 24.1 Subject to exchange control and other applicable laws, rules and regulations, in the event of arrangements being made by the Management Company for the issuance of Units to persons not resident in Pakistan or for delivery in any country outside Pakistan, the price at which such Units may be issued may, at the discretion of the Management Company, include in addition to the Offer Price as hereinbefore provided a further amount sufficient to cover any exchange risk insurance, any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such issue or of delivery or issue of Certificates, or any additional costs relating to the delivery of certificates or the remittance of money to Pakistan.
- 24.2 In the event that the Redemption Price for Units shall be paid in any country outside Pakistan, the price at which such Units may be redeemed may at the discretion of the Management Company include as a deduction to the Redemption Price as hereinbefore provided a further amount sufficient to cover any exchange risk insurance and any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such payment or redemption or any bank or other charges incurred in arranging the payment.
- 24.3 The currency of transaction of the CDF is the Pakistan Rupee and the Management Company, Trustee or any Distributor are not obliged to transact the issuance or redemption of the Units in any other currency and shall not be held liable, save as may be specifically undertaken by the Management Company, for receipt or payment in any other currency or for any obligations arising therefrom.

## **25. REGISTRATION OF UNITHOLDERS**

- 25.1 A Register shall be maintained by the Registrar at such a place as is agreed by the Management Company. The Management Company shall ensure that the Registrar shall comply with all relevant provisions of this Deed and the Rules.
- 25.2 The Management Company shall ensure that the Registrar shall at all times during business hours give the Trustee and its representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without charge but neither the Trustee nor its representatives shall be entitled to remove the Register or to make any entries therein or alterations thereto and except when the Register is closed in accordance with the provisions of this Deed.
- 25.3 The Registrar shall, within seven (7) working days of receiving a written request from any Unitholder, post (or send by courier or through electronic means) to such Unitholder details of such Unitholder's account in the Register. Such service shall be provided free of charge to any Unitholder requesting so once in any financial year. The Management Company may prescribe reasonable charges for servicing of any additional requests.
- 25.4 The Register shall contain the following information:
- a. Full names and addresses of each Unitholder and joint Unitholders;
  - b. The number of the Units held and the distinctive numbers of Certificate, if any;
  - c. The date on which the name of every Unitholder was entered in respect of the Units standing in his name;
  - d. The date on which any transfer or redemption is registered;
  - e. Information about lien/ pledge/ charge on Units;
  - f. Tax/ Zakat status of the Holder;
  - g. Record of signature of Holder;
  - h. Nominee; and
  - i. Such other information as Management Company may require.
- 25.5 The Register shall be conclusive evidence as to the Units held by each Unitholder.
- 25.6 Any change of name or address of any Unitholder shall forthwith be notified in writing to the Registrar, who on being satisfied therewith and on compliance with

- such formalities (including in the case of a change of name the surrender of any Certificate(s) previously issued to such Unitholder and the payment of the fee) shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall, if requested, issue new Certificate(s) to such Unitholder.
- 25.7 The Registrar shall not register more than four joint Holders for a Unit. In case of the death of any one of the joint Holders the survivor or survivors shall be the only persons recognized by the Trustee as having any title or interest in the Units held by the joint Holders. Provided however, the Registrar or the Trustee may at their discretion request the survivors to provide succession certificates or other such mandate from a court of lawful authority, if they consider necessary.
- 25.8 A body corporate may be registered as a Unitholder or as one of joint Unitholders.
- 25.9 The Register may be closed in consultation with the Trustee for such period as the Management Company may from time to time determine and after giving at least seven days notice to Unitholders, provided that it is not closed for more than forty five days in any calendar year.
- 25.10 The Unitholders shall be the only person to be recognized by the Trustee, the Management Company and the Registrar as having any right, title or interest in or to such Units and the Trustee, the Management Company and the Registrar may recognize the Unitholders as the absolute owner thereof and shall not be bound by any notice to the contrary and shall not be bound to take notice of or to see to the execution of any trust except where required by any court of competent jurisdiction. However, the Management Company may authorize the Registrar to record a lien on any or all Units held by a Unitholder in favour of a third party at the request of such Unitholder or joint Unitholders, as the case may be:
- 25.11 The executors or administrators or succession certificate holder of deceased Unitholder (not being one of several joint Unitholder) shall be the only persons recognized by the Trustee and the Management Company as having title to the Units represented thereby.
- 25.12 Any person becoming entitled to a Unit in consequence of the death or bankruptcy or any sole Unitholder or of the survivor of joint Unitholders may subject as hereinafter provided upon producing such evidence as to his title as the Trustee shall think sufficient either be registered himself as Holder of such Unit upon giving the Trustee/ Distribution Company such notice in writing of his desire or transfer such Units to some other person. All the limitations, restrictions and provisions of this Deed relating to transfer shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer was a transfer executed by the Unitholder. Provided however, the Registrar or the Trustee may at their discretion request the survivors to provide succession certificates or other such mandates from a court or lawful authority, if they consider necessary.
- 25.13 The Trustee shall retain any moneys payable in respect of any Unit(s) of which any person is, under the provisions as to the transmission of Units hereinbefore

contained, entitled to be registered as the Unitholder or which any person under those provisions is entitled to transfer, until such person shall be registered as the Holder of such Units or shall duly transfer the same.

## **26. ISSUANCE OF CERTIFICATES**

- 26.1 Upon being satisfied that the Offer Price for each Unit or fraction thereof has been received in full from the applicant, the Registrar shall issue an account statement that will constitute evidence of the number of Units registered in the name of the Unitholder.
- 26.2 Certificates shall be issued only if so requested by the Unitholder at the time of application or at any later stage (save in the case of Units issued under certain administrative arrangements that exclude issuance of certificates) and upon payment of a fee not exceeding twenty five (25) Rupees per Certificate of any denomination, subject to revision of fee from time to time by the Management Company. The proceeds of such fee will accrue to the Management Company.
- 26.3 Certificates shall only be issued for Units that have been fully paid.
- 26.4 Certificates where requested shall be issued as herein provided not later than twenty-one Business Days after the date of such request. The Certificate may be sent to the Unitholder or his duly authorized nominee at his own risk by registered post or by courier service.
- 26.5 In the case of Units held jointly the Registrar shall not issue more than one Certificate for the Units held by such joint Unitholders and delivery of such Certificates to the Unitholder named first therein shall constitute sufficient delivery to all joint Unitholders.
- 26.6 Certificates shall be issued in such form as may from time to time be agreed between the Management Company and Trustee, shall bear a distinctive and serial number and shall specify the number of Units represented thereby and the name and address of the Unitholder as appearing in the Register.
- 26.7 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 (or a Distributor if so specifically authorized by the Management Company), which shall always be autographic. No Certificate shall be of any force or effect until signed as herein above mentioned. Certificate so signed shall be valid and binding

notwithstanding that before the date of delivery thereof the Trustee or the Management Company or the Register or any person whose signature appears thereon as a duly authorized signatory may have ceased to be the Trustee, Management Company, Registrar, Distributor or an authorized signatory.

## **27. REPLACEMENT OF CERTIFICATES**

- 27.1 Subject to the provisions of this Deed and in particular to the limitations of the denomination of Certificates as may be fixed by the Management Company and subject to any regulations from time to time made by the Trustee with the approval of the Management Company every Unitholder shall be entitled to exchange upon surrender of the existing Certificate any or all of his Certificates for one or more Certificates of such denomination as he may require representing the same aggregate number of Units.
- 27.2 In case any Certificate shall be lost, stolen, mutilated, defaced or destroyed, the Registrar with the approval of the Management Company may issue to the person entitled new Certificates in lieu thereof. No such new Certificates shall be issued unless the applicant shall previously have (i) returned the mutilated or defaced Certificate or furnished to the Distribution Company/ Registrar evidence satisfactory to the Management Company of the loss, theft or destruction of the original Certificate, (ii) paid all expenses incurred in connection with the investigation of the facts; and (iii) furnished such indemnity as the Management Company and the Trustee may require. Neither the Management Company nor the Trustee nor the Distribution Company/ Registrar shall incur any liability for any action that they may take in good faith under the provisions of this sub-clause. Provided further that the Trustee and/ or the Management Company may also require issuance of public notices in newspapers at the cost of the pertinent Unitholders before issuing any new Certificates.
- 27.3 Before the issuing of any Certificate the payment to it of a fee of twenty five Rupees for each Certificate, subject to revision of fee from time to time by the Management Company together with a sum sufficient in the opinion of the Management Company to cover any Duties and Charges payable in connection with the issue of such Certificate.

## **28. TRANSFER OF UNITS**

- 28.1 Every Unitholder 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.
- 28.2 A Certificate shall be transferable only in its entirety.

- 28.3 Every instrument of transfer must be signed by both the transferee and the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof.
- 28.4 Every instrument of transfer must be duly completed in all respects including affixation of transfer stamps of the requisite value. Where Certificates have been issued the Trustee may dispense with the production of any Certificate where the Certificate shall have become lost, stolen or destroyed subject to compliance by the transferor with the like requirements to those arising in the case of an application by him for the replacement thereof as provided in this Deed.
- 28.5 All instruments of transfer shall be retained by the Registrar.
- 28.6 The Registrar with the prior approval of the Management Company and the Trustee shall be entitled to destroy all instruments of transfer or the copies thereof as the case may be which have been registered at any time after the expiration of twelve years from the date of cancellation thereof and all Certificates which have been cancelled at any time after the expiration of three years from the date of cancellation thereof and all registers, statements and other records and documents relating to the Trust at any time after the expiration of six years from termination of the Trust. The Trustee or the Management Company or the Distribution Company/ 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 Distribution Company/ Registrar that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered by the Trustee or the Management Company or the Distribution Company/ Registrar and that every Certificate so destroyed was a valid Certificate duly and properly cancelled: Provided always that (i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant; (ii) nothing in this sub-clause shall be construed as imposing upon the Trustee or the Management Company or the Distribution Company/ Registrar any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of provision (i) above are not fulfilled; and (iii) reference herein to the destruction of any document includes reference to the disposal thereof in any manner.

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

- 29.1 Any Unitholder/ or all joint Unitholders may request the Registrar to record a pledge/ lien of all or any of his/ their Units in favor of any third party legally entitled to invest in such Units in its own right. The Registrar shall register a lien on any Units in favour of any third party with the specific authority of the Management Company.
- 29.2 The Lien once registered shall be removed by the authority of the party in whose favour the lien has been registered or through an order of a competent court or lawful authority. Neither the Trustee, nor the Management Company, nor the

Registrar, shall be liable for ensuring the validity of any such pledge/ charge/ lien. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge/ 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.

- 29.3 Payments of dividends or the issue of bonus Units and redemption proceeds of the Units under lien/ pledge/ charge shall be made to the lien/ charge/ pledge holder for the account of the Unitholder.

### **30. AUDIT**

- 30.1 The first Auditor shall be M. Yousuf Adil Saleem & Co., Chartered Accountants, Karachi. Thereafter, the Management Company shall in consultation with the Trustee appoint as auditor, a Chartered Accountant who shall be independent of the auditor of the Management Company and the Trustee. The Management Company may at any time, with the concurrence of the Trustee, remove the Auditor and appoint another Auditor in its place.
- 30.2 The Auditor shall hold office until transmission of the annual report and accounts may be re-appointed for up to three consecutive terms of one year each. Thereafter, that the Auditor shall only be eligible for appointment after the lapse of at least one year. The following persons shall not qualify to be the Auditors of the Trust:
- (a) A person who is or at any time during the preceding three years was a director, officer or employee of the Management Company or the Trustee.
  - (b) A person who is a partner of, or in employment of, a director, officer, employee, or Connected Person of the Management Company or Trustee.
  - (c) The spouse of a director of the Management Company or Trustee.
  - (d) A person who is indebted to the Management Company or Trustee.
  - (e) A body corporate.
- 30.3 The Auditor shall have access to the books, papers, accounts and vouchers of the Trust, whether kept at the office of the Management Company, Trustee, custodian, Registrar, Distribution Company 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.
- 30.4 The Auditor shall carry out a continuous compliance audit with such scope and frequency as is agreed between the Trustee and the Management Company. Copies of the Auditor's reports shall be sent directly to the Trustee.
- 30.5 The Trustee shall be entitled to require the Auditors to provide such reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Rules.

- 30.6 The Auditor shall prepare a written report to the Unitholders on the account and books of accounts of the Trust and the balance sheet and income and expenditure account and on every other document forming part of the balance sheet and income and expenditure account, including notes, statement or schedule appended thereto.
- 30.7 The contents of the Auditor's report shall be as required in the Rules.
- 30.8 The Management Company shall:
- (a) within four months or as specified by the SECP from time to time in accordance with the law of closing of the Accounting Period, prepare and transmit the annual report together with a copy of the balance sheet, income and expenditure account together with the Auditor's report for the Accounting Period to the SECP and Unitholders in accordance with the Rules.
  - (b) within one month or as specified by the SECP from time to time in accordance with the law of the close of the first, second and third quarter of each of its Accounting Year, prepare and transmit to the Unitholders and the SECP, balance sheet as at the end of that quarter, profit and loss account, cash flow statement and a statement of changes in equity for that quarter, whether audited or otherwise.

### **31. DETERMINATION OF DISTRIBUTABLE INCOME**

- 31.1 The Management Company shall decide as soon as possible but not later than forty-five days after the Accounting Date whether to distribute among Unitholders, profits, if any, available for the distribution at the end of the Accounting Period, and shall advise the Trustee of the rate of such distribution per Unit.
- 31.2 The amount available for distribution in respect of any Accounting Period shall be determined by the Management Company after consulting the Auditors and shall be the sum total of: ?
- (a) The total income received on the Fund Property during such Accounting Period including all amounts received in respect of dividend, mark-up, profit, interest and fee;
  - (b) Net realized appreciation as set out in sub-clause 31.3; from which shall be deducted expenses as set out in sub-clause 31.4, adjustment as set out in sub-clause 31.5 and such other adjustment as the Management Company may determine in consultation with the Auditors.
- 31.3 The proceeds of sales of rights and all other receipts deemed by the Management Company after consulting the Auditors to be in the nature of capital accruing from

Investments shall not be regarded as available for distribution but shall be retained as part of the Fund Property, provided that such amounts out of the sale proceeds of the Investments or out of the sale proceeds of the rights, bonus appreciation may be distributable to the Unitholders by the Trustee and shall thereafter cease to form part of the Fund Property once transferred to the Distribution Account.

- 31.4 The income qualifying for distribution in respect of the relevant period shall be ascertained by deducting:
- 31.4.1 Remuneration of the Management Company;
  - 31.4.2 Remuneration of the Trustee;
  - 31.4.3 Brokerage and transaction costs related to investing and disinvesting of the Fund Property;
  - 31.4.4 Legal and related costs incurred in protecting or enhancing the interests of the Fund or the collective interest of the Unitholders;
  - 31.4.5 Bank charges and borrowing/ financial costs;
  - 31.4.6 Audit Fees;
  - 31.4.7 Formation Costs amortized over a period not exceeding five years;
  - 31.4.8 Annual Fee payable to the SECP under the Rules;
  - 31.4.9 Taxes applicable to the Trust on its income, turnover, assets; and
  - 31.4.10 All expenses incurred by the Trustee in effecting the registration of all registerable property in the Trustee's name.
- 31.5 The income qualifying for distribution in respect of the relevant period shall be adjusted as under:
- (a) Deduction of a sum by way of adjustment to allow for effect of purchase of shares or any of the Investments cum dividend, interest, profit or mark-up;
  - (b) Addition of a sum representing amounts included in the price of Units for income accrued up to the date of issue and deduction of a sum representing all participation in income distributed upon redemption of Units during the relevant period;
  - (c) Adjustment if considered necessary by the Management Company to reflect the diminution in value of Fund Property in consultation with the Trustee.

## **32. DISTRIBUTION OF INCOME**

- 32.1 On each Accounting Date the Management Company shall instruct the Trustee to transfer such amount of cash as required to effect such distribution to the Distribution Account. The amount standing to the credit of the Distribution Account shall not for any purposes of this Deed be treated as part of the Fund Property but shall be held by the Trustee upon trust to distribute the same as herein provided.
- 32.2 After the fixation of the rate of distribution per unit, distribution payments shall be made by transfer to the Unitholders' designated bank accounts or in the case of joint Unitholders to designated bank account of the joint Unitholder, first named on the Register. Alternatively, if instructed by the Unitholder, the payment shall be made by dividend warrants/cheques which shall be dispatched by registered post at the registered address of the Unitholder and in case of joint Unitholders, at the registered address of the joint Unitholder first named on the Register. The receipt of funds by such designated bankers or the dividend warrant/ cheque by the Unitholder, as above, shall be a good discharge therefor.
- 32.3 Before making any payment in respect of a Unit the Trustee or the Management Company may make such deductions as may be required by law in respect of any Zakat, income or other taxes, charges or assessments whatsoever and issue to the Unitholder the certificate in respect of such deduction in the prescribed form or in a form approved by the concerned authorities.
- 32.4 The Management Company may offer the Unitholder the option to receive new Units under cumulative investment instead of cash dividend.

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

- 33.1 The Management Company may terminate CDF, if the Net Assets at any time fall below Rupees fifty million. The Management Company shall give at least three months notice to Unitholders and shall disclose the grounds of its decision. The Management Company may announce winding up of the Fund without notice in the event redemption would jeopardize the interests of the remaining Unitholders and that it would be in the best interest of all the Unitholders that the Fund be wound up.
- 33.2 In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Fund being run down to an unmanageable level or it is of the view that the sell-off of assets is likely to result in a significant loss in value for the Unitholders who are not redeeming, it may announce winding up of the Fund without notice.
- 33.3 The Trust may also be terminated by the SECP on the grounds given in the Rules.
- 33.4 This Deed may be terminated in accordance with the conditions specified in the Rules if there is any breach of the provisions of this Deed or any other agreement or

arrangement entered into between the Trustee and Management Company regarding the Unit Trust. However, if the Trustee is acting as a combined trustee of two or more Unit Trusts constituted by the Management Company and the termination of the Trustee of any one of the Unit Trust is likely to require the termination of the Trustee for the other Unit Trust(s), which form(s) integral part of any administrative plan(s) covering more than one Unit Trust(s) then both the parties will act in a manner that causes the least degree of inconvenience to the investors and is the most cost efficient for the Unit Trusts and the Management Company.

#### **34. DISTRIBUTION OF LIQUIDATION PROCEEDS**

- 34.1 Upon the Trust being terminated the Management Company shall suspend the sale and redemption of Units forthwith and proceed to sell all Investments then remaining in the hands of the Trustee as part of the Fund Property and shall repay any borrowing effected by the Trust together with any mark-up remaining unpaid.
- 34.2 The Trustee on the recommendation of the Management Company shall from time to time distribute to the Unitholders pro rata to the number of Units held by them respectively all net cash proceeds derived from the realization of the Fund Property after making payment as mentioned in sub-clause 34.1 and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands.

#### **35. TRUST DEED**

- 35.1 This Deed shall be subject to and be governed by the Laws of Pakistan including the Ordinance, the Rules and all other applicable laws and regulations and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed by the Rules are incorporated in this Deed as a part and parcel thereof and in the event of any conflict between this Deed and the provisions required to be contained in a trust deed by the Rules, the latter shall supersede and prevail over the provisions contained in this Deed.
- 35.2 The terms and conditions of this Deed and any deed supplemental hereto shall be binding on each Unitholder and each Unitholder authorizes and requires the Trustee and the Management Company to do so as required by the terms of this Deed.
- 35.3 The Trustee and the Management Company acting together shall be entitled by a deed supplemental hereto to modify, alter or add to the provisions of this Deed in such manner and to such extent as they may consider expedient for any purpose, specially if the Management Company shall decide to offer different Administrative and Investment Plans for the Investors under this Scheme and to also correspondingly amend the Offering Document or issue Supplemental Offering Documents for such new Plans from time to time, subject only to the approval of the SECP, if so required. Provided that, the Trustee and the Management Company shall certify in writing that, in their opinion such modification, alteration or addition

to the Trust Deed or the Offering Document and/or the Offering of new or additional Administrative and Investment Plans and the issuance of Supplemental Offering Documents is/are in the best interest of the Investors and the Unitholders or that such amendments, alterations or modifications are required pursuant to any amendment in the Rules to ensure compliance with any fiscal or statutory requirement or to enable the provisions of this Deed to be more efficiently, conveniently or economically managed or to enable the Units to be dealt in or quoted on a Stock Exchange or otherwise for the benefit of the Unitholders and that it does not prejudice the interests of the Unitholders or any of them or operate to release the Trustee or the Management Company from any responsibility to the Unitholders.

- 35.4 Where this Deed has been altered or supplemented the Management Company shall notify at the registered addresses of the Unitholders at least seven days prior to the effectuation of any such amendments and the dispatch of the notices to the Unitholders will be announced in one daily leading newspaper having its primary circulation in Pakistan.
- 35.5 The Management Company may from time to time with the consent of the Trustee frame rules or regulations for conducting the business of the Trust or in respect of any other matter incidental thereto; provided such rules or regulations are not inconsistent with the provisions of this Deed or the Offer Documents.

### **36. ARBITRATION**

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

### **37. CONFIDENTIALITY**

The Trustee, the Management Company, the Registrar and Distributors and every director or officer of the said parties who are in any way engaged in the business of the Trust and all persons employed or engaged by the said parties in connection with the business of the

Trust shall observe strict confidentiality in respect of all transactions of the Trust, its Unitholders 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.

### **38. MISCELLANEOUS**

- 38.1 Any notice required to be served upon the Unitholder shall be deemed to have been duly given if sent by post or courier service to or left at his address as appearing in the Register. Any notice so served by post shall be deemed to have been served on the day following that on which the letter containing the same is posted, and in proving such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted.
- (a) The Trustee or the Management Company shall advertise any such notice in two leading daily newspapers in Pakistan having its primary circulation in Karachi, Lahore and Islamabad
  - (b) Service of a notice or document on any one of several joint Unitholders shall be deemed effective service on the other joint Unitholders.
  - (c) Any notice or document sent by post or courier service to or left at the registered address of a Unitholder shall notwithstanding that such Unitholder be then dead or bankrupt and whether or not the Trustee or the Management Company have notice of his death or bankruptcy be deemed to have been duly served and such service shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under him) in the Units concerned.
- 38.2 A copy of this Deed and of any such supplemental deed shall be made available for inspection at the respective Head Offices of the Trustee and of the Management Company at all times during usual business hours and shall be supplied by the Management Company to any person on application at a charge of fifty (50) Rupees per copy or at such rate as determined from time to time by the Management Company.



## Annexure “A”

Trustee's Tariff Structure for Trusteeship of the Unit Trust.

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

<b>Amount of Funds Under Management (Average NAV)</b>	<b>Tariff per Annum</b>
For amount up to Rs.1.00 billion	0.50%
For amount exceeding Rs.1.00 billion	Rs.5,000,000 plus 0.10% for amounts exceeding Rs.1.00 billion

**Annexure “B”**

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

19 August 2003

No. SC/NBFC-II-JD(R)/415/2003

The Chief Executive  
Crosby Asset Management Limited,  
8<sup>th</sup> Floor, PIC Tower, M.T. Khan Road,  
**Karachi**

**Subject: Trust Deed of Proposed Crosby Dragon Fund**

Dear Sir,

I am directed to refer to your letter dated 28 July 2003 concerning the subject matter and to say that the Securities and Exchange Commission of Pakistan has no objection to the registration of trust deed of the proposed Crosby Dragon Fund. The company shall submit duly registered copy of the Trust Deed and other documents as specified in rule 67 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, to the Commission for authorization of the scheme.

Yours truly,

**(Muhammad Afzal)**  
Joint Director

**Annexure “C”**

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

19 August 2003

No. SC/NBFC-II-JD(R)/414/2003

Chief Executive,  
Crosby Asset Management Limited,  
8<sup>th</sup> Floor, PIC Tower, M.T. Khan Road,  
**Karachi**

**Subject: Trustee of Proposed Crosby Dragon Fund**

Dear Sir,

I am directed to refer to your letter dated 20 June 2003 and to say that the Securities and Exchange Commission of Pakistan is pleased to approve the appointment of Jahangir Siddiqui Investment Bank Limited as trustee of the proposed Crosby Dragon Fund in terms of rule 74 and 75 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.

Yours truly,

**(Muhammad Afzal)**  
Joint Director